

365-REVIEW

QUARTER 1

1. A new client portal was introduced using OneAgri, which resulted in an improved user experience and more self-help features.
2. Senwes' continuous risk response with regards to the global Covid-19 pandemic ensured that residual risk remained within our risk tolerance levels and mitigated certain operational losses.
3. Senwes Grain Procurement designed a new weighted average commodity price product and introduced it to the market.
4. During the lockdown, Raddix implemented premium relief measures to more than 1 000 policy holders.
5. Grainovation changed its business model to being an asset-light brokerage-only solution and therefore sold its fleet.
6. Senwes launched the Agricultural Value Chain (AVC) Food Umbrella Project, to help ensure food security amidst the Covid-19 pandemic and in doing so, fed in excess of 440 000 people.
7. The AVC virtual discussion series continued and broadcasted nine sessions in total, which focused on various value chains within the agricultural sector.
8. Senwes Equipment generated record used whole goods sales with a growth rate of 15% compared to the previous year.
9. Senwes Credit introduced new financing products for long-term crops and a seasonal account for producers along the Orange River was designed and is operational. Focused attention is being afforded to supporting the expansion in the Northern Cape region through our KLK credit office.
10. Upgrading of lifts at various silos at a cost of R4,2m in order to ensure the safety of staff, save maintenance costs and ensure effective quality management.



QUARTER 2

1. Senwes developed and implemented new fuel forecourt technology utilising a single device and enabling clients to link accounts to a digital transaction experience.
2. Senwes Grainlink supported producers who suffered losses during the wildfires by donating significant tonnages of maize for animal feed purposes.
3. Senwes redesigned the group's strategic approach to that of a risk-based strategic approach.
4. KLK obtained Competition Commission approval during August 2020 to acquire an additional 30% in Carpe Diem Raisins.
5. Senwes Equipment's parts division hit record figures with an increase in sales of 43,9%.
6. Bastion's plant at Buhmansdrif was upgraded in response to higher demand and production capacity increased from 90 tonnes per hour to 120 tonnes per hour.
7. Bastion's market share increased at Britten and Marico due to focused marketing and optimised utilisation of the retail channels of agri-companies. Sales increased by 35% and production by 68% compared to the previous year.
8. Senwes effectively obtained a 100% share of the Hinterland Group after the unbundling of the JV with AFGRI.
9. Competition Commission approval was obtained for the Senwes and Suidwes merger, which became effective on 31 October 2020.
10. Senwes Equipment's new whole goods division realised a significant increase in sales of 99,9% compared to the previous year.
11. Staalmeester extended its product ranges in the rakes and drum mower product groups. Staalmeester also expanded its market reach into Botswana and Zimbabwe with approved dealers.
12. The retail business obtained the OK Grocer franchises as a diversification method of reducing business risks. However, since the opening of the OK Grocers at Jan Kempdorp and Bultfontein, these two businesses made yearly losses. During September 2020 and October 2020 the board approved the sale of the OK Grocers at Jan Kempdorp and Bultfontein.
13. KLK installed the new biodegradable tub production line at Cool Raisins for Woolworths production.
14. KLK decreased working hours to counteract lower slaughter volumes in the skins division due to the drought in the Northern Cape.
15. Senwes Equip Holdings acquired Falcon Agricultural Equipment on 1 November 2019. Falcon Agricultural Equipment is now fully incorporated into the Senwes Equip Holdings Group.
16. Senwes Credit debt in arrears as percentage of the total outstanding debt as at 30 September 2020, was 7,9% lower than the average September arrears for the previous three years.



QUARTER 3

1. Thobo Trust launched a new Early Childhood Development (ECD) centre at the Itokisetseng Combined School in Wesselsbron. The annual Christmas Tree project was also hosted.
2. Senwes, together with various partners and sponsors, extended drought relief to the drought-stricken areas of Kenhardt, Brandvlei, Calvinia and Pofadder in the Northern Cape in the form of 160 tonnes of white maize.
3. Senwes provided flood relief to producers affected by above-normal rainfall in the Free State districts of Hoopstad and Bultfontein by making earthmoving equipment available and sponsoring the diesel thereof.
4. From 1 November 2020 the Suidwes retail branches were integrated into Hinterland. The Suidwes retail branches in Wesselsbron and Bultfontein were closed. The Hinterland retail branches in Bothaville and Wolmaransstad were closed and transferred to the Suidwes branches.
5. Wynland (Pty) Ltd, a 100% subsidiary of NviroTek Laboratories, was incorporated into NviroTek Laboratories as a division, and new financial and laboratory information management systems were implemented.
6. Bastion procured and constructed a modular plant at Marico to permanently increase production capacity. The production at Marico increased by 150% compared to the same period during the previous year.
7. Bastion obtained 51% shareholding in Pelelani (Pty) Ltd, which will be focusing on the optimisation of limestone resources.
8. Senwes Credit transferred its operations to a separate legal entity (Agri Credit Solutions) as part of the group's restructuring process.
9. As a result of Covid-19, all Hinterland capital projects were suspended and limited to emergencies only. This includes upgrades at the Oberholzer, Bloemfontein and Hoopstad fuel stations. A point of sale forecourt system was installed at all the fuel stations and a property in Doringkruin, Klerksdorp was acquired to erect another fuel station.
10. The results of the subsidiary of KLK Landbou, Carpe Diem Raisins, increased by 111% compared to the previous year, mainly due to 3 768 more tonnes sold and the impact of the weaker rand as most of these raisins are exported.
11. As a result of the Suidwes merger, Senwes' storage capacity increased by 30% due to the additional silos of Suidwes Landbou.
12. A bin at Allanridge which was damaged due to spontaneous combustion, was replaced at a cost of R10,4m.
13. A strategic decision by Senwes resulted in the closure of its grain trading business, Tradevantage. This resulted in the business model being changed to sell grain on an equal basis on Basislink to all role players in the market.

QUARTER 4

1. Senwes Equipment effectively merged with Agrifriend Equipment, consolidating the two mechanisation businesses. Seven of the nine Agrifriend Equipment branches remained operational. These branches will supply surrounding areas as John Deere dealers.
2. The integration of the Suidwes branches into Hinterland has been completed and the benefits are already becoming evident.
3. The Agrinet wholesale business was successfully incorporated into Prodist.
4. The Hinterland retail division achieved a record turnover during February 2021. Pre-season sales for February 2021 were more than double compared to the previous year.
5. In terms of Hinterland's turn-around strategy, a new management team was appointed and cost reduction measures were implemented. Total expenses were 19,8% lower than the 2020 financial year. Inventory processes were also optimised with the development and implementation of a new automated ordering system.
6. The sales of Agrinet increased by 24% and new product ranges were introduced including Revet cleaning products, Agpro sanitisers, Worksmen handtools, Skudo, Basecamp, Cascade pumps and Wortex pumps.
7. During the month of March, Agrifriend Equipment was appointed as agent for John Deere Construction and Forestry Equipment in the Northwest, Free state, Northern Cape and Eastern Cape. Agrifriend Equipment will launch these product ranges during the 2022 financial year.
8. Bastion's gypsum plant in Britten was upgraded and the production capacity improved from 10 tonnes per hour to 30 tonnes per hour.
9. Phokeng gypsum was added to Bastion's product offering and calcite-dolomite-gypsum and calcite-dolomite blends are now also produced at the Marico plant.
10. KLK rolled out a new credit model in conjunction with Agri Credit Solutions and they will continue with the insurance broking model on an agency basis with Certisure, which will also align with the credit solution.
11. Agribel Holdings, Senwes' holding company, acquired Grindrod's Senwes shares during March 2021. These shares were in the market for quite some time since Grindrod was exiting non-core investments in terms of its strategy. Agribel now holds 74% of the issued shares in Senwes and is well positioned to consider potential strategic equity opportunities.
12. As part of the Suidwes transaction, Senwes acquired two petfood businesses, namely Supreme Pet and AgriPet. The Senwes Group strives to hold investments in companies closely linked to the agricultural sector only and therefore subsequently sold these two businesses to external parties.
13. The growth in the debtors' book for the 2020/21 financial year amounted to 6%. This was primarily due to an increase in production credit and term loans. The production credit increased by 7,5% (R187,5m) and term loans by 5% (R83,7m). The growth was primarily in the traditional Suidwes area, as well as the Eastern Free State, Mpumalanga and KZN-areas where the integrated production credit model with Hinterland was rolled out.
14. Silo aeration upgrades were completed at a cost of R10m in order to improve the efficiency of receiving grain at higher moisture levels.