KAL GROUP

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the six months ended 31 March

2025

Salient features

Gross profit
R1,66 billion
+0,9%
(LY: R1,65 billion)

EBITDA
R557,1 million
-2,1%
(LY: R569,1 million)

Profit before taxation
R440,6 million
-3,9%
(LY: R458,5 million)

Earnings per share
394,29 cents per share
-3,6%
(LY: 409,06 cents per share)

Headline earnings per share
392,47 cents per share
-4,0%
(LY: 408,74 cents per share)

Recurring headline earnings per share
393,65 cents per share
-3,7%
(LY: 408,74 cents per share)

Net cash from operating activities
R553,6 million
-3,1%
(LY: R571,4 million)

Net interest-bearing debt to equity
improved to
48,4%
(LY: 56,5%)

Interim dividend
56,00 cents per share
+3,7%
(LY: 54,00 cents per share)

LY = 31 March 2024

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Commentary

FINANCIAL RESULTS

Revenue came under pressure during the first six months of the financial year ("H1" or "period"), largely due to the high contribution (57,6%) of fuel revenue to total revenue and reduced grain handling income. Fuel prices reduced by an average 12,4% when compared to the first six months of the previous financial year ("LY" or "prior year"). Both retail and agri-input channel revenue increased.

Given the diverse nature of the Group, and specifically the significant impact of volatile fuel prices, it is more appropriate to consider income channel inflation separately rather than overall Group inflation. Year-on-year ("YOY") inflation for the 12 months as at March by income channel is estimated at 2,2% (retail) and 3,1% (agri).

Group fuel volumes decreased by 2,6% but continued to outperform the industry-wide fuel volume reductions experienced. Loadshedding-related fuel demand was lower in H1 compared to LY, annualising in March. Fuel volume performance remains specific to various routes, with petrol outperforming diesel. Convenience and quick service restaurant ("QSR") performance was encouraging. During the period, TFC Operations (Pty) Ltd ("TFC") was rebranded to PEG Retail Operations (Pty) Ltd ("PEG"), consolidating the Group's fuel and retail convenience business under one entity. Fuel prices, although more stable than LY, remain volatile due to global influences. Market share gains have been made in PEG and Agrimark fuel channels due to our product availability and reliability of supply.

Gross profit ("GP") grew by 0,9% (1,5% when excluding the impact of YOY fuel price change gains) and ahead of revenue performance. Despite revenue pressure in general retail, the increased contribution of high-margin convenience and QSR revenue, ongoing retail margin management initiatives, and growth in distribution centre throughput supported retail trading margin growth. Agri-input channel margins were slightly lower on the back of strong revenue growth.

Operational expenditure, a constant focus area, was well managed during the period, growing by only 1,9%.

Interest received decreased by 9,6% compared to LY on the back of lower interest rates and lower average debtors' balances due to slower credit sales. Interest paid to banks decreased by 13,1% due to lower interest rates and lower average interest-bearing debt levels, resulting from scheduled term debt repayments being met.

EBITDA reduced by 2,1% to R557,1 million, down from R569,1 million LY. Profit before tax ("PBT") decreased by 3,9% to R440,6 million, from R458,5 million in the prior corresponding period.

Headline earnings ("HE") were 4,6% lower (2,4% lower when excluding the impact of YOY fuel price change gains), while recurring headline earnings ("RHE") reduced by 4,3% (2,1% lower when excluding the impact of YOY fuel price change gains). Once-off items, predominantly costs associated with new business developments, are excluded from HE to calculate RHE. HE per share decreased by 4,0% to 392,47 cents, while RHE per share reduced by 3,7% to 393,65 cents.

OPERATING RESULTS

Revenue from the Agrimark business segment, which includes the Agrimark retail branches, Agrimark fuel filling stations, Agrimark Packaging distribution centres, New Holland agency services as well as fuel redistribution units, increased by 2,8% YOY and PBT increased by 2,4%. The growth in PBT was negatively impacted by lower interest earned on a lower average debtors' book and lower fuel price gains. Within retail, the various building material categories' performances mirrored a subdued building sector, with cement volumes 0,7% down YOY. Agri revenue growth was strong during the period, with all sectors in which we operate performing well, except for the below-average 2024 wheat harvest. Lower spend on alternative energy and lower interest expenditure freed up farmer cash flow, with positive trends in infrastructural spend. One new Agrimark was opened during the period in Kwazulu-Natal. Our recently added Specialised Professional Services division has contributed to agri-infrastructure market share growth. Good fruit harvests resulted in revenue growth of packaging materials, the second-largest product category within Agrimark stores, and ongoing market share gains were achieved in the Kouga region. In addition to several footprint expansions currently at various stages of finalisation, we continue to explore opportunities to expand our presence without the need for physical stores. While Agrimark Mechanisation revenue performance was flat, GP improved due to a change in sales product mix.

PEG revenue decreased by 16,1% due to lower fuel prices, subdued volumes and Easter occurring in April this year, with PBT decreasing by 11,8% (4,8% lower when excluding the impact of YOY fuel price change gains). During the period, as part of PEG's continued review of non-strategic sites, 9 fuel sites were disposed of to Agrimark. Although this negatively impacted the PBT of PEG, Agrimark has the ability to manage these sites more effectively due to shared management structures aligned with existing footprint. Footprint expansion within PEG is paramount to achieving our 2030 strategic goals. To this effect, 5 new fuel sites awaiting regulatory approval and 3 new QSRs are on track to be added during the second six months of the financial year ("H2"). During H1, 5 QSR upgrades (including digital customer kiosks), 1 new QSR and 2 solar and battery alternative energy installations were completed. The pipeline for further new sites and QSRs is positive, upgrades will continue and more diversified QSR offerings will be forthcoming. The consolidation of PEG's fuel and retail convenience business under one entity will deliver efficiency and controls benefits.

Agrimark Grain includes grain handling and storage of grain and related products, seed processing and potato seed marketing. The 2024 wheat intake was impacted by poor yields and quality resulting from excessive rainfall during the growing season. Wheat volumes received, and not revenue, is the more appropriate indicator of performance in this business segment. The lower yields impacted grain handling income negatively, with Agrimark Grain PBT down 10,2% YOY. As always highlighted, the majority of grain services income is realised during the grain intake period, and in the form of storage income during the few months thereafter, whereas storage facility costs are incurred throughout the year. As such, the expectation is that operating PBT within grain services for H1 will be higher than for H2. We are on track to add further storage capacity for the 2025 harvest.

Manufacturing produces dripline, sprinkler irrigation products and plastic bulk bins for the agricultural market as well as offering agency services for imported irrigation products. Although irrigation-related revenue was flat, the sales of bulk bins improved YOY. The performance of Tego Plastics (Pty) Ltd remained below expectation. Our communicated intention to exit the manufacturing segment is progressing well.

The Corporate division costs, which includes the cost of support services, and other costs not allocated to specific segments, were well managed and compared to LY, remained at similar levels as a percentage of GP.

FINANCIAL POSITION

Value-accretive capital allocation and cash management are priority key performance indicators. Capital spend was suitably contained to R76,4 million but was slower due to delays in fuel site licence approvals. This spend included R28,5 million spent on various expansion-related projects, R35,3 million for replacement and upgrade capital expenditure and R12,6 million allocated to alternative energy installations. R4,7 million of capital was released through disposals. Capital spend will accelerate during H2.

Working capital has been effectively managed. Although debtors ended the period 0,9% higher YOY, average debtors' balances were 2,6% lower during the period compared to LY due to lower credit sales. Debtors not within terms reduced by 1,2% of trade debtors. Despite the ongoing health of the book, we have proactively increased our expected credit allowance provision in relation to the debtors' book. Suitable securities are held, and we are adequately provided for when considering the overall health of the debtors' book.

Inventory reduced by 6,8%, with a continued focused approach to holding the correct levels of appropriate stock. The impact of centralised procurement and distribution and the higher contributions of quicker-moving convenience retail and fuel stock supported the inventory reduction.

Trade creditors were R244,7 million lower YOY. As reported previously, due to Easter falling over the March month-end in 2024, one of our large fuel suppliers drew their March payment later than normal, resulting in R211,2 million being paid in early April. This did not re-occur this year.

The Group's debt reduction continued during the period. Compared to LY, net interest-bearing debt reduced by R32,3 million, with R201,9 million in term debt being settled during the 12 months. The above-mentioned late payment draw by a fuel supplier resulted in a positive impact of R211,2 million on net interest-bearing debt compared to LY. On a like-for-like basis, net interest-bearing debt reduced by R243,5 million YOY, with resilient trading and prudent capital expenditure management positively impacting borrowing levels.

The Group's debt-to-equity ratio decreased to 48,4% (LY: 56,5%) with interim net debt to EBITDA constant at 3,3 times (LY: 3,3 times) and interest cover of 4,9 times (LY: 5,1 times). Gearing reduction is expected to slow down during H2 due to the onboarding of new PEG fuel sites, with sufficient access to funding available to support ongoing and growth requirements.

Group cash generation remains strong and, together with lower debt levels, positions the business well to capitalise on potential quality- and value-enhancing opportunities.

DIVIDEND

A gross interim dividend of 56,00 cents per share (2024: 54,00 cents per share) has been approved and declared by the Board of directors of the Group, from income reserves, for the six months ended 31 March 2025. The interim dividend amount, net of South African dividends tax of 20%, is 44,80 cents per share for those shareholders not exempt from dividend tax or who are not entitled to a reduced rate in terms of the applicable double tax agreement.

The salient dates for this dividend distribution are:

Declaration date	**Thursday, 8 May 2025**
Last day to trade *cum dividend*	**Tuesday, 3 June 2025**
Trading *ex-dividend* commences	**Wednesday, 4 June 2025**
Record date to qualify for dividend	**Friday, 6 June 2025**
Date of payment	**Monday, 9 June 2025**

Share certificates may not be dematerialised or rematerialised between Wednesday, 4 June 2025 and Friday, 6 June 2025, both days inclusive.

The number of ordinary shares in issue at declaration date is 74 319 837 and the income tax number of KAL is 9312717177.

OPERATING ENVIRONMENT

The overall SA operating environment remains challenging and despite some positive sentiment during late 2024, recent developments, specifically the uncertainty around the GNU (locally) and the US trade war (globally), have negatively impacted a number of key economic indicators, albeit that the impact of these developments is not yet fully reflected in these indicators.

GDP growth continues to be constrained, inflation and exchange rates remain unpredictable and anticipated interest rate reductions have slowed. Positively, business-, consumer- and agri-business confidence have all improved and retail sales are creeping up. The uptick in building plan approvals towards the end of last year seems to have eased, indicating that the sector remains under pressure. Fuel prices have been less volatile than LY and are lower on average, boding well for consumers.

Group revenue pressure remained across the general retail channel during H1, however agri performance saw a definite improvement compared to prior periods. Lower fuel prices continued and lower YOY fuel price gains negatively impacted fuel margins. Convenience retail growth was healthy. Overall inflation has come off, with low inflation in both general retail and agriculture categories and deflation in fuel categories. The 2024 wheat harvest yield, which impacts the 2025 financial year, realised lower volumes and quality, and farm prices were lower. Costs of agricultural inputs have decreased from the highs experienced in 2022 but remain well above 2019 levels. Port challenges continue to improve, albeit slowly.

The Group's strategic footprint and facilities, which include financial, grain handling and agency services, support a diverse client network through 270 business units spread across all nine South African provinces and Namibia.

OUTLOOK

There is little indication of any significant improvement in economic conditions in the short term and low GDP forecasts remain concerning. Encouragingly, the agricultural sector has remained robust and resilient, emphasising the importance of this sector to the overall economy.

The recent events surrounding US tariffs need to be analysed to fully contextualise the impact on SA agriculture and the KAL Group. According to the Bureau for Food and Agricultural Policy ("BFAP"), of the 4,6 million tonnes (R97,9 billion) of fruit, nuts and wine exported during 2024, only 3% (5% of value) was exported to the US. Although the overall impact of tariffs on these sectors would be limited, more significant impacts exist in specific areas. The impact on KAL will result from push-back on SA export prices, affecting farm level profitability negatively. Given our product and geographical diversification, the impact on KAL is expected to be limited to stone fruit and wine (Western Cape only) and table grapes, dried fruit and citrus (Western Cape and Northern Cape).

Together with the US tariff situation, the ongoing impact of the Russia-Ukraine conflict and Israel-Palestine hostilities is expected to continue to drive market volatility.

The majority of agri sectors in which we participate have experienced a better year and the production outlook remains positive. Dam water levels throughout the regions in which we operate are healthy.

Moderate growth and margin pressure in general retail is expected to continue. The building material sector growth is expected to remain subdued pending further interest rate decreases. It is anticipated that pressure will remain on fuel volume sales, however increased convenience and QSR spend should continue.

Management is focused on driving deliverables in terms of our journey towards achieving our 2030 strategic plan outcomes. Our demonstrated balance sheet strength will ensure sustainability with effective capital allocation supporting our focus on return on invested capital, and our debt repayments will continue. Dividend payments remain strong, and we are on track to improving our dividend pay-out ratio.

Given the disappointing earnings during the second six months of the prior year, the occurrence of Easter in April, the onboarding of new fuel site acquisitions in the upcoming months, and considering the upward performance trend experienced during H1, management expects a significantly improved performance in H2.

EVENTS AFTER THE REPORTING DATE

No events that may have a material effect on the Group have occurred after the end of the reporting period and up to the date of approval of the interim financial results by the Board.

On behalf of the Board

GM Steyn
Chairman

S Walsh
Chief Executive Officer

7 May 2025

Consolidated statement of financial position

	Notes	**Unaudited 31 March 2025 R'000**	Unaudited 31 March 2024 R'000	Audited 30 September 2024 R'000
ASSETS				
Non-current assets				
Property, plant and equipment	5	**1 500 732**	1 434 269	1 435 774
Right-of-use assets	6	**733 898**	660 068	747 903
Intangible assets	7	**1 637 748**	1 559 433	1 632 980
Investment in joint venture	8	**71 603**	57 691	61 026
Financial asset at fair value through other comprehensive income		**5 580**	5 580	5 580
Trade and other receivables	9	**22 252**	25 608	25 725
Loans		**22 706**	18 773	22 756
Deferred tax		**59 980**	36 619	51 314
		4 054 499	3 798 041	3 983 058
Current assets				
Inventory		**1 389 771**	1 491 164	1 452 056
Trade and other receivables	9	**2 412 400**	2 390 888	2 461 010
Short-term portion of loans		**–**	2 682	–
Cash and cash equivalents		**190 023**	578 881	313 560
Income tax		**4 182**	–	5 278
		3 996 376	4 463 615	4 231 904
Assets classified as held for sale	10	**–**	109 508	–
		3 996 376	4 573 123	4 231 904
Total assets		**8 050 875**	8 371 164	8 214 962
EQUITY AND LIABILITIES				
Capital and reserves				
Equity attributable to shareholders of the holding company		**3 396 827**	3 131 482	3 197 031
Non-controlling interest		**208 577**	183 936	184 783
Total equity		**3 605 404**	3 315 418	3 381 814
Non-current liabilities				
Lease liabilities	6	**803 315**	705 564	803 600
Instalment sale agreements		**17 974**	17 129	15 925
Employee benefit obligations		**14 369**	13 497	14 779
Deferred taxation		**78 346**	87 449	70 611
Financial liability at fair value through profit or loss	11	**39 465**	52 221	37 509
Borrowings		**279 125**	431 375	355 250
		1 232 594	1 307 235	1 297 674
Current liabilities				
Trade and other payables	12	**1 464 883**	1 672 403	2 023 480
Short-term portion of lease liabilities	6	**53 500**	56 619	51 364
Short-term portion of Instalment sale agreements		**11 590**	32 277	22 377
Short-term portion of employee benefit obligations		**2 461**	2 431	2 288
Short-term borrowings		**1 660 420**	1 913 501	1 434 064
Income tax		**20 023**	16 635	1 901
Current liabilities		**3 212 877**	3 693 866	3 535 474
Liabilities directly associated with assets classified as held for sale	10	**–**	54 645	–
		3 212 877	3 748 511	3 535 474
Total liabilities		**4 445 471**	5 055 746	4 833 148
Total equity and liabilities		**8 050 875**	8 371 164	8 214 962
Total shareholders' equity to Total assets employed* (%)		**42,5**	38,4	39,2
Net interest-bearing debt to Total assets employed* (%)		**20,8**	21,7	20,1
Net asset value per share (rand)		**48,11**	44,66	45,28
Shares issued (number – '000)		**70 611**	70 119	70 611
Total number of ordinary shares in issue**		**74 320**	74 319	74 320
Treasury shares		**(3 709)**	(4 200)	(3 709)

* *Ratios calculated on average balances.*

** *There was no change in the issued share capital between 31 March 2025 and the dividend declaration date, being 74 319 837 shares.*

Consolidated income statement

	Notes	**Unaudited 31 March 2025 R'000**	Unaudited 31 March 2024 R'000	Audited 30 September 2024 R'000
Revenue	13	**10 819 571**	12 057 367	21 734 924
Cost of sales		**(9 154 712)**	(10 406 846)	(18 761 387)
Gross profit		**1 664 859**	1 650 521	2 973 537
Other operating income		**123 790**	135 722	266 284
Operating expenses		**(1 236 169)**	(1 212 568)	(2 372 984)
Operating profit		**552 480**	573 675	866 837
Finance costs		**(132 540)**	(133 958)	(259 660)
Finance income		**10 066**	11 786	23 787
Share in profit of joint venture		**10 576**	7 043	10 378
Profit before tax		**440 582**	458 546	641 342
Income tax		**(129 387)**	(133 489)	(190 245)
Profit for the period		**311 195**	325 057	451 097
Attributable to shareholders of the holding company		**278 411**	287 507	395 316
Non-controlling interest		**32 784**	37 550	55 781
Earnings per share – basic (cents)		**394,29**	409,06	562,26
Earnings per share – diluted (cents)		**394,29**	406,22	562,26
Dividend per share (cents)		**56,00**	54,00	180,00

Consolidated statement of comprehensive income

	Unaudited 31 March 2025 R'000	Unaudited 31 March 2024 R'000	Audited 30 September 2024 R'000
Profit for the period	**311 195**	325 057	451 097
Other comprehensive income/(expense):			
Cash flow hedges	**1 054**	580	(546)
Gross	**1 444**	795	(748)
Tax	**(390)**	(215)	202
Total comprehensive income for the period	**312 249**	325 637	450 551
Attributable to shareholders of the holding company	**279 465**	288 087	394 770
Non-controlling interest	**32 784**	37 550	55 781

Headline earnings reconciliation

	Unaudited 31 March 2025 R'000	Unaudited 31 March 2024 R'000	Audited 30 September 2024 R'000
Profit for the period	**311 195**	325 057	451 097
Profit attributable to shareholders of the holding company	**278 411**	287 507	395 316
Non-controlling interest	**32 784**	37 550	55 781
Net profit on disposal of assets	**(1 279)**	(231)	(500)
Gross	**(1 657)**	(316)	(685)
Tax effect	**378**	85	185
Headline earnings	**309 916**	324 826	450 597
Attributable to shareholders of the holding company	**277 131**	287 276	394 836
Non-controlling interest	**32 785**	37 550	55 761
Headline earnings per share – basic (cents)	**392,47**	408,74	561,58
Headline earnings per share – diluted (cents)	**392,47**	405,89	561,58
Weighted average number of shares (number – '000)	**70 611**	70 284	70 308
Weighted average number of diluted shares (number – '000)	**70 611**	70 776	70 308

Consolidated statement of changes in equity

	Unaudited 31 March 2025 R'000	Unaudited 31 March 2024 R'000	Audited 30 September 2024 R'000
Stated capital	**466 051**	438 585	466 051
Gross shares issued	**489 755**	483 797	489 755
Treasury shares	**(23 704)**	(45 212)	(23 704)
Other reserves	**36 108**	28 127	37 980
Opening balance	**37 980**	21 279	21 279
Share-based payments	**(2 926)**	6 268	17 247
Other comprehensive income/(expense)	**1 054**	580	(546)
Retained profit	**2 894 668**	2 664 770	2 693 000
Opening balance	**2 693 000**	2 467 580	2 467 580
Profit for the period	**278 411**	287 507	395 316
Share-based payments	**12 864**	837	472
Share incentive scheme – Dividend adjustment/shares purchased	**(637)**	–	(37 084)
Change in ownership	**–**	–	(3 998)
Dividends paid	**(88 970)**	(91 154)	(129 286)
Equity attributable to shareholders of the holding company	**3 396 827**	3 131 482	3 197 031
Non-controlling interest	**208 577**	183 936	184 783
Opening balance	**184 783**	156 405	156 405
Profit for the period	**32 784**	37 550	55 781
Change in ownership	**–**	–	(2 300)
Dividends paid	**(8 990)**	(10 019)	(25 103)
Capital and reserves	**3 605 404**	3 315 418	3 381 814

Consolidated statement of cash flows

	Unaudited 31 March 2025 R'000	Unaudited 31 March 2024 R'000	Audited 30 September 2024 R'000
Cash flow from operating activities	**68 156**	261 304	889 648
Net cash profit from operating activities	**553 590**	571 438	848 405
Interest received	**100 357**	110 233	217 714
Working capital changes	**(474 301)**	(299 225)	48 561
Income tax paid	**(111 490)**	(121 142)	(225 032)
Cash flow utilised in investment activities	**(71 672)**	(60 511)	(136 558)
Purchase of property, plant and equipment	**(76 370)**	(70 675)	(153 969)
Proceeds on disposal of property, plant and equipment	**4 698**	9 781	16 864
Repayment received on loans	**–**	383	547
Cash flow (utilised in)/from financing activities	**(120 021)**	92 162	(725 456)
Increase in overdraft facility/short-term borrowings	**256 826**	599 729	148 959
Repayment of borrowings	**(104 563)**	(147 313)	(251 875)
Repayment of instalment sale agreements	**(15 352)**	(15 149)	(30 904)
Repayment of low risk retention	**–**	(57 789)	(57 789)
Lease payments	**(25 720)**	(25 515)	(61 221)
Proceeds on disposal of treasury shares	**–**	16	21 458
Share incentive scheme – SIS purchases	**(637)**	(30 081)	(83 833)
Interest paid	**(132 615)**	(131 885)	(255 862)
Dividends paid	**(97 960)**	(99 851)	(154 389)
Net (decrease)/increase in cash and cash equivalents	**(123 537)**	292 955	27 634
Cash and cash equivalents at the beginning of the period	**313 560**	285 926	285 926
Cash and cash equivalents at the end of the period	**190 023**	578 881	313 560

Notes to the condensed consolidated interim financial statements

1 BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements has been prepared and presented in accordance with and containing the information required by IAS 34 Interim Financial Reporting, the South African Institute of Chartered Accountants ("SAICA") Financial Reporting Guides as issued by the Accounting Practices Committee, the financial pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE Limited ("the JSE") and the requirements of the South African Companies Act, 71 of 2008, as amended. The consolidated interim financial information has been prepared using accounting policies that comply with IFRS Accounting Standards® as issued by the International Accounting Standards Board, which are consistent with those applied in the consolidated financial statements for the year ended 30 September 2024.

The directors take full responsibility for the preparation of the condensed consolidated interim financial statements and that the financial information has been correctly extracted from the underlying financial records.

The condensed consolidated interim financial statements for the six months ended 31 March 2025 were prepared by GC Victor CA(SA), the Group's Financial Manager under the supervision of GW Sim CA(SA), the Group's Financial Director ("FD").

The condensed consolidated interim financial statements has not been audited or reviewed by the Company's auditors.

IFRS and amendments effective for the first time

Amendment to IFRS 16 – Lease Liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024)

Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements (effective for annual periods beginning on or after 1 January 2024)

Amendments to IAS 1 – Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024)

Amendments to IAS 1 – Classification of liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2024)

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current – Deferral of Effective Date (effective for annual periods beginning on or after 1 January 2024)

IFRS interpretations and amendments issued but not yet effective

The following standards, amendments and interpretations are not yet effective and have not been early adopted by the Group:

Amendments to the SASB standards – Amendments to the SASB standards to enhance their international applicability (effective for annual periods beginning on or after 1 January 2025)

Amendments to IAS 21 – Lack of exchangeability (effective for annual periods beginning on or after 1 January 2025)

1 BASIS OF PRESENTATION AND ACCOUNTING POLICIES (CONTINUED)

IFRS interpretations and amendments issued but not yet effective (continued)

Amendments to IFRS 9 and IFRS 7s – Amendments to the Classification and Measurement of Financial Instruments (effective for annual periods beginning on or after 1 January 2026)

Annual Improvements to IFRS Accounting Standards – Volume 11 – Annual Improvements to IFRS Accounting Standards – Volume 11 (effective for annual periods beginning on or after 1 January 2026)

Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) (effective for annual periods beginning on or after 1 January 2026)

IFRS 18 – Presentation and Disclosures in Financial (effective for annual periods beginning on or after 1 January 2027)

IFRS 19 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual periods beginning on or after 1 January 2027)

2 ACCOUNTING POLICIES

The accounting policies applied in the preparation of the consolidated financial statements from which the condensed consolidated interim financial statements were derived, are in terms of IFRS Accounting Standards® as issued by the International Accounting Standards Board and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these condensed consolidated interim financial statements, the significant estimates and judgements made by management in applying the Group's accounting policies of estimation uncertainty were the same as those that applied to the Group annual financial statements for the year ended 30 September 2024.

4 FAIR VALUE ESTIMATION

Financial instruments measured at fair value, are disclosed by level of the following fair value hierarchy:

> Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
> Level 2 – Inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
> Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The only financial instruments that are carried at fair value are derivative financial instruments held for hedging. The fair value is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price (Level 2). The investment in Signafi Capital (Pty) Ltd is a level 3 financial instrument based on the observable market data as these are unlisted shares.

Level 2 hedging derivatives comprise forward purchase and sale contracts and options. The effects of discounting are generally insignificant for Level 2 derivatives.

The fair value of the following financial instruments approximate their carrying amount at the reporting date:

- Trade and other receivables
- Loans
- Trade and other payables
- Short-term borrowings
- Long-term borrowings
- Instalment sale agreements
- Low risk retention payment contingent consideration liability

	Unaudited 31 March 2025 R'000	Unaudited 31 March 2024 R'000	Audited 30 September 2024 R'000
5 PROPERTY, PLANT AND EQUIPMENT			
Reconciliation of movements in carrying value:			
Carrying value beginning of period	**1 435 774**	1 412 006	1 412 006
Additions	**107 646**	75 373	120 363
Land and buildings	**36 455**	12 108	36 075
Grain silos	**–**	3 954	4 710
Machinery and equipment	**26 103**	33 419	37 813
Vehicles	**8 302**	5 139	10 931
Office furniture and equipment	**13 077**	16 235	9 363
Assets under construction	**23 709**	4 518	21 472
Disposals	**(3 041)**	(9 465)	(16 180)
Assets held for sale	**–**	–	5 456
Depreciation	**(39 647)**	(43 645)	(85 871)
Carrying value end of period	**1 500 732**	1 434 269	1 435 774
Land and buildings	**972 109**	910 200	936 610
Grain silos	**37 340**	40 175	39 089
Machinery and equipment	**261 951**	269 046	257 298
Vehicles	**59 231**	54 960	56 161
Office furniture and equipment	**111 300**	150 026	111 524
Assets under construction	**58 801**	9 862	35 092
Vehicles include the following amounts where the Group has instalment sale agreements:			
Cost	**43 390**	49 915	45 693
Accumulated depreciation	**(12 599)**	(17 760)	(15 578)
Carrying value	**30 791**	32 155	30 115
Equipment include the following amounts where the Group has instalment sale agreements:			
Cost	**107 548**	107 548	107 548
Accumulated depreciation	**(52 617)**	(20 373)	(23 061)
Carrying value	**54 931**	87 175	84 487

	Unaudited 31 March 2025 R'000	Unaudited 31 March 2024 R'000	Audited 30 September 2024 R'000

6 RIGHT-OF-USE ASSET AND LEASE LIABILITY

	Unaudited 31 March 2025 R'000	Unaudited 31 March 2024 R'000	Audited 30 September 2024 R'000
Right-of-use assets			
Buildings	**696 909**	622 047	707 605
Cost price	**950 818**	1 076 711	930 373
Accumulated depreciation	**(253 909)**	(454 664)	(222 768)
Leasehold improvements*	**33 410**	34 990	36 026
Cost price	**64 457**	60 844	64 428
Accumulated depreciation	**(31 047)**	(25 854)	(28 402)
Vehicles	**3 579**	3 030	4 272
Cost price	**7 909**	6 701	7 909
Accumulated depreciation	**(4 330)**	(3 671)	(3 637)
	733 898	660 068	747 903
Reconciliation of movements in carrying value:			
Carrying value at beginning of period	**747 903**	552 220	552 220
Additions	**17 524**	142 252	164 503
Assets classified as held for sale	**–**	–	56 453
Modification of lease contracts	**10 625**	8 845	61 438
Depreciation charge of Right-of-use assets	**(42 154)**	(43 249)	(86 711)
Buildings	**(38 816)**	(39 837)	(79 549)
Leasehold improvements*	**(2 645)**	(2 776)	(5 725)
Vehicles	**(693)**	(636)	(1 437)
Carrying value at end of period	**733 898**	660 068	747 903
Lease liabilities			
Current	**(53 500)**	(56 619)	(51 364)
Non-current	**(803 315)**	(705 564)	(803 600)
	(856 815)	(762 183)	(854 964)
Interest expense (included in finance costs)	**45 232**	33 443	70 287
Expense relating to short-term leases and low value assets (included in operating expenses)	**9 683**	11 844	25 324
Buildings – variable lease payments not included in lease liabilities (included in operating expenses)	**81 479**	65 099	152 737
Cashflow expense for leases and low value and short term leases	**162 115**	135 901	309 570

* *Leasehold improvements were split out in the current year and prior year to enhance disclosure.*

The Group's leasing activities and how these are accounted for

The Group leases various retail stores, storage sites and forklifts. Rental contracts are typically entered into for fixed periods of 3 to 12 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

6 RIGHT-OF-USE ASSET AND LEASE LIABILITY (CONTINUED)

The Group's leasing activities and how these are accounted for (continued)

Variable lease payments in respect of the premises in use by each fuel site are based on either the number of litres fuel dispensed or as a percentage of turnover. These agreements contain a wide range of different terms and conditions. Due to the variable nature of these lease payments, the expense is classified as an operating expense.

	Unaudited 31 March 2025 R'000	Unaudited 31 March 2024 R'000	Audited 30 September 2024 R'000
7 INTANGIBLE ASSETS			
Goodwill	**1 380 400**	1 344 746	1 380 400
Fuel retail licences	**193 738**	193 738	193 738
Tradename	**13 428**	13 818	13 625
Cost	**15 596**	15 596	15 596
Accumulated amortisation	**(2 168)**	(1 778)	(1 971)
Customer relations	**821**	1 436	1 129
Cost	**3 077**	8 077	3 077
Accumulated amortisation	**(2 256)**	(6 641)	(1 948)
Internally generated computer software	**49 361**	5 695	44 088
Cost	**59 210**	8 560	50 704
Accumulated amortisation	**(9 849)**	(2 865)	(6 616)
	1 637 748	1 559 433	1 632 980
Reconciliation of movements in carrying value:			
Goodwill	**1 380 400**	1 344 746	1 380 400
Carrying value at beginning of year	**1 380 400**	1 344 746	1 344 746
Additions	**–**	–	810
Assets classified as held for sale	**–**	–	34 844
Fuel retail licences	**193 738**	193 738	193 738
Carrying value at beginning of year	**193 738**	193 738	193 738
Tradename	**13 428**	13 818	13 625
Carrying value at beginning of year	**13 625**	14 015	14 015
Amortisation recognised in profit and loss	**(197)**	(197)	(390)
Customer relations	**821**	1 436	1 129
Carrying value at beginning of year	**1 129**	1 744	1 744
Amortisation recognised in profit and loss	**(308)**	(308)	(615)
Internally generated computer software	**49 361**	5 695	44 088
Carrying value at beginning of year	**44 087**	6 403	6 403
Additions	**8 506**	–	42 144
Amortisation recognised in profit and loss	**(3 232)**	(708)	(4 460)
Carrying value end of period	**1 637 748**	1 559 433	1 632 980

No impairment indicators have been identified by management, thus no impairment of goodwill has been raised during this period.

	Unaudited 31 March 2025 R'000	Unaudited 31 March 2024 R'000	Audited 30 September 2024 R'000
8 INVESTMENT IN JOINT VENTURE			
Agrimark Operations Namibia (Pty) Ltd			
Beginning of period	**61 026**	50 648	50 648
Share in total comprehensive income	**10 577**	7 043	10 378
	71 603	57 691	61 026

The nature of the investment in the joint venture is the supply of farming requisites, general retail and fuel. The company is incorporated in Namibia.

	Unaudited 31 March 2025 R'000	Unaudited 31 March 2024 R'000	Audited 30 September 2024 R'000
9 TRADE AND OTHER RECEIVABLES			
Trade Receivables	**2 410 463**	2 372 585	2 441 784
Expected credit loss allowance	**(63 715)**	(58 826)	(56 653)
	2 346 748	2 313 759	2 385 131
VAT	**17 713**	13 077	32 866
Other debtors	**70 191**	89 660	68 738
	2 434 652	2 416 496	2 486 735
Trade and other receivables – current	**2 412 400**	2 390 888	2 461 010
Trade and other receivables – non-current	**22 252**	25 608	25 725
	2 434 652	2 416 496	2 486 735

Included in the non-current portion of trade and other receivables are long term facilities granted to producers to assist in capital expansion related to the establishment and/or expansion of production. The nature of these accounts are the same as normal trade debtors. These facilities vary in duration between 2 and 5 years, are suitably secured and bear interest in line with the policies regarding interest for all trade receivables and are considered to be market related.

	Unaudited 31 March 2025 R'000	Unaudited 31 March 2024 R'000	Audited 30 September 2024 R'000
10 ASSETS HELD FOR SALE			
Assets and liabilities of disposal groups as held for sale			
Intangible assets	**–**	34 844	–
Property, plant and equipment	**–**	5 456	–
Right-of-use assets	**–**	56 453	–
Lease liabilities	**–**	(54 645)	–
Inventory	**–**	11 750	–
Deferred tax	**–**	1 005	–
	–	54 863	–
Assets classified as held for sale	**–**	109 508	–
Liabilities directly associated with assets classified as held for sale	**–**	(54 645)	–
Total	**–**	54 863	–

10 ASSETS HELD FOR SALE (CONTINUED)

The Board decided to dispose of four PEG sites during the previous financial year after considering offers received for said sites from various third parties. At the time of the decision, the Group met the criteria of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations and, therefore, classified these sites as held for sale at that date. Despite making significant progress regarding the disposal of these sites, challenging market-related circumstances beyond the control of the Group resulted in protracted negotiations with the buyers of these respective sites, resulting in the transactions not being concluded at 30 September 2024 and 31 March 2025. Accordingly, the sale of these sites is not considered highly probable.

	Unaudited 31 March 2025 R'000	Unaudited 31 March 2024 R'000	Audited 30 September 2024 R'000
11 FINANCIAL LIABILITY AT FAIR VALUE THROUGH PROFIT OR LOSS			
Low risk retention payment – contingent consideration			
Balance beginning of year	**37 509**	90 925	90 925
Repayment	**–**	(57 790)	(57 789)
Interest	**1 956**	2 418	4 373
	39 465	35 553	37 509
Share incentive scheme – Future Forwards			
Balance beginning of year	**–**	46 749	46 749
Dividend adjustment/shares purchased	**637**	–	37 084
Repayment	**(637)**	(30 081)	(83 833)
	–	16 668	–
	39 465	52 221	37 509

The low-risk retention payment resulted with the purchase of the subsidiary PEG Retail Holdings (Pty) Ltd in prior years. A contingent consideration amount has been allocated in respect of each site where a required 5-year renewal of the lease agreement should be obtained. Within five business days of receipt by PEG of the signed renewal agreement, PEG will make the relevant payments.

The low-risk retention payment will be increased by a factor equal to prime less 1% calculated from effective date to the date of actual payment. Management is of the opinion that based on history and the current relationships with the Oil companies, the probability of the lease agreements to be renewed and the low-risk retention payment to be made in full is highly probable.

The expectation is that the amount will be paid before 31 December 2025.

During the 2023 financial year the Group entered into an arrangement with a counter party to acquire KAL shares in the market and deliver these shares directly to the participants of the share incentive scheme ("SIS") on vesting. This financial liability at fair value through profit or loss relates to all the future forwards required for the SIS.

	Unaudited 31 March 2025 R'000	Unaudited 31 March 2024 R'000	Audited 30 September 2024 R'000
12 TRADE AND OTHER PAYABLES			
Trade creditors	**1 216 644**	1 461 346	1 767 191
Employee accruals	**75 380**	76 703	90 804
Other creditors	**172 859**	134 354	165 485
	1 464 883	1 672 403	2 023 480

The carrying value of trade and other payables approximate its fair value at the reporting date.

	Unaudited 31 March 2025 R'000	Unaudited 31 March 2024 R'000	Audited 30 September 2024 R'000
13 REVENUE FROM CONTRACTS WITH CUSTOMERS			
Sales of goods	**10 642 122**	11 883 773	21 440 662
– Agrimark	**4 332 862**	4 219 118	7 592 386
– PEG	**5 628 404**	6 709 152	12 694 576
– Agrimark Grain	**588 085**	858 823	939 012
– Manufacturing	**92 771**	96 680	214 688
Sale of services	**91 760**	97 226	135 702
– Agrimark	**12 326**	14 645	28 079
– Agrimark Grain	**79 434**	82 581	107 623
Margin on direct transactions	**85 689**	76 368	158 560
– Agrimark	**84 350**	75 161	154 948
– Agrimark Grain	**1 339**	1 207	3 612
	10 819 571	12 057 367	21 734 924

14 INFORMATION ABOUT OPERATING SEGMENTS

Management has determined the operating segments based on the reports reviewed by the Executive Committee (whom are considered to be the Chief Operating Decision Maker (CODM)) that are used to make strategic decisions as well as the fact that they share similar economic characteristics. The Executive Committee considers the business from a divisional perspective. The performance of the following divisions are separately considered: Agrimark, PEG, Agrimark Grain as well as Manufacturing. The performance of the operating segments are assessed based on a measure of revenue and net profit before taxation.

Agrimark provides a complete range of production inputs, mechanisation equipment and services, and other goods to agricultural producers as well as the general public.

PEG provides a full retail fuel offering to a diverse range of customers and includes convenience store and quick service restaurant outlets.

Agrimark Grain includes the sale of grain products and provides a complete range of services including storage and handling of grain products.

14 INFORMATION ABOUT OPERATING SEGMENTS (CONTINUED)

Manufacturing, manufactures and sells dripper pipe, other irrigation equipment, food grade plastic bulk bins for the agricultural market and distributes other irrigation parts.

Corporate includes all assets and liabilities not specifically used by the other identified segments to generate income or expenses.

	SEGMENT REVENUE			SEGMENT PROFIT BEFORE TAX		
	Unaudited 31 March 2025 R'000	Unaudited 31 March 2024 R'000	Audited 30 September 2024 R'000	**Unaudited 31 March 2025 R'000**	Unaudited 31 March 2024 R'000	Audited 30 September 2024 R'000
Agrimark	**4 429 538**	4 308 924	7 775 413	**301 644**	294 605	431 040
PEG	**5 628 404**	6 709 152	12 694 576	**115 441**	130 941	204 887
Agrimark Grain	**668 858**	942 611	1 050 247	**52 170**	58 079	62 915
Manufacturing	**92 771**	96 680	214 688	**290**	24	987
Total for reportable segments	**10 819 571**	12 057 367	21 734 924	**469 545**	483 649	699 829
Corporate	**–**	–	–	**(28 963)**	(25 103)	(58 487)
Total external revenue	**10 819 571**	12 057 367	21 734 924			
Profit before tax				**440 582**	458 546	641 342
Income tax				**(129 387)**	(133 489)	(190 245)
Profit after tax				**311 195**	325 057	451 097

	SEGMENT ASSETS			SEGMENT LIABILITIES		
	Unaudited 31 March 2025 R'000	Unaudited 31 March 2024 R'000	Audited 30 September 2024 R'000	**Unaudited 31 March 2025 R'000**	Unaudited 31 March 2024 R'000	Audited 30 September 2024 R'000
Agrimark	**4 690 251**	4 643 287	4 578 429	**1 865 558**	2 122 681	2 004 032
PEG	**2 713 746**	3 137 989	3 048 772	**2 112 738**	2 546 833	2 465 764
Agrimark Grain	**114 370**	127 535	92 329	**65 009**	32 900	26 315
Manufacturing	**327 627**	317 321	326 474	**305 719**	275 167	291 857
Total for reportable segments	**7 845 994**	8 226 132	8 046 004	**4 349 024**	4 977 581	4 787 968
Corporate	**144 900**	108 413	117 644	**71 416**	44 414	28 076
Deferred tax	**59 981**	36 619	51 314	**25 031**	33 751	17 104
	8 050 875	8 371 164	8 214 962	**4 445 471**	5 055 746	4 833 148

14 INFORMATION ABOUT OPERATING SEGMENTS (CONTINUED)

	CAPITAL EXPENSES			DEPRECIATION		
	Unaudited 31 March 2025 R'000	Unaudited 31 March 2024 R'000	Audited 30 September 2024 R'000	**Unaudited 31 March 2025 R'000**	Unaudited 31 March 2024 R'000	Audited 30 September 2024 R'000
Agrimark	**67 014**	26 248	61 482	**27 430**	28 091	55 538
PEG	**23 790**	27 265	47 329	**36 851**	42 236	78 644
Agrimark Grain	**5 158**	1 781	17 681	**3 356**	3 587	7 156
Manufacturing	**2 524**	3 023	3 510	**5 385**	5 938	11 862
Total for reportable segments	**98 486**	58 317	130 002	**73 022**	79 852	153 200
Corporate	**17 665**	17 056	33 316	**8 778**	7 041	19 382
	116 151	75 373	163 318	**81 800**	86 893	172 582

	COST OF SALES			INVENTORY		
	Unaudited 31 March 2025 R'000	Unaudited 31 March 2024 R'000	Audited 30 September 2024 R'000	**Unaudited 31 March 2025 R'000**	Unaudited 31 March 2024 R'000	Audited 30 September 2024 R'000
Agrimark	**3 755 494**	3 666 434	6 559 944	**1 105 782**	1 189 331	1 207 103
PEG	**4 764 786**	5 833 185	10 991 441	**161 203**	187 466	146 813
Agrimark Grain	**580 631**	848 920	1 074 721	**20 069**	20 073	570
Manufacturing	**53 801**	58 307	135 281	**102 716**	94 293	97 570
Total for reportable segments	**9 154 712**	10 406 846	18 761 387	**1 389 770**	1 491 164	1 452 056

	SELLING AND DISTRIBUTION COSTS			EMPLOYEE COSTS		
	Unaudited 31 March 2025 R'000	Unaudited 31 March 2024 R'000	Audited 30 September 2024 R'000	**Unaudited 31 March 2025 R'000**	Unaudited 31 March 2024 R'000	Audited 30 September 2024 R'000
Agrimark	**53 875**	54 240	103 385	**293 101**	273 384	548 981
PEG	**22 633**	22 098	70 757	**318 098**	320 620	608 776
Agrimark Grain	**7 397**	8 425	10 955	**15 436**	15 153	29 545
Manufacturing	**4 251**	6 061	10 080	**23 441**	22 392	46 706
Total for reportable segments	**88 156**	90 825	195 177	**650 076**	631 549	1 234 008

To enhance the segmental reporting disclosures the Group has included cost of sales, inventory, selling and distribution costs and employee costs as part of the segmental reporting disclosure.

15 RECURRING HEADLINE EARNINGS

	Unaudited 31 March 2025 R'000	Unaudited 31 March 2024 R'000	Audited 30 September 2024 R'000
Headline earnings	**309 916**	324 826	450 597
Attributable to the shareholders of the holding company	**277 131**	287 276	394 836
Non-controlling interest	**32 785**	37 550	55 761
Non-recurring items*	**829**	–	–
Non-recurring expenses	**829**	–	–
Recurring headline earnings	**310 745**	324 826	450 597
Attributable to the shareholders of the holding company	**277 960**	287 276	394 836
Non-controlling interest	**32 785**	37 550	55 761
Recurring headline earnings per share (cents)	**393,65**	408,74	561,58

* *Non-recurring items consists predominantly of costs associated with corporate transactions (legal and external consultation costs).*

KAL Group considers recurring headline earnings to be a key benchmark to measure performance and to allow for meaningful year-on-year comparison.

16 GOING CONCERN

Based on the interim financial statements, the present financial position of the Group, budgets for the coming year and available financing facilities, the directors have no reason to believe that the Group will not be a going concern. The going concern principle is therefore accepted and applied in the preparation of the interim financial statements.

17 EVENTS AFTER REPORTING DATE

The directors are not aware of any matter or circumstance that occurred since the end of the period up to the date of this report that has not been dealt with in the report or financial statements and which may have a significant influence on the activities of the company or the results of those activities.

Corporate information

KAL Group Limited

Incorporated in the Republic of South Africa
Registration number: 2011/113185/06
Income tax number: 9312717177
JSE share code: KAL
ISIN code: ZAE000244711

Directors

GM Steyn (Chairman)*#
S Walsh (Chief Executive Officer)
GW Sim (Financial Director)
I Chalumbira*@
D du Toit*#
T Kabalin*#
JH le Roux*#
B Mathews*#
EA Messina*#
AJ Mouton*#
CA Otto*#

* *Non-executive*
\# *Independent*
@ *Resigned as a member of the Board effective 9 December 2024*

Company Secretary

KAL Corporate Services (Pty) Ltd

Registered address

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Suite 110, Private Bag X3041, Paarl, 7620
Telephone number: 021 860 3750
Website: www.kalgroup.co.za

Auditors

Deloitte & Touche

Transfer Secretary

Computershare Investor Services (Pty) Ltd
Registration number: 2004/003647/07
Rosebank Towers, 15 Biermann Avenue,
Rosebank, Johannesburg, 2196
Private Bag X9000, Saxonwold, 2132
Fax number: 086 636 7200

Sponsor

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Registration number: 2006/015817/07
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and

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Notes

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KAL GROUP

AGRIMARK

PEG

agriplas

TEGO PLASTICS

www.kalgroup.co.za