KAL GROUP

INTEGRATED REPORT 2024

Salient features

Management committed to doing business in more places, with more clients and more products, making more margin.

R21,7 b
REVENUE
challenging trading conditions

561,58
(cents)
RHEPS

12,6%
ROIC
consistently beating WACC

51,3%
DEBT-TO-EQUITY
lowest in 10 years

R889,6 m
CASH FLOW OPERATING ACTIVITIES
despite inflationary impact on working capital

61,2%
CASH CONTRIBUTION TO TURNOVER

R154,0 m
CAPEX SPEND
focused approach

586,1 m
GROUP FUEL LITRES
outperforming sector

451,9 m
TFC FUEL LITRES
outperforming sector

13,9%
ROE

9,2%
RONA
efficient use of assets

+1,9%
GROSS PROFIT
prudent cost management

180,00
(cents per share)
TOTAL DPS
consistent shareholder returns

-2,1%
TRANSACTIONS
challenging trading conditions

6 842
NUMBER OF EMPLOYEES
enriching lives

Contents

About this report

This integrated report ("report" or "IR") covers the integrated performance of the KAL Group ("KAL", "the Group" or "the company") for the year ended 30 September 2024 ("the year").

SCOPE AND BOUNDARY

We aim to provide current and prospective investors and stakeholders with a comprehensive view of our performance during the year. This enables them to make an informed assessment of the Group's ability to create and grow sustainable value. The report provides material information regarding our strategy, business model, financial and operational performance, significant risks and opportunities, stakeholder interests, and governance. Additional reports are available on our website at www.kalgroup.co.za.

This report focuses on Agrimark, The Fuel Company, Agrimark Grain, and Manufacturing, as the primary operating segments contributing to our performance. The Group supply chain and corporate shared service environments support these segments. In line with our corporate rebranding journey, we have made the following company name changes:

> Kaap Agri Bedryf Limited changed to Agrimark Operations Limited on 14 February 2024

> Kaap Agri Namibia (Pty) Ltd changed to Agrimark Operations Namibia (Pty) Ltd on 16 April 2024

> Kaap Agri Aussenkehr changed to Agrimark Operations Aussenkehr (Pty) Ltd on 29 April 2024

There have been no other changes to the company's organisational structure during the year.

REPORTING FRAMEWORKS

KAL applied the principles of the International Financial Reporting Standards ("IFRS"), the King IV Report on Corporate Governance™ for South Africa, 2016 ("King IV")*, the JSE Limited Listings Requirements ("JSE Listings Requirements") and the Companies Act, 71 of 2008, as amended ("the Companies Act"). The report considers the requirements of the International Integrated Reporting Council's ("IIRC") Integrated Reporting <IR> Framework.

TARGET AUDIENCE AND MATERIALITY

We have prepared this report for current and prospective shareholders. It is relevant for any other stakeholder interested in our performance and prospects. It focuses on matters we deem material in our ability to create value and deliver against our strategic objectives.

EXTERNAL AUDIT AND ASSURANCE

The Group applies a combined assurance model to ensure information and business processes support the integrity of our reporting. The Group's internal audit function monitors financial, operating, compliance and risk management controls. The Audit and Risk committee monitors the execution of our assurance plan and reports on this to the Board of directors ("Board"). Deloitte & Touche independently audited the Group's annual financial statements ("AFS"). The Legal Verification Team (Pty) Ltd independently verified our broad-based black economic empowerment ("B-BBEE") scorecard information. The rest of this IR is not subject to an independent audit or review.

FORWARD-LOOKING STATEMENTS

This report contains information that may constitute forward-looking statements regarding KAL's financial position, performance and operations. These statements and forecasts involve risk and uncertainty as they may relate to events and depend on circumstances occurring in the future. As such, these statements are not guarantees or predictions of future performance. Various factors could cause actual results to materially differ from those expressed or implied by these forward-looking statements. Readers are advised not to place undue reliance on such statements.

STATEMENT OF THE BOARD OF DIRECTORS OF KAL

The Board acknowledges its responsibility to ensure the integrity of the IR. The Board believes the report provides a fair and balanced account of the assessment regarding the Group's performance on the material matters as having a bearing on the Group's capacity to create value. The 2024 IR was prepared following recognised best practice and complies with the King IV recommendations. Accordingly, the Board approved the IR for publication.

"electronically signed"

GM Steyn	**S Walsh**
Chairman	Chief Executive Officer

> *"There is an enormous opportunity for agriculture to play a leading role in triggering economic growth in SA."*
> **Sean Walsh, KAL Group CEO**

Building resilience through industry engagement

KAL Group is committed to fostering resilience in the agricultural industry by supplying essential inputs and services and sponsoring key industry events.

In 2024, KAL Group brands proudly supported several impactful events across various sectors that align with our strategic growth objectives, including the Agbiz Congress, BerriesZA Technical & Trade Symposium, the 9th World Congress on Conservation Agriculture, the SA Wine Summit, the Swartland Show Agri Seminar, the Agri Western Cape Annual Congress, and the 10th International Table Grape Symposium.

Involvement in these events goes beyond marketing and creating awareness of our brands. By investing in platforms that facilitate knowledge sharing, innovation, and collaboration, we contribute to growing the sector and the vital role agriculture plays in economic development in South Africa.

We recognise that as the agricultural industry evolves and strengthens, so does Agrimark. These partnerships are integral to our commitment to being a solutions-focused industry role-player.

Value proposition

We are a people-first company dedicated to delivering a unique offering to our customers.

Business philosophy

The Group is a unique, growth-focused lifestyle retailer committed to providing *best-in-value solutions* with agri-inputs, fuel (farm and retail), and general- and convenience-retail to consumers across Southern Africa.

We are rooted in the communities we serve and pride ourselves on adding value and meeting the distinct needs of our market through a blend of quality, convenience and expertise. We strive to deliver a distinctive impact and superior performance while being a significant role player in the sectors where we operate.

OUR VALUES

C

Effective behaviour
Leave nothing unsaid

COMMUNICATE

Focus:
Open, clear, honest

A

Effective behaviour
If one wins, we all win

ALIGNMENT

Focus:
Shared services, shared results

R

Effective behaviour
I value you

RELATIONSHIP

Focus:
Authentic, recognition, time

E

Effective behaviour
We develop people

EMPOWERING

Focus:
Development, better off, ownership, grow

OUR PURPOSE

The Group is *powering growth from farm to fork* whilst ensuring our stakeholders are better off because we exist.

OUR COMMITMENT

A combination of the following anchors creates our competitive positioning and recipe for success:

- Diverse and accessible footprint
- Scale efficiency
- Entrepreneurial spirit
- Digitally enabled

As business owners, we want to serve our customers where they need us. We do this through our diverse and accessible footprint and infrastructure, using data and insights to drive value, serving facilities, geographical spread, and differentiated market approach, which are our competitive advantages. We also believe that our Accelerating Performance culture sets us apart.

We encourage our PEOPLE to Communicate, seek continuous Alignment and build authentic Relationships within an Empowering environment ("CARE"). Our Accelerating Performance culture and CARE values ensure our employees are committed to our continued performance and growth philosophy. We believe this is what sets us apart.

Group strategic objectives

With our roots entrenched in a strong agricultural foundation, the Group has diversified to include retail offerings in the fuel and convenience sectors and manufacturing. We also strengthened our customer value proposition through diverse store formats reflecting a differentiated shopping experience that captures the charm of a rural way of life with shared lifestyles, attitudes and interests uniting our customer base.

The following strategic key focus areas are business imperatives:

1. Growth

A strong focus on upgrades and footprint expansions, strategic alliances, and mergers and acquisitions continues to fuel our growth ambitions and ensure our distribution and supply chain capabilities are ramped up to support such growth.

2. Optimisation

Implementing systems to support supply chain optimisation and optimising retail store formats and ranges will ensure relevance with diverse customers and enhance the in-store customer experience.

3. Leveraging culture and diversity

Talent development and entrenching our Accelerating Performance culture remain a priority to support our unique value proposition. Transformation is not only a responsibility but a business imperative and catalyst for social and economic transformation.

4. Digitisation

Enhancing our customer experience and ease of doing business drives all e-commerce, account and payment solutions initiatives.

How we create value

> *Powering growth from farm to fork while ensuring our stakeholders are better off because we exist.*

NEW-GENERATION FARMERS

R12,4 million
invested in the KAL Academy since 2009

515
new-generation farmers trained since 2009

Read more about these initiatives in the social and ethics report on page 76.

R1,3 million
invested through the KAL Academy in 2024

YOUTH DEVELOPMENT

We provided
54 bursaries
to the value of
R2,5 million
to beneficiaries of whom
57%
were female students

OUR SUPPLIERS

R15,6 billion

total procurement spend (less statutory allowances)

85% Suppliers with B-BBEE certification

OUR CUSTOMERS

KAL Group's commitment to serving its customers drives its business, guiding decision-making and shaping strategy. It is centred around relationships built over time, shared and honoured values, and a commitment to partner and create value through good and challenging times.

KAL Group's brands have always been about community. A desire for community drives our consumers. During the year, our footprint increased to 269 operating points. Our footprint expansion in the retail fuel sector continued.

Group fuel litres
586,1 million

TFC fuel litres
451,9 million

Awards for operational excellence

Top Wimpy Branches
Wimpy @Engen Grasmere 1 Stop
Wimpy @Engen Northcoast 1 Stop North
Wimpy @Engen Kranskop 1 Stop South
Wimpy @Engen Buffalo River 1 Stop
Wimpy @Engen Heidelberg 1 Stop

Steers
Steers @Shell Windfarm
Steers @Engen Rosehaven North 1 Stop
Steers @Sasol Zebediela South

Sasol
National Winner: Customer Service Excellence
Sasol Zebietela

Spar
Store of the Year (Eastern Cape) Shell Windfarm

OUR EMPLOYEES

R1 195,9 million
total labour cost

6 842 employees

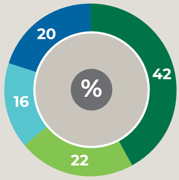
R28,3 m
(total skills levy paid)
(2023: R26,6 million)

KAL Group established an ethics line in August 2018 for any person, irrespective of position or seniority (employee, client or supplier), who wants to report issues of concern that might be perceived as difficult to resolve through normal channels.

OUR COMMUNITIES

R6,0 million
spent on the following community initiatives:

OUR COMMUNITIES



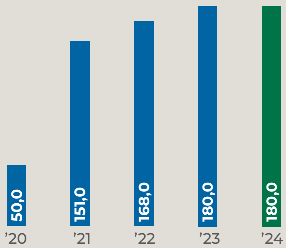
- Bursary programme for secondary and tertiary learners R2,5 million
- KAL Academy R1,3 million
- Community outreach programmes R991 858
- Agricultural organisations support structures and community shows R1,2 million

INVESTORS AND SHAREHOLDERS

R129,3 m
declared to shareholders in 2024

R193,3 m
equity held by broad-based black shareholders at year-end

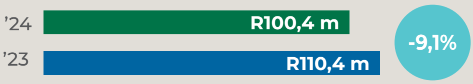
DIVIDEND PER SHARE (CENTS)



GOVERNMENT AND REGULATORS

In 2024, KAL Group paid R190,2 million to the South African Revenue Service ("SARS") in direct taxes.

The total amount of PAYE paid for the KAL Group was R100,4 million.



Business profile

SERVICES	PURPOSE	OPERATIONS	
Agrimark			
> Production inputs > Packing material > Hardware and building material > Fuel > Garden and pool > Clothing and outdoor life > Fast-moving consumer goods ("FMCGs") and liquor > Tractors and combine harvesters > Tillage > Parts > Workshops	Provides a complete range of production inputs, mechanisation equipment and services, and other retail products to agricultural producers and the general public.	> 82 Agrimark shops > 1 Agrimark Pet shop > 12 Agrimark Packaging shops > 9 Agrimark Liquor shops > Agrimark online store > 11 service stations > 1 Agrimark depot > 7 Forge shops > 3 Farmsave shops > 13 workshops > 16 parts outlets > 6 fuel depots	> Western Cape > Northern Cape > Eastern Cape > Limpopo > North West > Mpumalanga > KwaZulu-Natal > Namibia
> Agrimark App	Secure, real-time mobile customer account management application enabling remote authorisation for purchases nationwide and improved financial administration for clients	> Digital platforms	
> Agrimark online	e-Catalogue of Agrimark's product offering with online purchases and nationwide delivery		
> Agrimark customer account portal	Self-service web-based portal enabling real-time account management and financial reporting		
The Fuel Company			
> Convenience stores > Quick service restaurants > Retail fuel	Provides a full retail fuel offering, including convenience stores and quick service restaurant outlets, to a diverse range of customers.	> 85 service stations > 2 OK Value shops > 1 liquor outlet > 1 standalone quick service restaurant combo	> Western Cape > Northern Cape > Eastern Cape > North West > Gauteng > Limpopo > Mpumalanga > Free State > KwaZulu-Natal
Agrimark Grain			
> Grain receiving and grading > Grain marketing > Grain storage > Seed processing > Seed potatoes > Grain services account portal	Provides a complete range of marketing and hedging options and handles grain products between producer and buyer.	> 14 silo complexes (approximately 330 000 ton capacity) > 1 bunker complex (57 100 ton capacity) > 3 seed processing plants	> Western Cape

SERVICES	PURPOSE	OPERATIONS	
Manufacturing			
> Dripper pipe > Pumps > Irrigation equipment > Filters > Automation > Plastic bulk bins	Manufactures dripper pipe and other irrigation equipment and distributes franchise and other irrigation parts.	> 1 manufacturing facility > 3 distribution points	> Western Cape > Gauteng > Mpumalanga
	Manufactures food-grade plastic bulk bins for the agricultural market.	> 1 manufacturing facility	> Western Cape
Support Services			
> Supply chain and procurement > Human Resources > Financing > Finances > Internal audit > Risk management > Information management	Provides shared services for the Group's operational activities and tailor-made financing to clients. The cost related to these support services are allocated to the different reportable segments as per the segment report.	> 1 Corporate office – Paarl > Administrative head office – Malmesbury > 13 regional credit offices	> Western Cape > Northern Cape > Eastern Cape > Mpumalanga > KwaZulu-Natal

	Agrimark	The Fuel Company	Agrimark Grain	Manufacturing
Financial	**2024 R'000**	**2024 R'000**	**2024 R'000**	**2024 R'000**
Revenue	**7 775 413**	**12 694 576**	**1 050 247**	**214 688**
Profit before tax	**431 040**	**204 887**	**62 915**	**987**
Gross assets	**4 578 429**	**3 048 772**	**92 329**	**326 474**
Net assets	**2 574 397**	**583 008**	**66 014**	**34 617**

Financial	2023 R'000	2023 R'000	2023 R'000	2023 R'000
Revenue	8 183 134	12 892 808	1 123 014	198 102
Profit before tax	481 277	201 348	62 300	3 074
Gross assets	4 899 293	2 794 079	89 549	320 563
Net assets	2 317 720	578 022	62 758	63 101

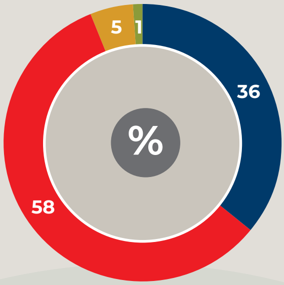
Agrimark

The Fuel Company

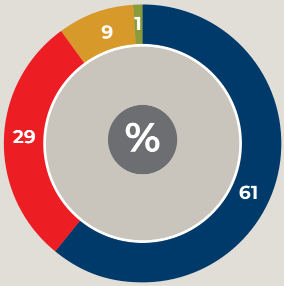
Agrimark Grain

Manufacturing

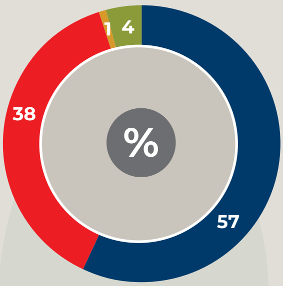
REVENUE



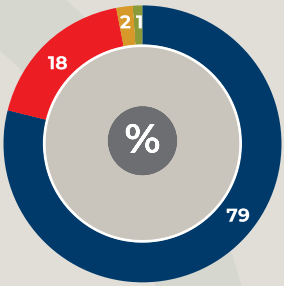
PROFIT BEFORE TAX



GROSS ASSETS



NET ASSETS



> *"Agrimark continuously evaluates its offering to the agricultural community and this customer-centric approach is geared toward adding value. With Professional Services, our goal is to reduce weather-related risks, implement best-practice solutions and help producers maintain export-quality yields."*
> **Arno Abeln, Managing Director: Agrimark Operations**

Integrated solutions for agricultural resilience

In a year marked by severe weather conditions, Agrimark launched its Professional Services offering, helping farmers adapt to evolving challenges. With unpredictable conditions like heavy rainfall, flooding, snowfall and extreme heat, crop protection and efficient water management have become critical.

Agrimark's products and services traditionally focus on water-rich areas producing apples, pears, citrus, grapes, and berries. However, climate change has brought new challenges to these regions, and there is a need for integrated solutions. Agrimark's Professional Services add value by offering turnkey solutions for netting structures and irrigation systems, helping farmers to mitigate risks and optimise operations.

This comprehensive service includes planning, designing, implementing, and maintaining netting and irrigation systems, offering a one-stop solution tailored to clients' needs. By extending beyond input supply and becoming a project management partner, Agrimark supports sustainable, resilient farming operations.

Our brands

KAL Group is a unique lifestyle retailer trading under multiple brands that reflect the nature of the business. Each brand is crafted to resonate with its specific area of expertise, ensuring our customers can easily identify the unique value they seek. We operate as a family unit, ensuring each brand is strong and plays its part, enabling the whole to flourish. We bolster brand awareness and form deep connections with diverse customer segments by aligning our brands with our core offerings.

The core business segments are Agrimark, Agrimark Grain, and The Fuel Company. These segments generate approximately 99,0% of the Group's income.

BRAND STRENGTHS

We strive to make KAL Group a shared value brand deserving of its purpose as a business that powers growth from farm to fork and leaves all stakeholders better off because of our existence. This is demonstrated through our core strengths:

Financially resilient

Strong and profitable, evolved and diversified with good long-term growth horizons

Trusted and supportive partner

100-year legacy with deep inter-generational roots and long-standing personal relationships

Accelerating Performance Culture

Unified culture based on strong corporate CARE values

Excellent customer experience

Outstanding customer service, well-priced diverse ranges

One account

A supportive credit provider with a beneficial financial service offering allowing customers to consolidate transactions across brands into one place

EVOLVING TO STRENGTHEN OUR BRAND IDENTITY

In 2024, we advanced our brand strategy, building on the foundation laid by the rebranding of KAL Group Ltd. This journey has seen key developments that reflect our growth ambitions and our commitment to a unified, customer-centric identity across our operations.

Building brand resilience

In March 2024, we changed Agrimark's operating company name from Kaap Agri Bedryf Ltd to Agrimark Operations Ltd. This change underscores Agrimark's evolution from its historical Cape-based agricultural roots to a brand that embraces agri and retail customer segments with a growing footprint across southern Africa. The new name reflects who we are today – a dynamic business focused on adapting and expanding while maintaining strong ties to our heritage. This shift helps streamline our corporate and retail identities, making it simpler for customers and stakeholders to connect with our brand.

As part of our ongoing strategic initiative to foster brand unity, we also decided to retire the Forge brand, fully integrating these branches under the Agrimark banner. From October 2024, Forge stores in Bergville, Mooi River, Ladysmith, Nottingham Road, Underberg, and Franklin will rebrand to Agrimark. This transition will create a cohesive customer experience across our branch network by leveraging the synergies between Forge and Agrimark, which share a similar customer value proposition.

With over 89 Agrimark branches now serving customers in South Africa and Namibia, our unified brand presents a trusted one-stop retail destination that caters to diverse customer needs. These include fuel, building materials, DIY supplies, gardening, pet care, outdoor leisure products, and our traditional agricultural inputs products and supplies. This step enhances our presence, enabling us to offer a wider selection of products and services, including the convenience of Agrimark Online.

Consistent, Enhanced Experience

Despite these changes, the core of what we deliver to our customers remains unchanged: personalised service, quality products, best-in-value solutions, and a seamless in-store experience. Our refreshed branding efforts also include updates to FarmSave outlets, ensuring every aspect of our retail offering aligns with our vision to meet the needs of commercial and smallholder farmers.

These rebranding initiatives are part of a broader growth narrative – one where we are evolving our name and our resilience and capacity to serve more people more effectively. By consolidating our brands under the Agrimark identity, we are fortifying our market position and enhancing our ability to deliver added value to all stakeholders.

AGRIMARK

We aim to expand our footprint by establishing new operating points and upgrading store formats. To grow our client base, we continuously optimise the product range and services we offer to our bedrock agricultural customers. We have introduced a new turnkey project management service for netting and irrigation services as part of our added value offering to agricultural producers. We also continuously review our range to serve the building contractor and retail homemaker customer segments better.

AGRIMARK

Agrimark

Agrimark branches are one-stop, agri-lifestyle, retail stores providing expert advice, products and services. There are 89 stores in operation throughout South Africa and Namibia. These stores represent the Group's core business with farming supplies and services and general retail offerings, including retail shop areas and bulk store areas. Most of our Agrimark stores also have fuel stations. Selected stores offer specialist Tyre and Fitment services. The retail product offerings in these branches target farmers, families, homemakers, trade professionals, building contractors, and DIY and outdoor enthusiasts. There are also garden centres and expanded pet offerings, where appropriate. Outlets are tailored for urban, peri-urban and rural demographics and are positioned to reflect and bring the charm and down-to-earth wholesomeness of rural living to our customers. On the farm, in the home and outdoors, Agrimark is for the enthusiasts, the experts, and the people who love rolling up their sleeves and getting their hands dirty. Whether you are a farmer, a farmer-in-training or a farmer-at-heart, from the country or the city, Agrimark is for you.

AGRIMARK PACKAGING

Agrimark Packaging

Agrimark Packaging services the fruit and vegetable farming sector with packaging materials. There are 12 standalone centres with 13 additional depot facilities managed with Agrimark stores. These branches support the Group's drive into the water-intensive areas of the country, where fruit and vegetable production is the core farming operation. Agrimark Packaging branches are redistribution centres for products such as cartons, carton inner packaging, plastic bags, labels, pallet strapping and pallets – anything a producer needs to market products in South Africa or abroad.

Agrimark Mechanisation (New Holland agency)

Agrimark Mechanisation is one of the largest agents for New Holland in Southern Africa. This service markets agricultural machinery and implements to the farming and related sectors. It also offers a parts branch network and workshops. Thirteen branches and three engineering workshops assist producers with general repairs. These services mainly focus on the Western and Southern regions of the Western Cape.

Agrimark Liquor

Agrimark Liquor extends Agrimark's retail offering with standalone liquor stores. Nine stores are conveniently located on Agrimark premises, mainly in peri-urban and rural areas.

FarmSave

FarmSave is our no-frills warehouse-format store, stocking a select range of farming essentials for small-scale and new-generation farmers. With its customers in mind, FarmSave focuses on delivering value for money. It serves as the vehicle for the Group's growth in low-income, non-commercial farming and small-scale farming markets in South Africa. The FarmSave brand consists of three stores.

The Fuel Company

The Fuel Company ("TFC") and its subsidiary, PEG Retail Holdings, represent KAL Group's retail fuel and convenience interests. It also drives retail fuel expansions and growth in this sector. TFC is a leading fuel and convenience retailer in South Africa, with 89 service stations in its network. Almost 50% of these service stations operate alongside national highways. The TFC Group has a unique multi-brand approach and operates service stations under all major oil company brands, including Engen, TotalEnergies, Shell, Astron Energy, BP and Sasol.

TFC is not limited to operating convenience stores and quick-service restaurants under its own brands. The Group's entrepreneurial multi-brand and multi-supplier approach enables it to serve its customers with relevant and diverse convenience offerings. Its network now also offers major and popular quick-service brands such as Mugg & Bean On The Move, Debonairs Pizza, Fishaways, Steers, Wimpy, KFC, Café Bonjour, Woolworths Food, Vida e Caffé, Crispy Chicken, and FreshStop. It also includes tailor-made quick-service restaurants that offer quality meals under the Homestead True Food and MacMunch brands.

Expressmark

Expressmark represents TFC's convenience store offering at service stations owned and operated by TFC (i.e. TFC can choose the fuel brand). It is a home-grown convenience store brand with 27 outlets, offering TFC an alternative to FreshStop, Engen's Quick Shop or TotalEnergies' La Boutique outlets.

AGRIMARK GRAIN

Agrimark Grain

Agrimark Grain represents KAL Group's silo storage, grain handling and grain trading services. It consists of 14 silo complexes with approximately 330 000 tonnes silo capacity and an additional bunker complex with a 57 100 tonne capacity. These services focus on the Swartland area of the Western Cape. Agrimark Grain also offers seed processing and related services to farmers in the Western Cape.

MANUFACTURING

Agriplas

Agriplas is the Group's water management solutions subsidiary that manufactures dripline (under licence) and sprinkler (own patents) irrigation products with a growing focus on industrial water filtration in the mining industry. It also comprises agency services for imported irrigation products in water-intensive agricultural areas of Southern Africa. Agriplas is one of the largest manufacturers and distributors of irrigation equipment for the agricultural industry in South Africa and has been one of the leading suppliers of plastic irrigation equipment since 1968.

TEGO Plastics

TEGO Plastics is a wholly owned subsidiary that uses injection moulding processes and robotics to provide plastic storage applications to various industries in South Africa. Its flagship product range, TEGO Bulk Bins, is food-grade bulk bins used in harvesting, post-harvesting and transporting fresh fruit and vegetables. Recent additions to the TEGO product line include vented and solid picking crates. TEGO is a disruptor in the market, and customers can choose between a range of options, colours, and customised branding.

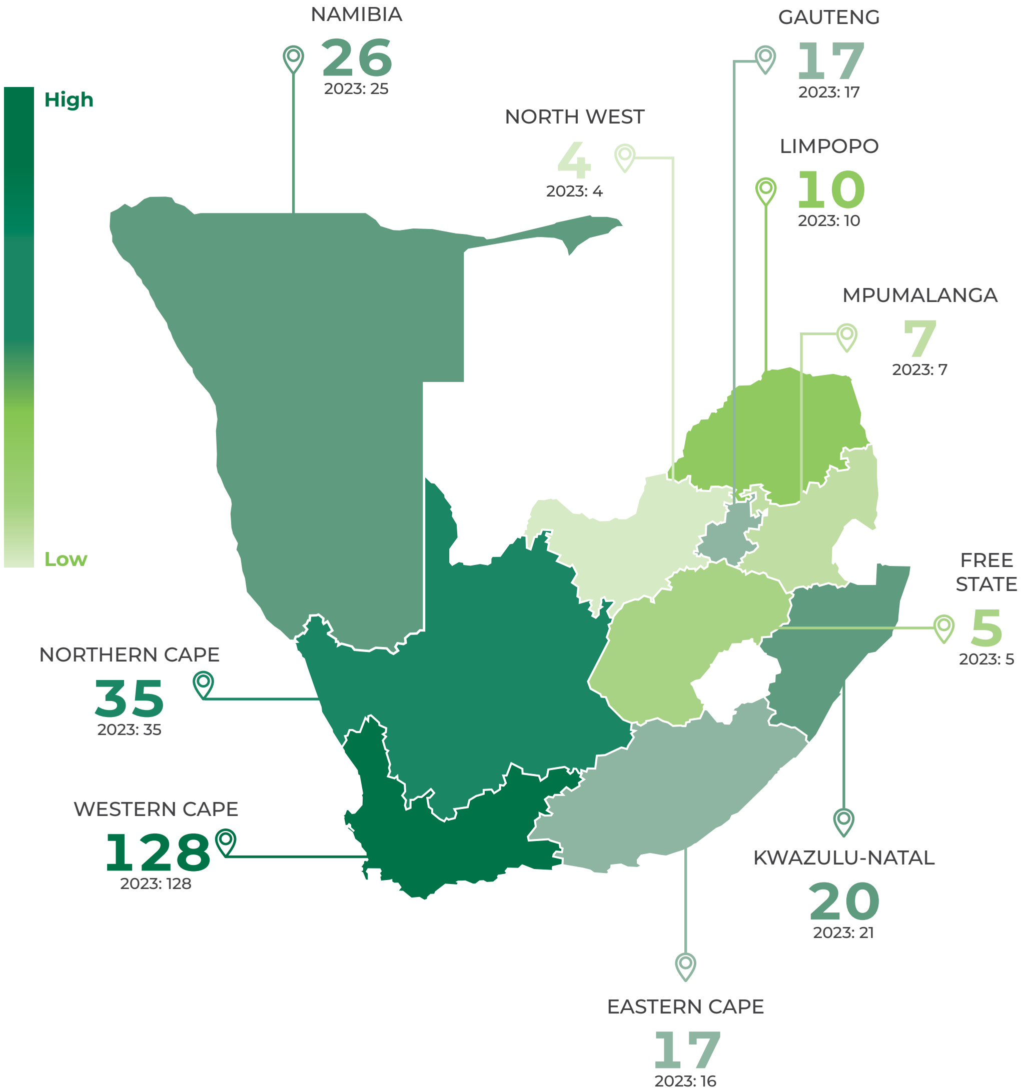
Geographic footprint

Over the past 10 years, KAL Group Limited ("KAL" or "Group") has diversified from a primarily agricultural-focused business to a unique, growth-focused lifestyle retailer. We are committed to providing best-in-value solutions with agricultural inputs, fuel (farm and retail) and general- and convenience retail to an expanded customer base across Southern Africa.

The Group's strategic footprint and facilities, include an extensive network of retail stores, service stations, convenience shops, and branded food service outlets in rural, peri-urban and highway locations that support our diverse client network through 269 business units across South Africa and Namibia. The Group is based in the Western Cape, with the administrative head office and corporate functions in Malmesbury and Paarl respectively.

OPERATING POINTS PER GEOGRAPHY

The colour indicator below represents the number of operating points per geographic area. Dark green indicates the highest concentration of operating points. Light green indicates a low concentration of operating points.



Business review

The Group has achieved a compound annual growth rate of 9.6% in recurring headline earnings per share since FY14.

Leadership report (Chairman and Chief Executive Officer)

KEY TRENDS

Debt to Equity levels are the lowest in 10 years; footprint is largely LFL and economic pressures are weighing on fuel volumes and farmer spending.

(3,0%)

REVENUE

Top-line pressure was experienced in farm retail, fuel volumes and general retail, while convenience retail remained positive.

(4,4%)

EBITDA

Retail margin improvements were achieved, and LFL Opex was managed well.

(11,7%)

DEBT LEVELS REDUCED

Capex spend well controlled, and footprint expansions delayed.

The Group's business segments have been affected by the lingering effects of prior year load shedding expenses, high fuel prices for most of the year, and high interest rates for farmers and general consumers. SA mining activity also reduced due to commodity price reductions and port challenges. Overall, this has put pressure on Group revenues while a conscious decision was taken to delay footprint expansions while reducing debt levels. Recurring headline earnings has therefore reduced by 8,8% for the year, albeit still 68% above pre-Covid levels.

STRATEGY

The Group has maintained its focus on optimisation, leveraging culture, diversity and digitisation during the year. It is well-positioned for growth in the future, given the healthy state of the balance sheet. The Group has achieved a recurring headline earnings per share compound annual growth rate ("CAGR") of 9,6% over the past 10 years while maintaining ROIC above WACC over the last year.

The Group Business Strategy for FY30 has been reviewed in collaboration with the executive team. The outcomes of the strategy are to achieve a CAGR of 12,5% or higher in RHEPS while continuing to achieve a ROIC of 14% or higher and maintaining a Debt-to-Equity ratio of circa 40%, depending on investment timing. The Group is intent on powering growth from farm to fork while ensuring all stakeholders are better off.

Our consumers include agri-producers, on-the-go fuel and convenience motorists and retail consumers. Our businesses include some of the most trusted brands in agricultural input supply and the largest independent fuel retailer in South Africa. Our retail operations cater to essential lifestyle needs with fuel, building materials, DIY supplies, gardening, pet care, and outdoor leisure products. Our footprint includes an extensive network of retail stores, service stations, convenience shops, and branded food service outlets, mainly in rural, peri-urban and highway locations.

The Group has a competitive edge regarding its geographical footprint, people and systems. Our entrepreneurial spirit and agility drive our growth while we capitalise on optimising operational processes by leveraging our Group's scale and efficiencies. The diversified business segments counterbalance and de-risk the Group regarding its geography and sector-specific nuances associated with agriculture while providing high cash-generative opportunities and good return on investment prospects in the fuel and convenience sectors. Strategic initiatives remain focused on growth, optimisation, leveraging culture and diversity and digitisation.

Diversifying the company's market, geography, and customer exposure continues to pay dividends, with non-agri activities generating 72% of trading profits.

The Group comprises four segments for operational and management purposes: Agrimark, The Fuel Company ("TFC"), Agrimark Grain and Manufacturing. The Group reports operating business segment information on this basis.

The Agrimark segment contributes 36% of Group revenue, similar to the prior year. TFC remained at 58%. This illustrates the high contribution of retail activities in the Group. Agrimark segment revenue decreased by 5,0% YOY with profit before tax ending 10,4% lower than the prior year. Although the TFC segment revenue was 1,5% down YOY off the back of fuel volume decreases, profit before tax increased by 1,8%. Fuel price gains were lower than the prior year putting pressure on fuel margins which still improved, and together with increased convenience retail and QSR performance and lower interest paid, contributed to the growth in profit before tax. Agrimark Grain grew profit before tax by 1,0%, with slightly higher volumes sold, but at lower prices. Manufacturing revenue grew by 8,4%. All segments are well-positioned for continued future growth.

Despite the subdued trading performance, the Board approved a total dividend for the year in line with the prior year, on the back of strong cash management and significantly lower debt levels. The total dividend per share represents a dividend cover of 3,0 times (2023: 3,3 times).

GOVERNANCE

At year-end, our broad-based black shareholders held equity in the company worth R193,3 million.

The Board holds the requisite skills to lead an increasingly diversified business. Its composition is reviewed every year. The Board remains cognisant of the regulations governing the business, including King IV, the JSE Listings Requirements, the Companies Act and other applicable legislation.

COMMUNITY AND SOCIAL INITIATIVES

We are committed to promoting Environmental, Social, and Governance (ESG) initiatives that contribute positively to communities and foster sustainable development. Our responsibility to operate in a manner that positively impacts the people and communities where we operate permeates our business and is embedded in our strategic objectives. We believe education and youth development are critical for long-term economic growth, innovation and poverty alleviation. In addition, hunger alleviation and food security are important enablers for social cohesion and educating youth. We are purposeful about reducing our impact on the environment and have invested in renewable energy projects while also continuing to support initiatives such as the World Congress on Conservation Agriculture to create awareness and facilitate dialogue around conservation agriculture. These socio-economic development programmes collectively align with our purpose of fuelling growth from farm to fork.

Our investment in bursaries for youth has increased steadily over the years, with 54 scholars and tertiary learners benefiting from an investment of R2,5 million in FY24. Over the past six years, we have invested more than R12 million in bursaries for scholars and tertiary learners. The cohort of 2024 has performed well to date. We continue to foster relationships with beneficiaries to ensure learners have the support required to achieve their potential. We congratulate Grade 12 learner, Aimee Farmer, at La Rochelle High School, who won Gold at the Western Cape virtual Eisteddfod and achieved cum laude for English monologue at the Paarl Valley Eisteddfod.

Transforming the agriculture sector to make it sustainable, resilient, and inclusive through the KAL Academy will promote access to healthy and nutritious food and help create livelihoods for small-scale producers and processors. We are proud of the KAL Academy graduates' impact in the sector. It has been a privilege to be part of their growth journey. One KAL Academy graduate is serving on the transformation development chamber of the Citrus Growers Association, while another serves as a host farmer for Food for Mzansi's farmer days. Our investment of R12,4 million in the KAL Academy has empowered 515 small-scale farmers focusing on plant and animal production and mixed farming to enhance agricultural practices and improve productivity, business, and financial management. Through the programme, the intangible benefits of having access to a network of like-minded individuals and opportunities for collaboration, fostering a sense of community and shared learning have also been an invaluable part of their journey during the course and long after that.

We have almost doubled our contribution to Rise Against Hunger since last year, with 40 392 meals destined for identified Early Childhood Development ("ECD") centres in areas where we operate. This year, colleagues from the Western Cape and Gauteng participated in a meal-packing event to rally employees to be part of this purpose-driven initiative. Competition between the teams was rife, enabling 170 learners, the ultimate beneficiaries, to be fed healthy, nutritious meals for one year. Funds that would have been utilised as part of the feeding scheme will go towards upgrading the ECD centres.

We donated bulk produce bins through our Harvesting Hope initiative with One Farm Share. This has been a game changer and instrumental in salvaging food from farms. Over the past year, 208 tonnes were salvaged, while 37 tonnes of fresh produce were procured from seven small-scale farmers.

The KAL Trust beneficiation model gives credence to our employees being at the heart of everything we do. We recognise that our employees are differentiators for our business, building long-standing customer relationships and being vital to our community, driving business growth and innovation. Through the KAL Trust, we are working hard to empower and enrich the lives of our employees and their families for the better. Interest-free home loan beneficiation increased by 147%, with the loan value of R1,9 million being awarded compared to R730 000 the previous year. The number of employee-dependent beneficiaries increased by 114%, with 313 employee dependants benefiting from educational support in the form of bursaries and ancillary educational support compared to 146 in the previous year. We distributed educational support of R1,7 million.

We are committed to reducing our environmental impact and are monitoring our energy consumption to identify opportunities for reduction and alternative renewable energy installations. We have increased our solar photovoltaic renewable energy systems by investing R23 million in capital expenditure over the past year with installations at 10 new sites, bringing the total number of solar PV installations to 13 across the network. We believe this capital is well invested as part of our sustainable business journey and will yield benefits in terms of business continuity in the event of load shedding and a reduction in Eskom-generated electricity usage and expenditure.

Our investments in education through bursaries, adult education for small-scale farmers, food security programmes, and alternative energy solutions demonstrate our commitment to fostering sustainable development. These projects empower individuals and their businesses, enhance the quality of life, and contribute to the overall resilience and long-term sustainability of the communities we serve.

OUTLOOK

The Board believes the Group remains well-positioned to achieve the medium-term goal of R1,5 billion profit before taxation ("PBT") by FY30. The Group is a unique, growth-focused lifestyle retailer committed to providing best-in-value solutions with agri-inputs, fuel (farm and retail), general- and convenience-retail to consumers across Southern Africa.

Agricultural conditions in the areas where we operate are stable, and the outlook remains positive. The agricultural sector remains high on the political agenda to stimulate economic growth by implementing the agricultural master plan supported by the Government of National Unity ("GNU"). We believe with fuel prices reducing, interest rates being more favourable, and potential economic stimulus coming from private and public investment, the Group is well-positioned to capture any uptick in economic activity in all business segments.

We thank the Board, the executive team and the people of the KAL Group for the high level of resilience shown over the last few years.

"electronically signed"

GM Steyn
Chairman

S Walsh
Chief Executive Officer

Financial performance

Our financial strategy underpins the Group strategy.

Group Financial Director's report

STRATEGIC PRIORITIES

KAL aims to create sustainable and increased value for all stakeholders through consistent superior growth in earnings, underpinned by effective allocation of capital to value-enhancing opportunities. We pursue this objective through our strategic plan, which focuses on growth, optimisation, leveraging culture and diversity and digital transformation. The plan aims to deliver targeted recurring headline earnings per share ("RHEPS") growth at a level of return that exceeds the weighted cost of capital allocated. To achieve this, we continue to focus on the key financial value drivers of real revenue growth, gross profit growth, effective cost management, funding optimisation, balance sheet and cash flow strength, and improved return on invested capital ("ROIC").

Performance management at a Group level considers the diverse nature of our combined business segments and aims to identify key financial performance indicators that will contribute to increased shareholder value. The top five financial indicators used by the business to measure performance are:

> **RHEPS**
> RHEPS growth is a strong indicator of sustained wealth creation, as it eliminates the impact of infrequently occurring events and reflects earnings on an attributable per share basis. Successfully executing the four strategic focus areas should ultimately lead to superior RHEPS growth at a rate exceeding a combination of CPI and GDP growth. Growth in RHEPS is one of the performance conditions linked to executive remuneration through the long-term share incentive plan.

> **ROIC**
> We consider ROIC to be the most appropriate measure of our efficiency in allocating capital to investments. ROIC is compared to the weighted average cost of capital and applied to the average capital invested to determine value creation. ROIC is an entrenched principle in our business and a key ratio when evaluating various growth and diversification opportunities. Achievement of ROIC targets is the second performance condition linked to executive remuneration through the long-term share incentive plan.

> **Return on equity ("ROE")**
> We believe ROE is a true bottom-line profitability measurement relevant to shareholders, comparing the earnings available to shareholders to the capital provided by shareholders. The higher the ROE, the more efficiently the Group generates income and growth from its equity financing.

> **Return on sales ("ROS")**
> We measure our ability to translate revenue into earnings by ROS. This indicator considers our ability to procure optimally and effectively operate our business on a low-cost model, as well as the funding impact of investment activities and balance sheet optimisation. This measure is less applicable in the fuel environment, where fuel price inflation results in higher turnover without an accompanying increase in profitability.

> **Fuel volume growth**
> Due to the volatility and regulated nature of fuel prices, we believe fuel volume growth is the true measure of success in the retail fuel environment. By optimising existing operations, expanding our footprint through acquisitions, and adding complementary convenience shopping and quick service restaurant ("QSR") offerings, we aim to grow fuel volumes significantly over the medium term.

INCOME STATEMENT

Revenue was under pressure during the year, reducing by 3,0% to R21,73 billion, down from R22,40 billion in the previous financial year, with like-for-like ("LFL") comparable revenue decreasing by 3,5%. Transactions decreased by 2,1% to 63,1 million. 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") September inflation by income channel is estimated at 4,2% (retail), 4,5% (QSR), 2,0% (agri) and deflation of 15,8% (fuel).

Despite margin pressure in the general retail and agri income channels, overall gross profit increased by 1,9%, in contrast to the decrease in revenue. This increase in gross profit was largely due to the increased contribution of high-margin convenience retail revenue, assortment optimisation in the general retail categories and a higher contribution from the higher-margin irrigation manufacturing business. The increased central distribution centre throughput and the implementation of several strategic supply chain imperatives continued to support retail trading margins. Fuel prices returned to levels below the prior year courtesy of consistent price decreases during the last four months of the period, ending at 9,6% (petrol) and 15,5% (diesel), which is lower compared to the prior year. The decrease in fuel price negatively impacted gross profit growth by R18,3 million.

The Group intentionally limited capital expenditure during the year, focusing on bedding down the PEG acquisition, reducing the related acquisition debt and optimising the existing wider trading footprint. During the year, we opened two new Agrimark offerings and one new retail fuel site in Namibia. We also closed two Agrimark sites that were no longer core to the Group. The Agrimark Online platform offering is exceeding expectations, although it is off a low base.

Gearing levels reduced during the year as fixed PEG acquisition debt repayments led to lower debt, while investment returns remained above the weighted average cost of capital. The business continues investigating further value-enhancing growth opportunities across The Fuel Company ("TFC") and Agrimark segments.

Given the pressures on revenue, prudent cost management and increased cost efficiency remained key focus areas, increasing expenditures by only 4,5% during the year, with no Group management incentives being provided. As a result of reduced load shedding during the second half of the year, the direct cost associated with load shedding improved by R36,0 million YOY. The Group continued to evaluate various solar projects, where feasible, to address the risk of the possible return of load shedding and above-inflation electricity price increases.

Total interest received decreased by 9,6% compared to the prior year on the back of lower average debtors' balances due to lower credit sales. Interest paid, excluding interest on lease liabilities in terms of IFRS 16, decreased by 17,4% due to the YOY reduction in average interest-bearing debt, assisted by scheduled term debt repayments. Net interest earned (excl. IFRS 16) increased by R16,8 million for the year. Interest paid will continue to decrease as the PEG acquisition-related debt is serviced in line with expectations.

EBITDA decreased by 4,4% to R859,3 million, down from R898,6 million in the prior corresponding period. Profit before tax decreased by 7,3% to R641,3 million, from R691,8 million in the prior corresponding period.

The Group's effective tax rate of 29,7% (2023: 30,6%) is lower than the prior year, mainly due to reduced non-deductible interest and expenditure of a capital nature.

Headline earnings decreased by 8,6%, while recurring headline earnings ("RHE") decreased by 8,8%. Once-off items, predominantly costs associated with new business developments, are excluded from headline earnings to calculate RHE.

Headline earnings per share of 561,58 cents decreased by 9,2%, while RHEPS of 561,58 cents decreased by 9,4% compared to the prior year. RHEPS growth is lower than RHE growth, due to RHEPS being calculated on RHE attributable to shareholders of the holding company only.

Despite the subdued trading performance, the Board has approved a total dividend for the year in line with the prior year on the back of strong cash management and significantly lower debt levels. The Board approved and declared a gross final dividend of 126,00 cents per share (2023: 130,00 cents per share) from income reserves for the year ended 30 September 2024. The final dividend amount, net of South African dividends tax of 20%, is 100,80 cents (2023: 104,00 cents) per share for those shareholders not exempt from dividend tax or who are not entitled to a reduced rate in terms of an applicable double tax agreement. Including the interim dividend, the total dividend for the year ended 30 September 2024 of 180,00 cents per share is unchanged from the prior year. The total dividend per share represents a dividend cover of 3,0 times (2023: 3,3 times).

STATEMENT OF FINANCIAL POSITION

Capital investment of R154,0 million (R173,1 million in the prior year) was incurred, which included R20,1 million for various alternative energy production and storage initiatives, R47,6 million relating to replacement capital expenditure and R86,3 million spent on numerous upgrades, expansions and SHEQ projects.

The Group continues to manage working capital effectively, with net working capital reducing by R48,6 million. While credit sales decreased by 2,9%, trade debtors' balances reduced by 4,7% YOY, with "not within terms" as a percentage of debtors improving to 13,0% (2023: 13,3%). Debtors turn of 4,2 times per year (2023: 4,1 times) has improved marginally. Our investment in centralised procurement and distribution and ongoing stock management initiatives has generated positive results, with inventory reducing by 11,6%. Creditors' days are marginally down compared to the prior year.

Return on net assets reduced from 10,3% last year to 9,2% this year. Although ROIC, calculated excluding the impact of IFRS 16, reduced from 14,3% last year to 12,6% this year, it remained comfortably above the weighted average cost of capital in the business.

Net interest-bearing debt was reduced by R206,0 million, with R251,9 million in term debt being settled during the past 12 months. The Group's debt-to-equity ratio improved to 51,3% (2023: 61,9%), the lowest level in over 10 years, with net interest-bearing debt to EBITDA improving to 1,8 times (2023: 2,0 times) and interest cover of 4,1 times (2023: 4,0 times). Gearing levels are expected to decrease further in the coming year as the repayment of the PEG acquisition debt continues. Of the original R725 million external debt raised for the PEG acquisition in July 2022, R226,6 million capital has been repaid to date, with a further R143,2 million to be settled during the next year. The final R279,1 million capital payment due in June 2026 is anticipated to be refinanced to ensure an optimal funding structure. Funding headroom exists with sufficient facilities in place to meet the Group's requirements and growth objectives. Return on equity reduced to 13,9% (2023: 16,7%).

The Group's cash flow improved during the year, and cash generation remained strong. The coming year will see an increase in capital spend as we actively pursue footprint growth and other high return strategic initiatives in line with our 2030 strategic objectives.

SHAREHOLDER VALUE CREATED

KAL strives to create sustainable shareholder value through share price appreciation and strong consistent dividend payments. To unlock shareholder value and improve liquidity, we implemented several initiatives over the past few years. These included the unbundling of Zeder Financial Services Limited and the PSG Group Limited shareholdings in KAL, an odd lot offer process and ongoing investor engagements via various platforms. The KAL share performance has reacted positively. The share closed at R50,50 on 30 September 2024, an increase of 46,4% compared to 30 September 2023, with 16,0% of shares trading during the year. The number of shareholders reduced to 10 843, down from 11 266 in the prior year. We have enhanced our share register analysis abilities to provide meaningful information regarding shareholder activity. We continue to proactively engage transparently with all our stakeholders to align our strategic journey and goals.

We consistently measure sustainable performance in terms of investor return over time, focusing on per share wealth creation. When evaluating KAL's performance over the long term, we use the total return index ("TRI") as a measurement tool. The TRI is the compound annual growth rate of an investment and is calculated by considering share price appreciation, dividends, and other distributions. We consider this a sound measure of wealth creation and a reliable way to benchmark different companies.

Using the 90-day volume weighted average share price, KAL's TRI at 30 September 2024 was 9,1% per annum since September 2015 and has shown a strong recovery from the negative return reported in 2020.

At year-end, the KAL share traded at a 90-day volume-weighted average share price of R48,60 per share. The closing share price of R50,50 per share represents a price earnings ("PE") ratio of 7,8 calculated on historic RHEPS. As of 25 November 2024, being the date on which the 30 September 2024 financial results were announced, the KAL share traded at a PE ratio of 9,1 calculated on the latest RHEPS.

OUTLOOK

Extreme weather events have impacted agriculture in many of the areas where we operate over the past 12 months. However, farming conditions are favourable, and dam levels are above the long-term average. Producer cash flow pressure has been evident during the period, but steady cost decreases in key inputs, combined with the expected further reduction in interest rates, bode well for the year ahead. Although high levels of rainfall were recorded during the wheat season, this led to challenges around fertilising and pest control in certain areas. Across the total Swartland region, a good average wheat yield but a lower canola harvest is expected. Although always weather-dependent, the outlook for fruit and vegetable production in the upcoming agricultural season looks encouraging. Port challenges are expected to improve, albeit at a slow rate. Even though the load shedding outlook is cautiously positive, concerns remain around the reliability of supply and unsustainable electricity price increases. Municipal infrastructure and service delivery concerns are not anticipated to improve significantly in the short term. Agrimark will continue driving market share growth in their respective areas.

General retail performance is likely to improve, given the expectations of continued lower inflation and further interest rate reductions. This, together with the two-pot retirement cash outs boosting spending, may benefit the building material sector. Lower fuel prices are also injecting circa R8,5 billion per month into the economy at current levels. The improved SA GDP outlook, bolstered by energy stability and political certainty, will impact business and consumer confidence positively.

Retail fuel volumes are expected to improve in the year ahead courtesy of lower prices, as evidenced in the last two months, and convenience retail and QSR performance will remain robust. TFC will ramp up its investment into new sites and currently has five sites in various stages of acquisition. 12 new QSRs are planned for the next financial year. The cash-generative nature of this segment bodes well for increased dividend payments in the near future.

In the manufacturing segment, we expect continued recovery, growth, and market share gains from Agriplas. Tego is anticipated to deliver increased sales volume from bins, crates, and toll manufacturing.

The Board has approved the 2030 strategic plan, which includes significant growth across our key Agrimark and TFC segments with clearly defined outcomes. Our drive remains to deliver a sustainable and superior return on invested capital to shareholders by leveraging our capabilities to drive growth and optimise our existing footprint and infrastructure. Our digital transformation journey includes several deliverables to enhance customer experience through improved data analytics and utilising various AI tools. Leveraging our business culture and employee diversity is paramount, and we will continue to invest in skills and talent development to attract, develop and retain our people.

While earnings growth is important, maintaining and improving balance sheet strength will ensure continued sustainable returns for all stakeholders. Our balance sheet has strengthened, our gearing position has improved, and cash generation has increased.

Considering all the above, it is clear that the year has been a challenging one underpinned by weak macro-economic conditions. Recent positive economic indicators bode well for the year ahead. We remain positive that we will see an improved performance in the business over the next 12 months. The Group is well positioned to take advantage of the expected improvement in trading conditions, and footprint expansion plans are expected to further enhance this upward trend.

"electronically signed"

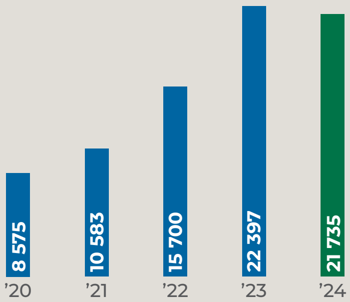
GW Sim
Group Financial Director

Five-year financial review

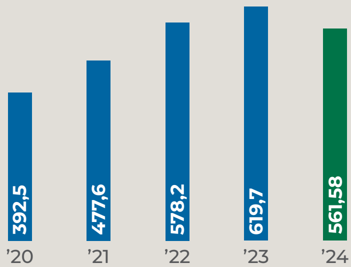
	GROUP				
	2024 R'000	2023 R'000	2022 R'000	2021 R'000	2020 R'000
Income statement					
Revenue	**21 734 924**	22 397 058	15 700 499	10 582 588	8 574 668
Direct business	**3 467 614**	3 391 206	3 264 041	2 574 685	2 256 274
Value of transactions	**25 202 538**	25 788 264	18 964 540	13 157 273	10 830 942
Profit before tax	**641 342**	691 822	557 290	460 199	381 514
Income tax	**(190 245)**	(211 819)	(144 331)	(127 923)	(102 336)
Profit after tax	**451 097**	480 002	412 959	332 276	279 178
Headline earnings adjustment	**(500)**	12 986	(4 419)	(1 470)	(2 069)
Headline earnings	**450 597**	492 989	408 540	330 806	277 109
Non-recurring items	**–**	970	21 981	16 402	3 344
Recurring headline earnings	**450 597**	493 959	430 521	347 208	280 453
Attributable to shareholders of the holding company	**394 836**	435 549	407 421	335 630	275 810
Non-controlling interest	**55 761**	58 409	23 100	11 578	4 643
EBITDA	**859 294**	898 592	673 226	552 792	463 696
Interim	**38 130**	35 060	32 523	28 112	–
Final	**88 970**	91 155	85 848	78 012	35 141
Dividend paid	**127 100**	126 215	118 371	106 124	35 141
Gross dividend	**133 775**	133 776	125 274	111 997	37 085
Dividend on treasury shares	**(6 675)**	(7 561)	(6 903)	(5 873)	(1 944)
Statement of financial position					
Non-current assets	**3 983 058**	3 670 253	3 683 198	2 442 661	2 345 689
Current assets	**4 231 904**	4 619 465	4 655 554	3 369 763	2 927 774
	8 214 962	8 289 718	8 338 752	5 812 424	5 273 463
Liabilities and loans	**(4 833 148)**	(5 203 491)	(5 516 275)	(3 414 258)	(3 146 760)
Total shareholders' equity	**3 381 814**	3 086 227	2 822 477	2 399 115	2 126 703
Net interest bearing debt	**1 556 521**	1 762 492	1 896 163	1 209 898	1 328 006
Statement of cash flows					
Cash flow from operating activities	**889 648**	809 850	213 072	425 734	494 477
Cash profit after tax from operations	**841 087**	895 440	633 006	533 838	514 892
Working capital changes	**48 561**	(85 590)	(419 934)	(108 104)	(20 415)
Cash flow from investment activities	**(136 558)**	(164 675)	(427 375)	(109 603)	(310 892)
Cash flow from financing activities	**(725 456)**	(718 732)	522 253	(299 414)	(195 137)
Net cash flows	**27 634**	(73 558)	307 950	16 717	(11 552)
Ratios					
Total shareholders' equity: Total assets employed	**39,2%**	35,5%	36,9%	40,8%	40,3%
Net interest bearing debt: Total assets employed	**20,1%**	22,0%	21,9%	22,9%	26,2%
Net interest bearing debt: Total shareholders' equity	**51,3%**	61,9%	59,5%	56,1%	64,9%
Recurring headline earnings: Shareholders' interest	**13,9%**	16,7%	16,5%	15,3%	13,8%
EBITDA: Net assets	**21,9%**	25,2%	21,7%	21,0%	19,7%
RONA	**9,2%**	10,3%	10,3%	9,8%	8,4%
Interest cover (times)	**4,1**	4,0	6,0	6,8	5,0
Per share					
Shares issued (number – '000)	**70 611**	70 119	70 367	70 281	70 281
Weighted average shares issued (number – '000)	**70 308**	70 285	70 460	70 281	70 266
Recurring headline earnings per share (cents)	**561,58**	619,69	578,23	477,55	392,52
Dividend per share (cents)	**180,00**	180,00	168,00	151,00	50,00
Net asset value per share (R)	**45,28**	41,78	38,24	32,57	28,86

Ratios calculated on average balances.

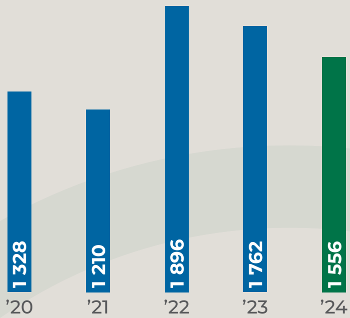
REVENUE (R'MILLION)



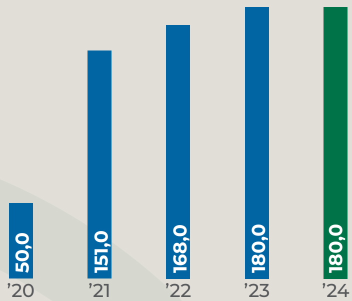
RECURRING HEADLINE EARNINGS PER SHARE (CENTS)



INTEREST-BEARING DEBT (R'MILLION)



DIVIDEND PER SHARE (CENTS)



"This garden is an investment in this community and will be sustained for years to come. We want to thank our donor for bringing life into the community. They do not know these recipients, but they are supporting lives. They are filling bellies from afar. This is what it takes to take South Africa forward."
Corene Conradie, Regional Coordinator, Gift of the Givers

Helping communities adapt and recover

Agrimark understands the power of purpose-driven collaborations to help communities build resilience and recover from challenges. Through its annual Supplier Golf Day fundraiser, Agrimark strengthens supplier partnerships to support vulnerable communities with projects that align with KAL Group's ESG focus areas.

The 12th annual Agrimark Supplier Golf Day raised over R215 000 for the disaster relief organisation Gift of the Givers to support Tholeni Village in the Eastern Cape. Struggling with malnutrition and unemployment, the community has faced significant challenges, with tragic stories making national news.

With supplier support, Agrimark focused on delivering sustainable solutions to help build long-term resilience. Its donation included seeds, irrigation equipment, and horticultural tools to empower 50 households in the village to establish sustainable vegetable gardens for long-term food security.

Governance and sustainability

BOARD OF DIRECTORS

Chairman

GM Steyn[2,4,6]

Non-Executive

I Chalumbira
AJ Mouton[4,5]
D du Toit[1,2,4]
JH le Roux[1,4,5]
B Mathews[1,3,4]
EA Messina[3,4,6]
CA Otto[1,2,4,6]
T Kabalin[4]

Executive

S Walsh – Chief Executive Officer
GW Sim – Financial Director[5]

1 *Audit and Risk committee*
2 *Remuneration committee*
3 *Social and Ethics committee*
4 *Independent*
5 *Finance committee*
6 *Nomination committee*

EXECUTIVE MANAGEMENT

AC Abeln	MD – Agrimark Operations
LJ Abrams	Business Development – TFC Group
X Bangazi	MD – TFC Group
DW Beukes	Financing Services
PL Coetzee	Agrimark Grain
DC Gempies	Human Resources
C Graham	Information Management
C Matthew	Manufacturing – Agriplas and Tego Plastics
GW Sim[1]	Finance
HJ Smit	Supply Chain
T Sulaiman-Bray[2]	Corporate Affairs
WA van Zyl	Enterprise Asset Management & SHEQ
GC Victor	Finance
S Walsh	Chief Executive Officer

1 *Finance committee*
2 *Social and Ethics committee*

"We believe in leveraging all our resources to make a meaningful difference in communities, such as the generosity of our social media followers. Our ongoing relationship with Gift of the Givers has unlocked more opportunities to address pressing issues in the communities where Agrimark operates."
Tasneem Sulaiman-Bray, Agrimark Director of Corporate Affairs

Followers and fans help build resilience

Digital platforms hold immense potential for addressing local challenges. Agrimark's "Give a Follow, Give a Litre" campaign exemplifies how resilience can be fostered in innovative ways.

Launched on World Water Day, Agrimark's campaign pledged one litre of water to Ashbury Primary School for every Instagram follower. Identified by the disaster relief organisation Gift of the Givers, Ashbury Primary in Montagu faces severe water scarcity.

The campaign resulted in 10 500 litres of clean water being collected, and the social media audience growing by over 10%.

The initiative not only provides immediate relief but builds capacity for long-term resilience. Installing JoJo tanks in excess of 15 700 litres capacity with filtration systems will enable the school to harvest rainwater. This will also support their vegetable garden, promoting greater self-sufficiency.

Remuneration report

The actions that emanate from the remuneration report will be incorporated into the Human Capital strategic priorities. The Human Capital strategy provides input and context for the remuneration report, focusing on all business units and functions.

We adopted the four-part remuneration report approach:

Part 1
Chairman's Report

Part 2
Remuneration Report

Part 3
Overview of the remuneration policy

Part 4
Implementation Report

PART 1: CHAIRMAN'S REPORT

On behalf of the Board, I am pleased to present the remuneration report for the year ended 30 September 2024. Our remuneration philosophy complies with the principles and recommended practices of King IV and other legislative requirements.

The remuneration report provides stakeholders with an overview of our Group's remuneration philosophy and key remuneration policies. It also outlines how we implemented these policies during the 2024 financial year ("FY24"). The report focuses on the payments made to non-executive directors and Executive committee members during FY24.

The Group has delivered a credible trading performance, notwithstanding the challenging operating environment, which was characterised by suppressed economic conditions over the period, with volatile inflation, high interest rates, high fuel prices, and dwindling consumer and business confidence.

The board approved the Group's FY30 strategy during FY24, which was supported by the alignment of the Organisational structure and the executive top management structure on the Group and subsidiary Company levels. The labour market is characterised by continuous regulatory changes, different employee expectations, and challenges regarding technical skills, which makes attracting, engaging, and retaining key talent essential but also challenging.

Leveraging our business culture and employee diversity is paramount. Therefore, we will continue to invest in our employee value proposition ("EVP") to our people and in skills and talent development to attract, develop and retain our people.

The Remuneration committee ("Remcom") remains confident that the policy is business-informed, aligns with the Group's strategic objectives, and supports the Group's long-term business strategy.

We engage our stakeholders by presenting the remuneration policy and implementation report at the AGM for non-binding advisory votes. The results of the non-binding advisory votes at the AGM for the past three years are illustrated below:

2024
The policy and the implementation report received the support of **88,0%** and **91,0%** of the votes cast on such advisory votes

2022
The policy and the implementation report received the support of **97,3%** and **99,9%** of the votes cast on such advisory votes

2023
The policy and the implementation report received the support of **83,0%** and **88,2%** of the votes cast on such advisory votes

We continuously monitor any legislation change that might impact our Human Capital, policy, and practices. The Remcom will continue to review the policy and pay practices to ensure they remain relevant, fair, and equitable.

I want to thank the shareholders for their vote of confidence in our remuneration report, strategy, and policy. I also want to thank my fellow committee members for their contributions.

PART 2: REMUNERATION COMMITTEE

Remuneration governance

The Remcom is a Board committee with the primary responsibility of overseeing the remuneration and incentives of Executive committee members and key management. The Board annually appoints committee members and an independent non-executive director as Chairman. Members consist of at least three non-executive directors, the majority of whom are independent. The composition of the Remcom is illustrated below.

Attendee	Role	Capacity	Meeting attendance
CA Otto	Chairman	Independent non-executive director	2
GM Steyn	Member	Independent non-executive director	2
D du Toit	Member	Independent non-executive director	2

The Remcom has two official meetings annually in February and May. A special meeting can be scheduled virtually or in person at any time when required. Furthermore, any decision the Remcom requires can be a round-robin decision by the committee members with proper written motivation.

The following Executive committee members are invitees to the Remcom.

> S Walsh – Chief Executive Officer ("CEO")
> GW Sim – Director Finance
> DC Gempies – Director Human Resources

The level of accountability for governing the policy and implementation thereof is illustrated below:

Governance framework	
Board	The Board is ultimately responsible for ensuring compliance with remuneration principles and limiting risk.
Remcom	In line with its role and responsibilities, the Remcom monitors performance and determines appropriate remuneration policies and guidelines for different groups (subject to Board approval).
Executive team	The executive team is responsible for compliance within areas of responsibility and evaluating recommendations to change policies and practices.
Director: Human Resources (subsidiary – Agrimark Operations Limited)	The Director: Human Resources manages the policy's day-to-day application. He also recommends changes to policies and practices to the Executive committee.

Remcom functions and responsibilities

> Determines the CEO's remuneration
> Determines Executive committee members' remuneration as recommended by the CEO
> Monitors the Group, executive, regional and senior managers within P3 to P5 remuneration, as recommended by the CEO
> Recommend the non-executive directors' fees to the Board for final approval at the AGM
> Ensures the remuneration philosophy and principles aligns with the Group's business strategy
> Ensures the remuneration policy and pay practices are fair and equitable
> Ensures performance-based incentive schemes and performance criteria are developed and implemented
> Approves the annual average increase for employees remuneration, as recommended by Exco
> Reviewing and monitoring talent management at executive and senior management level

Activities of the Remcom

During the year, the Remcom activities included the following:

- Approving annual increases for FY24
- Approving budgeted annual increases mandate for FY25
- Approving non-executive directors' fees for final approval at AGM
- Approving the payment of STIs for FY24 based on the Group performance targets being achieved
- Approving the request for the application of the Retention Bonus Framework
- Approving the new allocation and vesting in terms of the LTIP scheme
- Approving the amendment of the STI Framework to align with the Group Organisational Structure
- Monitoring the performance bonus payment in line with the Recognition and Reward Schemes guidelines
- Monitoring the LTIP scheme application with respect to the minimum shareholding requirement
- Continue to monitor the Group's Human Capital strategies, which include the effectiveness of talent value management
- Noted the Salary TGP benchmark for positions between P3 to P10
- Noted Fair and Equitable remuneration practices through the salary TGP gaps between CEO and minimum remuneration paid and TGP gaps based on gender, race within P3 to P10 level positions
- Noted occupational level alignment to the organisational structure
- Noted the KAL retirement fund and medical aid update report
- Noted the employment equity report FY23 and plan for FY24 period
- Noted the annual training report FY24 and workskills plan for FY25
- Noted the Human Capital ("HC") dashboard

Future focus Areas FY25

Ensure that the remuneration policy and philosophy remain aligned with the KAL Group business strategy while supporting the subsidiary companies.

Ensure that the remuneration policy and practices are fair and equitable, supporting key human capital imperatives, including talent value management ("TVM") and employee value proposition ("EVP").

PART 3: OVERVIEW OF THE REMUNERATION POLICY

Remuneration philosophy

Our remuneration philosophy entrenches an accelerated performance culture where excellence is rewarded and mediocrity is unacceptable. This is shown at every level of the Group through our performance management approach, recognition and reward systems, and total guaranteed pay ("TGP") management.

We ensure remuneration is appropriately set against multiple factors. These include the complexity of functions, the scope of accountability, market practice and competitiveness, aligning risks and rewards, and the Group's and its shareholders' long-term objectives. We are committed to the principle of equitable remuneration. However, we acknowledge that some jobs with similar grades will earn different TGPs determined by market factors and justified by, for example, a shortage of skills and performance-based increases.

Our remuneration framework, underpinned by our philosophy, meets the following requirements:

- Enables KAL Group's long-term sustainable success by linking rewards to achieving Group strategy and creating shareholder value
- Attracts and retains the required skills base
- Links remuneration to performance measures
- Achieves a balance between individual, team, and business performance
- Offers employees a competitive and market-aligned remuneration package with fixed salaries representing a significant remuneration component

Group-wide remuneration approach and the wage gap

KAL Group is committed to ensuring fair, equitable and reasonable remuneration to the Group and its employees. We strive to be consistent, offering remuneration packages that will enable us to attract and retain the best-fit talent in our market.

To ensure a fair and responsible remuneration strategy, the Remcom will focus on:

- Ensuring the policy is competitive, best suited to KAL Group's business model, guided by best practice and compliant with regulatory requirements.
- Ensuring good governance principles are applied to remuneration and there are no income disparities based on gender, race, or other unacceptable discrimination.
- Annually ensuring remuneration meets employees' prescribed minimum pay rate, including non-permanent employees within

various bargaining councils and/or sectoral determinations. Overall, our conditions of service, including remuneration, are better than the respective bargaining council and/or applicable sectoral determination.

- Ensuring there is no unfair discrimination, the fairness of total reward practices is continually monitored, and appropriate corrective action is taken, where necessary.
- Ensuring remuneration practices respect the equal work for equal pay principle.

The Group continuously monitors and benchmarks the TGP for all management-level positions below the executive team

The Remcom utilised the services of an independent external remuneration specialist for benchmarking in respect of:

- Conducting a market research benchmark for a comparative peer group of companies with respect to the Chief Executive Officer ("CEO") and Executive Director Finance benchmarking of the TGP, STI and LTIP scheme to determine whether or not the total reward is market related.
- Conducting a market benchmark on the fees paid to non-executive directors to determine whether it is market-related.
- In addition to the above, the Group utilised external salary market research based on TGP and total reward for job-specific benchmarks for other Executive committee members and other positions within the Group in determining whether the remuneration is market-related and fair. The total reward benchmark is conducted every second year and/or as requested by the Remcom.

The TGP Pay Scale Framework, based on occupational levels which align with the new organisational structure per job family cluster, refers to:

- Job family clusters

Finance	Corporate Affairs
Human Resources	Supply Chain
Retail	Petroleum
Manufacturing	

- Employment Equity Occupational Levels

Top management level P1+ to P2
Senior management level P3 to P5
Professionally qualified level P6 to P7
Skilled level P8 to P10
Semi-skilled level P11 to P14
Unskilled level P15 to P18

The Group applies performance-based pay principles for all management-level positions, including the executive team

> Performance-based remuneration

Performance-based remuneration motivates, rewards, and drives the right behaviour and performance according to set expectations for the employee, reflecting specific requirements for performance at the Group, business unit and individual level.

The performance-based pay principle, based on the individual employee's performance rating using a three-scale performance rating, is used to determine the annual increase % of employees.

Group and business segment growth and returns targets are used to determine:

- the qualifying level payable on STI
- the qualifying level on LTIP, as per the pre-determined guidelines.

The digital performance management system assesses the performance levels for each employee within the Peromnes band P1 to P10 range. For P11 to P18, performance management is applied using the criteria set in G4G and job-specific goals.

> Annual salary review

The annual review is effective every year from 1 February for employees within P1 to P10 who are referred to as non-bargaining council employees. The exception to the increment date of 1 February depends on the applicable Bargaining Council ("BC") or Sectoral Determination ("SD") agreements as Gazetted by the Minister of Labour, for employees P11 to P18 who fall under the auspices of the respective BC/SD.

Remuneration is reviewed annually and is based on the following conditions:

- Remuneration increases only occur if the Group is in a financial position to afford it
- Individual remuneration increases occur strictly in accordance with individual work performance
- Employees who have not worked a full year may receive a pro rata remuneration increase
- No remuneration increase is guaranteed

The Remcom will approve and ratify the annual increase for bargaining councils and sectoral determinations.

Components of remuneration and pay mix

The remuneration framework for employees is as follows:

Total Guaranteed pay		Variable pay	
Basic pay	**Benefits**	**Incentives**	**Allowances**
Cash salary	Travel allowance, medical aid, cellphone allowance, annual bonus, and retirement scheme	Recognition and praise, performance bonus, marketer's commission, STI and LTIP schemes based on individual and company performance.	Monthly allowances are not limited to those prescribed by the bargaining council and sectoral determination agreements.

Recognition and reward schemes

The revised recognition and reward schemes to recognise employee's performance and living our values are illustrated below:

Framework of recognition and reward schemes

Element	Participants	Performance period and measures	Operation and delivery
Go for Gold	Employees between P10 and P18 and employees within specialised supporting roles in P8 to P9 that are not responsible for a profit centre.	Based on monthly and/or quarterly performance by employees.	Paid monthly and quarterly to winning employees per category based on performance criteria set by the business.
Sales Commission	Marketers and technical sales representatives.	Based on monthly or yearly pre-determined performance targets.	Paid monthly or yearly based on pre-determined performance criteria.
Performance Bonus	Shared service managers within P6 to P9, branch managers within P6 to P9, management accountants' operation controllers, and junior branch managers.	The performance targets are reviewed annually with quarterly and/or annual performance measures.	Paid quarterly and/or annually based on specific performance targets.
STI Bonus	CEOs, Executive committee members, Managing Directors ("MDs") of subsidiaries, Group, executive, regional and senior managers within P1 to P5.	Performance is evaluated annually against growth in recurring headline earnings per share ("RHEPS").	Paid in December based on specific performance targets. All bonuses are self-funded based on financial targets.

Framework of recognition and reward schemes			
LTIP share scheme	CEO, Financial Director, and other Executive committee members.	Performance is evaluated annually against the vesting conditions.	Vesting in tranches of 25% each on the later of: > the 2nd, 3rd, 4th, and 5th anniversary of the date of award; and > to the extent applicable the date on which the Remcom determines the performance condition(s) has been met; and > to the extent applicable, any other conditions imposed have been satisfied.

> Go for Gold programme ("G4G")

The Group is committed to recognition and praise at all levels of the business. The G4G recognition and praise programme is a platform to acknowledge star performers, motivate discretionary effort and deliver ongoing business results. It is about bringing out the best in each employee and making them feel appreciated for a job well done. It celebrates the successes in our workplace and motivates employees to continue to go the extra mile.

The participation on goal rate is above 70%. According to our META framework, this is regarded as acceleration.

Employees are nominated by management according to four categories. The successes are celebrated with each individual and team winner, including G4G prizes.

- **Employee Champion – META (employee):** This category recognises employees who excel and go beyond the call of duty
- **CARE Ambassador (employee):** This category embodies the CARE values evident in employees who positively influence others
- **Community Ambassador (employee):** This category recognises an employee who is making a noteworthy contribution other then financial assistance to their local community.
- **Operations Excellence (team):** This category recognises employees for adding value and affecting or contributing to the business's overall bottom line
- **Accelerating Performance (team):** This category recognises employees for adding value to the business (most improved)

Individual category winners for Employee Champion and CARE Ambassador are recognised monthly, quarterly and annually within the different business divisions.

Team category winners for Team Excellence and Accelerating Performance are recognised quarterly and annually per division.

The overall Group winner per category is recognised annually.

> Sales commissions

The sales commission incentivises marketers and technical sales representatives to drive market share growth in the various categories. The sales commission framework is reviewed annually and communicated to the qualifying employees. Eligibility for a sales commission is based on achieving predetermined performance targets on a scaling principle.

Commission earners do not qualify for STIs, performance bonuses, or the recognition and praise programme, and it does not form part of the standardised conditions of service.

The sales commission framework is not regarded as a condition of service.

> Performance bonus

Performance bonuses motivate and recognise the business unit's performance against pre-determined targets. The respective business unit and junior managers' valuable contribution to the business unit achieving the performance targets is recognised. They will be rewarded appropriately according to the scheme's rules.

Performance bonuses reward short-term performance (based on pre-determined targets per operating unit, region and/or division). The different divisions within the Group have different key performance indicators and targets, and their specific environments are impacted to a larger or lesser extent by specific events.

An operating unit's performance bonus pay-out will be based on a fixed cash amount paid quarterly and/or annually (based on achieving pre-determined sales performance targets) and a percentage of monthly TGP paid annually (based on achieving pre-determined performance bonus targets ("PBTs")).

Shared service managers qualify for a performance bonus if the Group achieves pre-determined PBT growth.

> Pay mix

The total remuneration consists of three elements: Total Guaranteed Pay ("TGP"), short-term incentive ("STI") and long-term incentive plan ("LTIP"), where applicable, for management-level positions.

The approach adopted is for TGP to be at a moderate on-target level, STI at a moderate to aggressive on-target level, and LTIP at an aggressive on-target level.

> Total Guaranteed Pay ("TGP")

The Group uses a guaranteed remuneration approach comprising a cash salary plus cash and non-cash benefits. The TGP is based on job-specific positions and is positioned at the 100th percentile of the market, ranging between 75% and 125% of the market's 100th percentile. The TGP is fair, equitable and market-competitive for job-specific positions.

The range of TGP payable varies for job-specific positions within the different occupational levels, depending on whether it is key critical roles, pre-determined talent, and other factors.

The non-cash benefits include:

- KAL Pension Fund or a fund from a bargaining council for which the Group does not have an exemption
- Spouse cover
- Funeral cover
- Medical aid, where membership is compulsory for job grades P1 to P9 in managerial positions
- Health insurance
- Gap cover
- Cell phone allowance
- Travel allowance within the structure of TGP depends on the requirement of the position and is in line with SARS guidelines.

> Short-term incentives ("STI")

STI earning potential is moderate to high compared to the market. The STI is designed to motivate senior employees to deliver Group performance improvements.

Participants of the STI are restricted to the Executive committee members of the company, the managing director of subsidiaries and the Group, and executive and regional managers between the Peromnes broadband (P1 to P5).

The KAL Group target is based on the average 12-month September consumer price index ("CPI") percentage plus a growth percentage target with an increment interval of 1,25%. The maximum STI is capped at CPI + 12,5% for the financial year.

An example of the growth target for YOY performance is illustrated below:

YOY performance growth target – calculation

CPI (example)	**5,00%**	**(Estimated average 12-month annual inflation in September)**						**CAP**
CPI + % growth	0,00%	5,00%	6,25%	7,50%	8,75%	10,00%	11,25%	12,50%
Target	5,00%	10,00%	11,25%	12,50%	13,75%	15,00%	16,25%	17,50%

STIs are paid in cash after concluding the audited annual financial statements. STIs are self-funding.

> Long-term incentive plan ("LTIP")

The LTIP is a Nil Cost Option ("NCO") scheme which mitigates the risk participants previously had with share price changes due to market volatility.

The purpose of the LTIP is to:

- Recognise the contributions made by the participants to the company's growth by ensuring a close link between pay and performance
- Attract and retain suitably skilled and competent talent in the Group
- Align the interests of the participants and the interests of shareholders
- Motivate participants to remain in the company's employment and execute and enhance the Group's future performance and growth strategies
- Give participants a minimum shareholding exposure

The LTIP operates as follows:

- Participation is limited to the executive directors and other Executive committee members, including a subsidiary's managing director at the discretion of Remcom
- Participants will be awarded NCOs, which are conditional rights to receive company shares on a future date after fulfilling the performance and other conditions to the extent applicable
- Vesting is not dependent on the share price growth
- Each year, participants are awarded NCOs based on a multiple of the participant's annual TGP
- The NCOs vest in tranches of 25% each on the latter of:
  - the 2nd, 3rd, 4th, and 5th anniversary of the date of award; and
  - to the extent applicable, the date on which the remuneration committee determines that performance condition(s) has been met; and
  - to the extent applicable, any other conditions imposed have been satisfied

On the vesting date, shares will be awarded to a participant.

Vesting Condition(s)

The vesting of awards will be subject to the employment and performance conditions.

The pre-determined performance conditions are measured for the final year of the performance period.

The employment condition refers to being employed for two years after the reward of the awards as part of the retention strategy.

Performance condition	RHEPS growth	ROIC
Weighting	60%	40%
Minimum hurdle before any vesting	CPI + GDP	Average WACC
Performance required for full vesting	Proportionate linear vesting up to full vesting at 5% above minimum hurdle	Proportionate linear vesting up to full vesting at 2% above minimum hurdle
Performance required for outperformance vesting (125% of full vesting)	Proportionate linear vesting up to outperformance vesting at 2% above the full vesting hurdle rate	Proportionate linear vesting up to outperformance vesting at 1% above the full vesting hurdle rate
Calculation	RHEPS per integrated report	ROIC = PBIT less tax/average invested capital

The application of the performance condition is illustrated in the diagram below based on NCOs awarded according to KAL's LTIP.

	Performance conditions	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Award of NCOs on 24 May 2024		1st 25% Award Value	2nd 25% Award Value	3rd 25% Award Value	4th 25% Award Value
	Performance period	1 Oct 2024 to 30 Sept 2025	1 Oct 2025 to 30 Sept 2026	1 Oct 2026 to 30 Sept 2027	1 Oct 2027 to 30 Sept 2028
	Employment period	24 May 2024 to 24 May 2026	24 May 2024 to 24 May 2027	24 May 2024 to 24 May 2028	24 May 2024 to 24 May 2029

Minimum Shareholding Requirement ("MSR")

KAL Group wishes to encourage identified employees to hold company shares and reinforce the alignment with shareholder interests. It also aligns with ethical and responsible leadership and effective governance practices, which require employees to act in the best interests of their employers. It will be regarded as a tangible demonstration of the employees' commitment to KAL Group and alignment with shareholders' interests.

Accordingly, and in line with international and South African best market practice, the Remcom approved adopting an MSR policy, which they will manage and implement.

The following Target Minimum Shareholding must be built up and satisfied by the employee before the target date through the acquisition of shares:

- CEO: 225% of TGP
- Financial Director: 175% of TGP
- All other Executive committee members: 125% of TGP

Malus and clawback

The Group adopted a malus and clawback policy in line with international best practice corporate governance. These mechanisms intend to allow the Group control for unanticipated outcomes or misjudgements that we may have made in determining the making or vesting of any award. "Trigger Event" includes, but is not limited to:

- Material misstatement of financial statements – a material misstatement of the financial results resulting in an adjustment in the audited consolidated accounts of the company
- Actions, omissions and conduct of participants – actions, events, or conduct (including omissions) which, in the Board's reasonable opinion, amount to grounds for termination of employment for (gross) misconduct or negligence, dishonesty or fraud
- Assessment of performance and calculation of incentive remuneration – instances where any performance metric or criteria for determining incentive remuneration or vesting thereof was based on error or inaccurate or misleading information
- In instances where any information used in the decision to grant incentive remuneration or determine the quantum thereof was erroneous, inaccurate, or misleading or any information emerges that was not considered at the time any incentive remuneration was made which, in the discretion of the Board (acting reasonably), would have resulted in an inappropriate benefit or would have materially affected the decision to allocate, make or grant the incentive remuneration, whether at all or at the level at which such incentive remuneration was made

Termination of employment

The termination of employment is categorised into two distinct groupings, namely, fault termination and no-fault termination.

Fault termination refers to resignations and dismissals. In the event hereof, all unvested NCO awards will lapse immediately on the date of termination of employment.

No-fault termination refers to retirement, redundancy, disability, death, or a participant's employment with an employer company transfers to any third party according to section 197 of the Labour Relations Act, 1995. In the event hereof, a pro rata portion of NCO awards will vest and be automatically exercised on the employment termination date or as soon as reasonably possible. The portion of NCO awards that does not vest will lapse.

Mutual separation or early retirement will, by default, be classified as a "fault termination." However, the Remcom may, at their discretion, determine that the termination should be treated as if it was a "no-fault termination."

Components of remuneration for Executive committee members

The table below sets out an overview of remuneration components applicable to Executive committee members:

Element	TGP	STI	LTIP

> STI

STIs are payable when the Group achieves pre-determined RHEPS growth targets. These are based on average 12-month September CPI figures and incremental percentage growth.

The maximum amounts earned under STIs are as follows:

- CEO – maximum cap is 120% of annual TGP
- Finance Director – maximum cap is 100% of annual TGP
- Other Executive committee members and subsidiary MDs – maximum cap is 100% of annual TGP

> LTIP

Participants are awarded several options in the scheme annually. The options awarded are based on the following factors:

- CEO at 1,6 times the annual TGP
- Financial Director at 1,3 times the annual TGP
- Other Executive committee members at 1,2 times the respective annual TGP of each director

The options vest in equal tranches on the first day of the 2nd, 3rd, 4th and 5th fiscal year following the grant date.

Executive director and key management contracts

Executive directors, other Executive committee members, and key management do not have fixed-term or bespoke key management contracts. They are employed in terms of the Group's standard contract of employment. The notice period for termination of service is three calendar months.

No additional payments are made to key management on termination of employment (apart from those required in terms of labour legislation).

On cessation of employment, STIs are forfeited in terms of the scheme rules. Unvested LTIPs are treated under the LTIP policy above.

Non-executive directors' remuneration

Non-executive directors' remuneration consists of a fixed annual fee for services as a director and a fixed fee for committee duties. Non-executive directors are reimbursed for travelling and other costs relating to their duties. The Group also carries these costs directly.

Non-executive directors do not qualify for any STIs or LTIPs.

The Group reviews market best practice and leadership publications by reputable remuneration consulting firms to assess the reasonability and level of non-executive directors' fees. Comparison analyses are done regarding similar companies and committees with similar responsibilities.

Proposed 2025 non-executive directors' remuneration

Remuneration for FY25 will be submitted for approval by shareholders at the upcoming AGM on Thursday, 6 February 2025. Refer to special resolution number 1 of the notice of AGM.

The proposed remuneration* is as follows:

Directors' fees	**2025**
Director – base fee	232 000
Board Chairman	+555 000

Committee	**Member**	**Chairman**
Audit and Risk committee	+173 800	+350 000
Finance committee	+72 500	+173 250
Remuneration committee	+144 400	+288 750
Social and Ethics committee	+37 300	+111 300

* *The proposed remuneration is VAT-exclusive.*

Shareholders are requested to approve these fees with effect from 1 October 2024 to align the remuneration with the company's financial year.

PART 4: IMPLEMENTATION REPORT

The implementation report is a backwards-looking section that discloses the remuneration and performance outcomes of the executive directors based on the FY24 remuneration policy. The Remcom is satisfied KAL Group complied with the policy during the year.

Total remuneration

The following table sets out the remuneration paid to executive directors in 2024:

30 September 2024 **Executive directors**	**Basic salary R'000**	**Travel allowances R'000**	**Retirement fund contributions R'000**	**Bonuses and incentives R'000**	**LTI≠ R'000**	**Total R'000**
S Walsh	**6 265**	72	477	–	6 107	12 921
GW Sim	**4 027**	60	308	–	2 775	7 170

≠ *These values are based on the cash value of the LTI awards vested during 2024.*

The total combined shares issued to the CEO and Financial Director on 30 September 2024 was 442 410 shares. Refer to page 173 for more details.

The annual TGP increase during 2024

The annual salary increase mandate is based on several factors, including, but not limited to, the company's profit, average CPI and market salary increase indicators.

The following table sets out TGP increases for executive directors:

Executive directors	**2024 R'000**	2023 R'000	Increase %
S Walsh	**6 814**	6 425	6,05%
GW Sim	**4 395**	4 135	6,29%

Performance-based pay is central to our remuneration practices. The annual increase for employees within the broadband P1-P10 is a performance-based increase, based on the performance score achieved by the employee.

In addition, the respective bargaining councils and/or sectoral determination annual increase agreements must be adhered to for employees within broadbands P11 to P18. There is a clear differentiation between performers and non-performers.

Peromnes broadband	**Employee group**	**Average percentage increase 2024**
P1 to P2	Top management	**6,1%**
P3 to P5	Senior management	**6,2%**
P6 to P7	Professionally qualified and middle and-management	**6,3%**
P8 to P10	Skilled and junior management	**6,1%**
P11 to P14	Admin and senior store staff	**6,2%**
P15 to P18	General workers	**7,1%**
Overall		**6,3%**

STI performance outcomes

The STI is calculated based on a fixed percentage of a participant's TGP. This includes achieving specific performance conditions as defined below:

Performance condition	Weighting	Threshold performance level	Stretch performance level	Actual performance level	Achievement (% maximum)
Growth in RHEPS	**100%**	**CPI**	**CPI + 12,5%**	**CPI + 0,8%**	**0%**

Given that PEG was non-like-for-like in FY24, a once-off caveat was applied to the performance target, which increased the performance target and resulted in a lower STI payable.

LTIPs awarded in 2024

The Group operates a LTIP scheme based on equity-settled management share incentive schemes.

The following section sets out the options granted to executive directors under the equity-settled management share incentive scheme during 2024:

Executive director	Date awarded	Number of options awarded	Fair value of options at grant*	Final vesting date
S Walsh	*Nil Cost Option 4 ("NCO4")*			
	24 May 2024	64 092	2 820 048	24 May 2026
	24 May 2024	64 093	2 674 601	24 May 2027
	24 May 2024	64 093	2 518 214	24 May 2028
	24 May 2024	64 093	2 352 854	24 May 2029
GW Sim	*Nil Cost Option 4 ("NCO4")*			
	24 May 2024	33 612	1 478 928	24 May 2026
	24 May 2024	33 613	1 402 670	24 May 2027
	24 May 2024	33 612	1 320 615	24 May 2028
	24 May 2024	33 613	1 233 933	24 May 2029

* *Number of options multiplied by the fair value on the date of grant.*

Voting at 2024 AGM

At the AGM held on 8 February 2024, the KAL Group's shareholders endorsed the remuneration policy and implementation report through separate non-binding advisory votes of 88% and 91% in favour, respectively. As the requisite majorities passed the non-binding advisory votes, no further engagement with shareholders was required.

Voting at the upcoming AGM

KAL Group's policy and implementation report will again be presented to shareholders for separate non-binding advisory votes at the company's upcoming AGM on Thursday, 6 February 2025.

Should 25% or more of the votes exercised regarding either resolution be against such resolution, the company will invite those shareholders who voted against the applicable resolution to engage with the company.

Termination/hiring

Although eligible, Mr BS du Toit served on the KAL Board since November 2011, was not available for re-election, and therefore retired by rotation at the 2024 AGM. As the Chairman and on behalf of the management, I want to thank Mr Du Toit for his loyalty, dedicated service, and contribution to the Board. I wish him well in all his future endeavours.

On behalf of the Board, I wish to confirm the appointment of the following two independent non-executive directors, which will be confirmed at the next AGM. We are looking forward to their valuable contribution.

Ms Tanya Kabalin holds a B.Com (Honours) degree and is an accomplished and inspiring leader with nearly 30 years' experience in sales, marketing, strategy, etc., and knowledge and experience in the fuel industry.

Mr Abraham J Mouton holds a B.Com (Law), B.Com Hons (Economy), and an MBA, and is an experienced farmer/producer who has held various senior positions with different farming associations.

Non-executive directors

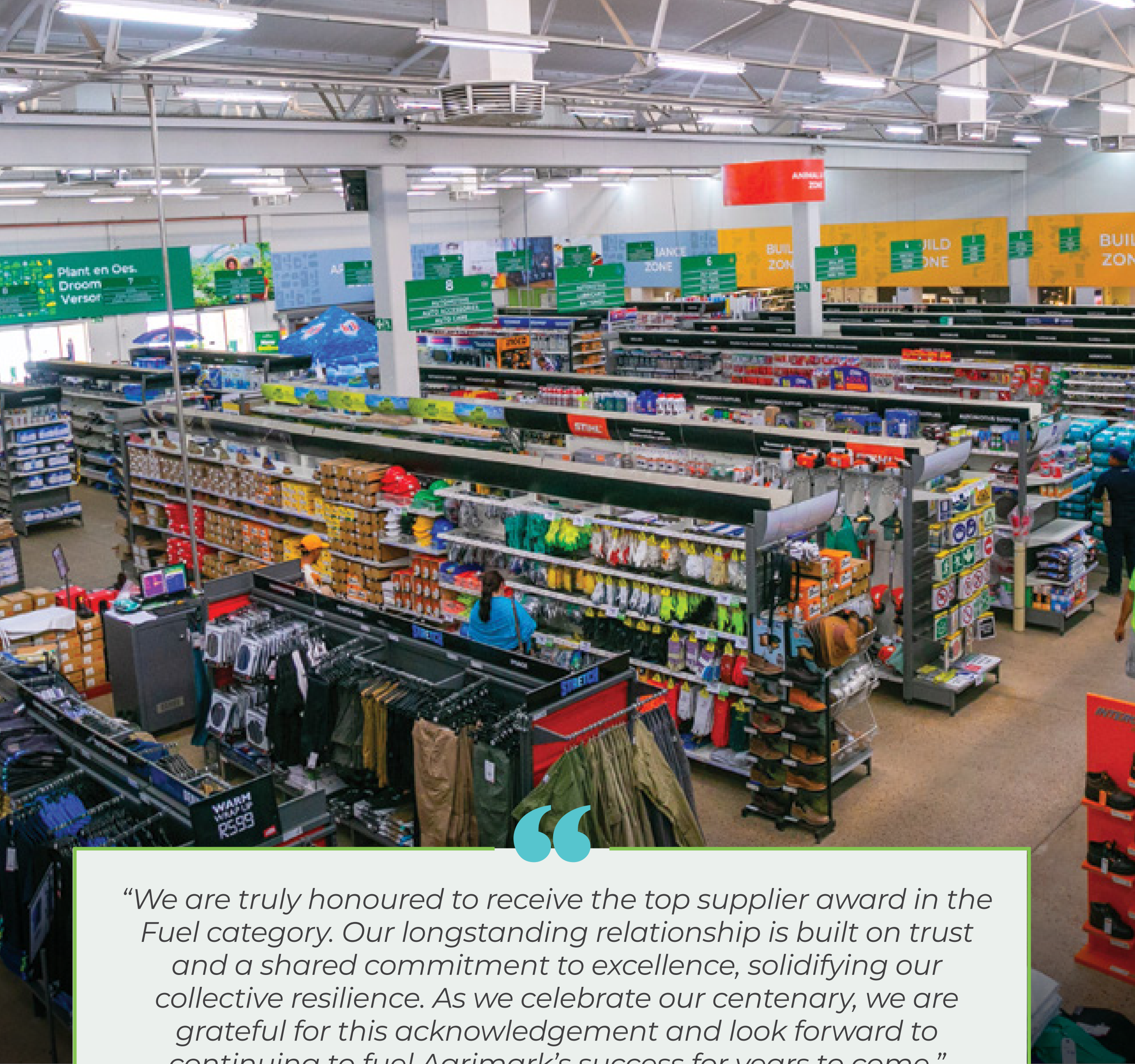
The table below sets out fees paid to each non-executive director during the year. Non-executive directors receive no other remuneration or benefits aside from directors' fees. The table also indicates directors who resigned or were appointed during the year.

Name of NED	Appointed to the Board	Resigned/retired from the Board	Directors' fees
GM Steyn	**May 2013**		**887 000**
CA Otto	**November 2011**		**829 000**
EA Messina	**March 2017**		**780 200**
D du Toit	**March 2017**		**524 000**
JH le Roux	**April 2014**		**551 500**
BS du Toit	**November 2011**	**February 2024**	**193 250**
I Chalumbira	**September 2018**		**221 000**
B Mathews	**September 2022**		**420 000**
AJ Mouton	**April 2024**		**145 000**
T Kabalin	**July 2024**		**110 500**

"electronically signed"

CA Otto

Chairman: Remuneration committee



> *"We are truly honoured to receive the top supplier award in the Fuel category. Our longstanding relationship is built on trust and a shared commitment to excellence, solidifying our collective resilience. As we celebrate our centenary, we are grateful for this acknowledgement and look forward to continuing to fuel Agrimark's success for years to come."*
> ***Patti Mkwanazi, B2B General Trade Manager, TotalEnergies***

Enabling a resilient supply chain

A strong supply chain is crucial for the success of any retail business, and Agrimark recognises this through its annual Supplier of the Year Awards. This prestigious event highlights the vital role suppliers play in Agrimark's growth journey.

The 2024 Awards honoured supplier excellence across 32 retail, agricultural and corporate categories, a significant expansion from just 16 categories five years ago. This growth reflects Agrimark's evolution as a diverse and resilient agri-lifestyle retailer.

The Supplier of the Year Awards celebrate excellence in areas such as operational efficiency, customer focus, and ethics. More than just recognition, these awards inspire continuous improvement and innovation within Agrimark's supply chain and help the brand deliver best-in-value products and services to its customers.

Human capital overview

OVERVIEW

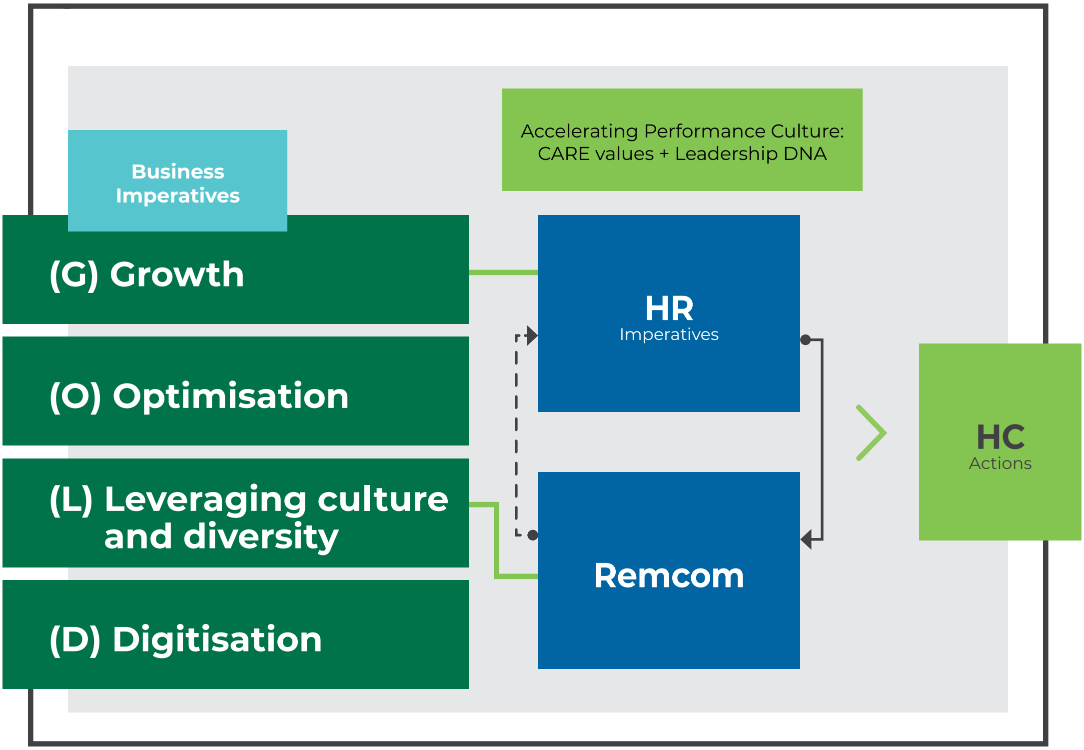
The Human Capital function continues to be shaped by, evolve and react to the ever-changing demands of the external and internal business environment. Therefore, we have formulated a three-year Business Informed Human Capital strategy. The strategy will enable and support the KAL Group's ***Accelerating Performance Culture*** and drive the subsidiary companies' growth agenda.

This section presents a consolidated view of key Human Capital actions. It includes certain statutory information, for example, data on B-BBEE, directives that emanate from the Remuneration committee ("Remcom"), priority actions, and key metrics from the Human Capital strategy.

A. Business Informed Human Capital strategy

KAL Group has adopted a Business Informed Human Capital strategy as a philosophy and robust process that always ensures the Human Capital function reflects the specific company's needs. It also ensures the Human Capital team leads the people agenda in a manner that meets the business priorities. The Human Capital team has been through extensive capability building, including training in being more commercially astute. This continuous capability building will ensure that the thinking and actions of the Human Capital function always reflect the company's priorities and ensure employees' aspirations are met.

The diagram illustrates the approach adopted by the Human Capital function.



The GOLD business imperatives set the direction for achieving the all-encompassing Accelerating Performance Culture. The Human Capital imperatives and actions are shared by the business and the specific directives from the Remcom. The Accelerating Performance Culture is further shaped by a set of company values, called CARE and the META leadership philosophy.

C A R E

COMMUNICATE

Focus:
Open, clear, honest

ALIGNMENT

Focus:
Shared services, shared results

RELATIONSHIP

Focus:
Authentic, recognition, time

EMPOWERING

Focus:
Development, better off, ownership, grow

M E T A

MOBILISE

… inspire aligned action based on a compelling ambition and purpose and a simple set of strategic priorities.

EXECUTE

… fully harness and streamline resources to consistently deliver excellence in the core business.

TRANSFORM

… experiment and innovate to create new growth engines and to reinvent existing businesses ahead of the market.

AGILITY

… spot opportunities and threats, adapt and pivot at a faster pace than competitors to create competitive advantage.

Our Employee Value Proposition ("EVP") survey measures the impact of important things that will attract, motivate, and retain our employees. This EVP measures our work within the Human Capital function and enables us to become an employer that attracts diverse talent that will deliver sustainable profit growth. The EVP balances financial and non-financial rewards to drive our performance culture. The EVP framework is described below:

Organisation	Culture	Personal growth	Reward	Recognition	Retention
> Growth strategy > BEE level > Sustainability > Socio-economic development initiatives > Ethics	> Accelerating Performance Culture > Care Values > META Leadership DNA > Embrace diversity > Employee Engagement	> Talent Value Management ("TVM") > Training and development > Career path > Bursaries	> Fair and equitable Remuneration > Benefits and funds > Compatible conditions of service > TGP Benchmarking	> Recognition and praise programme > Recognition and rewards systems > Celebrate success > Communication	> Total remuneration (including recognition and reward schemes) > Retention programme > Personal Development

We use the following three methods to measure the Accelerating Performance Culture:

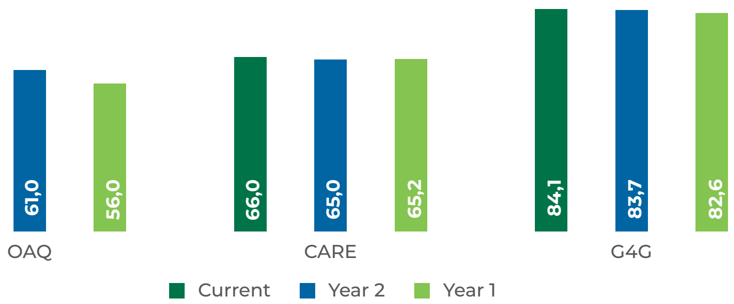
(i) The Organisation Accelerating Questionnaire ("OAQ") is conducted bi-annually with the management and specialised cohort

(ii) Engagement Survey ("CARE") is conducted bi-annually with all employees

(iii) Go for Gold ("G4G") recognition and praise programme for all employees up to management level

The scores achieved for these three methods have increased YOY since inception. Based on the META methodology, the Group is accelerating on the three elements. Progress on each of the methods is depicted in the below graph.

ACCELERATING PERFORMANCE CULTURE (%)



Based on the META methodology, the Group is advancing (achieving at least 60%) on the OAQ and CARE elements, while G4G's target is a participation rate of 75%.

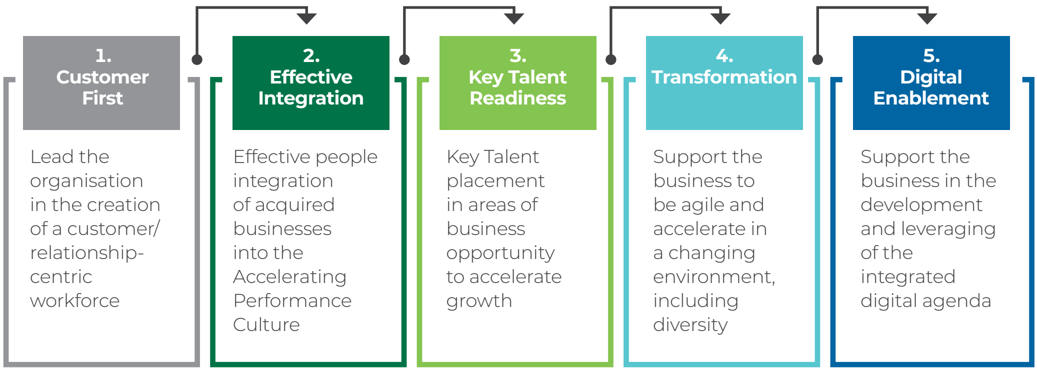
THE HUMAN CAPITAL IMPERATIVES

Five Human Capital imperatives were formulated and form the basis of the priority Human Capital actions and measurements.

The imperatives are not static and can be refined based on the organisation's circumstances.

Several statutory, people-related items will be included in this segment to ensure a consolidated view of the Human Capital priorities.

The five imperatives are illustrated below:



Imperative 1 – Customer first

We rely on our customers for our long-term sustainability. We designed and started deploying specific programmes to ensure employees develop a customer-first attitude complemented with knowledge and skills to fulfil their needs.

We have revised our reward schemes and performance management systems to reflect the desired behaviours required to ensure customers enjoy their shopping experience. As part of employee skills development, we continue to design and deliver learning and development programmes that ensure all employees are always adequately equipped with the correct customer-first attitudes and skills.

As such, we have embraced the META leadership methodology and have developed the following internal programmes.

Intervention	1. META Leadership training	2. META Customer Centric training	3. Marketers & Business Relations Manager ("BRM") training
Focus	Equip our **managers and future leaders** to develop their leadership potential and align with our Accelerating Performance culture, which consists of CARE Values and META processes.	Enhance the **employee skillset** to render better customer service. Managers facilitate sessions at branch level.	Drive better customer-centricity in the organisation, foster a stronger and more positive customer experience and equip our **BRMs and marketers** to make more effective data-driven decisions and develop a change leader mindset and skills.
Trained	90%	100%	98%

Imperative 2 – Effective integration

The Human Capital function has been created and is poised to deliver against a pragmatic plan to ensure new employees from acquired businesses and new starters transition smoothly into the organisation to maintain optimal performance. This includes ensuring a standardised orientation, change management process, and content highlighting the company culture, its objectives, and important ways of working. It enables us to become an employer of choice for a diverse group of talent.

We have implemented a holistic engagement and in-person orientation project at branch level, focusing on KAL's EVP proposition.

Imperative 3 – Key talent readiness

Fostering and placing our absolute best talent in growth areas within the business is important in driving incremental growth. Talent management strategies benefit the business and its employees by playing a crucial role in nurturing and retaining top-notch talent.

To support this ideology, we adopted a Talent Value Management ("TVM") process, which is business-informed and ensures our best people occupy our most critical roles. We also launched an online training platform, MyAcademy Fuelling Excellence, in 2023 to enhance skills, knowledge, and abilities for all employees in different cohorts. This initiative was rolled out in 2024 which is evident in the training spent growth year on year as well as the beneficiary growth as illustrated in the diagram below.

To emphasise the importance of people development, which forms part of our EVP, there has been a significant increase in the implementation of tailored imperatives, as illustrated in the table below.

	FY2024	FY2023
Training as % of Skills leviable amount	**0,7%**	0,7%
Training Spend % YOY increase	**77,3%**	25,6%
Beneficiaries of Training Interventions	**5 309**	2 848

The TVM leadership development program has been successfully rolled out to a focused group, which is ongoing as we appoint new managers. For the specialist cohort, we focus on implementing a graduate development programme and a high-potential junior branch manager programme ("HiPo"). These interventions will also contribute to addressing the underrepresentation in terms of employment equity for pre-determined occupational levels. We have successfully implemented the graduate development programme and are appointing 75% of the graduates to permanent positions. Due to the success of this program, we intend to widen the scope of graduates, include other job families, and increase the headcount of the HiPo programme.

The MyAcademy online platform even offers learning opportunities to employees' family members. FY24 has seen an increase of learners registered to the online portal to 2 200, with 9 257 short courses completed. The latter can be attributed to managerial support and understanding the benefits of employee engagement and development.

In the semi-skilled and unskilled cohort, the business implemented 323 NQF learners, including 68 unemployed learners.

Internal promotions constitute 50,2% (average 3 years) of appointments, which is testament to the success of talent-fostering activities being implemented.

Imperative 4 – Transformation

As an organisation, we are shaped by the external environment, including the legislative framework and broader social dynamics that affect our organisation, employees, and their safety and well-being. This also includes improving communication at all levels.

We have identified actions to address underrepresentation at the various occupational levels over the short to medium timeframe. This includes succession development plans and employee development programmes. Furthermore, we spend a substantial percentage of our training budget on priority training interventions focused on talent management.

As an organisation, we strive to hire the best-fit employees to establish a diverse workforce to execute our strategic imperative. The composition of the **Full-time Equivalent** (FTE) workforce is illustrated below. Labour cost is one of our biggest expenses, hence the focus on to effective management of FTE's. The reduction in FTE can be attributed to a number of factors which refers to the measurement of average Non-permanent employees per month utilising a rand value per head measurement during FY23 to an average 195 hours per month in FY24, effective implementation of workforce planning interventions and the focused management approach without compromising customer service.

(A) Workforce FTE

FTEs	FY24	FY23
Permanent	**5 938**	5 907
Non-Permanent	**904**	1 516
Total	**6 842**	7 423

(B) Gender Distribution

Permanent Employees	FY24	FY23
Male %	**54,1%**	54,0%
Female %	**45,9%**	46,0%

(C) Race Distribution

Permanent Employees	FY24	FY23
White %	**11,5%**	11,7%
ACI %	**88,5%**	88,3%

The Group regards transformation as a strategic priority and embraces diversity and therefore strives to achieve the underlying objectives of transformation which is evident in the Workskills Plan ("WSP") and Employment Equity Plan ("EEP") for the period 2024 which was accepted by the Department of Labour.

Imperative 5 – Digital enablement

The digital agenda continues to be a focus in our organisation as part of our acceleration performance journey, which will support our GOLD strategy. Human Capital function contribution towards digital enablement included the automation of Human Capital processes and forms, integration of the various HR systems, and progressively utilising various digital platforms for training and employee engagement. We continuously revised digital and automation enablers to be more efficient and drive our digital agenda.

The TVM digitisation tool has been upgraded to provide for the roll-out of the TVM methodology at a subsidiary company level, where key critical roles were identified, and key talent linked to these roles. This allows for the integration of talent at the different levels and provides a clear line of sight in terms of succession.

The HR-integrated digitation landscape model, underpinned by the business' needs and changing ecosystem, will be implemented starting FY25.

B. Safety, health, environment and quality ("SHEQ")

KAL Group is committed to complying with industry-specific standards for SHEQ. The Group's integrated I-management system has been successfully implemented. It will assist us in managing compliance, monitoring, planning and implementing industry best practice.

At each operating unit, we identified safety hazards, environmental impacts and aspects, occupational health, and product quality hazards and risks. We devised and implemented control measures to eliminate or mitigate risks. Reporting near misses and minor incidents, combined with toolbox talks and learnings from previous incidents, assists in proactively mitigating and reducing repeat incidents.

We conduct occupational hygiene surveys and medicals for pre-identified jobs to ensure employees are not exposed to harmful levels of hazardous substances, noise, or other health stressors. Where employees might be exposed to, for example, grain dust at our silos, we implemented measures to reduce dust, including installing a dust removal system and dust bags.

We also provide personal protective equipment and training. In addition, annual medical tests are conducted to monitor employees' health (applicable to silos, the Malmesbury engineering workshop, and Manufacturing).

Employee training is one of our key focus areas. It ensures employees understand hazards in the workplace and take leading roles in building a healthy SHEQ culture.

Regular assurance is vital to such diverse operations as KAL Group. We, therefore, conduct diverse levels of SHEQ audits at each branch. Branch operating teams conduct checklists and self-assessment audits monthly. The Group SHEQ department conducts comprehensive legal compliance audits every three months. The average three-year SHEQ training spend as a % of the overall training budget is 16%.

C. Human Capital ("HC") progress and achievements

We developed a HC Dashboard, which provides the business with insights into the people agenda. This will assist them in making better business-informed decisions and people plans.

Strategy	Strategic HC measurement	Status
G	> **Total Labour Cost as % of GP** > **Total Labour Cost** (TGP, overtime, NPE cost, UIF) – Variable pay as % of total labour cost	
	> **SHEQ Compliance** – Compliance audits – SHEQ major incident	
O	> **Full-time Equivalent** (FTE) Manning compliment – Non-permanent employees ("NPEs") as % of FTEs	
L	> **People Development** – Training spent as a % of skills leviable amount – Actual training spend as % of budget	
	> **Employment Equity** (P1 to P11) – Actual ACI representation per occupational level vs EE Plan	
	> **Accelerating Performance Culture** – CARE – employee engagement survey (all employees) – META leadership – Organisation Accelerator Questionnaire survey – G4G – Participation rate	
D	> **Digital Project** – Successful digitisation projects	

Good progress   Target achieved

Corporate governance report

APPROACH TO ETHICAL AND EFFECTIVE GOVERNANCE

KAL is committed to responsible and effective corporate governance. A range of mechanisms, policies, procedures, committee structures and core values enable this. The most material of these is described in this summary governance report.

Our full governance report is available on our website at www.kalgroup.co.za. Information supplementary to this summary report is referenced.

KING IV PRINCIPLES DISCLOSURE

The Group explains its application of appropriate King IV principles and is transparent in areas of non-compliance. The disclosure map includes high-level disclosure against King IV principles. This map and a King IV compliance report are available on KAL's website at www.kalgroup.co.za. The full online governance report details how the KAL Board creates an ethical culture, tracks good performance, ensures effective control, and promotes legitimacy.

The Group developed a separate remuneration policy and implementation report. These will be subject to non-binding advisory votes by shareholders at the upcoming AGM. If 25% or more of shareholders' votes are against either or both the remuneration policy and implementation report, KAL will engage with dissenting shareholders. The Group will communicate the method and timing of shareholder engagement on the JSE Stock Exchange News Service ("SENS").

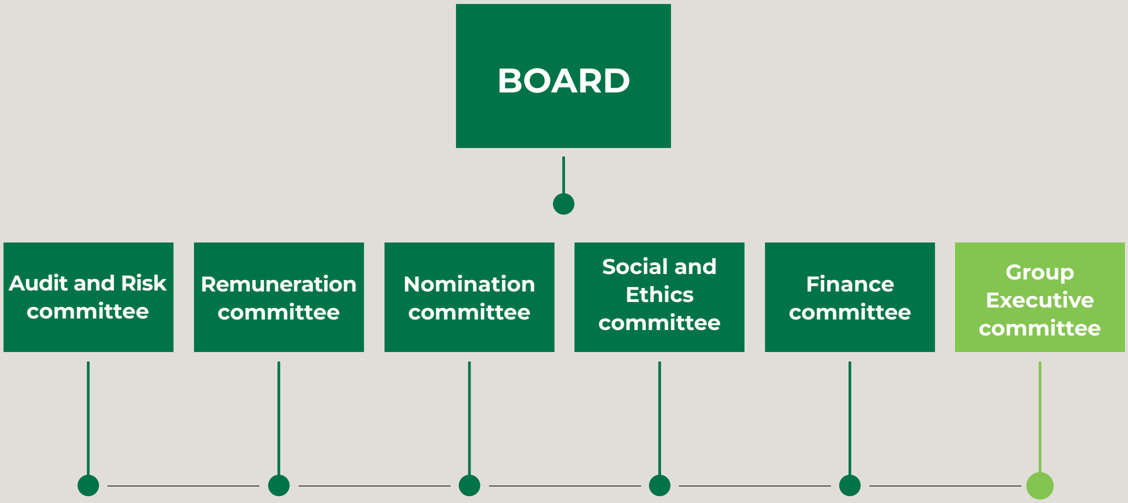
GOVERNANCE STRUCTURE

The Board determines the strategies and strategic objectives of the Group. It monitors the implementation of approved strategies, decisions, values and policies. The Board is satisfied it fulfilled the responsibilities required by its mandate during the year.

An independent non-executive director chairs the Board. It has 11 members and is supported by five Board committees and the Group Executive committee. These committees have clear terms of reference to help execute their duties and determine the due governance required in each area of the business.

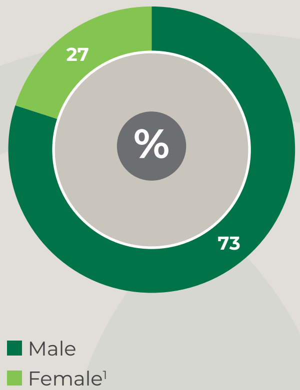
The roles of the Chairman and CEO are clear and separate. The CEO is responsible for the business's day-to-day operations in line with the Group's decision-making framework. The Group Executive committee supports the CEO. Two members of the Group Executive committee are part of the Board. The Board is satisfied that the decision-making framework provides a clear basis for exercising duties. This framework contributes to clarity and accountability. Additionally, the Board charter ensures an appropriate balance of power in the deliberations of the Board, and no single director has unlimited or unfettered decision-making powers.

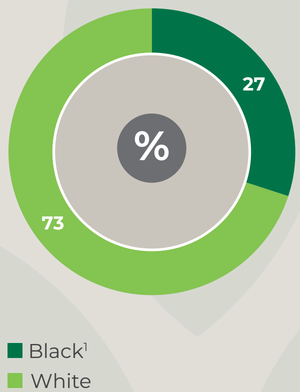
The Board is satisfied that the current composition enables ethical and effective leadership and continues to strive to improve diversity.



BOARD STRUCTURE

COMPOSITION AND EXPERTISE





1 non-executive director

2 executive directors

8 independent non-executive directors

[1] *The Board continuously strives to improve Board composition to reflect the demographics of South Africa, focusing on black and female representation.*

Board meeting attendance

Member	Meetings attended
I Chalumbira	**3/4**
BS du Toit[1]	**2/4**
D du Toit	**4/4**
T Kabalin[4]	**1/4**
JH le Roux	**4/4**
EA Messina	**4/4**
B Mathews	**4/4**
AJ Mouton[3]	**2/4**
CA Otto	**4/4**
GW Sim[2]	**4/4**
GM Steyn	**4/4**
S Walsh[2]	**4/4**

1 *Retired from the Board with effect from 8 February 2024.*
2 *Executive.*
3 *Appointed to the Board with effect from 2 April 2024 and will stand for election at the upcoming AGM.*
4 *Appointed to the Board with effect from 15 July 2024 and will stand for election at the upcoming AGM.*

Board profiles as at 30 September 2024

I Chalumbira (53)	Non-executive director	
Appointment date:	September 2018	
Qualifications:	BSc (Industrial Psychology) MBA (Strategy)	
Committee membership:	N/A	
Other board memberships:	Agri Best Investments (Pty) Ltd AIH Properties (Pty) Ltd Amber Cascades Trading 202 (Pty) Ltd Border Auto Centre (Pty) Ltd Car Prop Holdings (Pty) Ltd Forafrika South Africa NPO Hybrid Real Estate (Pty) Ltd Ike Cha Foundation NPO Inenergi (Pty) Ltd Joburg City Tourism Association NPO Lionshare Auto Group SA (Pty) Ltd Lionshare Developments (Pty) Ltd Lionshare Energy (Pty) Ltd Lionshare Empowered Partners (Pty) Ltd Lionshare Financial Services (Pty) Ltd Lionshare GP (Pty) Ltd Lionshare Holdings (Pty) Ltd Lionshare Management Services (Pty) Ltd	Lionshare Private Equity (Pty) Ltd Matoppi Investments (RF) (Pty) Ltd Mbodla Investments (Pty) Ltd Mezibase (Pty) Ltd Lionshare Property Management (Pty) Ltd Lionshare Trading (Pty) Ltd Musina Intermodal Terminal (Pty) Ltd Proc Corp 27 CC TFC Operations (Pty) Ltd TFC Properties (Pty) Ltd Thovela Welkom Hospitality (Pty) Ltd Trade Holdings (Pty) Ltd Vaxisync Investments (Pty) Ltd

D du Toit (48)	Independent non-executive director	
Appointment date:	March 2017	
Qualification:	BCom (Hons)	
Committee membership:	Audit and Risk Remuneration	
Other board memberships:	De Keur Beherend (Pty) Ltd De Keur Agri (Pty) Ltd De Keur Landgoed (Pty) Ltd De Keur Marketing (Pty) Ltd De Keur Berries (Pty) Ltd	De Keur Verpakking (Pty) Ltd Tipmar (Pty) Ltd Witzenberg PALS NPO Hortgro POME NPO K2017414242 (South Africa) (Pty) Ltd

T Kabalin (49)	Independent non-executive director
Appointment date:	July 2024
Qualification:	BCom (Hons)
Committee membership:	N/A
Other board memberships:	Olakira (Pty) Ltd

JH le Roux (49)	Independent non-executive director	
Appointment date:	April 2014	
Qualifications:	CA(SA), HDip (Tax)	
Committee membership:	Finance (chairman) Audit and Risk	
Other board memberships:	Bakenskraal Investments (Pty) Ltd Capespan Group (Pty) Ltd Zaad Holdings Ltd Zaad Holdings (Pty) Ltd Zeder Corporate Services (Pty) Ltd	Zeder Financial Services (Pty) Ltd Zeder Investments Ltd Zeder Management Services (Pty) Ltd Zeder Pome Investments (Pty) Ltd

B Mathews (55)	Independent non-executive director	
Appointment date:	September 2022	
Qualifications:	CA(SA), HDip (Tax)	
Committee membership:	Audit and Risk Social and Ethics	
Other board memberships:	Ca Vie Investments (Pty) Ltd Casamiento (Pty) Ltd PSG Financial Services Ltd Nulise (Pty) Ltd Agrinet Ltd We Buy Cars Holdings Ltd	PSG Invest (Pty) Ltd PSG Life Ltd ITSI International (Pty) Ltd WAT Trust The Trevor Huddleston Cr Memorial Centre NPO

EA Messina (66)	Independent non-executive director	
Appointment date:	March 2017	
Qualifications:	BA (Hons), MA (Southern African Studies), MA (History), DPhil (History)	
Committee membership:	Social and Ethics (chairman) Nomination	
Other board memberships:	Cape Town Radio (Pty) Ltd Du Toit Group (Pty) Ltd LM Steel Investments (Pty) Ltd	TFC Operations (Pty) Ltd Zagrows Agri Investments (Pty) Ltd

AJ Mouton (42)	Independent non-executive director	
Appointment date:	April 2024	
Qualifications:	BCom (Law), BCom (Hons) Economics, MBA	
Committee membership:	Finance	
Other board memberships:	Carmien Tea (Pty) Ltd Citrus Juices Producers (Pty) Ltd Citrusdal Privaatskool Eiendomme (Pty) Ltd Emgro Mouton Citrus (Pty) Ltd Emgro Mouton Citrus Ltd K2021144578 (South Africa) (Pty) Ltd	Link Supply Chain Management (Pty) Ltd Mouton Citrus (Pty) Ltd Mouton Holdings (Pty) Ltd Noda Tech (Pty) Ltd Summer Citrus From South Africa NPO

CA Otto (75)	Independent non-executive director	
Appointment date:	November 2011	
Qualifications:	BCom, LLB	
Committee membership:	Audit and Risk (chairman) Remuneration (chairman) Nomination	
Other board memberships:	Capitec Bank Ltd Capitec Bank Holdings Ltd Rational Expectations (Pty) Ltd	Zeder Financial Services Ltd Zeder Investments Ltd

GW Sim (54)	Financial Director (executive)	
Appointment date:	August 2015	
Qualifications:	CA(SA)	
Committee membership:	Finance	
Other board memberships:	Agriplas (Pty) Ltd Empowerment and Transformation Investments (Pty) Ltd KAL Corporate Services (Pty) Ltd Agrimark Operations (Aussenkehr) (Pty) Ltd Agrimark Operations Ltd Agrimark Operation (Namibia) (Pty) Ltd	Mirage Motors (Pty) Ltd Tego Plastics (Pty) Ltd TFC Operations (Pty) Ltd PEG Retail Holdings (Pty) Ltd PEG Management Services (Pty) Ltd PEG Highway Operations (Pty) Ltd

GM Steyn (65)	Independent non-executive director (chairman)
Appointment date:	May 2012
Qualification:	BA (Law), LLB
Committee membership:	Remuneration Nomination (chairman)
Other board memberships:	Agristar Holdings (Pty) Ltd Econo Foods Holdings (Pty) Ltd George en Miets Beleggings (Pty) Ltd GMS Beleggings (Pty) Ltd Leopard Creek 21 (Beleggings) (Pty) Ltd Neusberg Boerdery (Pty) Ltd NS Beleggings (Pty) Ltd RCL Foods Ltd Stellenkaroo (Pty) Ltd

S Walsh (58)	CEO (executive)
Appointment date:	November 2011
Qualification:	BEcon (Hons)
Committee membership:	N/A
Other board memberships:	Agriplas (Pty) Ltd Agrimark Operations Ltd Agrimark Operations (Namibia) (Pty) Ltd TFC Operations (Pty) Ltd Tego Plastics (Pty) Ltd PEG Retail Holdings (Pty) Ltd PEG Management Services (Pty) Ltd PEG Highway Operations (Pty) Ltd

KAL Corporate Services (Pty) Ltd (Reg No. 2020/841850/07)	Company Secretary
Appointment date:	November 2020
Directors:	T Sulaiman-Bray and GW Sim

APPROACH TO COMPLIANCE

The Group recognises its responsibility to comply with all applicable laws and adheres to industry charters, codes and standards.

No contraventions of any law, penalties or fines were reported during the year. To the Group's knowledge, no material legal, arbitration or pending proceedings are in progress. For more information on our compliance approach (including the roles of the Compliance Officer, Audit and Risk committee and Internal Audit), refer to the risk report on page 67, and our full governance report at www.kalgroup.co.za.

To their knowledge, the KAL directors have confirmed that KAL complied with the Companies Act's provisions and operated according to the Company's Memorandum of Incorporation ("MOI") during the year under review.

CONFLICTS OF INTEREST

All Board members must state any conflicts of interest, financial or otherwise, at the start of each Board meeting. This includes members with interests in periphery businesses interacting with the Group. Refer to pages 127 and 173.

All Board members are prohibited from gaining any undue benefit from their position as outlined in the Board mandate subscribed to by each member.

The KAL dealings in securities policy has an annexure stating directors, prescribed officers, and the Company Secretary must obtain permission to deal in securities.

Details of any dealings must be disseminated on SENS. Certain employees, identified by the CEO, must also obtain permission to deal in securities. Employees are further directed by policies on private interests, extramural activities, and external remuneration to avoid conflicts of interest. The Group has a gift registry for registering tangible and intangible gifts.

More information is available in our full governance report at www.kalgroup.co.za.

COMMITTEES AND THEIR ROLES IN THE GOVERNANCE STRUCTURE

The Group's committees facilitate the discharging of certain Board responsibilities with oversight, guidance and governance application in specific mandated areas. Each committee chairman reports to the Board to ensure comprehensive insight and appropriate decision-making at Board level. See pages 56 to 59 for a profile of each Board member.

EXPANDING OPPORTUNITIES FOR EMPOWERMENT

Since its establishment in 2011, the Kaap Agri Bedryf Employee and Farm Worker BEE Trust ("Trust") has changed the lives of hundreds of disadvantaged employees with interest-free revolving home loans, financial assistance towards education for employee dependants, and worthy community initiatives.

Trust board meeting attendance

Member	Meetings attended
EA Messina (independent founder appointed trustee and chairman)	**3/3**
VWH Henn (independent employee representative trustee)	**3/3**
T Sulaiman-Bray (employer founder representative trustee)	**2/3**
H Smith (employee representative trustee)	**2/3**
R Matthews (independent financial representative trustee)	**3/3**

The trustees ensure the Trust is managed transparently, responsibly and appropriately to meet the Group's long-term strategy objectives.

More information about the opportunities for empowerment and the Trust is available in the social and ethics report on page 76.

"The KAL Academy afforded me a breakthrough in the agricultural industry and has given me a voice so that I can make my unique mark on agriculture in this region."
Gerda Beukes, Small-scale farmer, Skaapeiland

Resilience through practical learning

The KAL Academy is committed to equipping small-scale farmers with the skills, knowledge, and experience to succeed as commercial farmers. A key feature of its programme is the practical component, which includes farm visits where students gain hands-on experience with essential farming practices and the real-world challenges they encounter in their studies.

KAL Group has strong relationships with passionate commercial farmers who serve as visiting lecturers and share their knowledge, insights, and solutions to enrich the student's learning experience.

This blend of classroom instruction and field experience builds capacity by applying theory to real-life situations. It helps the students adapt to unexpected conditions, problem-solve in real time, and build the confidence to tackle future challenges head-on.

Committee	Members[1]	Meetings attended
Audit and Risk committee ("the committee") Total meetings: 2	> Chairman: CA Otto[2]	2/2
	> D du Toit[3]	2/2
	> B Mathews[3]	2/2
	> JH le Roux[4]	2/2
	Invitees	
	> GM Steyn – Independent non-executive director	
	> S Walsh – Executive director (CEO)	
	> GW Sim – Executive director (Financial Director)	
	> GC Victor – Group Manager: Finance	
	> P Steyl – Executive Manager: Internal Audit	
	> JHW de Kock – External auditor, Deloitte	

Mandate

The committee assists the Board by providing an objective and independent view of the Group's finance, accounting and control mechanisms.

During the year, the committee actioned the following:

> Reviewed the Group's accounting policies and is satisfied the policies align with generally accepted accounting principles.

> Appointed the external auditor and monitored its effectiveness. This included ensuring the use of the external auditor for non-audit services was kept to a minimum.

> Reviewed and approved the integrated report and the annual financial statements included therein.

> The committee considered the following as significant regarding the annual financial statements: credit risk (in particular debtors), management of stock and business combinations.

> Focused on ethics and governance, controls, provisioning, impairment, tax compliance, correctness and accuracy. The Group addressed these considerations through proper provisioning in terms of existing policies.

> Approved the Group's internal audit plan.

> Considered presentations by internal audit on ethics, governance and controls, and management reports on operational and financial matters. The committee deems the Group's internal financial controls adequate.

> Reviewed the Group's risk, controlled environment and governance assessments. This was done to ensure risks are properly addressed and the level of compliance, with proper governance, aligns with expectations. The committee is satisfied with the outcome of these evaluations.

> Reviewed the external auditor's reports and took appropriate actions.

> The Group confirmed its going concern status, compliance with applicable legislation and requirements of regulatory authorities.

> In terms of risk management (through consultation with the external auditor), the committee ensured management's processes and procedures were adequate to identify, assess, manage and monitor Group-wide risks.

[1] *All committee members are independent non-executive directors.*
[2] *Re-appointed to the committee at the AGM held on 8 February 2024 and chairman from 4 May 2017.*
[3] *Re-appointed to the committee at the AGM held on 8 February 2024.*
[4] *Appointed to the committee at the AGM held on 8 February 2024.*

Committee	Mandate
Audit and Risk committee (continued)	> The audit partner currently used by Deloitte is regularly rotated, and the committee is satisfied with the arrangements for the external audit and the effectiveness of JHW de Kock, the designated auditor. The committee deemed the quality of the audit performed this year satisfactory. The independent auditor's report indicates that the Group's financial statements fairly reflect the company's financial state according to IFRS and Companies Act requirements. In compliance with legislative and JSE requirements, the Group rotates to a new audit partner every five years. > The committee recommended the external auditor's appointment and determined its compensation. The external auditor, Deloitte, with JHW de Kock as the designated audit partner, has provided audit services to the Group since 1 October 2023. The committee is satisfied that the external auditor is independent of KAL, as set out in section 94(8) of the Companies Act, and suitable for re-appointment by requesting and considering, among other things, the information stated in paragraph 3.84(g)(ii) of the JSE Listings Requirements. > The committee appraised and satisfied itself in terms of paragraph 3.84(g)(i) of the JSE Listings Requirements that the Financial Director and Group finance function have the appropriate expertise and experience. The Financial Director drives the overall effectiveness of the Group's finance function. > The committee is satisfied that appropriate financial reporting procedures are implemented and operating as contemplated under paragraph 3.84(g)(ii) of the JSE Listings Requirements. > The Group's combined assurance model ensures actions align with good governance management, which the committee deems effective.

Committee	Members[1]	Meetings attended
Remuneration committee ("the committee") Total meetings: 2	> Chairman: CA Otto > GM Steyn > D du Toit ***Invitees*** > S Walsh – Executive director (CEO) > GW Sim – Executive director (Financial Director) > DC Gempies – Director: HR (subsidiary – Agrimark Operations Ltd)	2/2 2/2 2/2

Mandate

The committee reviews and approves executive directors' and senior management's remuneration.

The committee is also responsible for succession planning.

The committee assisted the Board in reviewing non-executive directors' remuneration recommendations in line with local and international best practice. This was done to ensure such remuneration is fair and reasonable to the directors and the Group.

More information about the committee and the Group's remuneration practices is available in the remuneration report on page 33.

1 *Committee members are independent non-executive directors.*

Committee	Members[1]	Meetings attended
Nomination committee ("the committee") Total meetings: 1	> Chairman: GM Steyn > CA Otto > EA Messina ***Invitee*** > S Walsh – Executive director (CEO)	1/1 1/1 1/1

Mandate

The committee assists the Board in ensuring it has the appropriate composition in terms of structure, size, diversity, skills and independence to execute its duties effectively.

When identifying suitable candidates for appointment to the Board, the committee considers candidates on merit against objective diversity criteria. The Board regards diversity as extremely important and adopted a broader diversity policy, specifically promoting diversity attributes of gender, race, culture, age, field of expertise, skills, and experience. The Board will continue to work towards a more representative Board and committee composition.

Two Board appointments were made during the year under review. Mr AJ Mouton was appointed to the Board as an independent non-executive director and a member of the Finance committee. Ms T Kabalin was also appointed to the Board as an independent non-executive director. Mr Mouton and Ms Kabalin will stand for election at the AGM on 6 February 2025.

The Board will consider and apply the broader diversity policy in the nomination and appointment of directors in future as contemplated in paragraph 3.84(i) of the JSE Listings Requirements.

1 *Committee members are independent non-executive directors.*

Committee	Members[1]	Meetings attended
Social and Ethics committee ("the committee") Total meetings: 2	> Chairman: EA Messina	2/2
	> T Sulaiman-Bray	1/2
	> B Mathews	2/2
	Invitees	
	> S Walsh – Executive director (CEO)	
	> P Steyl – Executive Manager: Internal Audit	
	> DC Gempies – Director: HR (subsidiary – Agrimark Operations Ltd)	
	> W van Zyl – Group Manager: Enterprise Asset Management & SHEQ	

Mandate

The committee monitors the Group's activities regarding its social and economic standing and development, good corporate citizenship, SHEQ, consumer relationships, labour and employment, and compliance with applicable laws set out in the Companies Act and other regulations.

The committee reported on matters within its mandate and brought relevant matters to the Board's attention.

Read more about social and community investments in the Social and Ethics report on page 76.

The committee's work plan focus areas include:

- B-BBEE and employment equity
- Socio-economic Development Programmes
- Protection of the company's brands and relations with stakeholders
- Labour and employment matters regarding acceptable working conditions and the company's contribution towards the educational development of its employees
- SHEQ, including monitoring existing policies within its mandate, the 10 principles set out in the United Nations ("UN") Global Compact, corruption and ethics

The following matters received particular attention:

- Discussed and evaluated the company's whistleblowing process
- Feedback on our sustainability focus areas, environmental initiatives and sponsorships
- Plan to maintain a level 4 B-BBEE status and consider the Group's B-BBEE score
- Attended to BEE recognition levels and appointments regarding employment equity
- Noted socio-economic development programmes
- Reviewed working conditions applying to KAL employees and regarding applicable laws and regulations
- Reviewed legislation, regulations, compliance with policies and training relevant to SHEQ
- Transformation and ethics remain core focus areas

[1] *Majority of the committee members are independent non-executive directors.*

Committee	Members[1]	Meetings attended	Mandate
Finance committee ("the committee") Total meetings: 2	> Chairman: JH le Roux > GW Sim > AJ Mouton[3] > HM Smit[2] > NS Loubser[2] > HS Louw[2] > WG Treurnicht[2] ***Invitees*** > DW Beukes – Group Manager: Financing Services > S Walsh – Executive director (CEO) > Other members of the financing services department as and when required	2/2 2/2 1/2	The committee ensures the Group's financing activities are efficiently managed. The committee is responsible for approving and refining the credit policy and exercising final authority over certain high-value applications where the amount exceeds the officials' authority. The committee also establishes a decision-making framework for the financing services department. In terms of the credit policy, the financing services department has the authority to obtain underlying securities from individuals who apply for credit. Accordingly, the committee's task is to conduct credit screenings, evaluate credit risks and register underlying securities aligned with its approved credit policy.

[1] *Two of the committee members are independent non-executive directors.*
[2] *HM Smit, NS Loubser, HS Louw and WG Treurnicht are not Board members but are co-opted members of the committee.*
[3] *Appointed to the committee with effect from 8 May 2024.*

The Group's committees are satisfied they have fulfilled their responsibilities according to their respective mandates.

Board efficiency

Ethical and effective leadership rests on the appropriate recruitment, evaluation, training and rotation of Board members and informs our approach to recruitment, evaluation, training and rotation.

Recruitment	The Nomination committee provides clear direction on recruitment and criteria for selecting appropriate candidates in line with the company's MOI provisions. Non-executive directors are nominated by the Board and elected at the AGM for three years. One-third of the non-executive directors must retire by rotation at each AGM (or other general meetings held annually).
Rotation	The Nomination committee reviews the Board's composition regarding diversity attributes such as race, gender, culture, age, field of expertise, skills and experience.
Induction	An induction policy detailing the principles applicable to the formal induction of new directors is in place.

More information about our approach to training and evaluation is available in our full governance report at www.kalgroup.co.za.

Company Secretary

The Company Secretary co-ordinates the functioning of the Board and its committees. This includes advising the Board on matters of legal and regulatory compliance. The Group is satisfied that these arrangements are effective, and the Company Secretary has unencumbered access to the Board. KAL believes an appropriate arm's length relationship exists between the Company Secretary and the Board.

In November 2020, the Group appointed KAL Corporate Services (Pty) Ltd to hold the office of Company Secretary. The Board ensured the company adhered to the provisions of section 87(1)(a) and 87(1)(b) of the Companies Act.

The Board's mandate allows professional corporate governance training to be accessed independently or through the Company Secretary.

The Board considered and satisfied itself on the competence, qualifications, and experience of the Company Secretary.

Executive committee

KAL's Group Executive committee meets monthly. The committee is responsible for assisting the CEO in implementing the Group's strategy. The CEO is further responsible for operational planning, controls and implementation. The Board appoints the CEO on the recommendation of the Nomination committee.

Risk report

The Board of directors is accountable for governance and risk management and is supported by the Audit and Risk committee. The Board considers business risks when setting strategies, approving budgets and monitoring progress against budgets. The Audit and Risk committee monitors and reports on the effectiveness of risk identification, assessment and the management processes. The committee meets a minimum of twice a year.

The Group considers governance of top business risks as a high priority. It focuses on risks with a high impact on the business and/or high probability of occurrence, taking the Group's risk appetite into consideration. Our risk appetite refers to the nature and extent of risks we are comfortable to incur to achieve our strategic objectives. The risk appetite considers, among others, revenue growth, earnings sustainability, environmental impact, employee well-being, health and safety, and value-creation for all stakeholders. The Group regularly reviews the risk appetite and tolerance by considering the potential impact of key risks and mitigating actions and controls. Strong governance and risk management enable early detection of potential risk events, allowing for suitable and proactive responsiveness.

The Group's diversification across income streams, geographic regions and product ranges enables the Group to partially mitigate the impact of various challenges, such as climatic changes and weak economic conditions. This diversification, combined with the Group's achieved scale, shields the Group from negative impacts while contributing to its ongoing and sustainable value creation.

The implementation of risk management lies with management and staff. The business has a Group-wide risk assessment process escalating material risks to a Group risk register. The Group risk register includes a detailed list of risks that could impact the business.

The executive team and senior management identified, assessed, and prioritised the top business risks. The inherent risks (before mitigating actions/controls) were rated based on the likelihood of the risk materialising and the impact it may have on the Group. The residual risks were also rated on the same basis after the strength of controls implemented to address the risks were considered.

Risks are ranked according to a combination of impact and probability. Risks that may potentially have the most significant impact on KAL's ability to achieve its strategic objectives over time, are described in more detail below.

The Group's strategic focus areas, aimed at improving value creation, are:

G

GROWTH

A strong focus on upgrades and footprint expansions, strategic alliances, and mergers and acquisitions continues to fuel our growth ambitions and ensure our distribution and supply chain capabilities are ramped up to support such growth.

O

OPTIMISATION

Implementing systems to support supply chain optimisation and optimising retail store formats and ranges will ensure relevance with diverse customers and enhance the in-store customer experience.

L

LEVERAGING CULTURE AND DIVERSITY

Talent development and entrenching our Accelerating Performance culture remain a priority to support our unique value proposition. Transformation is not only a responsibility but a business imperative and catalyst for social and economic transformation.

D

DIGITISATION

Enhancing our customer experience and ease of doing business drives all e-commerce, account, and payment solutions initiatives.

These strategic focus areas are impacted by the top risks as indicated below.

The risk movement from the prior year is reflected as:

↑ Increased risk ↔ No change ● New risk ↓ Decreased risk

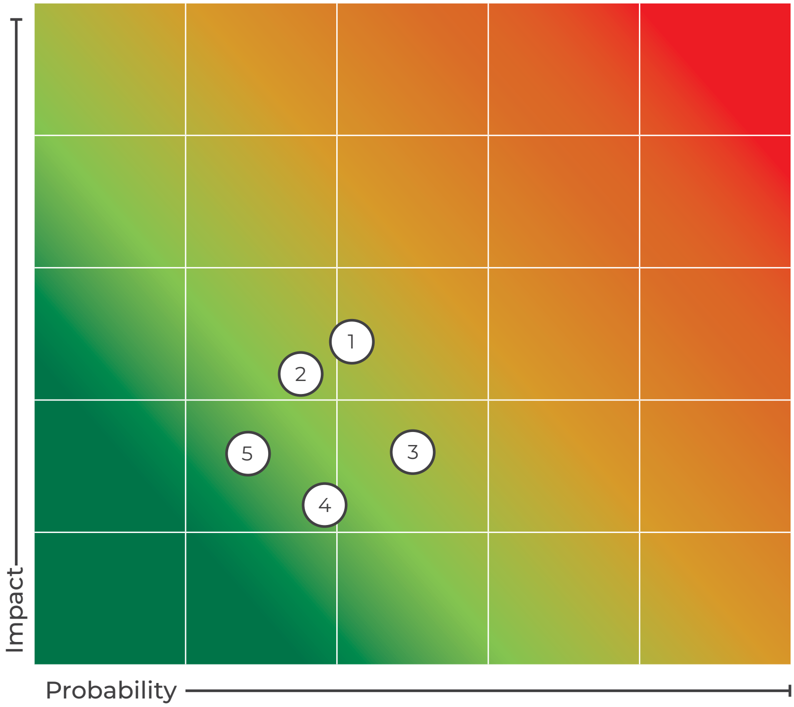
Number	Risk	Description	Mitigating actions	Strategic focus area
1 ↔	Adverse political conditions and regulatory pressure	> Political uncertainty and the influence on the macro-economy > Geopolitical uncertainty and unrest/war putting pressure on global supply chain > Onerous B-BBEE accreditation requirements could have a negative impact, especially within the fuel environment > Land expropriation without compensation could have a significant and devastating impact on our agricultural customer base > Possible uncertainty regarding continued water use rights > Sporadic strikes and social unrest	> Proactive engagement with stakeholders to understand the new proposed amendments to regulations and legislations > Continuous monitoring and implementation of dedicated plans to ensure the relevant empowerment status. The Group is a verified level 4 B-BBEE contributor > KAL Group membership of SAPRA (South African Petroleum Retailers Association) and continuous engagements with statutory bodies related to fuel > TFC is one of the leading black-owned fuel retailers in the country, with direct black ownership exceeding 50% > Monitoring of compliance with laws and regulations > Product, supplier, and customer diversification > Member of the Agricultural Business Chamber ("Agbiz")	

Number	Risk	Description	Mitigating actions	Strategic focus area
2 ↔	IT distribution and cyber-related risks	> We depend heavily on our computer systems to facilitate business transactions and maintain security of personal information > Disruption of our IT environment would have a major influence on our ability to service our customers > Protection of Personal Information Act, 4 of 2013 has strict regulations regarding the protection of personal information that require a sophisticated and secure IT environment > The enterprise resource planning ("ERP") system in its current format may not support all business requirements as our business expansion progress and complexity increases	> Detailed IT governance framework > Access to systems, infrastructure and the network is restricted and protected > Disaster recovery programmes which are reviewed and tested on an ongoing basis > Key systems are monitored for uptime, performance and capacity > Third-party data centre used, compliant with industry good practices > Offline servers at retail sites to ensure uninterrupted service > Redundant network communication channels exist for certain branches > Automated data backups > ERP modernisation project to enhance current functionality and to develop new functionality > Cybersecurity is critical, and actions are in place to continuously strengthen the Group's security environment. This includes a dedicated IT security team working with market-leading specialist external security providers, vulnerability monitoring and security reviews, ongoing software upgrades and patching, and Group-wide cyber risk awareness education > Specialised IT system version upgrades are done continuously to ensure OEM support and backup > Specialised training given to key internal resources to render first-line support on specialised systems	

Number	Risk	Description	Mitigating actions	Strategic focus area
3 ↔	Deterioration of public infrastructure and services (electricity, roads, water supply, harbours, etc.)	> Increased costs to operate sites to deliver services to our customers > Increased financial and production pressure on our customers > Disrupted product supply due to unpredictable Supply Chain delays, requiring higher stockholding to maintain supply service levels for customers > Port logistic challenges have a negative impact on our agricultural customers' sustainability > Water supply interruptions in rural towns have a negative impact on our customer base and our service delivery	> Investing in alternative energy solutions like solar and batteries at certain sites > Backup generators at most sites to negate any service disruptions > Ensure business practices are agile enough to adapt to public infrastructure and service delivery challenges > Increased DC supply coverage > Member of the Agricultural Business Chamber ("Agbiz")	
4 ↑	Talent recruitment and retention (Skill shortage)	> Attraction of competent talent may be impacted by the location of certain business operations > Scarcity of specialised skills in fields like information management and supply chain > Competition for limited talent pool with other large retailers > Statutory EE requirements – EE talent shortage in specific job groups in the market > Employment Equity legislation increases talent recruitment and retention costs, resulting in increased total employment costs	> People-centric CARE culture > Competitive and attractive employee value proposition > Total value management digitised tool to effectively manage key talent and succession planning > Remuneration policy based on performance, which will drive individual and Group performance > Long-term incentive mechanisms for attracting and retaining key talent > Graduate Trainee and High Potential Talent (HIPO) programmes implemented to create a talent pipeline	

Number	Risk	Description	Mitigating actions	Strategic focus area
5	Financial sustainability	> Inability to meet strategic financial targets due to economic pressures, constrained consumer confidence and higher fuel prices > Climate conditions negatively impacting performance and financial position of agricultural customers > Increased competitor activity (presence and price) > Manufacturers bypassing retailers with a direct route to market > Customers buying cheaper brands and lower quality due to deteriorating economic conditions, resulting in an increased pace of range renewals and stockholding changes to satisfy customer requirements	> Monitoring of key economic indicators in our operating markets > Expansion and upgrade of existing stores and new acquisitions and mergers to increase market share. Detailed pre-acquisition feasibility modelling and post-acquisition performance reviews > Geographic, customer and product diversification > Ongoing investment into central procurement and logistics to support and optimise our retail offerings > Focus on operational efficiencies and cost management > Proactive cash flow and debt management with appropriate funding optimisation > Optimising the cost to serve by continuously improving and optimising systems and business processes > Member of the Agricultural Business Chamber ("Agbiz") > Structured and ongoing customer engagement and relationship management through a dedicated team > Digitisation strategy allows for wider customer reach without extensive physical infrastructure > Brand awareness and marketing > Individually tailored credit offerings aligned to customer requirements > Continuous customer engagement as part of the Business Relations Management strategy	  

Residual risk



After considering the impact of mitigating measures, we believe that none of the top risks fall within a high-risk category. This is reflected in the graphic above.

Average risk ratings were, in most cases, marginally lower than the previous year. Adverse political conditions and regulatory pressure are still the Group's highest-ranking risk despite the forming of the Government of National Unity after the general elections of May 2024.

Information technology distribution and cyber-related risk is the Group's second highest-rated risk. There is a worldwide increase in cyber attacks, with cybercriminals also using artificial intelligence to their advantage. We are highly dependent on using advanced computer systems to assist us in addressing our customers' ever-changing requirements.

The Group's third risk is the deterioration of public infrastructure and services, which places the Group and its customers under increased financial pressure and uncertainty.

The Group's fourth risk relates to the increased challenge of recruiting and retaining talent in a very competitive job market with a scarcity of certain skills, specifically relating to transformational targets.

Management consolidated the risk of financial sustainability and attracting and retaining customers under the risk of financial sustainability. This risk is ranked fifth, with the risk of credit losses dropping from the list of the Group's top five risks.

The Company Secretary and legal counsel guide the Board in discharging its regulatory responsibilities. The Audit and Risk committee monitors the process to ensure legal compliance.

No instances of significant non-compliance to legislation were recorded during the year.

The Board, via the Audit and Risk committee, considered the effectiveness of the risk assessment and management process, policies and procedures. The Board is satisfied with the effectiveness thereof.

"electronically signed"

CA Otto
Chairman: Audit and Risk committee

Report of the Social and Ethics committee

The KAL Group Social and Ethics committee ("the committee") is a statutory committee that assists the Board in monitoring the Group's corporate citizenship, sustainability and ethics. The committee is an integral part of the Group's governance and management. It performs an oversight function to ensure the Board and the wider organisation are equipped and on track to having an ethical culture. It also seeks to ensure the Group is sustainable in the triple contexts of the economy, society and the environment.

The committee's terms of reference detail its composition, functioning and duties in terms of the Companies Act, the JSE Listings Requirements, King IV, and the responsibilities allocated to it by the Board.

The Social and Ethics committee report should be read together with the corporate governance report on pages 54 to 66.

ROLE AND RESPONSIBILITIES OF THE COMMITTEE

The committee acts in terms of the Board's delegated authority and performs an independent oversight function. It assists the Board in monitoring the Group's activities and disclosures in terms of law and codes of best practice relating to:

- Social and economic development
- Strategic empowerment and changes in the application and interpretation of empowerment charters and codes
- Good corporate citizenship, including the Group's:
  - promotion of equality, prevention of unfair discrimination, and reduction of corruption
  - contribution to the development of the communities in which it operates
  - sponsorships, donations and charitable giving
- The environment, health and public safety, including the impact of its activities and products or services
- Consumer relationships, including its advertising, public relations and compliance with consumer protection laws
- Labour and employment, including the Group's standing in terms of all relevant laws and regulations on working conditions and its employment relationships and contribution toward the educational development of its employees
- Ethics
- Targets set by management relating to the committee's mandate and to monitor progress against those targets
- Adverse findings, fines or other sanctions by regulators, courts or quasi-judicial bodies, and any allegations of anti-competitive behaviour made against the Group

COMPOSITION AND FUNCTIONING

The committee comprises independent non-executive directors Dr Ernest Messina (chairperson), Ms Bridgitte Mathews, and executive director (corporate affairs) Mrs Tasneem Sulaiman-Bray. The non-executive directors who serve on the committee are nominated and appointed by the Board, and the executive director is an *ex officio* committee member.

The Director: Human Resources and senior managers of internal audit, transformation, SHEQ and legal/Company Secretary attend committee meetings as invitees.

The committee's effectiveness is assessed as part of the Board and committee self-evaluation process. The assessment deduced that the committee has adequately discharged its mandate. Committee meeting attendance is detailed on page 65, and fees paid to committee members for 2024 are detailed in the remuneration report on page 45.

ACTIVITIES OF THE COMMITTEE

The committee met twice during the year as per its mandate. In the reporting period, the committee undertook the following:

- Monitored the Group's transformation progress against its B-BBEE plan and the internal employment equity plan and considered the external verification of the Group's empowerment activities
- Assessed the Group's sustainability performance
- Evaluated the Group's corporate social investment initiatives
- Assessed the Group's actions regarding the 10 principles of the United Nations Global Compact ("UNGC")
- Considered various compliance matters and legislative updates applicable to the Group
- Monitored the Group's ethical business conduct, including the whistleblowing hotline
- Monitored the Group's safety, health and environmental responsibilities
- Reviewed and approved the social and ethics report for the integrated report

HIGHLIGHTS

KAL Group's key purpose is to power economic growth and ensure our stakeholders are better off because of our existence. The successful execution of this purpose, given the tough South African trading environment and the country's continued economic and social challenges, depends on the Group's continued resilience and ability to deliver on its growth and business objectives.

This also means the Group must take a long-term view, do business through sustainable practices and drive socio-economic development and empowerment in the communities we serve. To this end, the Social and Ethics committee oversees KAL Group's performance as a diversified and impactful business within socio-economic development, transformation and sustainability.

The Group has achieved key successes this year.

Established in 2011, the beneficiation of employees and their dependants via the KAL Trust continues to reflect our commitment to empowering and investing in the lives of our employees. KAL Trust extended interest-free revolving home loans totalling R1 931 605 to assist 47 employees and their families, with most of these recipients being single-parent homes headed by resilient women. In addition, our commitment to employability and social justice is evidenced by our commitment to educating youth through the provision of bursaries to employee dependants. Over the past year, the KAL Trust provided financial assistance through grants to 229 employees and their dependants for education, sports, cultural activities, and housing, reflecting a 53% increase compared to last year.

Our commitment to empowering youth and fostering employability through our educational support programmes continues to be a major priority. Through our bursary programme, our educational support has empowered 54 learners with an investment of R2,5 million over the past year and R12,1 million over the past six years.

Through the KAL Academy, we continue to empower a community of new-generation farmers. The academy empowered 515 students since inception who will now be better positioned to grow their businesses through the practical training received. In addition, students develop longstanding relationships with each other, resulting in a network of like-minded business owners who collaborate and engage long after they have passed through the doors of the KAL Academy.

Food security indices indicate an alarming percentage of food insecurity within SA, scoring 64,9 on the Index in 2019 and dropping to 45,3 in 2023 (zero indicates severe food insecurity). Our efforts to support Zero Hunger through One Farm Share and Rise Against Hunger have resulted in salvaging 265 tonnes of food and providing 19 224 meals to four ECDs, respectively. We continue to leverage our capabilities, resources and network to address food waste and hunger through our Harvesting Hope programme with OneFarm Share.

Our commitment to reducing our environmental impact through energy efficiency and alternative energy is evidenced by our investment of R23,1 million over the past year for new solar photovoltaic installations across our network. We plan to continue to evaluate opportunities for further energy efficiency roll-outs where feasible.

MATTERS BROUGHT TO THE ATTENTION OF THE BOARD

During the reporting period, the committee brought the following key matters to the attention of the Board at Board meetings:

- The committee continued its oversight and monitoring to cover the broad scope of its mandate as required by legislation, King IV and the committee's terms of reference
- Management was committed to maintaining its level of compliance with the B-BBEE scorecard

FOCUS AREAS FOR 2025

During the 2025 financial period, the committee will continue its monitoring activities, supplemented by issues proposed by its members and relevant exogenous factors the Group occasionally faces. The committee will also monitor that progress is made on an annual basis with regard to the Group's ESG performance.

CONCLUSION

No material non-compliance with legislation and regulations, nor material regulatory fines or penalties relevant to the areas within the committee's mandate, have been brought to its attention during the reporting period. The committee's monitoring activities continue to show that steady and sustainable progress is made annually regarding the Group's ESG performance.

"electronically signed"

EA Messina
Chairperson: Social and Ethics committee

Social and ethics report

INTRODUCTION

We exist because our stakeholders should benefit from our existence. This premise drives our commercial operations and approach to environmental, social and governance ("ESG") activities.

Within our business, ESG is a priority. We are attuned to the economic, social and environmental needs of the communities where we operate. Focused on the issues that are most material to our business and stakeholders, we seek to deliver on ESG goals within our greatest sphere of influence.

By investing our time, money, and resources, we seek to show up as a trusted community partner and demonstrate our collective impact in tackling developmental and sustainability issues in the locations where we operate. We place equal value on our responsibility to the environment, society, shareholders and employees.

During the year, we invested R4 749 195 in programmes and projects at corporate and branch level.

For KAL Group, education is the most powerful weapon for societal upliftment. Education, hunger relief and empowering new-generation farmers are key pillars of our corporate social investment ("CSI") strategy. This is evidenced by three of our major community interventions:

- Providing funding for South African youth with academic potential through the KAL Group Bursary programme
- Alleviating hunger and reducing food waste through our Harvesting Hope programme in partnership with OneFarm Share
- Empowering new-generation farmers and farmworkers through the KAL Academy and Harvesting Hope programme

We support various community outreach programmes in our operating areas. We encourage our employees to participate in community initiatives, and they do so enthusiastically. We also endeavour to fulfil needs-based requests as they arise.

Agricultural organisations, community shows and structures play an important role in capacity building and promoting the sector, and our support of R1,2 million over the past year, supports these outcomes.

SOCIAL IMPACT: EDUCATION

KAL Academy

The KAL Academy ("the Academy") has championed the empowerment of new-generation farmers and farmworkers since its inception in 2009. We are a key input supplier to the agricultural sector. Through our trusted and longstanding presence in this sector, we aim to empower a new generation of farmers through education. The Academy's strategic approach aligns with our core business.

As one of only a handful of organisations providing a learning pathway for new-generation farmers, the Academy focuses on offering high-quality, free academic training to students at National Qualifications Framework ("NQF") levels, notably NQF2, and NQF3 and NQF4.

Programmes run annually over several months, with an average of 28 students attending per year. Each year's class intake is advertised publicly through a recruitment campaign on digital platforms. The programmes aim to fully equip existing and prospective new-generation farmers with experiential learning, technical farming information, and management skills to become commercial farmers. The Academy continues a blended learning approach, including theoretical online learning and practical training.

The Academy also provides administrative support for a range of regulatory courses such as welding, chemical handling, first aid, maintenance of tractors and implements, pruning, forklift training and productivity management.

16 learners enrolled in the NQF2 mixed farming systems course. For the Class of 2023, 28 graduated in March 2024. Our investment in the Academy for 2024 amounted to R1 262 058. Our investment since inception amounts to R12 401 117. The Academy has empowered 515 new-generation farmers since its inception.

KAL Group bursary programme

We believe education breaks the cycle of poverty for learners and their families. Through our bursary programme, we show we care by helping dynamic and bright young leaders pursue their academic dreams.

In 2024, we financially supported 54 learners and students. Over the past six years, 301 learners and students received bursaries through the programme, representing an investment of R12 131 230.

In total, 50 secondary school learners benefited from this programme. The young bursary holders are demonstrating excellence in their athletic and cultural skills. One of the learners at La Rochelle Girls' High School was part of the SA u/21 Baby Protea World Cup Squad, while another won Gold & Cum Laude at various Eisteddfods for Drama.

We also financially supported four promising tertiary students furthering their studies at the University of Stellenbosch, with three previously being secondary school bursary recipients. Two learners are in their final year studying for their BCom (Financial Accounting) and BCom (Management Accounting) degrees. The remaining two are first-year students studying for their BA (Language and Culture) and BA (Development and Environment) degrees.

The gender split for bursaries is 57% female and 43% male. Awards are based on financial need and academic performance with a bias to support learners and students from the rural and peri-urban communities where we operate. Bursaries are comprehensive in scope, covering full tuition fees, accommodation, transport, textbooks, additional study aides, viz computer and data as and when required.

The 2024 investment in educational bursaries for secondary and tertiary education amounted to R2 495 283.

SOCIAL IMPACT – COMMUNITY

OneFarm Share partnership: Harvesting Hope

KAL Group has joined forces with OneFarm Share in a purpose-driven collaboration. We have named this partnership Harvesting Hope.

OneFarm Share, powered by Standard Bank and the agri-fintech trading platform HelloChoice, has created an integrated digital impact platform that provides an easy, secure, and transparent way to channel essential food directly to those who need it.

Using the HelloChoice app, charitable organisations log requests for the produce they need. HelloChoice ensures the charities' requests are fulfilled weekly by procuring fruit and vegetables from new-generation farmers and co-ordinating food donations from commercial producers and packhouses. The distribution partners, Food Forward SA, SA Harvest and Gift of the Givers, pack and transport the produce to the charities.

Commercial farmers are often challenged with what to do with perfectly edible produce they cannot sell because of supply chain disruptions, surplus production or out-of-spec produce. Unfortunately, it happens too often that unsold produce, which can still be consumed gets composted or sent to landfill. This has a significant economic, environmental, and societal impact. Through this programme, we secure donations of perfectly edible fresh produce destined for compost or landfill from commercial producers.

Access to market for new-generation farmers is a barrier to entry, and the Harvesting Hope programme facilitates an alternative route to market for new-generation farmers who do not have the relationships and resources to secure a market for their produce. Fresh produce is procured from new-generation farmers trading on the HelloChoice app to meet the weekly food requests from the registered charities. In this way, new-generation farmers receive an enterprise development benefit with a regular market for their produce, logistics support, market-related pricing, and same-day payment.

Harvesting Hope has several implementation pillars, each crucial to the success of our collective mission to reduce food waste, alleviate hunger and develop new-generation farmers:

Discount Input Supplies: Agrimark offers generous discounts on farming inputs to new-generation farmers registered on the Harvesting Hope programme. These discounts compare to those extended to commercial farmers, helping a new generation of producers access the resources they need to flourish.

Packaging and Agrimark bulk bins: Agrimark Packaging provides packaging materials and Agrimark bulk bins for fruit and vegetable transportation, ensuring rescued produce is stored and transported safely and efficiently. We have already supplied 200 Agrimark bins, saving many tomatoes, oranges, carrots, sweet potatoes, butternut, broccoli, gem squash and cabbage. In addition, through Harvesting Hope, we are finding responsible and sustainable channels to clear out-of-range and excess packaging material stock. In FY24, 265 tonnes of fresh produce has been rescued, and 1,2 million meals have been served.

Partner and Producer Awareness: Through our communication channels, we highlight our efforts and raise awareness of the Harvesting Hope initiative, the importance of a more sustainable food-supply value chain and the opportunities for both commercial and new-generation farmers.

CSI Donation: For the past two years, KAL Group has invested R500 000 with OneFarm Share to procure produce from new-generation farmers, providing them with market access and reliable off-take and donating the purchased produce to beneficiary organisations. In addition, the value of the bulk bin rental to the amount of R68 808 was also provided on a gratuitous basis. We are combining our unique capabilities, products, resources, facilities and customer network to help fight hunger by facilitating food rescue programmes and produce donations. We support the new generation farmers to scale up their business and become sustainable. The KAL Group and OneFarm Share partnership has already achieved significant successes since February 2023:

- 560 tonnes of fruit and vegetables have been rescued using Agrimark bulk bins
- Charities receiving rescued produce have made over 2.5 million meals to combat hunger
- 107 tonnes of fresh produce worth over R475 000 has been procured from 7 new generation farmers, 2 of whom are female, with produce having been distributed to beneficiary organisations

We combine our unique capabilities, products, resources, facilities and customer network to help fight hunger by facilitating food rescue programmes and producing donations. We support the new-generation farmers in scaling up their businesses and becoming sustainable.

RISE AGAINST HUNGER

KAL Group partnered with Rise Against Hunger, an NPO with a mission to alleviate hunger at ECD centres in South Africa to improve access to quality education and nutritious meals for children between the ages of 0–6. KAL Group hosted its first meal packing event at the Wellington Agrimark on 21 July 2023, with 90 employees from Paarl, Simondium, Franschhoek and Wellington volunteering as part of the Group's participation in the Nelson Mandela International Day commemoration. The teams packed over 21 000 meals, which were distributed to four creches in the Paarl and Wellington areas. This fed over 90 previously disadvantaged children for a whole school year.

This year's meal-packing employee activation event took place on 17 July 2024 in Wellington, with 130 employees volunteering, including team members from TFC and PEG in Gauteng. Competition was rife among the two regions, with 40 392 meals packed, supporting approximately 170 learners at ECD centres for one school year.

Nearly three million children go hungry each day in South Africa. Having a productive day at school is one of the key focus areas of KAL Group's impact journey. It has been a great honour and privilege for employees to participate in and serve our communities while reinforcing our shared values and purpose.

The value of the donation was R120 000.

Porterville community project

The Porterville Community Association has supported people in dire need for 20 years. KAL Group is a founding member of the association and plays a major role in ensuring its sustainability. The association's wheat cultivation project has made a difference in the local community since its inception in 2003. The local municipality supports this initiative by availing 25 hectares of land to plant wheat.

KAL Group's representatives serve on the association's committee. They provide detailed co-ordination and administrative duties to ensure the project runs smoothly. Several local suppliers are also involved in the project. The suppliers contribute seeds, chemicals, fertiliser, services and implements.

The 2024 beneficiaries were Porterville High School, Porterville Primary School, ACVV Huis Nerina (a local retirement home) and Badisa (a social services organisation). The total profits generated and distributed from this grain project in 2024 amounted to approximately R290 000.

Since the project's inception, each beneficiary has received R593 000, bringing the total amount paid to beneficiaries to R2,4 million.

Conservation Agriculture

To educate producers about regenerative agricultural practices, KAL Group partnered with Landbouweekblad to sponsor the 9th World Congress on Conservation Agriculture at the Cape Town International Convention Centre. International and local speakers addressed various topics and provided practical farming solutions based on global research and international farming best practices. They highlighted the importance of an integrated approach to sustainable farming, focusing on improving soil, water, and biological resource management. Instead of prioritising high yields, they emphasised aligning natural cycles with producing high-quality crops while reducing agrochemical use. Experts agreed that farmer engagement and continuous learning were essential for successful adoption. Over 480 agronomists, producers and students attended the event, which offered sustainable solutions to climate challenges. The total value of the contribution was R50 000.

Community initiatives

In addition to KAL Group's formal corporate CSI programmes, the Agrimark retail branches regularly reach out to their respective communities, supporting local farmer associations and the grassroots needs of schools and local community associations.

Projects were completed in Piketberg, Durbanville, Wellington, Citrusdal, Vredendal, Graafwater, Koue Bokkeveld, Ceres, De Doorns, Springbok, Worcester, Bitterfontein, Stellenbosch, Mamre, Darling, Somerset West Robertson, Franschhoek, Paarl, Philippi, Porterville, Riebeeck West, Malmesbury, Moorreesburg, Klipheuwel, Caledon, Bredasdorp, Montagu, Barrydale, Pofadder, Augrabies, Kakamas, Keimoes, Kanoneiland, Kuruman, Upington, Brandvlei, Garies, Kamieskroon, Kliprand, Loeriesfontein, and Groblershoop.

The total spend for 2024 on community projects at branch level amounted to R400 000.

B-BBEE TRANSFORMATION REPORT

Leveraging transformation remains a key strategic imperative and differentiator for the Group. It forms part of the company's GOLD Strategy.

KAL Group measures its B-BBEE status against the AgriBEE sector codes determined by the Department of Trade, Industry and Competition.

KAL Group's B-BBEE goals

KAL Group's objective is to maintain a level 4 B-BBEE status with procurement recognition of 100%.

An overview of the Group's progress is outlined below.

Ownership

KAL Group achieved more than 25% for black ownership and 8,8% for black women ownership.

The KAL Trust

5% of KAL Group's shares were issued to the KAL Trust ("Trust"). The income beneficiaries are dependants of previously disadvantaged KAL Group employees, farmworkers, their families and local communities. Five trustees are appointed to manage the Trust, three of whom are independent. Historically, 50% of the Trust income received was used to repay Trust debt. A further 15% is retained in an income-bearing investment account for future investment opportunities. The balance is distributed to beneficiaries. KAL Group Limited has approved reducing the debt repayment amount to 10% of the Trust's distributable income effective from 1 October 2023, enabling a much greater percentage, 90% (less funds set aside for future administration and investment opportunities) being available for distribution.

The range of Trust benefits includes the education (in a broad sense) of the dependants of KAL Group employees. This includes ECD, primary, secondary and tertiary education, special needs support for learners with disabilities, educational tools (books, stationery, computers/laptops), and student allowances (transport, uniforms, meals, etc.). The benefits also include community development through community outreach programmes supporting the needs of children, the elderly and disadvantaged communities where KAL Group operates, sport and cultural pursuits, and adult education. The Trust also offers interest-free home loans, assisting employees with ancillary items such as rental deposits, security features to primary residences, and improvements to primary residences.

During the year, the Trust distributed R3 729 799 to various underprivileged beneficiaries. This amount included interest-free loans to employees for home and security-related improvements and bursaries for employee dependants.

The Trust also invested in the Western Cape Prestige Agri Worker of the Year initiative in the Western Cape, and 176 Agri workers will benefit from the investment. The total value of the investment was R104 350.

Qualifying employees of the designated groups may benefit from an interest-free revolving home loan fund to assist with rental deposits, improvements to and security at primary residences over a repayment period of 24 months. During 2024, 47 employees benefited from the interest-free revolving home loan fund, representing an increase of 147% beneficiaries. R1 931 605 was awarded to applicants compared to R731 101 in FY23. Of these employees, 60% were women, many being single parents and sole breadwinners.

The Trust benefited 224 qualifying employees, with funding amounting to R1 691 667 for education, and five qualifying employees, with funding amounting to R106 526 for housing grants, of which 37% were male and 63% were female beneficiaries.

Upon motivation from indigent employees unable to secure a home loan, the Trust provided housing grants on an exceptional basis. These grants enabled employees to create a safe and more stable home environment for their families.

Financial support to beneficiaries is geared towards employees at lower salary levels, with 313 employee dependants benefiting from educational support. The table below provides additional details:

Peromnes levels	Education	Housing grants
	Financial support to employee dependants for school and tertiary education	**Funding for transfer fees, home improvements**
P1–2	**0**	**0**
P3–4	**0**	**0**
P5–7	**5**	**0**
P8–9	**25**	**1**
P10–11	**22**	**1**
P12–14	**84**	**3**
P15–18	**88**	**0**
Total spent per category – FY24	**R1 691 667**	**R106 526**
Number of employees (Dependants)	**313**	**0**
Total spent – FY24	**R1 691 667**	**R106 526**
Total beneficiaries (Employees)	**224**	**5**

Management control

The Board is structured to ensure directors' collective skills and experience are suitable for carrying out their responsibilities and achieving the company's objectives. At Board level, three of the 11 members are black, one of whom is a black female.

Skills development

The Group participates in the Agricultural Sector Education and Training Authority ("AgriSETA"). Accreditation with AgriSETA is a priority for service providers providing skills development training across the Group. We also comply with the Skills Development Act, 97 of 1998.

We conduct several learnerships on an ongoing basis under AgriSETA. In 2024, 191 learnerships were completed.

Preferential procurement

KAL Group has grown into a diversified agri and fuel retail services group that supplies products and services to our bedrock agricultural customers, homeowners, pet lovers, building contractors, and DIY enthusiasts. In 2024, the Group increased its products purchased from B-BBEE-accredited suppliers to more than 85%.

Supplier development

Our supply chain is the backbone of our operations. The Group applies due diligence processes to ensure supplier development investments are value-adding, align with our business needs, and are meaningful to our partners.

Our online supplier portal and database, developed as a supplier development initiative, has become embedded in the business. The portal has successfully been integrated into our day-to-day procurement activities. The portal allows buyers to access vetted suppliers to fulfil their supply chain management requirements while suppliers gain access to markets.

Supplier development also entails monetary and non-monetary contributions to the development and sustainability of black-owned enterprises' financial and operational independence. As part of the supplier development programme, a black-owned exempted micro-enterprise (a logistics business) was supported with interest-free loans of R8 016 787 to acquire a fleet of delivery vehicles to support our business's fuel and retail areas. As a result of the support, the business has maintained 10 employees over the four years of the programme.

In addition, as part of empowering KAL Academy graduates, a grant of R20 000 was made to a 100% black-owned and black women-owned enterprise of which a KAL Academy graduate is a partner. The enterprise has been registered as a first-time supplier to the KAL Group, and fresh produce will be purchased for donation to identified beneficiary organisations.

Enterprise development

Enterprise development entails monetary and non-monetary contributions to the development and sustainability of black-owned enterprises' financial and operational independence.

The Fruit Workers' Development Trust ("FWD Trust"), along with Empowerment and Transformation Investments (Pty) Ltd, are KAL Group's enterprise development beneficiaries. In support of the FWDT Trust's work, a long-term interest-free loan of R2 million was advanced in the deciduous fruit sector.

KAL Group supported a citrus farmer in Paarl, which enabled the company to expand its business. The citrus producer has been onboarded and contracted as a first-time supplier in KAL Group's supply chain, providing fresh vegetables and fruit to the community in Paarl and Pniel. The citrus farming project's owner is a KAL Group Academy graduate. The interest-free loan of R200 000 was used to purchase a tractor to help mechanise the farming activities. This will increase farm efficiency, especially with the spray programme and harvesting processes.

A KAL Academy graduate farming flowers and livestock has also received a grant of R30 000 as part of the enterprise development programme. The enterprise, of which the graduate is a partner, is 100% black women-owned. The grant will assist the new-generation farmer in installing much-needed fencing around flowers and procuring materials for livestock housing.

Socio-economic development

KAL Group's main focus areas for socio-economic development programmes are education, hunger alleviation and community development.

We encourage employees to participate in local community initiatives. This upholds the reason for KAL Group's existence: that all our stakeholders should be better off because of our existence.

KAL Group's initiatives are focused on making a difference in the communities where our stores are located. During 2023, we embarked on numerous programmes at corporate and branch levels. This year, we invested donations, sponsorships and contributions of R4 749 195 in education and educational support programmes, hunger alleviation and various community upliftment programmes in our operational areas.

STAKEHOLDER RELATIONS

Our core CARE values (Communicate, Alignment, Relationships and Empowering) direct our stakeholder engagement.

We believe our reputation rests on our responsiveness and contribution to our neighbouring communities and society at large. This allows us to deliver value to our stakeholders.

KAL Group's relationship with its stakeholders is entrenched and underpinned by its code of ethics. KAL Group strives to have a positive economic impact on its stakeholders. This is achieved through education, employment, wealth creation, competitive remuneration and socio-economic development.

Stakeholder engagement is entrenched in the business through, among other things, regular direct engagements with customers, hosting and attending industry events and seminars, media relations and investor relations. We ensure communication with stakeholders is unambiguous, balanced, trustworthy and transparent.

Key stakeholders are government departments, regulatory authorities, customers, employees, investors/shareholders, suppliers, communities and the media.

Stakeholder groups that impact KAL Group's ability to create value are listed in the table below. The table also outlines stakeholders' interests regarding KAL Group's business activities.

Relationships	Means of engagement	Interests
Government and regulators		
> Provide access to markets through operating and other licences – the basis of creating value > Regulatory measures are imposed and have potential cost implications > Provide business opportunities through tenders, networking and stakeholder engagement	> Consultation and participation in public forums > Active engagement and submissions on draft regulations, white papers and bills > Engagement with industry consultative bodies > Publication of policy engagement and discussion papers	> Supporting valuable opportunities for job creation and socio-economic development, including transformation > Protecting consumer interests in cost-effectiveness, quality, the privacy of information and world-class service > Regulatory compliance on issues such as price and SHEQ > Diligent contribution to the tax fiscus
Customers		
> Purchase our products and services – the basis for growth in revenue	> Online – corporate and retail websites > Social media – Facebook and Instagram > Retail outlets > Print media and advertising on various platforms > Customer relationship management programmes > Events and activations	> Improved value proposition in customer offerings > Living the Accelerating Performance culture through customer engagement > Streamlining business processes for greater customer efficiency
Investors and shareholders		
> Provide the capital necessary for sustainability and growth	> Annual and interim results publications > Investor relations information on Kaap Agri website > Stock Exchange News Service ("SENS") announcements > Investor roadshows – twice a year > Annual general meeting ("AGM")	> Strategy to ensure sustained financial performance and growth > Responsible investment to ensure growth, manage risks and explore opportunities in various markets > Transparent remuneration policy > Responsible allocation of capital for investment and future growth > Sound corporate governance practices > Responsible dividend policy

Relationships	Means of engagement	Interests
Employees		
> Their talent, commitment, loyalty and Accelerating Performance culture make realising the reason for our existence possible – we exist because our stakeholders should benefit from our existence so we can become a leading role player in the retail sector	> Intranet (Hub) > Internal publications and electronic communication > Staff communication boards > Engagement surveys > Roadshows	> Clear career paths and opportunities for career development > Fair and equitable remuneration and recognition of talent > Recognition and rewards programme > KAL Trust beneficiation
Suppliers		
> Impact our ability to provide quality products at market-related prices	> Technology solutions for vendor management > Regular visits to suppliers > Audits > Supplier information days and networking opportunities > Supplier awards	> Timely payment and fair repayment terms > B-BBEE compliance in line with the latest codes and measurements > Improving SHEQ
Media		
> Voluntary: crucial role in keeping stakeholders informed of our business, including our products and services	> Face-to-face, telephonic and electronic engagement > Interviews with the Chief Executive Officer ("CEO") and key executives > Media releases and product-related publicity	> Transparency > Keeping stakeholders informed of key developments and offerings

Relationships	Means of engagement	Interests
Communities		
> Ensure the long-term viability of our business and that others are better off because of our existence by nurturing and strengthening our socio-economic operating context	> Socio-economic development programmes > Bursary programme > KAL Trust > KAL Academy > Harvesting Hope programme > KAL ECD Support programme	> Branch participation in socio-economic development programmes > Youth development and upliftment > Access to education and training through our bursary programme > Investment in infrastructure and community upliftment > Supporting growth in the sector through farmer development and training > Supporting small-scale farmers with access to education and training > Alleviate hunger and reduce food waste through our food rescue programme > Supporting education centres through feeding programmes

SUSTAINABILITY REPORT

We strongly believe corporate sustainability starts with our value system and a principles-based approach to doing business. We incorporate the 10 principles of the United Nations ("UN") Global Compact and a culture of integrity into our strategies, policies and procedures. This upholds our basic responsibilities to people and the planet and sets the stage for long-term success.

KAL Group firmly embraces, supports and enacts the UN Global Compact's core human rights, labour, environment and anti-corruption principles. KAL Group is also committed to an ethical code of conduct. We have a health, safety and environmental policy, and other related codes and guidelines. These may be amended occasionally, as required by applicable law.

Co-operation and dialogue with stakeholders are essential for KAL Group. We seek to be good neighbours and valuable community members wherever we operate. Our various business units are cornerstone employers and are important to the local community. They contribute to the fiscus through tax income, jobs, infrastructure and community development. KAL Group values open dialogue with neighbours, local governments and other partners, including research institutions, customers and suppliers. This is because we consider ourselves a long-term partner.

KAL Group is also committed to the UN Sustainability Goals. We have adopted the following eight goals as part of our business journey.

"The KAL Trust has been a game-changer for my family and me. The help I received inspired me in such a way that I now want to study Retail Management so that I can grow in my career and add more value to our business."
Michael Koni, Branch Supervisor and KAL Trust beneficiary

KAL Trust: Building resilient employees and families

The KAL Trust plays a vital role in fostering resilience by providing financial assistance to employees and helping them to navigate personal challenges. Through interest-free home loans, financial assistance towards home improvements, and funding for their children's education and sports and cultural achievements, the Trust assisted more than 270 families in 2024.

Aligned with the Group's strategic objective of leveraging culture, diversity and CARE values, the Trust is built on the principle that happy, supported employees enable shared growth.

Michael Koni, an employee of The Fuel Company, applied for assistance to expand and improve his RDP home in Gqeberha. With the support, he could extend his home and improve the security around the house. These enhancements improved Michael's family life and boosted his confidence at work.

Our contribution to the UN Sustainability Development Goals

Aligning our sustainability and corporate social investment activities to the 17 UN Sustainability Development Goals ("UN SDGs") has informed our thinking to ensure we consider the broader impact of our operations and add value to the people and places we impact. This alignment and incorporation of UN SDGs in our work is a continuous process in our growth journey, and we have identified eight goals against which we monitor progress.

	2 ZERO HUNGER **Zero Hunger**	4 QUALITY EDUCATION **Quality Education and provide lifelong learning opportunities for all**	7 AFFORDABLE AND CLEAN ENERGY **Affordable and Clean Energy**	8 DECENT WORK AND ECONOMIC GROWTH **Decent work and economic growth**
Major focus	> Support feeding schemes at ECD centres, schools and community centres > Harvesting Hope programme alleviating hunger through food rescue > KAL ECD Support programme to provide daily meals to ECD centres	> Training and development of employees as per skills development plan > Financial assistance towards education for employee dependants via the KAL Trust > KAL Bursary programme for promising young leaders across urban and rural communities > KAL Academy programmes for new-generation farmers and farmworkers > Support of Mamre Farmer Information Day	> Solar and energy efficiency initiatives	> 85% procured from B-BBEE accredited suppliers > Long-term partnerships empowering supplier and enterprise development beneficiaries > KAL Group Academy programmes for new-generation farmers > Fair pay labour practices with remuneration above minimum industry benchmarks > Interest-free revolving home loans to employees to build sustainable livelihoods through the KAL Trust > Development of new-generation farmers through input discount programmes
Support	> Supporting food rescue programme by providing Agrimark bins and packaging for produce > Hosting meal packing events to provide ECD centres with meals	> Support of schools in rural communities through facilities upgrade projects > Supporting communities in rural areas through information days	> Energy efficiency through progressive light bulb replacement programme at stores	> Supported entrepreneur's development programme (Ceres Business Initiative) > Support new-generation farmers through Harvesting Hope programme

Support   Major focus

Reduced Inequalities	Responsible consumption and production	Peace, justice and strong institutions	Partnerships for the goals
> Financial assistance towards education for employee dependants via the KAL Trust > Fair pay labour practices with remuneration above minimum industry benchmarks > Interest-free revolving home loans to employees to build sustainable livelihoods through the KAL Trust > Established employment equity plans to reduce gender, race and disability inequalities	> Using recycled material in the manufacturing processes of bulk bins and encouraging customers to recycle by introducing recycling programmes at TEGO > Solar panel installation at manufacturing facilities, retail stores and fuel stations > Implementing recycling initiative at Paarl Distribution Centre	> KAL Trust reserves built up for investment opportunity and financial sustainability > Provide access to justice for all and build effective, accountable and inclusive institutions at all levels. See King IV and governance report	> Partnership with HelloChoice OneFarm Share to alleviate hunger, reduce food waste, and develop new-generation farmers > Partnership with Gift of the Givers to upgrade facilities and support subsistence farmers > Partnership with SA PALS to support new-generation farmers
> Supported feeding schemes at ECD centres, schools and community centres > Support of schools in rural communities through school uniform, stationery and facilities upgrade projects > KAL Academy programmes for new-generation farmers and farmworkers > Recycling plastic bottle tops to obtain wheelchairs for those in need	> Plastic to paper/ reusable materials initiatives at retail stores > The Signing Hub digital approval platform > Supporting conservation days that focus on sustainable agriculture (Landbouweekblad Conservation Agriculture Conference)	> Employee engagement supporting activism against women and children at a Safehouse in Malmesbury	> Support food rescue programme through OneFarm Share partnership > Support the installation of fans in a previously disadvantaged school > Support of education projects and learners in urban and rural communities > Support recycling initiative through Sweethearts Foundation partnership > Partnership with Rise Against Hunger to assist ECD centres in becoming registered with the Department of Education

Support   Major focus

Plastic to paper initiatives

KAL Group also decided to phase out single-use plastic carrier bags and has started to roll out environmentally friendly paper and tote bags in 2022. The bags have been developed in response to our commitment to responsible consumption and production and the increasing customer expectations for easy, recyclable and reusable alternatives. This forms part of our contribution to reducing our environmental impact. As a retailer, we are taking ownership of reducing plastic pollution. We sold an average of 1 292 paper bags and 770 tote bags per month in 2024.

Energy conservation initiatives

KAL Group expanded its use of renewable energy to achieve greater energy efficiency, enhance the customer experience, manage rampant electricity costs and erratic supply, and foster a greener mindset across its operations. As part of its energy efficiency strategy, the company has successfully installed solar photovoltaic systems at KAL Group sites, namely Agrimark Paarl, Agrimark Worcester, Agrimark Robertson, Agrimark Kakamas, Agrimark Upington, Expressmark Paarl, Expressmark Kakamas, Expressmark Robertson, Expressmark Garden Route, Elegant Fuels Kathu, Engen Akasia Kathu, Agriplas and Agrimark Vredendal.

KAL Group selected solar photovoltaic (PV) panels for small-scale embedded power generation, which presented opportunities to use renewable energy sources. The solar power project also allows branches to remain open during load shedding.

These installations resulted in savings of R6 039 065 from 1 October 2023 to 30 September 2024. By the end of September, the total CO2 offset for all the installations was 1 869 tonnes collectively. This is the equivalent Co_2 of the winning Springbok squad of 33 people flying from Cape Town to France 82 times.

We have conducted a desktop data analysis across all sites to understand the impact of the Group's energy consumption and cost. Seven sites have been added to the energy efficiency monitoring, bringing the total monitored sites to 92.

As a result of the desktop analysis, we have explored the feasibility of further rollouts across the branch network. We plan to add 9 installations to our energy efficiency programme in FY25. Due to the planned expanded renewable energy programme, load shedding should have a reduced impact on the business. We also expect reduced electricity usage and CO_2 emissions.

CAPEX spend of
R23 million
for all installations in FY24

R6 million
Approximate total savings

1 869 tonnes
CO_2 avoided

Recycling initiatives

As a world-class manufacturing business, TEGO Plastics operates a fully equipped in-house recycling plant that recycles internal products and bins returned as part of the company's bin and feet exchange programme. Products which would have gone to a landfill are properly recycled and reprocessed through the recycling plant. The recycled material is used to produce TEGO bulk bins and feet.

This year, TEGO used over 419 tonnes of recycled material to manufacture injection moulded products compared to 415 tonnes in 2023.

Since June 2023, the Paarl Distribution Centre has partnered with a waste management solutions company to minimise waste going to landfill. Since its inception, 88 tonnes of cardboard, metal, paper, wood and plastic have been diverted from landfill.

Water, electricity, paper usage and fuel consumption

In addition to energy conservation initiatives, we also focus on reducing paper usage, fuel consumption and water and electricity consumption.

Tracking of A4 paper usage continues, with an average of 1,03 million A4 pages per month having been printed in FY24. For the same period last year, an average of 1,05 million A4 pages per month were printed, resulting in a decrease of 1,6% in paper usage year-on-year.

For the same period last year
1,05 million
A4 pages per month were printed

1.6%
Decrease in paper usage year-on-year

An average of
1.03 million
A4 pages per month were printed in FY24

Baseline tracking for fuel usage has been tracked regarding fuel consumed at Agrimark branches, agri trade sites and TFC retail sites for refuelling delivery trucks, forklifts and generators. In FY24, an average of 77 227 litres of fuel was used per month. For the same period last year, an average of 112 243 litres (including Aussenkehr) of fuel was used per month. Excluding the Aussenkehr branch situated in Namibia, 108 993 litres of fuel was used per month in South Africa in FY23. There was a decrease of 29% in fuel consumption year on year which can be attributed to decreased fuel for generator use due to less loadshedding throughout FY24.

In FY24 an average of
77 227
litres of fuel was used per month

29%
Decrease in fuel consumption year-on-year

For the same period last year
108 993 litres
litres of fuel was used per month

Baseline tracking for water costs has been monitored, and an average cost of approximately R381 470 per month was spent on water consumption in FY24. For the same period last year, an average expense of approximately R300 344 was spent on water consumption. There has been an increase of 27% in the costs for water usage year-on-year, largely attributable to increased water tariffs and associated water levies. Where possible, water-saving interventions have been installed at some of our select branches, including tanks for rainwater run-off from the roofs of the bigger Agrimark outlets.

167%
Increase in Kw/hr consumption

An average of
1 156 981 Kw/hr
electricity was consumed per month in FY24

For the same period last year
433 000 Kw/hr
was consumed per month

Over the past year, an average of 1 156 981 Kw/hr was consumed at 92 sites compared to 433 000 Kw/hr consumed at 39 sites last year. There was an increase of 167% in Kw/hr consumption which can be attributed to the additional sites onboarded onto the energy efficiency programme throughout FY24 and with more sites' information becoming available.

Safety, health, environment, and quality ("SHEQ")

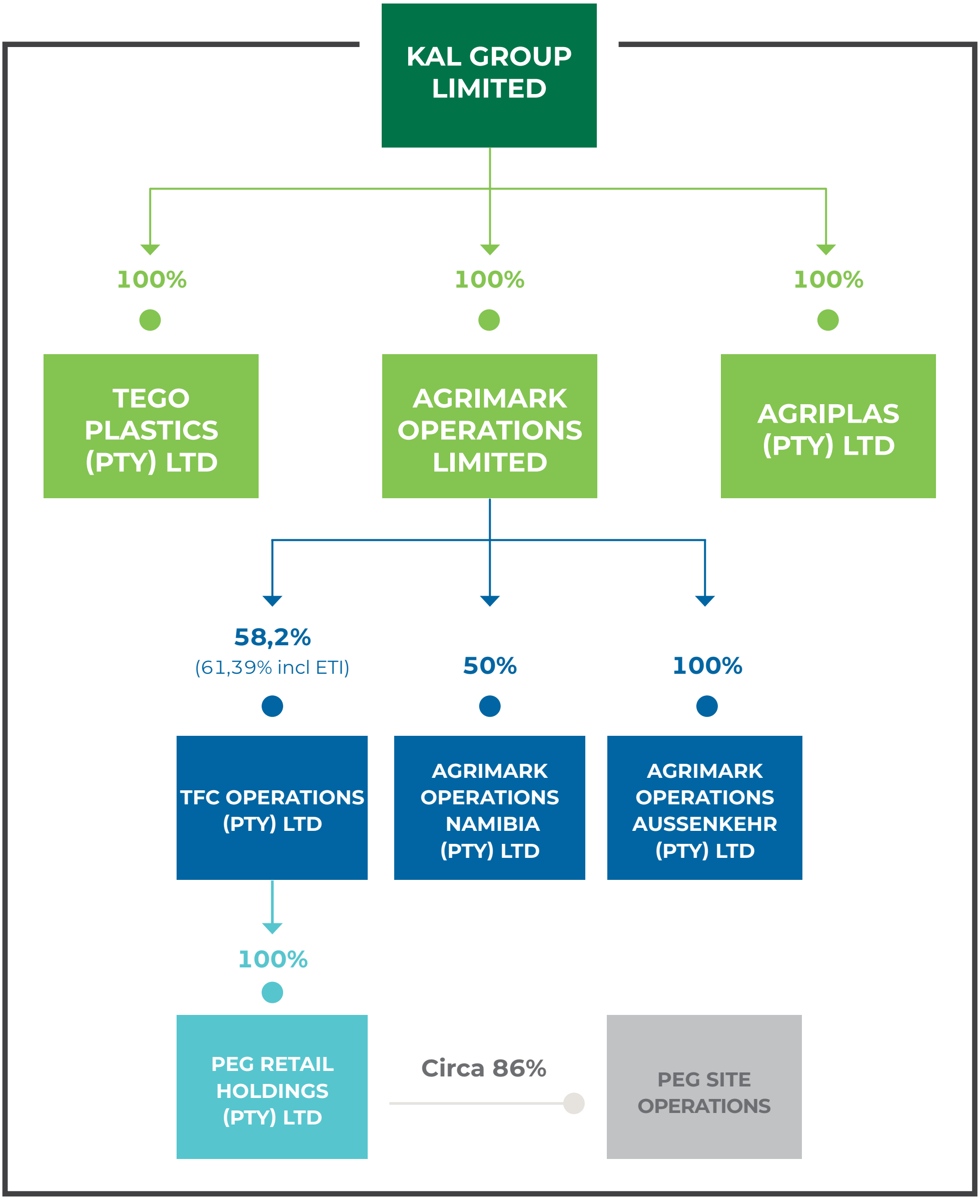
KAL Group is committed to Health and Safety by ensuring compliance with legislative developments and industry-specific standards through constant review and update of policies and procedures.

The purpose of SHEQ within the organisation is to ensure employees and other stakeholders are protected from risk, hazards, and incidents by complying with legislative requirements.

Please refer to the Human capital overview on page 47 for more details.

Additional material information

Group structure



About our case studies

Building resilience

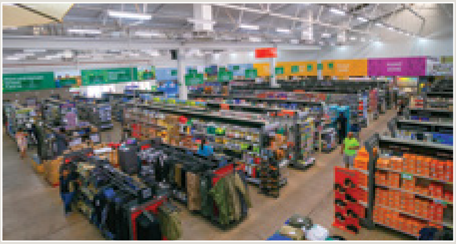
At KAL Group, we recognise that resilience is more than just enduring challenges. It is about the capacity to adapt, evolve, and succeed in an environment characterised by rapid changes and unpredictability. We are committed to building resilience within our business, our people, our sector and the communities we serve. Our focus on agility and innovation drives our ability to overcome challenges while supporting those around us. In this year's integrated report, we share stories that highlight our commitment to fostering resilience – from initiatives that provide critical relief and support to those that drive sustainable practices and innovation. We strive to showcase how building resilience is not simply about "carrying on" but building capacity and active partnerships, and creating opportunities for shared growth and transformation.

5 Building resilience through industry engagement

13 Integrated solutions for agricultural resilience

30 Helping communities adapt and recover

32 Followers and fans help build resilience



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Annual financial statements

Contents

Declaration of directors' responsibility and approval

The directors are responsible for the fair presentation of the annual company financial statements and annual Group financial statements of KAL Group Limited. In conducting this responsibility they rely on the information, assessments and estimates of management. The fair presentation and integrity of the company and Group financial statements are also evaluated on the basis of accounting systems and internal financial control measures which are monitored on an ongoing basis during the financial period. The directors' responsibilities also include implementing adequate controls and security to maintain the integrity of the Company's website.

The company and Group annual Financial Statements are prepared on the historical cost basis, unless otherwise indicated, in accordance with IFRS Accounting Standards, the IFRS Interpretations Committee interpretations, the requirements of the Companies Act (No. 71 of 2008), as amended, the SAICA Financial Reporting Guide issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. These financial statements incorporate accounting policies that have been consistently applied to all periods presented and are consistent with those applied in the previous financial year.

Based on the Group and company financial statements, the present position of the company and the Group, budgets for the coming year and available financing facilities, the directors are satisfied the company and Group have adequate resources to continue trading as a going concern for the foreseeable future. The going concern principle is therefore accepted and applied in the preparation of the Group and company financial statements.

The independent auditing firm Deloitte & Touche audited the Group and company financial statements to comply with the relevant requirements of the Companies Act. The auditors had unrestricted access to all financial records and related information, minutes of shareholders, directors and Board committee meetings. The directors are of the opinion that all submissions and management declarations presented to the auditors were correct, valid and relevant.

The unqualified report of the auditors appears on page 99 to 104.

The company and Group annual financial statements on pages 105 to 173 were compiled by GC Victor CA(SA) under supervision of GW Sim CA(SA) and approved by the Board of directors on 25 November 2024 and signed on their behalf by:

GM Steyn
Chairman

S Walsh
Chief Executive Officer

Responsibility statement of the Chief Executive Officer and Financial Director

Each of the directors, whose names are stated below, hereby confirm that –

(a) the consolidated and separate annual financial statements set out on pages 105 to 173, fairly present in all material respects the financial position, financial performance and cash flows of KAL Group Limited in terms of IFRS Accounting Standards;

(b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the consolidated and separate annual financial statements false or misleading;

(c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

(e) where we are not satisfied, we have disclosed to the Audit and Risk committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and

(f) we are not aware of any fraud involving directors.

S Walsh
Chief Executive Officer

Authorised Director

25 November 2024

GW Sim
Financial director

Authorised Director

25 November 2024

Declaration by the Company Secretary

In terms of section 88(2)(e) of the Companies Act, 71 of 2008, the Company Secretary hereby certifies that all returns of the company and its subsidiaries, as prescribed by the said Act, have been submitted to the Companies and Intellectual Property Commission (CIPC) and that the said returns are true, correct and up to date.

KAL Corporate Services (Pty) Ltd
Company Secretary

25 November 2024

Report of the Audit and Risk committee

to the shareholders of KAL Group Limited

KEY FUNCTIONS AND RESPONSIBILITIES

The responsibilities of the Audit and Risk committee are set out in a formal charter which is revised annually by the Board. The committee has free access to the Chairman of the Board of directors and is empowered to consult independent experts unlimited at company cost. In the execution of its duties according to its mandate and requirements of the Companies Act, the committee is responsible for the discussion and assessment of:

- the effectiveness of internal control systems, risk management and the management of information;
- the internal auditor's audit plan, reports and recommendations;
- the independence, conditions of appointment, audit plan and remuneration of the external auditors;
- the effectiveness and reports of the external auditors;
- the Group's conformance to corporate management rules, risk management and statutory requirements;
- the appropriateness of accounting policies and any matters related to financial reporting;
- the appropriate financial reporting procedures. To ensure they exist and are working, which should include consideration of all entities included in the consolidated group IFRS financial statements, to ensure that it has access to all the financial information of the issuer to allow the issuer to effectively prepare and report on the financial statements of the issuer in terms of paragraph 3.84(g)(ii) of the JSE Listings Requirements;
- the separate and consolidated annual financial statements, before these annual financial statements are approved by the board for release;
- ensuring that the external auditor is independent of KAL Group Limited, as set out in section 94(8) of the Companies Act, ensuring that the external auditor is suitable for re-appointment by considering the information set out in paragraph 3.84(g)(ii) of the JSE Listings Requirements;
- ensuring that the Group Chief Financial Officer, as well as the group finance function, has the appropriate expertise and experience in terms of paragraph 3.84(g)(i) of the JSE Listings Requirements;
- internal financial controls and reports on the Group's systems of internal financial controls. The committee received assurance on compliance with, and the effectiveness of internal control systems through regular management reviews, engagements, internal audit, as well as from the external auditors who test aspects of these control systems as part of their statutory audit of the annual financial statements; and
- any other prescribed functions the committee is required to perform.

INTERNAL AUDIT

The internal audit function fulfils an important role to give assurance to the Audit and Risk committee that sufficient control measures are in place and are functioning correctly so that the committee can form an opinion on key functions and key responsibilities. Therefore, the internal auditors have direct access to the chairman of the Audit and Risk committee, and the Audit and Risk committee is also responsible to ensure that the internal audit function is independent and that it has the necessary resources, status and authority to perform its duties. The internal and external auditors attend Audit and Risk committee meetings. The committee also regularly meets together and separately with the internal and external auditors to create the opportunity to exchange confidential information. The Audit and Risk committee also oversees the co-operation between internal and external auditors and serves as a link between the Board and these functions.

EXTERNAL AUDIT

The board sets a policy that governs the level and nature of non-audit services, which requires pre-approval by the Audit and Risk committee for all non-audit services. In determining the independence of the external auditors, the committee considers the level and types of non-audit services provided as well as other enquiries and representations. As required by the Companies Act, the committee has satisfied itself that KAL Group Limited's external auditor, Deloitte & Touche ("DT"), was independent of the company, as set out in sections 90(2)(c) and 94(8) of the Companies Act and is thereby able to conduct its audit functions without any undue influence from the company.

The committee has considered the relevant audit quality indicators. The committee was satisfied with the quality of the audit concluded and has nominated, for re-appointment at the annual general meeting, DT as the external auditor of KAL Group Limited for the financial year ending 30 September 2025 and Mr JHW de Kock as the designated individual registered auditor who will undertake the audit of KAL Group Limited on behalf of DT.

As required by section 3.84(g)(ii) of the JSE Listings Requirements, the committee has satisfied itself that DT and Mr JHW de Kock are suitable for reappointment as audit firm and appointment as individual auditor, by considering, inter alia, the information stated in paragraph 3.84(g)(ii) of the JSE Listings Requirements.

ANNUAL FINANCIAL STATEMENTS

The committee has evaluated the annual financial statements of the company and Group for the year ended 30 September 2024, with specific consideration of the following significant financial reporting matters during the year:

- the provision for expected credit losses recognised on trade receivables;
- the provision for damaged, old and slow moving stock;
- renewal of lease periods;
- goodwill impairment testing.

The committee reviewed the estimates used and judgements made by management and determines whether they are reasonable in terms of the current macroeconomic climate and in line with assumptions utilised by comparable third parties.

Based on the information provided to the committee, the committee considers that the Group complies, in all material respects, with the requirements of the Companies Act, as amended, and IFRS Accounting Standards.

OPINION

Given the functions and responsibilities of the committee, as well as the procedures referred to above, the Audit and Risk committee is of the opinion that:

- the Group's internal control measures and risk management are sufficient;
- the experience and expertise of the Financial Director and the finance function was appropriate;
- appropriate financial reporting procedures are in place and are operating;
- the audit was performed with the necessary independence and competence;
- the company and Group annual financial statements were prepared on the historical cost basis, unless otherwise indicated, in accordance with IFRS Accounting Standards, the IFRS Interpretations Committee interpretations, the requirements of the Companies Act (No. 71 of 2008), as amended, the SAICA Financial Reporting Guide issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council; and
- there are no other matters which are to be revealed to shareholders which have not been covered in the annual financial statements.
- nothing has come to the attention of the committee indicating that the internal financial controls were not operating effectively during the year under review.

CA Otto
Chairman: Audit and Risk committee

25 November 2024

Directors' report

for the year ended 30 September

NATURE OF ACTIVITIES

The Group specialises in trading in agricultural-, fuel- and related retail markets in Southern Africa. With its strategic footprint, infrastructure, facilities and client network, it follows a differentiated market approach. In support of the core retail business, the Group also offers grain handling and agency services.

FINANCIAL RESULTS

The profit after tax of the Group amounted to R451 million (2023: R480 million) while the gross assets decreased to R8,215 million (2023: R8,290 million). The results of the Group are presented in detail in the financial statements.

SHARE CAPITAL

The authorised share capital consists of 1 000 000 000 ordinary shares with no par value of which 74 319 837 (2023: 74 319 837) shares are currently issued, of which 3,708,514 shares are issued to Empowerment and Transformation Investments (Pty) Ltd. These shares are accounted for as treasury shares.

DIVIDENDS

A gross final dividend of R93,6 million (2023: R96,6 million) has been approved and declared by the board from income reserves, which represents 126,00 cents (2023: 130,00 cents) per share. The dividend is payable on 17 February 2025 to shareholders registered on 14 February 2025 (the record date) as shareholders of the company. The last date of trade cum dividend will be 11 February 2025.

The total dividend for the year amounts to R133,8 million (2023: R133,8 million), representing 180,0 cents (2023: 180,0 cents) per share.

SUBSIDIARIES AND JOINT VENTURE

The interests in subsidiaries and joint venture are presented in note 42 of the financial statements.

DIRECTORS

Full details of the directors appear in the integrated report.

DIRECTORS' INTERESTS

The directors' interest in shares of the company appear on page 173.

EVENTS AFTER REPORTING DATE

The directors are not aware of any further matters or circumstances that occurred between the end of the financial year and the date on which the financial statements were approved that have not been dealt with in the Group and company financial statements and which may have a significant influence on the activities of the Group and company or results of those activities.

Independent auditor's report

to the shareholders of KAL Group Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of KAL Group Limited and its subsidiaries (the Group and Company) set out on pages 105 to 173, which comprise the consolidated and separate statements of financial position as at 30 September 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of KAL Group Limited and its subsidiaries as at 30 September 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. This matter was addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter	How the matter was addressed in the audit
Impairment of Goodwill and Indefinite useful life Intangible Assets (Consolidated)	
The goodwill and indefinite intangible asset value of R1.6 billion makes up 19,9% of the consolidated total assets. This includes goodwill amount to R1.4 billion and indefinite useful life intangible assets, classified as Fuel Retail licenses of R193.7 million. Refer to note 5 Intangible Assets and note 7 of the accounting policies to the consolidated financial statements. In line with IAS 36 *Impairment of Assets* (IAS 36), the directors are required to assess whether goodwill and indefinite useful life intangible assets are potentially impaired on an annual basis. The recoverable amount of the cash generating units (CGUs) were calculated using the value-in-use technique. These valuations are subjective in nature and requires significant judgement by the directors in assessing the impairment of these intangible assets, which is determined with reference to the value in use, based on the cash flow forecast for each CGU. As disclosed in note 5, there are a number of key assumptions and estimates made in determining the inputs into the models which includes: > Pre-tax discount rates; > Revenue growth rates; > Expense growth rates and > Long term growth rate.	In evaluating the impairment of goodwill and Indefinite useful life Intangible Assets, we reviewed the value in use calculations prepared by the directors, with a particular focus on the growth rates and discount rates. We performed various procedures, including the following: > Assessing the design and testing the implementation of the key controls over the goodwill and indefinite useful life intangible asset impairment process; > We held discussions with management to obtain an understanding of the methodology used and if this met the applicable requirements of IAS 36; > Engaging our internal specialists to assess the arithmetic accuracy of the impairment assessment as well as the appropriateness of the valuation methodology against the requirements of IAS 36; > Engaging with our internal specialists to independently calculate the pre-tax discount rates and growth rates used in management's impairment calculations, including comparing this to historical data regarding economic growth rates for the regions included in the cash generating units and considered the appropriateness of the inputs used in the directors' calculations; > Our internal specialist procedures included evaluating the entity's current funding rates, funding structures and risk profile against relevant market data to conclude on the appropriateness of the discount rate. Management's assumptions with respect to the discount rate fell outside our independent range, however we noted no material impairment when using our independent inputs;

Key audit matter	How our audit addressed the key audit matter
Impairment of Goodwill and Indefinite useful life Intangible Assets (Consolidated) (continued)	
Due to the significance of the goodwill and indefinite intangible asset balance and the level of estimation inherently required to determine the future performance and an appropriate discount rate, this has been identified as a key audit matter in our audit of the consolidated financial statements. Key Audit Matter applies to the consolidated financial statements and there is no Key Audit Matter for the separate financial statements.	> We agreed cash flows to the business plans approved by the respective boards. No inconsistencies were noted. > With assistance from our internal specialists, we critically evaluated whether the projected cash flows used by the directors to calculate the value-in-use, comply with the requirements of IAS 36; > We assessed the reasonability of the future projected cash flows, including the assumptions relating to revenue growth rates and gross margins with reference to historic information, approved budgets and considering whether they are reasonable and supportable given the current economic climate in South Africa and expected future performance; > We performed sensitivity analyses on the growth rates, discount rates and long term growth rates to evaluate the extent of impact on the value in use; > We independently recalculated the recoverable amount for the CGUs and > We assessed the adequacy of the Group's disclosures in respect of goodwill and indefinite useful life intangible assets. Based on the procedures performed, the valuation methodology and key forecast assumptions applied is considered appropriate. We reviewed and considered the goodwill and indefinite useful life intangible assets impairment disclosures to be appropriate.

Other Matter

The consolidated and separate financial statements of the Group and Company for the year ended 30 September 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 22 November 2023.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled “KAL Group Limited Annual Financial Statements for the year ended 30 September 2024”, which includes the Directors’ Report, the Audit Committee’s Report and the Company Secretary’s Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Integrated Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor’s report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group’s and the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

> Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

> Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s and the Company’s internal control.

> Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

> Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s and the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and / or the Company to cease to continue as a going concern.

> Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

> Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of KAL Group Limited for one year.

Deloitte & Touche
Registered Auditor
Per: JHW de Kock
Partner
25 November 2024

Unit 11 Ground Floor
La Gratitude
97 Dorp Street
Stellenbosch 7600

Consolidated statement of financial position

at 30 September

	Notes	GROUP 2024 R'000	2023 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	3	**1 435 774**	1 412 006
Right-of-use assets	4	**747 903**	552 220
Intangible assets	5	**1 632 980**	1 560 646
Investment in Joint Venture	7	**61 026**	50 648
Loans	8	**22 756**	20 249
Financial assets at fair value through other comprehensive income	9	**5 580**	5 580
Deferred tax	10	**51 314**	33 039
Trade and other receivables	12	**25 725**	35 865
		3 983 058	3 670 253
Current assets			
Inventory	11	**1 452 056**	1 641 992
Trade and other receivables	12	**2 461 010**	2 580 828
Short-term portion of loans	8	**–**	1 513
Income tax		**5 278**	–
Cash and cash equivalents	14	**313 560**	285 926
		4 231 904	4 510 259
Assets classified as held for sale	6	**–**	109 206
		4 231 904	4 619 465
Total assets		**8 214 962**	8 289 718
EQUITY AND LIABILITIES			
Capital and reserves			
Stated Capital	15	**466 051**	440 963
Other reserves	16	**37 980**	21 279
Retained profit		**2 693 000**	2 467 580
Equity attributable to shareholders of the holding company		**3 197 031**	2 929 822
Non-controlling interest		**184 783**	156 405
Total equity		**3 381 814**	3 086 227
Non-current liabilities			
Instalment sale agreements	18	**15 925**	28 821
Lease liabilities	4	**803 600**	583 103
Employee benefit obligations	19	**14 779**	14 033
Financial liability at fair value through profit or loss	13	**37 509**	137 674
Deferred taxation	10	**70 611**	76 573
Borrowings	21	**355 250**	–
		1 297 674	840 204
Current liabilities			
Trade and other payables	20	**2 023 480**	2 315 131
Short-term portion of Instalment sale agreements	18	**22 377**	31 036
Short-term portion of lease liabilities	4	**51 364**	54 451
Short-term portion of Employee benefit obligations	19	**2 288**	2 153
Short-term borrowings	21	**1 434 064**	1 892 806
Income tax		**1 901**	11 292
		3 535 474	4 306 869
Liabilities directly associated with assets classified as held for sale	6	**–**	56 418
		3 535 474	4 363 287
Total liabilities		**4 833 148**	5 203 491
Total equity and liabilities		**8 214 962**	8 289 718

Consolidated income statement

for the year ended 30 September

	Notes	GROUP 2024 R'000	GROUP 2023 R'000
Revenue	26	**21 734 924**	22 397 058
Cost of sales		**(18 761 387)**	(19 478 711)
Gross profit		**2 973 537**	2 918 347
Other operating income	27	**266 284**	273 452
Movement on expected credit loss allowance	12	**(13 326)**	(9 048)
Selling and distribution costs	28	**(195 177)**	(184 766)
Administrative expenses	28	**(1 319 904)**	(1 268 001)
Other operating expenses	28	**(844 577)**	(809 868)
Operating profit		**866 837**	920 116
Share in profit of joint venture	7	**10 378**	9 271
Finance income		**23 787**	42 088
Finance costs	31	**(259 660)**	(279 654)
Profit before tax		**641 342**	691 821
Income tax	32	**(190 245)**	(211 819)
		451 097	480 002
Profit attributable to shareholders of the holding company		**395 316**	426 945
Non-controlling interest		**55 781**	53 057
Earnings per share – basic (cents)	33	**562,26**	607,45
Earnings per share – diluted (cents)	33	**562,26**	603,23

Consolidated statement of comprehensive income

for the year ended 30 September

	GROUP 2024 R'000	GROUP 2023 R'000
Profit for the year	**451 097**	480 002
Other comprehensive income:		
Cash flow hedges (can be classified to profit or loss)	**(546)**	(1 477)
Gross	**(748)**	(2 023)
Tax	**202**	546
	450 551	478 525
Total comprehensive income attributable to shareholders of the holding company	**394 770**	425 468
Non-controlling interest	**55 781**	53 057

Consolidated statement of changes in equity

for the year ended 30 September

	GROUP						
	Stated capital R'000	**Share-based payment reserve R'000**	**Hedge reserve R'000**	**Retained profit R'000**	**Total R'000**	**Non-controlling interest R'000**	**Total equity R'000**
Balance 1 October 2022	451 316	14 246	883	2 224 588	2 691 033	131 444	2 822 477
Gross shares issued	496 664						
Treasury shares	(45 348)						
Total comprehensive income	–	–	(1 477)	426 945	425 468	53 057	478 525
Share-based payments	(261)	7 627	–	–	7 366	–	7 366
Odd lot offer – shares repurchased	(10 092)	–	–	–	(10 092)	–	(10 092)
Share Incentive scheme – shares purchased	–	–	–	(59 888)	(59 888)	–	(59 888)
Change in ownership	–	–	–	(3 157)	(3 157)	(2 303)	(5 460)
Dividends paid	–	–	–	(120 908)	(120 908)	(25 793)	(146 701)
Balance 30 September 2023	440 963	21 873	(594)	2 467 580	2 929 822	156 405	3 086 227
Gross shares issued	486 191						
Treasury shares	(45 228)						
Total comprehensive income	**–**	**–**	**(546)**	**395 316**	**394 770**	**55 781**	**450 551**
Share-based payments	**3 630**	**17 247**	**–**	**472**	**21 349**	**–**	**21 349**
Treasury shares sold	**21 458**	**–**	**–**	**–**	**21 458**	**–**	**21 458**
Change in ownership	**–**	**–**	**–**	**(3 998)**	**(3 998)**	**(2 300)**	**(6 298)**
Share Incentive scheme – shares purchased (note 13)	**–**	**–**	**–**	**(37 084)**	**(37 084)**	**–**	**(37 084)**
Dividends paid	**–**	**–**	**–**	**(129 286)**	**(129 286)**	**(25 103)**	**(154 389)**
Balance 30 September 2024	**466 051**	**39 120**	**(1 140)**	**2 693 000**	**3 197 031**	**184 783**	**3 381 814**
Gross shares issued	**489 755**						
Treasury shares	**(23 704)**						
Refer to note	**15**	**16**	**16**				

Consolidated statement of cash flows

for the year ended 30 September

	Notes	GROUP 2024 R'000	GROUP 2023 R'000
Cash flow from operating activities		**889 648**	809 850
Net cash generated from operating activities	35	**848 405**	864 613
Interest received		**217 714**	242 620
Working capital changes	36	**48 561**	(85 590)
Income tax paid	37	**(225 032)**	(211 793)
Cash flow from investment activities		**(136 558)**	(164 675)
Purchase of property, plant and equipment and intangibles		**(153 969)**	(173 135)
Proceeds on disposal of property, plant and equipment		**16 864**	7 734
Repayment received on loans	8	**547**	726
Cash flow from financing activities		**(725 456)**	(718 733)
Increase in short-term borrowings	38	**148 959**	3 615
Repayment of long-term borrowings	41	**(251 875)**	(206 079)
Lease payments	40	**(61 221)**	(45 805)
Repayment of Instalment sale agreements	39	**(30 904)**	(26 997)
Repayment of low risk retention		**(57 789)**	–
Treasury shares acquired		**–**	(2 410)
Proceeds on disposal of treasury shares		**21 458**	–
Odd lot offer – shares repurchased		**–**	(10 092)
Share incentive scheme – shares purchased		**(83 833)**	(13 139)
Interest paid		**(255 862)**	(271 125)
Dividends paid		**(154 389)**	(146 701)
Net (decrease)/increase in cash and cash equivalents		**27 634**	(73 558)
Cash and cash equivalents at the beginning of the year		**285 926**	359 484
Cash and cash equivalents at the end of the year		**313 560**	285 926
Comprising of:			
– Bank and cash on hand	14	**313 560**	285 926

Notes to the consolidated annual financial statements

for the year ended 30 September

1 ACCOUNTING POLICIES

The principal accounting policies incorporated in the preparation of these financial statements are set out on pages 155 to 172. These policies are in terms of IFRS Accounting Standards and have been consistently applied to all the years presented, unless stated otherwise.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom precisely equal the related actual results. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates

Properties

Properties are depreciated over their useful lives, taking into account their residual values at the end of their useful lives. The residual values and useful lives are estimated and assessed based on industry knowledge and past experience with similar assets, taking into account the location and current condition of the properties. Properties are continuously maintained and kept up to standard. Refer to note 6 of the Group's accounting policy. All Property, Plant and Equipment assets, together with Right-of-Use assets, are tested per site annually for impairment indicators. Where impairments indicators are identified, value-in-use calculations are performed.

Expected credit loss allowance on trade receivables

In estimating the expected credit loss allowance on trade receivables, management makes certain estimates and judgements relating to the estimated recovery rate of debtors. This includes an assessment of current and expected future payment profiles and customer specific risk factors such as economic circumstances, geographical location and the value of security held. Refer to note 12 and 21 for more information.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Judgements

Inventory provisions for slow-moving and obsolete stock

The Group makes certain judgements relating to the provision of inventory, based on the frequency of movement in different inventory types. This determines the rates applied per age bucket for these inventory types in calculating the inventory provision to be recognised.

Goodwill and indefinite useful life assets

The Group makes certain judgements relating to the impairment testing of goodwill using the value in use valuation technique when assessing the goodwill and indefinite useful life intangibles for impairment. Judgements are used in terms of indefinite useful life assets, based on projections and assumed growth rates in income, expenses and terminal growth rates while using a pre-tax discount rate determined by management. These judgements are used to determine if an impairment of goodwill or indefinite useful life assets are applicable. Given that the retail licences remain valid for as long as the licence holder operates as a going concern, the estimated useful life of the individual retail licences is considered to be indefinite. Refer to note 5.

Extension periods with regards to lease contracts

The Group makes certain judgements relating to the extension periods of leases during the IFRS 16 right-of-use asset and lease liabilities calculations. Where the lessee has the unconditional right to the renewal and it is considered more likely than not that the lease will be extended based on all the available factors, the extension option is taken into account in determining the lease term. Most of the rent paid is for Agrimark stores and based on the history of the relationship with lessors and the group's strategies with the stores, the contracts will be extended. Most of the store leases are renewed based on the fact that the stores are at strategic locations, and most have been there for some time and it will disrupt business if moved to different locations.

Where the lease is not beneficial to the group, the extension option will not be applied. The lease term is reassessed if an option is actually exercised (or not exercised) or the group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. As at 30 September 2024, future cash outflows of R917,1 million (2023: R737,8 million) is not included in the lease liability because it is not reasonably certain that it will be extended.

Margin on direct transactions

The Group makes certain judgements relating to direct sales, were goods purchased by clients are directly delivered to the client by the suppliers of the Group. Only the margin earned on direct sales is recognised as revenue. The Group assess the treatment of these sales and concluded that the Group is acting as an agent, rather than a principal. Refer to note 16 in the accounting policy for further details.

	GROUP	
	2024 **R'000**	2023 R'000

3 PROPERTY, PLANT AND EQUIPMENT

	2024 R'000	2023 R'000
Cost		
Land and buildings	**963 890**	894 519
Grain silos	**92 113**	87 410
Machinery and equipment	**527 188**	497 531
Vehicles	**132 042**	123 485
Office furniture and equipment	**392 643**	396 719
Assets under construction	**35 092**	56 367
	2 142 968	2 056 031
Accumulated depreciation		
Land and buildings	**(27 280)**	(25 569)
Grain silos	**(53 024)**	(49 331)
Machinery and equipment	**(269 890)**	(233 713)
Vehicles	**(75 881)**	(68 714)
Office furniture and equipment	**(281 119)**	(266 698)
	(707 194)	(644 025)
Total carrying value	**1 435 774**	1 412 006
Depreciation has been allocated in the income statement as follows:		
Cost of sales	**(11 915)**	(11 826)
Other operating expenses	**(73 956)**	(70 017)
	(85 871)	(81 843)
Refer to note 46 for the reconciliation of movements in carrying value.		
Vehicles include the following amounts where the Group has instalment sale agreements:		
Cost	**45 693**	45 948
Accumulated depreciation	**(15 578)**	(14 843)
Total carrying value	**30 115**	31 105
Machinery and equipment include the following amounts where the Group has instalment sale agreements:		
Cost	**107 548**	107 548
Accumulated depreciation	**(23 061)**	(17 684)
Total carrying value	**84 487**	89 864

Properties to the value of R572,9 million (2023: R551,9 million) serve as security for the first ranking covering mortgage bonds. Refer to note 21.

	GROUP 2024 R'000	GROUP 2023 R'000

4 RIGHT-OF-USE ASSETS AND LEASE LIABILITY

	2024 R'000	2023 R'000
Right-of-use assets		
Buildings	**707 605**	514 647
Cost price	**930 373**	799 511
Accumulated depreciation	**(222 768)**	(284 864)
Leasehold improvements*	**36 026**	33 906
Cost price	**64 428**	56 984
Accumulated depreciation	**(28 402)**	(23 078)
Vehicles	**4 272**	3 667
Cost price	**7 909**	6 701
Accumulated depreciation	**(3 637)**	(3 034)
	747 903	552 220
Reconciliation of movements in carrying value:		
Carrying value at beginning of year	**552 220**	617 701
Additions	**164 503**	7 948
Assets held for sale	**56 453**	(56 453)
Modification of lease contracts	**61 438**	53 692
Depreciation charge of Right-of-use assets	**(86 711)**	(70 668)
Buildings	**(79 549)**	(63 791)
Leasehold improvements*	**(5 725)**	(5 482)
Vehicles	**(1 437)**	(1 395)
Carrying value at end of year	**747 903**	552 220
Lease liabilities		
Current	**51 364**	54 451
Non-current	**803 600**	583 103
	854 964	637 554
Interest expense (included in finance costs)	**70 287**	50 347
Expense relating to short-term leases and low value assets (included in other operating expenses)	**25 324**	21 256
Buildings – variable lease payments not included in lease liabilities (included in other operating expenses)	**152 737**	146 701
Cashflow expense for leases and low value and short term leases	**309 570**	264 108

* *Leasehold improvements were split out in the current 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 vehicles. Rental contracts are typically entered into for fixed periods of 3 to 12 years but may have extension options as described below. 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.

During the year there were modifications at Agrimark Operations Ltd which lead to a decrease in right-of-use asset of R13,5 million as a result of change in assessment of lease term. Modifications at TFC Operations (Pty) Ltd ("TFC") lead to an increase in right-of-use asset of R74,7 million as a result of the change in index effective 1 August 2024.

5 INTANGIBLE ASSETS

	GROUP 2024 R'000	GROUP 2023 R'000
Goodwill	**1 380 400**	1 344 746
Fuel retail licences	**193 738**	193 738
Tradename	**13 625**	14 015
Cost	**15 596**	15 596
Accumulated amortisation	**(1 971)**	(1 581)
Customer relations	**1 129**	1 744
Cost	**3 077**	8 077
Accumulated amortisation	**(1 948)**	(6 333)
Internally generated computer software	**44 088**	6 403
Cost	**50 704**	8 560
Accumulated amortisation	**(6 616)**	(2 157)
	1 632 980	1 560 646
Reconciliation of movements in carrying value:		
Goodwill	**1 380 400**	1 344 746
Carrying value at beginning of year	**1 344 746**	1 399 631
Additions/(refund)	**810**	(4 775)
Impairment	**–**	(15 266)
Assets classified as held for sale	**34 844**	(34 844)
Fuel retail licence	**193 738**	193 738
Carrying value at beginning of year	**193 738**	193 738
Internally generated computer software	**44 088**	6 403
Carrying value at beginning of year	**6 403**	7 074
Additions	**40 995**	1 303
Assets under construction	**1 150**	–
Amortisation recognised in profit and loss	**(4 460)**	(1 974)
Tradename	**13 625**	14 015
Carrying value at beginning of year	**14 015**	14 405
Amortisation recognised in profit and loss	**(390)**	(390)
Customer relations	**1 129**	1 744
Carrying value at beginning of year	**1 744**	3 359
Amortisation recognised in profit and loss	**(615)**	(1 615)
	1 632 980	1 560 646

In order to assess the goodwill and retail fuel licences that originated from business acquisitions in the Agrimark and The Fuel Company segments, a value in use calculation was done per Cash Generating Unit ("CGU"). More information with regards to each segment is disclosed below.

The Fuel Company acquisition strategy is cluster based, focusing on increasing scale in identified geographic locations and grouped as such based on geographic location, the nature and how the clusters are managed and monitored. The goodwill and retail fuel licences is monitored for impairment based on these clusters. The fuel clusters are included in The Fuel Company cluster.

The retail fuel licences is included in the Highway cluster which amounts to R193,7 million (2023: R193,7 million).

5 INTANGIBLE ASSETS (CONTINUED)

The most significant clusters to which goodwill has been allocated include the clusters listed below:

	GROUP	
	2024 R'000	2023 R'000
Carrying value:		
Eastern Cape cluster	**45 469**	45 469
Northern Cape cluster	**127 108**	127 108
Northern Province cluster	**193 177**	158 333
Western Province cluster	**38 145**	38 145
Highway cluster	**950 839**	950 029

The following table sets out the key assumptions applied in determining the recoverable amount of each CGU used per cluster:

	GROUP	
	2024 %	2023 %
Pre-tax discount rate	**12,0 – 13,0**	13,0 – 14,0
Revenue growth rate*	**9,0 – 17,0**	9,0 – 12,0
Expenses growth rate	**4,8 – 8,0**	5,0 – 8,0
Terminal growth rate	**5,0**	6,0

* *The revenue growth rate range of 9% to 17% is mostly applicable to the Northern Cape cluster. For the other clusters the revenue growth rate range is 9% – 11%*

The approved budget for the next financial year was used as base data after which the relevant inputs were extrapolated for the next 4 years with the long-term growth rate being applied in the terminal year. The growth rate in revenue is more or less the same as the prior year except for the Northern Cape, Eastern Cape and Northern Province clusters where it is higher where strategic plans are in place to focus on the growth of the sites in the clusters. The expenses were mostly grown with more or less the same range as the prior year. The pre-tax discount rate is lower as a result of a lower cost of capital based on a lower cost of interest-bearing debt.

Management has performed sensitivity analyses on the key assumptions in the impairment model using possible changes in these key assumptions including pre-tax discount rates, gross profit percentage, expenses growth rate and terminal growth rate used. Listed below is the increase/decrease in assumptions applied per year in the forecast, required to deplete the headroom after which a portion of goodwill will start to be impaired:

	PRE-TAX DISCOUNT RATE		GROSS PROFIT PERCENTAGE		EXPENSES GROWTH RATE	
	2024	2023	**2024**	2023	**2024**	2023
Eastern Cape cluster	**+6,7%**	+6,4%	**-4,2%**	-5,0%	**+4,2%**	+5,0%
Northern Cape cluster	**+11,1%**	+10,0%	**-7,8%**	-9,3%	**+7,8%**	+9,5%
Northern Province cluster	**+7,3%**	+4,8%	**-6,0%**	-5,1%	**+6,0%**	+5,3%
Western Province cluster	**+50,8%**	+22,2%	**-9,2%**	-7,8%	**+10,2%**	+8,8%
Highway sites cluster	**+9%**	+21,9%	**-1,0%**	-2,3%	**+3,2%**	+7,8%

Even if the terminal growth rate is zero, no impairment is identified. There is sufficient headroom and no risk of impairment noted.

The Agrimark acquisition strategy focuses on increasing scale in identified geographic locations and diversifying the business. The Forge and Farmsave branded branches are included in the Agrimark segment for the group. The goodwill raised through the business combination with Partridge Building Supplies (Pty) Ltd ("PBS") in previous years was tested for impairment using a value in use calculation.

	GROUP	
	2024 R'000	2023 R'000

5 INTANGIBLE ASSETS (CONTINUED)

	2024 R'000	2023 R'000
Carrying value:		
Goodwill – business combination relating to PBS	**22 033**	22 033
Goodwill – business combination relating to Farmsave	**1 186**	1 186

The following table sets out the key assumptions applied in determining the recoverable amount of the goodwill raised:

Goodwill – business combination relating to PBS and Farmsave	**%**	%
Pre-tax discount rate	**12,0 – 13,0**	13,0 – 14,0
Revenue growth rate	**10,0 – 12,0**	10,0 – 12,0
Expenses growth rate	**8,0**	7,0
Terminal growth rate	**5,0**	6,0

The approved budget for the next financial year was used as base data after which the relevant inputs were extrapolated for the next 4 years with the long-term growth rate being applied in the terminal year. The pre-tax discount rate is in line with the rest of the group's pre-tax discount rate. Growth in revenue is in line with prior years. Expenses growth based on inflation and budgeted growth in expenses. No impairment was noted.

Management has performed sensitivity analyses on the key assumptions in the impairment model using possible changes in these key assumptions including pre-tax discount rates, revenue percentage, expenses growth rate and terminal growth rate used. Listed below is the increase/decrease in assumptions applied per year in the forecast, required to deplete the headroom after which a portion of goodwill will start to be impaired:

	PRE-TAX DISCOUNT RATE		GROSS PROFIT PERCENTAGE		EXPENSES GROWTH RATE	
	2024	2023	**2024**	2023	**2024**	2023
Business combination relating to PBS	**+7,4%**	+2,5%	**-5,2%**	-5,5%	**+7,1%**	+4,6%

Even if the terminal growth rate is zero, no impairment is identified. Thus, there is sufficient headroom and no risk of impairment.

The remaining CGU in the Agrimark segment was also assessed for goodwill impairment and sufficient headroom noted. Carrying amount of R2,4 million (2023: R2,4 million).

	GROUP	
	2024 R'000	2023 R'000

6 ASSETS HELD FOR SALE

	2024 R'000	2023 R'000
Assets and liabilities classified as held for sale		
Intangible assets	**–**	34 844
Property, plant and equipment	**–**	5 456
Right-of-use assets	**–**	56 453
Lease liabilities	**–**	(56 418)
Inventory	**–**	11 628
Deferred tax	**–**	825
	–	52 788
Assets classified as held for sale	**–**	109 206
Liabilities directly associated with assets classified as held for sale	**–**	(56 418)
	–	52 788

6 ASSETS HELD FOR SALE (CONTINUED)

The Board decided to dispose of four TFC Operations 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. These sites were not recognised as discontinued operations under this standard as they neither represented a separate major line of business nor a geographical area of operations. Despite making significant progress regarding the disposal of these sites, challenging market-related circumstances beyond the control of TFC Operations have resulted in protracted negotiations with the buyers of these respective sites, resulting in the transactions not being concluded at 30 September 2024. Processes are continuing to dispose of these sites. Accordingly, the sale of these sites is now not considered highly probable and has been reclassified out of assets held for sale at 30 September 2024. The effect of the decision to reclassify these sites is an increase of depreciation of R0,8 million.

7 INVESTMENT IN JOINT VENTURE

	GROUP	
	2024 R'000	2023 R'000
Beginning of the year	**50 648**	41 377
Share in total comprehensive income	**10 378**	9 271
End of the year	**61 026**	50 648
The nature of the business is supplying of farming requisites, general retail and fuel. The Company is incorporated in Namibia.		
Agrimark Operations Namibia (Pty) Ltd		
Number of issued shares: 502 (2023: 502)		
Shareholding: 50% (2023: 50%)		
251 (2023: 251) Shares at cost	**40 156**	40 156
Share in post-acquisition accumulated profit	**20 870**	10 492
	61 026	50 648
Summarised Statement of financial position as prepared under IFRS		
Non-current assets	**95 683**	80 165
Current assets	**220 681**	227 821
Cash and cash equivalents	**5 434**	3 326
Other current assets	**215 247**	224 495
Total assets	**316 364**	307 986
Non-current liabilities		
Loans and lease liabilities	**18 832**	14 670
Current liabilities	**173 433**	189 973
Short-term borrowings	**3 568**	15 430
Other current liabilities	**169 865**	174 543
Total liabilities	**192 265**	204 643
Net assets	**124 099**	103 343
Group's share in percentage	**50,00%**	50,00%
Group's share in Net assets of joint venture at fair value	**62 050**	51 672
Summarised Income statement		
Revenue	**1 243 154**	1 141 452
Depreciation	**17 403**	14 358
Interest income	**10 004**	12 511
Interest expense	**3 563**	6 385
Profit before taxation	**30 562**	27 263
Income tax	**(9 806)**	(8 721)
Profit attributable to ordinary shareholders	**20 756**	18 542

	GROUP 2024 R'000	GROUP 2023 R'000
7 INVESTMENT IN JOINT VENTURE (CONTINUED)		
Joint Guarantee for bank overdraft facility of investment in joint venture		
Agrimark Operations Namibia (Pty) Ltd	**70 000**	70 000
The Group provides a limited guarantee (limited to R70,0 million (2023: R70,0 million)) for the bank overdraft facility of Agrimark Operations Namibia (Pty) Ltd at Bank Windhoek.		
Guarantee for suppliers of subsidiaries		
Vivo Energy Namibia Limited	**20 000**	20 000
The Group provides a limited guarantee (limited to R20 million (2023: R20,0 million)) for the supply of fuel to Agrimark Operations Namibia (Pty) Ltd		
8 LOANS		
Agrimark Operations Namibia (Pty) Ltd	**–**	547
Opening balance	**547**	3 127
Decrease in loan	**(547)**	(2 580)
Lionshare Holdings (Pty) Ltd	**22 756**	21 215
Opening balance	**21 215**	19 361
Increase in loan	**1 541**	1 854
	22 756	21 762
Short-term portion carried over to current assets	**–**	(1 513)
	22 756	20 249

The carrying value of the loans approximates its fair value at the reporting date.

Agrimark Operations Namibia (Pty) Ltd

The loan is unsecured and bears interest at the Namibian prime rate. There are no specific repayment terms. Repayment is determined by the shareholders as and when funds are available. Repayment of the loan will take place before any dividends are declared.

The expected credit loss allowance was assessed based on the exposure, probability of default and loss given default. The general model is followed in terms of IFRS 9. Strategies are in place to improve profitability and will lead to improved cashflows. As such, no expected credit loss provision has been created as this loan is considered fully recoverable in the future. A 12-month expected credit loss was considered, and no material loss allowance was identified. Refer to accounting policy note 8.

Lionshare Holdings (Pty) Ltd

The loan bears interest at prime plus 1,5%. The loan is repayable in yearly instalments after payment of a dividend by TFC Operations (Pty) Ltd, with final repayment on 28 February 2029.

The loan is secured by:

- A first-ranking mortgage bond over the immovable property of C-Max Investments 71 (Pty) Ltd, held under Deed of Transfer T19459/2012.
- A second-ranking mortgage bond over the immovable property of C-Max Investments 71 (Pty) Ltd, held under Deed of Transfer T51438/2014.
- A suretyship agreement, binding itself, by C-Max Investments 71 (Pty) Ltd.
- A suretyship agreement, binding itself, by Mezibase (Pty) Ltd.

The expected credit loss allowance was assessed based on the exposure and probability of default and loss given default but based on the security value the expected credit loss allowance was considered immaterial. Refer to accounting policy note 8.

	GROUP	
	2024 R'000	2023 R'000

9 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024 R'000	2023 R'000
Signafi Capital (Pty) Ltd – unlisted	**5 580**	5 580

Information about the Group's exposure to price risk is provided in note 23. For information about the methods and assumptions used in determining the fair value also refer to note 23.

The shares are encumbered as security as set out in note 21.

10 DEFERRED TAXATION

	GROUP 2024 R'000	GROUP 2023 R'000
Movement of deferred tax		
Balance beginning of year	**(43 534)**	(43 418)
Assets held for sale	**825**	(825)
Income statement credit	**20 119**	1 923
Credit/(debit) against reserves	**3 293**	(1 214)
Balance end of year	**(19 297)**	(43 534)
Due to the following temporary differences:		
Property, plant and equipment	**(95 044)**	(86 597)
Intangible assets	**(56 595)**	(53 066)
Currency translation differences	**422**	220
Tax loss	**59 089**	42 217
Provisions and accrued expenses	**48 496**	36 968
IFRS 16 Right-of-use asset and liability	**24 335**	16 724
Right-of-use asset	**(206 624)**	(155 594)
Lease liability	**230 959**	172 318
	(19 297)	(43 534)
Sufficient taxable profits are expected to be earned in the manufacturing segment to utilise the deferred tax asset.		
Movements for the year		
Opening balance	**(43 534)**	(43 418)
Property, plant and equipment	**(8 447)**	(13 910)
Intangible assets	**(3 529)**	1 360
Currency translation differences	**202**	546
Tax loss	**16 872**	13 303
Provisions and accrued expenses	**11 528**	(5 382)
IFRS 16 right-of-use asset and liability	**7 611**	3 967
Right-of-use asset	**(51 030)**	14 923
Lease liability	**58 641**	(10 956)
	(19 297)	(43 534)
The accumulated tax loss of R210,5 million (2023: R145,9 million) has no expiry date. For purposes of the statement of financial position deferred taxation is presented as follows:		
Non-current assets	**51 314**	33 039
Non-current liabilities	**(70 611)**	(76 573)
	(19 297)	(43 534)

	GROUP 2024 R'000	GROUP 2023 R'000
11 INVENTORY		
Merchandise	**1 413 277**	1 618 318
Raw materials	**36 192**	21 442
Consumable goods	**2 587**	2 232
	1 452 056	1 641 992
Inventory carried at the lower of cost or net realisable value	**85 437**	78 483
Provision for slow-moving and obsolete stock included in inventory	**48 410**	43 773
Inventory written off during the year	**14 146**	14 873

The inventory is encumbered as security as set out in note 21.

12 TRADE AND OTHER RECEIVABLES

	2024 R'000	2023 R'000
Trade Receivables	**2 441 784**	2 563 130
Expected credit loss allowance	**(56 653)**	(53 261)
	2 385 131	2 509 869
VAT	**32 866**	41 212
Other debtors	**68 738**	65 612
	2 486 735	2 616 693
Trade and other receivables – current	**2 461 010**	2 580 828
Trade and other receivables – non-current	**25 725**	35 865
	2 486 735	2 616 693

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.

Trade and other receivables are categorised as debt instruments at amortised cost.

The Group applies the simplified approach for providing for expected credit losses prescribed by IFRS 9, which permits the use of a lifetime expected loss provision for all trade receivables.

A loss allowance is recognised for all receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. Refer to note 23 for the detail regarding the process for identifying the specific and contingency loss allowance. In addition to the loss allowance, receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Receivables which have been written off are not subject to enforcement activities. The general model was used to identify any expected credit losses for deposits and other receivables and no material loss allowance identified.

The carrying value of trade and other receivables approximates its fair value at the reporting date.

The trade debtors are encumbered as security as set out in note 21.

	GROUP	
	2024 R'000	2023 R'000

12 TRADE AND OTHER RECEIVABLES (CONTINUED)

Movement in the expected credit loss allowance		
Opening balance	**(53 261)**	(44 213)
Movement in the expected credit loss allowance	**(3 392)**	(9 048)
Bad debts written off	**9 934**	3 541
Additional provision raised	**(13 326)**	(12 589)
Balance at the end of the year	**(56 653)**	(53 261)

13 FINANCIAL LIABILITY AT FAIR VALUE THROUGH PROFIT OR LOSS

Low risk retention payment – contingent consideration		
Balance beginning of the year	**90 925**	82 396
Repayment	**(57 789)**	–
Interest	**4 373**	8 529
	37 509	90 925

The low risk retention payment resulted with the purchase of the subsidiary PEG Retail Holdings (Pty) Ltd. A contingent consideration amount has been allocated in respect of certain sites where a required 5 year renewal of the lease agreement should be obtained. Within five business days of receipt by TFC of the signed renewal agreement, TFC 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. This liability is expected to be settled before 31 December 2025. On 3 November 2023 a partial payment of R57,8 million was made.

Share Incentive Scheme – Future Forwards		
Balance beginning of the year	**46 749**	–
Purchase	**37 084**	59 888
Repayment	**(83 833)**	(13 139)
	–	46 749

During the prior 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. The financial liability at fair value through profit and loss related to all the future forwards required for the SIS.

	37 509	137 674

	GROUP	
	2024 R'000	2023 R'000

14 CASH AND CASH EQUIVALENTS

Cash on hand	**4 957**	4 831
Bank balances	**308 603**	281 095
	313 560	285 926

The cash balances are encumbered as security as set out in note 21.

The credit quality of cash at bank, excluding cash on hand that is neither past due nor impaired can be assessed by reference to external credit ratings:

- ABSA Bank Limited – counterparty risk rated Ba2 (2023: Ba1) by Moody's
- First National Bank Limited – counterparty risk rated Ba2 (2023: Ba1) by Moody's
- Standard Bank of South Africa Limited – counterparty risk rated Ba2 (2023: Ba1) by Moody's
- Nedbank Limited – counterparty risk rated Ba2 (2023: Ba1) by Moody's

	GROUP	
	2024 R'000	2023 R'000

15 STATED CAPITAL

Authorised:
1 000 000 000 (2023: 1 000 000 000) ordinary shares with no par value
Issued:
74 319 837 (2023: 74 319 837) ordinary shares with no par value

Ordinary shares	**489 755**	486 191
Treasury shares	**(23 704)**	(45 228)
	466 051	440 963
	Number	Number
Total number of ordinary shares – issued	**74 320**	74 320
Treasury shares – issued	**(3 709)**	(4 200)
	70 611	70 120

16 OTHER RESERVES

Hedge reserve Derivative financial instruments that are designated and qualify as cash flow hedges are shown in the statement of financial position at fair value. This includes foreign exchange contracts pertaining to imports of inventory. The effective portion of changes in the fair value are recognised in other comprehensive income in the hedge reserve.	**(1 140)**	(594)
Share-based payment reserve The equity impact in relation to the management share incentive scheme is shown in the share-based payment reserve.	**39 120**	21 873
	37 980	21 279

17 EQUITY SETTLED MANAGEMENT SHARE INCENTIVE SCHEME

	2024 Number of options	2023 Number of options
Granted during the year – modified LTI scheme (NCOs)	**842 136**	986 238

The expense recognised in profit or loss is R18 257 925 (2023: R13 500 285).

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	**Vesting date**	**Exercise price**	**Fair value at grant date**	**Share options 2024**	Share options 2023
Old LTI scheme					
15 January 2019	1 October 2023	36,72	15,29	**46 839**	46 839
15 January 2020	1 October 2023	27,31	5,96	**390 201**	390 201
15 January 2020	1 October 2024	27,31	6,48	**390 201**	390 201
12 January 2021	1 October 2022	24,53	4,65	**85 440**	85 440
12 January 2021	1 October 2023	24,53	5,56	**85 440**	85 440
12 January 2021	1 October 2024	24,53	6,23	**85 440**	85 440
12 January 2021	1 October 2025	24,53	6,74	**85 440**	85 440
20 January 2022	1 October 2023	44,44	11,01	**131 051**	131 051
20 January 2022	1 October 2024	44,44	13,51	**131 051**	131 051
20 January 2022	1 October 2025	44,44	15,34	**131 051**	131 051
20 January 2022	1 October 2026	44,44	16,72	**131 051**	131 051
Modified LTI scheme – Nil Cost Option ("NCO")					
29 September 2022	29 September 2024	–	33,08	**331 195**	331 195
29 September 2022	29 September 2025	–	31,02	**331 195**	331 195
29 September 2022	29 September 2026	–	28,90	**331 195**	331 195
29 September 2022	29 September 2027	–	26,74	**331 195**	331 195
2 December 2022	2 December 2024	–	40,52	**23 225**	23 225
2 December 2022	2 December 2025	–	38,34	**23 226**	23 226
2 December 2022	2 December 2026	–	36,08	**23 226**	23 226
2 December 2022	2 December 2027	–	33,76	**23 226**	23 226
24 May 2023	24 May 2025	–	32,45	**223 333**	223 333
24 May 2023	24 May 2026	–	30,71	**223 334**	223 334
24 May 2023	24 May 2027	–	28,97	**223 334**	223 334
24 May 2023	24 May 2028	–	27,24	**223 334**	223 334
24 May 2024	24 May 2026	–	44,00	**210 531**	–
24 May 2024	24 May 2027	–	41,73	**210 536**	–
24 May 2024	24 May 2028	–	39,29	**210 533**	–
24 May 2024	24 May 2029	–	36,71	**210 536**	–
				4 846 359	4 004 223

17 EQUITY SETTLED MANAGEMENT SHARE INCENTIVE SCHEME (CONTINUED)

Fair value of options granted

The awards granted during the year are conditional upon specific non-market conditions and the completion of a service period. We refer to the fair value of these awards, prior to taking into account the probability of achieving the non-market performance conditions, as the "unconditional fair value". The shares are obtained for no consideration upon the achievement of the service condition (i.e. no strike price) and award holders will not be entitled to dividends on the ordinary shares underlying their share options prior to the exercise date. The "unconditional fair value" is thus equal to the share price at the grant date, less the present value of estimated dividends paid prior to the time of exercise. Inputs taken into account are share price, life of the option, dividend yield rate and the risk free interest rate.

	GROUP	
	2024	**2023**
Model inputs:		
Old LTI scheme		
Exercise price (Rand)	–	24,53
Share price at grant date (Rand)	–	24,53
Expected life of option (years)	–	2 – 5
Expected volatility (%)	–	27,6 – 55,9
Expected dividend yield (%)	–	4,0 – 5,0
Risk-free interest rate (%)	–	8,1 – 8,8
Modified LTIP scheme - Nil Cost Option ("NCO")		
Share price at grant date (Rand)	**48,00**	36,73
Expected life of option (years)	**2 – 5**	2 – 5
Expected dividend yield (%)	**4,4 – 5,4**	5,2 – 6,4
Risk-free interest rate (%)	**8,2 – 8,7**	8,1 – 8,9

The LTIP is an NCO scheme, which mitigates the risk participants previously had with share price changes due to market volatility. The rights previously granted under the KAL Group Equity Settled Management Share Incentive Scheme were migrated and converted to NCOs governed by the amended rules of the abovementioned non-dilutionary LTIP, although the vesting dates and performance hurdles applicable to such grants will remain in place for these converted NCOs.

Participation is limited to the executive directors and other executive committee members, which may also include the Managing Director of a subsidiary. Participants will be awarded NCOs, which are conditional rights to receive Company shares on a future date after the fulfilment of the performance and other conditions, to the extent applicable. The vesting is not dependent on the share price growth. Each year the participants are awarded NCOs, based on a multiple of the participant's annual Total Gross Package ("TGP"). The NCOs vest in tranches of 25% each on the later of the 2nd, 3rd, 4th and 5th anniversary of the date of award; and to the extent applicable, the date on which the remuneration committee determines that the performance condition(s) has been met; and to the extent applicable, any other conditions imposed have been satisfied. On the vesting date, shares will be awarded to a participant.

	GROUP	
	2024 R'000	2023 R'000

18 INSTALMENT SALE AGREEMENTS

Instalment sale agreements liabilities	**38 302**	59 857
Short-term portion Instalment sale agreements liabilities	**(22 377)**	(31 036)
	15 925	28 821
Commitments in relation to Instalment sale agreements payable as follows:		
Within one year	**25 235**	36 045
Later than one year but not later than five years	**17 863**	31 051
Minimum instalment payments	**43 098**	67 096
Future finance charges	**(4 796)**	(7 239)
Recognised as liability	**38 302**	59 857
The present value of Instalment sale agreements liabilities is as follows:		
Within one year	**22 377**	31 036
Later than one year but not later than five years	**15 925**	28 821
Minimum lease payments	**38 302**	59 857

Instalment sale agreements liabilities include vehicles and forklifts. The nature of instalment sale agreements is that the ownership of assets is already transferred to the Group.

19 EMPLOYEE BENEFIT OBLIGATIONS

Post-retirement medical benefits		
Balance beginning of year	**16 186**	16 558
Interest costs recognised in the income statement	**1 873**	1 747
Actuarial gain recognised in the income statement	**1 349**	–
Employer contributions	**(2 341)**	(2 119)
	17 067	16 186
Short-term portion carried over to current liabilities	**(2 288)**	(2 153)
	14 779	14 033

Amounts recognised in the income statement are shown under other operating expenses.

Existing provisions are based on the following important assumptions:

Post-retirement medical benefits		
Cost of medical inflation (%)	**6,75**	9,00
Discount rate (%)	**9,50**	11,25
Average retirement age (years)	**65**	65
Expected membership continuance at retirement (%)	**100**	100
Post-retirement mortality	**2 Years +1%**	2 Years +1%
Weighted average duration of obligation (years)	**6,51**	6,83
Total expected contributions for the coming year (R'000)	**2 288**	2 153

19 EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

Sensitivity analysis:

The method of calculation remains unchanged.

Effect of a 1% movement in the assumed cost of medical inflation and discount rate:

	GROUP	
	+1% R'000	-1% R'000
Cost of medical inflation		
Aggregate of current service cost and interest cost – increase/(decrease)	**85**	**(77)**
Liability – increase/(decrease)	**892**	**(813)**
Discount rate		
Liability – increase/(decrease)	**(885)**	**988**

	2024 R'000	2023 R'000	2022 R'000	2021 R'000	2020 R'000
Trend information:					
Present value of liabilities	**17 067**	16 186	16 558	17 044	17 603
Present value of plan assets	**–**	–	–	–	–
Present value of obligations above plan assets	**17 067**	16 186	16 558	17 044	17 603
Experience adjustments:					
Present value of liabilities	**(1 631)**	–	(49)	–	(947)
Present value of plan assets	**–**	–	–	–	–
Actuarial profit/(loss) before changes in assumptions	**(1 631)**	–	(49)	–	(947)

	GROUP	
	2024 R'000	2023 R'000
20 TRADE AND OTHER PAYABLES		
Trade creditors	**1 767 191**	2 075 530
Employee accruals	**90 804**	96 367
Other creditors	**165 485**	143 234
	2 023 480	2 315 131

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

	GROUP	
	2024 R'000	2023 R'000
21 BORROWINGS		
Long-term bank borrowings	**355 250**	–
Borrowings	**625 469**	877 921
Short-term portion of long-term bank borrowings	**(270 219)**	(877 921)
The current long-term bank facilities bear interest at fixed rates between 6,37% to 6,43%, as well as JIBAR plus 2,20%. The borrowings are repayable based on a schedule as set out in the agreement between the Company and the bank and will be fully repaid by 30 June 2026.		
Short-term bank borrowings	**1 434 064**	1 892 806
Overdraft facility	**1 163 845**	1 014 885
Short-term portion of long-term bank borrowings	**270 219**	877 921
The current short-term bank facilities bear interest from prime less 1,75% to prime less 2,00% and are renewed annually.		

The carrying value of borrowings approximate its fair value at the reporting date.

As there was a short-term technical breach of covenants in the prior year, the long-term borrowings moved from long-term to short-term, as the Group did not have the unconditional right to defer payment past 12 months. There was no technical breach of covenants for the year ended 30 September 2024.

Refer below for the debt covenants:

	2024	2023
Agrimark Operations Limited covenants		
Name of Covenant:		
Asset Cover Ratio (required to be equal or higher than 1,25 (2023: 1,25))	**3,93**	4,82
Leverage Ratio (required to be equal or lower than 3,0 (2023: 3,25))	**1,88**	1,82
Interest Cover Ratio (required to be equal or higher than 3,50 (2023: 3,25))	**5,39**	5,18
Debt Service Cover Ratio (required to be equal or higher than 1,20 (2023: 1,20))	**1,43**	0,90
TFC Operations (Pty) Ltd covenants		
Name of Covenant:		
Leverage Ratio (required to be equal or lower 2,5 (2023: 3,0)	**2,06**	2,82
Interest Cover Ratio (required to be equal or higher than 3,50 (2023: 3,50))	**4,22**	3,67
Debt Service Cover Ratio (required to be equal or higher than 1,1 (2023: 1,25))	**1,26**	1,12

Leverage Ratio is the consolidated total net borrowings divided by adjusted consolidated EBITDA.

Interest cover ratio is the adjusted consolidated EBITDA divided by consolidated finance costs.

Debt service cover ratio is the consolidated total free cashflow to the consolidated total debt service.

Asset cover ratio is the PLF facility covered by the value of debtors and stock.

21 BORROWINGS (CONTINUED)

Securities held:

The bank facilities of R2 780,3 million are secured by:

- A pledge and cession of all shares, securities and other ownership interests in any affiliate, associate company or another person in which it is invested.
- First-ranking covering mortgage bonds over certain immovable property of which that KAL Group is the registered owner.
- A cession of all its rights and claims in respect of bank accounts maintained in South Africa.
- A general notarial bond over the stock and moveable assets of Agrimark Operations Limited to the value of R200 million for the facility of Agrimark Operations Limited.
- A cession of trade debtors and stock of Agrimark Operations Limited for the facility of Agrimark Operations Limited (limited to R1 200 million).
- A cession of trade debtors of Agriplas (Pty) Ltd as well as a limited guarantee by Agrimark Operations Limited (limited to R20,0 million) for the facilities of Agriplas (Pty) Ltd.
- A limited guarantee by Agrimark Operations Limited (limited to R25,0 million) for the facilities of TFC Operation (Pty) Ltd.
- First-ranking covering mortgage bonds over certain immovable property of Agrimark Operations Limited.
- A cession of all its insurance taken out and any proceeds receivable.
- A cession of bank accounts opened with any bank and all the proceeds standing to the credit of such accounts – PEG Retail Holdings (Pty) Ltd.
- A limited guarantee of R30 million by PEG Retail Holdings (Pty) Ltd.
- A cession of all rights, title and interest in the management contracts held of PEG Management Services (Pty) Ltd.

	GROUP	
	2024 R'000	2023 R'000
22 RELATED PARTY TRANSACTIONS		
The following transactions were carried out with related parties:		
Transactions with related parties and outstanding balances		
Income		
Interest received		
Lionshare Holdings (Pty) Ltd	**2 862**	2 498
Expenses		
Purchases of goods		
M Pupkewitz & Sons (Pty) Ltd	**1 931**	1 297
Balances		
Loans receivable		
Lionshare Holdings (Pty) Ltd	**22 756**	21 215
Transactions with directors and outstanding balances:		
Sales	**90 554**	102 093
Purchases	**4 187**	454
Trade receivables	**10 140**	16 414
Transactions with joint venture and outstanding balances		
Agrimark Operations Namibia (Pty) Ltd		
Sales of goods	**4 062**	4 775
Interest received	**20**	189
Purchases of goods	**383**	210
Trade receivables	**368**	555
Trade payables	**15**	25
Loan	**–**	547

22 RELATED PARTY TRANSACTIONS (CONTINUED)

Refer to note 7 and 8 for disclosures relating to the investment in joint venture and loans granted to related parties.

The relationships between the various companies in the Group are disclosed in note 46.

KAL Group Limited is the ultimate holding company of the group.

M Pupkewitz & Sons (Pty) Ltd holds the other 50% shareholding in the Joint Venture. Refer to note 7.

Lionshare Holdings (Pty) Ltd is a related Company to one of the non-executive directors.

Lionshare Energy (Pty) Ltd is a related Company as the Company is a shareholder in subsidiary companies of the Group and the director of Lionshare serves on the KAL Group Limited board.

Refer to executive directors' remuneration as disclosed in note 31 for key management compensation.

The companies in the Group sell products in the normal course of business to directors and all other related companies on terms and conditions applicable to all clients.

23 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks like market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The accounting policy for financial instruments are applied to the following line items according to the statement of financial position: trade and other receivables, financial assets at fair value through other comprehensive income, financial liabilities at amortised cost, derivative financial instruments, cash and cash equivalents, loans, trade and other payables, borrowings, finance lease liabilities and financial liabilities at fair value through profit or loss.

The carrying value according to the statement of financial position differs from the values disclosed in this note because of items included in the carrying value according to the statement of financial position which do not meet the definition of a financial instrument or which are excluded from the scope of IFRS 7: Financial Instruments: Disclosures. These items include statutory receivable (VAT) amounts of R32,9 million (2023: R41,2 million), statutory liabilities of R9,7 million (2023: R17,2 million) and liabilities in respect of employee benefits of R43,1 million (2023: R66,6 million).

Market risk

Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and the Euro. Foreign exchange risk primarily arises from inventory and asset purchases in other countries. Forward exchange contracts are used to manage the foreign exchange risk.

Agrimark Operations Aussenkehr (Pty) Ltd is currently the only foreign subsidiary within the Group. The functional currency of Agrimark Operations Aussenkehr (Pty) Ltd is the Namibian Dollar. The exchange rate between the Namibian Dollar and South African Rand is fixed at 1 Namibian Dollar for 1 South African Rand. Consequently, no foreign exchange rate differences arise due to the translation of this foreign subsidiary.

All imports in foreign currency are hedged with the corresponding foreign exchange contract asset and liability, and reserves are addressed. No effect on profit or loss, thus foreign currency risk is managed through hedge accounting.

23 FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

Cash flow interest rate risk

The Group finances its operations through a combination of shareholders' funds and bank borrowings. The Group's interest rate exposure and the effective interest rates can be summarised as follows:

	INTEREST-BEARING			
	Rate 2024 %	**Amount 2024 R'000**	Rate 2023 %	Amount 2023 R'000
Assets:				
Trade debtors	**11,25 – 16,25**	**2 385 131**	11,50 – 16,50	2 509 869
Loan Agrimark Operations Namibia (Pty) Ltd	**–**	**–**	11,50	547
Loan Lionshare Holdings (Pty) Ltd	**11,50**	**22 756**	13,25	21 215
Cash and cash equivalents	**7,6 – 9,2**	**220 120**	7,90 – 9,40	242 918
Liabilities:				
Short-term borrowings	**9,50 – 9,75**	**1 163 845**	9,75 – 10,00	1 014 885
Low risk retention payment	**10,50**	**37 509**	10,75	90 925
Instalment sale agreements	**11,00 – 12,50**	**38 302**	10,75 – 12,77	59 857
Borrowings	**6,37 – 10,55**	**625 469**	6,37 – 10,70	877 921

	NON-INTEREST-BEARING	
	Amount 2024 R'000	Amount 2023 R'000
Assets:		
Other receivables	**68 738**	65 612
Cash and cash equivalents	**93 440**	43 008
Liabilities:		
Trade- and other payables	**1 967 730**	2 231 079

	GROUP	
	2024 R'000	2023 R'000
To illustrate the company's exposure to interest rate changes, the influence of interest rate changes on the carrying values of interest bearing financial assets and financial liabilities and resulting profit after taxation, are illustrated as follows:		
Interest-bearing assets	**2 628 006**	2 774 549
Interest-bearing liabilities	**(1 865 124)**	(2 043 587)
Net interest-bearing assets	**762 882**	730 962
Increase/(decrease) in profit after tax and equity		
Half a percentage point increase in interest rates	**2 785**	2 668
Half a percentage point decrease in interest rates	**(2 785)**	(2 668)

23 FINANCIAL RISK MANAGEMENT (CONTINUED)

Price risk

Commodities are hedged within the limits approved by the Board of directors. The price risk is deemed low due to the implementation of mitigating controls.

Equity price risk

The equity price risk exposure arises from the investment made in Signafi Capital (Pty) Ltd shares. Equity price risk is the risk that the fair values of equities decrease or increase as a result of changes in the levels of equity indices and the value of individual stocks. Please refer to note 9 for the investment. A 10% difference in the share price could affect other comprehensive income with R558 000.

Credit risk

Potential concentrations of credit risk consist mainly within cash and cash equivalents, deposits, all other receivables, loans receivables and trade debtors.

In terms of IFRS 9: Financial Instruments, all financial assets at amortised cost need to be assessed for expected credit losses. Refer to the accounting policy note 10 for more information.

The Group limits its counterparty exposures arising from cash current accounts by only dealing with well-established financial institutions of high-quality credit standing. Refer to note 14.

Expected credit loss allowances on cash and cash equivalents, deposits and all other receivables were assessed based on the general model and no expected credit loss allowance was created as this was immaterial. Refer to note 12 and 14.

Trade receivables

Trade debtors consist of a large number of clients, the majority of whom are long standing reputable clients with strong trading history with the business. Clients are well diversified across geographical regions as well as product types, thus lowering the concentration risk. The cash flows are also spread throughout the year as the clients are well diversified and the different product types results in different seasons with the cash flows, not happening all at one point in time, thus lowering the concentration risk. Credit is granted to customers in the form of facilities to purchase from KAL Group outlets and not in the form of loan funding. The terms of credit is monthly to seasonal accounts plus limited establishment credit (longer term).

Credit terms, interest rates and other applicable terms are determined based on the calculated risk profile of the credit taker(s). A strict credit policy is followed which includes the ongoing revision of credit limits, security assessments and credit evaluations of the financial position of clients. The credit policy is approved by the finance committee, which meets three times per year to review the credit positions. The largest credit default risks are associated with natural causes or sequestration and are mitigated through these actions. The Group is of the opinion that these measures reduce residual credit risk to acceptable levels. Considering that the vast majority of the trade debtors are associated with the agricultural sector, the recoverability of these financial assets can be negatively influenced by natural disasters, consecutive poor production seasons and lower than expected commodity prices. These factors have been taken into consideration on an individual and collective basis when determining the recoverability of debtors. Steps for collection are immediately implemented if a debtor does not conform to his limit or repayment terms.

23 FINANCIAL RISK MANAGEMENT (CONTINUED)

Trade receivables (continued)

The Group has a specific expected credit loss allowance and a contingency expected credit loss allowance. Refer to note 10 in the accounting policy for more information.

	GROUP	
	2024 R'000	2023 R'000
The total expected credit loss allowance is made up of		
- specific expected credit loss allowance	**(46 503)**	(43 806)
- contingency expected credit loss allowance	**(10 150)**	(9 455)
Balance at the end of the year calculated under IFRS 9	**(56 653)**	(53 261)

The credit risks related to trade debtors are further limited by taking up a wide range of securities as shown below. The nature of the security held is a determining factor in the size of the facility granted, as well as to the value attributed to such security in the credit risk assessment. The value of the securities are determined based on the type of security. The securities that are readily convertible into cash, are for example bank guarantees, deed of pledge, cessions and bonds.

The spread across the different forms of security:

	Surety	Guarantee/ Indemnity	Bond	Cession	Deed of pledge	General
Security type – 2024	**58%**	**5%**	**11%**	**22%**	**1%**	**3%**
Security type – 2023	56%	6%	13%	21%	1%	3%

General securities include bank guarantees and credit guarantees.

	Rate 2024	Rate 2023	Rate 2022	Rate 2021
Bad debts written off – default rate	**0,41%**	0,14%	0,98%	0,21%

Trade debtors are presented net of the loss allowance recognised. Interest on trade debtors is calculated on a base rate plus a factor for the risk associated with each client. Overdue debtors incur a penalty interest charge.

Trade debtors are divided into the following categories: Debtors within terms and not credit impaired, Debtors outside terms but not credit impaired and Debtors which are credit impaired. The identification of the respective risk categories is based on the agricultural commodity sectors in which the respective debtors operate. Debtors within a specific agricultural commodity sector are considered to have similar risk characteristics.

23 FINANCIAL RISK MANAGEMENT (CONTINUED)

Trade receivables (continued)

	Grain R'000	Fruit R'000	Other Agri R'000	Non-Agri R'000	Total R'000
30 September 2024					
Debtors within terms					
Balance	**655 557**	**738 664**	**400 813**	**292 421**	**2 087 455**
Debtors for which collateral are held	**(592 958)**	**(546 948)**	**(302 292)**	**(68 995)**	**(1 511 193)**
Exposure to credit risk	**62 599**	**191 716**	**98 521**	**223 426**	**576 262**
Debtors outside terms but not credit impaired					
Balance	**26 277**	**181 655**	**69 684**	**6 267**	**283 883**
Debtors for which collateral are held	**(24 996)**	**(32 097)**	**(50 612)**	**(2 418)**	**(110 123)**
Exposure to credit risk	**1 281**	**149 558**	**19 072**	**3 849**	**173 760**
Debtors which are credit impaired					
Balance	**18 368**	**30 114**	**17 597**	**4 367**	**70 446**
Debtors for which collateral are held	**(4 569)**	**–**	**(5 139)**	**(239)**	**(9 947)**
Exposure to credit risk	**13 799**	**30 114**	**12 458**	**4 128**	**60 499**

The contingency loss allowance per category (included in the total expected credit loss allowance as disclosed below) is as follows:

	Grain R'000	Fruit R'000	Other Agri R'000	Non-Agri R'000	Total R'000
Balance of debtors not specifically provided for	**681 834**	**920 319**	**470 497**	**298 688**	**2 371 338**
Expected credit loss risk factor	**0,19%**	**0,65%**	**0,42%**	**0,31%**	**0,43%**
Total contingency loss allowance	**1 288**	**5 944**	**1 991**	**927**	**10 150**
Total specific loss allowance	**12 056**	**20 714**	**10 461**	**3 272**	**46 503**
Total expected credit loss allowance	**(13 344)**	**(26 658)**	**(12 452)**	**(4 199)**	**(56 653)**
Balance beginning of year	**(11 222)**	**(22 021)**	**(11 420)**	**(8 598)**	**(53 261)**
Provision written back/(created)	**(2 122)**	**(4 637)**	**(1 032)**	**4 399**	**(3 392)**
Total balance	**700 202**	**950 433**	**488 094**	**303 055**	**2 441 784**
Total collateral held	**(622 523)**	**(208 848)**	**(358 043)**	**(71 652)**	**(1 261 066)**
Total loss allowance	**(13 344)**	**(26 658)**	**(12 452)**	**(4 199)**	**(56 653)**

23 FINANCIAL RISK MANAGEMENT (CONTINUED)

Trade receivables (continued)

	Grain R'000	Fruit R'000	Other Agri R'000	Non-Agri R'000	Total R'000
30 September 2023					
Debtors within terms					
Balance	644 395	760 249	417 350	302 882	2 124 876
Debtors for which collateral are held	(575 773)	(545 631)	(303 142)	(55 188)	(1 479 734)
Exposure to credit risk	68 622	214 618	114 208	247 694	645 142
Debtors outside terms but not credit impaired					
Balance	35 482	244 905	73 701	6 758	360 846
Debtors for which collateral are held	(35 361)	(211 336)	(50 810)	(2 416)	(299 923)
Exposure to credit risk	121	33 569	22 891	4 342	60 923
Debtors which are credit impaired					
Balance	19 370	27 073	18 917	12 048	77 408
Debtors for which collateral are held	(6 434)	(3 242)	(5 843)	(914)	(16 433)
Exposure to credit risk	12 936	23 831	13 074	11 134	60 975

The contingency loss allowance per category (included in the total expected credit loss allowance as disclosed below) is as follows:

	Grain R'000	Fruit R'000	Other Agri R'000	Non-Agri R'000	Total R'000
Balance of debtors not specifically provided for	679 877	1 005 154	491 051	309 640	2 485 722
Expected credit loss risk factor	0,15%	0,57%	0,48%	0,13%	0,38%
Total contingency loss allowance	986	5 680	2 374	415	9 455
Total specific loss allowance	10 236	16 341	9 046	8 183	43 806
Total expected credit loss allowance	(11 222)	(22 021)	(11 420)	(8 598)	(53 261)
Balance beginning of year	(8 924)	(14 877)	(11 037)	(9 375)	(44 213)
Provision written back/(created)	(2 298)	(7 144)	(383)	777	(9 048)
Total balance	699 247	1 032 228	509 967	321 687	2 563 129
Total collateral held	(617 568)	(760 209)	(359 795)	(58 518)	(1 796 090)
Total loss allowance	(11 222)	(22 021)	(11 420)	(8 598)	(53 261)

23 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

In order to mitigate any liquidity risk that the Group may face, the Group's policy has been to maintain substantial unutilised banking facilities and reserve borrowing capacity. The Group tends to have significant fluctuations in short-term borrowings due to seasonal factors. Consequently, the Group policy requires that sufficient borrowing facilities are available to provide sufficient liquidity during projected peak borrowing periods.

The Financial Stability Board has initiated a fundamental review and reform of the major interest rate benchmarks used globally by financial market participants. This review seeks to replace existing interbank offered rates (IBORs) with alternative risk-free rates ("ARRs") to improve market efficiency and mitigate systemic risk across financial markets. The South African Revenue Bank ("SARB") has indicated their intention to move away from JIBAR and to create an alternative reference rate for South Africa. The SARB has indicated their initial preference for the adoption of the South African Rand Overnight Index Average ("ZARONIA") as the preferred unsecured candidate to replace JIBAR in cash and derivative instruments. ZARONIA has been published for the purposes of observing the rate and how it behaves, but has not been formally adopted by the SARB as the successor rate to JIBAR. Accordingly, there is still uncertainty surrounding the timing and manner in which the transition would occur and how this would affect various financial instruments held by the Group.

	GROUP	
	2024 R'000	2023 R'000
The Group's unutilised borrowing facilities are as follows:		
Total borrowing facilities	**2 568 771**	2 842 778
Interest-bearing debt	**(1 827 615)**	(1 952 662)
	741 156	890 116

The contractual maturity periods of the Group's liabilities on reporting date are as follows:

	Carrying amount R'000	Contractual cash flows R'000	0 to 12 months R'000	13 to 60 months R'000	More than 60 months R'000
30 September 2024					
Non-derivative financial liabilities					
Trade and other payables*	**1 967 730**	**1 967 730**	**1 967 730**	**–**	**–**
Financial liability at fair value through profit or loss	**37 509**	**–**	**–**	**42 857**	**–**
Lease liabilities	**854 964**	**1 866 663**	**180 375**	**691 631**	**994 657**
Short-term borrowings	**1 163 845**	**1 277 874**	**1 277 874**	**–**	**–**
Instalment sales agreements	**38 302**	**43 098**	**25 235**	**17 863**	**–**
Financial guarantees	**–**	**90 000**	**90 000**	**–**	**–**
Borrowings	**625 469**	**697 643**	**319 027**	**378 616**	**–**
	4 687 819	**5 943 008**	**3 860 241**	**1 130 967**	**994 657**
Derivative financial liabilities/(assets)					
Forward exchange contracts					
Outflow	**(748)**	**(55 570)**	**(55 570)**	**–**	**–**
Inflow	**748**	**55 570**	**55 570**	**–**	**–**
	–	**–**	**–**	**–**	**–**

* *The standard credit terms for trade creditors are 30 days with the exception that some are deferred to 60 days, it is expected that most trade and other payables will be settled within 0 to 60 days.*

23 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

	Carrying amount R'000	Contractual cash flows R'000	0 to 12 months R'000	13 to 60 months R'000	More than 60 months R'000
30 September 2023					
Non-derivative financial liabilities					
Trade and other payables*	2 231 079	2 231 079	2 231 079	–	–
Financial liability at fair value through profit or loss	90 925	122 162	–	–	122 162
Lease liabilities	637 554	964 233	103 840	378 642	481 751
Short-term borrowings	1 014 885	1 137 132	1 137 132	–	–
Instalment sales agreements	59 857	67 096	36 045	31 051	–
Financial guarantees	–	90 000	90 000	–	–
Borrowings	877 921	947 338	947 338	–	–
	4 912 221	5 559 040	4 545 434	409 693	603 913
Derivative financial liabilities/(assets)					
Forward exchange contracts					
Outflow	(2 024)	(36 779)	(36 779)	–	–
Inflow	2 024	36 779	36 779	–	–
	–	–	–	–	–

* *The standard credit terms for trade creditors are 30 days with the exception that some are deferred to 60 days, it is expected that most trade and other payables will be settled within 0 to 60 days.*

Fair value estimation

Investments and derivative financial instruments

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);

Level 3

> Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Please refer to the equity risk disclosure for more information regarding the investment in Signafi Capital (Pty) Ltd at fair value. The investment in Signafi Capital (Pty) Ltd is a level 3 financial instrument as the shares are not listed and unobservable.

	GROUP	
	2024 R'000	2023 R'000
Level 3 – Loans	**22 756**	21 762

23 FINANCIAL RISK MANAGEMENT (CONTINUED)

Trade debtors and trade creditors

The nominal value of trade receivables, less expected credit losses, and trade payables are assumed to approximate their fair values.

Financial liabilities

The nominal value of financial liabilities for disclosure purposes are assumed to approximate their fair values.

Capital maintenance:

The Group considers total equity, which includes share capital, reserves and treasury shares, as capital. The ratio between capital and debt is the capital ratio. Debt includes short-term borrowings. The Group's objective with the management of the capital ratio is to ensure that the Group continues to trade as a going concern and to create wealth for its shareholders and other stakeholders. The influence on the capital ratio is considered with decisions on the declaration of dividends, repurchase of shares, issue of shares, purchase and disposal of assets and investments and the acquiring or repayment of debt. The movement in capital is presented in the Statement of changes in equity.

	GROUP	
	2024	2023
Ratios		
Total shareholders' equity: Total assets employed	**39,19%**	35,53%
Net interest bearing debt: Total assets employed	**20,11%**	22,00%
EBITDA: Net assets	**21,92%**	25,16%

Ratios are calculated on average balances.

Net interest-bearing debt includes bank borrowings and cash balances.

EBITDA is the headline earnings before interest, tax, depreciation and amortisation.

Net assets are total assets less total liabilities.

	GROUP	
	2024 R'000	2023 R'000
24 LOW VALUE AND SHORT-TERM LEASE COMMITMENTS		
Lease payments		
Payable within one year	**11 846**	11 073
Payable between one and five years	**6 171**	7 387
	18 017	18 460
Within various lease contracts, the Group has the option to renew.		
25 CAPITAL COMMITMENTS		
Contracted	**85 230**	102 836

These commitments have been approved by the board of directors. The commitments will be financed by own and borrowed funds. The Group remains focused on disciplined cash management, specifically in the areas of working capital, capital expenditure and cost control.

	GROUP 2024 R'000	GROUP 2023 R'000
26 REVENUE FROM CONTRACTS WITH CUSTOMERS		
Sales of goods	**21 440 662**	22 126 379
– Agrimark	**7 592 386**	8 004 906
– The Fuel Company	**12 694 576**	12 892 808
– Agrimark Grain	**939 012**	1 030 563
– Manufacturing	**214 688**	198 102
Sale of services	**135 702**	116 161
– Agrimark	**28 079**	26 850
– Agrimark Grain	**107 623**	89 311
Margin on direct transactions	**158 560**	154 518
– Agrimark	**154 948**	151 378
– Agrimark Grain	**3 612**	3 140
	21 734 924	22 397 058

Refer to note 16 in the accounting policy and note 43 for details regarding the different revenue streams.

27 OTHER OPERATING INCOME

	2024 R'000	2023 R'000
Interest received	**195 468**	200 345
– Trade debtors that are not impaired	**189 809**	183 053
– Trade debtors that are impaired	**1 628**	9 338
– Banks	**80**	152
– Other	**3 951**	7 802
Profit on sale of property, plant and equipment	**685**	3 067
Transport income	**13 655**	13 227
Rent received	**15 212**	14 205
Bad debts recovered	**248**	167
Manufacturing income	**2 927**	2 295
AgriSETA and ETI income	**3 863**	5 174
Training income	**508**	428
Weighbridge income	**783**	834
Commission received	**9 034**	8 938
Business interruption claim	**–**	715
Profit with modification of IFRS 16 lease contracts	**3 727**	2 029
Other income	**20 174**	22 028
	266 284	273 452

	GROUP 2024 R'000	GROUP 2023 R'000
28 EXPENSES BY NATURE		
Cost of products sold	**18 611 811**	19 351 049
Foreign exchange differences	**229**	160
Depreciation	**172 582**	152 583
Amortisation of intangible assets	**5 465**	3 979
Directors' emoluments	**15 870**	15 241
Staff costs	**1 234 008**	1 165 399
– Salaries, wages and bonuses	**1 122 011**	1 073 449
– Equity settled management share incentive scheme	**18 258**	13 500
– Employer's contribution to pension fund (defined contribution plan)	**59 420**	57 452
– Employer's contribution to medical benefits	**2 379**	2 119
– Increase/(Decrease) in provision for post-retirement medical benefits	**881**	(372)
– Increase in provision for leave	**14 247**	4 598
– Training expenses	**16 812**	14 653
Skills development levy	**28 271**	26 556
Auditor's remuneration	**11 354**	10 276
– For audit	**10 689**	10 255
– Other services	**–**	21
– Under provision previous year	**665**	–
Rent paid	**178 061**	167 957
– Buildings (variable lease payments)	**161 165**	149 718
– Vehicles	**4 132**	3 957
– Machinery and equipment	**12 764**	14 282
Other occupancy expenses	**278 164**	278 448
– Repairs and maintenance	**52 961**	49 472
– Water, electricity and municipal services	**172 742**	183 218
– Insurance and security	**52 461**	45 758
Information technology expenses	**95 828**	81 657
Marketing related expenses	**206 671**	199 533
Transport/distribution	**93 432**	88 289
Other administrative expenses	**142 158**	140 870
Bad debts written off	**–**	3 541
Corporate transactions related expenses	**–**	970
Goodwill impairment	**–**	15 266
Other expenses	**47 141**	39 572
	21 121 045	21 741 346

	Number	Number
Number of employees in service at year-end*	**6 842**	7 423

* *The ongoing management and optimisation of salary related expenditure remains a critical focus area. During 2024, the business improved its measurement of specifically non-permanent employees through improved digital solutions, and in doing so measures non-permanent employees based on accurate hours worked rather than by utilising an average value per employee as in the prior year. This enhancement, together with the effective implementation of workforce planning interventions, has resulted in the difference year on year without compromising customer service. The permanent workforce increased by 31 employees.*

29 REMUNERATION PAID TO DIRECTORS

	Salary R'000	Bonuses R'000	Share Incentive Scheme vested R'000	Pension contri-butions R'000	Directors' fees R'000	Expense allowance R'000	Total R'000
2024							
Executive directors							
GW Sim	**4 087**	**–**	**2 775**	**308**	**–**	**12**	**7 182**
S Walsh	**6 337**	**–**	**6 107**	**477**	**–**	**81**	**13 002**
	10 424	**–**	**8 882**	**785**	**–**	**93**	**20 184**
Non-executive directors							
I Chalumbira					**221**	**7**	**228**
BS du Toit					**193**	**1**	**194**
D du Toit					**524**	**3**	**527**
T Kabalin					**110**	**1**	**111**
JH le Roux*					**552**	**2**	**554**
B Mathews					**420**	**2**	**422**
EA Messina					**780**	**2**	**782**
CA Otto					**829**	**4**	**833**
AJ Mouton					**145**	**3**	**148**
GM Steyn					**887**	**–**	**887**
					4 661	**25**	**4 686**
Total							**24 870**
2023							
Executive directors							
GW Sim	3 845	92	886	289	–	7	5 119
S Walsh	5 975	142	2 100	450	–	–	8 667
	9 820	234	2 986	739	–	7	13 786
Non-executive directors							
I Chalumbira					209	6	215
BS du Toit					365	5	370
D du Toit					495	4	499
B Mathews					399	3	402
JH le Roux*					366	2	368
EA Messina					732	2	734
WC Michaels					105	–	105
CA Otto					784	4	788
HM Smit					154	2	156
GM Steyn					839	1	840
					4 448	29	4 477
Total							18 263

The terms of service of the executive directors are coupled to their terms of service as employees, while the non-executive directors rotate on a three-year basis. No director or employee has a fixed-term contract with the Group. The remuneration of the non-executive directors consists of a fixed annual remuneration for services as a director, an additional fixed remuneration for duties on committees and reimbursement for travelling and other costs. The remuneration of executive directors consists of remuneration as employees, and they receive no additional remuneration as directors.

There are no further prescribed officers in the view of the Board.

* *Payable to Zeder Corporate Services (Pty) Ltd*

30 DIRECTORS' EQUITY SETTLED SHARE INCENTIVE SCHEME OPTIONS

	Grant date	Vesting date	Exercise price	Fair value at grant date	**Share options 2024**	Share options 2023
S Walsh	*Old LTI scheme*					
	15 January 2019	1 October 2023	36,72	15,29	**22 593**	22 593
	15 January 2020	1 October 2023	27,31	5,96	**194 232**	194 232
	15 January 2020	1 October 2024	27,31	6,48	**194 232**	194 232
	12 January 2021	1 October 2023	24,53	5,56	**37 647**	37 647
	12 January 2021	1 October 2024	24,53	6,23	**37 647**	37 647
	12 January 2021	1 October 2025	24,53	6,74	**37 647**	37 647
	20 January 2022	1 October 2023	44,44	11,01	**58 756**	58 756
	20 January 2022	1 October 2024	44,44	13,51	**58 756**	58 756
	20 January 2022	1 October 2025	44,44	15,34	**58 756**	58 756
	20 January 2022	1 October 2026	44,44	16,72	**58 756**	58 756
	Modified LTIP scheme – Nil Cost Option ("NCO")					
	29 September 2022	29 September 2024	–	33,08	**133 115**	133 115
	29 September 2022	29 September 2025	–	31,02	**133 115**	133 115
	29 September 2022	29 September 2026	–	28,90	**133 115**	133 115
	29 September 2022	29 September 2027	–	26,74	**133 115**	133 115
	24 May 2023	24 May 2025	–	32,45	**68 091**	68 091
	24 May 2023	24 May 2026	–	30,71	**68 092**	68 092
	24 May 2023	24 May 2027	–	28,97	**68 091**	68 091
	24 May 2023	24 May 2028	–	27,24	**68 092**	68 092
	24 May 2024	24 May 2026	–	44,00	**64 092**	–
	24 May 2024	24 May 2027	–	41,73	**64 093**	–
	24 May 2024	24 May 2028	–	39,29	**64 093**	–
	24 May 2024	24 May 2029	–	36,71	**64 093**	–
GW Sim	*Old LTI scheme*					
	15 January 2019	1 October 2023	36,72	15,29	**10 602**	10 602
	15 January 2020	1 October 2023	27,31	5,96	**77 378**	77 378
	15 January 2020	1 October 2024	27,31	6,48	**77 378**	77 378
	12 January 2021	1 October 2023	24,53	5,56	**19 253**	19 253
	12 January 2021	1 October 2024	24,53	6,23	**19 253**	19 253
	12 January 2021	1 October 2025	24,53	6,74	**19 253**	19 253
	20 January 2022	1 October 2023	44,44	11,01	**28 440**	28 440
	20 January 2022	1 October 2024	44,44	13,51	**28 440**	28 440
	20 January 2022	1 October 2025	44,44	15,34	**28 440**	28 440
	20 January 2022	1 October 2026	44,44	16,72	**28 440**	28 440
	Modified LTIP scheme – Nil Cost Option ("NCO")					
	29 September 2022	29 September 2024	–	33,08	**63 460**	63 460
	29 September 2022	29 September 2025	–	31,02	**63 460**	63 460
	29 September 2022	29 September 2026	–	28,90	**63 460**	63 460
	29 September 2022	29 September 2027	–	26,74	**63 460**	63 460
	24 May 2023	24 May 2025	–	32,45	**35 605**	35 605
	24 May 2023	24 May 2026	–	30,71	**35 606**	35 606
	24 May 2023	24 May 2027	–	28,97	**35 605**	35 605
	24 May 2023	24 May 2028	–	27,24	**35 606**	35 606
	24 May 2024	24 May 2026	–	44,00	**33 612**	–
	24 May 2024	24 May 2027	–	41,73	**33 613**	–
	24 May 2024	24 May 2028	–	39,29	**33 612**	–
	24 May 2024	24 May 2029	–	36,71	**33 613**	–

For more information on the equity settled share incentive scheme refer to note 17.

	GROUP	
	2024 R'000	2023 R'000

31 FINANCE COSTS

	2024 R'000	2023 R'000
Banks and other	**184 999**	220 778
Lease liabilities	**70 288**	50 347
Redemption liabilities (refer to note 13)(non-cash)	**4 373**	8 529
	259 660	279 654

32 INCOME TAX

	2024 R'000	2023 R'000
Tax expenditure:		
Current taxation – current year	**(210 284)**	(213 849)
Current taxation – previous year over provided	**(80)**	107
Deferred taxation – current year	**20 119**	1 923
Taxation for the year	**(190 245)**	(211 819)

	%	%
The tax on the company's profit before tax differs from the theoretical amount that would arise using the statutory rate as follows:		
Statutory tax rate	**27,00**	27,00
Adjusted for:		
Non-deductible expenses of a capital nature	**3,95**	4,44
Non-taxable Employment Tax Incentive	**(0,20)**	(0,14)
Learnership allowances	**(0,65)**	(0,29)
Share in profit of joint venture	**(0,47)**	(0,42)
Over provision previous year	**0,01**	(0,01)
Different tax rates used in companies	**0,02**	0,04
Effective rate	**29,66**	30,62

Non-deductible expenses of a capital nature include legal, consultation fees relating to new business development, impairment of goodwill and non-deductible interest.

33 EARNINGS PER SHARE

Basic
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as treasury shares.

Reconciliation between earnings and headline earnings

	GROUP 2024 R'000	GROUP 2023 R'000
Net profit	**451 097**	480 002
Attributable to shareholders of the holding Company	**395 316**	426 945
Non-controlling interest	**55 781**	53 057
Net profit on disposal of assets	**(500)**	(2 280)
Gross	**(685)**	(3 067)
Tax effect	**185**	787
Goodwill impairment	**–**	15 266
Headline earnings	**450 597**	492 988
Attributable to shareholders of the holding Company	**394 836**	434 579
Non-controlling interest	**55 761**	58 409
Non-recurring expenses	**–**	970
Recurring headline earnings	**450 597**	493 958
Attributable to shareholders of the holding Company	**394 836**	435 549
Non-controlling interest	**55 761**	58 409

	GROUP 2024 R'000	GROUP 2023 R'000
	Number	
Weighted average number of ordinary shares ('000)	**70 308**	70 285
Weighted average number of diluted ordinary shares ('000)	**70 308**	70 777
	Cents	
Earnings per share	**562,26**	607,45
Diluted earnings per share	**562,26**	603,23
Headline earnings per share	**561,58**	618,31
Diluted headline earnings per share	**561,58**	614,02
Recurring headline earnings per share	**561,58**	619,69

Headline earnings are calculated based on Circular 1/2023 issued by the South African Institute of Chartered Accountants.

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

	GROUP 2024 R'000	GROUP 2023 R'000

34 DIVIDEND PER SHARE

	2024 R'000	2023 R'000
Interim		
54,00 cents per share (2023: 50,00 cents per share)	**38 130**	35 060
Final		
126,00 cents per share (2023: 130,00 cents per share)	**88 970**	91 155
	127 100	126 215

Dividends payable are not accounted for until they have been declared by the Board of directors. The Statement of Changes in Equity does not reflect the final dividend payable in respect of the current year. The final dividend for the year ended 30 September 2024 will be accounted for as an appropriation of retained profit in the year ended 30 September 2025.

35 NET CASH GENERATED FROM OPERATING ACTIVITIES

	2024 R'000	2023 R'000
Operating profit per income statement	**866 837**	962 204
Adjusted for:		
– Interest received	**(195 468)**	(242 433)
– Depreciation	**172 582**	152 583
– Amortisation of intangible assets	**5 465**	3 979
– Profit on disposal of property, plant and equipment	**(685)**	(3 067)
– Profit on modifications of IFRS 16	**(3 727)**	(2 029)
– Goodwill impairment	**–**	15 266
– Increase/(Decrease) in share based payment reserve	**18 258**	(243)
– Decrease in provisions	**(14 857)**	(21 647)
	848 405	864 613

36 WORKING CAPITAL CHANGES

	2024 R'000	2023 R'000
Decrease/(Increase) in inventory	**196 926**	(32 454)
Decrease in trade and other receivables	**126 566**	87 985
Decrease in trade and other payables	**(274 931)**	(141 121)
	48 561	(85 590)

37 INCOME TAX PAID

	2024 R'000	2023 R'000
Balance owing at the beginning of the year	**(11 292)**	(9 343)
Income tax expense in income statement	**(210 363)**	(213 742)
Balance (receivable)/owing at the end of the year	**(3 377)**	11 292
	(225 032)	(211 793)

	GROUP	
	2024 R'000	2023 R'000

38 INCREASE IN OVERDRAFT FACILITY/ SHORT-TERM BORROWINGS

	2024 R'000	2023 R'000
Opening balance	**1 014 885**	1 011 270
Cash flow movements		
Drawdowns	**18 859 919**	20 621 524
Repayments	**(18 818 939)**	(20 725 483)
Interest	**107 979**	107 574
Closing balance	**1 163 844**	1 014 885

39 REPAYMENT OF INSTALMENT SALE AGREEMENTS

	2024 R'000	2023 R'000
Opening balance	**59 857**	73 432
New instalment sale agreements	**9 348**	13 422
Capital repayment	**(30 904)**	(26 997)
Instalments	**(36 594)**	(33 792)
Interest	**5 690**	6 795
Closing balance	**38 301**	59 857

40 LEASE PAYMENTS

	2024 R'000	2023 R'000
Opening balance	**637 554**	678 791
New leases	**159 751**	5 643
Assets classified as held for sale	**56 418**	(56 418)
Modifications and cancellations	**62 463**	55 343
Capital repayment	**(61 221)**	(45 805)
Lease payments	**(131 508)**	(96 152)
Interest	**70 287**	50 347
Closing balance	**854 965**	637 554

41 REPAYMENT OF BORROWINGS

	2024 R'000	2023 R'000
Opening balance	**877 921**	1 084 000
Interest non-cash flow	**(577)**	–
Repayment	**(251 875)**	(206 079)
Closing balance	**625 469**	877 921

42 INTEREST IN RELATED ENTITIES

	NUMBER OF ISSUED SHARES		SHAREHOLDING (%)	
	2024	2023	**2024**	2023
Name of subsidiary				
Directly held:				
Shares held by KAL Group Limited				
Agrimark Operations Limited	**74 170 277**	74 170 277	**100,00**	100,00
Agriplas (Pty) Ltd	**7 000**	7 000	**100,00**	100,00
Tego Plastics (Pty) Ltd	**400**	400	**100,00**	100,00
KAL Corporate Services (Pty) Ltd	**100**	100	**100,00**	100,00
Partridge Building Supplies (Pty) Ltd	**14 400**	14 400	**15,00**	15,00
Shares held by Agrimark Operations Limited				
TFC Operations (Pty) Ltd	**125 825 126**	125 825 126	**58,20**	58,20
Agrimark Operations Aussenkehr (Pty) Ltd	**100**	100	**100,00**	100,00
Partridge Building Supplies (Pty) Ltd	**14 400**	14 400	**85,00**	85,00
Shares held by TFC Operations (Pty) Ltd				
PEG Retail Holdings (Pty) Ltd	**6 667**	6 667	**100,00**	100,00
Indirectly held:				
Shares held by Empowerment and Transformation Investments (Pty) Ltd				
TFC Operations (Pty) Ltd	**125 825 126**	125 825 126	**3,19**	3,19
Name of joint venture				
Shares held by Agrimark Operations Limited				
Agrimark Operations Namibia (Pty) Ltd	**502**	502	**50,00**	50,00

42 INTEREST IN RELATED ENTITIES (CONTINUED)

Details of non-wholly owned subsidiaries that have material non-controlling interests ("NCI").

	2024 R'000	2023 R'000
TFC Operations Group		
Ownership held by NCI (%)	**38,61%**	38,61%
Accumulated NCI interest in statement of financial position	**184 783**	133 721
Profit allocated to NCI	**29 969**	27 258
Summarised financial information in respect of the Group's subsidiaries that have material NCI is set out below. The summarised financial information below represents amounts before inter-group eliminations.		
Non-current assets	**2 458 877**	2 193 294
Current assets	**490 541**	679 824
Non-current liabilities	**(1 254 538)**	(1 227 142)
Current liabilities	**(1 211 943)**	(1 228 567)
Revenue	**12 705 769**	12 906 283
Profit for the year	**105 756**	96 247
Net cash inflow from operating activities	**308 759**	379 297
Net cash outflow from investing activities	**(20 817)**	(32 901)
Net cash outflow from financing activities	**(296 487)**	(403 116)
Net decrease in cash and cash equivalents	**(8 545)**	(56 720)
Dividends paid	**(25 104)**	(16 125)
Included in the TFC Operations Group figures above is the subsidiary, PEG Retail Holdings (Pty) Ltd, of which TFC Operations (Pty) Ltd holds 100% of the issued shares		
PEG Retail Holdings Consolidated Group		
Ownership held by NCI (%)	**16,67%**	15,78%
Accumulated NCI interest in statement of financial position	**27 695**	22 684
Profit allocated to NCI	**25 812**	25 649
Summarised financial information in respect of the Group's subsidiaries that have material NCI is set out below. The summarised financial information below represents amounts before inter-group eliminations.		
Non-current assets	**381 775**	243 981
Current assets	**345 251**	393 033
Non-current liabilities	**144 363**	28 492
Current liabilities	**793 263**	761 200
Revenue	**8 076 962**	8 241 210
Profit for the period	**154 801**	162 491
Net cash inflow from operating activities	**184 337**	272 752
Net cash inflow/(outflow) from investing activities	**25 878**	(96 708)
Net cash outflow from financing activities	**(212 178)**	(236 171)
Net decrease in cash and cash equivalents	**(1 962)**	(60 127)
Dividends paid	**(206 426)**	(180 501)

43 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, The Fuel Company, 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.

The Fuel Company provides a full retail fuel offering to a diverse range of customers and includes convenience store and quick service restaurant outlets of TFC Operations (Pty) Ltd ("TFC") and PEG Retail Holdings (Pty) Ltd ("PEG"). The nature of products, services, type of customers and regulatory environment of both TFC and PEG have similar economic characteristics and are thus aggregated into one reporting segment.

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

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.

	GROUP			
	SEGMENT REVENUE		SEGMENT PROFIT BEFORE TAX	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
Segment revenue and results				
Agrimark	**7 775 413**	8 183 134	**431 040**	481 277
The Fuel Company	**12 694 576**	12 892 808	**204 887**	201 348
Agrimark Grain	**1 050 247**	1 123 014	**62 915**	62 300
Manufacturing	**214 688**	198 102	**987**	3 074
Total for reportable segments	**21 734 924**	22 397 058	**699 829**	747 999
Corporate	**–**	–	**(58 487)**	(56 178)
Total external revenue	**21 734 924**	22 397 058	**–**	–
Profit before tax			**641 342**	691 821
Income tax			**(190 245)**	(211 819)
Profit after tax			**451 097**	480 002

Included in the Agrimark segment's results is a share in profit of joint venture of R10,4 million (2023: profit of R9,3 million). Refer note 7.

	GROUP			
	SEGMENT ASSETS		SEGMENT LIABILITIES	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
Segment assets and liabilities				
Agrimark	**4 578 429**	4 899 293	**2 004 032**	2 581 573
The Fuel Company	**3 048 772**	2 794 079	**2 465 764**	2 216 057
Agrimark Grain	**92 329**	89 549	**26 315**	26 791
Manufacturing	**326 474**	320 563	**291 857**	257 462
Total for reportable segments	**8 046 004**	8 103 484	**4 787 968**	5 081 883
Corporate	**117 644**	153 195	**28 076**	98 924
Deferred taxation	**51 314**	33 039	**17 104**	22 684
	8 214 962	8 289 718	**4 833 148**	5 203 491

Included in the Agrimark segment's assets is an Investment in Joint Venture of R61,0 million (2023: R50,6 million). Refer note 7.

43 INFORMATION ABOUT OPERATING SEGMENTS (CONTINUED)

	GROUP			
	CAPITAL EXPENSES		DEPRECIATION	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
Other segment information				
Agrimark	**61 482**	97 373	**55 538**	51 996
The Fuel Company	**47 329**	36 202	**78 644**	68 801
Agrimark Grain	**17 681**	15 130	**7 156**	6 886
Manufacturing	**3 510**	12 963	**11 862**	11 912
Total for reportable segments	**130 002**	161 668	**153 200**	139 595
Corporate	**33 316**	24 889	**19 382**	12 988
	163 318	186 557	**172 582**	152 583

	GROUP			
	COST OF SALES		INVENTORY	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
Other segment information				
Agrimark	**6 559 944**	6 951 098	**1 207 103**	1 336 072
The Fuel Company	**10 991 441**	11 266 964	**146 813**	221 317
Agrimark Grain	**1 074 721**	1 139 800	**570**	9 260
Manufacturing	**135 281**	120 849	**97 570**	75 343
Total for reportable segments	**18 761 387**	19 478 711	**1 452 056**	1 641 992

	GROUP			
	SELLING AND DISTRIBUTION COSTS		EMPLOYEE COSTS	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
Other segment information				
Agrimark	**103 385**	101 857	**548 981**	520 591
The Fuel Company	**70 757**	64 313	**608 776**	575 600
Agrimark Grain	**10 955**	9 679	**29 545**	26 729
Manufacturing	**10 080**	8 917	**46 706**	42 479
Total for reportable segments	**195 177**	184 766	**1 234 008**	1 165 399

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

Geographical revenue for the Group is attributed to countries on the basis of the customers' location. No single customer contributes more than 10% of the Group's revenue.

Geographical revenue for the Group is as follows:

	GROUP	
	2024 R'000	2023 R'000
South Africa	**21 648 032**	22 299 034
Namibia	**86 892**	98 024
Total	**21 734 924**	22 397 058
Non-current assets (excluding deferred taxation) are located in the following countries:		
South Africa	**3 913 355**	3 622 568
Namibia	**18 389**	14 645
Total	**3 931 744**	3 637 213

44 GOING CONCERN

Based on the 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 financial statements.

45 EVENTS AFTER REPORTING DATE

A gross final dividend of 126,00 cents (2023: 130,00 cents) per share has been approved and declared by the Board from income reserves, for the year ended 30 September 2024. This brings the total dividend for the year to 180,00 cents (2023: 180,00 cents) per share.

The directors are not aware of any further matters or circumstances that occurred since the end of the financial year up to the date of this report that have not been dealt with in the report or financial statements and which may have a significant influence on the activities of the group or the results of those activities.

46 RECONCILIATION OF MOVEMENTS IN CARRYING VALUE

	Total R'000	Land and buildings R'000	Grain silos R'000	Machinery and equipment R'000	Vehicles R'000	Office furniture and equipment R'000	Assets under construction R'000
30 September 2024							
Carrying value at 1 October 2023	**1 412 006**	**868 950**	**38 079**	**263 818**	**54 771**	**130 021**	**56 367**
Additions*	**120 363**	**36 075**	**4 710**	**37 813**	**10 931**	**9 361**	**21 473**
Assets held for sale	**5 456**	**–**	**–**	**4 139**	**–**	**1 317**	**–**
Transfers	**–**	**33 297**	**–**	**6 350**	**–**	**1 645**	**(41 292)**
Disposals	**(16 180)**	**–**	**–**	**(13 793)**	**(531)**	**(400)**	**(1 456)**
Depreciation	**(85 871)**	**(1 712)**	**(3 700)**	**(41 029)**	**(9 010)**	**(30 420)**	**–**
Carrying value 30 September 2024	**1 435 774**	**936 610**	**39 089**	**257 298**	**56 161**	**111 524**	**35 092**
30 September 2023							
Carrying value at 1 October 2022	1 317 415	828 261	26 177	240 816	45 150	128 543	48 468
Additions*	186 557	44 511	356	59 618	18 723	18 045	45 304
Assets held for sale	(5 456)	–	–	(4 139)	–	(1 317)	–
Transfers	–	–	14 837	2 665	–	18 372	(35 874)
Disposals	(4 667)	(2 116)	–	(152)	(237)	(631)	(1 531)
Depreciation	(81 843)	(1 706)	(3 291)	(34 990)	(8 865)	(32 991)	–
Carrying value 30 September 2023	1 412 006	868 950	38 079	263 818	54 771	130 021	56 367

* *Included in additions is an amount of R9,3 million (2023: R13,4 million) relating to new instalment sale agreements. Refer to note 39.*

KAL Group Limited

Statement of financial position

at 30 September

	Notes	COMPANY 2024 R'000	COMPANY 2023 R'000
ASSETS			
Non-current assets			
Investment in subsidiary companies	2	**819 988**	819 988
Current assets			
Loan to subsidiary company	4	**713**	667
Total assets		**820 701**	820 655
EQUITY			
Capital and reserves			
Stated Capital	3	**466 051**	466 051
Retained profit		**354 650**	354 604
Total equity		**820 701**	820 655

Statement of comprehensive income

for the year ended 30 September

	Notes	COMPANY 2024 R'000	COMPANY 2023 R'000
Revenue	7	**136 112**	318 626
Other income		**4 686**	–
Administrative expenses*		**(4 686)**	–
Impairment of investment in subsidiary		**–**	(7 142)
Profit before taxation		**136 112**	311 484
Income tax	8	**–**	–
Net profit for the year		**136 112**	311 484

* *The administrative expenses is the directors costs of KAL Group Limited paid through the subsidiary company and subsequently recovered.*

Statement of changes in equity

for the year ended 30 September

	COMPANY	
	Stated capital R'000	Retained profit R'000
Balance 30 September 2022	476 143	168 063
Net profit for the year	–	311 484
Odd lot offer – shares repurchased	(10 092)	–
Dividends declared	–	(124 943)
Balance 30 September 2023	**466 051**	**354 604**
Net profit for the year	**–**	**136 112**
Dividends declared	**–**	**(136 066)**
Balance 30 September 2024	**466 051**	**354 650**

Notes to the financial statements

for the year ended 30 September

1 ACCOUNTING POLICIES

The principal accounting policies incorporated in the preparation of these financial statements, are set out on pages 155 to 172, these are consistent with that of the Group unless otherwise indicated.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The area below involve a higher degree of judgement or complexity, or is an area where assumptions and estimates are significant to the financial statements of the company.

Investment in subsidiaries are tested for impairment indicators on an annual basis.

	COMPANY	
	2024 R'000	2023 R'000
2 INVESTMENT IN SUBSIDIARY COMPANY		
Unlisted:		
Agrimark Operations Limited		
Number of issued shares:		
74 170 277 (2023: 74 170 277)		
Shareholding: 100% (2023: 100%)		
Shares at cost	**634 708**	634 708
Agriplas (Pty) Ltd		
Number of issued shares:		
7 000 (2023: 7 000)		
Shareholding: 100% (2023: 100%)		
Shares at cost	**43 486**	43 486
Tego Plastics (Pty) Ltd		
Number of issued shares:		
1 000 (2023: 1 000)		
Shareholding: 100% (2023: 100%)		
Shares at cost	**141 040**	141 040
KAL Corporate Services (Pty) Ltd		
Number of issued shares:		
100 (2023: 100)		
Shareholding: 100% (2023: 100%)		
Shares at cost	**–**	–
Partridge Building Supplies (Pty) Ltd		
Number of issued shares:		
2 160 (2023: 2 160)		
Shareholding: 15% (2023: 15%)		
Shares at cost less impairment	**754**	754
Opening balance	**754**	7 896
Impairment of investment	**–**	(7 142)
Even though the Company KAL Group Limited holds 15% directly in Partridge Building Supplies (Pty) Ltd, it also holds 85% indirectly through its subsidiary, Agrimark Operations Limited. Management assessed the net asset value of the company compared to the cost of the investment at 30 September 2023 which resulted in an impairment to its recoverable amount.		
	819 988	819 988

	COMPANY	
	2024 R'000	2023 R'000
3 STATED CAPITAL		
Authorised:		
1 000 000 000 (2023: 1 000 000 000) ordinary shares with no par value		
Issued:		
74 319 837 (2023: 74 319 837) ordinary shares with no par value	**466 051**	466 051
4 LOAN TO SUBSIDIARY COMPANY		
Agrimark Operations Limited	**713**	667

The carrying value of the loan approximates its fair value at the reporting date.

The loan is unsecured, interest-free and there are no specific repayment terms.

The gross movement in the loan is reflected in the cash flow statement. Although the company does not have its own bank account, Agrimark Operations Limited is considered to act as the agent of the company in administrating its cash flows.

5 RELATED PARTY TRANSACTIONS

Refer to notes 2, 4 and 7.

6 FINANCIAL RISK MANAGEMENT

The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

The company's interest rate exposure and the effective interest rates can be summarised as follows:

	NON-INTEREST-BEARING			
	Rate 2024 %	**Amount 2024 R'000**	Rate 2023 %	Amount 2023 R'000
Assets				
Loan: Agrimark Operations Limited	**–**	**713**	–	667

Fair value estimation:

Financial liabilities

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

Capital maintenance

The company considers total equity, which includes share capital and reserves, as capital. The ratio between capital and debt is the capital ratio. The company's objective with the management of the capital ratio is to ensure that the company continues to trade as a going concern and to create wealth for its shareholders and other stakeholders. The influence on the capital ratio is considered with decisions on the declaration of dividends, repurchase of shares, issue of shares, purchase and disposal of assets and investments and the acquiring or repayment of debt. The movement in capital is presented in the statement of changes in equity.

	COMPANY	
	2024 R'000	2023 R'000

7 REVENUE

	2024 R'000	2023 R'000
Dividends received – cash	**135 399**	133 433
Dividends received – in specie	**–**	184 526
Dividends forfeited	**713**	667
	136 112	318 626

Dividends are received from Agrimark Operations Limited, a subsidiary of the company.

The revenue reflected is not considered to be Revenue from Contracts with Customers in terms of IFRS 15 considering the nature of the revenue earned (dividends received).

	COMPANY	
	2024 R'000	2023 R'000

8 INCOME TAX

	2024 R'000	2023 R'000
Tax expenditure		
Current taxation – current year	**–**	–
The tax on the company's profit before tax differs from the theoretical amount that would arise using the statutory rate as follows:	**%**	%
Statutory tax rate	**27,00**	27,00
Adjusted for:		
Non-taxable dividend income	**(27,00)**	(27,00)
Effective rate	**–**	–

9 RESTATEMENT

In the prior periods, the Statement of cash flows disclosed movements that were paid by Agrimark Operations Limited on behalf of the company as cash flow transactions. In the current year, it was determined that as these transactions are processed through the loan account, these are not direct cash flow transactions and should thus not be disclosed as such on the Statement of cash flows. As a result, the Statement of cash flows and notes thereto disclosed in the prior year, have been removed from the company's financial statements. This restatement does not impact the Statement of Financial Position or the Statement of comprehensive income.

10 GOING CONCERN

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

11 EVENTS AFTER REPORTING DATE

A gross final dividend of 126,00 cents (2023: 130,00 cents) per share has been approved and declared by the Board from income reserves, for the period ended 30 September 2024.

The directors are not aware of any matter or circumstance that occurred since the end of the financial year 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.

Accounting policies to the financial statements

for the year ended 30 September

1 BASIS OF PREPARATION

The consolidated and separate annual financial statements are prepared on the going concern and historical cost basis, unless otherwise indicated, in accordance with IFRS Accounting Standards® as issued by the International Accounting Standards Board, the requirements of the Companies Act (No. 71 of 2008), as amended, the SAICA Financial Reporting Guide issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the JSE Listings Requirements.

These financial statements incorporate accounting policies that have been consistently applied to all periods presented and are consistent with those applied in the previous financial year. Various other changes in IFRS became effective for the financial year under review but had no material impact on the Group.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in the notes of the accounting policies.

2 NEW, AMENDED AND IMPROVED ACCOUNTING STANDARDS AND INTERPRETATIONS EFFECTIVE DURING THE CURRENT FINANCIAL YEAR

The following standards, amendments and interpretations have been adopted by the Group and became effective for the current reporting period beginning on 1 October 2023:

Amendments to Standards

Amendments to IFRS 1 and IFRS Practice Statement 2, 'Disclosure of accounting policies' (effective 1 January 2023)

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. Applying the amendments, an entity discloses its material accounting policies, instead of its significant accounting policies.

Amendments to IAS 12, 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction' (effective 1 January 2023)

These amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

Amendments to IAS 8, 'Definition of accounting estimates' (effective 1 January 2023)

The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

The amendments listed above had no significant effect on the Group's financial results.

2 NEW, AMENDED AND IMPROVED ACCOUNTING STANDARDS AND INTERPRETATIONS EFFECTIVE DURING THE CURRENT FINANCIAL YEAR (CONTINUED)

Amendments to Standards (continued)

The following new accounting standards, interpretations and amendments will not have an impact on the financial statements:

Amendment to IAS 12, 'International tax reform - pillar two model rules' (effective 1 January 2023)

These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

IFRS 17, 'Insurance contracts' (effective 1 January 2023)

This standard replaces IFRS 4, which permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

Amendment to IFRS 17, 'Initial Application of IFRS 17 and IFRS 9 Comparative Information' (effective 1 January 2023)

The Board published a narrow-scope amendment to the transition requirements in IFRS 17.

3 NEW AND AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS THAT ARE NOT YET EFFECTIVE

The following standards, amendments and interpretations are not yet effective and have not been early adopted by the Group (the effective dates stated below refer to financial reporting periods beginning on or after the stated dates):

Amendments to Standards

Amendment to IFRS 16 – Leases on sale and leaseback (effective 1 January 2024)

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Amendment to IAS 7 and IFRS 7 Supplier finance Arrangements (effective 1 January 2024)

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

Amendment to IAS 1 – Non-current liabilities with covenants (effective 1 January 2024)

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (effective 1 January 2024)

IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

3 NEW AND AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS THAT ARE NOT YET EFFECTIVE (CONTINUED)

Amendments to Standards (continued)

IFRS S2 — Climate-related Disclosures (effective 1 January 2024)

IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

Amendments to the SASB standards (effective 1 January 2025)

Amendments to the SASB standards to enhance their international applicability.

Amendments to IFRS 9 and IFRS 7 (effective 1 January 2026)

Amendments to the Classification and Measurement of Financial Instruments.

Annual Improvements to IFRS Accounting Standards – Volume 11 (effective 1 January 2026)

The IASB issued the following amendments to IFRS Accounting Standards as part of its annual improvements process:

IFRS 1 First-time Adoption of International Financial Reporting Standards
> Hedge accounting by a first-time adopter

IFRS 7 Financial Instruments: Disclosures
> Gain or loss on derecognition
> Disclosure of deferred difference between fair value and transaction price
> Credit risk disclosures

IFRS 9 Financial Instruments
> Derecognition of lease liabilities
> Transaction price

IFRS 10 Consolidated Financial Statements
> Determination of a ‘de facto agent’

IAS 7 Statement of Cash Flows
> Cost method

IFRS 18, ‘Presentation and Disclosure in Financial Statements’ (effective 1 January 2027)

The new standard, IFRS 18, replaces IAS 1 Presentation of Financial Statements while carrying forward many of the requirements in IAS 1. The standard will impact disclosure as it will result in changes to the presentation to the primary statements and the Group is still in the process to assess the impact.

IFRS 19, ‘Subsidiaries without Public Accountability: Disclosures’ (effective 1 January 2027)

The IASB published IFRS 19, which permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

The Group has not early adopted any of the above. The application thereof in future financial periods is not expected to have a significant impact on the Group’s financial results.

3 NEW AND AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS THAT ARE NOT YET EFFECTIVE (CONTINUED)

Amendments to Standards (continued)

The following new accounting standards, interpretations and amendments will not have an impact on the financial statements:

Amendments to IAS 21 – Lack of Exchangeability (effective 1 January 2025)

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

Management considered all new accounting standards, interpretations and amendments to IFRS that were issued prior to 30 September 2024 but not yet effective on that date.

4 BASIS OF CONSOLIDATION

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9: Financial Instruments in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. The financial statements of subsidiaries are prepared using consistent accounting policies adopted by the Group.

4 BASIS OF CONSOLIDATION (CONTINUED)

Subsidiaries (continued)

In the stand-alone financial statements of the holding company, the investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investments.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, that is, transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in equity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Treasury shares

The cost of treasury shares is presented as a deduction from equity. Shares under option already allocated to employees and unallocated shares are considered as treasury shares and are consolidated as such as part of the Group's results.

Joint ventures

Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits and losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests, that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. Any additional capitalisation or increase in the investment (not resulting in a change in the percentage equity held) are accounted for at cost. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

4 BASIS OF CONSOLIDATION (CONTINUED)

Consolidation of Special Purpose Entities

The special purpose entities ("SPEs") established in terms of the B-BBEE equity transaction implemented in 2011 have been consolidated in the Group results. The substance of the relationship between the company and these entities has been assessed and the conclusion was made that they are controlled entities, mainly due to the fact that the Group retains residual or ownership risks relating to the SPEs. This includes entities Empowerment and Transformation Investments (Pty) Ltd and the BEE Trust.

5 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive committee. The Executive committee is responsible for allocating resources and assessing performance of the operating segments and is therefore considered to be the Chief Operating Decision Maker of the Group.

6 PROPERTY, PLANT AND EQUIPMENT

Land and buildings mainly comprise retail outlets and offices. Property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to write off the cost to a value equal to the residual values over their estimated useful lives, as follows:

> Buildings	50 years
> Grain silos	10 – 50 years
> Machinery and equipment	4 – 10 years
> Injection moulding machines	5 – 20 years
> Vehicles	4 – 5 years
> Office furniture and equipment	2 – 10 years

Assets under construction is defined as assets still in the construction phase and not yet available for use. These assets are carried at initial cost and are not depreciated. Depreciation on these assets commences when they become available for use and depreciation periods are based on management's assessment of their useful lives.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals of fixed assets are determined by comparing proceeds with the carrying amounts and are included in the income statement as other operating income or other operating expenses.

7 INTANGIBLE ASSETS

Goodwill

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates/joint venture is included in investment in associated companies/joint ventures. Separately recognised goodwill is reviewed annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Customer relations

Customer relations consist of non-contractual customer relationships. Customer relations acquired in a business combination are recognised at fair value at the acquisition date.

The customer relations have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment. Amortisation is calculated on the straight-line method to allocate the cost of customer relations over the estimated useful life of five years.

Tradename

A tradename has been recognised by the Group as part of a business combination. Tradenames are capitalised at the fair value initially identified and amortised on a straight-line basis over their estimated useful lives of 10 to 50 years. Tradenames are carried at cost less accumulated amortisation and accumulated impairment. Expenditure to maintain tradenames is accounted for as an expense in the income statement.

Fuel retail licences

The fuel retail licences are contractual in nature and has been recognised by the Group as part of a business combination. Given that the fuel retail licences remain valid for as long as the licence holder operates as a going concern, the estimated useful life of the individual fuel retail licences are considered to be indefinite. Intangible assets are reviewed annually for impairment and carried at cost less accumulated impairment losses.

8 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

9 LEASES

The Group leases various retail stores, storage sites and vehicles. Rental contracts are typically made for fixed periods of 3 to 12 years but may have extension options as described below. 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.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments
- Lease payments to be made under reasonably certain extension options

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Group is exposed to potential future increases in lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date

Leasehold improvements are accounted for as part of right-of-use assets and are depreciated over the period of the lease.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets mostly comprise information technology equipment and other similar assets.

Right-of-use assets are depreciated over the lowest of the lease term (including the extension period if applicable) or the useful life.

To determine the incremental borrowing rate, the Group uses recent third-party financing received by the lessee as a starting point and adjusts the rate to reflect changes in financing conditions since the third-party financing was received. The Group also adjusts the rate relating to the specific lease based on the term and security and nature of the asset.

The lease term is determined as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease where there is reasonable certainty that the option will be exercised.

The majority of the extension and termination options held are exercisable only by the Group and not by the respective lessor. In determining the lease term, all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option, are considered.

The assessment of the lease term is revised if there is a change in the non-cancellable lease period.

9 LEASES (CONTINUED)

A lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease. The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; and
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

10 OTHER FINANCIAL INSTRUMENTS

Initial recognition and measurement

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument. Initial recognition is measured at fair value including directly attributable transaction costs for financial instruments not measured at fair value through profit and loss. Transaction costs of financial instruments carried at fair value through profit and loss are expensed in profit or loss.

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when they are extinguished, i.e. when the contractual obligation is discharged, cancelled, expires or when a substantial modification of the terms occurs.

Offsetting

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Classification and subsequent measurement

Financial assets

The Group classifies its financial assets in the following measurement categories:

- Financial assets measured subsequently at fair value (either through other comprehensive income (FVOCI) or through profit or loss (FVPL))
- Financial assets measured at amortised cost

The classification depends on the business model for managing the financial assets and the contractual term of the cash flows. Management determines the classification of its investment at initial recognition. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in relation to the instrument held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

10 OTHER FINANCIAL INSTRUMENTS (CONTINUED)

Equity instruments

The Group subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at fair value through other comprehensive income (OCI) are recognised in OCI in the statement of comprehensive income. Where management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Upon derecognition of these equity investments, any balance within the FVOCI reserve is reclassified to retained earnings. Dividends from such investments are recognised in profit or loss as other gains and losses when the Group's right to receive payments is established. Currently the Group has elected to designate equity instruments at FVOCI.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows representing solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income under other operating income using the effective interest rate method. Trade receivables, cash and cash equivalents and loans receivable are classified as debt instruments measured at amortised cost.

Fair value through profit or loss (FVPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss is recognised in profit or loss and presented in the income statement as part of other gains and losses in the period in which it arises. Interest income from these financial assets is included in finance income. Debt instruments are included in current assets, except for maturities greater than 12 months after the reporting date, which are classified as non-current assets.

Impairment

The Group has the following financial assets that are subject to the expected credit loss impairment model in terms of IFRS 9:

- Trade and other receivables
- Loans receivable
- Cash and cash equivalents

The Group determines loss allowances by considering available forward-looking information which could adversely impact a debtor's ability to pay.

Financial assets subject to impairment are written off when there is no reasonable expectation of recovery, and the amount is recognised in profit or loss within 'operating expenses'.

Trade receivables

The Group elected to apply the simplified approach for measuring impairment provisions for trade receivables. In terms of this approach, the expected credit loss allowances are calculated with reference to lifetime expected credit losses regardless of stage classification. The Group determines expected credit loss allowances both on a specific (credit impaired) and a contingency (not credit impaired) basis.

10 OTHER FINANCIAL INSTRUMENTS (CONTINUED)

Trade receivables (continued)

Credit terms, interest rates and other applicable terms are determined based on the calculated risk profile of the credit taker(s). A strict credit policy is followed which includes the ongoing revision of credit limits, security assessments and credit evaluations of the financial position of clients. These factors have been taken into consideration on an individual and collective basis when determining the recoverability of debtors. The Group has a specific loss allowance and a contingency loss allowance. The group defines "outside terms" debtors as all debtors more than 90 days outside terms. The specific loss allowance is determined on all "outside terms" debtors as their risks are different than the rest of the debtors' book within terms and they are assessed individually. The assessment for the specific loss allowance considers security held, reputation and expected payments in the future to determine the value of the specific loss allowance. Regarding the contingency loss allowance, the group divides the rest of the debtors' book (after considering the specific loss allowance) into different categories with risk factors applied to each category. The categories are based on different type of produce commodities mostly in the agricultural sector (grain, fruit, other agri and non-agri). The percentage expected credit loss applied to each category depends on the forward-looking risk of default and expectations on macro-economic factors including market share, competitor strength, industry risk, profitability, price volatility risks and climate changes.

Cash and cash equivalents

Cash comprises cash on hand and cash at banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. Interest on cash and cash equivalents is recognised in the statement of comprehensive income as interest received from bank account balances. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Other financial assets

Loss allowances relating to loans receivable, cash and cash equivalents, deposits and other receivables are determined in terms of the general expected credit loss model, considering a 12-month expected credit loss.

In terms of this model the Group considers whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date compared to the credit risk at initial recognition date. It considers available reasonable and supportive forwarding-looking information that could be indicative of a deterioration in the counterparty's ability to pay. The Group assesses factors such as credit ratings, actual/adverse conditions in the industry or changes in value of security held.

For these financial assets, the Group accounts for its credit risk by appropriately providing for expected credit losses. In calculating the expected credit loss rates, the Group considers the exposure at default, probability of default and loss given default. The impact of the adoption of IFRS 9 and at the end of the reporting period was not material for other financial assets.

Financial liabilities

Financial liabilities are classified as subsequently measured at amortised cost, using the effective interest rate method. The effective interest rate amortisation is recognised in the statement of comprehensive income as finance costs.

10 OTHER FINANCIAL INSTRUMENTS (CONTINUED)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Instalment sale agreements

Instalment sale agreements are recognised where the Group will become the legal owner of the assets after the purchase payment agreement is completed. The instalment sale agreements are recognised as a financial liability from the date of recognition and measured at amortised cost using the effective interest rate method. Instalment sale agreements are classified as current liabilities, unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Any subsequent remeasurements is recognised in the income statement as finance costs.

Trade payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value. Trade payables are subsequently stated at amortised cost using the effective interest rate method.

Trade payables are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Contingent consideration

The Group shall classify an obligation to pay contingent consideration that meets the definition of a financial instrument as a financial liability.

Changes in the fair value of contingent consideration that the Group recognises after the acquisition date may be the result of additional information that the Group obtained after that date about facts and circumstances that existed at the acquisition date. Such changes are measurement period adjustments. However, changes resulting from events after the acquisition date, such as meeting an earnings target, reaching a specified share price or reaching a milestone, are not measurement period adjustments.

Changes in the fair value of contingent consideration, that are not measurement period adjustments, which falls within the scope of IFRS 9 shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss in accordance with IFRS 9.

11 INVENTORY

Merchandise, raw materials and consumable goods are valued at the lower of cost, calculated on the weighted average cost basis, or net realisable value, taking into account obsolescence and saleability. Implement stock (included in merchandise) is valued at the specific cost price or net realisable value, whichever is the lower. Finished goods (included in merchandise) are valued at the lower of cost, including cost of raw materials, direct costs and related production overheads, but excluding finance costs, determined on the weighted average cost basis, or net realisable value. Net realisable value is the estimate of the selling price in the ordinary course of business, less the cost of completion and selling expenses.

12 STATED CAPITAL

Ordinary shares are classified as equity. Additional costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any company in the Group purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable additional costs (net of income taxes) is deducted from equity attributable to the Group's equity holders until the shares are cancelled, re-issued, or disposed of. Where such shares are subsequently sold or re-issued, any consideration received, net of any directly attributable additional transaction costs and the related income tax effects, is included in equity attributable to the Group's shareholders.

13 PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources which entail economic benefits will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

14 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivatives are designated as hedging instruments, and if so, the nature of the item being hedged. The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities (fair value hedge) or hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge)

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest rate method is used, is amortised to profit or loss over the period to maturity.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled to the income statement in the periods when the hedged item affects profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

14 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (CONTINUED)

Cash flow hedge (continued)

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at the time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Certain derivatives do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

15 EMPLOYEE BENEFITS

Pension scheme arrangements

The Group operates a pension fund consisting of a defined contribution plan registered in terms of the Pension Funds Act, 1956, and the assets are administered separately by trustees. Funding is in terms of conditions of employment by means of contributions by the participating subsidiaries in the Group as well as employees. The Group has no further obligations to the fund once the contributions have been paid. Contributions are recognised in the income statement when they are due.

Post-retirement medical benefits

Certain in-service members and retired employees are members of the post-retirement medical subsidy scheme of the Group. The Group pays the monthly contributions in respect of the retired members over to the medical fund. The valuation method used to value the liability is the projected unit method. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for defined benefit pension plans. Valuations of these obligations are carried out by independent qualified actuaries. Any actuarially determined profits or losses are recognised in the income statement.

In terms of the Group's present policy the benefits are only available to certain in-service members and retired staff and not to future employees.

Profit sharing and bonus plans

A liability for employee benefits in the form of profit sharing and bonus plans is recognised under accounts payable when there is no realistic alternative but to settle the liability, and at least one of the following conditions is met:

> there is a formal plan; or
> past practice has created a valid expectation by employees that they will receive a bonus or profit share.

It is expected that the liability will be paid within 12 months.

Equity settled management share incentive scheme

The Group operates an equity settled management share incentive scheme ("the scheme"). In terms of IFRS 2, the fair value of the equity instrument is determined at grant date and the corresponding expense is recognised over the vesting period. The fair value of the grant is determined using the Black-Scholes-Merton model using six different inputs that would have an effect on the fair value of the grant. The inputs are the exercise price of the option, the current share price, the expected life of the option, the expected volatility, the expected dividend yield and the risk-free interest rate.

16 REVENUE FROM CONTRACTS WITH CUSTOMERS (IFRS 15) AND OTHER OPERATING INCOME

According to IFRS 15, revenue is recognised at a point in time or over time depending on the performance obligations linked to separate elements of the contract with the customer. Revenue is recognised when the Group satisfies performance obligations and transfers control of goods or services to its customers at an amount that reflects the consideration the Group expects to be entitled to in exchange for these goods or services. The Group's revenue consists mostly of sales of products delivered to customers at the point of sale and does not have multiple element arrangements included in it.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown, net of value-added tax and trade discounts and after elimination of sales within the Group. Revenue is recognised as follows:

Sales of goods

The Group specialises in trading in agricultural-, fuel- and related retail markets in Southern Africa. At the point-of-sale in the trade and manufacturing environment, the client takes ownership of the goods bought. Revenue is thus recognised at that point when control of the products has transferred, the customer has accepted inventory risk related to the products and there is no unfulfilled obligation that could affect the customer's acceptance of the products and the Group has a present right to payment. In these segments, prices are determined centrally. Fuel sales follow the same principles as the client takes ownership once the product is sold and transferred to the customer. Fuel prices are regulated. Grain sales follow a similar process as over-the-counter sales as the product is delivered to the client and the revenue is recognised at that point in time when the customer takes ownership of the goods sold. Grain sales prices are based on fixed contract SAFEX prices. Invoicing occurs as soon as control of the goods has been transferred to the customer.

Revenue for the sale of merchandise from ordinary Group-operating activities, net of value added tax and trade discounts and after eliminating sales within the Group are recognised at a point in time, upon delivery of products and customer acceptance. Customers have a choice to pay cash (via cash, debit card or credit card) or on account. Related card transaction costs are recognised in the income statement as other expenses.

Payment terms for normal over the counter credit sales are mostly 30 days. Seasonal accounts are provided to agricultural debtors on longer terms, these terms do not exceed 12 months.

Limited establishment accounts are also provided on longer terms (up to five years) with the purpose to assist the customer in establishing farming operations. Interest is charged on these accounts at market related rates and accounted for accordingly.

Sales of services

Sale of services include grain handling revenue which is revenue received for the storage and handling of the client's grains. The other services are provided within the mechanisation division where labour is invoiced as a service to repair and maintain client's machinery or vehicles. Revenue received for these services is recognised over time. Revenue is recognised at a fair value (determined based on a fixed price per tonnage/hour charged) of services rendered and are invoiced on a regular basis as the services are rendered.

Variable consideration

The Group assessed if the contracts entered into include variable consideration, but none were noted, other than trade discounts provided at the point-of-sale.

Margin on direct transactions

Direct sales relate to sales made, where goods purchased by clients are directly delivered to the client by the suppliers of the Group. Only the margin earned on direct sales is recognised as revenue. The margin is recognised on delivery of products by the supplier to the customer. The group assessed the treatment of these sales as agent or principal in terms of IFRS 15.

16 REVENUE FROM CONTRACTS WITH CUSTOMERS (IFRS 15) AND OTHER OPERATING INCOME (CONTINUED)

Margin on direct transactions (continued)

The supplier has the primary responsibility for providing the goods to the client.

KAL Group has no control before the product is delivered to the client and the Group does not recognise the inventory in their books.

The supplier takes the inventory risk up until inventory is delivered to the client.

The price is determined by the supplier. The Group acts as intermediary and earns commission on the transaction. All the indicators according to the standard indicate that the Group is acting as an agent, rather than a principal, thus the net amount is recognised as revenue. Thus, the treatment under IFRS 15 stays consistent to the prior year.

Other operating income is recognised as follows:

Interest income

Under IFRS 9, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). When a receivable is written off, the Group reduces the carrying amount to its recoverable amount. Interest is recognised using the original effective interest rate.

Interest income is recognised as other income as it is an incidental benefit from the group's ordinary activities.

Dividend income

Dividend income is recognised when the right to receive payment is established and is treated as revenue for the company but is not considered to be revenue from contracts with customers (IFRS 15).

Dividend in specie is recognised as revenue for the Company when it receives non-cash assets as a dividend at the fair value of the underlying assets that was distributed.

17 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- Expenditures for the asset have occurred.
- Borrowing costs have been incurred.
- Activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted. Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. All other borrowing costs are recognised as an expense in the period in which they are incurred.

18 FOREIGN CURRENCY TRANSACTIONS

Functional and presentation currency

Items included in the financial statements of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Rand, which is the holding company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges.

19 CURRENT AND DEFERRED INCOME TAX

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination, that at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets relating to unused tax losses are recognised to the extent that it is probable that future taxable profits will be available against which the unused losses can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates/joint venture, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group determines the deferred income tax asset and deferred income tax liability that arise on the initial recognition of a lease to be integrally linked and recognise the temporary difference on a net basis.

20 RECURRING HEADLINE EARNINGS

Recurring headline earnings is a Non-IFRS measure. Non-IFRS measures are measures that (i) are not defined by IFRS; (ii) are not uniformly defined or used by all entities and (iii) may not be comparable with similar labelled measured and disclosures provided by other entities. The executive committee are responsible for compiling the non-IFRS performance measures, used by the CODM and the executive committee.

The Group monitors recurring headline earnings as earning less non-recurring costs. Non-recurring costs are defined as once off costs or transactions as a result of ad hoc transactions or IFRS valuations that do not form part of ordinary business operations, and which causes fluctuations year-on-year.

21 DIVIDEND DISTRIBUTIONS

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved.

22 RELATED PARTIES

Individuals, as well as their close family members, or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions or if the parties are jointly controlled in a joint venture.

23 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Non-current assets classified as held for sale non-current assets and/or disposal groups are classified as assets held for sale and are stated at the lower of the carrying amount and fair value less costs of disposal if their carrying amount will be recovered principally through a sale transaction rather than through continued use and this sale is considered highly probable.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position.

The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

Assets and liabilities of abandoned disposal groups are not classified as held for sale because the carrying amounts will not be recovered principally through a sale transaction.

When a non-current asset ceases to be classified as held for sale, it should be measured at the lower of:

- its carrying amount before the asset was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held for sale; and
- its recoverable amount at the date of the subsequent decision not to sell or distribute.

Shareholder information

SHAREHOLDERS' PROFILE

Spread	Number of shareholders	Number of shares	Percentage held
1 to 1 000 shares	**7 581**	**1 736 054**	**2,3%**
1 001 to 10 000 shares	**2 651**	**8 534 651**	**11,5%**
10 001 to 100 000 shares	**520**	**14 180 747**	**19,1%**
100 001 to 1 000 000 shares	**77**	**21 701 805**	**29,2%**
More than 1 000 000 shares	**14**	**28 166 580**	**37,9%**
Total	**10 843**	**74 319 837**	**100,0%**
Type of shareholder			
Public	**10 828**	**69 152 631**	**93,0%**
Non-public	**15**	**5 167 206**	**7,0%**
Directors and associates of the company	**13**	**1 340 088**	**1,8%**
Empowerment and Transformation Investments (Pty) Ltd	**1**	**3 708 514**	**5,0%**
The Fruit Workers Development Trust	**1**	**118 604**	**0,2%**
	10 843	**74 319 837**	**100,0%**
Major beneficial shareholders The following shareholders have a holding equal to or greater than 5% of the issued shares of the company.			
JF Mouton Familietrust		**5 321 577**	**7,2%**
Investec		**4 840 654**	**6,5%**
PSG Financial Services		**4 757 643**	**6,4%**
Empowerment and Transformation Investments (Pty) Ltd		**3 708 514**	**5,0%**
		18 628 388	**25,1%**

	Number	
	2024	2023
Shareholding of directors (direct and indirect)		
BS Du Toit*	**–**	29 729
JH le Roux	**24 284**	24 284
EA Messina	**30 000**	30 000
CA Otto	**761 456**	756 056
GW Sim	**116 642**	82 745
AJ Mouton#	**40 033**	–
GM Steyn	**41 905**	41 905
S Walsh	**325 768**	245 505
Total	**1 340 088**	1 210 224
Percentage of issued shares	**1,8%**	1,6%

* *Resigned during the year*

\# *Appointed during the year*

There has been no change in the directors' interest from the financial year-end of the company on 30 September 2024 up until the approval of the financial statements.

Corporate information

KAL GROUP LIMITED
("KAL GROUP")

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)
D du Toit#*
T Kabalin#*
JH le Roux#*
B Mathews#*
EA Messina#*
AJ Mouton#*
CA Otto#*
*I Chalumbira**

* *Non-executive*
\# *Independent*

Company Secretary

KAL Corporate Services (Pty) Ltd

Registered address

1 Westhoven Street, Paarl, 7646
Suite 110, Private Bag X3041, Paarl, 7620
Telephone number: 021 860 3750

Website: www.kalgroup.co.za

Auditors

For the financial year ended 30 September 2024
– 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

PSG Capital (Pty) Ltd
Registration number: 2006/015817/07
1st Floor, Ou Kollege Building, 35 Kerk Street,
Stellenbosch, 7600
PO Box 7403, Stellenbosch, 7599

and

No. 1, Sandton Drive, 1st Floor, The Place,
Sandton, 2196
PO Box 650957, Benmore, 2010

Notes

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#18353

KAL GROUP

AGRIMARK

PEG

the fuel company

agriplas

TEGO PLASTICS