AUDITED RESULTS FOR THE YEAR ENDED 30 JUNE **2024**

kap

BEING THE CHANGE

SALIENT FEATURES

Revenue
R29.1 billion (FY23: R29.6 billion)
▼2%

EBITDA
R3.7 billion (FY23: R4.0 billion)*
▼8%

Operating profit before capital items
R2.3 billion (FY23: R2.5 billion)*
▼11%

HEPS
45.3 cents (FY23: 47.3 cents)*
▼4%

Cash generated from operations of R3.5 billion

R3 billion RCF^ raised to refinance maturing facilities

* *Restated*

^ *Revolving credit facility*

OVERVIEW

The South African operating environment was challenging during the year, despite the easing of electricity loadshedding in the second half of the financial year. Infrastructure disruptions, not related to loadshedding, continued to challenge businesses. Generally, economic activity was subdued, exacerbated by political uncertainty ahead of the May 2024 elections and pressure on consumer disposable income, which persisted due to elevated interest rates and inflation.

KAP was resilient in this environment, with five of our six divisions delivering an improved performance compared with the prior year. This was offset by a weaker result from Safripol, which was affected by a cyclical low in the global polymers industry. Overall, the group's performance was supported by market share gains, cost savings, and the benefits realised from various restructuring initiatives, particularly at Unitrans.

The group completed and commissioned certain multiyear capital projects during the second half of the financial year, which amounted to c. R2.5 billion. This is a major milestone in the execution of the group's strategy as it will provide a foundation for future earnings growth and cash generation.

Group revenue declined by 2% to R29.1 billion. EBITDA decreased by 8% to R3.7 billion, while operating profit before capital items decreased by 11% to R2.3 billion, with the decline mostly attributable to Safripol. HEPS declined by 4% to 45.3 cents, mainly due to the decline in operating profit before capital items and a 4% increase in net finance costs, caused primarily by higher interest rates.

HEPS was supported by a lower effective taxation rate of 15.0% (FY23: 37.0%) related to investment incentives associated with the PG Bison Mkhondo medium-density fibreboard ('MDF') project.

Cash flow from operations decreased by 10%, largely due to the lower EBITDA. Net interest-bearing debt only increased by 4% to R8.3 billion despite the significant capital investments made during the year. The net debt to EBITDA ratio increased from 2.0 times to 2.3 times, which was below our covenant of 3.0 times at 30 June 2024.

The group raised a R3 billion revolving credit facility to refinance maturing facilities. This facility also provides more favourable interest rates and certain financial covenants, which are described in the financial review.

While we anticipate that the operating environment may remain challenging, we are confident that the execution of the following material items provides compelling prospects for the group over the near to medium term, as discussed in the outlook:

- value-realisation from our major capital projects;
- further streamlining of Unitrans and repositioning the division for growth; and
- increasing free cash flow and reducing net debt.

In addition to the above, we remain focused on enhancing group performance by pursuing market share gains, lowering costs, improving operational efficiencies and optimising assets in each of our divisions.

OPERATIONAL REVIEW

PG BISON

Revenue
R5 758 million (FY23: R5 349 million)
▲8%

Operating profit
R1 001 million (FY23: R933 million)
▲7%

PG Bison delivered a strong performance for the year, supported by increased value-add sales. Total sales and production volumes were relatively stable, despite the subdued economic environment.

Revenue increased by 8% supported by increased value-add sales, attributable to improved upgrading press availability and continued demand creation activities, and a price increase to offset the impact of cost escalations. The value-add ratio increased to 67% (FY23: 62%). Domestic demand for value-add particleboard was good throughout the period. Exports of primarily particleboard to African and deep-sea markets were pursued to optimise production capacity and made up 21% of the division's total sales volumes. Domestic demand for MDF continued to exceed our available production capacity.

Operating profit improved by 7%, largely owing to increased value-add sales, technology driven efficiency improvements and a biological asset revaluation of R49 million (FY23: R24 million). These factors offset the margins achieved on exports to deep-sea markets, which are lower than domestic margins. The operating margin of 17.4% is in line with the prior year and just below our long-term guidance of 18% to 20%.

The division's MDF project was commissioned in June 2024, almost a month ahead of schedule and close to the budget of R1.9 billion, a pleasing outcome considering the high inflationary environment experienced during the construction of the project. The division also received a section 12I tax allowance incentive related to the completion of the MDF project, which further enhances the returns profile of the project.

PG Bison's Mkhondo plant

OPERATIONAL REVIEW (CONTINUED)

SAFRIPOL

shaping your world, responsibly

Revenue
R9 312 million (FY23: R10 310 million)
▼10%

Operating profit
R352 million (FY23: R920 million)*
▼62%

* Restated

Key metrics for the division are reported as follows:

	PET		HDPE		PP		Total	
	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23
Revenue (Rm)	4 256	4 615	2 903	3 200	2 103	2 418	9 262	10 233
Sales volumes (tonnes)	193 299	193 027	128 840	143 370	99 493	122 046	421 632	458 443
Production volumes (tonnes)	174 991	203 082	132 017	139 014	103 523	117 933	410 531	460 029
Average USD/R exchange rate	18.70	17.76	18.70	17.76	18.70	17.76	18.70	17.76

PET – Polyethylene terephthalate | HDPE – High-density polyethylene | PP – Polypropylene

Note: Revenue, sales volumes and production volumes exclude compounded polymers.

The actual raw material margin trend for Safripol is analysed as follows:

	Full year and half-year comparison			Trend analysis	
	FY24 vs FY23	1H24 vs 1H23	2H24 vs 2H23	2H24 vs 1H24	1H24 vs 2H23
PET	(26%)	(45%)	(2%)	30%	(25%)
HDPE	12%	(1%)	25%	0%	24%
PP*	1%	(20%)	35%	4%	30%

Note: The actual raw material margin trend analysis includes Safripol's actual selling prices and actual raw material costs in rand.

* *FY23 restated*

Safripol delivered a disappointing result, with its performance affected by a cyclical low in the global polymers industry due to increased polymer capacity and weaker demand.

Revenue decreased by 10%, mainly due to an 8% reduction in sales volumes. Domestic demand and sales volumes were fairly stable despite the subdued economic environment. Exports of PP and HDPE were constrained by lower production volumes, while exports of PET were intentionally curtailed due to very weak global raw material margins. Export sales made up 10% of the division's total sales volumes compared with 19% in the prior year.

Safripol's average sales basket price (average PET, HDPE and PP domestic and export prices) declined by 7% in US dollar terms, but by only 2% in rand terms because of a 5% weakening in the rand relative to the US dollar.

The operating margin of 3.8% was below our through-the-cycle guidance of 7% to 9%, and lower than the prior year margin of 8.9%.

The deterioration in the operating margin was largely attributable to:

- a material weakening in PET raw material margins;
- lower production volumes of all three polymers;
- a non-recurrence of R216 million insurance income recognised in the prior year related to business interruption and plant stoppages; and
- R63 million of costs associated with the five-year statutory shutdown of the PET plant.

In rand terms, HDPE raw material margins remained healthy and PP raw material margins were in line with the prior year. PET margins were materially weaker than the prior year and 10-year average.

During the year, management detected that a raw material supplier had incorrectly applied a contractual pricing formula for the period 1 February 2022 to 30 September 2023, which resulted in Safripol being overcharged by R183 million for raw material purchases. The error was immediately corrected and the overcharges recovered from the supplier. Since R163 million of this overcharge related to the period prior to 1 July 2023, the prior year has been restated to correct the impact of the error.

OPERATIONAL REVIEW (CONTINUED)

UNITRANS

Revenue
R9 689 million (FY23: R10 052 million)
▼4%

Operating profit
R508 million (FY23: R385 million)
▲32%

Unitrans delivered a much improved performance. Good progress was made with the restructuring of the division, which includes exiting low-margin, low-return activities, the disposal of underutilised assets, significant cost reductions, a refined business development approach, and more stringent capital allocation.

Revenue for the year was 4% lower. Although the economic environment was subdued and weighed on general activity levels, the reduction in revenue was mainly due to the intentional cessation of low-margin, low-return activities, including rail and certain general freight.

Operating profit improved by 32%. This represents a margin of 5.2%, which is above the prior year margin of 3.8%, but still below our long-term guidance of 8% to 10%. Cost savings of c. R100 million were realised, predominantly in the second half of the financial year.

Operating profit was, however, negatively impacted by foreign exchange losses of R52 million, compared with gains of R12 million in the prior year. This was a consequence of the Malawian government's devaluation of the Malawian kwacha in November 2023, which affected the agriculture operations. The division's other operations – food, petrochemical, passenger and mining – showed steady to improved performances.

As part of the rationalisation process, capital expenditure was restricted to essential items and the disposal of underutilised assets was accelerated. Fixed assets employed therefore reduced by R697 million compared with FY23 which, together with the increase in operating profit, resulted in improved returns for the division.

FELTEX

Revenue
R2 654 million (FY23: R2 338 million)
▲14%

Operating profit
R264 million (FY23: R226 million)
▲17%

Feltex delivered a good performance supported by an improvement in South African vehicle assembly volumes.

Revenue increased by 14%, largely due to increased sales volumes in the division's OEM business (which produces components for vehicle interiors, fitted during vehicle assembly) and price adjustments related to raw material cost escalations and contractual volume shortfalls. South African vehicle assembly volumes increased by 6% during the year. The division's aftermarket business (which produces components for vehicle exteriors, fitted after vehicle assembly) was, however, affected by a 3% and 12% decline in light commercial vehicle sales and sports utility vehicle sales, respectively.

The operating margin improved from 9.7% to 9.9%, just below our long-term guidance of 10% to 12%. Operating profit includes insurance income of R19 million (FY23: R80 million) related to business interruption following the KwaZulu-Natal floods in April 2022.

During the year, our fibre recycling business, Connacher, was transferred from Restonic to Feltex in order to support growth in the automotive sector, with Feltex already being a major client. The prior year's results have therefore been re-presented.

OPERATIONAL REVIEW (CONTINUED)

RESTONIC

BELIEVE IN THE POWER OF SLEEP

Revenue
R1 720 million (FY23: R1 590 million)
▲8%

Operating profit
R125 million (FY23: R66 million)
▲89%

Restonic's performance improved materially following the restructuring completed in the prior year.

Revenue increased by 8%, largely due to higher sales volumes, as a consequence of focused sales and marketing efforts, the introduction of new products, and price increases to recover cost escalations. The increased sales volumes were achieved against a backdrop of loadshedding in the first half of the financial year, and subdued domestic demand due to low consumer confidence ahead of the national elections in the second half of the year. Sales volumes were higher for: bedding units (5%), foam (10%) and textiles (9%). The increase in textile sales volumes was supported by higher intercompany sales.

Operating profit improved by 89% due to the higher sales volumes, product specification improvements, improved process efficiencies and cost savings. The operating margin of 7.3%, while much improved, remained below our long-term guidance of 13% to 15%. This continues to be a key focus of management.

As noted earlier, the division's prior year results have been re-presented to reflect the transfer of Connacher to Feltex.

optix

SAFELY HOME

Revenue
R595 million (FY23: R523 million)
▲14%

Operating profit
breakeven (FY23: loss of R7 million)

Optix delivered healthy growth of 15% in subscription volumes. Although up on the prior year, operating profit performance was disappointing, affected primarily by costs associated with product development and scaling the business in line with our strategic objectives, and an increase in the demand for rental units compared with hardware sales. The division's order book and sales pipeline remain positive.

OPERATIONAL REVIEW (CONTINUED)

OUTLOOK

Despite the challenging operating environment during the past year, our divisions have sustained or grown their market shares and positions, demonstrating their resilience and ability to operate in volatile and uncertain market conditions.

While we anticipate that the macroeconomic and sociopolitical environment may remain challenging, we are positive about the outlook for the group. We have strategies in place to grow market share and improve margins and returns through cost savings, operational efficiencies and asset optimisation. We are committed to execute on the following material items, which we believe provide compelling prospects for the group over the near to medium term:

- Value-realisation from our major capital projects
  We completed c. R2.5 billion of capital projects in the second half of the year. The largest of these is PG Bison's MDF project in Mkhondo, which resulted in a 33% increase in the division's total production capacity and offers meaningful growth opportunities over the medium term. The additional capacity will be used to grow the division's domestic and export market shares. We are targeting a four-year ramp-up of the MDF line.

  Our other two major projects, the Restonic and Feltex fibre recycling lines and Safripol's project to produce less single-use HDPE, support increased production of value-add products and reduced costs for these divisions.

- Further streamlining of Unitrans and repositioning the division for growth
  Good progress has been made with the restructuring of Unitrans:

  - fixed assets employed are R697 million lower compared with FY23;
  - loss-making activities of R107 million were closed in FY23; and
  - c. R100 million cost savings were delivered during the year.

  Our target to deliver a c. R300 million improvement in operating profit, relative to FY23, remains intact. We believe that the organisational redesign, which started during the second half of the financial year, will enhance the improvements and cost savings already delivered, to realise this target over the medium term. Business development activities are ongoing to pursue growth opportunities at attractive margins and returns, which we believe will deliver value from FY26.

- Increasing free cash flow and reducing net debt
  We are targeting a R1 billion reduction in net debt in FY25, enabled by:

  - lower capital expenditure (relative to FY24), as our major capital projects are completed;
  - cash flow contribution from our major capital projects from FY25; and
  - an expected improvement in Unitrans' performance.

While we are cautious about the outlook for Safripol, as industry expectations are for the polymers downcycle to persist until at least FY26/27, we continue to implement initiatives to navigate the downcycle, which includes optimising the procurement-to-sales cycle, tightly managing working capital and increasing value-add by selling more polymer grades used in durable applications. The diversified nature of revenue and cash flow generation in the group provides resilience during such industry and business cycles.

FINANCIAL REVIEW

RESTATEMENT

During October 2023, management detected that a raw material supplier had incorrectly applied a contractual pricing formula for the period 1 February 2022 to 30 September 2023. This resulted in Safripol being overcharged, with a resultant overstatement in raw material purchases amounting to R183 million, of which R163 million related to the period prior to 1 July 2023. The error was immediately corrected and the overcharges recovered from the supplier. The prior year has been restated to correct the impact of the error, effectively increasing the prior year's earnings. The impact of the restatement is disclosed in the notes to the summary consolidated financial statements.

INCOME STATEMENT

Revenue decreased by 2% to R29 062 million (FY23: R29 628 million).

Operating profit before depreciation, amortisation and capital items ('EBITDA') decreased by 8% to R3 694 million (FY23: R4 020 million).

Operating profit before capital items decreased by 11% to R2 250 million (FY23: R2 523 million) and the operating margin decreased to 7.7% (FY23: 8.5%).

The lower operating profit and margin were primarily due to a material decline in Safripol's performance, which was affected by a cyclical low in the global polymers sector due to increased capacity and weaker demand.

Divisional operating profit and margin percentages are reflected as follows:

Operating profit and margin %	Year ended 30 Jun 2024 Audited Rm	30 Jun 2024 margin %	Year ended 30 Jun 2023* Audited Restated Rm	30 Jun 2023 margin %	Operating profit change %	Margin change %
PG Bison	1 001	17.4	933	17.4	7	–
Safripol	352	3.8	920	8.9	(62)	(5.1)
Unitrans	508	5.2	385	3.8	32	1.4
Feltex	264	9.9	226	9.7	17	0.2
Restonic	125	7.3	66	4.2	89	3.1
Optix	–	–	(7)	(1.3)	100	1.3
	2 250	7.7	2 523	8.5	(11)	(0.8)

* *The comparatives have been re-presented. Refer to the Changes to segmental analysis section included in the selected explanatory notes for more detail.*

The operating profit includes R64 million (FY23: R343 million) insurance income, of which R19 million is related to the business interruption caused by the KwaZulu-Natal floods in April 2022, R25 million to the Mozambique floods in February 2023, and R15 million to the fires at PG Bison's northeastern Cape plantations in August 2023. In the prior year, insurance income of R178 million is related to the business interruption caused by the KwaZulu-Natal floods and R148 million to plant stoppages at Safripol Durban in January and February 2022. Safripol, Feltex and Unitrans recognised insurance income of R216 million, R80 million and R30 million respectively in relation to these events. An insurance claim pertaining to the major equipment failure at the Safripol Durban plant in September 2022 remains subject to insurance assessment, which is expected to be finalised in FY25.

Unitrans incurred foreign exchange losses of R52 million (FY23: R12 million gains), due mainly from the Malawian government's devaluation of the Malawian kwacha in November 2023.

Net finance costs, as reflected in the income statement, increased by 4% to R825 million (FY23: R794 million). Net finance costs including the impact of borrowing costs capitalised on the major expansion projects increased by 17% or R147 million. The increase is mainly due to increased interest rates, as gross debt levels remained fairly stable throughout the year. Borrowing costs capitalised for the year amount to R173 million compared with R57 million in the prior year.

Headline earnings per share ('HEPS') decreased by 4% to 45.3 cents (FY23: 47.3 cents).

Basic earnings per share ('EPS') increased by 106% to 43.8 cents (FY23: 21.3 cents), as the prior year included a R570 million non-cash impairment of intangibles, net of taxation, related to Unitrans.

FINANCIAL REVIEW (CONTINUED)

CAPITAL ITEMS

Capital items of R46 million (FY23: R816 million, mainly comprising of a R713 million impairment of trademarks and goodwill relating to Unitrans) are made up as follows:

	Year ended 30 Jun 2024		Year ended 30 Jun 2023	
Capital items	Gross Rm	Net* Rm	Gross Rm	Net* Rm
Impairments	16	13	813	641
Goodwill	–	–	51	51
Intangible assets	–	–	665	521
Property, plant and equipment	16	13	97	69
Loss on disposal of property, plant and equipment	42	30	48	35
Insurance income	(12)	(9)	(45)	(34)
	46	34	816	642

* *Net is the value after the impact of taxation.*

TAXATION

The effective tax rate of 15.0% (FY23: 37.0%) resulted from a section 12I tax allowance incentive of R790 million related to the PG Bison MDF project completed and brought into use during June 2024. In the prior year, the effective tax rate was elevated due to the impairments of R704 million (trademarks of R653 million and goodwill of R51 million) which were not tax deductible.

STATEMENT OF FINANCIAL POSITION

Net interest-bearing debt only increased by R299 million compared with the prior year despite an increase in expansion capital expenditure related to major capital projects and higher net working capital. The group remained within its financial covenants during the year.

The group's balance sheet remains resilient and should strengthen further following the completion of the major capital projects and an expected reduction in capital expenditure and net debt in FY25. The net asset value per share increased by 7% to 500 cents (FY23: 466 cents).

NET WORKING CAPITAL

Net working capital levels increased by R239 million compared with the prior year. Inventory and accounts receivable increased by R340 million and R82 million respectively, offset by an increase in accounts payable of R183 million.

Inventory increased mainly due to additional raw materials acquired to mitigate supply risk and an increase in engineering spares associated with the completion of the major capital projects. Increased focus has been placed on optimising net working capital, specifically through aligning production and inventory levels with domestic demand and exports, where commercially viable.

The R258 million insurance claims receivable at 30 June 2023 were collected during the year.

CASH FLOW

Cash generated from operations of R3 491 million (FY23: R3 889 million) is R398 million less than the prior year, comprising R339 million less cash generated from trading and R59 million more cash invested in net working capital.

The cash conversion ratio of EBITDA to cash flow from operations ended at 95%, above our internal target of greater than 90%.

Free cash outflow (before dividends paid) of R79 million is R387 million lower than the prior year, mainly due to R398 million less cash generated from operations and an increase of R208 million in net finance costs paid, offset by R160 million less taxation paid and a decreased spend of R41 million on investing activities.

Free cash flow (before dividends paid and expansion capital expenditure) of R1 680 million increased by R46 million compared with R1 634 million in the prior year.

The company did not pay dividends during the year (FY23: R717 million).

CAPITAL EXPENDITURE

Depreciation and amortisation (excluding right-of-use asset depreciation) for the year amounted to R1 309 million (FY23: R1 370 million), while replacement capital expenditure net of proceeds from disposal, insurance proceeds and government grants received amounted to R423 million (FY23: R871 million). Management disposed of underutilised vehicles and trailers or redeployed these internally to improve capital efficiency in Unitrans. Proceeds from asset disposal in Unitrans totalled R319 million (FY23: R296 million) and largely concludes the rationalisation of the Unitrans fleet.

Capital work-in-progress reduced from R2 509 million at 31 December 2023 to R343 million (FY23: R1 486 million) with the completion and capitalisation of major capital projects. In the current year, major expansion and replacement projects of R2 541 million and renewable energy projects of R160 million were completed. While these projects did not generate income for most of the year, they did accumulate interest. Management therefore carefully monitored the group's capital expenditure to control debt levels, interest costs and financial covenants. As these projects are now commissioned, they are expected to contribute towards increasing future earnings and reducing net debt levels.

Expansion capital expenditure of R1 759 million (FY23: R1 326 million), net of government grants received, was invested in the group's asset base to drive growth and efficiency benefits.

REFINANCING ACTIVITIES

During the year, a new revolving credit facility of R3 billion was raised to refinance a combination of the previous revolving credit facility, term debt and bonds. The facility comprises R2 billion in three-year

FINANCIAL REVIEW (CONTINUED)

and R1 billion in five-year tenures, both at lower interest rates than existing facilities, and with favourable covenants. This facility provided refinancing certainty during a period of earnings volatility, specifically related to Safripol, in the context of an uncertain local and global macroeconomic environment and the completion of our major capital projects. The R1 billion unutilised portion at 30 June 2024 was utilised after year-end (July 2024) to refinance maturing bonds.

A key risk mitigation of the new facility is a covenant ratchet in respect of the interest cover ratio for the next three financial years. The previous interest cover covenant required greater than 3.5 times. The new facility provides for greater than 3.0 times at 30 June 2024, greater than 3.25 times at 30 June 2025 and greater than 3.5 times at 30 June 2026. The net debt to EBITDA ratio reduced to less than 3.0 times (previously less than 3.2 times). This revolving credit facility replaces the previous R750 million revolving credit facility.

In addition, during the year, bonds and term debt to the value of R1 852 million were settled and new funding of R500 million was raised through a bond issuance with a maturity of three years, at more favourable interest rates.

CAPITAL STRUCTURE

Net interest-bearing debt of R8 326 million increased by R299 million compared with the prior year, while the net interest-bearing debt to equity (gearing) ratio decreased to 67% from 70% in the prior year.

Debt serviceability ratios for the year of net debt to EBITDA at 2.3 times and EBITDA to interest cover at 3.7 times remained within our financial covenants of less than 3.0 times and greater than 3.0 times respectively. The net debt to EBITDA ratio is below our internal target of 2.5 times; however, the EBITDA to interest cover is less than our internal target of 4.5 times. As noted above, with the major capital projects now complete, management plans to reduce debt from FY25. This debt reduction will only materialise from 2H25, due to an expected normal seasonal increase in net working capital in the first half of the financial year.

Global Credit Rating Co. Proprietary Limited reviewed KAP's credit rating in November 2023, and confirmed its rating as A+(za), but revised the outlook from stable to negative.

The debt structure, movement in net interest-bearing debt and financial covenant ratios are reflected as follows:

Debt structure and capacity ratios	30 Jun 2024 Audited Rm	30 Jun 2023 Audited Restated Rm
Loans and borrowings non-current	6 710	6 849
Loans and borrowings current	2 710	2 247
Lease liabilities non-current	273	323
Lease liabilities current	82	126
Non-interest-bearing loans and borrowings	(51)	(65)
Cash and cash equivalents	(1 398)	(1 453)
Net interest-bearing debt	8 326	8 027
Movement in net interest-bearing debt		
Balance at the beginning of the year excluding lease liabilities	7 578	6 981
Net interest-bearing loans and borrowings received	364	309
(Decrease)/increase in accrued interest on loans and borrowings	(17)	43
Net (increase)/decrease in cash and cash equivalents	(16)	276
Net acquisition of subsidiaries	(9)	6
Effects of exchange rate translations on cash and cash equivalents	71	(37)
Net interest-bearing debt excluding lease liabilities	7 971	7 578
Lease liabilities	355	449
Net interest-bearing debt	8 326	8 027
EBITDA[1]	3 694	4 020
Net finance costs including capitalised borrowing costs	998	851
EBITDA: interest cover (times) > 3.0[2, 3]	3.7	4.7
Net debt: EBITDA (times) < 3.0[3]	2.3	2.0
Gearing %	67	70

[1] *Operating profit before depreciation, amortisation and capital items.*

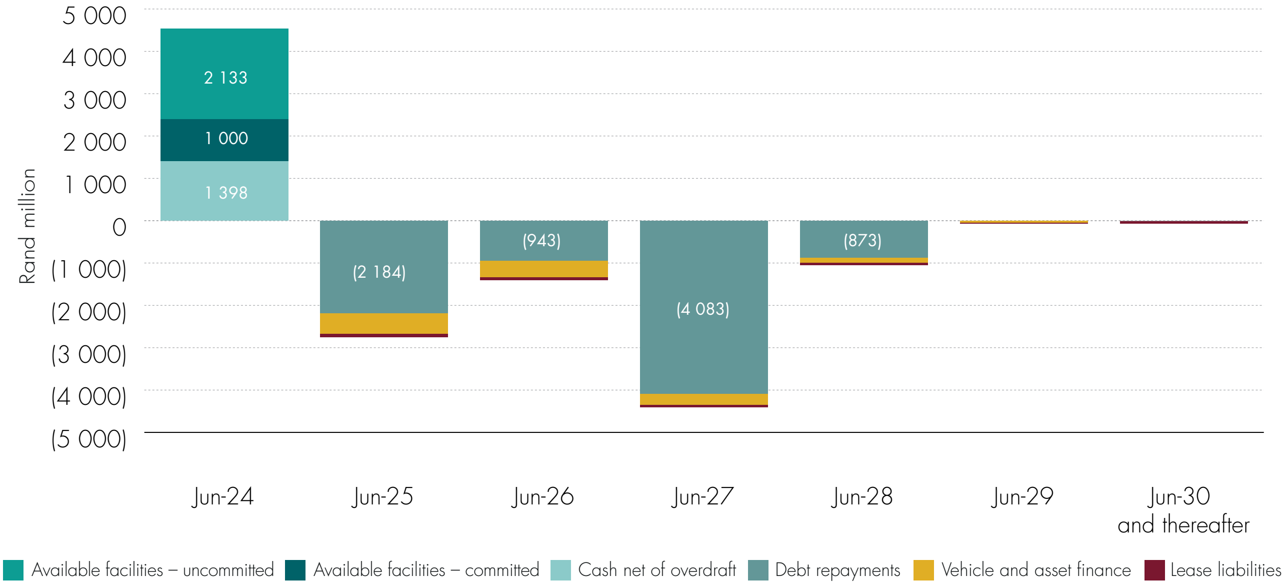
[2] *EBITDA: interest cover covenant requirement increases:*
2025: 3.25
2026: 3.50

[3] *Financial covenant triggers.*

FINANCIAL REVIEW (CONTINUED)

The debt maturity profile, as reflected below, is healthy and within the serviceable capacity of the group:

Maturity of net interest-bearing debt as at 30 June 2024



DIVIDEND

KAP completed a number of major capital projects during the year, which have extended over several years. The board is confident that these investments will be value-accretive to shareholders over the medium to long term. However, they have resulted in increased net debt levels in the short term. Considering KAP's debt levels within the context of the subdued and uncertain macroeconomic environment, and elevated interest rates, the board believes it prudent to focus on debt reduction. A dividend was therefore not declared for the 2024 financial year.

APPRECIATION

We deeply value the active participation of all our key stakeholders in navigating the enduring complexities in our business environment and for their patience through the extended capital expenditure cycle of recent years. We express our sincere gratitude to all those who support us in delivering on our strategy of providing value-accretive growth for our stakeholders through building a portfolio of market-leading businesses.

On behalf of the board

Patrick Quarmby
Independent non-executive chairperson

Gary Chaplin
Chief executive officer

Frans Olivier
Chief financial officer

29 August 2024

SUMMARISED CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended 30 Jun 2024 Audited Rm	Year ended 30 Jun 2023 Audited Restated* Rm	% change
Revenue	1	29 062	29 628	(2)
Cost of revenue		(23 921)	(24 546)	
Gross profit		5 141	5 082	1
Operating profit before depreciation, amortisation and capital items		3 694	4 020	(8)
Depreciation and amortisation		(1 444)	(1 497)	
Operating profit before capital items		2 250	2 523	(11)
Capital items	2	(46)	(816)	
Operating profit		2 204	1 707	29
Finance costs		(901)	(833)	
Finance income		76	39	
Share of profit of associate and joint venture companies		38	39	
Profit before taxation		1 417	952	49
Taxation		(213)	(352)	
Profit for the year		1 204	600	101
Profit attributable to:				
Owners of the parent		1 090	528	106
Non-controlling interests		114	72	
Profit for the year		1 204	600	101
Other comprehensive (loss)/income				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations		(191)	230	
Total other comprehensive (loss)/income for the year, net of taxation		(191)	230	
Total comprehensive income for the year, net of taxation		1 013	830	22
Total comprehensive income attributable to:				
Owners of the parent		901	753	
Non-controlling interests		112	77	
Profit for the year		114	72	
Foreign currency translation reserve transferred to non-controlling interests		(2)	5	
Total comprehensive income for the year		1 013	830	22

Earnings per share attributable to owners of the parent	3	Cents	Cents	% change
Basic earnings		43.8	21.3	106
Diluted earnings		43.2	20.9	107

* Refer to note 9 for details on the restatement.

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 Jun 2024 Audited Rm	30 Jun 2023 Audited Restated* Rm
Assets		
Non-current assets		
Goodwill	659	662
Intangible assets	1 790	1 728
Property, plant and equipment	16 043	15 094
Right-of-use assets	300	390
Consumable biological assets	1 586	1 536
Investments in associate and joint venture companies	250	237
Investments and loans receivable	4	16
Deferred taxation assets	81	89
Derivative financial instruments	58	57
	20 771	19 809
Current assets		
Inventories	3 807	3 467
Trade and other receivables	4 996	4 814
Derivative financial instruments	10	111
Loans receivable	23	13
Taxation receivable	93	50
Cash and cash equivalents	1 398	1 453
	10 327	9 908
Assets held for sale	–	53
	10 327	9 961
Total assets	31 098	29 770
Equity and liabilities		
Capital and reserves		
Total equity attributable to owners of the parent	12 475	11 542
Non-controlling interests	300	277
Total equity	12 775	11 819
Non-current liabilities		
Loans and borrowings	6 710	6 849
Lease liabilities	273	323
Employee benefits	39	20
Provisions	2	2
Deferred taxation liabilities	2 511	2 533
Derivative financial instruments	–	8
	9 535	9 735
Current liabilities		
Loans and borrowings	2 710	2 247
Lease liabilities	82	126
Employee benefits	415	430
Provisions	38	41
Trade and other payables	5 458	5 224
Derivative financial instruments	36	80
Taxation payable	49	68
	8 788	8 216
Total equity and liabilities	31 098	29 770

* *Refer to note 9 for details on the restatement.*

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Year ended 30 Jun 2024 Audited Rm	Year ended 30 Jun 2023 Audited Restated* Rm
Balance at beginning of the year	11 819	11 750
Changes in reserves		
Total comprehensive income for the year attributable to owners of the parent	901	753
Ordinary dividends paid	–	(717)
Share-based payments	25	(15)
Other movements	7	(10)
Changes in non-controlling interests		
Total comprehensive income for the year attributable to non-controlling interests	112	77
Ordinary dividends paid	(79)	(34)
Shares issued to non-controlling interests	–	15
Shares purchased from non-controlling interests	(10)	–
Balance at end of the year	12 775	11 819
Comprising:		
Stated share capital	7 896	7 896
Distributable reserves	7 741	6 656
Share-based payment reserve	629	604
Reverse acquisition reserve	(3 952)	(3 952)
Other reserves	161	338
Non-controlling interests	300	277
	12 775	11 819

Refer to note 9 for details on the restatement.

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 30 Jun 2024 Audited Rm	Year ended 30 Jun 2023 Audited Restated* Rm
Operating profit	2 204	1 707
Adjusted for:		
Capital items	46	816
Depreciation and amortisation	1 444	1 497
Net fair value adjustments of consumable biological assets[(1)]	(49)	(24)
Other non-cash adjustments	49	37
Cash generated before working capital changes	3 694	4 033
Increase in inventories	(333)	(37)
Increase in trade and other receivables	(134)	(3)
Increase/(decrease) in trade and other payables	264	(104)
Changes in working capital	(203)	(144)
Cash generated from operations	3 491	3 889
Dividends received	10	10
Finance income received	76	39
Finance costs paid	(1 092)	(847)
Dividends paid	(79)	(751)
Taxation paid	(307)	(467)
Other	–	(18)
Net cash inflow from operating activities	2 099	1 855
Additions to property, plant and equipment[(2)]	(2 182)	(2 197)
Additions to intangible assets	(19)	(19)
Additions to consumable biological assets	(1)	(21)
Acquisition of subsidiaries and businesses, net of cash acquired	(77)	(37)
Other investing activities	22	(24)
Net cash outflow from investing activities	(2 257)	(2 298)
Net cash outflow from operating and investing activities	(158)	(443)
Transactions with non-controlling interests	(19)	(22)
Loans and borrowings received	3 547	2 612
Loans and borrowings repaid	(3 183)	(2 303)
Lease liabilities capital repayments	(138)	(120)
Other	(33)	–
Net cash inflow from financing activities	174	167
Net increase/(decrease) in cash and cash equivalents	16	(276)
Cash and cash equivalents at beginning of year	1 453	1 692
Effects of exchange rate translations on net cash and cash equivalents	(71)	37
Cash and cash equivalents at end of the year	1 398	1 453

* *Refer to note 9 for details on the restatement.*

[(1)] Includes fair value gains and decrease due to harvesting and sale of livestock.
[(2)] Net of proceeds from disposal of property, plant and equipment, insurance proceeds and government grants received.

SEGMENTAL ANALYSIS

	Note	Year ended 30 Jun 2024 Audited Rm	Year ended 30 Jun 2023* Audited Rm	% change
Revenue				
PG Bison		**5 758**	5 349	8
Safripol		**9 312**	10 310	(10)
Unitrans		**9 689**	10 052	(4)
Feltex		**2 654**	2 338	14
Restonic		**1 720**	1 590	8
Optix		**595**	523	14
		29 728	30 162	(1)
Intersegmental eliminations		**(666)**	(534)	
	1	**29 062**	29 628	(2)

	Year ended 30 Jun 2024 Audited Rm	Year ended 30 Jun 2023* Audited Restated Rm	% change
Operating profit before depreciation, amortisation and capital items			
PG Bison	**1 220**	1 139	7
Safripol	**527**	1 099	(52)
Unitrans	**1 344**	1 294	4
Feltex	**374**	325	15
Restonic	**180**	121	49
Optix	**42**	35	20
Corporate, consolidation and eliminations	**7**	7	–
	3 694	4 020	(8)
Operating profit before capital items			
PG Bison	**1 001**	933	7
Safripol	**352**	920	(62)
Unitrans	**508**	385	32
Feltex	**264**	226	17
Restonic	**125**	66	89
Optix	**–**	(7)	100
	2 250	2 523	(11)

* *The comparatives have been re-presented. Refer to the Changes to segmental analysis section included in the selected explanatory notes for more detail.*

SEGMENTAL ANALYSIS (CONTINUED)

	Notes	30 Jun 2024 Audited Rm	30 Jun 2023* Audited Restated Rm	% change
Operating assets				
PG Bison		9 922	8 261	20
Safripol		7 410	7 278	2
Unitrans		7 379	7 775	(5)
Feltex		2 036	2 000	2
Restonic		1 736	1 749	(1)
Optix		857	813	5
Corporate, consolidation and eliminations		(91)	(17)	
	5	29 249	27 859	5
Operating liabilities				
PG Bison		1 417	1 124	26
Safripol		2 173	2 174	–
Unitrans		1 338	1 372	(2)
Feltex		478	560	(15)
Restonic		272	229	19
Optix		84	104	(19)
Corporate, consolidation and eliminations		226	242	
	6	5 988	5 805	3
Net operating assets/(liabilities)[1]				
PG Bison		8 505	7 137	19
Safripol		5 237	5 104	3
Unitrans		6 041	6 403	(6)
Feltex		1 558	1 440	8
Restonic		1 464	1 520	(4)
Optix		773	709	9
Corporate, consolidation and eliminations		(317)	(259)	
		23 261	22 054	5
Net working capital				
PG Bison		944	970	(3)
Safripol		1 103	1 076	3
Unitrans		709	427	66
Feltex		200	189	6
Restonic		136	158	(14)
Optix		127	99	28
Corporate, consolidation and eliminations		(336)	(275)	
	7	2 883	2 644	9

** The comparatives have been re-presented. Refer to the Changes to segmental analysis section included in the selected explanatory notes for more detail.*
[1] Net operating assets/(liabilities) comprise operating assets less operating liabilities.

SEGMENTAL ANALYSIS (CONTINUED)

	Year ended 30 Jun 2024 Audited Rm	Year ended 30 Jun 2023* Audited Rm
Replacement capital expenditure[(2)]		
PG Bison	63	98
Safripol	179	271
Unitrans[(3)]	81	386
Feltex	105	90
Restonic	(5)	16
Optix	–	10
	423	871
Expansion capital expenditure[(4)]		
PG Bison	1 374	733
Safripol	100	61
Unitrans	172	224
Feltex	5	85
Restonic	22	178
Optix	86	44
Corporate, consolidation and eliminations	–	1
	1 759	1 326
Total capital expenditure[(2)]		
PG Bison	1 437	831
Safripol	279	332
Unitrans[(3)]	253	610
Feltex	110	175
Restonic	17	194
Optix	86	54
Corporate, consolidation and eliminations	–	1
	2 182	2 197

** The comparatives have been re-presented. Refer to the Changes to segmental analysis section included in the selected explanatory notes for more detail.*
(2) Net of proceeds from disposal of property, plant and equipment, insurance proceeds and government grants received.
(3) Unitrans proceeds from disposal of assets totalled R319 million (2023: R296 million) mainly due to the disposal of underutilised vehicles and trailers.
(4) Net of government grants received.

SELECTED EXPLANATORY NOTES

	Goods Rm	Services Rm	Rentals Rm	Total Rm
Note 1: Revenue				
Year ended 30 June 2024				
Audited				
PG Bison	6 445	–	–	6 445
Safripol	9 400	–	–	9 400
Unitrans	147	9 543	–	9 690
Feltex	2 657	–	–	2 657
Restonic	1 926	–	–	1 926
Optix	131	396	–	527
Gross revenue	20 706	9 939	–	30 645
Variable consideration	(984)	(1)	–	(985)
Intergroup eliminations	(139)	(519)	–	(658)
Revenue from contracts with customers	19 583	9 419	–	29 002
Optix	–	–	68	68
Intergroup eliminations	–	–	(8)	(8)
	19 583	9 419	60	29 062
Year ended 30 June 2023*				
Audited				
PG Bison	6 010	–	–	6 010
Safripol	10 431	–	–	10 431
Unitrans	66	9 986	–	10 052
Feltex	2 340	–	–	2 340
Restonic	1 764	–	–	1 764
Optix	132	322	–	454
Gross revenue	20 743	10 308	–	31 051
Variable consideration	(958)	–	–	(958)
Intergroup eliminations	(52)	(476)	–	(528)
Revenue from contracts with customers	19 733	9 832	–	29 565
Optix	–	–	69	69
Intergroup eliminations	–	–	(6)	(6)
	19 733	9 832	63	29 628

* *The comparatives have been re-presented. Refer to the Changes to segmental analysis section included in the selected explanatory notes for more detail.*

	Year ended 30 Jun 2024 Audited Rm	Year ended 30 Jun 2023 Audited Rm
Geographical distribution		
South Africa	24 432	24 290
Rest of Africa	3 722	3 886
Australasia	338	227
Americas	322	599
Europe	156	254
Middle East	91	370
Asia	1	2
	29 062	29 628

SELECTED EXPLANATORY NOTES (CONTINUED)

	Year ended 30 Jun 2024 Audited Rm	Year ended 30 Jun 2023 Audited Rm
Note 2: Capital items		
Loss on disposal of property, plant and equipment	(42)	(48)
Impairments[1]	(16)	(813)
Insurance income	12	45
	(46)	(816)

[1]*Impairments of goodwill, intangible assets and property, plant and equipment.*

	Note	Year ended 30 Jun 2024 Audited Cents	Year ended 30 Jun 2023 Audited Restated Cents
Note 3: Earnings			
Basic earnings per share		43.8	21.3
Diluted earnings per share		43.2	20.9
Headline earnings per share		45.3	47.3
Diluted headline earnings per share		44.6	46.4
Net asset value per share		500	466
		Rm	Rm
Headline earnings attributable to owners of the parent			
Basic and diluted earnings attributable to owners of the parent		1 090	528
Adjusted for:			
Capital items	2	46	816
Taxation effects of capital items		(12)	(174)
Non-controlling interests' portion of capital items, net of taxation		1	–
		1 125	1 170

	Year ended 30 Jun 2024 Audited Million	Year ended 30 Jun 2023 Audited Million
Weighted average number of ordinary shares		
Issued ordinary shares at beginning of the year	2 477	2 472
Effect of shares issued	9	3
Weighted average number of ordinary shares	2 486	2 475
Potential dilutive effect of share rights granted	35	44
Diluted weighted average number of ordinary shares	2 521	2 519
Number of ordinary shares in issue	2 494	2 477

	Fair value hierarchy	Fair value as at 30 Jun 2024 Audited Rm	Fair value as at 30 Jun 2023 Audited Rm
Note 4: Fair values of financial instruments			
Derivative financial assets	Level 2	68	168
Derivative financial liabilities	Level 2	(36)	(88)

There were no Level 1 or Level 3 financial assets or financial liabilities for 30 June 2024 and 30 June 2023.

In November 2022, the company entered into an equity derivative transaction for a total amount of R117 million to hedge the cash impact of a long-term incentive scheme. The hedging instrument's forward dates are 2 November 2026, 1 November 2027 and 31 October 2028, which closely coincide with the vesting dates of the long-term incentive scheme.

Level 2 financial instruments consist of derivative financial instruments that are valued using techniques where all the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data. These inputs include foreign exchange rates and quoted share prices.

The carrying amount for all financial instruments approximates the fair value, with the exception of loans and borrowings where the fair value at 30 June 2024 is R9 475 million (30 June 2023: R9 165 million).

SELECTED EXPLANATORY NOTES (CONTINUED)

	30 Jun 2024 Audited Rm	30 Jun 2023 Audited Restated Rm
Note 5: Operating assets		
Goodwill	659	662
Intangible assets	1 790	1 728
Property, plant and equipment	16 043	15 094
Right-of-use assets	300	390
Consumable biological assets	1 586	1 536
Inventories	3 807	3 467
Trade and other receivables	4 996	4 814
Derivative financial instruments	68	168
	29 249	27 859
Note 6: Operating liabilities		
Employee benefits	454	450
Provisions	40	43
Trade and other payables	5 458	5 224
Derivative financial instruments	36	88
	5 988	5 805
Note 7: Net working capital		
Inventories	3 807	3 467
Trade and other receivables	4 996	4 814
Employee benefits	(454)	(450)
Provisions	(40)	(43)
Trade and other payables	(5 458)	(5 224)
Net derivative financial instruments	32	80
	2 883	2 644
Note 8: Capital commitments		
Capital expenditure		
Contracts for capital expenditure authorised	134	1 001

Capital expenditure will be financed from cash flow from operating activities and existing borrowing facilities.

SELECTED EXPLANATORY NOTES (CONTINUED)

Note 9: Restatement of prior year error

During October 2023, management detected that a major supplier had incorrectly invoiced Safripol Proprietary Limited, a subsidiary of the company, for the period 1 February 2022 to 30 September 2023. This resulted in Safripol being overcharged, with a resultant overstatement in raw material purchases amounting to R183 million, of which R163 million related to the period prior to 1 July 2023. The error was immediately corrected, and the overcharges recovered from the supplier. The prior year has been restated to correct the impact of the error as follows:

	As reported for the year ended 30 Jun 2023 Rm	Restatement Rm	As restated for the year ended 30 Jun 2023 Rm
Income statement and statement of comprehensive income			
Cost of sales	(24 702)	156	**(24 546)**
Gross profit	4 926	156	**5 082**
Operating profit before depreciation, amortisation and capital items	3 864	156	**4 020**
Operating profit before capital items	2 367	156	**2 523**
Operating profit	1 551	156	**1 707**
Profit before taxation	796	156	**952**
Taxation	(310)	(42)	**(352)**
Profit for the year	486	114	**600**
Total comprehensive income for the year, net of taxation	716	114	**830**
Statement of financial position			
Inventories	3 474	(7)	**3 467**
Total current assets before assets held for sale	9 915	(7)	**9 908**
Total current assets	9 968	(7)	**9 961**
Total assets	29 777	(7)	**29 770**
Total equity attributable to owners of the parent	11 428	114	**11 542**
Total equity	11 705	114	**11 819**
Trade and other payables	5 387	(163)	**5 224**
Taxation payable	26	42	**68**
Total current liabilities	8 337	(121)	**8 216**
Total equity and liabilities	29 777	(7)	**29 770**
Statement of cash flows			
Operating profit	1 551	156	**1 707**
Cash generated before working capital changes	3 877	156	**4 033**
Working capital changes			
Increase in inventories	(44)	7	**(37)**
(Decrease)/increase in trade and other payables	59	(163)	**(104)**
Changes in working capital	12	(156)	**(144)**
Cash generated from operations	3 889	–	**3 889**

	Cents	Cents	Cents
Earnings			
Basic earnings per share	16.7	4.6	**21.3**
Diluted earnings per share	16.4	4.5	**20.9**
Headline earnings per share	42.7	4.6	**47.3**
Diluted headline earnings per share	41.9	4.5	**46.4**
Net asset value per share	461	5	**466**

SELECTED EXPLANATORY NOTES (CONTINUED)

STATEMENT OF COMPLIANCE

The summary consolidated financial statements have been prepared and presented in accordance with the framework concepts and the measurement and recognition requirements of IFRS® Accounting Standards as issued by the International Accounting Standards Board ('IFRS Accounting Standards'), the SAICA *Financial Reporting Guides* as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Limited ('JSE') Listings Requirements, as a minimum the information as required by IAS 34 – *Interim Financial Reporting* and the requirements of the Companies Act, No. 71 of 2008 of South Africa. The summary consolidated financial statements have been prepared using accounting policies that comply with IFRS Accounting Standards, which are consistent with those applied in the consolidated financial statements for the year ended 30 June 2023.

BASIS OF PREPARATION

The summary consolidated financial statements are prepared in millions of South African rand (Rm) on the historical cost basis, except for certain assets and liabilities, which are carried at amortised cost, and derivative financial instruments and consumable biological assets, which are stated at their fair values. The preparation of the consolidated financial statements and summary consolidated financial statements for the year ended 30 June 2024 was supervised by Frans Olivier CA(SA), the group's chief financial officer.

CHANGES TO SEGMENTAL ANALYSIS

The segmental analysis has been adjusted to disclose the results of the group's six operating segments which give information to investors and stakeholders regarding the financial results and financial position of the operating segments that are used by the group's chief operating decision-makers. This is a result of the consolidation of Unitrans, previously disclosed in three divisions (Unitrans South Africa, Unitrans Africa and Unitrans Passenger), into a single business, with a single strategy and management structure, which commenced during FY23.

During the year, the fibre recycling business, Connacher, was transferred from the Restonic to the Feltex segment as the bulk of its products is utilised in the automotive sector, with Feltex already being a major client. The comparative information has been re-presented.

ACCOUNTING POLICIES

The accounting policies and methods of computation of the group have been consistently applied to periods presented in the summary consolidated financial statements and are in accordance with IFRS Accounting Standards.

During the current year, the group has adopted all the new and revised standards issued by the International Accounting Standards Board that are relevant to its operations and effective for annual reporting periods beginning on 1 July 2023. The adoption thereof did not have a material impact on the summary consolidated financial statements.

FINANCIAL STATEMENTS

The consolidated financial statements for the year, which have been audited by KPMG Inc., and their accompanying unmodified audit report, which includes their key audit matters, are available on the company's website at www.kap.co.za. Information included under the headings Outlook and Operational review and any reference to future financial information included in the summary consolidated financial information, has not been audited or reviewed. The auditor's report does not necessarily report on all the information contained in this announcement. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of both the auditor's report and the accompanying financial information (www.kap.co.za). The results were approved by the board of directors on 29 August 2024.

The annual general meeting ('AGM') of KAP shareholders has been scheduled to take place on Friday, 29 November 2024 at 15:00 in Stellenbosch.

The notice for the AGM will be published on SENS and dispatched to shareholders in due course.

BUSINESS COMBINATIONS

Effective 1 March 2024, the group acquired 100% of the shares of Imvusa Interior Trim Proprietary Limited for R86 million. This resulted in intangible assets of R54 million, net of deferred taxation, being recognised.

EVENTS AFTER REPORTING DATE

The directors are not aware of any other significant events after the reporting date that will have a material effect on the group's results or financial position as presented in these summary consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of KAP Limited

Opinion

The summary consolidated financial statements of KAP Limited, which comprise the summarised consolidated statement of financial position as at 30 June 2024, summarised consolidated income statement and statement of comprehensive income, summarised consolidated statement of changes in equity and summarised consolidated statement of cash flows for the year then ended, segmental analysis and related notes, are derived from the audited consolidated financial statements of KAP Limited ('the group') for the year ended 30 June 2024.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of KAP Limited, in accordance with the basis described in the statement of compliance and the basis of preparation paragraphs to the summary consolidated financial statements.

Summary consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required by IFRS Accounting Standards as issued by the International Accounting Standards Board ('IFRS Accounting Standards'). Reading the summary consolidated financial statements and our report thereon, therefore is not a substitute for reading the audited consolidated financial statements and our report thereon.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 29 August 2024. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current period.

SELECTED EXPLANATORY NOTES (CONTINUED)

Directors' responsibility for the summary consolidated financial statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the basis described in the statement of compliance and the basis of preparation paragraphs to the summary consolidated financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

KPMG Inc.

KPMG Inc.
Registered auditor
Per IM Engels
Chartered accountant (SA)
Registered auditor
Director
29 August 2024

The Halyard
4 Christiaan Barnard Street
Foreshore
Cape Town
8001

CHANGES TO THE BOARD, BOARD COMMITTEES AND KEY PORTFOLIOS

At conclusion of the company's AGM , which was held on 21 November 2023, KJ (Jo) Grové retired and stepped down from his position as lead independent non-executive director on the KAP board of directors ('board'). JA Holtzhausen was appointed as lead independent non-executive director in Jo's stead on 18 December 2023.

V McMenamin stepped down as a member of the sustainability, social and ethics and the human capital and remuneration committees, effective 1 September 2023, but retained her position as an independent non-executive director on the board.

TC Esau-Isaacs stepped down as a member of the investment committee, effective 18 December 2023.

AFB Mthembu was appointed as an independent non-executive director to the board on 15 January 2024. He also serves as a member of the human capital and remuneration and the investment committees.

SN Maseko was appointed as an independent non-executive director to the board on 15 March 2024. He also serves as a member of the sustainability, social and ethics and the investment committees.

CORPORATE INFORMATION

KAP Limited ('KAP' or 'the company')

Independent non-executive directors: PK Quarmby (Chairperson), JA Holtzhausen (Lead), TC Esau-Isaacs, Z Fuphe, KT Hopkins, SN Maseko, V McMenamin, AFB Mthembu, SH Müller

Executive directors: GN Chaplin (Chief executive officer), FH Olivier (Chief financial officer), SP Lunga

Registration number: 1978/000181/06

Share code: KAP

ISIN: ZAE000171963

LEI code: 3789001F51BC0045FD42

Registered address: 3rd Floor, Building 2, The Views, Founders Hill Office Park, 18 Centenary Street, Modderfontein, Johannesburg 1645

Postal address: PO Box 2766, Edenvale 1610

Telephone: 010 005 3000

Facsimile: 010 005 3050

E-mail: investors@kap.co.za

Transfer secretary: Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196

Company secretary: KAP Secretarial Services Proprietary Limited

External auditor: KPMG Inc.

Equity and debt sponsor: PSG Capital Proprietary Limited

Announcement date: 30 August 2024

WWW.KAP.CO.ZA