UNAUDITED RESULTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

kap

BEING THE CHANGE

SALIENT FEATURES

Revenue
▼**3%** to **R14.9 billion**
(1H25: R15.4 billion)

EBITDA
▲**5%** to **R2.0 billion**
(1H25: R1.9 billion)

Operating profit before capital items
▲**10%** to **R1.3 billion**
(1H25: R1.2 billion)

EPS
▲**28%** to **20.8 cents**
(1H25: 16.2 cents)

HEPS
▲**32%** to **22.7 cents**
(1H25: 17.2 cents)

Net working capital
▲**6%** to **R4.4 billion**
(1H25: R4.2 billion)

Cash generated from operations
▲**39%** to **R899 million**
(1H25: R649 million)

Net debt
▼**8%** to **R8.5 billion**
(1H25: R9.3 billion)

OVERVIEW

The South African operating environment remained challenging during the period ('1H26'), characterised by subdued consumer demand, global oversupply of certain products, continued competitive pressures, rising trade barriers and heightened geopolitical uncertainty.

The group's 1H26 results should be assessed in the context of the prior period ('1H25'). During 1H25, performance was negatively affected by the following factors:

- increased operating costs related to the ramp-up of PG Bison's new medium-density fibreboard ('MDF') line, the largest of the group's major capital projects completed during the year ended 30 June 2024; and
- lower domestic new vehicle assembly volumes by mainly two major original equipment manufacturers ('OEMs'), which resulted in a weaker performance by Feltex.

As management expected, the financial effects of these factors have since eased. While revenue declined by 3%, mainly because of the negative impact of the cyclical low in the global polymers sector on Safripol, the group's performance improved, largely attributable to the following factors:

- increased panel production and sales volumes, including full utilisation of the new MDF line;
- higher domestic new vehicle assembly volumes, which supported an improved performance by Feltex; and
- lower net finance costs.

EBITDA improved by 5%, operating profit before capital items increased by 10% and HEPS grew by 32%. A much weaker result from mainly Safripol detracted from the group's performance for 1H26.

Cash generated from operations improved by 39%, supported by the higher EBITDA. Net debt declined by R752 million compared with 1H25, owing to the higher cash generated from operations, lower net finance costs, reduced capital expenditure and proceeds from the disposal of underperforming operations. Compared with FY25, net debt is R409 million higher due to seasonality, resulting in increased working capital absorption in the first half of the financial year.

The group demonstrated disciplined and focused execution during the period and made good progress against the following three key objectives to improve returns and deliver earnings growth over the medium term, as discussed in the outlook:

- realising the value of our major capital projects;
- addressing areas of underperformance, mainly related to Unitrans and Optix; and
- reducing net debt.

DIVISIONAL OPERATIONAL PERFORMANCE

PG BISON

Key financial metrics	1H26	1H25	% change
Revenue (Rm)	**3 591**	3 040	18
Operating profit (Rm)	**545**	413	32
Operating margin (%)	**15.2**	13.6	1.6
ROCE (%)[1]	**9.3**	9.6	(0.3)

[1] *Rolling 12 months*

Demand for the division's products in both primary (South Africa and neighbouring African markets) and deep-sea export markets was generally good.

Sales volumes increased by 20%, with sales volumes to primary and deep-sea export markets higher by 14% and 43%, respectively. The growth was supported by increased production, demand-creation and customer-enablement activities, and the development of new export markets. Deep-sea exports made up 16% (1H25: 12%) of sales volumes, owing to increased MDF exports, and enabled the division to operate its plants at capacity to extract optimal operational efficiencies. Upgraded ('value-add') sales volumes increased by 10% and comprised 58% of the division's sales volumes (1H25: 64%). All upgrading presses were fully utilised during 1H26.

Revenue increased by 18% and operating profit by 32%, largely due to the higher production and sales volumes, as well as operational efficiencies achieved. Revenue and operating profit for both the particleboard and MDF operations improved. The division's 1H25 performance was constrained by the ramp-up phase of the new MDF line.

The division is committed to delivering growth in market share and improved margins over time, supported by increased sales capacity, continued demand-creation and customer-enablement activities, additional upgrading capacity and a reduction in deep-sea exports in favour of primary markets. The division will install an additional upgrading press during 2H27 at the Mkhondo site.

SAFRIPOL

shaping your world, responsibly

Key financial metrics	1H26	1H25	% change
Revenue (Rm)	**4 277**	5 213	(18)
Operating profit (Rm)	**169**	282	(40)
Operating margin (%)	**4.0**	5.4	(1.4)
ROCE (%)[1]	**7.4**	8.4	(1.0)

[1] *Rolling 12 months*

The global polymers industry continued to experience a cyclical low due to global overcapacity, with both polymer demand and pricing subdued. Demand for the division's polymers – high-density polyethylene ('HDPE'), polypropylene ('PP') and polyethylene terephthalate ('PET') – was generally subdued due to the prevailing economic environment, with demand for PET further affected by imports.

Production volumes decreased by 12% mainly due to a five-week commercial shutdown at the PET plant in Durban during the first quarter of FY26 to draw down elevated inventory levels and balance production with demand. Sales volumes decreased by 7%, mostly attributable to a 15% reduction in PET sales volumes resulting from a significant increase in imports, mainly from China, priced materially below prevailing market prices. The division's domestic sales volumes were 5% lower, while export sales volumes, which were pursued to supplement domestic sales volumes, declined by 10% and comprised 13% (1H25: 13%) of sales volumes.

Revenue decreased by 18%, largely because of the reduced sales volumes and weaker selling prices. Operating profit was affected by the lower sales volumes, as well as depressed raw material margins, and declined by 40%. PP raw material margins were notably weaker in 1H26, although margins for all three polymers remain at a cyclical low.

Industry expectations are for the downturn in the global polymers sector to persist until the early 2030s. While rationalisation of production capacities is taking place globally, new polymer capacity is still being added, which is prolonging the downcycle. The division continues to manage factors within its control, which include maintaining operational efficiencies, minimising the procurement-to-sales cycle, pursuing procurement benefits and cost savings, and increasing the production of higher-specification, higher-margin polymers. Additionally, the division is planning another five-week commercial shutdown at the PET plant in 2H26 due to elevated inventory.

DIVISIONAL OPERATIONAL PERFORMANCE (CONTINUED)

UNITRANS

Key financial metrics	1H26	1H25	% change
Revenue (Rm)	**4 558**	4 957	(8)
Operating profit (Rm)	**332**	323	3
Operating margin (%)	**7.3**	6.5	0.8
ROCE (%)[1]	**7.3**	9.1	(1.8)

[1] *Rolling 12 months*

The division faced ongoing difficult trading conditions, predominantly because of the subdued South African economic growth environment, which constrained revenue growth.

Revenue was 8% lower, largely attributable to the passenger operations, due to the loss of a material contract and subsequent closure of its Mozambique operations, and the disposal of a commuter contract in FY25. While the passenger operations pursued new growth opportunities during 1H26, this did not materialise in time to offset the impact of the above-mentioned contract loss and disposal. Operating profit increased by 3%, with improved performances from the agriculture, petrochemical and food operations offsetting a weaker result from the passenger operations.

The agriculture operations' performance improved meaningfully, supported by increased volumes across most regions, operational improvements, and cost savings. The food operations also delivered an improved result despite lower revenue, mostly due to higher volumes on select contracts and cost control. The petrochemical operations – which made up c. 32% of revenue during 1H26 – showed a good turnaround in performance following its restructuring in 2H25 and the disposal of operations in Eswatini in 1H26. The mining operations' result was lower mainly because of an underperforming contract in Botswana.

The division remains focused on improving performance through exiting low-return activities and contracts, cost savings, operational excellence, fleet modernisation where required, and organic growth at appropriate returns. Its fleet modernisation will be phased over three to five years, and we therefore do not expect this process to have a major impact on cash flow in any single year. The division's medium-term operating profit target of R700 million remains intact.

FELTEX

Key financial metrics	1H26	1H25	% change
Revenue (Rm)	**1 421**	1 157	23
Operating profit (Rm)	**146**	42	> 100
Operating margin (%)	**10.3**	3.6	6.7
ROCE (%)[1]	**18.5**	11.8	6.7

[1] *Rolling 12 months*

Domestic new vehicle assembly volumes increased by 12% in 1H26, with 1H25 affected by temporary production constraints at two OEM plants. Domestic passenger, light commercial vehicle ('LCV') and sports utility vehicle ('SUV') sales increased by 16%, 18% and 25%, respectively, supported by lower interest rates.

Revenue increased by 23% due to higher sales volumes in the division's OEMs (which produce components for vehicle interiors, fitted during vehicle assembly) and aftermarket operations (which produce components fitted after assembly, typically at the dealer). Operating profit improved by more than 100% due to the higher sales volumes, non-recurrence of costs associated with a model changeover in 1H25, and cost control.

The South African automotive sector faces headwinds, most notably competition from cheaper imports and changes in global trade flows due to the United States' tariff war. Additionally, exports of a key LCV model are affected by a change in tax rules in a major export market. Notwithstanding these headwinds, investment in the sector continues and, encouragingly, two new models are planned for 2026/27. The division continues to pursue localisation opportunities and cost savings in this environment, as well as engaging with government either directly or through industry bodies to contribute to policies to stimulate growth and ensure sustainability in the sector.

DIVISIONAL OPERATIONAL PERFORMANCE (CONTINUED)

Sleep Group

Key financial metrics	1H26	1H25	% change
Revenue (Rm)	**1 061**	1 011	5
Operating profit (Rm)	**115**	111	4
Operating margin (%)	**10.8**	11.0	(0.2)
ROCE (%)[1]	**10.6**	8.7	1.9

[1] *Rolling 12 months*

The division encountered difficult trading conditions during 1H26. Consumer demand was subdued, with purchasing decisions increasingly being influenced by promotional offers and the growth in online gambling, reflecting constrained consumer finances. During 1H25, two-pot retirement withdrawals bolstered consumer disposable income and demand, which has since moderated.

Revenue increased by 5%, supported by higher average selling prices, attributable to an improved sales mix, and the inclusion of operations in Botswana. Operating profit grew by 4%, owing to an improved performance from the division's raw material operations, specifically the turnaround of the foam operations. While the bedding operations reported stable sales volumes and maintained or increased market share with key customers, its profitability declined because of increased marketing and distribution costs.

The division acquired a bedding manufacturer in Botswana during 1H26 with full production of the facility targeted for 2H26 to serve the Botswana and Zambian regions. It is also continuing with its range extension strategy, with good progress being made to position its recently launched entry-level products and premium products (Genessi) in the market. The division now offers a comprehensive bedding range – entry-level, mid- and premium range – which we believe will support market share gains in a subdued market.

optix

Key financial metrics	1H26	1H25	% change
Revenue (Rm)	**261**	294	(11)
Operating loss (Rm)	**(43)**	(18)	(> 100)
Operating margin (%)	**(16.5)**	(6.1)	(10.4)
ROCE (%)[1]	**(10.7)**	(2.3)	(8.4)

[1] *Rolling 12 months*

The division invested in executive, sales and operational capacity during FY25 to expand the sales pipeline internationally and to accelerate conversion thereof. Revenue decreased by 11% primarily due to a 27% reduction in hardware sales volumes. Subscriptions grew by 25%, representing annuity revenue for the division. The operating loss was higher because of the increased costs associated with the investment in executive capacity.

The division is intensifying its sales efforts and has also embarked on a restructuring programme to right-size following investments in technology, with the objective to improve performance.

OUTLOOK

As described earlier, the improvement in the group's 1H26 results was largely attributable to an easing of specific factors experienced in 1H25. This improvement was underpinned by disciplined and focused execution across the group, including operating production facilities at optimal efficiencies, developing new products and markets, improving underperforming operations and tightly managing costs and working capital.

The group has made good progress against the following key strategic objectives, to increase balance sheet flexibility, improve returns and deliver earnings growth over the medium term:

- **Value realisation from major capital projects:** Our major capital projects, amounting to c. R2.6 billion, were completed in FY24, and ramped up in FY25. PG Bison's new MDF line is the largest of these and, given the 33% increase in the division's production capacity, offers compelling growth opportunities for the group.
- **Address underperformance:** The most material areas of underperformance relate to Unitrans and Optix. Appropriate strategies and executive capacity are in place to bring their performances in line with our expectations over the medium term.
- **Reduce net debt:** We are targeting a reduction of R500 million in FY26, with a further reduction planned for FY27. We expect these reductions to be supported by the contribution of the major capital projects, an improved performance from mainly Unitrans, and prudent capital allocation.

In the near term, we expect a softening in the group's 2H26 performance relative to 1H26, mostly due to seasonality in demand and related volumes, as well as the timing of maintenance shutdowns in PG Bison. The stronger rand relative to the US dollar presents near-term pressure for Safripol, as both raw materials and selling prices for its products are priced in US dollars.

CEO AND CFO TRANSITION

In line with the board's succession planning, Frans Olivier was appointed as chief executive officer, effective 1 November 2025, following the resignation of Gary Chaplin. We extend our sincerest thanks to Gary for his leadership and commitment during his tenure and wish him every success in the future. Dries Ferreira was appointed as chief financial officer, effective 1 February 2026.

FINANCIAL REVIEW

Income statement

Revenue decreased by 3% to R14 872 million (1H25: R15 355 million).

Operating profit before depreciation, amortisation and capital items ('EBITDA') increased by 5% to R1 986 million (1H25: R1 897 million).

Operating profit before capital items increased by 10% to R1 264 million (1H25: R1 153 million) while the operating margin increased to 8.5% (1H25: 7.5%).

The increases in the operating profit and margin were mainly attributable to meaningful improvements in the performances of PG Bison and Feltex, which were partly offset by a lower result from Safripol. Unitrans and Sleep Group also delivered improved performances, while Optix's operating loss widened.

PG Bison's performance was underpinned by increased production and sales volume, and that of Feltex by higher domestic new vehicle assembly volumes. Global polymer prices and raw material margins remained at a cyclical low and adversely impacted Safripol's performance.

Divisional operating profit/(loss) and margin percentages are reflected as follows:

Operating profit/(loss) and margin %	Six months ended 31 Dec 2025 Unaudited Rm	31 Dec 2025 margin %	Six months ended 31 Dec 2024 Unaudited Rm	31 Dec 2024 margin %	Operating profit/(loss) change %	Margin change %
PG Bison	**545**	**15.2**	413	13.6	32	1.6
Safripol	**169**	**4.0**	282	5.4	(40)	(1.4)
Unitrans	**332**	**7.3**	323	6.5	3	0.8
Feltex	**146**	**10.3**	42	3.6	> 100	6.7
Sleep Group	**115**	**10.8**	111	11.0	4	(0.2)
Optix	**(43)**	**(16.5)**	(18)	(6.1)	(> 100)	(10.4)
	1 264	**8.5**	1 153	7.5	10	1.0

Net finance costs decreased by 16% to R433 million (1H25: R517 million) due to lower interest rates and reduced net interest-bearing debt.

Headline earnings per share ('HEPS') increased by 32% to 22.7 cents (1H25: 17.2 cents) and basic earnings per share ('EPS') increased by 28% to 20.8 cents (1H25: 16.2 cents).

Capital items

Capital items of R50 million (1H25: R33 million) include a loss on disposal of subsidiaries of R38 million related to the disposal of Unitrans' petrochemical operations in Eswatini.

Taxation

The effective tax rate of 28.0% (1H25: 26.0%) is higher compared with 1H25 due to taxation losses on which no deferred taxation is raised of R48 million and the loss on the disposal of subsidiaries of R38 million, offset by prior period adjustments of R52 million.

Statement of financial position

The group's balance sheet remains resilient. We are targeting a reduction in net interest-bearing debt of R500 million in FY26, with a further reduction planned for FY27, supported by the contribution of the major capital projects, an improved performance from mainly Unitrans, and prudent capital allocation.

The net asset value per share decreased to 513 cents (1H25: 518 cents), owing to the material impairments of goodwill and intangible assets in FY25.

Net working capital

Net working capital increased by R251 million. Inventory increased by R146 million and accounts payable decreased by R534 million, offset by a R429 million decrease in accounts receivable.

The group's focus remains on optimising net working capital by aligning production and inventory levels with domestic demand and exports, where commercially viable.

Cash flow

Cash generated from operations of R899 million (1H25: R649 million) was R250 million more than 1H25, comprising R132 million higher cash generated from trading and R118 million less cash absorbed in net working capital.

We expect the cash conversion ratio of EBITDA to cash flow generated from operations to normalise towards year-end to achieve our internal target of greater than 90%.

Free cash outflow (before dividends paid) of R219 million is R576 million better than 1H25, mainly due to R250 million more cash generated from operations and R229 million lower investing activities. Both net finance costs and taxation paid decreased compared with 1H25.

FINANCIAL REVIEW (CONTINUED)

Capital expenditure

Depreciation and amortisation (excluding right-of-use asset depreciation) amounted to R667 million (1H25: R689 million), while replacement capital expenditure net of proceeds from disposal, insurance proceeds and government grants received amounted to R469 million (1H25: R440 million).

Following the completion of the major capital projects, we intentionally reduced expansion capital expenditure and maintained the discipline to invest in higher-return assets and contracts, resulting in an investment of R202 million (1H25: R314 million), net of government grants received.

Corporate action

PG Bison entered a merger transaction on 29 October 2025, which will combine its non-core forestry, sawmilling and pole operations in the southern Cape with the southern and Eastern Cape forestry and sawmilling operations of MTO Forestry. The devastating fires in recent years, which have severely impacted forestry and sawmilling in both the southern and Eastern Cape regions, have resulted in both businesses operating suboptimally. The merger will establish a significant black-controlled entity in the forestry and sawmilling industry, leading to increased production and reliability of sawlog supply, improved efficiencies and reduced costs, all of which should encourage further investment and enhance competitiveness. The merger is subject to conditions precedent, including Competition Commission approval. The non-current assets of R653 million and non-current liabilities of R28 million are classified as held for sale in the statement of financial position.

Unitrans continues to rationalise its assets and contracts portfolio to enhance returns. As part of this process, the division disposed of its petrochemical operations in Eswatini for R209 million, effective 1 December 2025, of which R46 million is due in March 2026. A R38 million loss on disposal arose because the disposal price was lower than the equity value of R247 million on the effective date. The division is actively pursuing further rationalisation opportunities.

Sleep Group acquired a bedding manufacturer in Botswana, effective 1 August 2025 for R30 million, to serve the Botswana and Zambian regions. Goodwill of R15 million was recognised.

Financing activities

During 1H26, bonds to the value of R940 million were settled with funds raised through the planned public bond auction in 2H25.

The R2 billion three-year tranche of the revolving credit facility, due to mature on 7 December 2026, was amended and the repayment date was extended by two years to 7 December 2028. The extension was implemented to manage liquidity and refinancing risk.

Capital structure

Net interest-bearing debt of R8 515 million decreased by R752 million compared with 1H25. The reduction exceeded our expectations, primarily due to lower-than-planned capital expenditure as we adopted a prudent approach to capital expenditure following the conclusion of our major capital projects. The net interest-bearing debt-to-equity (gearing) ratio declined to 66% (1H25: 72%). Compared with FY25, net interest-bearing debt is R409 million higher due to seasonality, resulting in increased working capital absorption in the first half of the financial year.

Debt serviceability ratios for 1H26 of net debt to EBITDA at 2.4 times and EBITDA to interest cover at 3.9 times remained within our financial covenants of less than 3.0 times and greater than 3.5 times respectively. We expect the ratios to improve based on our plan to reduce net interest-bearing debt in FY26 and FY27.

Global Credit Rating Co. Proprietary Limited reviewed KAP's credit rating in November 2025 and confirmed its rating as A+(za), but revised the outlook from stable to negative.

FINANCIAL REVIEW (CONTINUED)

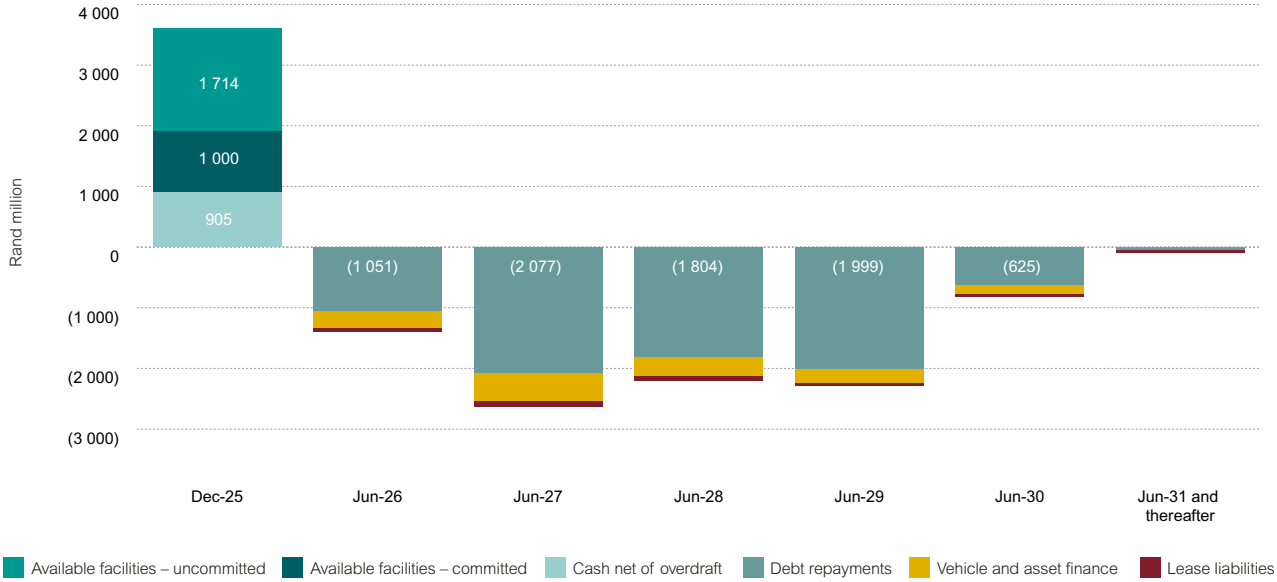
The debt structure, movement in net interest-bearing debt and financial covenant ratios are reflected as follows:

Debt structure and capacity ratios	31 Dec 2025 Unaudited Rm	31 Dec 2024 Unaudited Rm	30 Jun 2025 Audited Rm
Loans and borrowings non-current	**6 447**	7 855	7 309
Loans and borrowings current	**2 588**	2 195	2 563
Lease liabilities non-current	**289**	301	281
Lease liabilities current	**111**	87	94
Non-interest-bearing loans and borrowings	**(15)**	(51)	(51)
Bank overdrafts	**749**	98	–
Cash and cash equivalents	**(1 654)**	(1 218)	(2 090)
Net interest-bearing debt	**8 515**	9 267	8 106
Movement in net interest-bearing debt			
Balance at the beginning of the period excluding lease liabilities	**7 731**	7 971	7 971
Net interest-bearing loans and borrowings (paid)/received	**(772)**	634	459
Decrease in accrued interest on loans and borrowings	**(9)**	(4)	(7)
Net decrease/(increase) in cash and cash equivalents	**1 128**	296	(705)
Net disposal of subsidiaries	**(20)**	–	–
Effects of exchange rate translations on cash and cash equivalents	**57**	(18)	13
Net interest-bearing debt excluding lease liabilities	**8 115**	8 879	7 731
Lease liabilities	**400**	388	375
Net interest-bearing debt	**8 515**	9 267	8 106
EBITDA[1]	**1 986**	1 897	3 422
Net finance costs including capitalised borrowings costs	**433**	517	976
EBITDA: interest cover (times) > 3.5[2, 3, 4]	**3.9**	3.6	3.5
Net debt: EBITDA (times) < 3.0[2, 3]	**2.4**	2.6	2.4
Gearing %	**66**	72	65

[1] *Operating profit before depreciation, amortisation and capital items.*
[2] *Rolling 12 months.*
[3] *Financial covenant triggers.*
[4] *EBITDA: interest cover covenant requirement increases:*
2025: 3.25
2026: 3.5

The debt maturity profile, as reflected below, is healthy and within the capacity of the group to settle or refinance maturities:

Maturity of net interest-bearing debt as at 31 December 2025



Safripol raw material supply dispute

Sasol South Africa Limited ('Sasol') supplies Safripol with propylene and ethylene, used to produce PP and HDPE, in terms of evergreen supply agreements. In FY25, Safripol and Sasol entered into a dispute relating to the price of ethylene, which has progressed to independent arbitration and remains in progress. Separately, during the period, the companies also entered into a dispute relating to the volume commitment in terms of the ethylene supply agreement. The volume dispute has subsequently progressed to independent mediation and remains in progress.

On 30 June 2025, Safripol lodged a complaint against Sasol at the Competition Commission and requested the Commission to investigate expeditiously whether Sasol's conduct, as the monopoly ethylene supplier in South Africa, is in contravention of the Competition Act. Safripol also applied to the Competition Tribunal for interim relief under section 49C of the Competition Act. The matter was heard before the Competition Tribunal and judgement remains outstanding.

DIVIDEND

The board has historically not declared an interim dividend. In considering KAP's net debt levels within the context of the subdued and uncertain macroeconomic environment, the board believes it prudent to maintain this approach and focus on the reduction of debt.

APPRECIATION

We remain deeply grateful to all our key stakeholders for their continued trust and support during the period.

On behalf of the board

Johan Holtzhauzen
Independent non-executive chairperson

Frans Olivier
Chief executive officer

Dries Ferreira
Chief financial officer

25 February 2026

CONDENSED CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

	Notes	Six months ended 31 Dec 2025 Unaudited Rm	Six months ended 31 Dec 2024 Unaudited Rm	% change	Year ended 30 Jun 2025 Audited Rm
Revenue	1	**14 872**	15 355	(3)	29 615
Cost of revenue		**(11 739)**	(12 601)		(24 465)
Gross profit		**3 133**	2 754	14	5 150
Operating profit before depreciation, amortisation and capital items		**1 986**	1 897	5	3 422
Depreciation and amortisation		**(722)**	(744)		(1 485)
Operating profit before capital items		**1 264**	1 153	10	1 937
Capital items	2	**(50)**	(33)		(765)
Operating profit		**1 214**	1 120	8	1 172
Finance costs		**(469)**	(553)		(1 053)
Finance income		**36**	36		77
Share of profit of associate and joint venture companies		**25**	24		38
Profit before taxation		**806**	627	29	234
Taxation		**(226)**	(163)		(148)
Profit for the period		**580**	464	25	86
Profit attributable to:					
Owners of the parent		**521**	405	29	10
Non-controlling interests		**59**	59		76
Profit for the period		**580**	464	25	86
Other comprehensive (loss)/income					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations		**(130)**	50		(41)
Total other comprehensive (loss)/income for the period, net of taxation		**(130)**	50		(41)
Total comprehensive income for the period, net of taxation		**450**	514	(12)	45
Total comprehensive income/(loss) attributable to:					
Owners of the parent		**395**	457		(30)
Non-controlling interests		**55**	57		75
Profit for the period		**59**	59		76
Foreign currency translation reserve transferred to non-controlling interests		**(4)**	(2)		(1)
Total comprehensive income for the period		**450**	514	(12)	45

Earnings per share attributable to owners of the parent	3	**Cents**	Cents	% change	Cents
Basic earnings		**20.8**	16.2	28	0.4
Diluted earnings		**20.7**	15.9	30	0.4

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 Dec 2025 Unaudited Rm	31 Dec 2024 Unaudited Rm	30 Jun 2025 Audited Rm
Assets			
Non-current assets			
Goodwill	**525**	656	510
Intangible assets	**1 476**	1 776	1 491
Property, plant and equipment	**15 062**	16 128	15 633
Investment property	**20**	–	20
Right-of-use assets	**340**	332	318
Consumable biological assets	**1 239**	1 604	1 610
Investments in associate and joint venture companies	**242**	251	244
Investments and loans receivable	**8**	4	9
Deferred taxation assets	**54**	83	59
Derivative financial instruments	**26**	75	39
	18 992	20 909	19 933
Current assets			
Inventories	**4 185**	4 039	3 823
Trade and other receivables	**4 784**	5 132	4 834
Derivative financial instruments	**26**	58	14
Loans receivable	**11**	17	11
Taxation receivable	**123**	122	100
Cash and cash equivalents	**1 654**	1 218	2 090
	10 783	10 586	10 872
Assets held for sale	**653**	–	–
	11 436	10 586	10 872
Total assets	**30 428**	31 495	30 805
Equity and liabilities			
Capital and reserves			
Total equity attributable to owners of the parent	**12 857**	12 952	12 443
Non-controlling interests	**294**	261	261
Total equity	**13 151**	13 213	12 704
Non-current liabilities			
Loans and borrowings	**6 447**	7 855	7 309
Lease liabilities	**289**	301	281
Employee benefits	**44**	55	46
Provisions	**–**	2	2
Deferred taxation liabilities	**2 433**	2 546	2 388
	9 213	10 759	10 026
Current liabilities			
Loans and borrowings	**2 588**	2 195	2 563
Lease liabilities	**111**	87	94
Employee benefits	**299**	254	380
Provisions	**27**	40	28
Trade and other payables	**4 202**	4 784	4 965
Derivative financial instruments	**39**	10	22
Taxation payable	**12**	19	16
Bank overdrafts	**749**	98	–
Other financial liabilities	**9**	36	7
	8 036	7 523	8 075
Liabilities held for sale	**28**	–	–
	8 064	7 523	8 075
Total equity and liabilities	**30 428**	31 495	30 805

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Six months ended 31 Dec 2025 Unaudited Rm	Six months ended 31 Dec 2024 Unaudited Rm	Year ended 30 Jun 2025 Audited Rm
Balance at beginning of the period	**12 704**	12 775	12 775
Changes in reserves			
Total comprehensive income/(loss) for the period attributable to owners of the parent	**395**	457	(30)
Share-based payments	**19**	20	7
Other movements	**–**	–	(9)
Changes in non-controlling interests			
Total comprehensive income for the period attributable to non-controlling interests	**55**	57	75
Dividends declared	**(78)**	(96)	(123)
Transactions with non-controlling interests	**–**	–	9
Disposal of subsidiaries with non-controlling interests	**56**	–	–
Balance at end of the period	**13 151**	13 213	12 704
Comprising:			
Stated share capital	**7 896**	7 896	7 896
Distributable reserves	**8 263**	8 146	7 742
Share-based payment reserve	**655**	649	636
Reverse acquisition reserve	**(3 952)**	(3 952)	(3 952)
Other reserves	**(5)**	213	121
Non-controlling interests	**294**	261	261
	13 151	13 213	12 704

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 31 Dec 2025 Unaudited Rm	Six months ended 31 Dec 2024 Unaudited Rm	Year ended 30 Jun 2025 Audited Rm
Operating profit	**1 214**	1 120	1 172
Adjusted for:			
Capital items	**50**	33	765
Depreciation and amortisation	**722**	744	1 485
Net fair value adjustments of consumable biological assets[1]	**29**	(18)	(24)
Other non-cash adjustments	**38**	42	35
Cash generated before working capital changes	**2 053**	1 921	3 433
Increase in inventories	**(373)**	(228)	(36)
(Increase)/decrease in trade and other receivables	**(27)**	(189)	107
Decrease in trade and other payables	**(754)**	(855)	(482)
Changes in working capital	**(1 154)**	(1 272)	(411)
Cash generated from operations	**899**	649	3 022
Dividends received	**7**	15	22
Finance income received	**36**	36	78
Finance costs paid	**(477)**	(557)	(1 061)
Dividends paid	**(76)**	(61)	(116)
Taxation paid	**(166)**	(191)	(282)
Net cash inflow/(outflow) from operating activities	**223**	(109)	1 663
Additions to property, plant and equipment	**(770)**	(820)	(1 592)
Additions to intangible assets	**(2)**	(8)	(11)
Proceeds from disposal of property, plant and equipment	**82**	60	140
Acquisition of business, net of cash acquired	**(30)**	–	–
Disposal of subsidiaries, net of cash disposed	**171**	–	110
Government grants received	**16**	3	2
Insurance proceeds	**1**	3	29
Other investing activities	**14**	15	25
Net cash outflow from investing activities	**(518)**	(747)	(1 297)
Net cash (outflow)/inflow from operating and investing activities	**(295)**	(856)	366
Loans and borrowings received	**432**	2 372	4 080
Loans and borrowings repaid	**(1 204)**	(1 738)	(3 621)
Lease liabilities capital repayments	**(52)**	(54)	(100)
Other movements	**(9)**	(20)	(20)
Net cash (outflow)/inflow from financing activities	**(833)**	560	339
Net (decrease)/increase in cash and cash equivalents	**(1 128)**	(296)	705
Cash and cash equivalents at beginning of period	**2 090**	1 398	1 398
Effects of exchange rate translations on net cash and cash equivalents	**(57)**	18	(13)
Net cash and cash equivalents at end of the period	**905**	1 120	2 090

[1] *Includes fair value gains and decrease due to harvesting and sale of livestock.*

SEGMENTAL ANALYSIS

	Note	Six months ended 31 Dec 2025 Unaudited Rm	Six months ended 31 Dec 2024 Unaudited Rm	% change	Year ended 30 Jun 2025 Audited Rm
Revenue					
PG Bison		**3 591**	3 040	18	6 327
Safripol		**4 277**	5 213	(18)	9 692
Unitrans		**4 558**	4 957	(8)	9 332
Feltex		**1 421**	1 157	23	2 429
Sleep Group		**1 061**	1 011	5	1 834
Optix		**261**	294	(11)	602
		15 169	15 672	(3)	30 216
Intersegmental eliminations		**(297)**	(317)		(601)
	1	**14 872**	15 355	(3)	29 615
Operating profit/(loss) before depreciation, amortisation and capital items					
PG Bison		**696**	562	24	1 018
Safripol		**263**	382	(31)	706
Unitrans		**674**	694	(3)	1 162
Feltex		**215**	106	> 100	296
Sleep Group		**146**	139	5	215
Optix		**(11)**	13	(> 100)	20
Corporate, consolidation and eliminations		**3**	1		5
		1 986	1 897	5	3 422
Depreciation and amortisation					
PG Bison		**(151)**	(149)	1	(301)
Safripol		**(94)**	(100)	(6)	(203)
Unitrans		**(342)**	(371)	(8)	(726)
Feltex		**(69)**	(64)	8	(130)
Sleep Group		**(31)**	(28)	11	(56)
Optix		**(32)**	(31)	3	(64)
Corporate, consolidation and eliminations		**(3)**	(1)		(5)
		(722)	(744)	(3)	(1 485)
Operating profit/(loss) before capital items					
PG Bison		**545**	413	32	717
Safripol		**169**	282	(40)	503
Unitrans		**332**	323	3	436
Feltex		**146**	42	> 100	166
Sleep Group		**115**	111	4	159
Optix		**(43)**	(18)	(> 100)	(44)
		1 264	1 153	10	1 937

SEGMENTAL ANALYSIS (CONTINUED)

	Notes	31 Dec 2025 Unaudited Rm	31 Dec 2024 Unaudited Rm	% change	30 Jun 2025 Audited Rm
Operating assets					
PG Bison		**9 650**	10 114	(5)	10 232
Safripol		**6 845**	7 661	(11)	6 617
Unitrans		**6 980**	7 491	(7)	7 183
Feltex		**1 821**	1 909	(5)	2 018
Sleep Group		**1 844**	1 751	5	1 765
Optix		**589**	890	(34)	527
Corporate, consolidation and eliminations		**(46)**	(16)		(50)
	5	**27 683**	29 800	(7)	28 292
Operating liabilities					
PG Bison		**1 188**	1 008	18	1 331
Safripol		**1 748**	2 242	(22)	1 740
Unitrans		**1 006**	1 200	(16)	1 256
Feltex		**380**	436	(13)	513
Sleep Group		**267**	252	6	343
Optix		**95**	98	(3)	111
Corporate, consolidation and eliminations		**(73)**	(91)		149
	6	**4 611**	5 145	(10)	5 443
Net operating assets/(liabilities)[1]					
PG Bison		**8 462**	9 106	(7)	8 901
Safripol		**5 097**	5 419	(6)	4 877
Unitrans		**5 974**	6 291	(5)	5 927
Feltex		**1 441**	1 473	(2)	1 505
Sleep Group		**1 577**	1 499	5	1 422
Optix		**494**	792	(38)	416
Corporate, consolidation and eliminations		**27**	75		(199)
		23 072	24 655	(6)	22 849
Net working capital					
PG Bison		**1 719**	1 500	15	1 399
Safripol		**1 355**	1 340	1	1 068
Unitrans		**706**	809	(13)	564
Feltex		**159**	128	24	199
Sleep Group		**224**	179	25	108
Optix		**232**	143	62	147
Corporate, consolidation and eliminations		**15**	60		(218)
	7	**4 410**	4 159	6	3 267

[1] *Net operating assets/(liabilities) comprise operating assets less operating liabilities.*

SEGMENTAL ANALYSIS (CONTINUED)

	Note	Six months ended 31 Dec 2025 Unaudited Rm	Six months ended 31 Dec 2024 Unaudited Rm	Year ended 30 Jun 2025 Audited Rm
Replacement capital expenditure[2]				
PG Bison		**29**	19	59
Safripol		**19**	36	115
Unitrans[3]		**382**	356	667
Feltex		**30**	28	72
Sleep Group		**10**	2	9
Optix		**(1)**	(1)	(2)
Corporate, consolidation and eliminations		**–**	–	1
		469	440	921
Expansion capital expenditure[4]				
PG Bison		**45**	153	186
Safripol		**1**	11	58
Unitrans		**98**	92	146
Feltex		**11**	18	40
Sleep Group		**17**	4	14
Optix		**30**	36	56
		202	314	500
Total capital expenditure[2]				
PG Bison		**74**	172	245
Safripol		**20**	47	173
Unitrans[3]		**480**	448	813
Feltex		**41**	46	112
Sleep Group		**27**	6	23
Optix		**29**	35	54
Corporate, consolidation and eliminations		**–**	–	1
	8	**671**	754	1 421

[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 R81 million (31 December 2024: R58 million and 30 June 2025: R137 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				
Six months ended 31 December 2025				
Unaudited				
PG Bison	**4 009**	**–**	**–**	**4 009**
Safripol	**4 321**	**–**	**–**	**4 321**
Unitrans	**41**	**4 516**	**–**	**4 557**
Feltex	**1 423**	**–**	**–**	**1 423**
Sleep Group	**1 211**	**–**	**–**	**1 211**
Optix	**112**	**110**	**–**	**222**
Gross revenue	**11 117**	**4 626**	**–**	**15 743**
Variable consideration	**(613)**	**–**	**–**	**(613)**
Intergroup eliminations	**(43)**	**(249)**	**–**	**(292)**
Revenue from contracts with customers	**10 461**	**4 377**	**–**	**14 838**
Optix	**–**	**–**	**39**	**39**
Intergroup eliminations	**–**	**–**	**(5)**	**(5)**
	10 461	**4 377**	**34**	**14 872**
Six months ended 31 December 2024				
Unaudited				
PG Bison	3 402	–	–	3 402
Safripol	5 252	–	–	5 252
Unitrans	59	4 899	–	4 958
Feltex	1 158	–	–	1 158
Sleep Group	1 145	–	–	1 145
Optix	65	191	–	256
Gross revenue	11 081	5 090	–	16 171
Variable consideration	(537)	(1)	–	(538)
Intergroup eliminations	(45)	(267)	–	(312)
Revenue from contracts with customers	10 499	4 822	–	15 321
Optix	–	–	39	39
Intergroup eliminations	–	–	(5)	(5)
	10 499	4 822	34	15 355
Year ended 30 June 2025				
Audited				
PG Bison	7 060	–	–	7 060
Safripol	9 769	–	–	9 769
Unitrans	108	9 224	–	9 332
Feltex	2 432	–	–	2 432
Sleep Group	2 070	–	–	2 070
Optix	280	244	–	524
Gross revenue	21 719	9 468	–	31 187
Variable consideration	(1 049)	(1)	–	(1 050)
Intergroup eliminations	(54)	(537)	–	(591)
Revenue from contracts with customers	20 616	8 930	–	29 546
Optix	–	–	79	79
Intergroup eliminations	–	–	(10)	(10)
	20 616	8 930	69	29 615

	Six months ended 31 Dec 2025 Unaudited Rm	Six months ended 31 Dec 2024 Unaudited Rm	Year ended 30 Jun 2025 Audited Rm
Geographical distribution			
South Africa	**12 098**	12 762	24 289
Rest of Africa	**2 134**	2 060	3 724
Middle East	**249**	173	515
Europe	**158**	201	395
Australasia	**120**	18	195
Americas	**108**	140	484
Asia	**5**	1	13
	14 872	15 355	29 615

SELECTED EXPLANATORY NOTES (CONTINUED)

	Note	Six months ended 31 Dec 2025 Unaudited Rm	Six months ended 31 Dec 2024 Unaudited Rm	Year ended 30 Jun 2025 Audited Rm
Note 2: Capital items				
Loss on disposal of property, plant and equipment		**(13)**	(25)	(32)
Loss on disposal of subsidiaries		**(38)**	–	–
Impairments[1]		**–**	(11)	(757)
Insurance income		**1**	3	29
Other capital items		**–**	–	(5)
		(50)	(33)	(765)

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

		Cents	Cents	Cents
Note 3: Earnings				
Basic earnings per share		**20.8**	16.2	0.4
Diluted earnings per share		**20.7**	15.9	0.4
Headline earnings per share		**22.7**	17.2	24.1
Diluted headline earnings per share		**22.6**	16.8	23.8
Net asset value per share		**513**	518	498
		Rm	**Rm**	**Rm**
Headline earnings attributable to owners of the parent				
Basic and diluted earnings attributable to owners of the parent		**521**	405	10
Adjusted for:				
Capital items	2	**50**	33	765
Taxation effects of capital items		**(3)**	(9)	(154)
Non-controlling interests' portion of capital items, net of taxation		**–**	(1)	(23)
Capital items of associate and joint venture companies, net of taxation		**–**	–	5
		568	428	603
		Million	**Million**	**Million**
Weighted average number of ordinary shares				
Issued ordinary shares at beginning of the period		**2 501**	2 494	2 494
Effect of shares issued		**1**	1	4
Weighted average number of ordinary shares		**2 502**	2 495	2 498
Potential dilutive effect of share rights granted		**15**	56	33
Diluted weighted average number of ordinary shares		**2 517**	2 551	2 531
Number of ordinary shares in issue		**2 508**	2 501	2 501

	Fair value hierarchy	Fair value as at 31 Dec 2025 Unaudited Rm	Fair value as at 31 Dec 2024 Unaudited Rm	Fair value as at 30 Jun 2025 Audited Rm
Note 4: Fair values of financial instruments				
Derivative financial assets	Level 2	**52**	133	53
Derivative financial liabilities	Level 2	**(39)**	(10)	(22)

There were no Level 1 or Level 3 financial assets or financial liabilities for 31 December 2025, 31 December 2024 and 30 June 2025.

In November 2022, the group 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 31 December 2025 is R9 079 million (31 December 2024: R10 104 million and 30 June 2025: R9 929 million).

SELECTED EXPLANATORY NOTES (CONTINUED)

	31 Dec 2025 Unaudited Rm	31 Dec 2024 Unaudited Rm	30 Jun 2025 Audited Rm
Note 5: Operating assets			
Goodwill	**525**	656	510
Intangible assets	**1 476**	1 776	1 491
Property, plant and equipment	**15 062**	16 128	15 633
Investment property	**20**	–	20
Right-of-use assets	**340**	332	318
Consumable biological assets	**1 239**	1 604	1 610
Inventories	**4 185**	4 039	3 823
Trade and other receivables	**4 784**	5 132	4 834
Derivative financial instruments	**52**	133	53
	27 683	29 800	28 292
Note 6: Operating liabilities			
Employee benefits	**343**	309	426
Provisions	**27**	42	30
Trade and other payables	**4 202**	4 784	4 965
Derivative financial instruments	**39**	10	22
	4 611	5 145	5 443
Note 7: Net working capital			
Inventories	**4 185**	4 039	3 823
Trade and other receivables	**4 784**	5 132	4 834
Employee benefits	**(343)**	(309)	(426)
Provisions	**(27)**	(42)	(30)
Trade and other payables	**(4 202)**	(4 784)	(4 965)
Net derivative financial instruments	**13**	123	31
	4 410	4 159	3 267
Note 8: Total capital expenditure			
Additions to property, plant and equipment	**770**	820	1 592
Proceeds from disposal of property, plant and equipment	**(82)**	(60)	(140)
Government grants received	**(16)**	(3)	(2)
Insurance proceeds	**(1)**	(3)	(29)
	671	754	1 421
Note 9: Capital commitments			
Capital expenditure			
Contracts for capital expenditure authorised	**610**	263	144

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

SELECTED EXPLANATORY NOTES (CONTINUED)

Statement of compliance

The condensed consolidated interim financial information has been prepared and presented in accordance with the framework concepts and the measurement and recognition requirements of 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 as amended. The condensed consolidated interim financial information has 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 2025.

Basis of preparation

The condensed consolidated interim 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 condensed consolidated interim financial statements for the six months ended 31 December 2025 was supervised by Frans Olivier CA(SA), the group's chief executive officer (previously the group's chief financial officer) and Dries Ferreira CA(SA), the group's chief financial officer.

Accounting policies

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

The group uses the official exchange rates to report the results of operations in Malawi and Mozambique.

Financial statements

These results have not been reviewed or reported on by the group's auditors. The results were approved by the board of directors on 25 February 2026.

Events after reporting date

No significant events have occurred in the period between the end of the period under review and the date of this report.

Changes to the board, board committees and key portfolios

TC Isaacs resigned on 17 October 2025 as an independent non-executive director, member of the audit and risk committee and member of the sustainability, social and ethics committee.

S Totaram was appointed as member of the human capital and remuneration committee effective 17 October 2025 and as chairperson of the audit and risk committee with effect from 15 November 2025, replacing KT Hopkins who will remain a member of the audit and risk committee.

SH Müller stepped down as member of the audit and risk committee with effect from 15 November 2025.

GN Chaplin resigned as executive director and member of the sustainability, social and ethics committee effective 31 October 2025. FH Olivier was appointed as member of the sustainability, social and ethics committee on the same date.

JAI Ferreira was appointed as group chief financial officer with effect from 1 February 2026, following the appointment of FH Olivier (who was the group chief financial officer until 31 October 2025) as group chief executive officer effective 1 November 2025.

SP Lunga has resigned as executive director of corporate affairs, effective 30 April 2026.

Corporate information

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

Independent non-executive directors: JA Holtzhausen (Chairperson), Z Fuphe, KT Hopkins, SN Maseko, V McMenamin, AFB Mthembu, SH Müller, S Totaram

Executive directors: FH Olivier (Chief executive officer), JAI Ferreira (Chief financial officer), SP Lunga (Corporate affairs executive)

Registration number: 1978/000181/06

Share code: KAP

ISIN: ZAE000171963

Company Alpha code: KAP

LEI code: 3789001F51BC0045FD42

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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: 26 February 2026

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