



BKB

The Trusted Home of Agriculture
Die Betroubare Tuiste van Landbou

Unaudited condensed consolidated financial statements

for the six months ended 31 December

2025

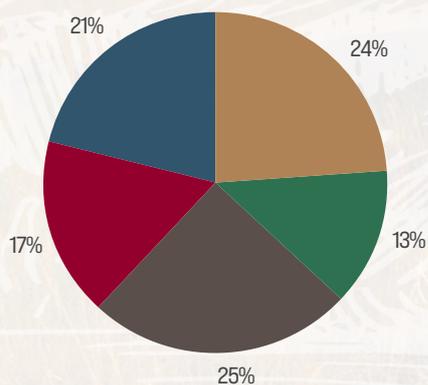
About BKB

OUR VISION: To craft an agri-business through trust and shared values.

OUR MISSION: Maximising value creation through innovation and efficiency.

BKB's five main operating segments each play a strategic role in driving the Group's overall EBITDA and long-term value creation. By maintaining a diversified portfolio, BKB is well positioned to deliver consistent performance, even in the face of commodity-specific volatility. When one sector experiences headwinds, others often provide counter-cyclical support, smoothing earnings and ensuring stability. Investments in strategic areas of multiple agricultural value chains also allow BKB to support a wide spectrum of producers and contribute meaningfully to rural economies.

EBITDA contribution to the Group



- Natural Fibre
- Livestock and Properties
- Retail and Fuel
- PaKHouse Brands – Consumer Goods (Sugar)
- PaKHouse Brands – Grains

Salient features

Value of business transactions

increased by **14.6%** to **R7,7 billion**

EBITDA

increased by **30%**
to **R203,4 million**

HEPS

increased by **65.2%**, from 78.5 cents
to **129.7 cents** per share

Cash flow from operating activities

improved from -R86 million to
R4,5 million

Net debt to equity ratio

improved from 0.47 to **0.40**

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Introduction

BKB Limited (“the Group”) is pleased to report a record profit for the six months ended 31 December 2025 (“the reporting period”).

The Group achieved a net after-tax profit of R103,7 million for the reporting period, marking a 70.1% increase compared to R60,9 million in the prior year. All divisions reported increased profits.

During the reporting period, South African agriculture adopted a cautiously optimistic outlook, supported by stronger business confidence, progress in logistics and energy reforms. Producers benefited from lower inflation and declining interest rates, easing the financial strain on the agri-sector. Additionally, lower fuel costs and a stable local currency helped reduce transport expenses and the cost of imported farm supplies. The 2024/2025 harvest season proved highly successful, with record yields for key crops. International wool prices rose due to supply shortages, while domestic beef prices remained high amid ongoing challenges with foot-and-mouth disease (FMD).



Group performance

	DECEMBER 2025 ZAR MILLIONS	DECEMBER 2024 ZAR MILLIONS	CHANGE %
Value of business transactions (VOB)	7 734,9	6 750,7	14.6%
Gross profit margin of VOB	9.1%	8.8%	0.3pp
Operating profit	172,8	122,9	40.6%
EBITDA	203,4	156,5	30.0%
EBITDA margin of VOB	2.6%	2.3%	0.3pp
Finance costs	30,80	42,10	(26.8%)
HEPS (cents)	129.7	78.5	65.2%

The Group delivered a strong, balanced performance across its operations.

The Group's VOB increased by 14.6%, reaching R7,7 billion, primarily due to higher sales prices and volumes in the Natural Fibre and Livestock divisions.

Operating profit rose by 40.6% to R172,8 million, compared to R122,9 million in the prior period.

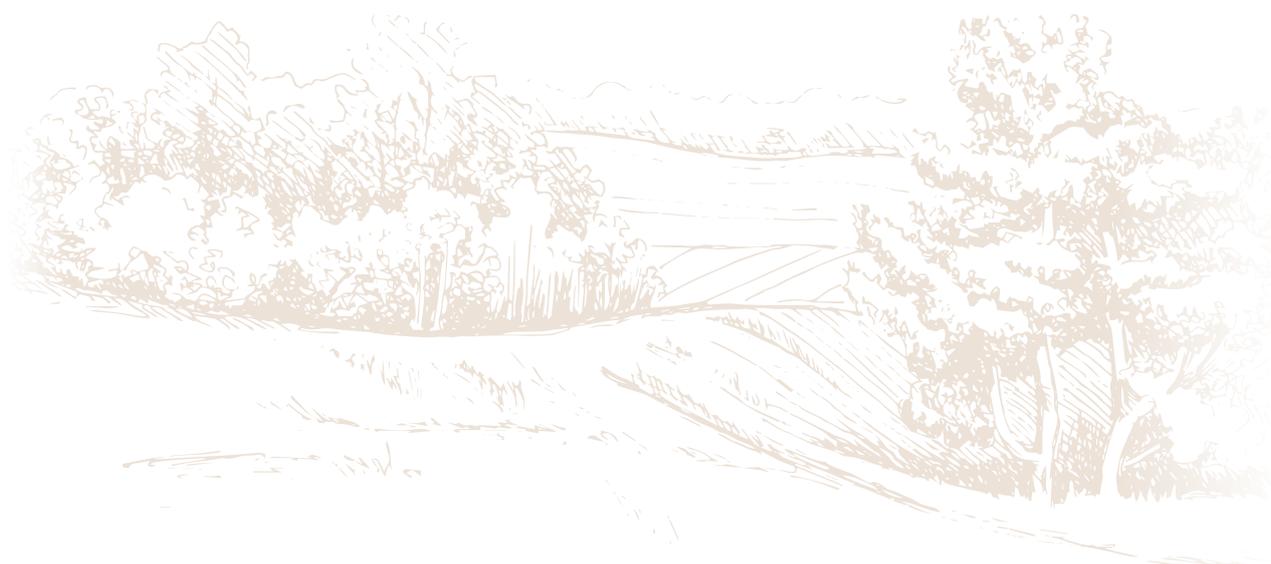
All divisions exceeded prior year performance, with the Wool Division showing the most significant growth, as a result of strong demand following global supply shortages. The Livestock Division demonstrated resilience by delivering a solid result despite a challenging trading environment marked by widespread FMD.

Profit margins improved by approximately 0.3 percentage points (pp), driven by increasing wool prices and robust buying negotiations in the Retail Division.

Group expenses increased by 12.5% to R547,1 million, primarily due to variable expenses which grew in line with elevated sales and margins, as well as the expenses of the newly acquired Wool Partners Incorporated in the USA. Costs associated with consolidating wool warehouses in Gqeberha, which are expected to yield future savings, also contributed to the overall increase in Group expenses.

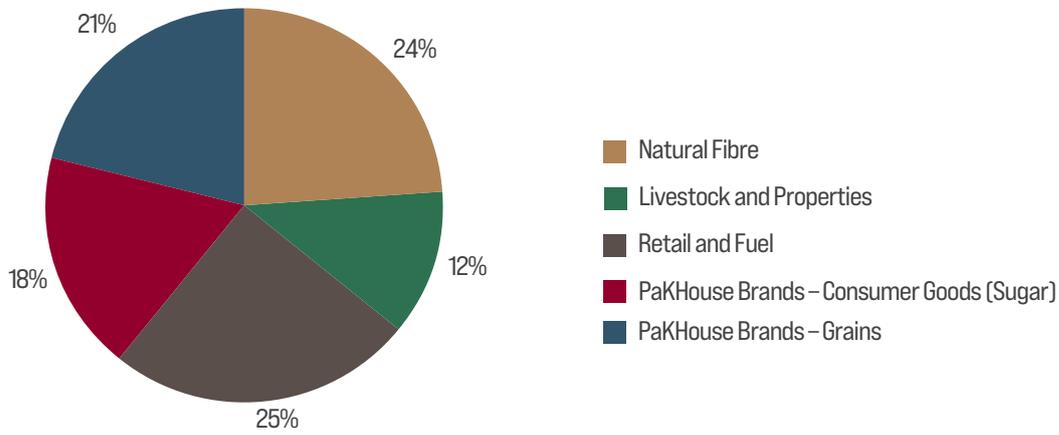
Finance costs declined by 26.8%, from R42,1 million to R30,8 million, reflecting benefits from lower debt levels, further reductions in the local prime lending rate and favourable negotiated pricing with lenders.

The Group's strong performance and quality earnings for the reporting period underscore the strength of its core businesses and the positive impact of the restructuring phase completed in FY24.

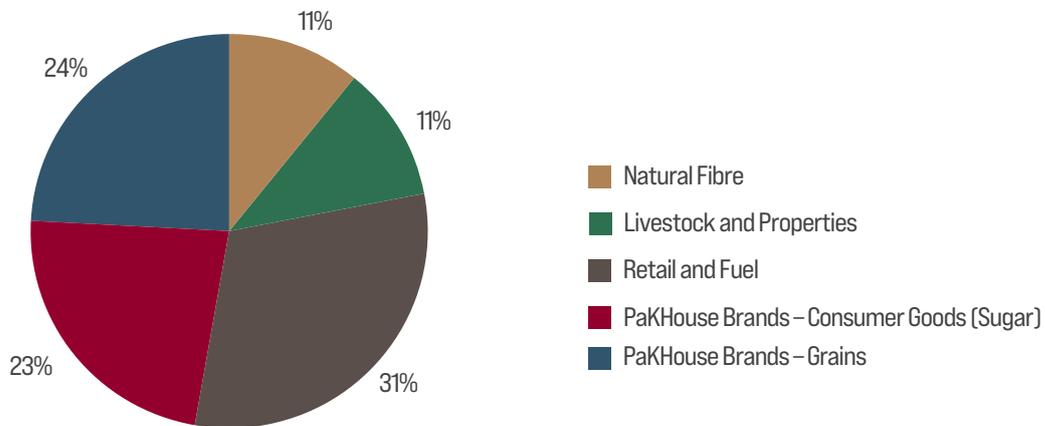


Segmental performance

Operating profit contribution (%)
December 2025



Operating profit contribution (%)
December 2024





NATURAL FIBRE

The division achieved an operating profit of R53,1 million, reporting a substantial increase from R17,9 million in the prior period.

Wool prices rose, on average, by nearly 20% year on year, despite a weakening US Dollar against the South African Rand. High auction clearance rates have been consistently achieved since the commencement of the 2025/2026 season. Increased demand for local wool was primarily driven by global supply disruption, most notably in Australia, where national wool sheep numbers declined due to severe drought conditions and elevated input costs. Both Pinnacle Fibres and Wool Partners Incorporated (WPI) in the USA delivered robust results thanks to favourable market conditions. WPI delivered strong results despite punitive trade tariffs between China and the USA.

Wool collections were marginally lower than in the prior period, predominantly due to drought conditions impacting production in certain regions, as well as decreases in sheep farmer numbers, attributed to economic pressures. With improved wool prices, this trend is expected to stabilise.

DSS's analytical support services experienced rapid growth, especially within the feedlot segment. Significant progress was made in applying genomic models in collaboration with SA Stud Book.

The division consolidated its Uitenhage warehouse operations into the North End, Gqeberha facility. This is expected to yield future savings on rental costs and related handling expenses.



LIVESTOCK AND PROPERTIES

The division reported an increase in operating profit of 52.7% to R26,2 million.

Livestock prices have increased significantly, mainly because supply remains limited due to ongoing FMD outbreaks. Despite several auction sites closing in affected regions, auction volumes and market participation were robust. The division has increased liaison transactions and online auctions in areas where auctions are not operating, albeit at reduced commissions.

FMD continued to significantly impact the livestock sector by restricting animal movement, reducing market access, and increasing biosecurity demands. These challenges disrupt regular trading patterns, restrict producers' ability to sell animals, and create financial stress for farm operations and herd management.



RETAIL AND FUEL

The division reported an 8.8% increase in operating profit to R55,7 million.

Profitability has risen due to higher demand for grain production inputs in Mpumalanga and robust supplier negotiations, resulting in stronger margins. The division continues to benefit from steady fuel sales growth, particularly through its upgraded branches.



PAKHOUSE BRANDS – CONSUMER GOODS

The division reported operating profit of R40 million (up 4.1% against the prior period).

Atlanta Sugar continues to be a key contributor to the Group's overall performance. The division leverages its nationwide footprint and strong brand recognition, especially in the inland provinces.

The demand from the informal trade sector has stabilised and rebounded to elevated levels, supporting the improved results.



PAKHOUSE BRANDS – GRAINS

The Grains Division reported a 13.4% increase in operating profit to R45,1 million.

Gritco, the grit mill business, achieved a strong performance, driven by continuous production enhancements and upgrades. Milling output and efficiency met expected targets. However, margins were offset due to intensified market competition. The upgrade of the Bethlehem grit mill was completed as planned, within budget, and successfully met all project milestones.

The Grain Storage Division handled significantly higher volumes owing to the bumper 2024/2025 summer crop and the early winter grain harvest, both of which contributed to elevated revenue for the reporting period.

BALANCE SHEET AND CASH FLOW

The Group is pleased to report a substantial profit increase without the need for additional working capital. This result aligns with the Group's long-term goal to maximise returns on funds employed. All divisions remain committed to optimising working capital, utilising supplier and customer finance initiatives where appropriate, as well as effectively managing inventory levels. Consequently, the Group has further lowered its debt levels, with net debt to equity decreasing from 0.47 to 0.40.

The Group's cash conversion cycle, measured in net working capital days, saw an additional year on year improvement of 16.2%. Wool stock levels in the Fibre Division decreased as older inventory was sold. Trade debtor days outstanding for the Group improved by 10%, with significant progress made in the Livestock Division.

The Group is continuously seeking ways to leverage its strong balance sheet, including share buy backs. During the reporting period, BKB repurchased shares worth R131 423. Although current opportunities for share buy backs are limited, the Group remains confident that this strategy contributes positively to shareholder returns.

Capital expenditure, net of disposals, amounted to R47,4 million (prior period R35,4 million), which was in line with the amount approved by the Board. Of this amount, R20,2 million relates to the balance of the grit mill expansion project, totalling R65,7 million. This project is primarily funded through an asset-based financing solution.

Outlook

The agricultural sector's outlook for the second half of the year is mixed. The 2025/2026 summer grain and oilseed harvest is expected to be strong due to continued La Niña rainfall. Winter crop prospects are positive, with wheat production likely to rise thanks to better conditions, particularly in the Free State and Northern Cape.

The **wool** industry continues a positive trajectory for now. Unlike recent seasons, wool exports have largely been unaffected by current FMD outbreaks among cattle. Wool prices exhibited a consistent upward trend in early 2026 auctions, driven by increased demand for certified sustainable wool, which now constitutes over half of the national clip. Although production and wool received quantities are slightly lower, the forecast for the next six months is in line with comparative periods in prior years.

The **livestock** industry is navigating a more complex transition. Although lower grain prices and improved grazing conditions are helping to reduce feed costs, the sector continues to be challenged by recurring FMD outbreaks. Some progress is now being made towards a very necessary nationwide FMD vaccination campaign. The prompt execution of the vaccination programme, coupled with robust logistical coordination, is essential for ensuring the stability of the industry. The Livestock Division, in collaboration with other agricultural organisations, is actively supporting these efforts, particularly regarding opportunities in logistics. Livestock prices are projected to remain relatively stable, while the effectiveness of disease management strategies, movement restrictions, and overall producer confidence will influence auction volumes.

The **Retail and Fuel** Division maintains a stable outlook. The division will relocate its Port Elizabeth store to a more suitable location in March 2026. The Adelaide branch will also be upgraded this financial year. The division continues to prioritise margin improvement and working capital optimisation.

The **Grain** Storage Division anticipates a strong 2025/2026 summer crop. The milling business faces short-term margin challenges from low hominy chop prices, due to low feed demand amid good grazing conditions and ongoing FMD uncertainty.

Despite ongoing competition from cheaper imported white sugar, we anticipate a steady second-half performance for Atlanta Sugar in our **Consumer Goods** Division.

A sustained period of lower inflation, coupled with declining interest rates, is expected to enhance disposable income and stimulate consumer spending.

There are several geopolitical events, such as tariffs on imports to the USA, which may negatively impact both global and domestic economic environments and markets. However, at the time of writing, these events are not expected to materially impact BKB's financial performance in the second half of FY26.

The Group's FY26 half-year results demonstrate the benefits of a diversified portfolio. Strong performance in some businesses offset weaknesses in others, supporting long-term growth. Profit increased despite challenging conditions, reflecting effective execution and improved customer offerings. Productivity initiatives and technology investments are ongoing, enhancing competitiveness and delivering greater value to producers, customers, clients, and shareholders.

Directors' report

The condensed consolidated interim results of BKB Limited for the six months ended 31 December 2025 comprise those of the Company, its subsidiaries and jointly controlled entities (jointly referred to as "the Group").

The condensed consolidated interim financial statements of the Group have been prepared in accordance with IAS 34 Interim Financial Reporting, International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the listing requirements of the Cape Town Stock Exchange and in the manner required by the Companies Act of South Africa, 2008 (Act 71 of 2008).

These interim results have not been audited or independently reviewed by the Group's external auditors. The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements. They should be read in conjunction with the Group's annual financial statements as at 30 June 2025.

The Group's performance is subject to seasonal trends. The Fibre Division generally performs better in the second half of the financial year. However, performance is highly dependent on market price fluctuations, exchange rate movements and the timing of fibre received from producers. The Retail and Fuel Division normally benefits from higher feed sales in the generally drier first half of the financial year.

The reports and commentary which form part of the condensed consolidated financial statements contain forward-looking statements that are subject to risk factors associated with the agricultural industry, many of which are beyond the control of the Group. These forward-looking statements do not constitute a representation, and no reliance should be placed on them, although every effort has been made to ensure the reasonableness thereof.

SUBSEQUENT EVENTS

The recent acceleration in the spread of FMD presents a significant risk to the country's livestock industry and, more broadly, to the agricultural sector as a whole. However, the Group remains confident that its well-diversified portfolio will mitigate any material impact on its overall financial performance.

There are no other matters or circumstances that have arisen since 31 December 2025, which are not dealt with in this report or in the condensed consolidated interim results, that have significantly affected or may significantly affect the operations and results of the Group in subsequent financial periods.

DIVIDENDS

On 9 September 2025, the Board approved a gross dividend of R43 956 563 (50 cents per share) for distribution to shareholders.

RESPONSIBILITIES AND APPROVAL

The preparation of the BKB Group's condensed consolidated interim results for the six months ended 31 December 2025 was supervised by the Group Financial Director, JA van Niekerk.

The Board believes this half-year report is a balanced and appropriate representation of the financial and operational performance of the Group.

The condensed consolidated interim results for the six months ended 31 December 2025 were approved by the Board of Directors on 26 February 2026 and are signed on the Board's behalf by:



Geoff Kingwill
Chairman: BKB Board of Directors



Johan Stumpf
Managing Director

The results were made available publicly on 2 March 2026.

A photograph of a traditional windmill in a rural landscape. The windmill is a tall, metal lattice tower with a large, circular, multi-bladed fan at the top. It stands on a concrete base. The background shows a vast, open field with some low hills in the distance. The sky is filled with dramatic, colorful clouds, transitioning from deep blue at the top to warm orange and pink near the horizon, suggesting a sunset or sunrise. The overall mood is serene and natural.

Unaudited condensed consolidated financial statements

For the six months ended 31 December 2025

BKB LIMITED AND ITS SUBSIDIARIES

(Registration number 1998/012435/06)

Interim Results

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 Dec 2025 (Unaudited) R'000	As at 31 Dec 2024 (Unaudited) R'000	As at 30 Jun 2025 (Audited) R'000
ASSETS			
Non-current assets			
Property, plant and equipment	872 141	813 295	842 672
Right-of-use assets	72 237	65 875	64 163
Investment property	39 433	61 239	39 433
Intangible assets	125 072	128 310	126 951
Equity accounted investments	6 406	8 901	8 680
Trade and other receivables	37 742	23 078	36 803
Deferred tax assets	9 150	47 583	20 696
	<u>1 162 181</u>	<u>1 148 281</u>	<u>1 139 398</u>
Current assets			
Inventories	667 927	769 942	789 897
Trade and other receivables	1 080 804	1 040 658	1 007 680
Other financial assets	9 505	6 662	4 173
Current income tax assets	2 543	8 962	5 948
Cash and cash equivalents	232 286	275 932	73 969
	<u>1 993 065</u>	<u>2 102 156</u>	<u>1 881 667</u>
Assets classified as held for sale	25 000	3 553	25 000
Total current assets	<u>2 018 065</u>	<u>2 105 709</u>	<u>1 906 667</u>
Total assets	<u>3 180 246</u>	<u>3 253 990</u>	<u>3 046 065</u>
EQUITY			
Capital and reserves			
Share capital	4 395	4 420	4 396
Share premium	211 451	216 496	213 167
Treasury shares	(105 797)	(113 853)	(113 849)
Non-distributable reserves	189 714	200 031	199 391
Distributable reserves	1 340 975	1 208 865	1 281 760
Capital and reserves attributable to owners of the parent	<u>1 640 738</u>	<u>1 515 959</u>	<u>1 584 865</u>
Non-controlling interest	6 689	5 425	6 143
Total equity	<u>1 647 427</u>	<u>1 521 384</u>	<u>1 591 008</u>
LIABILITIES			
Non-current liabilities			
Borrowings	38 075	128 492	113 298
Lease liabilities	73 506	63 700	64 932
Post-retirement medical aid liabilities	2 142	2 157	2 142
Deferred tax liabilities	33 429	51 013	32 733
Provisions	10 063	9 741	9 471
	<u>157 215</u>	<u>255 103</u>	<u>222 576</u>
Current liabilities			
Trade and other payables	589 091	664 391	775 523
Borrowings	756 118	779 268	440 325
Other financial liabilities	624	11 943	783
Lease liabilities	13 910	16 681	13 851
Current income tax liabilities	3 340	5 208	1 705
Bank overdrafts	12 521	12	294
Total current liabilities	<u>1 375 604</u>	<u>1 477 503</u>	<u>1 232 481</u>
Total liabilities	<u>1 532 819</u>	<u>1 732 606</u>	<u>1 455 057</u>
Total equity and liabilities	<u>3 180 246</u>	<u>3 253 990</u>	<u>3 046 065</u>

BKB LIMITED AND ITS SUBSIDIARIES

(Registration number 1998/012435/06)

Interim Results

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the 6 months ended 31 Dec 2025 (Unaudited) R'000	For the 6 months ended 31 Dec 2024 (Unaudited) R'000	For the year ended 30 Jun 2025 (Audited) R'000
Revenue	3 734 983	3 326 691	6 711 186
Interest revenue	27 897	30 267	62 337
Total revenue	3 762 880	3 356 958	6 773 523
Cost of sales	(3 055 488)	(2 759 031)	(5 533 682)
Gross profit	707 392	597 927	1 239 841
Other operating income	16 321	15 335	41 734
Operational expenses	(452 089)	(395 561)	(816 437)
Administrative expenses	(95 017)	(90 880)	(183 539)
Impairment of financial assets	(4 227)	(3 799)	(14 536)
Profit/(loss) from equity accounted investments	387	(149)	(301)
Operating profit	172 767	122 873	266 762
Finance income	2 163	1 882	5 476
Finance costs	(30 822)	(42 104)	(86 463)
Profit before taxation	144 108	82 651	185 775
Income tax expense	(40 431)	(21 702)	(53 897)
Profit for the period/year	103 677	60 949	131 878
Other comprehensive (expense)/income:			
Items that will not be reclassified to profit or loss:			
Movement in reserve on revaluation of properties	-	-	750
Gains on property revaluations	-	-	937
Income tax relating to items that will not be reclassified	-	-	(187)
Items that will be reclassified to profit or loss:			
Movement in foreign currency translation reserve	(6 554)	-	(3 768)
Movement in cash flow hedge reserve	(3 631)	4 379	3 444
Fair value adjustments to cash flow hedge reserve	(14 286)	5 303	7 672
Reclassification to revenue	9 312	696	(3 171)
Income tax relating to items that may be reclassified	1 343	(1 620)	(1 057)
Other comprehensive (expense)/income for the period/year net of taxation	(10 185)	4 379	426
Total comprehensive income for the period/year	93 492	65 328	132 304
Profit attributable to:			
Owners of the parent	103 131	60 887	131 098
Non-controlling interest	546	62	780
	103 677	60 949	131 878
Total comprehensive income attributable to:			
Owners of the parent	92 946	65 266	131 524
Non-controlling interest	546	62	780
	93 492	65 328	132 304
Basic earnings per share (cents)	131.1	77.3	167.5
Diluted earnings per share (cents)	126.1	76.1	162.3

BKB LIMITED AND ITS SUBSIDIARIES

(Registration number 1998/012435/06)

Interim Results

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	For the 6 months ended 31 Dec 2025 (Unaudited) R'000	For the 6 months ended 31 Dec 2024 (Unaudited) R'000	For the year ended 30 Jun 2025 (Audited) R'000
Share capital			
Balance at the beginning of the period/year	4 396	4 420	4 420
Shares re-purchased	(1)	-	(24)
Balance at the end of the period/year	<u>4 395</u>	<u>4 420</u>	<u>4 396</u>
Share premium			
Balance at the beginning of the period/year	213 167	218 212	218 212
Premium on shares re-purchased	(131)	-	(3 326)
Loss on sale of shares	(5 562)	(1 716)	(8 046)
Issue of treasury shares to employees	3 977	-	6 327
Balance at the end of the period/year	<u>211 451</u>	<u>216 496</u>	<u>213 167</u>
Treasury shares			
Balance at the beginning of the period/year	(113 849)	(125 702)	(125 702)
Shares purchased by the trust	(1 720)	(2 063)	(2 063)
Shares sold by the trust	9 772	13 912	13 916
Balance at the end of the period/year	<u>(105 797)</u>	<u>(113 853)</u>	<u>(113 849)</u>
Non-distributable reserves			
<i>Reserve on revaluation of properties</i>			
Balance at the beginning of the period/year	179 678	167 795	167 795
Revaluations	-	-	937
Deferred tax on revaluations	-	-	(187)
Realisation of revaluation reserve on sale of building	(56)	-	(325)
Deferred tax realised on sale of building	15	-	79
Transfer to distributable reserves	-	11 378	11 379
Balance at the end of the period/year	<u>179 637</u>	<u>179 173</u>	<u>179 678</u>
<i>Cash flow hedge reserve</i>			
Balance at the beginning of the period/year	1 111	(2 333)	(2 333)
Fair value adjustments to cash flow hedge reserve	(14 286)	5 303	7 672
Reclassification to revenue	9 312	696	(3 171)
Income tax relating to items that may be reclassified	1 343	(1 620)	(1 057)
Balance at the end of the period/year	<u>(2 520)</u>	<u>2 046</u>	<u>1 111</u>
<i>Foreign currency translation reserve</i>			
Balance at the beginning of the period/year	(3 768)	-	-
Other comprehensive income	(6 554)	-	(3 768)
Balance at the end of the period/year	<u>(10 322)</u>	<u>-</u>	<u>(3 768)</u>
<i>Share based payment reserve</i>			
Balance at the beginning of the period/year	22 370	22 156	22 156
Equity settled share based payments scheme	8 736	6 413	12 410
Issue of treasury shares to employees	(8 187)	(12 196)	(12 196)
Balance at the end of the period/year	<u>22 919</u>	<u>16 373</u>	<u>22 370</u>
<i>Black economic empowerment reserve</i>			
Balance at the beginning of the period/year	-	2 439	2 439
Transfer to distributable reserves	-	-	(2 439)
Balance at the end of the period/year	<u>-</u>	<u>2 439</u>	<u>-</u>
	<u>189 714</u>	<u>200 031</u>	<u>199 391</u>

BKB LIMITED AND ITS SUBSIDIARIES

(Registration number 1998/012435/06)

Interim Results

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	For the 6 months ended 31 Dec 2025 (Unaudited) R'000	For the 6 months ended 31 Dec 2024 (Unaudited) R'000	For the year ended 30 Jun 2025 (Audited) R'000
Distributable reserves			
<i>Retained earnings</i>			
Balance at the beginning of the period/year	1 281 760	1 185 399	1 185 399
Profit for the period/year	103 131	60 887	131 098
Dividends	(43 957)	(26 043)	(26 043)
Transfer from non-distributable reserve	41	(11 378)	(8 694)
Balance at the end of the period/year	<u>1 340 975</u>	<u>1 208 865</u>	<u>1 281 760</u>
Non-controlling interest			
Balance at the beginning of the period/year	6 143	5 363	5 363
Profit for the period/year	546	62	780
Balance at the end of the period/year	<u>6 689</u>	<u>5 425</u>	<u>6 143</u>
	<u>1 647 427</u>	<u>1 521 384</u>	<u>1 591 008</u>

BKB LIMITED AND ITS SUBSIDIARIES

(Registration number 1998/012435/06)

Interim Results

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the 6 months ended 31 Dec 2025 (Unaudited) R'000	For the 6 months ended 31 Dec 2024 (Unaudited) R'000	For the year ended 30 Jun 2025 (Audited) R'000
Cash flow from operating activities			
Cash receipts from customers	7 632 001	6 775 782	13 805 478
Cash paid to suppliers and employees	(7 579 576)	(6 795 310)	(13 560 221)
Cash generated from/(used in) operating activities	52 425	(19 528)	245 257
Interest received	2 163	1 882	5 476
Interest paid	(30 822)	(42 104)	(86 463)
Taxation paid	(19 305)	(26 294)	(43 768)
	<u>4 461</u>	<u>(86 044)</u>	<u>120 502</u>
Cash flow from investing activities			
Property, plant and equipment	(47 400)	(35 438)	(90 245)
Investment property	-	-	2 176
Held for sale	-	4 120	22 500
Intangible assets	(1 510)	(633)	(4 309)
Business combinations	-	-	(18)
Investment in associate	2 661	31	101
Non-current receivables	(939)	(1 251)	(5 381)
	<u>(47 188)</u>	<u>(33 171)</u>	<u>(75 176)</u>
Cash flow from financing activities			
Shares re-purchased	(132)	-	(3 350)
Dividends paid	(43 957)	(26 043)	(26 043)
Borrowings	232 906	371 201	25 983
Principal elements of lease payments	-	-	(18 218)
	<u>188 817</u>	<u>345 158</u>	<u>(21 628)</u>
Total cash movement for the period/year	<u>146 090</u>	<u>225 943</u>	<u>23 698</u>
Net cash and cash equivalents at the beginning of the period/year	73 675	49 977	49 977
Net cash and cash equivalents at the end of the period/year	<u>219 765</u>	<u>275 920</u>	<u>73 675</u>

BKB LIMITED AND ITS SUBSIDIARIES

(Registration number 1998/012435/06)

Interim Results

NOTES TO THE FINANCIAL STATEMENTS

1 Basis of preparation

The accounting policies and principles applied in the preparation of the condensed consolidated interim financial statements for the six months ended 31 December 2025 are in all material respects consistent with those applied in the BKB Group's audited consolidated annual financial statements of the year ended 30 June 2025.

2 Segmental information

The Group has identified reportable segments which represent the structure used by the board of directors and executive management to make key strategic and operating decisions and assess performance.

The Group has six reportable segments within which the Group's strategic business units (SBUs) fall.

These reportable segments as well as the products and services from which each of them derive revenue are set out below:

Reportable segment	Products and services
Natural fibre	Comprises marketing by auction, trading, warehousing and logistics of wool and mohair for both the producer and buyer. Acts as a trader in the local and foreign wool market.
Retail and fuel	Comprises retail trading branches throughout the country specializing in agricultural requisites and the supply of fuel.
Livestock and properties	Comprises the marketing and auctioneering of livestock, general farming implements and agricultural, commercial and residential properties.
Leasing of properties	The leasing of warehouse, office and retail space.
Grains	Comprises grain storage and handling, and maize milling.
Consumer goods	Comprises the packaging, distribution and marketing of sugar and agro-based consumer goods in local and foreign markets.

The SBUs offer different services and are managed separately as they require different skills, technology and marketing strategies.

Segmental revenue and results

The executive directors assess the performance of the operating segments based on a measure of value of business conducted, revenue, operating profit and profit before tax. The value of business conducted represents the value of sales transactions for the Group as well as those conducted in its capacity as an agent/broker. Income tax is managed on a legal entity level and is not allocated to the operating segments.

For the 6 months ended 31 Dec 2025 (Unaudited)

Operating segments	Value of business - external R'000	Segment revenue - total R'000	Segment revenue - internal R'000	Segment revenue - external R'000	Interest revenue R'000	Human resource/ staff costs R'000
Natural fibre	2 060 465	1 096 756	49 392	1 047 364	6 189	(73 880)
Retail and fuel	1 320 228	1 358 699	48 878	1 309 821	10 407	(63 218)
Livestock and properties	3 065 449	138 549	1 977	136 572	9 865	(79 280)
Leasing of properties	1 244	26 297	25 053	1 244	-	(228)
Grains	439 446	439 381	-	439 381	65	(15 566)
Consumer goods	846 725	1 564 903	718 178	846 725	-	(14 981)
All other segments*	1 371	-	-	-	1 371	(48 146)
Total	7 734 928	4 624 585	843 478	3 781 107	27 897	(295 299)

Operating segments	EBITDA** R'000	Depreciation and amortisation*** R'000	Impairments and revaluations R'000	Operating profit/(loss) R'000	Net finance (expense)/ income R'000	Profit/(loss) before tax R'000
Natural fibre	59 422	(6 197)	(78)	53 147	(26 592)	26 557
Retail and fuel	63 472	(7 803)	-	55 669	(18 155)	37 514
Livestock and properties	31 206	(5 051)	-	26 155	(3 358)	22 798
Leasing of properties	17 650	(635)	-	17 015	(356)	16 659
Grains	53 506	(8 357)	-	45 149	2 194	47 344
Consumer goods	41 529	(1 489)	-	40 040	1 673	41 713
All other segments*	(63 351)	(1 057)	-	(64 408)	15 935	(48 477)
Total	203 434	(30 589)	(78)	172 767	(28 659)	144 108

Reconciling items

Taxation

Profit after tax

(40 431)

103 677

BKB LIMITED AND ITS SUBSIDIARIES

(Registration number 1998/012435/06)

Interim Results

NOTES TO THE FINANCIAL STATEMENTS
2 Segmental information (continued)
For the 6 months ended 31 Dec 2024 (Unaudited)

Operating segments	Value of business - external R'000	Segment revenue - total R'000	Segment revenue - internal R'000	Segment revenue - external R'000	Interest revenue R'000	Human resource/ staff costs R'000
Natural fibre	1 599 947	831 268	58 384	772 884	6 334	(59 424)
Retail and fuel	1 323 916	1 352 191	39 514	1 312 677	11 239	(60 105)
Livestock and properties	2 702 550	119 215	1 465	117 750	11 146	(72 745)
Leasing of properties	1 503	25 606	24 103	1 503	-	(222)
Grains	447 636	447 459	-	447 459	177	(15 471)
Consumer goods	673 757	1 195 047	521 290	673 757	-	(12 739)
All other segments*	1 371	661	-	661	1 371	(45 671)
Total	6 750 680	3 971 447	644 756	3 326 691	30 267	(266 377)

Operating segments	EBITDA** R'000	Depreciation and amortisation*** R'000	Impairments and revaluations R'000	Operating profit/(loss) R'000	Net finance (expense)/ income R'000	Profit/(loss) before tax R'000
Natural fibre	24 822	(6 903)	-	17 919	(29 497)	(11 578)
Retail and fuel	58 583	(7 434)	-	51 149	(20 924)	30 225
Livestock and properties	22 276	(5 151)	-	17 125	(3 150)	13 975
Leasing of properties	20 259	(742)	-	19 517	(649)	18 868
Grains	49 937	(10 049)	(82)	39 806	1 356	41 162
Consumer goods	40 522	(2 058)	-	38 464	(1 458)	37 006
All other segments*	(59 935)	(1 172)	-	(61 107)	14 100	(47 007)
Total	156 464	(33 509)	(82)	122 873	(40 222)	82 651

Reconciling items

Taxation						(21 702)
Profit after tax						60 949

* Head office costs including HR, Finance, IT and Corporate

** Earnings before interest, taxation, depreciation, impairments, amortisation and revaluations

*** Includes cost of sales depreciation

BKB LIMITED AND ITS SUBSIDIARIES

(Registration number 1998/012435/06)

Interim Results

NOTES TO THE FINANCIAL STATEMENTS

2 Segmental information (continued)

Segment assets and liabilities

The amounts provided to the board of directors with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

The amounts provided to the board of directors with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

The table below provides information on segment assets and liabilities as well as a reconciliation to total assets and liabilities as per the Statement of Financial Position.

	As at 31 Dec 2025 (Unaudited)			As at 31 Dec 2024 (Unaudited)		
	Additions to non-current assets *	Total assets	Total liabilities	Additions to non-current assets *	Total assets	Total liabilities
	R'000	R'000	R'000	R'000	R'000	R'000
Natural fibre	3 376	1 041 732	490 596	3 740	904 813	380 105
Retail and fuel	3 486	748 128	510 721	5 363	728 435	506 700
Livestock and properties	4 758	310 533	80 217	6 114	342 669	125 402
Leasing of properties	12 598	656 612	69 954	1 947	658 627	77 307
Grains	24 376	490 783	249 388	18 903	385 399	174 543
Consumer goods	1 890	429 958	229 824	2 148	431 550	265 067
All other segments	2 018	274 037	673 656	1 570	552 136	953 121
Total	52 502	3 951 783	2 304 356	39 785	4 003 629	2 482 245
Reconciling items						
Inter-segment loans		(771 537)	(771 537)		(749 639)	(749 639)
Total as per statements of financial position		3 180 246	1 532 819		3 253 990	1 732 606

* Other than financial assets and deferred tax

Geographical information

	As at 31 Dec 2025 (Unaudited)			As at 31 Dec 2024 (Unaudited)		
	Revenue - internal	Revenue - external	Non-current assets	Revenue - internal	Revenue - external	Non-current assets
	R'000	R'000	R'000	R'000	R'000	R'000
South Africa	117 482	3 654 053	1 098 736	115 648	3 354 904	1 092 729
USA	-	153 303	1 776	-	-	-
Eswatini	718 178	1 648	60 707	521 290	2 054	54 222
Lesotho	7 818	-	962	7 818	-	1 330
Total	843 478	3 809 004	1 162 181	644 756	3 356 958	1 148 281



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