

The logo of K&S Corporation Limited is a red, stylized arrow pointing to the right. The text "K&S CORPORATION LIMITED" is written in white, uppercase letters across the center of the arrow.

K&S CORPORATION LIMITED

Interim Financial Report as at 31 December 2024

| | | |
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K&S CORPORATION LIMITED

ABN 67 007 561 837

Directors' Report

The Directors present their report, together with the interim financial report of the Group comprising of K&S Corporation Limited (the "Company") and its subsidiaries (the "Group"), for the half-year ended 31 December 2024 and the review report thereon.

DIRECTORS

The names of the Company's Directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Tony Johnson (Chair)

Paul Sarant (Managing Director)

Lekh Winsor

Graham Walters AM (Independent Director)

Sallie Emmett (Independent Director)

Robert Dalton (Independent Director)

CONSOLIDATED RESULTS

| Financial Overview | | 6 month period to Dec 2024 | 6 month period to Dec 2023 | % Movement |
|--|--------|-------------------------------|-------------------------------|---------------|
| Operating Revenue | \$'000 | 383,476 | 422,874 | (9.3)% |
| Statutory profit after tax | \$'000 | 16,092 | 16,604 | (3.1)% |
| Statutory profit before tax | \$'000 | 22,992 | 23,898 | (3.8)% |
| Earnings before interest and tax (EBIT) | \$'000 | 24,900 | 25,654 | (2.9)% |
| Earnings before interest, tax and depreciation (EBITDA) | \$'000 | 46,192 | 48,224 | (4.2)% |
| Add Significant items | \$'000 | 397 | 485 | (18.1)% |
| Underlying profit before interest, tax & depreciation ¹ | \$'000 | 46,589 | 48,709 | (4.4)% |
| Underlying profit before interest & tax ¹ | \$'000 | 25,297 | 26,139 | (3.2)% |
| Underlying profit before tax ¹ | \$'000 | 23,389 | 24,383 | (4.1)% |
| Underlying operating profit after tax ¹ | \$'000 | 16,370 | 16,944 | (3.4)% |
| Total assets | \$'000 | 667,428 | 610,112 | 9.4% |
| Net borrowings excluding lease liabilities | \$'000 | 45,851 | 22,235 | 106.2% |
| Shareholders' funds | \$'000 | 360,655 | 327,743 | 10.0% |
| Finance costs | \$'000 | 1,908 | 1,756 | 8.7% |
| Depreciation | \$'000 | 21,292 | 22,570 | (5.7)% |
| Dividend per share | cents | 8.0 | 10.0 | (20.0)% |
| Net tangible assets per share | \$ | 2.6 | 2.4 | 8.3% |
| Operating cash flow | \$'000 | 26,671 | 29,130 | (8.4)% |
| Return on assets | % | 3.4 | 3.9 | (12.8)% |
| Gearing ratio (excluding lease liabilities) | % | 11.3 | 6.4 | 76.6% |
| Employee numbers | | 2,024 | 1,812 | 11.7% |
| Lost time injuries | | 4 | 7 | (42.9)% |
| Lost time injuries frequency rate | | 2.8 | 4.5 | (37.8)% |

¹ Underlying profits and earnings per share based on underlying profits are categorised as non-IFRS Financial information and therefore have been presented in compliance with ASIC Regulatory Guide 230- Disclosing non-IFRS information issued in December 2011. An underlying adjustment has been considered in relation to its size and nature and has been adjusted from the statutory information for disclosure purposes to assist readers to better understand the financial performance of the underlying business in each reporting period. This adjustment is the unrealised loss on the Group's interest rate swap, which was primarily driven by the underlying market volatility in the short and mid-term interest expectations. The exclusion of this item provides a result which, in the Directors view, is more closely aligned with the ongoing operations of the Consolidated Group. The non-IFRS information has not been subject to audit or review by the auditor.

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Directors' Report continued

REVIEW AND RESULTS OF OPERATIONS

Operating revenue for the period was \$383.5 million, 9.3% lower than the prior corresponding period. The Group recorded an underlying profit before tax of \$23.4 million for the period, 4.1% lower than the prior corresponding period. The underlying profit after tax of \$16.4 million was 3.4% lower than the prior corresponding period. Statutory profit before tax was \$23.0 million for the half-year ended 31 December 2024, 3.8% lower than the prior corresponding period. Statutory profit after tax was \$16.1 million, down 3.1% on the previous year first half statutory profit after tax of \$16.6 million.

The statutory result for the half-year ended 31 December 2024 includes one significant item amounting to \$0.4 million (before tax) comprising a loss in the fair value of the Group's interest rate swap. The Group's statutory result for the prior corresponding period included \$0.5 million (before tax) of significant items.

The underlying profit saw continued sound performance by Australian Transport and New Zealand whilst the contribution from K&S Fuels weakened due to tightening trading conditions.

Operating cashflow for the current period was \$26.7 million, \$2.5 million lower than the prior corresponding period.

Australian Transport

Steel volumes from our major customers were below prior year levels due to tight market conditions and cessation of contracts. The interstate division (linehaul and intermodal) experienced declining revenues and margin contraction due to high levels of competition and a contraction of this market segment.

Performance of the contract logistics business was sound. Despite a strong forward order book, our Western Australia based heavy haulage business was adversely impacted by a number of bottle necks beyond its control including stevedoring issues at the wharf and build crew labour shortages affecting key customers.

Our specialised aviation refuelling business, Aero Refuellers, has experienced low fire season activity and margin pressure.

Cost reduction strategies have continued to be implemented across the business, in particular, operational efficiencies, supplier re-negotiations, and the rationalisation and replacement of specific fleet. Ongoing cost reduction initiatives, coupled with customer re-negotiations, continued to have a positive impact on the result for the first half of FY2025.

Fuels

The fuel trading business, K&S Fuels, made a sound contribution to the first half result for FY2025, although revenue and profit were both down on the prior comparative period.

New Zealand

The New Zealand operation produced a sound half year result on stable revenue.

Balance Sheet and Funding

The Group maintains a strong focus on the balance sheet.

The Group's net debt increased from \$23.8 million as at 30 June 2024 to \$45.9 million as at 31 December 2024, with the Group's gearing ratio (excluding lease liabilities) also increasing from 6.3% to 11.3% over the same period.

The Group's net debt is expected to continue to increase in the second half of FY2025 as the Group undertakes a number of property related projects, including:

- upgrades to our Coopers Plains (Brisbane) facility increasing our container storage and handling capability;
- the construction of a new Adelaide facility including a new workshop, container storage and handling yard, and improved warehousing capability which will allow us to exit two externally leased properties once completed; and
- the redevelopment of our Millicent 24/7 service station to a modern convenience store offering.

These projects are expected to be earnings accretive.

Safety

Safety remains a key priority for K&S. The Group's lost time injury frequency rate was 2.8 as at December 2024, improving (down) by 37.8% on the prior comparative period.

The lost time injury frequency rate in New Zealand was 1.7.

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Directors' Report continued

On 19 December 2024, Comcare (the Group's safety regulator under the *Work Health and Safety Act 2011 (Cth)* ("WHS Act")) commenced a prosecution against K&S out of the Adelaide Magistrates Court in relation to an incident at the Group's Mt Gambier transport terminal on 20 December 2022. K&S has been charged with one count of breaching the general duty to ensure the safety of a worker, so far as is reasonably practicable, under the WHS Act. The charge carries a maximum penalty of \$1.5 million if K&S is convicted.

Interim Dividend

A fully franked Interim Dividend of 8.0 cents per share (2024: 10.0 cents per share) has been declared by the Directors. The Interim Dividend will be paid on 3rd April 2025, with the date for determining entitlements being 21st March 2025.

Outlook

While the Group recorded another strong result for the first half of FY2025, providing specific earning guidance for the second half remains difficult. The current higher interest rate environment, coupled with cost-base pressures, costs associated with investment in additional resources, de-stocking by some customers and lower construction activity, present down-side risks to the second half result.

The cessation of several customer contracts in the first half of FY2025, coupled with the full year impact of customer contract losses in FY2024, and a more challenging trading environment, are expected to have some impact the Group's second half results. While we anticipate that those impacts will be partially offset by price and margin improvements on some parcels of work in FY2025, we presently anticipate that our second half result for FY2025 will be lower than for the prior comparative period.

The Group has secure long term bank facilities and low gearing levels. We will continue to take a balanced approach to risk as well as maintaining a strong focus on working capital management.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the economic entity during the half-year under review.

EVENTS SUBSEQUENT TO BALANCE DATE

On 25th February 2025, the Directors of K&S Corporation Limited declared an interim dividend on ordinary shares in respect of the 2025 financial year. The total amount of the dividend is \$10,947,919 which represents a fully franked dividend of 8.0 cents per share. The dividend has not been provided for in the 31 December 2024 financial statements and is payable on 3rd April 2025.

Other than the above matters, there has not arisen in the interval between the end of the financial period and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

ROUNDING

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24th March 2016 and in accordance with that legislative instrument, amounts in the Financial Report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated. This interim financial report is presented in Australia dollars which is the Company's functional currency.

AUDITOR INDEPENDENCE

The entity's auditor, Ernst & Young have provided the Group with an Auditors' Independence Declaration which is on page 19 of this report.

Dated at Melbourne this 25th day of February 2025.

Signed in accordance with a resolution of the Directors.



Tony Johnson
Chairman



Paul Sarant
Managing Director and CEO

K&S CORPORATION LIMITED

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

| | NOTE | 31 December 2024 \$'000 | CONSOLIDATED 31 December 2023 \$'000 |
|---|------|-------------------------------|---|
| Revenue and other income | | | |
| Operating revenue | 4 | 383,476 | 422,874 |
| Other income | | 7,114 | 6,495 |
| | | 390,590 | 429,369 |
| Expenses | | | |
| Consumption of fuel held for sale and changes in inventories | | (74,172) | (88,229) |
| Contractor expenses | | (75,829) | (97,142) |
| Employee expenses | | (110,773) | (109,739) |
| Fleet expenses | | (64,772) | (67,454) |
| Depreciation expense | | (21,292) | (22,570) |
| Loss on derivative instruments at fair value through profit and loss | 1 | (397) | (485) |
| Finance costs | | (1,908) | (1,756) |
| Other expenses | | (18,455) | (18,096) |
| | | (367,598) | (405,471) |
| Profit before income tax | | 22,992 | 23,898 |
| Income tax expense | | (6,900) | (7,294) |
| Profit after income tax | | 16,092 | 16,604 |
| Other comprehensive income | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | 1 | | |
| Exchange differences on translation of foreign subsidiaries | | (435) | 407 |
| Other comprehensive income/(loss) for the period, net of tax | | (435) | 407 |
| Total comprehensive income for the period | | 15,657 | 17,011 |
| Earnings per share (cents per share) | | | |
| Basic for profit for the period attributable to ordinary equity holders of the parent | 1 | 11.4 | 12.4 |
| Diluted for profit for the period attributable to ordinary equity holders of the parent | 1 | 11.4 | 12.4 |
| Dividends per share (cents per share) | 9 | 8.0 | 10.0 |

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

K&S CORPORATION LIMITED

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Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2024

| | | 31 December 2024 \$'000 | CONSOLIDATED 30 June 2024 \$'000 |
|---------------------------------------|------|-------------------------------|---|
| | NOTE | | |
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | | 27,151 | 33,437 |
| Trade and other receivables | | 78,437 | 88,935 |
| Inventories | | 7,405 | 7,693 |
| Assets held for sale | | - | 840 |
| Prepayments | | 11,995 | 11,457 |
| Derivatives | | 375 | 774 |
| Total current assets | | 125,363 | 143,136 |
| Non-current assets | | | |
| Other receivables | | 168 | 229 |
| Property, plant & equipment | 6 | 508,150 | 494,170 |
| Intangibles | | 5,990 | 6,054 |
| Right of use assets | | 27,757 | 8,786 |
| Total non-current assets | | 542,065 | 509,239 |
| TOTAL ASSETS | | 667,428 | 652,375 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | | 82,448 | 101,294 |
| Lease liabilities | | 6,511 | 3,285 |
| Income tax payable | | 2,979 | 5,454 |
| Provisions | | 30,966 | 32,015 |
| Total current liabilities | | 122,904 | 142,048 |
| Non-current liabilities | | | |
| Interest bearing loans and borrowings | 7 | 73,002 | 57,213 |
| Lease liabilities | | 21,295 | 5,731 |
| Deferred tax liabilities | | 67,133 | 68,370 |
| Provisions | | 22,439 | 23,067 |
| Total non-current liabilities | | 183,869 | 154,381 |
| TOTAL LIABILITIES | | 306,773 | 296,429 |
| NET ASSETS | | 360,655 | 355,946 |
| EQUITY | | | |
| Contributed equity | 8 | 179,624 | 179,624 |
| Reserves | | 141,224 | 136,515 |
| Retained earnings | | 39,807 | 39,807 |
| TOTAL EQUITY | | 360,655 | 355,946 |

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

K&S CORPORATION LIMITED

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Consolidated Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

| | NOTE | Issued Capital \$'000 | Profit Reserve \$'000 | Retained Earnings \$'000 | Revaluation Reserve \$'000 | Translation Reserve \$'000 | Control Reserve \$'000 | Total Equity \$'000 |
|--|----------|-----------------------------|-----------------------------|--------------------------------|----------------------------------|----------------------------------|------------------------------|---------------------------|
| CONSOLIDATED | | | | | | | | |
| As at 1 July 2024 | | 179,624 | 21,536 | 39,807 | 115,620 | (328) | (313) | 355,946 |
| Profit for the half-year | | - | - | 16,092 | - | - | - | 16,092 |
| Transfer to profit reserve | | - | 16,092 | (16,092) | - | - | - | - |
| Other comprehensive income | | - | - | - | - | (435) | - | (435) |
| Total comprehensive income for the half-year | | - | 16,092 | - | - | (435) | - | 15,657 |
| Transactions with owners in their capacity as owners: | | | | | | | | |
| Issue of share capital | | - | - | - | - | - | - | - |
| Dividends paid | 9 | - | (10,948) | - | - | - | - | (10,948) |
| At 31 December 2024 | | 179,624 | 26,680 | 39,807 | 115,620 | (763) | (313) | 360,655 |
| As at 1 July 2023 | | 179,624 | 14,945 | 39,807 | 87,780 | (163) | (313) | 321,680 |
| Profit for the half-year | | - | - | 16,604 | - | - | - | 16,604 |
| Transfer to profit reserve | | - | 16,604 | (16,604) | - | - | - | - |
| Other comprehensive income | | - | - | - | - | 407 | - | 407 |
| Total comprehensive income for the half-year | | - | 16,604 | - | - | 407 | - | 17,011 |
| Transactions with owners in their capacity as owners: | | | | | | | | |
| Issue of share capital | | - | - | - | - | - | - | - |
| Dividends paid | 9 | - | (10,948) | - | - | - | - | (10,948) |
| At 31 December 2023 | | 179,624 | 20,601 | 39,807 | 87,780 | 244 | (313) | 327,743 |

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

K&S CORPORATION LIMITED

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Consolidated Statement of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

| | 31 December 2024 \$'000 | CONSOLIDATED 31 December 2023 \$'000 |
|---|-------------------------------|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash receipts from customers | 452,340 | 470,324 |
| Cash payments to suppliers and employees | (413,468) | (435,289) |
| Interest received | 820 | 700 |
| Lease payments (interest component) | (217) | (297) |
| Borrowing costs paid | (2,185) | (2,353) |
| Income taxes paid | (10,619) | (3,955) |
| Net cash provided by operating activities | 26,671 | 29,130 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sale of non-current assets | 10,031 | 6,006 |
| Payments for property, plant & equipment | (44,139) | (43,758) |
| Net cash used in investing activities | (34,108) | (37,752) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from borrowings (net of costs) | 15,536 | 27,588 |
| Repayments of borrowings | - | (16,294) |
| Lease payments (principal component) | (3,396) | (3,600) |
| Dividends paid | (10,948) | (10,948) |
| Net cash used in financing activities | 1,192 | (3,254) |
| Net increase/(decrease) in cash held | (6,245) | (11,876) |
| Cash at the beginning of the financial year | 33,437 | 39,537 |
| Effects of exchange rate variances on cash | (41) | 43 |
| Cash at the end of the financial half-year | 27,151 | 27,704 |

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

K&S CORPORATION LIMITED

ABN 67 007 561 837

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

1 CORPORATE INFORMATION

This is the interim financial report of K&S Corporation Limited (the "Company") and its controlled entities (together, the "Group"). The interim financial report for the half-year ended 31 December 2024 was authorised for issue in accordance with a resolution of Directors on 25 February 2025.

K&S Corporation Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australia Securities Exchange (ASX: KSC).

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

a) Basis of preparation

The interim financial report for the half-year ended 31 December 2024 has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim financial report does not include all the information and disclosures required in the annual financial report and should be read in conjunction with the Group's annual financial report for the year ended 30 June 2024. It is also recommended that the interim financial report be considered together with any public announcements made by the Company and its subsidiaries during the half-year ended 31 December 2024 in accordance with the continuous disclosure obligations of the Australian Securities Exchange listing rules.

The consolidated financial statements have been prepared on a going concern basis.

The accounting policies adopted are consistent with those of the Group's annual consolidated financial statements for the year ended 30 June 2024 and corresponding 31 December 2023 interim reporting period, except for the required adoption of new and amended accounting standards effective from 1 July 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but it not yet effective.

A number of prior year disclosures have been updated in the current year to align with the current year disclosures.

b) Compliance with IFRS

The financial report complies with the International Financial Reporting Standard IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

c) New Accounting Standards and Interpretations

The Group has adopted all new pronouncements as required by the Australian Accounting Standards Board effective from 1 July 2024. The adoption of these new pronouncements has not required a change in the Group's accounting policies.

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Notes to the Financial Statements continued

3 OPERATING SEGMENTS

Identification of reportable segments

The Group identified its operating segments based on the internal reports that are reviewed and used by the Executive Management in assessing performance and in determining the allocation of resources.

The Executive Management determined that the Group has three operating segments.

The Group's internal management reporting systems and business model, which monitors resource allocation and working capital fall under the following three segments:

- **Australian Transport** – The provision of logistics services to customers within Australia.
- **Fuels** – The distribution of fuel to fishing, farming and retail customers within the South East of South Australia.
- **New Zealand Transport** – The provision of logistics services to customers within New Zealand.

Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments are the same as those contained in the prior period.

Major customer

The entity has one customer which contributes greater than 10% of total revenue (\$54.7m) and falls within the Australian Transport Segment.

| Half-year ended 31 December 2024 | Australian Transport \$'000 | Fuels \$'000 | New Zealand Transport \$'000 | Total \$'000 |
|--|--------------------------------|-----------------|---------------------------------|-----------------|
| Revenue | | | | |
| External customers | 272,271 | 72,467 | 38,738 | 383,476 |
| Inter-segment sales | - | 27,058 | - | 27,058 |
| Total segment revenue | 272,271 | 99,525 | 38,738 | 410,534 |
| Results | | | | |
| Depreciation and amortisation expense | (17,129) | - | (4,163) | (21,292) |
| Loss on derivative instruments at fair value through profit and loss | (397) | - | - | (397) |
| Finance costs | (1,697) | - | (211) | (1,908) |
| Segment Profit after Tax | 11,050 | 2,280 | 2,762 | 16,092 |
| Other disclosures | | | | |
| Capital expenditure | (25,800) | (702) | (10,469) | (36,971) |

Inter-segment revenues of \$27.1 million are eliminated on consolidation

| Half-year ended 31 December 2023 | Australian Transport \$'000 | Fuels \$'000 | New Zealand Transport \$'000 | Total \$'000 |
|--|--------------------------------|-----------------|---------------------------------|-----------------|
| Revenue | | | | |
| External customers | 301,957 | 84,236 | 36,681 | 422,874 |
| Inter-segment sales | - | 32,784 | - | 32,784 |
| Total segment revenue | 301,957 | 117,020 | 36,681 | 455,658 |
| Results | | | | |
| Depreciation and amortisation expense | (18,432) | - | (4,138) | (22,570) |
| Loss on derivative instruments at fair value through profit and loss | (485) | - | - | (485) |
| Finance costs | (1,498) | - | (258) | (1,756) |
| Segment Profit after Tax | 10,970 | 3,345 | 2,289 | 16,604 |
| Other disclosures | | | | |
| Capital expenditure | (37,064) | - | (2,180) | (39,244) |

Inter-segment revenues of \$32.8 million are eliminated on consolidation

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Notes to the Financial Statements continued

3 OPERATING SEGMENTS (continued)

| Half-year ended 31 December 2024 | Australian Transport \$'000 | Fuels \$'000 | New Zealand Transport \$'000 | Total \$'000 |
|----------------------------------|-----------------------------------|-----------------|------------------------------------|-----------------|
| Operating assets | 593,024 | 24,623 | 59,257 | 676,904 |
| Operating liabilities | 214,925 | 14,069 | 17,143 | 246,137 |
| Half-year ended 30 June 2024 | | | | |
| Operating assets | 580,334 | 22,734 | 56,700 | 659,768 |
| Operating liabilities | 199,371 | 14,460 | 16,167 | 229,998 |

i) Segment assets reconciliation to the consolidated statement of financial position

Segment assets are those operating assets of the entity that the executive views as directly attributing to the performance of the segment. These assets include plant and equipment, receivables, inventory and intangibles.

Reconciliation of segment operating assets to total assets:

| | 31 December 2024 \$'000 | CONSOLIDATED 30 June 2024 \$'000 |
|---|-------------------------------|---|
| Reconciliation of assets | | |
| Segment operating assets | 676,904 | 659,768 |
| Inter-segment eliminations | (9,476) | (7,393) |
| Total assets per Statement of Financial Position | 667,428 | 652,375 |

The analysis of location of non-current assets excluding deferred tax assets are as follows:

| | | |
|--|----------------|----------------|
| Australia | 496,270 | 469,212 |
| New Zealand | 45,795 | 40,027 |
| Total non-current assets per the Consolidated Statement of Financial Position | 542,065 | 509,239 |

Reconciliation of liabilities

| | | |
|--|----------------|----------------|
| Segment operating liabilities | 246,137 | 229,998 |
| Inter-segment eliminations | (9,476) | (7,393) |
| Deferred tax liabilities | 67,133 | 68,370 |
| Income tax payable | 2,979 | 5,454 |
| Total liabilities per Statement of Financial Position | 306,773 | 296,429 |

K&S CORPORATION LIMITED

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Notes to the Financial Statements continued

4 REVENUE FROM CONTRACTS

For the half-year ended 31 December 2024

| Segments | Australian Transport \$'000 | New Zealand Transport \$'000 | Fuels \$'000 | Total \$'000 |
|--|-----------------------------------|------------------------------------|-----------------|-----------------|
| Type of service | | | | |
| Transport Services | 259,371 | 38,738 | - | 298,109 |
| Sale of Fuel (including agency commissions) | 12,900 | - | 72,467 | 85,367 |
| Total revenue from contracts with customers | 272,271 | 38,738 | 72,467 | 383,476 |
| Geographical markets | | | | |
| Australia | 272,271 | - | 72,467 | 344,738 |
| New Zealand | - | 38,738 | - | 38,738 |
| Total revenue from contracts with customers | 272,271 | 38,738 | 72,467 | 383,476 |
| Timing of revenue recognition | | | | |
| Services transferred over time | 259,371 | 38,738 | - | 298,109 |
| Goods transferred at a point in time | 12,900 | - | 72,467 | 85,367 |
| Total revenue from contracts with customers | 272,271 | 38,738 | 72,467 | 383,476 |

For the half-year ended 31 December 2023

| Segments | Australian Transport \$'000 | New Zealand Transport \$'000 | Fuels \$'000 | Total \$'000 |
|--|-----------------------------------|------------------------------------|-----------------|-----------------|
| Type of service | | | | |
| Transport Services | 284,577 | 36,681 | - | 321,258 |
| Sale of Fuel (including agency commissions) | 17,380 | - | 84,236 | 101,616 |
| Total revenue from contracts with customers | 301,957 | 36,681 | 84,236 | 422,874 |
| Geographical markets | | | | |
| Australia | 301,957 | - | 84,236 | 386,193 |
| New Zealand | - | 36,681 | - | 36,681 |
| Total revenue from contracts with customers | 301,957 | 36,681 | 84,236 | 422,874 |
| Timing of revenue recognition | | | | |
| Services transferred over time | 284,577 | 36,681 | - | 321,258 |
| Goods transferred at a point in time | 17,380 | - | 84,236 | 101,616 |
| Total revenue from contracts with customers | 301,957 | 36,681 | 84,236 | 422,874 |

K&S CORPORATION LIMITED

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Notes to the Financial Statements continued

5 INDIVIDUALLY SIGNIFICANT ITEMS

| | 31 December 2024 \$'000 | 31 December 2023 \$'000 |
|---|-------------------------------|-------------------------------|
| Loss on derivative instruments at fair value through profit and loss ¹ | 397 | 485 |
| Total significant items pre-tax | 397 | 485 |
| Tax impact on significant items | (119) | (145) |
| Total significant items, net of tax | 278 | 340 |

1 This adjustment relates to the unrealised loss on the Group's interest rate swap, which was primarily driven by the underlying market volatility in the short and mid-term interest expectations.

6 PROPERTY, PLANT AND EQUIPMENT

Acquisition and disposal

During the half-year ended 31 December 2024, the Group acquired assets with a cost of \$37.0 million (2023: \$39.2 million). Assets with a net book value of \$6.2 million were disposed of by the Group during the half-year ended 31 December 2024 (2023: \$2.8 million), resulting in a gain on disposal of \$3.8 million (2023: \$3.2 million). The net carrying amount was \$508.2 million (2023: \$443.1 million).

7 INTEREST BEARING LOANS AND BORROWINGS

| | 31 December 2024 \$'000 | 30 June 2024 \$'000 |
|---|-------------------------------|---------------------------|
| Current | - | - |
| Non-current | | |
| Non-redeemable preference shares | 60 | 60 |
| Bank loans - secured | 73,427 | 57,900 |
| Directly attributable transaction costs | (485) | (747) |
| | 73,002 | 57,213 |

Summary of financing arrangements

Credit facilities are provided as part of the overall debt funding structure of the Group. Maturity dates as well as the drawn component of each facility are shown below:

| Facility and limit | Maturity | Interest rate | Amounts drawn | |
|---|----------------|---------------|-------------------------|---------------------|
| | | | December 2024 \$'000 | June 2024 \$'000 |
| \$90m bank bill facility ^{1, 2} | September 2027 | BBSY + margin | 63,527 | 57,900 |
| \$80m bank bill facility ¹ | September 2028 | BBSY + margin | 9,900 | - |
| Total interest bearing liabilities | | | 73,427 | 57,900 |

1 The bank loans are secured by fixed and floating charges over the assets of the Group. Bank loans are also secured by registered mortgages over a number of freehold properties of the Group totalling \$259 million.

2 In addition to the limit of \$90m, the Group holds a \$35m bank guarantee facility maturing in September 2027.

K&S CORPORATION LIMITED

ABN 67 007 561 837

Notes to the Financial Statements continued

8 CONTRIBUTED EQUITY

| | 31 December 2024 \$'000 | 30 June 2024 \$'000 |
|---|-------------------------------|---------------------------|
| Issued and paid-up share capital | 179,624 | 179,624 |

i) Ordinary shares

Fully paid ordinary shares carry one vote per share, either in person or by proxy, at a meeting of the Company and carry the right to receive dividends as declared.

| | Thousands | \$'000 |
|--|----------------|----------------|
| Movements in ordinary shares on issue | | |
| At 1 July 2024 | 136,849 | 179,624 |
| At 31 December 2024 | 136,849 | 179,624 |

9 DIVIDENDS PAID AND PROPOSED

| | 31 December 2024 \$'000 | CONSOLIDATED 30 June 2024 \$'000 |
|---|-------------------------------|---|
| <i>Declared and paid during the period:</i> | | |
| Dividends on ordinary shares | | |
| Final franked dividend for the financial year ended 30 June 2024: 8.0 cents (2023: 8.0 cents) | 10,948 | 10,948 |
| <i>Proposed (not recognised as a liability as at 31 December):</i> | | |
| Dividends on ordinary shares | | |
| Interim franked dividend for the half-year ending 31 December 2024: 8.0 cents (2023: 10.0 cents) | 10,948 | 13,685 |
| | 21,896 | 24,633 |

10 COMMITMENT AND CONTINGENCIES

The only changes to the commitments and contingencies disclosed in the most recent annual financial report are specified below:

Capital expenditure commitments

As at 31 December 2024, the Group has capital commitments of \$17.6 million (2023: \$55.6 million) relating to property, plant and equipment.

K&S CORPORATION LIMITED

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Notes to the Financial Statements continued

11 EVENTS SUBSEQUENT TO BALANCE DATE

On 25th February 2025, the Directors of K&S Corporation Limited declared an interim dividend on ordinary shares in respect of the 2025 financial year. The total amount of the dividend is \$10,947,919 which represents a fully franked dividend of 8.0 cents per share. The dividend has not been provided for in the 31 December 2024 financial statements and is payable on 3rd April 2025.

No other matters have arisen in the interval between the end of the financial year and the date of this report, including any item, transaction or event of a material and unusual nature which, in the opinion of the Directors of the Company, are likely to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

K&S CORPORATION LIMITED

ABN 67 007 561 837

Directors' Declaration

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

In accordance with a resolution of the Directors of K&S Corporation Limited, we state that:

In the opinion of the Directors:

- (a) The financial statements and notes of K&S Corporation Limited for the half-year ended 31 December 2024 are in accordance with the *Corporations Act 2001*, including;
 - (i) Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
 - (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Tony Johnson
Chairman



Paul Sarant
Managing Director and CEO

Melbourne, 25th February 2025

Independent auditor's review report to the members of K&S Corporation Limited

Conclusion

We have reviewed the accompanying half-year financial report of K&S Corporation Limited (the Company) and its subsidiaries (collectively the Group), which comprises the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows, explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

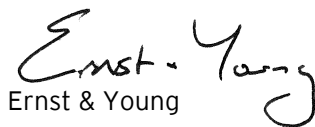
Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


Ernst & Young


Mark Phelps
Partner
Adelaide
25 February 2025



**Shape the future
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Ernst & Young
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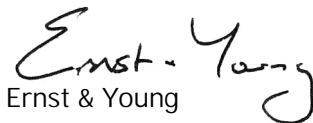
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Auditor's independence declaration to the directors of K&S Corporation Limited

As lead auditor for the review of the half-year financial report of K&S Corporation Limited for the half-year ended 31 December 2024, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of K&S Corporation Limited and the entities it controlled during the financial period.


Ernst & Young



Mark Phelps
Partner
Adelaide
25 February 2025