K&S CORPORATION LIMITED

Financial Report
as at 30 June 2026

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Directors' Report

The Directors present their report, together with the consolidated financial report of the Group comprising K&S Corporation Limited (the "Company") and its subsidiaries (the "Group"), for the year ended 30 June 2026 and the Auditor's Report thereon.

DIRECTORS

The Directors of the Company in office at the date of this report, together with particulars of their qualifications, experience and special responsibilities are set out below.

Tony Johnson Chairman
Director since 1986

Tony Johnson BA, LLB, LLM (Companies & Securities), FAICD is a lawyer and an accredited mediator. Mr Johnson is a founder and former Chairman of the national law firm Johnson Winter Slattery. He has worked extensively in the corporate advisory and commercial disputes area.

Mr Johnson is also Chairman of AA Scott Pty Ltd, the largest Shareholder of K&S Corporation Limited, and Chairman of Adelaide Community Healthcare Alliance.

Member of:

- Environmental Committee (Chairman)
  Nomination and Remuneration Committee

Paul Sarant Managing Director and Chief Executive Officer
Director since 2014

Paul Sarant B.Eng., has extensive experience in the transport and logistics sector. Mr Sarant held the position of Executive General Manager DTM (our contract logistics business) for seven years at K&S Corporation prior to his appointment as Managing Director and Chief Executive Officer. Prior to this, Mr Sarant occupied a range of senior management roles, including general management and senior manufacturing, engineering and logistics roles in the course of his fifteen years at Amcor Printing Paper Group/PaperlinX and was former General Manager at Spicer Stationery Group.

Member of:

- Environmental Committee

Legh Winser
Director since 2013

Legh Winser is a former Managing Director of the Company, a position which he held for 16 years. He has extensive knowledge of the transport and logistics industry with more than 45 years' experience. Mr Winser is also a director of AA Scott Pty Ltd, the largest Shareholder of K&S Corporation Limited.

Member of:

- Environmental Committee
- Nomination and Remuneration Committee

Graham Walters AM *(Independent Director)*
Director since 2018

Graham Walters AM FCA is an experienced chartered accountant and director of successful public and private companies and associations, with extensive experience in accounting, finance, audit, risk management and corporate governance. Mr Walters AM is a former Chairman of Partners South Australia of KPMG and a former Chairman of Westpac South Australia.

Mr Walters AM is a Director of Adelaide Community Healthcare Alliance.

Member of:

- Audit Committee (Chairman)
- Nomination and Remuneration Committee (Chairman)

Sallie Emmett *(Independent Director)*
Director since 2019

Sallie Emmett GAICD LLB GDLP, is a lawyer with over 30 years' experience as a practising solicitor in both legal and management roles. Mrs Emmett is a former partner of national law firm Johnson Winter Slattery. Mrs Emmett has a broad range of commercial exposure including in workplace relations.

Mrs Emmett operates her own legal and management consulting business and has advised the boards and management of a variety of organisations including private and public companies, government, and educational institutions. Mrs Emmett has significant transport sector experience, having acted for a number of transport companies. Mrs Emmett also sits on the board of a number of not for profit organisations.

Member of:

- Audit Committee

Robert Dalton *(Independent Director)*
Director since 2021

Robert Dalton GAICD BA CA, has been a registered company auditor for over 25 years and is a former Managing Partner of the Ernst & Young Melbourne Accounting and Assurance Practice. Mr Dalton also has a wealth of entrepreneurial knowledge and experience having previously run Ernst & Young's entrepreneurship initiatives across the Oceania region as well as being a Regional Director of Ernst & Young's Asia Pacific Entrepreneur management team.

Mr Dalton has worked with a variety of public, private, and start up organisations advising on strategy, commercialisation, and global expansion, as well as providing audit and assurance services.

Mr Dalton is a non-executive director of ASX listed entities Helloworld Travel Limited and EQT Holdings Limited. Mr Dalton is also a director of several private companies.

Member of:

- Audit Committee

SECRETARY

Chris Bright
Secretary since 2005

Chris Bright BEc, LLB, Grad Dip CSPM, FCIS has held the position of General Counsel for 24 years. Mr Bright also has experience working as a solicitor in private practice, principally in commercial dispute resolution.

DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of Committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year were:

Director	Directors' Meetings	Audit Committee Meetings	Nomination & Remuneration Committee Meetings	Environmental Committee Meetings
Number of meetings held:	11	5	2	4
Number of meetings attended:				
Mr T Johnson	11	-	2	4
Mr P Sarant	11	-	-	4
Mr L Winser	11	-	2	4
Mr G Walters AM	11	5	2	-
Mrs S Emmett	11	5	-	-
Mr R Dalton	11	5	-	-

PRINCIPAL ACTIVITIES

The principal activities of the Group during the course of the financial year were transport and logistics, warehousing and fuel distribution.

There were no significant changes in the nature of the activities of the Group during the year.

OPERATING AND FINANCIAL REVIEW

The Board presents the FY2026 Operating and Financial Review, which has been designed to provide Shareholders with a clear and concise overview of the Group's operations, financial position, business strategies and outlook. The review complements the financial report and has been prepared in accordance with the guidelines in ASIC RG247.

The consolidated profit for the year ended 30 June 2026 attributable to the members of K&S Corporation Limited ("K&S") is shown below, along with comparative results for the previous corresponding period:

Financial Overview		2026	2025	% Movement
Operating Revenue	$'000	**729,180**	744,806	**(2.1%)**
Statutory profit after tax	$'000	**22,780**	29,197	**(22.0%)**
Statutory profit before tax	$'000	**32,563**	42,436	**(23.3%)**
Earnings before interest and tax (EBIT)	$'000	**37,902**	46,506	**(18.5%)**
Earnings before interest, tax and depreciation (EBITDA)	$'000	**81,591**	90,700	**(10.0%)**
Less significant items	$'000	**(419)**	(4,152)	**89.9%**
Underlying profit before interest, tax & depreciation[1]	$'000	**81,591**	86,548	**(5.7%)**
Underlying profit before interest & tax[1]	$'000	**37,902**	42,354	**(10.5%)**
Underlying profit before tax[1]	$'000	**32,144**	38,284	**(16.0%)**
Underlying operating profit after tax[1]	$'000	**22,487**	26,290	**(14.5%)**
Total assets	$'000	**721,188**	699,293	**3.1%**
Net borrowings excluding lease liabilities	$'000	**55,847**	49,685	**12.4%**
Shareholders' funds	$'000	**378,949**	373,624	**1.4%**
Finance costs	$'000	**5,758**	4,070	**41.5%**
Depreciation	$'000	**43,689**	44,194	**(1.1%)**
Dividend per share	cents	**11.0**	16.0	**(31.3%)**
Net tangible assets per share	$	**2.73**	2.69	**1.5%**
Operating cash flow	$'000	**63,692**	61,047	**4.3%**
Return on assets	%	**4.5**	6.1	**(26.2%)**
Gearing ratio (excluding lease liabilities)	%	**12.8**	11.7	**9.4%**
Employee numbers		**1,522**	1,668	**(8.8%)**
Lost time injuries		**24**	16	**50.0%**
Lost time injuries frequency rate (LTIFR)		**6.8**	4.2	**61.9%**

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 financial 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. The adjustments relate to the unrealised (gain)/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 financial information has not been subject to audit or review by the auditor.

The Group is a tier one logistics provider, recognised as a leader in the development and provision of specialist logistics solutions for its customers. The Group operates in the Australian and New Zealand markets. The Group's success is underpinned by a strong continuous improvement based focus on safety, service and employee engagement.

The transport and logistics sector in FY2026 remained challenging. The sector continues to experience high levels of competition and pressure on rates, a low growth economic environment and the concentration of bargaining power in large and sophisticated buyers. While the Group is seeing evidence of the financial distress of a number of mid-tier and larger transport and logistics providers, competition within the industry remains strong and this has not translated into higher rates across the industry.

The middle east conflict saw a rapid escalation in diesel fuel prices in the period from March to April 2026, with fuel prices then stabilising in May and June 2026. Diesel fuel price increases are typically recovered from the Group's customer base via fuel surcharges, albeit with a lag to recovery. However, global uncertainty surrounding the availability of diesel fuel and other key commodities resulted in significant volatility in underlying trading across the Group's operations in the second half of FY2026. That volatility appears to reflect competing priorities across the market for transport and logistics services in some instances to prioritise supply chain resilience and in other instances to target supply chain cost savings. Against that background, the Group is maintaining its focus on providing differentiated and specialised transport and logistics services underpinned by a strong safety and service based culture.

The Group is also continuing to experience cost base pressures from some key suppliers and inputs. While the Group endeavours to recoup increased costs from its customer base, cost base increases (including the growing cost of regulatory compliance) may not be wholly recovered compressing margins in some operating divisions. FY2026 operating revenues decreased by 2.1% (or $15.6 million) to $729.2 million. The decrease was offset in the latter half of the financial year by increased fuel prices resulting from the Middle East conflict. The Group achieved a statutory profit before tax of $32.6 million, a decrease of $9.8 million or 23.3% on the prior corresponding period.

Included in the Group's statutory result for FY2026 was a $0.4 million accounting gain attributable to the Group's interest rate swap instrument.

After adjusting for the above significant item, the current year underlying profit before tax was $32.1 million, a decrease of 16% on the prior corresponding period. The underlying profit after tax was $22.5 million, down on the prior corresponding period by $3.8 million. Underlying profit reflected solid performance across all three of the Group's operating segments: Australian Transport, New Zealand, and K&S Fuels.

Safety remains a key focus for the Group. The Group's lost time injury rate is 6.8 for FY2026 (FY2025: 4.2).

Australian Transport

The Australian transport segment performed soundly in FY2026, albeit that the underlying profit before tax for this segment reduced 26.1% on the prior comparative period. The operating divisions maintained strong cost and service focussed disciplines and continued to progress detailed end-to-end reviews of the operational parameters for a number of core activities and functions designed to ensure that all scopes of services undertaken generated an adequate return.

Full year revenue decreased from FY2025 to FY2026, in part as a result of exiting several customer contracts and partly due to lower customer volumes in the challenging economic environment. The ongoing benefits from the implementation of cost reduction strategies across the business continued to contribute to underlying profit. In particular, the Group has maintained its focus on operational efficiencies, supplier renegotiations, cessation of underperforming activities, and the rationalisation and replacement of specific fleet assets that reduced operating costs.

While the Group will continue to explore opportunities to diversify the industry sectors that we service, our strategy remains to improve the quality and contribution of our revenue base, rather than targeting work solely to grow top line revenue.

Intermodal steel revenues reduced modestly in FY2026. Consistent with our expectations previously communicated to the market, the Group ceased to perform the majority of services previously provided to InfraBuild progressively from the fourth quarter of FY2026 through to July 2026. Employees and assets previously aligned to the InfraBuild scopes of services have been redeployed where practicable. The Group thanks our team of loyal employees who collectively provided a high level of services to InfraBuild (and its predecessor owners) over many years.

Timber revenues also increased modestly year on year.

The rail division again experienced a number of disruptions as a result of flooding. Our focus remains on securing accretive parcels of rail volume that improve our rail network balance and performance.

FY2026 revenue for our contract logistics business unit reduced. Despite lower revenues, the division delivered a sound result.

The chemical transportation business also performed soundly in FY2026. Our energy transport business remained sound, but was impacted by lower customer volumes, weather disruptions and other operational issues that impacted on asset utilisation with the trading result lower than the prior year.

Despite a strong forward order book, the Western Australia based heavy haulage business was impacted by a number of supply chain bottle necks beyond its control including stevedoring issues at the wharf and build crew labour shortages affecting key customers. As result, this division's revenue and the trading result were both down on the prior year.

The financial performance of our specialised aviation refuelling business showed a solid improvement on the prior year notwithstanding key input cost imposts and low fire season activity. The focus on cost reductions and efficiencies has continued.

Fuel Agency

The fuel trading business has provided strong financial results, with both revenue and profit up on FY2025. The fuel retailing and wholesaling markets remain dynamic and continue to exhibit high levels of competition.

With the uncertainty caused by the middle east conflict and fuel prices increasing significantly in March and April 2026, a key focus of the fuel trading business was to ensure security of supply and managing the timing of fuel purchasing across the period of significant fuel price volatility through to June 2026. Fuel prices have stabilised, and market confidence regarding ongoing fuel availability remains sound.

We are currently finalising several projects to expand both our retail and wholesale offering. Two new sites will be commissioned in August 2026, with the redevelopment of another site expected to be completed in the first half of FY2027. The Group anticipates that these sites will make a positive contribution to the results for the fuel trading business in FY2027.

New Zealand Transport

The New Zealand business recorded another sound result in FY2026 on stable revenue. New Zealand's domestic economy improved modestly in FY2026, with high export prices providing support for a number of the Group's customers.

The New Zealand business continues to target the provision of integrated and value adding services and we continue to review initiatives to further align with key customer logistics functions.

Balance Sheet and Funding

The Group has maintained a very strong balance sheet in FY2026, underpinned by sound trading performance coupled with prudent capital management disciplines.

The Group's gearing ratio (excluding lease liabilities) increased to 12.8% at 30 June 2026, compared to 11.7% in the prior year. The Group's net debt increased to $55.8 million at 30 June 2026, up from $49.7 million in the prior comparative period.

The increase in debt levels was predominantly attributable to the development of a new transport terminal at the Adelaide site acquired in FY2024, significant upgrades to the Brisbane terminal, the redevelopment of the Millicent 24x7 service station, as well as several other property related projects. The commissioning of the new Adelaide transport terminal in January 2026 facilitated the exit of two existing property leases and is realising operational synergies. The completion of the upgrades to the Brisbane terminal has allowed the Group to pursue chemical storage opportunities for Chemtrans, and has also increased our container storage and handling capacity.

The Group acquired fixed assets totalling $63.3 million, compared to $65.9 million in the prior year, and continues to invest to maintain a modern operating fleet.

Based upon independent valuations, the Group increased the carrying value of its freehold property portfolio by $8.6 million. The Group has a substantial property portfolio consisting of high-quality industrial assets with a carrying value of $353.1 million.

The Group's debt facilities comprise funding in four year tranches totalling $125 million (inclusive of a $35 million bank guarantee facility) maturing in September 2027 and five year tranches totalling $80 million maturing in September 2028.

Safety

The Group continues to invest in our safety management system and on road compliance and the training of our employees. The Group recognises that its social licence to operate is contingent upon achieving industry leading on-road behaviours and safety outcomes.

The Group's Lost Time Injury metrics and Lost Time Injury Frequency Rate trended upwards in FY2026, immediate proactive measures were taken with the second half of the year. *Reconvene / Reset* safety leadership initiative framework revitalises our existing safety meetings and operational interactions, maximising frontline engagement and embedding safe behavioural protocols throughout the organisation.

In FY2026, the Group undertook its employee engagement survey, amongst other things to assist it to assess key psychosocial hazards and factors that may have potential impacts upon employee mental health and wellbeing, job burnout, productivity, and increased sickness related absence. The Group had previously undertaken two People at Work surveys (PAWs) of its workforce, with the PAWs tool having been decommissioned. The Group is committed to addressing any psychosocial hazards and factors within the workplace and has commenced rolling out a number of initiatives. Addressing psychosocial hazards was a key focus in FY2026, with the Group aligning its effort to the categories of psychosocial hazards contained in the Work Health and Safety (Managing Psychosocial Hazards at Work) Code of Practice 2024 issued by Safe Work Australia.

In 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 Magistrates' Court of South Australia in relation to an incident at the Group's Mt Gambier transport terminal. K&S has been charged with one count of breaching the general duty to ensure the safety of a worker, so far as reasonably practicable, under the WHS Act. The charge carries a maximum penalty of $1.5 million if K&S is convicted. K&S is yet to enter a plea to the charge.

Dividend

The Directors have declared a fully franked final dividend of 6.0 cents per share (2025: 8.0 cents per share). This follows the fully franked interim dividend of 5.0 cents per share paid in April 2026, making the total fully franked dividend 11.0 cents per share in respect of the year ended 30 June 2026 (2025: 16.0 cents per share).

The final dividend will be paid on 4 November 2026, with the date for determining entitlements being 16 October 2026. The dividend reinvestment plan remains suspended in respect of the final dividend.

Risks

The Group reviews risks on a periodic basis and continues to develop its risk framework and processes to proactively identify, measure, monitor and mitigate risks to an acceptable level. Rising input costs, a weak economic environment, legislative compliance, decarbonisation of the economy, cyber security, customer credit risk, and climate change have been identified as the most significant risks being managed by the Group. These risks were present throughout FY2026 and are expected to persist in future financial years.

The risks mentioned above have been identified as significant as they could impact the Group's ability to achieve its financial targets. Management strategies adopted by the Group include:

- Increased input costs – The Group has witnessed increased costs across many of its key inputs. Significant cost increases affect a wide range of operations including property costs, labour force, fleet (purchase and maintenance) and transport costs. Increased input costs are reviewed regularly and form the basis of customer pricing reviews which are typically conducted annually.
- Weak economic environment – As one of the leading carriers of steel products in Australia, as well as a major carrier of sawn timber and timber related products, the Group has a significant concentration of its revenue exposed to the domestic construction industry. Weaker economic conditions that have prevailed in the last two years have impacted construction activity. The Group has reduced its exposure to the domestic construction sector in FY2026 as well as managing this risk by servicing a number of different industry sectors.
- Legislative compliance – The Group faces material exposures around compliance with legislative obligations (including transport, work health and safety laws) and the potential that a serious incident or accident could result in death, serious injury and/or environmental harm, as well as major reputational damage and the loss of key customer contracts. The Group seeks to mitigate this exposure via policies, procedures, maintenance of external accreditations and training.
- Decarbonisation of the economy – A number of the Group's key customers operate in energy and/or emissions intensive industries and in some instances are subject to the carbon emissions Safeguard Mechanism. The Group seeks to mitigate these risks by differentiating itself from its competitors, diversifying the nature and scope of its activities across a number of sectors, geographic regions, and customer groups, as well as staggering the expiry dates of key customer contracts.
- Customer credit risk – The Group provides credit facilities to its customers for services provided and fuel sales; non-payment by customers could impact cash flows and increase debt collection costs or recognition of bad or doubtful debts. The Group has a dedicated credit management team and credit approval processes to mitigate credit risk. The Group has strict parameters for credit terms advanced to non-contracted and new customers and has been proactively winding back credit terms for contracted customers where existing contracts expire or are up for renewal / renegotiation.
- Cyber security - A cyber breach poses a material risk to the Group's ability to efficiently service its customers and may result in significant financial and reputational harm. In recognition of this, the Group has implemented a range of IT security measures that are appropriate for an operation of our size, scale, and reach including the use of real time monitoring tools. In addition to standard controls, the Group conducts annual cyber security assessments aligned with the Australian Cyber Security Centre's Essential Eight maturity model. These assessments are used to identify vulnerabilities, guide remediation efforts, and inform targeted education initiatives across the organisation. Annual penetration testing is also performed to detect and address potential network weaknesses. The Group also continues to actively educate its workforce on the evolving threat landscape, reinforcing a strong cyber-aware culture.
- Climate change - The Group is exposed to risk associated with climate-related events. Climate-related events can impact upon the Group's customer base and/or the ability of the Group to access infrastructure to provide services to its customers. The Group seeks to mitigate its exposure to climate-related risks by diversifying the nature of its activities across a number of sectors, geographic regions, modes of transport, and customer groups. The Group has developed detailed business continuity plans in the course of FY2026 to formalise processes to restore key functions and operations in the event of any major climate-related disruptions.

There are a number of other risks the Group is exposed to that have been assessed as a having a lower likelihood of occurring, but which could have a material impact if they eventuated. Artificial intelligence also poses a range of risks, as well as opportunities, for the Group. The Group reviews these risks, and the applicable treatments and controls, on a periodic basis as part of its risk management framework.

Outlook

Providing earnings guidance going forward remains difficult. Recent disruption arising out of the middle east conflict coupled with greater geopolitical instability have contributed to a more uncertain outlook for the Australian economy. The Group anticipates that the current low growth economic environment will persist in 2026.

Coupled with increasing key input cost pressures, costs associated with investment in additional internal resources, flat construction activity, and the cessation of the majority of the InfraBuild scopes of services, we currently expect that this will continue to present risks to FY2027 results. The Group anticipates that these impacts will be partially offset by price, volume and margin improvements in FY2027.

The Group has comparatively low gearing levels and a very strong balance sheet. We will continue to take a composed approach to financial risk as well as maintaining a strong focus on working capital management and underlying profit improvement. We will continue to target the ongoing improvement of the quality of our revenue base, with our focus also maintained on growth in specific market segments, be that organic or through acquisition, in each case where we can realise accretive returns on any investment.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial year.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's operations are subject to environmental regulations under both Commonwealth and State legislation in relation to its transport and storage business and its fuel business.

The Group has a Board Committee which monitors compliance with environmental regulations. The Board has expanded the Committee's responsibilities to include oversight of climate-related risks, opportunities, and reporting obligations under the Australian Sustainability Reporting Standards (ASRS).

Sustainability and Climate Reporting Compliance
For the financial year ended 30 June 2026, the Group has prepared a Sustainability Report as required by Chapter 2M of the *Corporations Act 2001* and AASB S2 *Climate-related Disclosures*. The Sustainability Report is accompanied by a Directors' Declaration regarding the reasonable steps taken to ensure compliant preparation and has been lodged concurrently with this financial report.

Climate Change

While extreme weather events such as the floods in a number of states in Australia impacted on several of our operations, the geographic spread and functional mix of the Group's operations partially mitigates this risk.

Transport and Warehousing

The transport and warehousing business is subject to the Dangerous Goods Acts in Commonwealth and State Legislation. The Group monitors performance and recorded several minor incidents during the year, none of which has the potential to result in any material restrictions being placed upon the Group's ability to continue its operations in their current form.

Fuel

The fuel business is subject to the South Australian Environmental Protection Act 1993 and the South Australian Dangerous Substances Act 1979. The Group monitors performance and ensures it completes any required corrective actions relating to the same.

DIVIDENDS

Dividends paid or declared by the Company to members since the end of the previous financial year were:

1. A fully franked ordinary dividend (taxed to 30%) of 8.0 cents per share amounting to $10,947,785 in respect of the year ended 30 June 2025 was declared on 25 August 2025 and paid on 4 November 2025;
2. A fully franked preference dividend (taxed to 30%) of 4.0 cents per share amounting to $4,800; and
3. An interim fully franked dividend (taxed to 30%) of 5.0 cents per share in respect of the year ended 30 June 2026 was declared on 24 February 2026 and paid on 7 April 2026 amounting to $6,842,366.

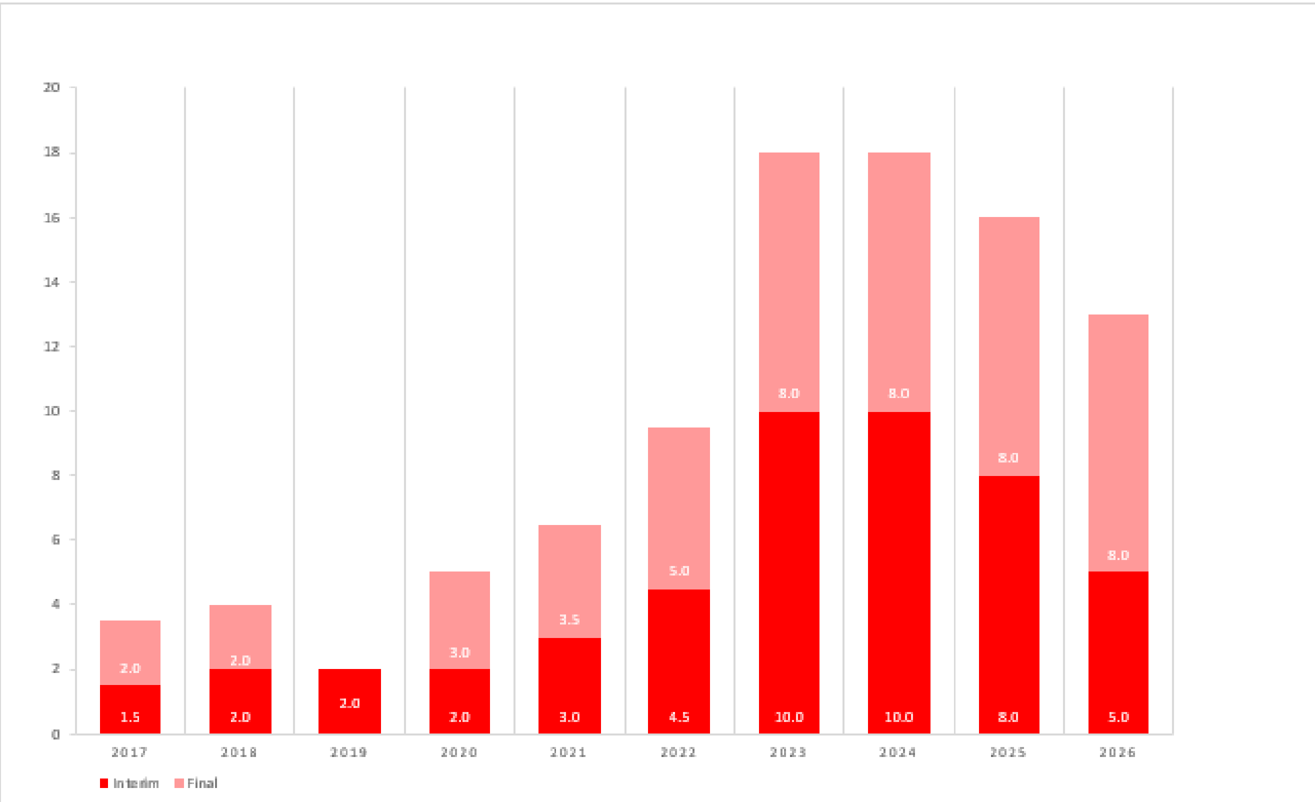
The final dividend declared by the Company for the year ended 30 June 2026 and payable on 4 November 2026 in respect of the year ended 30 June 2026 comprises:

1. A fully franked ordinary dividend (taxed to 30%) of 6.0 cents per share amounting to $8,210,839 (based on the Company's current issued share capital); and
2. A fully franked preference dividend (taxed to 30%) of 4.0 cents per share amounting to $4,800.

The preference share dividends are included as interest expense in determining net profit.

Dividends paid to Shareholders

(cents per share)



EVENTS SUBSEQUENT TO BALANCE DATE

On 25 August 2026, the Directors of K&S Corporation Limited declared a final dividend on ordinary shares in respect of the 2026 financial year. The total amount of the dividend is $8,210,839 which represents a fully franked dividend of 6.0 cents per share. The dividend has not been provided for in the 30 June 2026 financial statements and is payable on 4 November 2026.

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.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Indemnification

The Company indemnifies current and former Directors, Executive Officers and the Secretaries of the Company and its controlled entities against all liabilities, costs and expenses to another person (other than the Company or a related body corporate) to the maximum extent permitted by law that may arise from their position as Directors, Executive Officers and Secretaries of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

Insurance premiums

Since the end of the previous financial year, the Company has paid insurance premiums of $152,250 in respect of Directors' and Officers' Liability insurance contracts for current and former officers, including Directors, Executive Officers and the Secretaries of the Company and its controlled entities. The insurance premiums relate to:

- Costs and expenses incurred by the relevant officers in successfully defending proceedings, whether civil or criminal; and
- Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or position to gain a personal advantage. The Officers of the Company covered by the policy include the current Directors: T Johnson, L Winser, S Emmett, G Walters AM, R Dalton and P Sarant. Other officers covered by the contract are Executive Officers and the Secretaries of the Company and Directors and the Secretaries of controlled entities (who are not also Directors of the Company), General Managers and other Executive Officers of controlled entities.

Indemnification of auditors

To the extent permitted by law and excluding in circumstances of negligence, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

TAX CONSOLIDATION

Effective 1 July 2002, for the purposes of income taxation, K&S Corporation Limited and its domestic based 100% owned subsidiaries formed a tax consolidated Group. Members of the Group entered into a tax sharing arrangement in order to allocate income tax expense to the wholly owned subsidiaries on a pro-rata basis. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of K&S Corporation Limited support the principles of corporate governance. The Company's Corporate Governance Statement can be found on this URL on our website: http://www.ksgroup.com.au/corporate-governance/.

ROUNDING

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183*. 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.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The entity's Auditor, Ernst & Young have provided the Group with an Auditors' Independence Declaration which is on page 59 of this report.

During the current year, the entity's auditor, Ernst & Young Australia, provided no non-audit services.

DIRECTORS' INTERESTS

The beneficial interest of each Director in their own name in the share capital of the Company shown in the Register of Directors' Shareholdings as at the date of this report is:

	Ordinary Shares
Mr L Winser	46,773
Mr P Sarant	60,000

Directors of the Company have relevant interests in additional shares as follows:

	Ordinary Shares
Mr L Winser	1,342,409
Mr T Johnson	570,202
Mr P Sarant	144,003
Mr G Walters AM	5,252

REMUNERATION REPORT (AUDITED)

This Report forms part of the Directors' Report and has been audited in accordance with section 300A of the *Corporations Act 2001*.

For the purposes of this report, Key Management Personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company.

For the purposes of this report, the term executive encompasses the Managing Director, executives, general managers and secretaries of the Parent and the Group. Details of the Key Management Personnel are:

i) Directors

Mr T Johnson	Non-Executive Chairman
Mr P Sarant	Managing Director and Chief Executive Officer
Mr L Winser	Non-Executive Director
Mr G Walters AM	Non-Executive Director
Mrs S Emmett	Non-Executive Director
Mr R Dalton	Non-Executive Director

ii) Other Key Management Personnel

Mr A Tamara	Chief Financial Officer*
Mr R Parikh	Chief Financial Officer †
Mr C Bright	Company Secretary

* Mr Tamara commenced as Chief Financial Officer on 10 April 2026, having previously occupied the position of Group Financial Controller for the balance of the year
† Mr Parikh ceased as Chief Financial Officer on 5 September 2025

Remuneration philosophy

The performance of the Group depends upon the quality of its Directors and executives. To prosper, the Group must attract, motivate and retain highly skilled Directors and executives.

To this end, the Group adopts the following key principles in its remuneration policy:

- Remuneration is set at levels that will attract and retain good performers and motivate and reward them to strive to improve business performance and achieve Group targets and objectives.
- Rewards are linked to the achievement of business targets, with those targets set with a view to achieving sustainable performance improvements and increasing Shareholder value.

The Nomination and Remuneration Committee

From time to time, the Nomination and Remuneration Committee may be delegated by the Board of Directors of the Company responsibility for reviewing compensation arrangements for the Directors, the Managing Director and executives as well as succession. However, the Company has a small Board of Directors and the review of compensation arrangements and successful succession planning can be, and is, efficiently discharged by the Board itself.

Where requested by the Board, the Nomination and Remuneration Committee will assess the appropriateness of the nature and amount of remuneration of Directors and executives by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executives.

While the Nomination and Remuneration Committee may review the remuneration paid to Non-Executive Directors and the Managing Director, and the aggregate remuneration paid to the executive team where requested by the Board, the Board of Directors has ultimate responsibility for determining these amounts.

Remuneration structure

In accordance with best practice corporate governance, the structure of Non-Executive Director, Managing Director and other executive remuneration is separate and distinct.

Non-executive director remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain quality Directors, whilst incurring a cost which is acceptable to Shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the maximum aggregate remuneration of Non-Executive Directors' shall be determined from time to time by a general meeting of Shareholders.

The latest determination was at the Annual General Meeting held on 29 November 2022 when Shareholders approved a maximum aggregate remuneration of $750,000 per year.

The amount of aggregate remuneration sought to be approved by Shareholders and the amounts paid to Directors is reviewed annually. The Board considers the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review, as well as periodically taking advice from external recruitment consultants. No advice was taken from external remuneration consultants in relation to the fees paid to Non-Executive Directors in FY2026. Each Non-Executive Director receives a fee for being a Director of the Company.

There was a 3.75% increase in fees payable to Non-Executive Directors in FY2026, with that increase being effective from 1 September 2025.

Non-Executive Directors have long been encouraged by the Board to hold shares in the Company (purchased by the Director on the market). It is considered good corporate governance for Directors to have a stake in the Company whose Board he or she sits on.

The remuneration of Non-Executive Directors for the period ended 30 June 2026 is detailed on page 15 of this report.

Executive director and executive remuneration

Objective

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company to:

- reward executives for Company, business unit and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of Shareholders;
- link reward with performance of the Company; and
- ensure total remuneration is competitive by market standards.

Structure

For the Managing Director and the other executives, remuneration programs are balanced with a mix of fixed and variable rewards. The makeup and eligibility criteria for short term incentives are approved by the Board at the commencement of each financial year.

The Board reviews and considers the fees paid to the Managing Director and other executives of comparable companies when undertaking the annual review, as well as periodically taking advice from external recruitment consultants. No advice was taken from external remuneration consultants in relation to the fees paid to the Managing Director and other executives for the year ended 30 June 2026.

As safety performance is a key organisational goal and critical to the ongoing operations of the Group, the Board believes that aligning the payment of short-term incentives to reducing lost time injuries is appropriate and in the interests of Shareholders.

The Company's annual budget for operating profit before tax is set with a view to achieving a strong financial performance on a sustainable basis and having regard always to prevailing economic conditions and operational factors specific to the Company. As the profit generated by the Company is fundamental to the Company's capacity to pay dividends, the Board believes that aligning the payment of short-term incentives to the attainment of budgeted profit before tax on an underlying basis is appropriate and in the interests of Shareholders. The Board also believes that having all of the Company's executives aligned to the common goal of achieving budgeted operating profit before tax drives positive behaviours amongst the executives in maximising Group wide benefits from operating activities.

For the year ended 30 June 2026, the Board approved the adoption of at-risk short-term incentives of up to 30% of the base remuneration of the Managing Director and executives. The payment of such short-term incentives is to be settled in cash.

Payment of the short-term incentive in respect of the 2026 financial year was conditional upon achieving certain safety KPIs and outperformance of budgeted Group and divisional (where applicable) profit before tax on an underlying basis and excluding any non-trading items (e.g., restructuring charges, but including any non-trading items that have been included in the budget) on a sliding scale up to a maximum of 30% of base remuneration.

Applicable Subgroup	*Managing Director, Chief Financial Officer, Company Secretary and other executives in shared services functions*											
Group Underlying Profit Before Tax	<Budget	Budget	Budget + 0.5% to 1.99%	Budget + 2.0% to 3.99%	Budget + 4.0% to 5.99%	Budget + 6.0% to 7.99%	Budget + 8.0% to 9.99%	Budget+ 10.0% to 11.99%	Budget + 12.0% to 13.99%	Budget + 14.0% to 15.99%	Budget + 16.0% to 17.99%	Budget + 18.0%
STI as a % of base remuneration	0%	0%	0.5%	2%	4%	6%	8%	10%	12%	14%	16%	20%
Applicable Subgroup	*Executives with responsibility for the operation of the trading divisions of the Group*											
Group Underlying Profit Before Tax	<Budget	Budget	Budget + 0.5% to 1.99%	Budget + 2.0% to 3.99%	Budget + 4.0% to 5.99%	Budget + 6.0% to 7.99%	Budget + 8.0% to 9.99%	Budget+ 10.0% to 11.99%	Budget + 12.0% to 13.99%	Budget + 14.0% to 15.99%	Budget + 16.0% to 17.99%	Budget + 18.0%
STI as a % of base remuneration	0%	0%	0.25%	1%	2%	3%	4%	5%	6%	7%	8%	10%
Divisional Underlying Profit Before Tax	<Budget	Budget	Budget + 0.5% to 1.99%	Budget + 2.0% to 3.99%	Budget + 4.0% to 5.99%	Budget + 6.0% to 7.99%	Budget + 8.0% to 9.99%	Budget+ 10.0% to 11.99%	Budget + 12.0% to 13.99%	Budget + 14.0% to 15.99%	Budget + 16.0% to 17.99%	Budget + 18.0%
STI as a % of base remuneration	0%	0%	0.25%	1%	2%	3%	4%	5%	6%	7%	8%	10%

A safety target based on the reduction of lost time injuries (LTIs) sustained by employees on a sliding scale up to a maximum of 10% of base remuneration*:

Applicable Subgroup Managing Director, Chief Financial Officer, Company Secretary and other executives in shared services functions		*Applicable Subgroup Executives with responsibility for the operation of the trading divisions of the Group*	
LTI Reduction from prior year	**% of base remuneration payable on reduction of K&S Group LTI's**	**% of base remuneration payable on reduction of K&S Group LTI's**	**% of base remuneration payable on reduction of Divisional LTI's**
10% reduction	2%	1%	1%
20% reduction	4%	2%	2%
30% reduction	6%	3%	3%
40% reduction	8%	4%	4%
50%+ reduction	**10%**	**5%**	**5%**

*Vesting of the safety component of the STI scheme was also contingent upon executive (where applicable to their role and responsibilities) participating in monthly site-based safety meetings at different locations during the year as well as having completed other specific safety-related activities for the year.

The Company's Managing Director and executives qualified for the payment of a short-term incentive in respect of the 2026 financial year of between nil% and 11.9% of base remuneration based on the outperformance compared to divisional and/or Group's underlying profit before tax and divisional and/or Group's safety targets.

This will result in the payment to the Managing Director of a total short-term incentive of $139,815 (2025: $178,617) and an aggregate payment to the Managing Director and executives of the Company of $314,581 (2025: $551,456) in respect to FY2026.

Employment Contracts

It is the Board's current policy that fixed term contracts are not entered into with members of the executive team. The Managing Director, Mr Sarant, has a contract of employment with an open term. Either of Mr Sarant and the Company may terminate Mr Sarant's employment on the giving of three months' notice or, in the case of the Company, payment in lieu of the three months' notice.

Directors' Retirement Benefits

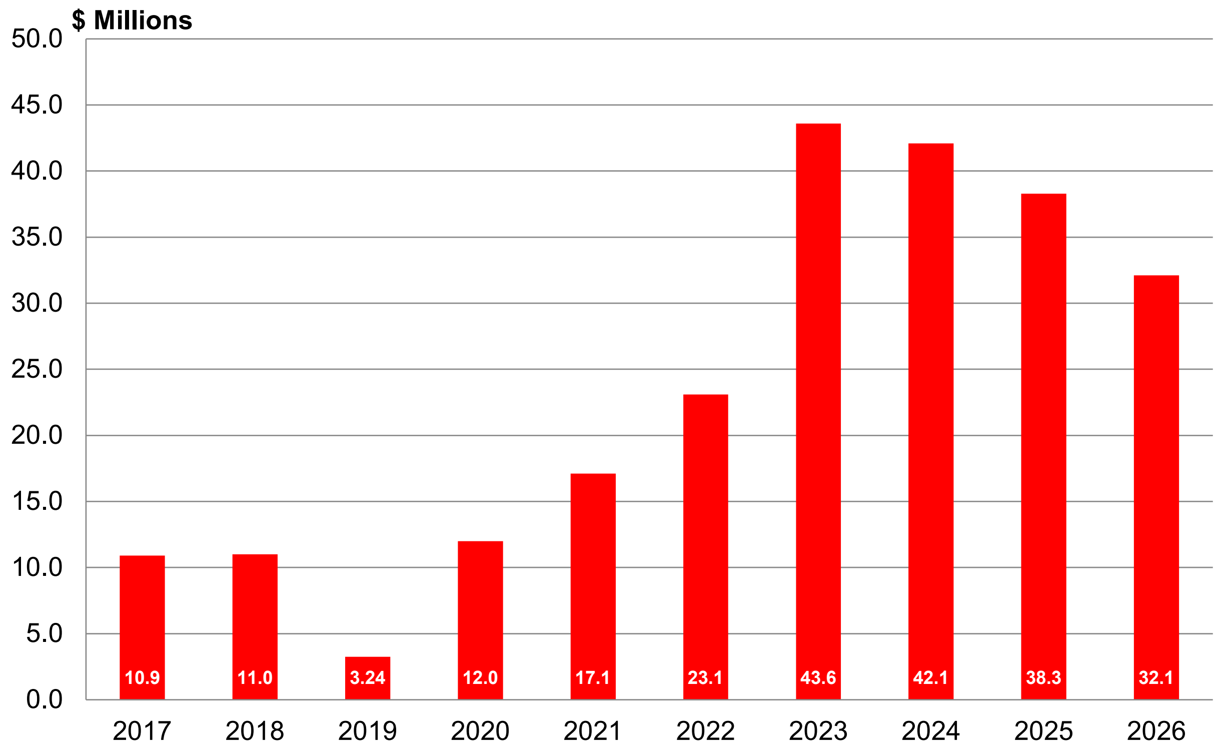
A change to the Non-Executive Directors' retirement benefits calculation was made in July 2004 to freeze accumulation of years of service of Directors as at 30 June 2004. No Non-Executive Director commencing after 1 July 2004 is eligible for any benefits under the retirement scheme. Mr Johnson is the only remaining Non-Executive Director eligible to receive retirement benefits under the scheme. At 30 June 2026, the total retirement allowance payable to Mr Johnson was $462,725 (30 June 2025: $450,918).

The expenditure provided (not paid) during the year ended 30 June 2026 in respect of retirement benefits is attributable only to the method of calculation which involves the averaging of the fees paid to Directors, as per the benefits scheme in operation up to 30 June 2004.

Group Underlying Performance

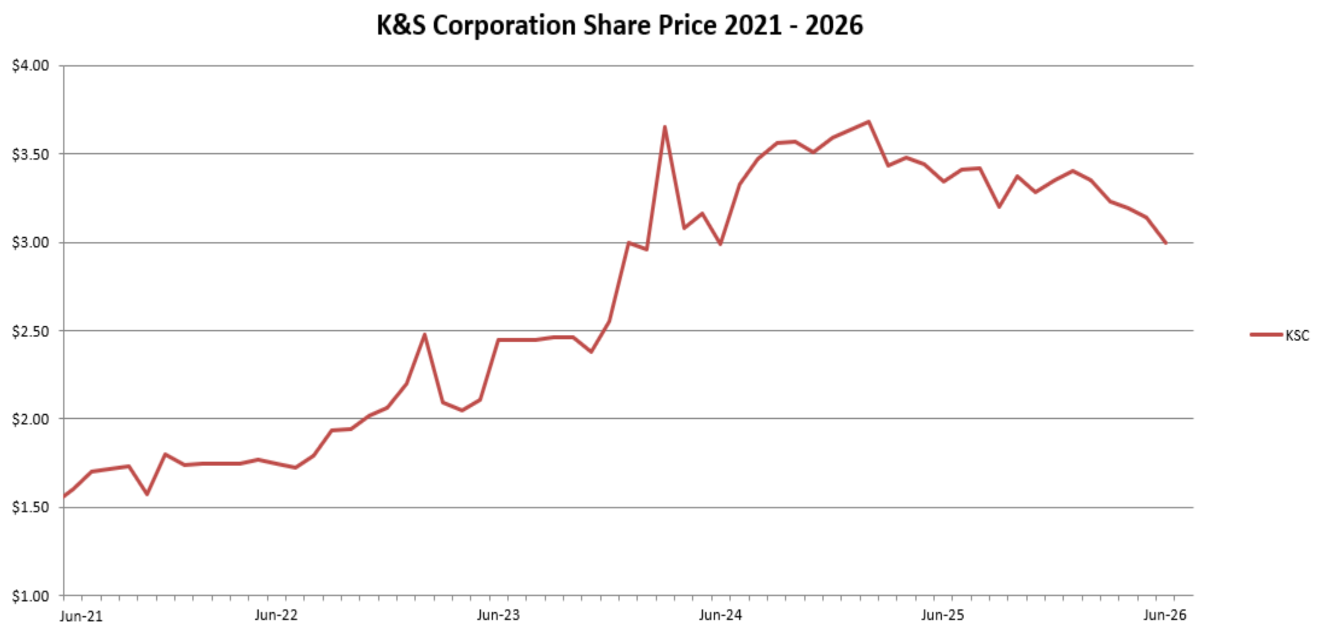
The graph below shows the performance of the Group, as measured by the Group's underlying profit before tax (PBT). Underlying profit excludes individually significant items.

Underlying profit before tax



In addition, Dividends paid to Shareholders are disclosed on page 8 of the Directors' report.

The next graph highlights the performance of the share price of K&S Corporation Limited over the past 5 years.



REMUNERATION OF KEY MANAGEMENT PERSONNEL OF THE COMPANY AND THE GROUP

Table 1: Remuneration for the year ended 30 June 2026

	Short-Term			Post Employment		Other Long Term	Total	
	Salary & Fees $	Incentives $	Non-monetary Benefit[1] $	Retirement Benefit $	Super Contribution $	Movements in leave accruals[2] $	$	Performance Related %
T Johnson	161,752	-	-	11,807	19,411	-	192,970	-
L Winser	95,958	-	-	-	11,515	-	107,473	-
G Walters AM	95,958	-	-	-	11,515	-	107,473	-
S Emmett	95,958	-	-	-	11,515	-	107,473	-
R Dalton	95,958	-	-	-	11,515	-	107,473	-
Total	**545,584**	**-**	**-**	**11,807**	**65,471**	**-**	**622,862**	**-**
P Sarant	959,907	139,815	16,410	-	30,000	26,865	1,172,998	11.9%
C Bright	375,406	-	29,526	-	30,000	5,446	440,377	0.0%
R Parikh[3]	212,632	-	917	-	16,884	(84,130)	146,303	0.0%
A Tamara[4]	88,439	-	72	-	-	29,142	117,653	0.0%
Total Executive KMP	**1,636,384**	**139,815**	**46,925**	**-**	**76,884**	**(22,677)**	**1,877,331**	**7.4%**
Totals	**2,181,968**	**139,815**	**46,925**	**11,807**	**142,355**	**(22,677)**	**2,500,193**	**5.6%**

1. Non-monetary benefits included are based on benefits paid in the form of fuel cards, tolls, memberships and motor vehicles.
2. Includes any net changes in the balance of annual leave and long service leave.
3. Mr Parikh ceased as Chief Financial Officer on 5 September 2025.
4. Mr Tamara commenced as Chief Financial Officer on 10 April 2026, having previously occupied the position of Group Financial Controller for the balance of the year.

Table 2: Remuneration for the year ended 30 June 2025

	Short-Term			Post Employment		Other Long Term	Total	
	Salary & Fees $	Incentives $	Non-monetary Benefit[1] $	Retirement Benefit $	Super Contribution $	Movements in leave accruals[2] $	$	Performance Related %
T Johnson	155,966	-	-	22,365	17,936	-	196,267	-
L Winser	92,525	-	-	-	10,640	-	103,165	-
G Walters AM	92,525	-	-	-	10,640	-	103,165	-
S Emmett	92,525	-	-	-	10,640	-	103,165	-
R Dalton	92,525	-	-	-	10,640	-	103,165	-
Total	**526,066**	**-**	**-**	**22,365**	**60,496**	**-**	**608,927**	**-**
P Sarant	923,235	178,617	15,614	-	30,000	61,929	1,209,395	14.8%
C Bright	360,173	20,990	29,802	-	30,000	5,874	446,839	4.7%
R Parikh	404,670	-	23,888	-	30,000	27,987	486,545	0.0%
Total Executive KMP	**1,688,078**	**199,607**	**69,304**	**-**	**90,000**	**95,790**	**2,142,779**	**9.3%**
Totals	**2,214,144**	**199,607**	**69,304**	**22,365**	**150,496**	**95,790**	**2,751,706**	**7.3%**

1. Non-monetary benefits included are based on benefits paid in the form of fuel cards, tolls, memberships and motor vehicles.
2. Includes any net changes in the balance of annual leave and long service leave.

Table 3: Loans to Key Management Personnel

Details of aggregates of loans to Key Management Personnel, comprising Mr Sarant and Mr Bright, are as follows:

Total	Amount at the start of the year $	Amounts written off in the year $	Amounts paid in the year $	Amount at the end of the year $	Number in Group
2026	**41,750**	**-**	**(7,800)**	**33,950**	**1**
2025	**95,530**	**-**	**(53,780)**	**41,750**	**1**

Loans to Key Management Personnel are made pursuant to the K&S Corporation Limited Employee Share Plan ("Plan"). As part of the Plan, loans are interest free with K&S Corporation, to fund the purchase of shares in the Company. Loans to Key Management Personnel under the Plan are required to be repaid in full upon the cessation of the employment of the Key Management Personnel with the Company. Shares issued under the Plan are subject to a holding lock until the loan is repaid in full. Non-Executive Directors are not eligible to participate in the Plan.

Table 4: Shareholding of Key Management Personnel

Shares held in K&S Corporation Limited: 30 June 2026	Balance 1 July 2025 Ordinary	Net Change Ordinary	Balance 30 June 2026 Ordinary
Non-Executive Directors			
T Johnson	570,202	-	570,202
L Winser	1,389,182	-	1,389,182
G Walters AM	5,252	-	5,252
S Emmett	-	-	-
R Dalton	-	-	-
Executive Director			
P Sarant	204,003	-	204,003
Other Key Management Personnel			
A Tamara	-	-	-
C Bright	-		-
Total	**2,168,639**	**-**	**2,168,639**

REMUNERATION OPTIONS: GRANTED AND VESTED DURING THE YEAR

K&S Corporation Limited does not operate any share-based schemes for its executives, employees or Directors.

Signed in accordance with a resolution of the Directors.

Tony Johnson
Chairman

25 August 2026

Paul Sarant
Managing Director and Chief Executive Officer

25 August 2026

Financial Statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2026

	NOTE	CONSOLIDATED 2026 $'000	2025 $'000
Revenue and other income			
Operating revenue	5(a)	**729,180**	744,806
Other income	5(b)	**9,427**	12,055
		738,607	756,861
Expenses			
Consumption of fuel held for sale and changes in inventories		**(156,004)**	(151,122)
Contractor expenses		**(129,305)**	(142,985)
Employee expenses	5(e)	**(206,206)**	(214,554)
Fleet expenses		**(127,831)**	(122,938)
Depreciation expenses	5(d)	**(43,689)**	(44,194)
Impairment reversal gain	5(f)	**-**	4,925
Gain/(loss) on derivative instruments at fair value through profit and loss	5(f)	**419**	(773)
Finance costs	5(c)	**(5,758)**	(4,070)
Other expenses		**(37,670)**	(38,714)
		(706,044)	(714,425)
Profit before income tax		**32,563**	42,436
Income tax expense	6	**(9,783)**	(13,239)
Profit after income tax		**22,780**	29,197
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign subsidiaries		**(5,665)**	671
		(5,665)	671
Items not to be reclassified to profit or loss in subsequent periods:			
Revaluation of freehold land, net of tax		**6,000**	9,712
Other comprehensive income for the period, net of tax		**335**	10,383
Total comprehensive income for the period		**23,115**	39,580
Earnings per share (cents per share)	7		
Basic, profit for the year attributable to ordinary equity holders of the parent		**16.6**	21.3
Diluted, profit for the year attributable to ordinary equity holders of the parent		**16.6**	21.3
Dividends per share (cents per share)	8	**11.0**	16.0

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

		CONSOLIDATED	
	NOTE	2026 $'000	2025 $'000
ASSETS			
Current assets			
Cash and cash equivalents	9	34,213	26,006
Trade and other receivables	10	72,773	76,943
Inventories		7,933	7,452
Assets held for sale		-	8,848
Income tax receivables	6	2,166	-
Prepayments		9,685	10,741
Derivatives		419	67
Total current assets		127,189	130,057
Non-current assets			
Other receivables		105	115
Property, plant & equipment	11	550,150	523,803
Intangibles	12	5,438	6,144
Right of use assets	16(a)	38,306	39,174
Total non-current assets		593,999	569,236
TOTAL ASSETS		721,188	699,293
LIABILITIES			
Current liabilities			
Trade and other payables		87,670	81,923
Lease liabilities	16(b)	8,947	6,006
Income tax payable	6	-	2,509
Provisions	14	30,343	31,982
Total current liabilities		126,960	122,420
Non-current liabilities			
Interest bearing loans and borrowings	13	90,060	75,691
Lease liabilities	16(b)	29,733	33,428
Deferred tax liabilities	6	74,672	72,272
Provisions	14	20,814	21,858
Total non-current liabilities		215,279	203,249
TOTAL LIABILITIES		342,239	325,669
NET ASSETS		378,949	373,624
EQUITY			
Contributed equity	15(a)	179,618	179,618
Reserves		159,524	154,199
Retained earnings		39,807	39,807
TOTAL EQUITY		378,949	373,624

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2026

	NOTE	Issued Capital $'000	Profit Reserve $'000	Retained Earnings $'000	Asset Revaluation Reserve $'000	Forex Translation Reserve $'000	Common Control Reserve $'000	Total Equity $'000
CONSOLIDATED								
At 1 July 2025		**179,618**	**28,837**	**39,807**	**125,332**	**343**	**(313)**	**373,624**
Profit for the year		**-**	**-**	**22,780**	**-**	**-**	**-**	**22,780**
Transfer to profit reserve		**-**	**22,780**	**(22,780)**	**-**	**-**	**-**	**-**
Other comprehensive income		**-**	**-**	**-**	**6,000**	**(5,665)**	**-**	**335**
Total comprehensive income for the year		**-**	**22,780**	**-**	**6,000**	**(5,665)**	**-**	**23,115**
Transactions with owners in their capacity as owners:								
Dividends paid	**8**	**-**	**(17,790)**	**-**	**-**	**-**	**-**	**(17,790)**
At 30 June 2026		**179,618**	**33,827**	**39,807**	**131,332**	**(5,322)**	**(313)**	**378,949**
At 1 July 2024		179,624	21,536	39,807	115,620	(328)	(313)	355,946
Profit for the year		-	-	29,197	-	-	-	29,197
Transfer to profit reserve		-	29,197	(29,197)	-	-	-	-
Other comprehensive income		-	-	-	9,712	671	-	10,383
Total comprehensive income for the year		-	29,197	-	9,712	671	-	39,580
Transactions with owners in their capacity as owners:								
Buy back of share capital	15(a)	(6)	-	-	-	-	-	(6)
Dividends paid	8	-	(21,896)	-	-	-	-	(21,896)
At 30 June 2025		179,618	28,837	39,807	125,332	343	(313)	373,624

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

		CONSOLIDATED	
	NOTE	2026 $'000	2025 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		**826,490**	863,051
Cash payments to suppliers and employees		**(739,735)**	(781,514)
Interest received		**347**	1,416
Lease payments (interest component)		**(2,020)**	(788)
Borrowing costs paid		**(4,787)**	(4,613)
Income taxes paid		**(16,603)**	(16,505)
Net cash provided by operating activities	**9**	**63,692**	61,047
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant, property and equipment		**18,508**	14,461
Payments for property, plant and equipment		**(60,684)**	(71,074)
Net cash used in investing activities		**(42,176)**	(56,613)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		**27,000**	28,492
Repayments of borrowings		**(12,745)**	(10,565)
Share buy back		**-**	(6)
Lease payments (principal component)		**(9,633)**	(7,949)
Dividend paid		**(17,790)**	(21,896)
Net cash used in financing activities		**(13,168)**	(11,924)
Net increase/(decrease) in cash held		**8,348**	(7,490)
Cash at the beginning of the financial year		**26,006**	33,437
Effects of exchange rate variance on cash		**(141)**	59
Cash at the end of the financial year		**34,213**	26,006

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

1. CORPORATE INFORMATION

This is the financial report of K&S Corporation Limited (the "Company") and its controlled entities (together, the "Group"). The financial report for the year ended 30 June 2026 was authorised for issue in accordance with a resolution of Directors on 25 August 2026.

K&S Corporation Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are described in Note 4.

Registered Office:

141-147 Jubilee Highway West
Mount Gambier SA 5290
PO Box 567
Mount Gambier SA 5290

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a) Basis of preparation

The financial report is a general purpose financial report for a for-profit entity, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards adopted by the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for freehold land and derivatives which has been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated, under the option available to the Company under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183*. The Company is an entity to which the legislative instrument applies.

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

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 Standards (IFRS) issued by the International Accounting Standards Board.

c) New Accounting Standards and Interpretations

In the current reporting period, several amendments and interpretations were issued by the Australian Accounting Standards Board. The Group has adopted all of the new amendments and interpretations issued that are relevant to its operations and effective for the current annual reporting period. These are listed below:

- AASB 2026-1 *Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements*

The adoption of these new amendments and interpretations does not have a significant impact on the consolidated financial statements of the Group in the current or future periods. Other new amendments and interpretations introduced in the current period are not applicable to the Group.

SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(i) Accounting Standards and interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ending 30 June 2026, outlined below:

	Effective Date
AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	1 January 2028
AASB 2024-2 *Amendments to Australian AAs – Classification and Measurement of Financial Instruments*	1 January 2026
AASB 18 *Presentation and Disclosure in Financial Statements*	1 January 2027

The impact of the standards not yet effective is still being assessed for the Group.

d) Basis of consolidation

The consolidated financial statements comprise the financial statements of K&S Corporation Limited and its subsidiaries ("the Group") as at 30 June each year.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from inter-group transactions, have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is lost. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Non-controlling interests are allocated their share of net profit after tax in the Statement of Comprehensive Income and are presented within equity in the Consolidated Statement of Financial Position, separately from the equity of the owners of the parent.

Losses are attributed to the non-controlling interest even if that results in a deficit balance.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Recognises the fair value of consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Derecognises the cumulative translation differences, recorded in equity and reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or transfer directly to retained earnings as appropriate.

e) Operating segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the Board of Directors.

Operating segments have been identified based on the information provided to the chief operating decision maker – being the Executive Management Team.

The Group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following aspects:

- Nature of the product or services;
- Type or class of customer for the product or services; and
- Methods used to distribute the products or provide services.

SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

f) Revenue

Provision of transportation services – These services are provided individually on a per-run basis to customers. The performance obligation related to transport revenue is satisfied over time as the goods are delivered and the service is provided to the customer based on the agreed transaction price.

Sale of fuel – The Group's contracts with customers for the sale of fuel generally include one performance obligation. The Group recognises revenue from the sale of fuel at the point in time when control of the fuel is transferred to the customer, generally on delivery of the fuel product.

Rental income – Rental income is recognised as other income on a straight-line basis over the lease term.

Interest income – Interest income is recognised using the effective interest method.

Financing component – As the Group does not have any contracts where the period between the provision of the promised service or sale of fuel to the customer and payment by the customer exceeds one year, it does not adjust any of the transaction prices for the time value of money.

g) Cash and cash equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less which are subject to an insignificant risk of changes in value.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

h) Trade and other receivables

For trade receivables, the Group has adopted a simplified approach when calculating an expected credit loss (ECL) provision by establishing a provision methodology that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

i) Inventories

Inventories are valued at the lower of cost or net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Consumables – purchase cost on a first-in, first-out basis;

Finished goods – weighted average cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

j) Financial Instruments

Initial Recognition

Financial Assets

Trade receivables are initially recognised when there is an unconditional right to receive consideration. Other financial assets/liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables are initially measured at the transaction price as defined in AASB 15 *Revenue from Contracts with Customers*. Financial assets/liabilities are initially measured at fair value (together with any transaction costs which are directly attributable to the acquisition of the asset, or cost of the liability).

Financial Liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL (fair value through profit or loss).

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Classification and subsequent measurement

Financial Assets

AASB 9 *Financial Instruments* contains two principal classification categories for financial assets to be measured at:

(i) Amortised cost; and

(ii) Fair value through profit or loss (FVTPL).

The following table illustrates the measurement requirements of AASB 9 *Financial Instruments*:

	Initial recognition	Subsequent measurement
Amortised cost	Measured at fair value plus transaction costs directly attributable to the acquisition of the asset.	Measured at amortised cost using the effective interest method and reduced by any impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.
FVTPL	Measured at fair value. Any transaction costs of acquisition are recognised in the profit or loss.	These assets are subsequently measured at fair value. Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

Financial Liabilities

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 *Financial Instruments* are satisfied. The Group has not designated any financial liability at fair value through profit or loss.

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ('EIR') method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

Interest expense and foreign exchange gains and losses are recognised in profit or loss. Borrowings are classified as current liabilities unless the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Impairment

The ECL model applies to financial assets measured at amortised cost, contract assets and debt instruments at FVOCI. Measurement under ECLs is based on the anticipated impact of default events arising either in the 12 months after reporting date or the entire lifetime of the asset.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision methodology that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Group considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition

Financial Assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised in its Consolidated Statement of Financial Position, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial Liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

k) Foreign currency translation

Both the functional and presentation currency of K&S Corporation Ltd and its Australian subsidiaries is Australian dollars (A$).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.

These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currency of the overseas subsidiaries (K&S Freighters Limited and Cochrane’s Transport Limited) is New Zealand dollars (NZ$).

As at the reporting date, the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of K&S Corporation Limited at the rate of exchange ruling at the reporting date and the revenue and expenses are translated at the weighted average exchange rates for the period.

The exchange differences arising on the retranslation are taken directly to a separate component of equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating of that particular foreign operation is recognised in profit or loss.

SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

l) Income tax and other taxes

Current tax assets and liabilities for the current period and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided for temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries and associates and the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
- Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised, except:
- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxable authority.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.
- The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position.
- Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.
- Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

m) Property, plant and equipment

(i) Initial measurement and depreciation

Freehold buildings, plant and equipment are stated at cost less accumulated depreciation and any impairment expense.

Freehold land is measured at fair value less any impairment losses recognised after the date of the revaluation.

Depreciation is calculated on a straight-line basis using the following rates:

Land	Not depreciated
Buildings	2 - 20% p.a.
Motor vehicles	5 - 25% p.a.
Plant and equipment	10 - 40% p.a.
IT equipment	20 - 33% p.a.

(ii) Revaluations

Following initial recognition at cost, freehold land is carried at a revalued amount which is the fair value at the date of the revaluation less any accumulated impairment losses.

Fair value is determined by reference to market-based evidence, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Any revaluation increment is credited to the asset revaluation reserve included in the equity section of the Consolidated Statement of Financial Position unless it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Any revaluation decrease is recognised in profit or loss unless it directly offsets a previous revaluation increase for the same asset debited directly to the asset revaluation reserve.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Independent valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the reporting date.

(iii) Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period the item is derecognised.

(iv) Assets held for sale

When an asset is deemed highly probable to be sold within the next 12 months it is reclassified from property, plant and equipment to assets held for sale at the lower of carrying amount and fair value less cost to sell.

n) Goodwill and intangibles

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which goodwill is allocated represents the lowest level within the Group at which goodwill is monitored for internal management purposes and is not larger than an operating segment determined in accordance with AASB 8 *Operating Segments*.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units), to which the goodwill relates.

When the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash-generating unit (group of cash-generating units) and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment losses recognised for goodwill are not subsequently reversed.

o) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal or its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Impairment losses are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amounts (in which case the impairment loss is treated as a revaluation decrease). Fair value is determined in accordance with AASB 13 *Fair Value Measurement.*

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the impairment loss was recognised.

If that is the case, the carrying amount of the asset is increased to the recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the assets in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

p) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at fair value net of directly attributable costs.

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ('EIR') method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Interest expense and foreign exchange gains and losses are recognised in profit or loss. Borrowings are classified as current liabilities unless the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

q) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

r) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

s) Employee leave benefits

(i) Wages and salaries

Liabilities for wages and salaries, including non-monetary benefits are all measured at nominal values in respect of employees' service up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service and annual leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wages and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using yields in high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(iii) Defined contribution superannuation funds

The commitment to defined contribution plans is limited to making contributions in accordance with the minimum statutory requirements. The Group does not have any legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to current and past employee services.

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in profit or loss as incurred.

(iv) Directors retirement benefits

Directors commencing after 30 June 2004 are not eligible for any benefit under the Directors Retirement Scheme. However, Non-Executive Directors appointed before that date are eligible to receive retirement benefits on retiring as a Director. In July 2004, the Directors Retirement benefit calculation changed, to freeze the accumulation of years of service for each Director.

t) Contributed Equity

Ordinary shares are classified as equity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the proceeds received.

SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

u) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- The after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenues or expenses during the period that would result from dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares.

v) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring and non-recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

w) Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following significant judgments, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Impairment testing

Goodwill, intangible assets with an indefinite useful life, and intangible assets not yet available for use are tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For other non-current assets, the Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists.

This requires an estimation of the recoverable amount of the cash generating units to which the goodwill is allocated or where there is an impairment trigger. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill are discussed in Note 12.

Workers' compensation provision

The Group maintains a self-insurance provision for future workers' compensation claims. The provision is determined based on actuarial estimates of future claim rates and is discounted back to its present value. The related carrying amounts are disclosed in Note 14.

Valuation of freehold land

The Group's policy is to carry its freehold land at its fair values. Determining the fair values requires significant estimation and judgements. Refer to Note 11 for further information.

Provision for expected credit loss of trade receivables

The Group uses a provision methodology to calculate the expected credit loss for trade receivables. The provision methodology is initially based on the Group's historical observed default rates. The Group will calibrate the methodology to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Leasing

Determination of the lease term is a key judgement exercised by management on a recurring basis. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

x) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

AASB 16 Leases requires recognition of a right of use asset and lease liability based on the present value of future lease payments. If the interest rate implicit in the leases is not readily determinable and therefore, the Group uses the Incremental Borrowing Rate (IBR) for terms which approximate the lease term to discount the future value of lease payments.

The right-of-use asset is initially measured to be equal to the lease liability and adjusted for any lease incentives received, initial direct costs and estimates of costs to dismantle or remove the underlying leased asset. Subsequently the right-of-use asset is measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made.

Lease payments, are in the Statement of Comprehensive Income as the straight-line depreciation of the right of use asset and an interest expense on the lease liability. As the lease liability is carried at present value, an interest expense arises over the duration of the lease term.

The principal component of lease payments is classified in the statement of cash flows from operating to financing activities.

The Group uses the practical expedient allowed under AASB 16 *Leases* to account for short term and low value asset leases using the previous method of accounting (in accordance with recognition exemption provided in the standard), whereby the sum of lease payments is recognised on a straight-line basis over the lease term in the Income Statement. Short term leases are those with terms equal to or less than 12 months and do not contain purchase option, and low value assets may include tablet and personal computers, small items of office furniture and telephones.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, comprise bank bill facilities, overdrafts and cash deposits. The fair value of these bank bills are described in Note 13. The carrying amounts of cash, trade and other receivables, and trade and other payables approximate their fair values.

The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and credit risk. The Group's exposure to currency risk is minimal.

The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Risk exposures and responses

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. It is the Group's policy that all customers who wish to trade on credit are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation.

The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.

While the Group also minimises concentrations of credit risk by undertaking transactions with a large number of customers and counterparties in various states, the Group is materially exposed to counterparty risk with several of its major customers. Concentration of credit risk on trade debtors due from customers are: Transport 88% (2025: 88%) and Fuel 12% (2025: 12%). The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

Trade receivables are non-interest bearing and are generally on 7-62 day terms. The allowance for credit loss is measured using the simplified expected credit loss model, using an average loss rate %. Set out below is the ageing of receivables at the end of the reporting date that were not impaired:

	2026 $'000	2025 $'000
Neither past due nor impaired	**62,943**	64,989
Past due 0 - 30 days	**6,581**	4,606
Past due 31 - 60 days	**718**	227
Past due 61 - 90 days	**237**	17
Past due 91 days	**73**	380
	70,552	70,219

Movements in the provision for impairment loss were as follows:

	2026 $'000	2025 $'000
At 1 July	**895**	1,823
Charge for the year	**150**	24
Amounts written off	**(703)**	(952)
At 30 June	**342**	895

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with a floating interest rate. The level of debt is disclosed in Note 13. The Group manages interest rate risk by fixing a portion of its long term debt. At 30 June 2026, $20 million of debt was fixed with an interest rate swap (2025: $20 million).

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The following sensitivity analysis is based on the interest rate risk exposures in existence at the Balance Sheet date:

Judgements of reasonably possible movements:

2026	2025	Post- tax Higher / (Lower) 2026 $'000	2025 $'000
Consolidated			
+ 0.50% (50 basis points)	+ 0.50% (50 basis points)	**(179)**	(149)
- 0.50% (50 basis points)	- 0.50% (50 basis points)	**179**	149

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

In addition, the Group maintains access to short and long-term funding facilities which are drawn upon as required. These are disclosed in Note 13.

Exposures to liquidity risk

The following liquidity risk disclosure reflects all contractual fixed repayments and interest resulting from recognised financial liabilities as of 30 June 2026. For the other obligations the respective undiscounted cash flows for the respective upcoming fiscal years are presented. The timing of cash flows for liabilities is based on the contractual terms of the underlying contract.

Year ended 30 June 2026	Less than 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	Greater than 5 years $'000	Total $'000
Financial Liabilities					
Interest bearing loans and borrowings	**(6,089)**	**(72,000)**	**(19,034)**	**-**	**(97,123)**
Lease liabilities	**(10,040)**	**(9,856)**	**(16,447)**	**(8,786)**	**(45,129)**
Trade and other payables	**(87,670)**	**-**	**-**	**-**	**(87,670)**
	(103,799)	**(81,856)**	**(35,481)**	**(8,786)**	**(229,922)**
Year ended 30 June 2025					
Financial Liabilities					
Interest bearing loans and borrowings	(3,037)	(70,928)	(12,023)	-	(85,988)
Lease liabilities	(7,862)	(7,636)	(19,610)	(11,195)	(46,303)
Trade and other payables	(81,923)	-	-	-	(81,923)
	(92,822)	(78,564)	(31,633)	(11,195)	(214,214)

4. OPERATING SEGMENTS

Identification of reportable segments

The Group has 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.

OPERATING SEGMENTS (continued)

Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments are the same as those contained in Note 2 to the accounts and in the prior period.

Inter-entity sales

Inter-entity sales are recognised based on an internally set transfer price. The price is set periodically and aims to reflect what the business operations could achieve if they sold their output and services to external parties at arm's length.

Corporate charges

Corporate charges are allocated to each operating segment on a proportionate basis linked to segment revenue so as to determine a segmental result.

Major customer

The entity has one customer which contributes greater than 10% of total revenue ($94.0 million) and falls within the Australian Transport Segment (2025: $96.4 million).

The following table presents revenue and profit information for reportable segments for the years ended 30 June 2026 and 30 June 2025.

Year ended 30 June 2026	Australian Transport $'000	Fuel $'000	New Zealand Transport $'000	Total $'000
Revenue				
External customers	**496,635**	**153,539**	**79,006**	**729,180**
Inter-segment sales	**-**	**49,744**	**-**	**49,744**
Total segment revenue	**496,635**	**203,283**	**79,006**	**778,924**
Results				
Depreciation and amortisation expense	**(35,252)**	**-**	**(8,437)**	**(43,689)**
Consumption of fuel held for sale and changes in inventories	**(19,988)**	**(136,016)**	**-**	**(156,004)**
Contractor and employee expenses	**(293,865)**	**(4,141)**	**(37,505)**	**(335,511)**
Fleet expenses	**(103,477)**	**(1,147)**	**(23,207)**	**(127,831)**
Gain on derivative instruments at fair value through profit and loss	**419**	**-**	**-**	**419**
Finance costs	**(5,514)**	**-**	**(244)**	**(5,758)**
Segment net operating profit after tax	**12,164**	**5,666**	**4,950**	**22,780**
Operating assets	**643,835**	**50,056**	**61,537**	**755,428**
Operating liabilities	**274,913**	**15,835**	**13,225**	**303,973**
Other disclosures				
Capital Expenditure	**(57,953)**	**(6,581)**	**(5,783)**	**(70,317)**

Inter-segment revenues of $49.7 million are eliminated on consolidation.

OPERATING SEGMENTS (continued)

Year ended 30 June 2025	Australian Transport $'000	Fuel $'000	New Zealand Transport $'000	Total $'000
Revenue				
External customers	520,926	147,033	76,847	744,806
Inter-segment sales	-	50,446	-	50,446
Total segment revenue	520,926	197,479	76,847	795,252
Results				
Depreciation and amortisation expense	(35,627)	-	(8,567)	(44,194)
Consumption of fuel held for sale and changes in inventories	(20,524)	(130,598)	-	(151,122)
Contractor and employee expenses	(317,852)	(4,151)	(35,536)	(357,539)
Fleet expenses	(99,302)	(1,107)	(22,525)	(122,934)
Impairment expense	4,925	-	-	4,925
Loss on derivative instruments at fair value through profit and loss	(773)	-	-	(773)
Finance costs	(3,572)	-	(498)	(4,070)
Segment net operating profit after tax	18,009	5,572	5,616	29,197
Operating assets	624,278	27,241	61,994	713,513
Operating liabilities	236,917	13,395	14,796	265,108
Other disclosures				
Capital Expenditure	(60,095)	-	(5,843)	(65,938)

Inter-segment revenues of $50.4 million are eliminated on consolidation.

(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:

	CONSOLIDATED	
	2026 $'000	**2025 $'000**
Segment operating assets	**755,428**	713,513
Inter-segment eliminations	**(36,406)**	(14,220)
Income tax receivables	**2,166**	-
Total assets per the Consolidated Statement of Financial Position	**721,188**	699,293

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

Australia	**551,467**	522,148
New Zealand	**42,532**	47,088
Total non-current assets per the Consolidated Statement of Financial Position	**593,999**	569,236

OPERATING SEGMENTS (continued)

(ii) Segment liabilities reconciliation to the Consolidated Statement of Financial Position

Segment liabilities include trade and other payables and debt. The Group has a centralised finance function that is responsible for raising debt and capital for the entire operations. Each entity or business uses this central function to invest excess cash or obtain funding for its operations. The Managing Director, Chief Financial Officer and Directors review the level of debt for each segment in the monthly Board meetings.

Reconciliation of segment operating liabilities to total liabilities:

	CONSOLIDATED	
	2026 $'000	**2025 $'000**
Segment operating liabilities	**303,973**	265,108
Inter-segment eliminations	**(36,406)**	(14,220)
Deferred tax liabilities	**74,672**	72,272
Income tax payable	**-**	2,509
Total liabilities per the Consolidated Statement of Financial Position	**342,239**	325,669

5. REVENUE AND EXPENSES

	CONSOLIDATED	
	2026 $'000	**2025 $'000**
a) Revenue		
Rendering of services	**546,991**	569,453
Sale of goods	**182,189**	175,353
Total revenue	**729,180**	744,806

Key information relating to the Group's financial performance is detailed below. In accordance with AASB 15 *Revenue from Contracts with Customers*, the table disaggregates revenue by operating segments that correspond to the internal reports reviewed by management.

	For the year ended 30 June 2026			
Segments	**Australian Transport $'000**	**Fuels $'000**	**New Zealand Transport $'000**	**Total $'000**
Type of service				
Transport Services	**467,981**	**-**	**79,006**	**546,987**
Sale of Fuel (including agency commissions)	**28,654**	**153,539**	**-**	**182,193**
Total revenue from contracts with customers	**496,635**	**153,539**	**79,006**	**729,180**
Geographical markets				
Australia	**496,635**	**153,539**	**-**	**650,174**
New Zealand	**-**	**-**	**79,006**	**79,006**
Total revenue from contracts with customers	**496,635**	**153,539**	**79,006**	**729,180**
Timing of revenue recognition				
Services transferred over time	**467,981**	**-**	**79,006**	**546,987**
Goods transferred at a point in time	**28,654**	**153,539**	**-**	**182,193**
Total revenue from contracts with customers	**496,635**	**153,539**	**79,006**	**729,180**

	For the year ended 30 June 2025			
Segments	**Australian Transport $'000**	**Fuels $'000**	**New Zealand Transport $'000**	**Total $'000**
Type of service				
Transport Services	492,606	-	76,847	569,453
Sale of Fuel (including agency commissions)	28,320	147,033	-	175,353
Total revenue from contracts with customers	520,926	147,033	76,847	744,806
Geographical markets				
Australia	520,926	147,033	-	667,959
New Zealand	-	-	76,847	76,847
Total revenue from contracts with customers	520,926	147,033	76,847	744,806
Timing of revenue recognition				
Services transferred over time	492,606	-	76,847	569,453
Goods transferred at a point in time	28,320	147,033	-	175,353
Total revenue from contracts with customers	520,926	147,033	76,847	744,806

REVENUE AND EXPENSES (continued)

		NOTE	CONSOLIDATED 2026 $'000	2025 $'000
b)	**Other Income**			
	- Net gains on disposal of property, plant and equipment		**5,192**	6,031
	- Other		**4,235**	6,024
	Total other income		**9,427**	12,055
c)	**Finance costs**			
	- Interest and fees on loans (includes costs of borrowing)		**3,738**	3,280
	- Interest on lease obligations		**2,020**	790
	Total finance costs		**5,758**	4,070
d)	**Depreciation expense**			
	- Buildings		**2,747**	2,162
	- Motor vehicles		**27,353**	30,235
	- Plant and equipment		**4,552**	4,609
	- Right of use asset		**9,037**	7,188
	Total depreciation expense		**43,689**	44,194
e)	**Employee expenses**			
	- Wages and salaries		**165,087**	171,585
	- Workers' compensation costs		**4,529**	4,469
	- Long service leave expense		**1,403**	2,105
	- Annual leave expense		**11,517**	11,924
	- Payroll tax		**8,938**	9,510
	- Defined contribution plan expense		**14,720**	14,939
	- Director's retirement scheme expense		**12**	22
	Total employee expenses		**206,206**	214,554
f)	**Individually significant items**			
	- Gain/(loss) on derivative instruments at fair value through profit and loss		**419**	(773)
	- Impairment reversal gain	14	**-**	4,925
	Total significant items pre-tax		**419**	4,152
	Tax impact on significant items		**(126)**	(1,246)
	Total significant items, net of tax		**293**	2,906

6. INCOME TAX

	CONSOLIDATED	
	2026 $'000	**2025 $'000**
The major components of income tax expense are:		
Statement of Profit or Loss		
Current income tax		
- Current income tax charge	**10,163**	13,576
- Adjustments in respect of current income tax of previous years	**(200)**	-
Deferred income tax		
- Deferred income tax charge	**(537)**	(1,147)
- Adjustments in respect of deferred income tax of previous years	**301**	(1,271)
- Reversal of unrecognised temporary difference	**56**	2,081
Income tax expense reported in the Statement of Profit or Loss	**9,783**	13,239
Consolidated Statement of Other Comprehensive Income		
Deferred income tax		
- Net gain on revaluation of freehold land	**2,572**	4,162
Income tax expense reported in Other Comprehensive Income	**2,572**	4,162
A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:		
Accounting profit before income tax	**32,563**	42,436
At the Group's statutory income tax rate of 30% (2025: 30%)	**9,769**	12,731
- Effect of tax rate in foreign jurisdiction	**(292)**	(464)
- Permanent differences	**(51)**	162
- Reversal of unrecognised temporary difference	**56**	2,081
- Adjustments in respect of current income tax of previous years	**301**	(1,271)
Income tax expense reported in the Statement of Profit or Loss	**9,783**	13,239

INCOME TAX (continued)

Recognised current and deferred tax assets and liabilities

	CONSOLIDATED			
	2026 $'000 Current income tax	2026 $'000 Deferred income tax	2025 $'000 Current income tax	2025 $'000 Deferred income tax
Opening balance	**(2,509)**	**(72,272)**	(5,454)	(68,370)
Charged to income	**(10,163)**	**537**	(13,576)	1,147
Adjustments in respect of current income tax of previous years	**200**	**(301)**	-	1,271
Charged to other comprehensive income	**-**	**(2,572)**	-	(4,162)
Payments, net of refund	**14,638**	**-**	16,485	-
Other movements	**-**	**(64)**	36	(2,158)
Closing balance	**2,166**	**(74,672)**	(2,509)	(72,272)
Amounts recognised in the Consolidated Statement of Financial Position before set-off:				
Deferred tax assets		**23,031**		25,168
Deferred tax liabilities		**(97,703)**		(97,440)
Net tax liabilities		**(74,672)**		(72,272)

	Consolidated Statement of Financial Position	
	2026 $'000	2025 $'000
Deferred income tax		
Deferred income tax at 30 June relates to the following:		
CONSOLIDATED		
Deferred tax liabilities		
- Property, plant and equipment	**(83,797)**	(82,567)
- Leases	**(11,133)**	(11,929)
- Trade and other receivables not derived for tax purposes	**(2,773)**	(2,944)
	(97,703)	(97,440)
Deferred tax assets		
- Trade and other payables not currently deductible	**905**	561
- Leases	**11,112**	12,006
- Provisions not currently deductible	**11,014**	12,601
	23,031	25,168

INCOME TAX (continued)

Tax consolidation

(i) Members of the Tax Consolidated Group and the Tax Sharing Arrangement

Effective 1 July 2002, for the purposes of income taxation, K&S Corporation Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated Group. K&S Corporation Limited is the head entity of the tax consolidated Group. Members of the Group entered into a tax sharing arrangement in order to allocate income tax expense to the wholly-owned subsidiaries. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At balance date, the possibility of default is remote.

K&S Corporation Limited formally notified the Australian Tax Office of its adoption of the tax consolidation regime when lodging its 30 June 2003 consolidated tax return.

(ii) Tax effect accounting by members of the Tax Consolidated Group

Members of the tax consolidated Group have entered into a tax funding agreement. The tax funding agreement requires members of the tax consolidated Group to make contributions to the head company for tax liabilities and deferred tax balances arising from transactions occurring after the implementation of tax consolidation. Contributions are payable following the payment of the liabilities by K&S Corporation Limited. The assets and liabilities arising under the tax funding agreement are recognised as intercompany assets and liabilities with a consequential adjustment to income tax expense or benefit. The Group has applied the Group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidation Group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 *Income Taxes*. In addition to its own current and deferred tax amounts, the head entity also recognises current and deferred tax assets and liabilities arising from unused tax losses and unused tax credits assumed from controlled entities within the tax consolidated Group.

In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or upon leaving the Group.

A Deferred Tax Asset / Liability is recognised when there is a deductible / taxable temporary difference between the tax base of an asset or liability and its carrying amount in the Consolidated Statement of Financial Position.

7. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit after tax for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. The following reflects the income and share data used in the basic and diluted earnings per share computations:

	CONSOLIDATED	
	2026 $	2025 $
Basic earnings per share	$0.166	$0.213
Diluted earnings per share	$0.166	$0.213
Net profit attributable to ordinary equity holders of the parent from continuing operations	**22,780,000**	29,197,148
Net profit attributable to ordinary equity holders of the parent	**22,780,000**	29,197,148
	2026 Thousands	**2025 Thousands**
Weighted average number of ordinary shares used in the calculation of the basic and diluted earnings per share	**136,847**	136,849

8. DIVIDENDS PAID AND PROPOSED

	CONSOLIDATED 2026 $'000	2025 $'000
Declared and paid during the year:		
Dividends on ordinary shares		
Final franked dividend for 30 June 2025: 8.0 cents (30 June 2024: 8.0 cents)	**10,948**	10,948
Interim franked dividend for 31 December 2025: 5.0 cents (31 December 2024: 8.0 cents)	**6,842**	10,948
	17,790	21,896
Proposed (not recognised as a liability as at 30 June)		
Dividends on ordinary shares		
- Final franked dividend for 30 June 2026 : 6.0 cents (2025: 8.0 cents)	**8,211**	10,948
Franking credit balance		
The amount of franking credits available for the subsequent year are:		
- franking account balance as at the end of the financial year at 30% (2025: 30%)	**40,251**	35,386
- franking credits that will arise from the payment of income tax (receivable)/payable as at the end of the financial year	**(2,409)**	1,783
The amount of franking credits available for future reporting periods:		
- impact on franking account of dividends proposed but not recognised as a distribution to equity holders during the period	(3,519)	(4,692)
	34,323	32,477

Tax Rates

- The tax rate at which dividends have been franked is 30% (2025: 30%)
- Dividends proposed will be franked at the rate of 30% (2025: 30%)

9. CASH AND CASH EQUIVALENTS

	CONSOLIDATED 2026 $'000	2025 $'000
Cash	**36**	26
Cash at bank	**34,177**	25,980
	34,213	26,006
Cash at bank earn interest at floating rates based on daily bank deposit rates		
Reconciliation of net profit after income tax to net cash flows from operations		
Net profit after income tax	**22,780**	29,197
Less items classified as investing/financing activities:		
- Profit on sale of non-current assets	**(5,192)**	(6,031)
Add/(less) non-cash items:		
- Impairment reversal gain	**-**	(4,925)
- Depreciation expense	**43,689**	44,194
- Borrowing costs	**1,049**	1,338
- (Gain)/loss on derivative instruments at fair value through profit and loss	**(419)**	773
Net cash provided by operating activities before changes in assets and liabilities	**61,907**	64,546
CHANGE IN ASSETS AND LIABILITIES		
(Increase)/decrease in inventories	**(481)**	241
Decrease in prepayments	**1,056**	716
Decrease in receivables	**4,180**	12,106
Decrease in trade creditors	**(5,747)**	(20,707)
Decrease in provision	**(2,683)**	(1,242)
Decrease in income taxes payable	**(4,675)**	(2,795)
Increase in deferred taxes payable (excluding impact of revaluation of land)	**9,521**	8,214
Exchange rate differences	**614**	(32)
Net cash provided by operating activities	**63,692**	61,047

10. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED 2026 $'000	2025 $'000
Current		
Trade debtors	**70,552**	70,219
Allowance for impairment loss	**(342)**	(895)
	70,210	69,324
Sundry debtors	**2,563**	7,619
Total trade and other receivables	**72,773**	76,943

11. PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED				
	Freehold Land $'000	Freehold Buildings $'000	Motor Vehicles $'000	Plant & Equipment $'000	Total $'000
a) Reconciliation of carrying amounts at the beginning and end of the period:					
Year ended 30 June 2026					
As at 1 July 2025, net of accumulated depreciation and impairment	**235,400**	**73,682**	**194,671**	**20,050**	**523,803**
Additions	**8,228**	**30,395**	**18,965**	**5,697**	**63,285**
Disposals	**-**	**-**	**(5,968)**	**(316)**	**(6,284)**
Revaluation	**8,572**	**-**	**-**	**-**	**8,572**
Transfers	**-**	**(430)**	**(212)**	**642**	**-**
Depreciation charge for the year	**-**	**(2,747)**	**(27,353)**	**(4,552)**	**(34,652)**
Exchange adjustment	**-**	**-**	**(4,343)**	**(231)**	**(4,574)**
At 30 June 2026, net of accumulated depreciation and impairment	**252,200**	**100,900**	**175,760**	**21,290**	**550,150**
At 30 June 2026					
Cost or fair value	**252,200**	**139,469**	**495,862**	**88,174**	**975,705**
Accumulated depreciation and impairment	**-**	**(38,569)**	**(320,102)**	**(66,884)**	**(425,555)**
Net carrying amount	**252,200**	**100,900**	**175,760**	**21,290**	**550,150**

	CONSOLIDATED				
	Freehold Land $'000	Freehold Buildings $'000	Motor Vehicles $'000	Plant & Equipment $'000	Total $'000
Year ended 30 June 2025					
As at 1 July 2024, net of accumulated depreciation and impairment	223,307	60,756	188,630	21,477	494,170
Additions	135	15,522	46,312	3,969	65,938
Disposals	-	-	(8,553)	(1,066)	(9,619)
Revaluation	13,874	-	-	-	13,874
Transfers	-	(242)	-	242	-
Assets held for sale	(6,841)	(192)	(1,815)	-	(8,848)
Impairment reversal	4,925	-	-	-	4,925
Depreciation charge for the year	-	(2,162)	(30,235)	(4,609)	(37,006)
Exchange adjustment	-	-	332	37	369
At 30 June 2025, net of accumulated depreciation and impairment	235,400	73,682	194,671	20,050	523,803
At 30 June 2025					
Cost or fair value	235,400	109,695	487,419	75,350	907,864
Accumulated depreciation and impairment	-	(36,013)	(292,748)	(55,300)	(384,061)
Net carrying amount	235,400	73,682	194,671	20,050	523,803

PROPERTY, PLANT AND EQUIPMENT (continued)

b) Revaluation of freehold land

The freehold land is included in the financial statements at fair value, except for capital expenditure subsequent to the valuation which is initially recorded at cost. A revaluation was performed in the current year by an independent valuer, Jones Lang LaSalle resulting in a pre-tax increase to the asset revaluation reserve of $8.6 million (2025: $13.9 million). No impairment transactions occurred in the current year; in the prior year, a pre-tax gain of $4.9 million was recognised in profit or loss to reverse a previously recognised impairment loss.

Fair value of the properties was determined using the market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for differences in the nature, location or condition of the specific property.

As the freehold land measured at fair value contains unobservable price inputs, they are designated as a Level 3 valuation.

Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties. The rates applied are consistent with the prior year.

Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate, and an opposite change in the long-term vacancy rate.

c) Carrying amounts if freehold land was measured at cost less accumulated impairment losses

If freehold land was measured using the cost model the carrying amounts would be as follows:

	CONSOLIDATED	
	2026 Freehold Land $'000	2025 Freehold Land $'000
Cost	**61,909**	69,460
Accumulated impairment losses	**-**	(7,190)
Net amount	**61,909**	62,270

One of the Group's properties in Perth, WA is leased to a third party and has a book value of $19.6 million. The lease agreement fully indemnifies the Group against any damage caused by the tenant's operations.

In late FY2021, the site sustained significant damage due to a fire incident in the tenant's operations. The damage was significant and will result in the part-demolition and rebuilding of a significant portion of the asset. The rebuilding project is expected to commence in FY2027 and at that point, the portion of the carrying value of the damaged building will be de-recognised and as it will be offset by insurance recoveries from the tenant.

12. INTANGIBLE ASSETS

Cash generating units

For the purpose of impairment testing, goodwill is allocated to cash-generating units ('CGUs') which equate to the Group's reportable segments being Australian Transport, Fuels and New Zealand Transport. The Group's goodwill balance of $5.4 million (2025: $6.1 million) is solely allocated to the New Zealand Transport CGU. The Group has not identified any triggering events for other CGUs.

Impairment testing of CGUs containing goodwill

Following an impairment assessment at 30 June 2026, the recoverable amount of New Zealand Transport CGU exceeded it's carrying value and no impairment was recognised (2025: Nil). The recoverable amounts were determined through a fair value less costs of disposal calculation based on the discounted cash flow method. Key estimates and judgements included:

Cashflow forecasts

The cash flow forecasts are based on financial budgets approved by the Board for FY2026 and then projected over a five-year period using short and long-term growth rates specific to market and economic conditions. These cash flow forecasts are based on level 3 fair value inputs.

INTANGIBLE ASSETS (continued)

Impairment testing of CGUs containing goodwill (continued)

Terminal growth rates and discount rates

The Group applied a short-term growth rate of 3.5% (2025: 3.5%) for the New Zealand Transport CGU.

The Group applied post-tax discount rates to post-tax cash flows as this approximates applying pre-tax discount rates to pre-tax cash flows. The discount rates incorporate a risk adjustment relative to the risks associated with the net post-tax cash flows being achieved. Adjustments are made per the view of a market participant in line with the fair value method.

The following discount and terminal growth rates were applicable for each CGU:

	Pre-tax discount rate		Terminal growth rate	
	2026 %	2025 %	2026 %	2025 %
New Zealand Transport	**13.54**	12.88	**3.5**	3.5

Sensitivity analysis

Increase in discount rate or changes in other assumptions such as operating performance may cause the recoverable amount to fall below carrying value. Based on current economic conditions, and CGU performances, there were no reasonably possible changes to key assumptions used in the determination of CGU recoverable amount that would result in a material impairment to the Group.

13. INTEREST BEARING LOANS AND BORROWINGS

	2026 $'000	2025 $'000
Current	**-**	-
Non-current		
Non redeemable preference shares	**60**	60
Bank loans - secured	**90,000**	75,828
Directly attributable transaction costs	**-**	(197)
	90,060	75,691

Summary of financing arrangements

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

			Amounts drawn	
Facility and limit	Maturity	Interest rate	2026 $'000	2025 $'000
$90m bank bill facility [1,2]	September 2027	BBSY + margin	**72,000**	70,928
$80m bank bill facility [1]	September 2028	BBSY + margin	**18,000**	4,900
Total interest bearing liabilities			**90,000**	75,828

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 $316.5 million.
2. In addition to the limit of $90m, the Group holds a $35m bank guarantee facility maturing in September 2027.

The Group's secured bank loan has two tranches repayable within 4 and 5 years from the issue date. The facility is secured by Group's assets, with a carrying value of $721.2 million. The secured bank loan is subject to the following covenants, tested half-yearly:

- Fixed Charge Cover Ratio greater than 1.75x. The Fixed Charge Cover Ratio was 3.81x as at 30 June 2026; and
- Net Leverage Ratio less than 3.08. Net Leverage Ratio was 1.0x as at 30 June 2026.

The secured bank loan is classified as non-current at 30 June 2026 as both the ratios were in compliance at that date. The Group also expects to comply with the half-yearly tested covenants within 12 months after the reporting date.

INTEREST BEARING LOANS AND BORROWINGS (continued)

Summary of financing arrangements (continued)

The carrying values of the bank bill facilities approximate the fair values as they bear a fully variable interest rate.

30-Jun-26	1 July 2025 $'000	Cash Flows $'000	For. Ex. Movement $'000	30 June 2026 $'000
Non-redeemable preference shares	**60**	**-**	**-**	**60**
Bank loans - secured	**75,828**	**14,255**	**(83)**	**90,000**
Total liabilities from financing activities	**75,888**	**14,255**	**(83)**	**90,060**

30-Jun-25	1 July 2024 $'000	Cash Flows $'000	For. Ex. Movement $'000	30 June 2025 $'000
Non-redeemable preference shares	60	-	-	60
Bank loans - secured	57,900	17,927	1	75,828
Total liabilities from financing activities	57,960	17,927	1	75,888

14. PROVISIONS

	CONSOLIDATED	
	2026 $'000	2025 $'000
Current		
Employee benefits	**24,098**	24,228
Self-insured workers' compensation liability	**3,569**	4,070
Restructure provision	**1,608**	-
Make good provision	**664**	1,280
Site remediation provision	**404**	2,404
	30,343	31,982
Non-current		
Employee benefits	**4,835**	5,048
Directors' retirement allowance	**463**	451
Make good provision	**2,907**	3,341
Self-insured workers' compensation liability	**12,609**	13,018
	20,814	21,858

a) Movements in provisions

Movements in each class of provision during the financial year, other than provisions relating to employee benefits, are set out below:

	Make Good Provision	Restructure Provision	Directors Retirement Allowance	Site Remediation provision	Self-insured Workers' Compensation Liability	Total
	$'000	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*
CONSOLIDATED						
At 1 July 2025	4,621	-	451	2,404	17,088	24,564
Arising during the year	140	1,608	12	-	2,470	4,230
Reversals	-	-	-	(2,000)	-	(2,000)
Utilised	(1,190)	-	-	-	(3,380)	(4,570)
At 30 June 2026	**3,571**	**1,608**	**463**	**404**	**16,178**	**22,224**

PROVISIONS (continued)

b) Nature and timing of provisions

(i) Make good provision

In accordance with various lease agreements, the Group must restore leased premises to their original condition at the end of the leases.

Because of the long-term nature of the liability, the greatest uncertainty in estimating the provisions is the costs that will ultimately be incurred.

(ii) Restructure provision

The provision relates to the loss of a customer contract. The restructuring is expected to be completed in the next financial year.

(iii) Long service leave

Refer to Note 2s(ii) for the relevant accounting policy applied in the measurement of this provision.

(iv) Directors' retirement allowance

Refer to Note 2s(iv) for the relevant accounting policy applied in the measurement of this provision.

(v) Self-Insured Workers Compensation

Workers' compensation self-insurance liability is based on actuarial assessments prepared in accordance with the Group's self-insurance licence.

(vi) Site Remediation Provision

As a result of historical and current operations, certain sites owned or used by the Group will require future remediation activities. Estimated costs are recognised as a provision when:

- there is a present legal or constructive obligation to remediate;
- a probable outflow of economic resources will occur to undertake the remediation; and
- the associated costs can be reliably estimated.

Provisions are measured at the estimated expenditures expected to settle the obligation. The measurement of these provisions is subject to significant estimation uncertainty.

Key assumptions include:
- Timing: Major outflows are estimated to occur upon planned site closures within the next 12 months.
- Cost Estimates: Base clean-up costs are determined using expert valuations and historical data.
- Uncertainties: Actual future expenditures may vary from current estimates due to changes in environmental regulations, local inflation rates, or unforeseen site conditions discovered during execution.

15. CONTRIBUTED EQUITY AND RESERVES

	CONSOLIDATED	
	2026 $'000	**2025 $'000**
a) Ordinary shares		
Contributed equity		
136,847,312 (2025: 136,847,312) ordinary shares fully paid	**179,618**	179,618
	179,618	179,618

Effective 1 July 1998, the Corporations Legislation abolished the concepts of authorised capital and par value shares. Accordingly, the Company does not have authorised capital or par value in respect of its issued capital. 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 30 June 2025	136,847	179,618
At 30 June 2026	**136,847**	**179,618**

b) Capital management

When managing capital, the Group's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to Shareholders and benefits to other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity. The Group is not subject to any externally imposed capital requirements.

During FY2026, the Group paid dividends of $17,790,151 (2025: $21,895,797).

Management monitor capital through the gearing ratio (Net debt / Net debt + Shareholders funds) excluding lease liabilities.

The gearing ratios based on continuing operations at 30 June were as follows:

	CONSOLIDATED	
	2026 $'000	**2025 $'000**
Gross debt (excluding lease liabilities)	**90,060**	75,691
Less cash and cash equivalents	**(34,213)**	(26,006)
Net debt	**55,847**	49,685
Net debt + Shareholders funds	**434,796**	423,309
Gearing ratio	**12.8%**	11.7%

Nature and purpose of reserves

Asset revaluation reserve

The asset revaluation reserve is used to record increases in the fair value of freehold land and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in equity.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations.

Common control reserve

The common control reserve was created to record a gain in relation to a transaction with the Group's major shareholder.

Profit reserve

The profit reserve comprises a transfer of net profits and characterises profits available for distribution as dividends in future years.

16. LEASES

a) Right of use assets

The Group enters non-cancellable leases on properties. Lease terms vary in length and generally, when approaching expiry, are either extended at the option of the Group or are renegotiated. Our leases relate to properties in Australia and New Zealand.

	2026 $'000 Total	2025 $'000 Total
Cost	**61,610**	55,751
Accumulated depreciation	**(23,304)**	(16,577)
As at 30 June	**38,306**	39,174
Movement:		
Opening balances	**39,174**	8,786
Additions	**6,575**	37,579
Depreciation	**(9,037)**	(7,191)
Modifications	**1,594**	-
At 30 June	**38,306**	39,174

b) Lease liabilities

Movement:		
Opening balances	**39,434**	9,016
Additions	**6,575**	37,579
Interest	**2,020**	788
Repayments	**(9,633)**	(7,949)
Modifications	**284**	-
At 30 June	**38,680**	39,434
Current liabilities	**8,947**	6,006
Non-current liabilities	**29,733**	33,428
At 30 June	**38,680**	39,434

c) Short-term and variable leases

As allowed by the Standard, there is no change to the recognition and measurement of short-term and low value leases. Short-term leases are those with terms equal to or less than 12 months. The amounts recognised in PBT for these leases are:

Short term leases	**10,416**	10,127

17. COMMITMENTS

The estimated maximum amount of commitments not provided for in the accounts as at 30 June 2026 are:

	CONSOLIDATED	
	2026 $'000	**2025 $'000**
Capital expenditure commitments		
The aggregate amount of contracts for capital expenditure on plant and equipment due no later than one year	**26,866**	46,589

18. CONTINGENT LIABILITIES

From time to time the Group is party to claims from customers and suppliers arising from operations in the ordinary course of business. At the date of this report there are no claims or contingent liabilities that are expected to materially impact, either individually or in aggregate, the Group's financial position or results from operations.

19. DEED OF CROSS GUARANTEE

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 dated 17 December 2016, the wholly owned subsidiaries disclosed in Note 20 are relieved from the *Corporations Act 2001* requirements for preparation, audit and lodgement of financial reports, and Directors' reports. It is a condition of the legislative instrument that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the *Corporations Act 2001*. If a winding up occurs under other provisions of the *Corporations Act 2001*, the Company will only be liable in the event that after six months any creditor has not been paid in full.

The subsidiaries have also given similar guarantees in the event that the Company is wound up. The entities within the Deed of Cross Guarantee are referred to in Note 20. A Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position, comprising the Company and subsidiaries which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, at 30 June 2026 is set out below:

	CLOSED GROUP	
	2026 $'000	**2025 $'000**
Condensed Statement of Comprehensive Income		
Profit before income tax	**25,697**	34,645
Income tax expense	**(10,950)**	(11,072)
Profit after income tax	**14,747**	23,573
Retained profits at the beginning of the year	**14,887**	14,887
Profit for the year	**14,747**	23,573
Transfer to profit reserves	**(14,747)**	(23,573)
Retained earnings at the end of the year	**14,887**	14,887

DEED OF CROSS GUARANTEE (continued)

Consolidated Statement of Financial Position	**CLOSED GROUP 2026**	**2025**
ASSETS	**$'000**	**$'000**
Current assets		
Cash and cash equivalents	**28,245**	24,760
Trade and other receivables	**60,686**	63,830
Inventories	**7,932**	7,453
Assets held for resale	**-**	8,848
Prepayments	**8,896**	10,194
Derivatives	**419**	68
Income tax receivables	**1,488**	-
Total current assets	**107,666**	115,153
Non-current assets		
Other receivables	**105**	114
Investment in subsidiary	**9,625**	9,625
Property, plant and equipment	**519,909**	490,277
Right of use assets	**31,934**	33,089
Total non-current assets	**561,573**	533,105
TOTAL ASSETS	**669,239**	648,258
LIABILITIES		
Current liabilities		
Trade and other payables	**83,159**	76,613
Lease liabilities	**1,173**	4,379
Income tax payable	**-**	1,782
Provisions	**27,446**	30,213
Total current liabilities	**111,778**	**112,987**
Non-current liabilities		
Interest bearing loans and borrowings	**90,060**	74,763
Lease liability	**30,575**	28,929
Deferred tax liabilities	**76,644**	72,480
Provisions	**20,056**	21,927
Total non-current liabilities	**217,335**	198,099
TOTAL LIABILITIES	**329,113**	311,086
NET ASSETS	**340,126**	337,172
EQUITY		
Contributed equity	**179,618**	179,618
Reserves	**145,621**	142,667
Retained earnings	**14,887**	14,887
TOTAL EQUITY	**340,126**	337,172

20. CONTROLLED ENTITIES

	Class of Share	Country of Incorporation	% Equity Interest 2026	% Equity Interest 2025
Particulars in relation to controlled entities				
Controlled Entities[1]				
Reid Bros Pty Ltd	Ord	Australia	**100**	100
Kain & Shelton Pty Ltd	Ord	Australia	**100**	100
K&S Freighters Pty Ltd	Ord	Australia	**100**	100
K&S Group Administrative Services Pty Ltd	Ord	Australia	**100**	100
Kain & Shelton (Agencies) Pty Ltd	Ord	Australia	**100**	100
K&S Transport Management Pty Ltd	Ord	Australia	**100**	100
Blakistons-Gibb Pty Ltd	Ord	Australia	**100**	100
K&S Logistics Pty Ltd	Ord	Australia	**100**	100
K&S Integrated Distribution Pty Ltd	Ord	Australia	**100**	100
K&S Group Pty Ltd	Ord	Australia	**100**	100
DTM Holdings (No. 2) Pty Ltd	Ord	Australia	**100**	100
Alento Pty Ltd	Ord	Australia	**100**	100
DTM Holdings Pty Ltd	Ord	Australia	**100**	100
DTM Pty Ltd	Ord	Australia	**100**	100
K&S Project Services Pty Ltd	Ord	Australia	**100**	100
K&S Heavy Haulage Pty Ltd	Ord	Australia	**100**	100
Strategic Transport Services Pty Ltd	Ord	Australia	**100**	100
Vortex Nominees Pty Ltd	Ord	Australia	**100**	100
K&S Freighters Limited	Ord	New Zealand	**100**	100
Cochrane's Transport Limited	Ord	New Zealand	**100**	100
Scott Corporation Pty Ltd	Ord	Australia	**100**	100
Bulktrans Pty Ltd	Ord	Australia	**100**	100
Chemtrans Pty Ltd	Ord	Australia	**100**	100
Hyde Park Tank Depot Pty Ltd	Ord	Australia	**100**	100
Energytrans Pty Ltd	Ord	Australia	**100**	100

[1] All wholly owned Australian entities in this table are part of the Deed of Cross Guarantee

21. RELATED PARTY DISCLOSURES

DIRECTORS

The names of each person holding the position of Director of K&S Corporation Limited during the financial year and up to the date of signing the financial report are T Johnson, L Winser, G Walters AM, P Sarant, R Dalton, and S Emmett.

Apart from the details disclosed in this note, no Director has entered into a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving Directors' interests subsisting at year end.

A number of key management personnel, or their related parties, hold positions in other companies that result in them having control or significant influence over these companies as noted below:

- Mr Winser is a Director of several companies (including AA Scott Pty Ltd, Sneaths Freightliners Pty Ltd, AA Scott Jubilee Hwy (209) Pty Ltd, AA Scott Bowyer Rd (19-33) Pty Ltd, Ascot Cartage Contractors Pty Ltd, Ascot Haulage (NT) Pty Ltd, AAS Graham Road (30) Pty Ltd, AAS Graham Road (40) Pty Ltd and Northfuels Pty Ltd, ACN 007828819 Pty Ltd (formally The Border Watch), AA Scott Francis St (Lot 514) Pty Ltd, Benara Pastoral Pty Ltd, Scott's Fleet Rentals Pty Ltd, Ascot Media Investments Pty Ltd);
- Mr Johnson has an interest as a Director of AA Scott Pty Ltd.

A number of these companies transacted with the Group during the year. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personnel related companies on an arm's length basis.

From time to time Directors of the Group, or their related entities, may buy goods from the Group. These purchases are on the same terms and conditions as those entered into by other Group customers.

The aggregate amount of dealings with these companies during year ended 30 June 2026 were as follows:

	PURCHASES		SALES		RECEIVABLES		PAYABLES	
	2026 $	2025 $	**2026 $**	2025 $	**2026 $**	2025 $	**2026 $**	2025 $
AA Scott Pty Ltd[1]	**236,247**	119,340	**15,975**	15,744	**-**	-	**19,693**	18,134
AA Scott Jubilee Hwy (209) Pty Ltd[1]	**798,135**	778,456	**-**	-	**-**	-	**56,375**	53,591
AA Scott Bowyer Rd (19-33) Pty Ltd[1]	**768,684**	844,330	**-**	-	**-**	-	**578**	49,232
AA Scott Francis St (Lot 514) Pty Ltd[1]	**900,463**	869,931	**-**	-	**-**	-	**-**	57,149
Benara Pastoral Pty Ltd[1]	**290**	1,971	**213,317**	123,488	**-**	-	**-**	-
Scott's Fleet Rentals Pty Ltd[1]	**726,185**	600,767	**-**	-	**-**	-	**57,599**	44,288
Ascot Media Investments Pty Ltd[1]	**-**	-	**-**	1,530	**-**	-	**-**	-

1. These entities are related parties of the Group's majority shareholders

Terms and conditions of transactions within the wholly-owned Group

Sales to and purchases from within the wholly-owned Group are made at arm's length. Terms and conditions of the tax funding agreement are set out in Note 6. Outstanding balances at year-end are unsecured and interest free.

RELATED PARTY DISCLOSURES (continued)

DIRECTORS' SHARE TRANSACTIONS

	CONSOLIDATED 2026	2025
Shareholdings		
Aggregate number of shares held by Directors and their Director-related entities at balance date:		
- Ordinary shares	**2,168,639**	2,168,639
- Preference shares	**-**	-
All share transactions were with the parent Company, K&S Corporation Limited		

Dividends	**$'000**	**$'000**
Aggregate amount of dividends paid in respect of shares held by Directors or their Director-related entities during the year:		
- Ordinary shares	**282**	346

Directors' transactions in shares and share options

Purchases of shares by Directors and Director related entities are set out in the Director's Report.

Ultimate parent entity

The immediate parent entity and ultimate controlling entity of K&S Corporation Ltd is AA Scott Pty Ltd, a company incorporated in South Australia.

Compensation for Key Management Personnel

	CONSOLIDATED 2026 $	2025 $
Short-term	**2,368,708**	2,483,055
Long-term	**(22,677)**	95,790
Post employment	**154,162**	172,861
	2,500,193	2,751,706

Loans with Key Management Personnel

Details of aggregates of loans to Key Management Personnel are as follows:

Total	Amount at the start of the year $	Amounts written off in the year $	Amounts paid in the year $	Amount at the end of the year $	Number in Group
2026	**41,750**	**-**	**(7,800)**	**33,950**	**1**
2025	95,530	-	(53,780)	41,750	1

Loans to Key Management Personnel are made pursuant to the K&S Corporation Limited Employee Share Plan ("Plan"). As part of the Plan, loans are interest free with K&S Corporation, to fund the purchase of shares in the Company. Loans to Key Management Personnel under the Plan are required to be repaid in full upon the cessation of the employment of the Key Management Personnel with the Company. Shares issued under the Plan are subject to a holding lock until the loan is repaid in full. Non-Executive Directors are not eligible to participate in the Plan. No other loans are made to any Key Management Personnel issued under the Plan are subject to a holding lock until the loan is repaid in full.

22. EVENTS SUBSEQUENT TO BALANCE DATE

On 25 August 2026, the Directors of K&S Corporation Limited declared a final dividend on ordinary shares in respect of the 2026 financial year. The total amount of the dividend is $8,210,839 which represents a fully franked dividend of 6.0 cents per share. The dividend has not been provided for in the 30 June 2026 financial statements and is payable on 4 November 2026.

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.

23. AUDITORS' REMUNERATION

The auditor of K&S Corporation Limited is Ernst & Young.

	CONSOLIDATED	
	2026 $	**2025 $**
Audit services:		
Audit and review of the statutory financial reports	**359,800**	434,400
Fees for sustainability assurance services	**58,000**	-
	417,800	434,400

24. PARENT ENTITY INFORMATION

	2026 $'000	**2025 $'000**
Current assets	**104,256**	96,627
Total assets	**276,180**	264,297
Current liabilities	**-**	(1,568)
Total liabilities	**(87,683)**	(76,088)
Issued capital	**179,618**	179,618
Reserves	**13,338**	13,050
Retained earnings	**(4,459)**	(4,459)
Total Shareholders' equity	**188,497**	188,209
Profit after tax of the parent entity	**18,073**	9,991
Total comprehensive profit of the parent entity	**18,073**	9,991

Guarantees

Cross guarantees given by the Company and its wholly owned controlled entities are described in Note 19.

Contingent liabilities

Contingent liabilities of the Company and its wholly owned controlled entities are outlined in Note 18.

Consolidated Entity Disclosure Statement

FOR THE YEAR ENDED 30 JUNE 2026

Name	Entity Type	Country of Incorporation	Body Corporate % of share capital held	Tax Residency
K&S Corporation Limited	Body Corporate	Australia	100%	Australia
Reid Bros Pty Ltd	Body Corporate	Australia	100%	Australia
Kain & Shelton Pty Ltd	Body Corporate	Australia	100%	Australia
K&S Freighters Pty Ltd	Body Corporate	Australia	100%	Australia
K&S Group Administrative Services Pty Ltd	Body Corporate	Australia	100%	Australia
Kain & Shelton (Agencies) Pty Ltd	Body Corporate	Australia	100%	Australia
K&S Transport Management Pty Ltd	Body Corporate	Australia	100%	Australia
Blakistons-Gibb Pty Ltd	Body Corporate	Australia	100%	Australia
K&S Logistics Pty Ltd	Body Corporate	Australia	100%	Australia
K&S Integrated Distribution Pty Ltd	Body Corporate	Australia	100%	Australia
K&S Group Pty Ltd	Body Corporate	Australia	100%	Australia
DTM Holdings (No. 2) Pty Ltd	Body Corporate	Australia	100%	Australia
Alento Pty Ltd	Body Corporate	Australia	100%	Australia
DTM Holdings Pty Ltd	Body Corporate	Australia	100%	Australia
DTM Pty Ltd	Body Corporate	Australia	100%	Australia
K&S Project Services Pty Ltd	Body Corporate	Australia	100%	Australia
K&S Heavy Haulage Pty Ltd	Body Corporate	Australia	100%	Australia
Strategic Transport Services Pty Ltd	Body Corporate	Australia	100%	Australia
Vortex Nominees Pty Ltd	Body Corporate	Australia	100%	Australia
K&S Freighters Limited	Body Corporate	New Zealand	100%	New Zealand
Cochrane's Transport Limited	Body Corporate	New Zealand	100%	New Zealand
Scott Corporation Pty Ltd	Body Corporate	Australia	100%	Australia
Bulktrans Pty Ltd	Body Corporate	Australia	100%	Australia
Chemtrans Pty Ltd	Body Corporate	Australia	100%	Australia
Hyde Park Tank Depot Pty Ltd	Body Corporate	Australia	100%	Australia
Energytrans Pty Ltd	Body Corporate	Australia	100%	Australia

Directors' Declaration

FOR THE YEAR ENDED 30 JUNE 2026

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 report of the Company and of the Group is in accordance with the *Corporations Act 2001*, including:
   i) giving a true and fair view of the Company's financial position as at 30 June 2026 and of its performance for the year ended on that date; and
   ii) complying with Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2(b).

c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

d) The Consolidated Entity Disclosure Statement required by section 295(3A) of the Corporations Act for K&S Corporation Limited and it's controlled entities, as at 30 June 2026 is true and correct.

e) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the *Corporations Act 2001* for the financial period ending 30 June 2026.

f) As at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 19 will be able to meet any obligations or liabilities to which they are or may become subject to, by virtue of the Deed of Cross Guarantee.

Dated at Melbourne this 25th day of August 2026.

On behalf of the Board:

Tony Johnson
Chairman

Paul Sarant
Managing Director and Chief Executive Officer

Shape the future with confidence

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Auditor's independence declaration to the directors of K&S Corporation Limited

As lead auditor for the audit of the financial report of K&S Corporation Limited and for the review of the selective sustainability information in the sustainability report for the financial year ended 30 June 2026, 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 audit and review;

b. No contraventions of any applicable code of professional conduct in relation to the audit and review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit and review.

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

Ernst & Young

Mark Phelps
Partner
25 August 2026

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

Report on the audit of the financial report

Opinion

We have audited the financial report of K&S Corporation Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2026 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the 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 audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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Transportation Revenue

Why significant	How our audit addressed the key audit matter
The Group recognised revenue totalling $729.2 million for the year 30 June 2026. $547.0 million or 75.0% of this revenue is derived through the rendering of transportation services to customers across Australia and New Zealand. Per the requirements of Australian Accounting Standard AASB 15 'Revenue from Contracts with Customers' ("AASB 15"), the Group recognises revenue with respect to the performance obligations it has identified within its customer contracts. The Group determined these obligations are satisfied over time. Judgement is involved in assessing the stage of completion of the services and therefore the amount of revenue to be recognised. In addition, material revenue transactions can occur close to year end, there is a risk that revenue is recognised in the incorrect period and accordingly a key audit matter. Additionally, due to the nature of the Group's branch network, the IT systems across the Group are complex with varying levels of integration with financial systems.	In conjunction with our IT specialists, we assessed the operating effectiveness of relevant controls over the capture, recording and recognition of revenue transactions from transportation services. Inspected a sample of new transportation services customer contracts, to assess whether revenue recognised was in accordance with AASB 15 and the terms and conditions in the underlying contract. On a sample basis of revenue transactions recorded throughout the year and near year end, we assessed whether they were recorded appropriately and in the correct period. Performed journal entry testing procedures focusing on manual journal entries recognised within revenue near to year end. We evaluated the adequacy and appropriateness of the disclosures included in Note 5 to the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2026 Annual Report other than the financial report and our auditor's report thereon. We obtained the Directors' Report, the Sustainability Report and the Corporate Governance Statement that is to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon in this auditor's report, with the exception of the Remuneration Report and our related assurance opinion. We have issued a separate auditor's report on selective sustainability information included in the Sustainability Report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001;* and

for such internal control as the directors determine is necessary to enable the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 16 of the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of K&S Corporation Limited for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

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Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Mark Phelps
Partner
Adelaide
25 August 2026

Sustainability Report

1. Basis of Preparation

1.1 Annual Sustainability Reports

1.1.1 Statement of Compliance

K&S Corporation limited (‘**K&S**’ or, the ‘**Company**’) and its controlled entities (together, the ‘**Group**’) for the year ended 30 June 2026 (‘**FY2026**’ or, the ‘**Reporting Period**’) has prepared the climate-related financial disclosures (the Sustainability Report) in accordance with AASB S2 *Climate-related Disclosures* (AASB S2) as issued by the Australian Accounting Standards Board (AASB). These disclosures form part of our general-purpose financial reports and cover the same reporting entities. This report is in accordance with the *Corporations Act 2001* (Act) Section 292A.

The entity has early adopted the amendments to AASB S2, issued by the AASB in December 2025, for the reporting period ended 30 June 2026. These amendments are effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted.

This report was authorised for issue by the Board of Directors on 25 August 2026.

1.1.2 First time adoption of AASB S2 *Climate-related Disclosures* and transition relief

AASB S2 provides transition relief for the first annual reporting period in which an entity applies the standard and K&S has applied the transition relief from:

I. **Comparative Information:** In accordance with paragraph C3 of AASB S2, the Company has applied the exemption from providing comparative information for both narrative and quantitative Climate-related disclosures in this first year of reporting.
II. **Scope 3 Greenhouse Gas (GHG) Emission:** Under the transition relief provisions, disclosure of Scope 3 GHG emissions is deferred.

1.1.3 Connectivity with financial statements (reporting period, reporting entity and presentation currency)

The Directors present this Sustainability Report together with the consolidated financial statements of the Group. This report covers the same reporting entity and period as the Group’s consolidated financial statements and financial impacts are denominated in Australian Dollars (A$).

1.2 Outline of the business model and value chain

1.2.1 Organisation structure

As of 30 June 2026, the Group has 25 subsidiary companies in Australia and New Zealand.

1.2.2 Key business activities and value chain

K&S is a tier 1 logistics provider in Australia and New Zealand. It is recognised as a leader in transport and logistics industry. The principal activities include integrated road, rail, and coastal freight forwarding, warehousing and distribution, and bulk fuel transport services, serving industries such as mining, agriculture, construction materials, and retail. The entity operates under significant environmental regulations at both Commonwealth and State levels.

K&S value chain covers multi-modal freight transport (road, rail, and sea forwarding), warehousing and distribution, and bulk fuel supply, supported by value-added services such as export packing, wharf handling, and integrated supply chain management solutions. The Group is a key player within the Australia and New Zealand markets. The Group’s financial position and profit & loss for the current financial year are included in the Annual Financial Report.

Value chain	Business Activity	Description
Upstream	Fleet Assets	Suppliers of trucks, trailers, tankers, rail freight capacity, Shipping capacity
	Energy and fuel inputs	Diesel / lubricants for fleet operations and operational energy use
	Equipment services	Heavy vehicle and material handling equipment manufacturers and safety equipment
	Government and regulators	Transport, safety and ESG standards, risk management
	Insurers, lenders and investors	Balance sheet protection, capital sourcing and performance expectations
Own Operations	Freight transport	Road, rail, sea movements of bulk and non-bulk loads
	Fuel Distribution	Bulk fuel and energy delivery
	Specialised and hazardous services	Safe and secure transport of specialised hazardous goods
	Administration	Physical and IT infrastructure of administration, planning and logistics
	Warehousing and storage	Cold storage, dry storage, export packaging, wharf lodgement
Downstream	Industrial and manufacturing customers	Industrial, mining, agricultural, chemicals, FMCG
	Aviation and fuel user	Commercial, industrial and transport users of bulk fuel
	Import – Export logistics	Overseas and supply chain logistics
	Local Communities	Local communities, emerging expectations of wider operating ecosystems

1.2.3 Time horizons

The entity defines the time horizons based on when the climate-related risks and opportunities could reasonably be expected to occur. As of the end of the reporting period, the following time horizons were identified, and these align with the timelines used for strategic decision making:

- short term (0 to 4 years) aligning to Return on Investment (ROI) on typical three-year customer contracts and fleet allocations;
- medium term (5 to 10 years); aligning to asset replacement driven by five-year renewal cycle and;
- long term (beyond 10+ years) aligning to the Group's long-term strategic planning.

1.3 Judgements, uncertainties and errors

Management has applied judgment in several areas while preparing this sustainability report, including determining Climate-related Risks and Opportunities (CRROs) and selecting the material information to disclose. Additionally, the preparation of this report requires the use of estimates for certain amounts which cannot be measured directly. These estimates are used when climate-related information must be approximated for entities within the value chain, involves forward-looking data, or is affected by limitations in available data.

This section outlines the most critical judgements made by management in preparing this climate-related report, as well as the amounts that are subject to a high degree of measurement uncertainty. The details of the judgement made, or the source of estimation uncertainty, is included in the note disclosure referenced.

1.3.1 Significant judgements

The preparation and presentation of the sustainability report involves applying management judgement to determine what information is relevant, reliable and useful to disclose. This includes interpreting reporting requirements and making informed decisions in areas where the standards allow flexibility. The table below summarises key judgements applied.

Topic	Description
Materiality assessment	To identify relevant risks and opportunities and material information, K&S exercised judgement in assessing impacts and dependencies across the value chain that could reasonably influence the Company's strategy, business model or financial position and performance. Refer Note 1.4 for further details.
GHG emissions	K&S exercised judgement when selecting appropriate emission factors. Refer Note 5.2 for the selection of emission factors.
Anticipated financial effect	The quantification of anticipated financial effects of climate-related risks and opportunities requires significant judgement due to the nature of the transport industry. Refer Note 3.2 for the selection of specific calculation approach and assumptions.
Scenario selection	Selecting scenarios for climate-related scenario analysis required judgement to reflect a range of temperature outcomes and transition pathways that capture the uncertainties most likely to affect the entity's strategy, business model, financial position and performance. Refer Note 3.5 for the management's scenario selection.

1.3.2 Measurement Uncertainty

Measurement uncertainty in the sustainability report arises from data gaps, reliance on proxy information, external factors and forward-looking information. The table below summarises the main sources of measurement uncertainty affecting the amounts disclosed in the climate-related report.

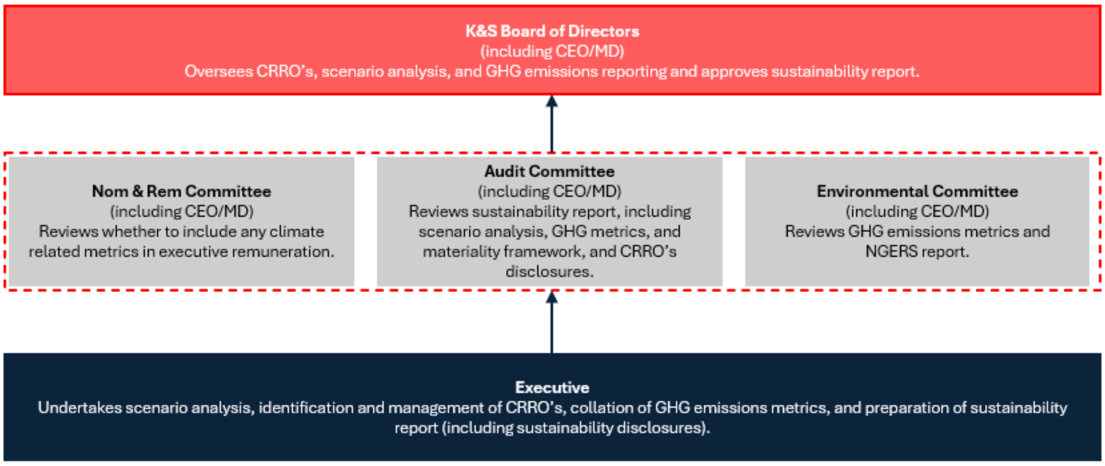
Topic	Description
GHG emissions	GHG emissions quantification is unavoidably subject to significant inherent limitations, because of incomplete scientific knowledge and inherent limitations in the nature of, and methods used for, determining emissions factors and data. The selection by management of different but acceptable emission factors or measurement techniques could have resulted in materially different GHG emissions reported. Refer Note 5.2 for the assumptions.
Scenario Analysis	Refer to Note 3.5 for the measurement uncertainty in the assessment of climate resilience.

1.4 Materiality Assessment

K&S applies a materiality assessment framework to identify and assess climate-related risks and opportunities and determine the information that is material for disclosure under AASB S2. The framework follows a six-step process from understanding and identifying CRROs through to determining material information for disclosure. Climate-related risks and opportunities are assessed based on their potential impact on the Group's financial position, financial performance and cash flows, the likelihood and magnitude of climate-related impacts, and the information needs of primary users of general-purpose financial reports. The assessment incorporates information from risk management processes, stakeholder engagement, industry and regulatory developments and climate scenario analysis, including consideration of two future climate scenarios (refer Note 3.5).

2. Governance

K&S's Board of Directors (the Board) has oversight on climate-related risk and opportunities identified across K&S's operations, and it is supported by board level committees (the Environmental Committee & Audit Committee). An overview of K&S's climate-related governance structure is set out below:



2.1 Board Oversight of CRRO's

The Board has ultimate responsibility for the oversight of CRROs and their integration into K&S's strategy, risk management and capital allocation processes.

The Board reviews CRROs on a quarterly basis as part of its review of the Group risk register and regularly receives updates from management, including the Group Insurance and Risk Manager. The Board also undertakes an annual assessment of the resilience of the Group's strategy under different climate-related scenarios, including consideration of fleet composition, power sources and relevant industry metrics.

The Board oversees significant capital allocation decisions, including fleet investments. Under the Group's Authority Levels Statement, all capital expenditure exceeding $150,000 requires Board approval. In evaluating fleet-related investments, the Board considers climate-related risks and opportunities, including the potential impact of future carbon regulation, the technical and commercial feasibility of alternative fuel technologies, and the Group's ability to recover increased operating costs through customer pricing mechanisms.

The Board is supported by the Audit Committee, Nomination and Remuneration Committee, and Environmental Committee in discharging its oversight responsibilities for climate-related risks and opportunities. See Note 2.3 for more details on the roles and responsibilities in relation to climate for these committees.

Climate-related matters are documented through Board and Committee reporting, risk register reviews and meeting minutes.

2.2 Board level Committee supporting climate governance

2.2.1 Environmental Committee

The Environmental Committee has been established to ensure an understanding of the nature and scope of the Company's operations, the impacts of the Company's operations on the environment, and the systems and controls implemented by the Company to identify and manage those impacts.

The Committee meets at least four times in a financial year to discuss progress on its obligations. Climate-related matters are kept as a key standing agenda during these meetings. To meet its objectives the committee has also established an internal reporting process.
The primary functions of the Environmental Committee are to:

- Review and recommend, as appropriate, changes to the Company's environment policies.
- Ensure the adequacy of environmental procedures and controls implemented by executive management.

- Report to the Board of Directors on the Company's compliance with environmental procedures and controls.
- Review the adequacy and effectiveness of resources devoted to informing employees of their environmental obligations and training them to operate in accordance with Company guidelines and legal requirements.
- Monitor compliance by the Company and its employees with applicable legislation, regulations and Company guidelines.
- Review, as deemed necessary, reports of any major environmental incidents.
- Review progress by executive management against targets set in environmental improvement programs implemented by executive management.
- Monitor compliance by the Company with mandatory environmental reporting regimes such as the National Greenhouse Emissions Reporting Scheme (NGERS).
- Review and provide oversight of the Company's GHG emissions data collection processes to ensure that they function effectively to capture all relevant material for reporting GHG emissions under AASB S2 and the NGERS.

The Committee shall be comprised of not less than three members. Members of the Committee are appointed by the Board of Directors. The majority of the members of the Committee should be non-executive directors independent of management.

Unless the Board of Directors determines otherwise, the Managing Director and Chief Executive Officer (MD/CEO) shall be a member of the Committee.

The Chairman of the Board of Directors will nominate one of the non-executive director members of the Committee to act as Chairman.

2.2.2 Audit Committee

Responsibility for reviewing K&S's Sustainability/climate reporting lies with Board's Audit Committee. The committee meetings are supported by the MD/CEO, Company Secretary and Chief Financial Officer (CFO) while the secretary of the board or the chief financial officer acts a secretary to the Audit Committee.

Key Sustainability/Climate-related responsibilities of the Audit Committee:

- To oversee compliance with climate-related reporting requirements and financial disclosures including AASB S2, and other applicable regulations.
- Review and provide oversight of Management's assessment of the effectiveness of internal controls and assurance processes that support climate-related disclosures.
- Review climate scenario modelling in relation to physical and transition risks undertaken by management in accordance with AASB S2 and other applicable regulations.
- Provide oversight in respect of the adequacy of climate-related disclosures presented in the Company's general purpose financial reports in accordance with AASB S2.

Members of the Audit Committee will be appointed by the Board, shall be independent of Management and should have strong finance, accounting and or business backgrounds and expertise.

2.2.3 Nomination & Remuneration Committee

The Board's Nomination & Remuneration Committee will conduct an annual review and will provide recommendations to the Board of Directors on whether to include any climate-related metrics or targets as part of Executive remuneration. Currently the Group does not have any climate-related targets, and the current recommendation of the Nomination & Remuneration Committee is that no climate-related metrics or targets be adopted as a component of remuneration. Members of the Nomination & Remuneration Committee will be appointed by the Board and will be three non-executive directors.

2.3 Managements' role and responsibilities

At Management level, Management of business divisions has the responsibility of identifying and managing climate-related risks and opportunities arising in their respective business divisions. Additionally, the Board has delegated certain responsibilities to the MD/CEO and the senior executive team to oversee day to day operations of the Group which includes the responsibility of complying with Environmental laws and regulations and climate-related issues.

Furthermore, K&S Management has the following responsibilities and discusses these issues in their regular management meeting:

Role	Responsibility
Managing Director and CEO	Responsible for: • attending Executive Team meetings, receiving updates from the Group Insurance Risk Manager (GIRM), Company Secretary and CFO, and contributing to discussion and decision making about identification, management, and mitigation of CRROs by the members of the Executive Team; • reviewing and approving the Sustainability Report as an attendee at the Audit Committee and a member of the Board of Directors; • reviewing the definition of the time horizon (short, medium and long term) for the Sustainability Report; • attending the Environmental Committee meeting to review metrics data collected including GHG emissions in accordance with AASB S2, NGERS and GHG protocol; • attending the annual risk management workshop with the Executive Team and other senior management to undertake CRROs assessment as part of the Company's enterprise-wide risk management framework and review Scenario Analysis; • assessing strategic resilience (including in relation to fleet composition / power source as a key enabler of strategy) under different climate-related scenarios and providing annual updates to the Board of Directors.
CFO	Responsible for: • leading the compilation of the Sustainability Report and submitting it to the Audit Committee for review and endorsement to the Board of Directors; • leading the development and assessment of the definition of the time horizon (short, medium and long term) used for the Sustainability Report; • reviewing and implementing cross-industry metrics and assessing whether any other climate-related metrics should be adopted.
Company Secretary	Responsible for: • leading the development of climate-related governance framework and updating it where applicable.
Group Insurance and Risk Manager	Responsible for: • leading the CRROs Assessment and Scenario Analysis (with the assistance of external experts as necessary) and engaging with the Executive Team (i.e. identifying risks and opportunities, control and mitigation action and update on the enterprise-wide risk register); • leading the development of the Company's enterprise-wide risk management framework, inclusive of climate-related risks, and updating it where applicable; • leading the development of climate-related materiality framework and updating it where applicable; • monitoring climate-related risks against risk appetite and tolerance levels.

EGM HSE/Compliance	Responsible for: • communicating with the business units to collect scope 1 and scope 2 metrics (oil, fuel, electricity and lubricant data) data including GHG emissions for Australia and New Zealand; • co-ordinating requests for scope 3 data to suppliers; • compiling the metrics required by AASB S2 for GHG emissions (including under the NGERS framework) and communicating them to the Environmental Committee.
Executive Team	Responsible for: • implementing the enterprise-wide risk management framework and internal control system within the Company; • meeting and participating annually in a risk management workshop which include discussion on CRROs and climate-related matters; • Participating in additional discussion on an ad hoc basis to review and address climate-related issues, performance, and initiatives in a timely manner as part of the normal cycle of monthly Executive Team meetings; • executing climate-related strategic resilience activities as relevant (including implementation of any mitigation actions as agreed with the MD/CEO); • management and mitigation of climate risks and compliance with climate-related obligations.

2.4 Skills and Competencies

The Board considers the skills, qualifications, experience, independence and diversity required to effectively oversee the Group's strategy and operations when appointing directors. While the Board does not maintain a formal skills matrix, it seeks to maintain an appropriate balance of transport industry expertise, together with accounting and legal capabilities, and considers candidates' networks and ability to support access to new markets and business opportunities.

The Board has assessed that its current collective skills and competencies are appropriate to oversee the Group's CRROs, including transition risks, physical risks and climate-related opportunities relevant to the Group's operations. This assessment is informed by the Group's strategic time horizons, fleet lifecycle and current view that it is not materially exposed to stranded asset risks. The Board remains informed of developments in alternative transport technologies and product offerings from major heavy vehicle manufacturers operating in Australia, including emerging trends observed in international markets.

To support ongoing oversight of CRROs, the Board periodically assesses whether it has the skills and competencies necessary to oversee climate-related strategies and decision-making. As part of the Board's annual performance review process, directors complete a governance questionnaire, which includes consideration of whether the Board possesses the skills and competencies required to oversee strategies responding to climate-related risks and opportunities. Discussions and outcomes from this assessment are documented as part of the Board's governance processes.

The Board and management continue to enhance their climate-related knowledge and capabilities through targeted training and professional development. During the reporting period, directors, Audit Committee members and management participated in AASB S2 training delivered by a third-party organisation. Directors also access additional climate-related and sustainability reporting insights through seminars, publications and guidance issued by professional bodies and accounting firms, including the Australian Institute of Company Directors (AICD). These activities support the Group's ability to identify, assess, manage and disclose climate-related risks and opportunities in accordance with AASB S2.

2.5 Controls and Procedures

For FY2026 K&S has no formalised controls and procedures in relation to climate-related matters. K&S will formalise a set of controls and procedures that are integrated into the Group's broader risk management framework to oversee its climate-related matters. The Board's Audit Committee also has responsibilities to review scenario modelling in relation to physical and transition risks as well as reviewing and providing oversight of Management's assessment of the effectiveness of internal controls and assurance processes that support climate-related disclosures. Refer to Note 3 for further information.

The Group's fleet lifecycle strategy has involved significant and ongoing investment in new prime movers, with approximately 96% of the Group's current prime movers being Euro V or Euro VI compliant. As well as providing safety and emissions benefits, this strategy provides the lowest total cost of ownership over the life of fleet assets.

2.6 Remuneration

As of the current reporting period, climate-related KPIs are not linked to management or executive remuneration in the Group.

3. Strategy

3.1 Transition Planning

K&S currently does not have a standalone climate transition plan. However, a range of actions under K&S's existing business strategy are also contributing to emissions reduction, energy efficiency and operational resilience are underway or under consideration.

Specific actions include:

- Transition of all fleet to Euro V or Euro VI models - approximately 96% of vehicles have been transitioned and 60% of the total Australian truck fleet is Euro VI compliant. Vehicle emissions that impact the environment, air quality, and human health can be broadly categorised into two main types: GHG emissions and air pollutant emissions. These represent the predominant emissions produced by vehicles. Euro V and Euro VI standards represent the higher global standards for emission efficiency. K&S is an industry leader in the field of reduced carbon emissions and has the ability to lobby the Government, through its membership of the Australian Trucking Association, on proposed carbon trading and other legislation that may adversely impact the transport industry. As an organisation, K&S is a participant in the NGER Program. The majority of our carbon emissions are from the combustion of diesel in our vehicles. We have reduced our carbon emissions by proactively upgrading our fleet vehicles, improving vehicle operating efficiencies including brake and aerodynamic drag, increased application of roller shaker testing, increasing payloads, converting our fleet to be based on equipment manufacturer guidelines reducing our empty running kilometres, new equipment is fitted with high efficiency alternators and also reducing our energy usage in other areas wherever possible including electricity usage.
- The installation of Solar panels on new warehouses.
- Research & Development (R&D) - K&S actively monitors development within the transport industry in relation to climate alignment. This includes, attending global seminars and working with fleet suppliers to understand developments with electric vehicles and hydrogen powered fleets.
- Research on new tyres and axles- including the alignment of the right combination of tyre type and axel to provide longer wear and greater operational efficiency which can contribute to less waste and greater fuel efficiency.

K&S is assessing whether there will be a decision to formalise climate transition planning in future reporting periods, informed by further analysis of climate-related risks, opportunities and financial effects.
For further detail around the funding of the above actions, refer to Note 5.3b.

3.2 Climate-related risks and opportunities

The table below outlined CRROs that may impact the value chain including upstream (U), own operations (O) and downstream (D):

RISK/OPPORTUNITY	VALUE CHAIN	TIME HORIZON		
		SHORT	MEDIUM	LONG
Physical Risk				
Increased operating costs from extreme heat	U O D		X	X
Disruption and associated costs from damaged infrastructure and assets from water-related hazards	U O D		X	X
Transition Risk				
Change in regulatory and climate-related policy risk	U	X	X	
Customer disruption and demand shift risk	O D		X	X
Opportunities				
Energy, transition and energy efficiency	O D	X	X	

PHYSICAL RISK #1	INCREASED OPERATING COSTS FROM EXTREME HEAT
Description	Extreme heat events and heatwaves may directly impact K&S's sites and assets by placing thermal stress on facilities, fleet, and equipment; reducing operational efficiency; and increasing the risk of asset failure or downtime. High temperatures may also create safety risks as well as reduced health, safety and productivity for employees potentially requiring work stoppages, shift adjustments, or additional controls if the workforce are unable to work.
Mitigation Measures	Already implemented: • Operational adjustments: implement shift changes, work/rest protocols, and heat-safe operating procedures. • Preventative maintenance: increase inspection and maintenance frequency during peak heat periods. Future implementation: • Asset and fleet resilience: upgrade cooling, ventilation, and heat-tolerant equipment specifications. • Update safe operating procedure including annual mandatory training module for all worker profiles, monthly workplace hazard inspections, housekeeping audits across all branches and operations. • Digital monitoring: use heat forecasting and real-time monitoring to optimise operations and reduce downtime.
Current Financial Effects	• No material financial impact identified during the reporting period.
Anticipated Financial Effects	• K&S quantified the potential financial impact of increased operating costs arising from extreme heat by assessing the effects of higher temperatures and heatwave conditions on workforce productivity and fleet operating performance. The analysis utilised site-specific climate projections to estimate future increases in heat exposure across K&S operations under the selected climate scenarios and time horizons.

	• The assessment considered two primary impact pathways: ○ Reduced workforce productivity resulting from more frequent and intense extreme heat events, leading to operational inefficiencies, shift adjustments and increased labour costs; and ○ Increased fleet operating costs associated with higher fuel consumption and additional maintenance requirements during periods of elevated temperatures. • The financial impact was estimated by applying productivity and cost increase assumptions to relevant operating cost categories and aggregating the resulting impacts across K&S's operations. Under the assessment scenario, the anticipated financial effect is estimated to be approximately $0.9–$1.1 million per annum by 2050, primarily driven by labour productivity losses and increased fleet operating costs. The quantified impact reflects the estimated increase in operating expenditure relative to a baseline climate condition.

PHYSICAL RISK #2	DISTRUPTION AND ASSOCIATED COSTS FROM DAMAGED INFRASTRUCTURE AND ASSETS FROM WATER-RELATED HAZARDS
Description	Acute extreme weather events, such as cyclones, severe storms, flash floods damage to external infrastructure, utilities, and supplier assets, such as electricity, transport networks, telecommunications, water systems, and key supplier facilities may disrupt K&S's ability to deliver services. This risk captures event-driven interruptions that occur beyond K&S's sites, where climate events impair essential networks and interdependencies required for operations.
Mitigation Measures	Already implemented: • Route and network diversification: the use of alternate transport corridors, modes, and depots to reduce reliance on single infrastructure points. • Business continuity planning: strengthen response plans for large-scale, multi-node disruptions. Future implementation: • Operational flexibility: maintain buffer capacity and enable dynamic rerouting using real-time data. • Digital monitoring: use predictive weather/event analytics and supply chain visibility tools. • Supplier resilience: diversify and assess critical third-party providers; embed resilience requirements in contracts to ensure suppliers have recovery plans.
Current Financial Effects	• No material financial impact identified during the reporting period.
Anticipated Financial Effects	• K&S quantified the potential financial impact arising from water-related hazards, including flooding, intense rainfall and severe storm events, by assessing both direct asset damage and business interruption impacts across exposed operational sites. • The analysis incorporated site-level climate hazard data to identify assets and facilities with elevated exposure to flooding and water-related hazards under future climate scenarios. Potential damage costs were estimated by applying damage assumptions to exposed asset values, while business interruption impacts were estimated based on potential operational downtime and the resulting loss of productive capacity. • The assessment considered two primary impact pathways:

	○ Direct costs associated with repair, replacement or restoration of damaged assets and infrastructure; and ○ Temporary disruption to operations resulting in reduced utilisation, service interruptions and associated loss of earnings. • The quantified financial impact represents the estimated average annual cost of asset damage and business interruption attributable to water-related hazards. Under the assessment scenario, the anticipated financial effect is estimated to be approximately $2.5–2.8 million per annum by 2050.

TRANSITION RISK #3	CHANGE IN REGULATORY AND CLIMATE-RELATED POLICY RISK
Description	Rapid or unanticipated changes in climate-related regulation at national and state levels may increase K&S's compliance obligations across fleet operations, fuel costs (increase due to related carbon costs), reporting, and procurement and increase its cost of operating in the supply chain. Regulatory divergence or accelerated timelines may create operational disruption and compliance risk. One such regulation is potential changes to Safeguard Mechanism and whilst it is not anticipated that K&S will directly be impacted by this regulation, it is potentially indirectly impacted from increase costs for K&S's suppliers and customers, resulting in cost pass-throughs, contractual pressure, and increased expectations for K&S to support decarbonisation efforts.
Mitigation Measures	Already implemented: • Regulatory monitoring: track emerging federal/state policy changes and scenario plan for different regulatory pathways, active involvement in industry associations. • Commercial strategy: incorporate flexibility in contracts (e.g. cost pass-through clauses, pricing mechanisms). • Decarbonisation readiness: progress fleet transition and emissions reduction initiatives to stay ahead of regulation. Future implementation: • Compliance integration: embed regulatory requirements into operations, procurement, and reporting processes early. • Supplier engagement: work with key suppliers on decarbonisation pathways to manage cost pass-through risks.
Current Financial Effects	• No material financial impact identified during the reporting period.
Anticipated Financial Effects	• K&S assessed the potential financial implications of changes in climate-related policy and regulation, including increased emissions reporting requirements, potential carbon cost exposure, fleet decarbonisation requirements and other transition-related compliance obligations. • During the current reporting period, K&S developed an initial quantitative assessment framework to estimate the potential financial impacts associated with compliance costs, fleet transition costs and carbon-related cost exposure. The assessment identified several material cost drivers that have the potential to affect future operating costs and profitability. However, the analysis also highlighted a high degree of uncertainty regarding a number of key assumptions, including future regulatory settings, the timing and scope of policy implementation, the evolution of carbon pricing mechanisms, technology availability and adoption pathways, fleet replacement strategies, infrastructure requirements, and the extent to which additional costs could be recovered through customer pricing arrangements.

	• While K&S considers the information relating to this risk to be material and continues to monitor developments closely, the current range of potential outcomes remains highly sensitive to management assumptions and external factors outside the Company's control. As a result, K&S determined that quantitative estimates produced at this stage would not provide sufficiently reliable or decision-useful information for disclosure and could imply a level of precision that is not currently supported by available evidence. • K&S is actively progressing its assessment capabilities and will continue to monitor regulatory developments, emerging climate policy reforms, carbon market developments, fleet decarbonisation technologies and industry transition pathways. Over the coming reporting periods, K&S intends to enhance underlying emissions and operational data, develop more detailed fleet transition scenarios, assess potential cost pass-through mechanisms, and refine key modelling assumptions using evolving market evidence and regulatory guidance. These activities are expected to improve the robustness, reliability and decision-usefulness of future quantitative assessments and support disclosure of quantified financial impacts when a sufficiently reliable basis for estimation becomes available.

TRANSITION RISK #4	CUSTOMER DISTRUPTION AND DEMAND SHIFT RISK
Description	Transition-driven disruptions to customers' operations, arising from regulation, demand shifts, or supply chain changes, may alter freight volumes, routes, and timing, creating volatility in K&S's demand profile.
Mitigation Measures	Already implemented: • Flexible network planning: maintain adaptable routing, capacity, and scheduling to respond to demand shifts. • Contract flexibility: incorporate volume and pricing flexibility to manage demand variability. • Market monitoring: track sector-specific transition trends and demand signals to anticipate changes. Future implementation: • Customer diversification: broaden customer base across sectors to reduce reliance on exposed industries. • Customer engagement: work with key customers on transition plans and evolving logistics needs.
Current Financial Effects	• No material financial impact identified during the reporting period.
Anticipated Financial Effects	• K&S assessed the potential impacts of changes in customer demand resulting from the transition to a lower-carbon economy. This risk may arise where decarbonisation policies, technology shifts and structural changes in the Australian economy influence freight volumes across sectors that currently contribute to K&S's revenue base. • An initial quantitative assessment was undertaken using sector-specific revenue exposure, assumed freight demand reductions and estimates of K&S's ability to redeploy fleet capacity and secure alternative freight opportunities. While this approach provides a conceptual framework for assessing the risk, the analysis found that the resulting outputs are highly dependent on assumptions that are difficult to validate at present.

- In particular, significant uncertainty remains regarding:
  - Future customer decarbonisation pathways and investment decisions;
  - The rate and magnitude of changes in freight task demand across different sectors;
  - The emergence of replacement freight opportunities;
  - K&S's ability to redeploy assets and labour in response to changing customer demand; and
  - Broader macroeconomic and industry conditions that may influence freight volumes independently of climate-related factors.
- Given the significant judgement involved and the absence of sufficiently reliable evidence to support key assumptions, K&S determined that a quantified estimate would not currently provide a robust representation of the potential financial effects of this risk.
- K&S will continue to strengthen its understanding of customer sector exposure, monitor changes in freight demand associated with the energy transition and refine assumptions relating to asset redeployment and revenue substitution. This work is intended to support development of a more reliable quantitative assessment for future reporting periods.

Climate-related financial effects were assessed for each climate-related risks that could reasonably be expected to affect the entity's prospects using scenario analysis and financial impact modelling across K&S's short-, medium- and long-term time horizons. The assessment considered potential impacts on operating expenditure, capital expenditure, revenue, asset values and cash flows.

Where sufficient data and a reasonably robust evidence base were available, K&S quantified the potential financial effects of climate-related risks using internally developed methodologies informed by climate scenarios, operational data, asset information and relevant external climate projections. Quantified risks currently include selected physical risks where a clearer relationship exists between climate hazard exposure and potential financial impacts.

For both transition risks K&S developed preliminary quantitative assessment approaches but determined that the resulting estimates were subject to significant uncertainty and reliance on highly judgemental assumptions. Key uncertainties include future regulatory and policy settings, carbon pricing outcomes, technology adoption pathways, customer decarbonisation trajectories, freight demand impacts and K&S's ability to adapt or redeploy assets in response to market changes.

The quantified financial effects disclosed represent management's current estimate of potential financial impacts under the climate scenarios assessed and are intended to support strategic planning and risk management. These estimates are not forecasts, but rather plausible financial outcomes based on the information, assumptions and methodologies available at the reporting date.

The assessment remains subject to uncertainty associated with future climate conditions, regulatory developments, technological change, market responses and limitations inherent in forward-looking analysis. K&S will continue to enhance data quality, refine modelling methodologies and strengthen key assumptions over time, with the objective of expanding and improving the robustness of climate-related financial quantification in future reporting periods.

OPPORTUNITIES	ENERGY, TRANSITION AND ENERGY EFFICIENCY
Description	Advances in electrification, efficiency technologies and facility upgrades can enable K&S to systematically reduce energy intensity across its facilities, leading to lower operating costs, reduced emissions, improved asset productivity and enhanced competitiveness in tenders.
Strategy	Under implementation: • Energy efficiency upgrades: optimise facilities (e.g. lighting, automation) to reduce energy intensity. • Renewable energy integration: Deploy onsite solar and procure renewable electricity where viable. Monitoring: • Fleet electrification and fuel shift: progress EV and low-emission vehicle adoption in suitable segments. Future plans: • Operational optimisation: use data and telematics to improve routing efficiency and reduce energy use. • Commercial positioning: leverage low-emissions capability to win contracts and meet customer decarbonisation expectations.
Anticipated Financial Effects	• **Short term:** capex for fleet, infrastructure, and upgrades; potential transition costs • **Medium term:** reduced energy and fuel costs, improved asset efficiency, and lower operating cost base. • **Long term:** Enhanced margins and revenue opportunities from low-carbon contracts, with improved competitiveness and potential valuation uplift.

K&S has identified energy transition and energy efficiency as a climate-related opportunity that could reasonably be expected to affect the entity's prospects. Advances in electrification, energy-efficient technologies and facility upgrades provide opportunities to systematically reduce energy intensity across operations. Over the medium to long term, these initiatives are expected to contribute to lower operating costs, reduced GHG emissions, improved asset productivity and enhanced competitiveness in customer tenders where climate and sustainability performance are increasingly considered.

The anticipated financial effects of this opportunity have not been separately quantified at this time. While K&S expects these initiatives to generate financial benefits, the timing and magnitude of those benefits depend on a range of factors, including future technology developments, the timing of capital investment decisions, energy market conditions, policy settings and the pace of implementation across the business. In addition, the financial effects cannot currently be reliably isolated from broader operational improvement and capital investment programmes. Accordingly, management has determined that any quantitative estimate would be subject to significant measurement uncertainty and would not provide useful information at this stage.

Management will continue to monitor the implementation and performance of energy transition initiatives and intends to enhance the quantification of anticipated financial effects as data quality, methodologies and internal capabilities mature.

3.3 Climate risk and opportunity integration into business strategy

K&S has identified a range of climate-related risks and opportunities across its value chain that have the potential to influence its strategy, business model and financial performance over the short, medium and long term.

Climate-related risks are categorised into physical risks (including extreme heat and acute weather events impacting operations and infrastructure) and transition risks (including regulatory change and shifts in customer demand). These risks may affect K&S directly through its operations (e.g. fleet performance, site disruptions) and indirectly through its value chain, including supplier cost pass-throughs, infrastructure dependency and customer activity levels.

Transition risks are particularly relevant given the emissions-intensive nature of freight and logistics. Changes in climate policy (e.g. fuel standards, Safeguard Mechanism impacts on customers and suppliers) may result in increased operating costs, contractual pressures and the need for accelerated adaptation of fleet and operations. In parallel, customer disruption and demand shifts – such as reduced domestic manufacturing and increased imports – may alter freight volumes, routes and service requirements.

K&S's business model incorporates a degree of inherent resilience through diversification across multiple dimensions, including modes of transport, geographic operating locations and customer base. This diversification helps reduce concentration risk and supports the company's ability to respond to localised physical disruptions, regional demand shifts and sector-specific transition impacts.

In response, K&S is integrating climate considerations into key business decisions, including fleet investment, infrastructure planning, network configuration and operational optimisation.

Overall, climate-related risks and opportunities are expected to shape capital allocation, operational resilience and service delivery over time.

3.4 Impact of climate-related risks and opportunities on financial position, performance and cash flows

The current and anticipated financial effects of K&S's climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects on financial position, financial performance and cash flows are disclosed in section 3.2 above. These effects include potential impacts on operating expenditure, capital expenditure, revenue, EBITDA, asset resilience and cash flows across the short, medium and long term. Management has assessed these impacts through scenario analysis and financial impact modelling and will continue to refine its assessment as data availability and climate-related methodologies evolve.

3.5 Climate resilience of strategy and business model (including scenario analysis)

K&S has undertaken climate-related scenario analysis using two distinct scenarios in 2026 to assess the resilience of its strategy and business model under a range of plausible future climate conditions. The scenarios are used to assess how climate-related risks and opportunities may evolve and interact with K&S's operations, supply chain and customer base over time.

Detailed assumptions chosen for each scenario required by AASB S2 are included in the table below:

Assumption	Scenario 1 – Low emissions scenario (1.5°C)	Scenario 2 – High emission scenario (4.0°C)
Global Scenario Alignment	IPCC's SSP1-1.9	IPCC's SSP5-8.5
Macro-economic trend	The global economy transitions toward a low-emissions pathway, supported by strong policy intervention, rising carbon prices, and sustained investment in clean energy and low-carbon technologies. Economic growth continues, driven by technology-led efficiency gains and a reallocation of capital toward decarbonisation.	The global economy continues to expand in the absence of coordinated climate policy, with limited carbon pricing and a sustained reliance on fossil fuels. While economic growth persists, escalating physical climate risks contribute to increased volatility, supply chain disruption, and a gradual deterioration in long-term economic stability.

Transport specific trends	The transport and logistics sector undergoes rapid decarbonisation, supported by electrification, increased use of low-carbon fuels, and coordinated investment in infrastructure. Operational efficiency improves through technology adoption and network optimisation, while shifting customer preferences and regulatory requirements accelerate the transition to more sustainable logistics solutions.	This scenario will experience route unreliability, increased trip times and more frequent disruptions and closures of key transport corridors. Volatile cost and supply of fuel, increased maintenance and need for asset replacement will exasperate overall performance. Customers may shift preferences to more resilient players to reduce their costs and optimise their supply chain.
Australia regional variable	Australia's transition to Net Zero by 2050 is supported by legislated emissions reduction targets, increasing carbon prices, and strong policy alignment across jurisdictions. Economic growth continues, driven by investment in renewable energy, electrification, and low-carbon technologies, alongside expanding trade with net zero-aligned economies. For K&S, the potential financial impacts of rising carbon costs, including any residual costs not recoverable through customer pricing mechanisms, have been assessed and quantified as part of TR2 – Changes in Policy and Regulations	Australia faces continued warming with more extremely hot days and fewer cool days; drying in the south and east (and SW WA), longer fire seasons, more intense short-duration rain, fewer but stronger tropical cyclones and east coast lows, and ongoing sea-level rise driving more frequent extreme sea levels and coastal inundation. Overall, the next two decades are virtually certain to be warmer than the past 20 years; fewer cool years, more record-breaking heat, faster inland warming than the coast, and a higher risk of compound extreme-weather disasters.
New Zealand regional variable	According to NIWA's seven-station series (dating back to 1909), 2023 ranked as New Zealand's second-warmest year on record, with annual temperatures across much of the country ranging from 0.51°C to over 1.20°C above the long-term average. Achieving a 1.5°C-aligned pathway requires New Zealand to strengthen its 2030 target to at least a 44% cut in gross emissions.	New Zealand is already experiencing clear climate shifts, with average temperatures rising 1.1°C over the past century and 2022 marking the warmest year on record. Rainfall patterns are changing, with the south and west becoming wetter and the north becoming drier. Recent disasters including upper North Island flooding and Cyclone Gabrielle highlight growing exposure to physical impacts. By 2040, further warming of 0.7-1.0°C is expected. Under this scenario, physical risks intensify and create higher long-term macroeconomic damages.

3.5.1 Resilience of strategy

K&S assessed the resilience of its strategy and business model under both the Low Emissions Scenario and the High Emissions Scenario over the short-, medium- and long-term. The assessment considered the potential impacts of identified climate-related risks and opportunities on K&S's operations, financial position, financial performance and cash flows.

Scenario analysis indicated that climate-related impacts could result in increased operating costs, additional capital expenditure requirements and changes in customer demand patterns. The most significant financial impacts were associated with increased operating costs from physical climate hazards, the capital investment required to support fleet decarbonisation, and potential transition-related cost increases arising from changes in regulation and market preferences.

Despite these impacts, K&S's analysis indicates that the business remains financially resilient under both scenarios. No scenario identified material impacts that would be expected to impair the viability of K&S's business model or its ability to generate positive operating cash flows. The assessment also did not identify any material risks that would be expected to fundamentally alter K&S's strategic direction over the assessment period.

The resilience of K&S's strategy is supported by:

- ongoing fleet modernisation and efficiency improvements, with approximately 96% of vehicles transitioned to Euro V and VI standards;
- operational flexibility across its diversified transport and logistics network, including road, rail and warehousing operations;
- a diversified customer base across multiple sectors and geographies;
- established risk management, business continuity and operational response processes; and
- the ability to progressively adapt investment decisions and operational practices as climate-related risks and opportunities evolve.

3.5.2 Capacity to adapt

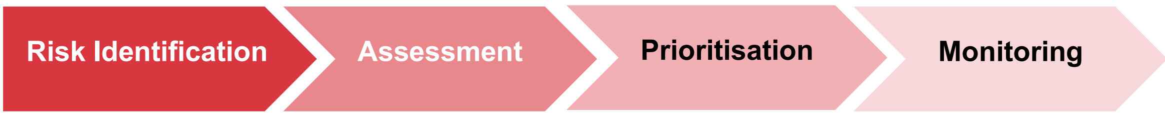
K&S has the capacity to adjust its strategy and business model through:

- progressive fleet renewal and adoption of emerging technologies (subject to commercial viability);
- optimisation of routes, networks and asset utilisation as a result of its existing diverse network and business;
- infrastructure upgrades to improve resilience to extreme weather;
- engagement with customers to adapt service offerings in line with demand changes; and
- integration of climate considerations into enterprise risk management processes.

4. Risk Management

CRROs are integrated within the enterprise Risk Management Framework and managed alongside non-climate risks using consistent methodologies, thresholds and governance processes. The enterprise Risk Management Framework is supported by the Risk Management Policy, Risk Management Process and Materiality Framework. The Board is responsible for ensuring that an effective and operational risk management framework is embedded across the organisation.

The below diagram, outlines the process for identifying, assessing, prioritising and monitoring CRROs:



4.1 Risk Identification

K&S applies a structured process to identify CRROs, which includes:

- Reviewing internal documentation and operational information, understanding existing CRROs (if applicable) and key considerations.
- Assessing relevant industry publications and external guidance on low emissions scenario analysis at Global, Regional (Australia) and Regional (New Zealand).
- Analysing peer disclosures and practices including research around how peers have reported against AASB S2 reporting.
- Evaluating key operational locations, site-specific hazard exposures, and critical supplier locations through corridor analysis, mapping out the Groups geographic location.

4.2 Assessment

K&S assesses climate-related risks and opportunities using a structured methodology designed to support compliance with the requirements of AASB S2. Each CRRO is evaluated on an inherent (pre-mitigation) basis, considering both likelihood and potential magnitude of financial impact across short, medium, and long-term time horizons.
The assessment aims to determine whether a CRRO could reasonably be expected to affect K&S's prospects, including impacts on cash flows, access to financing, and cost of capital.

K&S assesses risks using the following considerations:

- Scenario analysis aligned to SSP1-1.9 (low emissions) and SSP5-8.5 (high emissions) pathways.
- Regulatory and policy analysis, covering Australian and international developments.
- Where information is available, the magnitude of financial impact through operating costs, revenue and demand, capital expenditure requirements, asset values and useful life and access to finance and cost of capital, including evolving lender and investor expectations.

4.3 Prioritisation

CRROs are identified, assessed and prioritised through K&S's broader risk management framework, which is used to evaluate all strategic, operational, financial and compliance risks across the business. Climate-related risks are not managed separately; they are assessed alongside other risk categories using consistent risk assessment criteria, including the potential impact on financial performance, operations, strategy, reputation and regulatory compliance.

Both qualitative and quantitative factors are incorporated into the prioritisation process. Qualitative assessment considers factors such as the likelihood and timing of an impact, potential operational disruption, customer and market implications, regulatory developments, and the extent to which a risk may affect the achievement of K&S's strategic objectives.

Where feasible, and subject to the availability of relevant data and the reliability of assumptions, K&S also undertakes financial quantification or estimation of climate-related risks and opportunities to support prioritisation and to assess their significance relative to other enterprise risks. This may include:

- Estimated cost increases under extreme weather scenarios;
- Potential exposure to carbon pricing, emissions-related regulation or other policy changes; and
- Capital investment requirements associated with fleet transition and decarbonisation initiatives.

The results of these qualitative and quantitative assessments are used to determine the relative priority of climate-related risks within K&S's overall risk profile, ensuring that climate-related risks are considered alongside other material business risks when informing management actions, resource allocation and strategic decision-making.

4.4 Monitoring

Risks are actively monitored through the Group's incident reporting system. The GIRM is responsible for maintaining the strategic risk register and facilitating discussion with the Executive Team regarding monitoring climate-related risks against risk appetite and tolerance levels. Management of business divisions have the responsibility of managing CRROs arising in their respective business divisions.

The Executive Team meets on an annual basis for a risk management workshop that includes discussion around CRROs and climate-related matters. The team will also meet on an ad-hoc basis to review and address climate-related issues, performance, and initiatives in a timely manner as part of the normal cycle of monthly Executive Team meetings.

5. Metrics & Targets

5.1 Climate-related Metrics – GHG Emissions

5.1.1 Reporting boundary for GHG emissions

In line with AASB S2 requirements, the Group measures GHG emissions using the Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard (2004), and Australia's National Greenhouse and Energy Reporting (NGER).

The emission reporting covers operations across eight Australian states and territories as well as New Zealand primarily associated with road freight transport activities.

The entity applies an operational control approach aligning to NGER to consolidate Scope 1 and Scope 2 emissions which is consistent with the entities in the consolidated report, reporting all facilities where K&S has full authority to introduce and implement operational and environmental policies. This includes transport depots and logistics facilities under full operational control for the entire reporting year ended 30 June 2026.

K&S is a member of an NGER reporting group for which AA Scott Pty Ltd is the controlling corporation. Under a reporting arrangement established pursuant to Section 22X of the NGER Act, K&S reports GHG emissions and energy data for facilities under its operational control. Accordingly, Australian emissions data disclosed in this report has been prepared using methodologies consistent with the NGER framework.

5.2 GHG emissions calculation

The table below summarises total GHG emissions for the current financial year under operational control:

a. Absolute gross GHG emissions for the year

Metric	Total (tCO_2e)
Scope 1 emissions	
AU	69,652
NZ	17,130
Other Investees	-
Gross Scope 1 emissions	*86,782*
Scope 2 emissions (location-based)	
AU	2,150
NZ	45
Other Investees	-
Gross Scope 2 emissions	*2,195*
Gross Scope 1 & 2 emissions	**88,977**

Note: The above GHG emissions include Australian emissions calculated in accordance with the NGER Measurement Determination 2008. New Zealand emissions calculated under Ministry for the Environment (MfE) emission factors for New Zealand operations.

Scope 3 GHG emissions is not disclosed in the current financial year as the transition relief included in AASB S2 has been applied.

b. Methodology, inputs and assumptions

Emissions and energy data calculations are prepared in accordance with the GHG Protocol. For emission sources that are subject to mandatory reporting to the Clean Energy Regulator (CER) under the NGER Scheme, GHG emissions are measured and calculated in accordance with the NGER (Measurement) Determination 2008. Activity data is sourced from fuel purchase records, electricity invoices, and metered consumption at facilities, with emissions calculated using emission factors sourced from NGER (Measurement) Determination 2008 for Australian operations and New Zealand MfE emission factors for New Zealand operations using relevant current emission factors as of 30 June 2026.

Scope 1 emissions comprise direct GHG emissions from fuel purchase, predominantly diesel, gasoline, liquefied petroleum gas and minor quantities of other fuels used in company owned or controlled transport vehicles and stationary equipment.

Scope 2 emissions include indirect emissions from the consumption of purchased electricity at K&S facilities. The company reports scope 2 emissions by location-based method using grid-average emission factors where the electricity is consumed for the Scope 2 GHG emission. The Group does not currently utilise carbon credits to offset GHG emissions.

5.3 Other Climate-related metrics (cross-industry metrics)

a. Assets and business activities vulnerable to the climate-related risks and the ones aligned with climate-related opportunities

The group has assessed the assets and business activities vulnerable to CRROs:

Risk type	Amount of vulnerable assets
Customer disruption and demand shift risk	• As a total of operating revenue, approximately 31% ($225.6 million) of the Group's revenue is exposed to customer disruption due to regulatory changes and declining demand in coal and fossil fuels. • Approximately 28% ($206.2 million) of the Group's total revenue linked to long-haul activities may face a gradual decline over time if manufacturing and industrial processes in Australia slow and shift towards shorter-haul or port-based operations. This may be partially offset by potentially higher revenue in short-haul activities. *Note: There is cross over in the customer base included in the assessment of the 31% and 28% and these demand shift risks to revenue should not be added together.*
Disruption and associated costs from damaged infrastructure and assets from water-related hazards	6 out of 15 of K&S owned sites have high to very high exposure to heavy precipitation across Victoria, Queensland, New South Wales and Western Australia. This may lead to higher operating expenditure due to increased repair and replacement costs; schedule unreliability and delivery delays from infrastructure failures and reduced asset availability and productivity.
Increase in operating expenditure due to extreme heat	Potential increase of less than 1% ($0.4 million – $0.7 million) in operating expenditure due to extreme heat requiring additional breaks and use of air conditioning for FY26.

Change in Regulatory and Climate-related Policy Risk has not been included in the table as its impacts are considered pervasive across the Group and are not attributable to a specific business area or subset of assets, revenue or costs.

b. Capital deployment

K&S continued to invest in upgrading its fleet to Euro V and VI standard vehicles during FY2026, with approximately $23.0 million allocated to equipment upgrades. This investment supports emissions reduction objectives, noting that over 96% of the operating fleet was already Euro V or Euro VI compliant as at FY2025.

Looking forward, $32.5 million has been budgeted for fleet renewal in FY2027, covering the next 12 months. This capital deployment will support continued transition to lower-emissions vehicles and operational efficiency improvements. Funding is expected to be sourced through a combination of internal cash flows and existing debt facilities, with established banking arrangements already in place.

In addition to fleet investments, K&S has undertaken targeted sustainability-related capital initiatives, including:

- Water harvesting infrastructure in Adelaide, supporting reduced water consumption through reuse in truck washing and site amenities of approximately $0.3 million.
- Solar installations, with current year expenditure of approximately $0.3 million (Brisbane) and $0.1 million (Adelaide).
- Planned solar investments include Portland ($0.03 million) and Millicent ($0.07 million), with further projects subject to future property development approvals. These initiatives are expected to be funded through a combination of internal and/or debt funding, consistent with broader capital management practices.

c. **Internal Carbon pricing**
The entity has not introduced internal carbon pricing for key management activities at this stage.

d. **Link to remuneration**
Refer to Note 2.6 above

e. **Climate-related targets**
The entity has not adopted any local targets for the reduction of GHG emissions.

Directors' Declaration

In the opinion of the directors of K&S Corporation Limited (the Company), we state that the Company has taken reasonable steps to ensure that the substantive provisions of the Sustainability Report of the Company and its subsidiaries (collectively the Group) for the year ended 30 June 2026, as presented on pages 65 to 85, are in accordance with the *Corporations Act 2001*, including:

(a) Complying with Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures* and any further requirements determined under section 296C(2) of the *Corporations Act 2001*; and

(b) Containing the climate statement disclosures required by section 296D of the *Corporations Act 2001*.

Made in accordance with a resolution of the directors of K&S Corporation Limited pursuant to section 296A(6) of the *Corporations Act 2001*, as modified by section 1707C(2) of the *Corporations Act 2001*.

Dated at Melbourne this 25th day of August 2026.

On behalf of the Board:

Tony Johnson
Chairman

Paul Sarant
Managing Director and Chief Executive Officer

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

Conclusion

We have conducted a review of the following information in the Sustainability Report of K&S Corporation (the Company) and its subsidiaries (collectively the Group) for the year ended 30 June 2026 (the 'selective sustainability information') as required by Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB):

Selective sustainability information	Criteria: Reporting requirement of AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D)	Location in Sustainability Report
Governance	Paragraph 6	Paragraphs 2 on pages 68 to 72
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Paragraphs 3 on pages 72 to 81
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Paragraphs 5.2 on page 83

The requirements of AASB S2 identified in the table above form the criteria relevant to the selective sustainability information and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

We have not become aware of any matter in the course of our review that makes us believe that the selective sustainability information specified in the table above does not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001.*

Basis for conclusion

Our review has been conducted in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the AUASB. Our review includes obtaining limited assurance about whether the selective sustainability information is free from material misstatement.

In applying the relevant criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the *Summary of the Work performed* section of our report.

Our responsibilities under ASSA 5000 are further described in the *Auditor's responsibilities* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the Act and the ethical requirements of *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024) (the Code) that are relevant to reviews of the selective sustainability information of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

Our firm applies Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

Comparative information was not subject to an assurance engagement in the prior period. In connection with our review on the selective sustainability information, our responsibility is to determine whether the comparative information is appropriately presented, by evaluating its consistency with the disclosures presented in the prior period and the consistency of the criteria with the criteria applied in the current period. Our conclusion is not modified in respect of this matter.

Other information

The directors of the Company are responsible for the other information. The other information comprises the Company's Annual Report, but does not include the selective sustainability information and our review report thereon. At the date of this review report, in addition to the Sustainability Report, we obtained the Financial Report, Directors Report and Consolidated Entity Disclosure Statement that are to be included in the Annual Report.

Our conclusion on the selective sustainability information does not cover the other information and we do not express any form of assurance conclusion thereon in this review report. We have issued a separate auditor's report on the Financial Report and the Remuneration Report

In connection with our review of the selective sustainability information, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the selective sustainability information, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this review report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities for the selective sustainability information

The directors of the Company are responsible for:

- The preparation of the selective sustainability information in accordance with the Act; and

- Designing, implementing and maintaining such internal control necessary to enable the preparation of the selective sustainability information, in accordance with the Act that is free from material misstatement, whether due to fraud or error.

Inherent limitations

As discussed on page 67 of the Report, climate-related risk management is an emerging area, and often uses data and methodologies that are developing and uncertain. The Report contains forward looking statements, including climate-related scenarios, targets, assumptions, climate projections, forecasts, statements of future intentions and estimates and judgements that have not yet occurred and may never occur. We do not provide assurance on the achievability of this prospective information.

Greenhouse gas emissions quantification is subject to significant measurement uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The comparability of sustainability information between entities and over time may be affected by inconsistencies in the methods to estimate or measure those emissions, due to different, but acceptable, methods applied.

Auditor’s responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the selective sustainability information, defined in the *Conclusion* section of our report, is free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the selective sustainability information.

As part of a review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity’s internal control.

- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the selective sustainability information. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error.

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In conducting our review, the procedures we performed included, but were not limited to:

- Considered the completeness of K&S Corporation Limited assessment of climate-related risks and opportunities
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the selective sustainability information during the reporting period
- Read minutes of relevant committees to understand matters discussed and decisions made with respect to climate-related disclosures
- Assessed the appropriateness of the reporting boundaries applied
- Undertook analytical review procedures to support the reasonableness of the selective sustainability information
- Evaluated the appropriateness of emission factors applied in the greenhouse gas emission processes
- Agreed the selective sustainability information disclosures made in the report with the underlying records
- Evaluated the presentation and disclosure of the selective sustainability information against the requirements of AASB S2

Ernst & Young

Ernst & Young

Mark Phelps
Partner
Adelaide
25 August 2026