

KAP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1978/000181/06)

Share code: KAP

ISIN: ZAE000171963

Company Alpha Code: KAP

LEI code: 3789001F51BC0045FD42

('KAP' or 'the Company')



SAFRIPOL AND SASOL ETHYLENE SUPPLY DISPUTES: UPDATE

Sasol South Africa Limited ("**Sasol**") supplies propylene and ethylene to the Company's subsidiary, Safripol Proprietary Limited ("**Safripol**"), in terms of evergreen supply agreements. Propylene and ethylene are the primary raw materials utilised in Safripol's manufacturing of polypropylene and high-density polyethylene.

The Company has previously advised shareholders via SENS and in its financial statements and integrated annual report that Safripol and Sasol are engaged in disputes regarding their ethylene supply agreement.

The dispute regarding the price of ethylene, has now been determined in favour of Safripol (with costs) to the effect that the Company's interpretation of the pricing principles of the supply agreement, have been upheld by the arbitrator. Save that, in limited circumstances, Sasol may apply for a High Court review of the award, the price dispute has been finally disposed of in terms of the supply agreement. This is a significant development for Safripol.

The dispute relating to Sasol's volume commitment in terms of the supply agreement remains in progress.

Safripol had lodged a complaint against Sasol at the Competition Commission and requested the Commission to investigate expeditiously whether Sasol's conduct, as the monopoly ethylene supplier in South Africa, is in contravention of the Competition Act. The Commission's investigation is ongoing.

Safripol also applied to the Competition Tribunal for interim relief under section 49C of the Competition Act. The matter was heard before the Competition Tribunal and judgement remains outstanding.

The Company and its legal advisors remain confident of the Company's prospects in the various matters. Given the complex nature of these matters, it is anticipated that the relevant resolution processes will be lengthy. The Company will update shareholders of material developments when appropriate.

Stellenbosch
2 March 2026

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