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NWK BEPERK • LIMITED 1998/007577/06

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NWK profit declines amid tough trading conditions

NWK recorded a turnover of R5 882 million – a marginal decline of 1,8%. Profit after tax amounted to R5 million, down from R115 million in 2025. The headline loss is largely attributable to two external factors – a low-oil-content sunflower harvest that affected the entire oil-seed industry and a rapid shift in the maize market of Northwest that reduced the recoverability of premiums. Apart from these items, the majority of NWK's operating segments delivered a solid performance and the group maintained its dividend policy.

"The financial results for the year until 30 April 2026 were disappointing," Pieter Jansen van Vuuren, chairman of NWK Holdings, commented. "The 2025 rain season was characterised by a mid-summer drought, with record-high temperatures from January to mid-February. The subsequent exceptionally high rainfall during late February and March materially and negatively affected the grain quality of both maize and sunflower," he added.

Overview of the group's performance:

- Improved income at farm level through increased grain yields had a positive impact on the Trade segment resulting in a 100% improvement in results from the prior year.
- Despite prevailing headwinds like the foot and mouth disease and supply chain disruptions, NWK implemented a strategy focused on fuel business optimisation and improved logistics to further support producers at farm level. The strategy proved effective, enabling NWK to assist producers during periods of constrained availability.
- The Financial services segment reported a satisfactory performance, with results increasing by 19,4%, mainly due to effective management of bad debts over years.
- The growth of AgTech@NWK, with its focus on technology, drone equipment and services, was particularly noteworthy.
- The 2024/2025 sunflower harvest delivered a below average oil extraction – a level that was experienced across the industry due to adverse weather and seed quality. This resulted in an after-tax loss of R65 million for Epko Oil Seed Crushing.
- NWK's grain-trading division entered the season based on a market view that white-maize demand – both locally and from neighbouring countries – would remain robust and that the premiums would be recovered through sales and favourable price spreads. As the season progressed, export opportunities faded due to neighbouring countries' political interference.
- The Commodities segment's weaker performance largely reflects more cautious valuation methods adopted in recent years and slower out-loading.

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NWK Beperk is 'n geregistreerde kredietverskaffer (registrasienr. 2789)
NWK Limited is a registered credit provider (registration no. 2789)

Outlook

"The late rains of 2025 were not entirely detrimental. Producers could start the new season with a good carryover of soil moisture. Sunflower seed from the new season, already received during April and May, is of high quality and NWK is truly optimistic about the positive impact this will have," Jansen van Vuuren concluded.

With the expectation that the 2025/2026 production year will deliver a record harvest and higher carry-over inventories, a stronger performance from the Commodities segment is envisioned for FY 2026/2027. Continued emphasis on the high-oil-content sunflower strategy and the commissioning of the Epko Oil Seed Crushing refinery upgrade is projected to improve oil yields and margins.

Remaining external risks like El Niño conditions and geopolitical tension (e.g. the war in Iran) could affect the Trade segment, but the group's fuel strategy is positioned to mitigate some of the impact.

Despite the weaker net results, NWK continues to stand shoulder to shoulder with its stakeholders throughout the cyclical nature of agriculture. Amid rising input costs and the severe impact of low grain-price cycles, the board has approved a new financing product that enables producers to save on storage costs and access credit at a competitive rate without forfeiting the opportunity to benefit from more favourable price levels in future.

Dividends

Despite the profit dip, the board upheld its dividend policy, paying an interim dividend of 23 cents per share in November 2025 and a final dividend of 4 cents per share, underscoring our commitment to shareholders. Based on the 2025/2026 financial results, approximately R9,4 million will be returned to our loyal customers through the NWK Loyalty Programme.

The financial results are available on NWK's website at https://www.nwk.co.za/financial-results/.

ENDS.

ISSUED BY NWK ON 22 JULY 2026

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