



Integrated annual report 2025

CONSISTENTLY DELIVERING



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More info on website

Afrimat's full suite of reports can be accessed from the links below:

▶ Notice of Annual General Meeting 2025

▶ King IV™ application register

▶ ESG report 2025

The following United Nations Sustainable Development Goals ('SDGs') are addressed in this report:





Performance for the year

Group overview

Afrimat demonstrated resilience and resourcefulness in navigating a challenging economic environment and specific operational challenges.

While the profitability for FY2025 is lower than the previous year, significant progress was made in integrating recent acquisitions, revitalising key operations, and laying a strong foundation for improved performance in the upcoming financial year (FY2026).

Highlights

- ▶ **Successful integration of Lafarge business**
- ▶ **Revitalisation of cement operations**
Afrimat is regaining market share in this sector, supported by efficiently and dependably operating cement kilns following extensive maintenance.
- ▶ **Recovery in Industrial Minerals**
- ▶ **Progress at Nkomati**
Receipt of a significant portion of the Environmental Impact Assessment ('EIA') for the full Life of Mine Plan, enabling more optimal open-pit mining. The mining team was reorganised, and key infrastructure relocations (power line, graves, and houses) were successfully completed. Underground mining operations were also relocated to a safer area, contributing to profitable results in January and February 2025.
- ▶ **Advancements in Future Materials and Metals**
Test work on the rare earths component at Glenover is nearing completion with positive results, and the final process design is being pursued. The phosphate plant is now operational, with ramp-up progressing steadily.
- ▶ **Secured anthracite export commitments**
Following the reopening of the border with Mozambique, Afrimat secured commitments for up to 80% of the new financial year's export volume for secondary products.

Challenges FY2025

Adverse iron ore market dynamics

- Changes in the iron ore market, influenced by the Rand value received on exports and a volume reduction from ArcelorMittal South Africa ('AMSA') in the first half of the financial year, had a negative impact on Afrimat's Bulk Commodities segment.

Hindrance on overall financial results

- Losses incurred within the acquired cement operations and extended Competition Commission approval process of the Lafarge acquisition transaction.
- Weaker-than-expected performance from the anthracite business.

Impact of Mozambique border closure

- The temporary closure of the border with Mozambique in the latter half of the financial year prevented the export of anthracite products through the Maputo port, leading to delays in shipments.

Constrained export iron ore volumes

- Despite the industry's best efforts, ongoing inefficiencies in rail infrastructure continued to constrain export iron ore volumes, keeping them below Afrimat's allocated capacity despite maintaining volumes consistent with the previous year and a positive relationship with the marketing partner.
- International iron ore prices also remained lower than the comparative period.

Significant reduction in local iron ore demand (Q1 FY2025)

- Local iron ore volumes experienced a substantial 70% retraction in the first quarter of the financial year due to significantly reduced offtake from AMSA following a double furnace freeze. While volumes recovered in subsequent periods, the initial impact was considerable.

Slower than projected phosphate plant ramp-up

- While the phosphate plant is now operational, the ramp-up of production has progressed at a slower pace than initially anticipated.

Results in brief

FY2025 vs FY2024

Turnover
R8,3 billion
(2024: R6,1 billion)

Operating profit
R477,7 million
(2024: R1 152,4 million)

EPS
63,0 cents
(2024: 520,3 cents)

HEPS
72,3 cents
(2024: 567,3 cents)

The acquisition of Lafarge represents a fundamental shift in Afrimat's business landscape, significantly expanding its operational footprint and product diversification. While FY2025 presented considerable challenges, Afrimat has demonstrated remarkable resilience in navigating these challenges. The successful integration of Lafarge, coupled with the revitalisation of cement operations, recovery in Industrial Minerals, and tangible progress across key strategic initiatives, lays a robust foundation for enhanced performance. Despite the lower financial results for FY2025, the strategic advancements made during the year position Afrimat for growth in FY2026 and beyond. This transformative period, marked by and operational enhancements and improvements, suggests that Afrimat is poised to continue its historical trend of consistently delivering value in the years to come.



About this report

Afrimat is a successful multi-commodity, mid-tier mining company that **produces and supplies construction materials, iron ore, anthracite and other minerals.**

Corporate information

Afrimat Limited ('Afrimat' or 'the Company') including its subsidiaries ('the Group') executive directors are Andries van Heerden ('CEO'), Pieter de Wit ('CFO'), Collin Ramukhubathi and Gerhard Odendaal. They can be contacted at the registered office of the Company. The Company Secretary is Catharine Burger. See contact details on the inside back cover of this integrated annual report.

The integrated annual report 2025 is available in hard copy, on request, from the Company Secretary and is also published on the Group's website www.afrimat.co.za.

Our integrated annual report 2025 contains information aimed at all our stakeholders with a specific focus on our shareholders. We are committed to providing shareholders with reliable, accurate, balanced and transparent reporting. Overall, the report is intended to give our stakeholders a better understanding of the material issues, risks and opportunities that we face in terms of business sustainability, value creation and growth over the short-term (less than 12 months), medium-term (one to three years) and long-term (beyond three years).

Scope and reporting parameters

This integrated annual report 2025 covers the financial performance and non-financial performance of the Group. Afrimat reports on the strategy, the six capitals on which it relies and the opportunities, risks and outcomes attributable to or associated with its key stakeholders, who significantly influenced Afrimat's ability to create value for the year ended 28 February 2025. There has been no material change in the scope and boundary of the integrated annual report compared to the prior year or to historical financial data.

For more information, see the annual financial statements for the year ended 28 February 2025 ('annual financial statements') on pages 88 to 162.

Frameworks applied

In compiling this report, Afrimat considered the legislative requirements for reporting and the International Integrated Reporting Framework, issued in January 2021. Our report conforms to the requirements of local and international integrated reporting frameworks, the South African Companies Act 2008 ('Companies Act'), Listings Requirements of the JSE Limited ('JSE Listings Requirements') and the Mining Charter. We continue to use the GRI guidelines for our sustainable development reporting. The Company applies the majority of the principles in the King IV™ Report. An explanation and summary for each principle is provided and published on the Group's website www.afrimat.co.za. This is to allow stakeholders to make an informed decision as to whether Afrimat is achieving the four good governance outcomes required by King IV™.

Materiality

The legitimate interests of all our key stakeholders were taken into account in determining information that is considered to be material for inclusion in this report. Afrimat defines strategic matters as those which are most material to the formulation and execution of strategy and those that have the potential to significantly affect Afrimat's ability to create stakeholder value and contribute to the future sustainability of the Group.

Risk management

Risk is inherent in all Afrimat's business activities. We are committed to identify, assess and prioritise risks in order to minimise, monitor and control the probability and impact of unplanned events to support the achievement of our objectives.

Refer to page 37 for the risk management report.

Forward-looking disclaimer

This integrated annual report 2025 contains forward-looking statements that, unless otherwise indicated, reflect the Company's expectations as at 28 February 2025. Actual results may differ materially from the Company's expectations if known and unknown risks or uncertainties affect the business, or if estimates or assumptions realise differently. The Company cannot guarantee that any forward-looking statement will materialise and, accordingly, readers are cautioned not to place undue reliance on these forward-looking statements. The Company disclaims any intention and assumes no obligation to update or revise any forward-looking statement even if new information becomes available as a result of future events or for any other reason.

Board responsibility statement

The Board, assisted by the Audit & Risk Committee, Social, Ethics & Sustainability Committee, and Remuneration & Nominations Committee, acknowledges its responsibility for ensuring the integrity of the integrated annual report, and has applied its collective mind in the preparation thereof. The Board believes that the report has, in all material respects, been presented in accordance with the IIRC's <IR> Framework. The Afrimat Board approved this integrated annual report and authorised its release on 13 June 2025.

Combined assurance

A combined assurance model is used to provide Afrimat with assurance obtained from management, internal and external assurance providers. PricewaterhouseCoopers Inc. are the auditors of Afrimat and provided an unmodified opinion after auditing our consolidated annual financial statements 2025. The extracts from the annual financial statements in this integrated annual report are from audited information but not audited.

The Group's financial, operating, compliance and risk management controls are assessed by the Group's internal audit function, which is overseen by the Audit & Risk Committee.



Francois Louw
Chairman



Andries van Heerden
CEO

13 June 2025



OUR BUSINESS

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Business overview

FOOTPRINT

As a multi-commodity, mid-tier mining company, Afrimat produces and supplies a broad range of construction materials, iron ore, anthracite, phosphate, and high-quality industrial minerals to various industries across southern Africa. Additionally, Afrimat delivers bulk commodities to both local and international markets. The Group's strength lies in its extensive in-house industry expertise and a stable, skilled workforce.

South Africa – Operations





Business operations

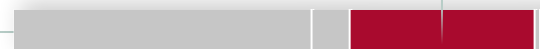
National footprint



Western Cape	Northern Cape	Free State	North West
13 Readymix Batching Plants	3 Iron Ore Mines	4 Quarries	1 Integrated Cement Plant
10 Quarries	1 Iron Ore Source	1 Fly-Ash Operation	1 Lime Quarry
3 Sand Mines	1 Manganese Source	1 Clinker Source	
1 Limestone & Dolomite Source			
1 Dolomite Mine			
Gauteng	Limpopo	Mpumalanga	KwaZulu-Natal
3 Quarries	2 Readymix Batching Plants	5 Readymix Batching Plants	12 Quarries
1 Precast Operations	1 Quarry	4 Quarries	10 Readymix Batching Plants
1 Readymix Batching Plant	1 Phosphate Stockpiles	1 Fly-Ash Operation	5 Precast Operations
1 Cement Grinding Station	1 Limestone Mine	1 Anthracite Mine	
1 Clinker Source			
Eastern Cape	National		
5 Readymix Batching Plants	Afrimat Contract Mining Services are leading specialists offering a comprehensive suite of solutions to the mining, construction, and quarrying industries throughout southern Africa.		
4 Quarries			



Business overview (continued)

	 CONSTRUCTION MATERIALS	 INDUSTRIAL MINERALS	 BULK COMMODITIES
	- Aggregates - Concrete Manufactured Products ('CMPs') - Readymix concrete - Cement - Fly-ash	- Limestone - Dolomite - Agricultural lime	- Iron Ore - Anthracite - Manganese
Core activities	- Open-pit mining and processing of aggregates products - Concrete brick and block manufacturing - Readymix concrete batching plants - Cement and fly-ash production and logistics	Open-pit mining, processing and beneficiation of industrial minerals	- Open-pit iron ore, anthracite and manganese mining and beneficiation - Underground anthracite mining and beneficiation
Revenue contribution	55% 	7% 	34% 
Products/ services	- Cement - Fly-ash - Clinker ash - Aggregates: roadstone, concrete stone, layer-works materials, ballast - Manufactured and natural sand - Building blocks and bricks - Stone dust: crushed stone dust products - Dolomite - Readymix concrete batched on demand and transported to customers by concrete mixer trucks - Readymix mortars - High silica products	- Metallurgical dolomite - Metallurgical limestone - High calcium neutralisation limestone - Agricultural lime (Calcite/Dolomite) - Feedlime - Hydrated lime - Unslaked lime – calcium oxide - Slaked lime – calcium hydroxide - Ultra-fine limestone and dolomite - Dolomite fillers	- Prime quality iron ore from Hematite ore up to 65% Fe - Lump and fine fraction product range - Mixed metal manganese ore - High quality nuts and duff anthracite product
Market/ applications	- Government - Municipalities - Building and construction - Low-cost housing - Residential and commercial property - Civil engineering and infrastructure projects - Renewable energy projects - Power distribution network - Mines - Road and bridge building - Railroads - Concrete product manufacturers - Readymix producers - Power stations	- Steel/chrome/alloys - Water and sewage treatment - Acid mine drainage treatment - Tile adhesive manufacturers - Paints and plastics - Glass manufacturers - Agriculture - Renewable energy projects - Power distribution network - Chemical/industrial - Animal hygiene	- International export and local consumption of iron ore, manganese and anthracite - Domestic ferrochrome smelting market - Pit to port logistics - Domestic steel producer
Quality assurance	- Quality-at-source processes by which quality control is ensured through constant monitoring and evaluation - Blocks and bricks manufactured in accordance with SABS specification - Integrated Solutions & Innovation Centre ('ISIC')	Quality-at-source processes by which quality control is ensured through constant monitoring and evaluation	- Export iron ore products manufactured in accordance with customer specifications and sold in terms of the 62% Platts index for export - Prime quality anthracite due to its low sulphur content - All anthracite products manufactured in accordance with customer specifications - The utilisation of an in-house test laboratory for continuous process control. Quality and specification statements are generated by an outsourced accredited laboratory
Vertical integration	Supply the majority of the aggregates, cement and fly-ash used by Afrimat's own Concrete Based Product ('CMP') and readymix concrete divisions.	Mobile crushing, drilling, blasting, load and haul performed by the Group's contracting business.	



FUTURE MATERIALS & METALS

■ Phosphate

■ Rare earths

◆ Processing and beneficiation of phosphates

1%

- High-grade granulated rock phosphate
- Single superphosphate ('SSP') fertiliser in granular or powder format
- Premium grade phosphate rock in powder format

- Agricultural
- Fertiliser raw material supply

- Products manufactured are sold within the industry specifications of a P-concentrate level of subminimum 32% and Fe level of <5%

- The utilisation of in-house test laboratory for quality specifications and continuous process control

CONTRACT MINING SERVICES

■ Contract crushing, drilling and blasting

■ Logistical services

Internal and external logistical and mining services such as mining contract crushing, drilling and blasting, load and haul

Bulk road freight

3%

- Mobile crushing and screening
- Drilling and blasting
- Beneficiation of material
- Open cast mining
- Transportation of materials
- Mine to road to rail logistics
- Logistical services
- Bulk road freight
- Load and haul

- Mine to road to rail logistics
- Bulk road freight
- Construction industry
- Mining industry
- Quarrying industry

- Quality-at-source processes by which quality control is ensured through constant monitoring and evaluation

- Utilisation of laboratories used by our fixed mining operations

◆ In-house mining services provided: Mobile crushing, load and haul, drilling and blasting. Logistical services to the other segments.

Business model

Our value chain activities





Value creation

	Capital	Trade-off	Outlook	Input
FC	Financial Capital The money obtained from providers of capital and the retained earnings generated by operations to support all business activities and invest in the strategy. Furthermore, creating and managing stakeholder value (including social development, dividends for shareholders and salaries for employees).	Due to the volatile and uncertain market conditions, we aim to keep gearing as low as possible to avoid interest cover risks and will work towards reducing current gearing.	Afrimat is continuously investigating other business opportunities to support sustainable financial growth. A strong balance sheet enables the Company to exploit possible investment opportunities and expansion.	- Market capitalisation of R9,6 billion (2024: R10,0 billion) - Net debt:equity of 48,9% (2024: 1,4%) - Funding facilities of R3,7 billion (2024: R1,8 billion) of which R2,4 billion is utilised (2024: R613,9 million) (refer note 7.3.4)
NC	Natural Capital We depend on natural resources to create value and returns for our stakeholders. Environmental management is a critical part of the management process.	Using natural resources may sometimes negatively affect human and social capital. This is a key trade-off for generating value across the other capitals. We are, however, committed to minimising the environmental impacts of our operations and activities.	Accelerate and expand our response in an effort to be resilient in a lower-carbon future (refer to page 48).	- Water used 1 930 000 cubic metre (m³) (2024: 1 590 000 m³) 187 277 tCO₂e (2024: 49 349 tCO₂e) electricity 30,5 million litres (2024: 21,9 million litres) fuel
MC	Manufactured Capital The tangible and intangible infrastructure used to conduct our business activities. We leverage off our asset base (including plant and equipment), mining rights and information technology assets to service customers.	Mining and run-of-mine operations have a positive impact on manufactured capital, but a short-term negative for financial capital. This can be marginally offset by rising product value.	Beneficiation leads to multiple product development, sales and associated benefits.	105 operations throughout southern Africa creating a distribution network and general infrastructure (including technology) which enable us to produce, deliver and sell our products and services - Property, plant and machinery R2,6 billion (2024: R1,4 billion)
HC	Human Capital How we select, develop and manage our people.	Investing in attracting, retaining and developing the best talent, thereby resulting in employee costs being a significant cost to our business and in turn, impacting financial capital.	Attracting, retaining and developing our employees in line with our culture, will increase sustainable growth in the long-term. Safety remains a top priority and a focus area.	- Strong leadership team, driving our entrepreneurial culture - A diverse Board and executive team 3 829 (2024: 2 755) employees with relevant knowledge, skills and experience
SRC	Social and Relationship Capital To operate as a responsible corporate citizen. Fostering a good relationship with stakeholders (including customers, capital providers, regulators and other stakeholders).	Maintaining quality relationships across all stakeholders requires financial capital inputs but generally generates positive return across most capitals over the longer term.	Creating an effective shareholder engagement strategy. Further improvements in our transformation strategy and B-BBEE status as well as socio-economic development.	- Good relationships with the communities surrounding our mining operations and production plants - Confidence of shareholders by creating an effective and aligned shareholder engagement strategy - Good relationship with trade unions
IC	Intellectual Capital Our strong brand, procedures and processes and the knowledge of our people constitutes our intellectual capital. The balance of new opportunities and core strengths ensures growth.	Our commitment to implementing reliable systems as well as determining the role of artificial intelligence ('AI') and Big Data, may result in pressure on some existing traditional job functions, but will harvest opportunities in new roles.	Implementing of agile business processes across all business units. Maintaining our reputation as a quality supplier with an exceptional brand.	- Enabling growth through sound business principles and new opportunities - The intangibles that constitute our product and service offering and provide our competitive advantage



Outcomes

- Revenue up 36,7% to R8,3 billion
- EBITDA: R1,1 billion (2024: R1,5 billion)
- Net cash generated from operations is R239,8 million (2024: R1 237,0 million)
- HEPS: 72,3 cents (2024: 567,3 cents)
- Total dividend per share declared: 25,0 cents (2024: 194,0 cents)
- Net debt:equity of 48,9% (2024: 1,4%)

- 932 854 tCO₂e (2024: 193 944 tCO₂e emissions)

- Capital expenditure of R913,4 million (2024: R929,5 million)
- Depreciation and amortisation of R615,2 million (2024: R369,4 million)

- Wages and salaries of R1 621, 2 million (2024: R1 085,1 million)
- 11 (2024: 10) artisans successfully trained
- Board attendance of 98% (2024: 100%)

- Spending on skills and socio-economic development of R62,3 million (2024: R73,6 million)
- B-BBEE Level 2 (2023: Level 2)
- Preferential procurement of B-BBEE score of 86,7% (2023: 75,1%) as verified by SANAS Accredited B-BBEE Rating Agency

- Investment in quality assurance and research and development R21,1 million (2024: R11,9 million)

Page reference

- CFO's Report (refer to page 17)
- Annual Financial Statements (refer to page 88 to 162)

- Environmental responsibility (refer to page 48)
- Managing climate change (refer to page 51)

- Legal and mining right compliance (refer to page 47)
- Technology and systems (refer to page 85)
- Annual Financial Statements (refer to page 88 to 162)
- Environmental responsibility (refer to page 48)

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Value creation (R'000)

Total value added **R2 827 442**

Value added by operations **R2 734 901**

Income from investment **R45 595**

Profit on sale of property, plant and equipment **R10 405**



Remunerate employees

57%



IC

HC

Expand the Group

(4)%



FC

MC

Expand the Group

24%



FC

MC

Reward providers of capital

16%



FC

MC

Government and community

7%



FC

NC

SRC

Capitals

Financial



Natural



Manufactured



Human



Social and relationship



Intellectual



Stakeholders

Shareholders/
Investors



Trade unions



Lenders/providers
of capital



Major contractors,
suppliers and
business partners



Government, local
authorities and
regulatory bodies



Employees



Customers



Local
communities





Stakeholders

We recognise that developing and nurturing dialogue with our key stakeholders, and actively listening and responding to feedback, is a driver of business sustainability. The process of identifying and monitoring stakeholder relationships is reviewed annually by the Board. Our internal open-door policy and strong communication extends to all external stakeholders, and we pride ourselves on our timely, consistent and transparent communication.

Our approach

Afrimat recognises that it operates in areas where sustainable social and economic development are of utmost importance. Our goal is to have formal and informal stakeholder engagement processes to identify key stakeholders, list items that matter to them and to provide responses on how these matters are addressed. Sustainability is dependent on the maintenance of mining licences to operate. Important factors considered by Afrimat include operating safely and meeting regulatory obligations, all of which are included in the stakeholder engagement process.

Stakeholder groups

Afrimat's stakeholders are those with a vital interest in the business or its activities. Our stakeholders are critical to the business' success and the sustainability of operations. Critical stakeholder groupings include:

Stakeholder	What matters to them	Tools of engagement	Responsibility	Our response
 Employees	- Job security - Sustainability - Personal growth and development - Skills development - Remuneration and incentives - Safety - Health and wellness - Transformation - Job satisfaction	- Annual culture climate survey - Training sessions - News updates - Employment equity forums - Regular reinforcement of Code of Conduct and policies/procedures - Understanding 'The Afrimat Way' - Annual performance reviews - Union meetings as required 1:1 discussions	Executive Director: People & Sustainability and General Manager: People assisted by all management	- Investment in training and talent management - Dedicated skills development division - Skills Development and Employment Equity Consultative Committees established for each subsidiary - Ongoing health and safety programme - Weekly 'toolbox talks'
 Customers	- Quality - Service - Value for money - Product availability - Credit facility levels	- Annual customer surveys conducted to determine service improvement opportunities - Contractual engagement - Personal interaction with main customers - Product brochures - Traditional and social media - Product testing	CEO, MDs of subsidiaries and sales teams	- Commitment to quality products and service excellence - Product and quality feedback - Account queries and payment
 Shareholders/ investors	- Profitability - Strategy to ensure sustained financial growth - ROI (share price and dividends) - Cash generation - Corporate governance and compliance - Risk management - Growth prospects - Sound corporate practices - Cost reductions - Labour relations - Sustainability - Ethics - Transparent executive remuneration - Reputational issues	- Annual and interim results announcements - Integrated annual report - SENS announcements and trading updates - Website publications - Group results presentations 1:1 meetings - Roadshows - AGM - Results of decisions taken at shareholders' meetings published on the Company's website following the meetings - Media releases - Site visits - Investor open days - Regular investor perception polls	CEO assisted by the CFO and Executive Directors	- Feedback from results presentations and 1:1 meetings relayed to and dealt with at Board level - Consistent dividend payments - Publishing of voluntary SENS announcements to address shareholder concerns - Educating shareholders regarding business processes by means of arranging site visits and an annual investor open day - Feedback on Company performance, future prospects and strategy - Feedback on economic, social and environmental risks - Shareholder engagement meetings - Research coverage



Stakeholder	What matters to them	Tools of engagement	Responsibility	Our response
 Lenders/ providers of capital	- Capital management - Sustainability - Profitability - Liquidity and solvency - Cash generation - Corporate governance and compliance - Risk management - Growth prospects - Reputational issues - Punctuality and ability to meet capital and interest payments - To comply with covenant requirements	- Contractually required information flow - Annual and interim results announcements - Regular meetings	CFO assisted by Group treasury and financial managers	- Feedback from meetings relayed to and dealt with at Board level 1:1 meetings with financier relationship managers to discuss responses, risks and viable funding options
 Trade unions	- Wage negotiations - Bargaining council agreements - Conditions of employment - Engagement on safety issues - Engagement on health and wellness issues	Regular meetings at the relevant levels	General Manager: People assisted by all management	- Ongoing focus on labour and employee relations - Consistency in industrial relations - Recognition agreements at industry level
 Major contractors, suppliers and business partners	- Consistent offtake - Group payment record - B-BBEE compliance and local economic development	- Contract and service agreements - Whistleblower's hotline - Results presentations - Supplier days	CEO assisted by the CFO, Executive Directors and MDs of subsidiaries	- Regular business updates to suppliers - Vision and values - Group strategy and financial performance - Group policies and guidelines - Transformation and employment equity - Health and safety - B-BBEE compliance
 Government, local authorities and regulatory bodies	- Compliance with mining licence requirements - Regulatory compliance - B-BBEE status and black shareholding - Environmental compliance - Skills development - Enterprise development - Job creation - Employment equity - Uplift communities and environments in which we operate	- Lobbying with government departments - Regular communication - Report our impact on communities and environment	CEO, Executive Director: People & Sustainability and MDs of subsidiaries	- Developing DMRE required social and labour plans in conjunction with local municipalities - Raising awareness of local economic, social and infrastructure conditions and gaining approval for government funded projects - Focus on procurement from suppliers with B-BBEE shareholding - Energy, carbon, water and waste reduction - Education and job creation
 Local communities	- Environmental issues – dust, emission, water, traffic, noise, unsightly development - Infrastructure development - Economic upliftment - Job creation - Enterprise development - Preferential procurement	Dialogue with local community interest groups	Executive Director: People & Sustainability, MDs of subsidiaries and branch operational managers	- Supplementing labour force from surrounding communities - Practicing a limited automation policy - Prioritising environmental management of operations



Chairman's Report



“ The 2025 financial year was one of the toughest that Afrimat has ever faced. While strategic diversification is our cornerstone, the year presented many obstacles, some of which were challenging to counter and significantly influenced by external factors essentially beyond our control. These demands were testing the Afrimat team and I am very proud of how the executive and segment management teams came together. Even when solutions proved elusive, invaluable lessons emerged, driving positive change and sustainable enhancements within Afrimat's agile framework. ”

Francois Louw

The economic year

Local factors

The persistent challenges with national rail logistics faced during the last financial year once again hindered Afrimat's operations. It is a matter of concern that we had to accept a 16,5% reduction in volumes compared to our allocated 870 000 tonnes. The slightly stronger R/US\$ exchange rate (+2,1%), the decrease in the iron ore price and lump premium, and the increase in shipping cost all had a negative impact on the revenue from iron ore exports.

Economic growth of 0,6% in the country was pedestrian, to say the least, but there was a sense of euphoria in the country after the national elections when the Government of National Unity was formed.

As the year progressed, it became evident that South Africa is facing elevated economic and political risks amid a global slowdown and heightened asset price volatility. President Cyril Ramaphosa announced additional infrastructure development spending and whilst this is positive news, we are not convinced that this will happen as fast as the President intended, and delays could be in part due to a failure to pass the national budget in February 2025 for the first time in 30 years. We hope that the R1 trillion allocated for infrastructure will be unlocked over the medium-term. This allocation includes an additional R62 billion over the next three years for road maintenance, electricity transmission lines, water and sanitation projects, school infrastructure, and to support the ongoing recovery of rail networks. All these infrastructure development projects will be advantageous to Afrimat.

While we are thankful that loadshedding has substantially been reduced, the poor economic growth rate and limited infrastructure spending, coupled with logistical challenges and border closures to Mozambique, made for a tough operating environment for Afrimat.

International factors

After the financial year-end, the newly elected USA President Donald Trump enacted international tariffs and the uncertainty which this introduced impacted much of our market, including the R/US\$ exchange rate.

While Afrimat's products are not directly sold in the USA, we will have to navigate through this local and international market uncertainty carefully.

Remaining agile and committed to consistently deliver

Given the vast lessons learnt in this financial year, the can-do culture within Afrimat, and the agility of the business, I am confident that the Group is better positioned to deal with the uncertainties in the coming year.

The volatile external environment and the 'turn-around' nature of some of the recent acquisitions mean that the challenges were not totally unexpected and **I want to assure shareholders and stakeholders that Afrimat has a competent and dedicated executive and management team in place. They also care deeply for the people and reputation of this business.**

It is also expected that the progress made to diversify the exposure of the business to different segments in the market will play a significant role in limiting the volatility in the business performance going forward.

It is a pleasure to serve alongside this team as well as with my fellow directors, who all have extensive experience and industry knowledge which

we see coming to fruition at Board meetings, where the healthy relationships in the Board ensures that management are asked the hard questions, but at the same time, also offered wise guidance and counsel.

Next year, Afrimat celebrates its 20th year as a listed company on the Johannesburg Stock Exchange. During this time, so many great milestones have been achieved on the financial, environmental, governance and social fronts. Afrimat cares deeply for the communities in which it operates, and in these communities, private and public institutions, schools, teachers and learners have all benefited. In the year under review, R16,3 million was spent on CSI initiatives and R46,0 million spent on employee training. In the case of the latter, 16 510 of training days were undertaken.

Integration and ramp up

The Lafarge operations have been successfully integrated into the Afrimat Group. This integration adds to the aggregate and readymix footprint, ensuring Afrimat has additional points of presence nationwide. It also adds another commodity, cement, to our diversified structure and bolsters our traditional construction materials offering. Although the cement component is currently still loss-making, the significant investment in critical repairs and maintenance is proving to be successful, which should ensure Afrimat has dependable production in place and additional cement production capacity, should this be needed.

The Nkomati Anthracite Mine, with its complex geology, benefited from the approval of a significant portion of the Environmental Impact Assessment ('EIA') for the full Life of Mine Plan, enabling more optimal open-pit mining. The mining team was reorganised, and key infrastructure relocations (power



line, graves, and houses) were completed. Underground mining operations were also relocated to a safer area. I am confident that we have done the work to ensure that this asset returns the value we know it has.

Private sector participation

The Trump administration's tariff tirade is, at the time of writing this report, causing massive global uncertainty in the commodity market and worsened relations between the USA and China. This is impacting the global iron ore price and causing volatility in the Rand/US\$ exchange rate. Despite the export iron ore business' cash generation ability being impacted by a number of factors it remains a lucrative business for Afrimat. We hope that Transnet's logistics will steadily improve, in order for Afrimat to be able to fully utilise its export allocation.

As a corporate citizen of South Africa with a responsibility towards a social licence to operate in the country, Afrimat has never shied away from social investment or assisting the communities around its operations. Afrimat is continuously engaging with Transnet and participates in the Ore Users Forum to assist in any way we can. We are encouraged by the progress being made in cementing private sector participation in the logistics space.

Overview of the results

Historical successes of Afrimat are largely due to the Group's prudent capital allocation and strict control of its balance sheet, ensuring that debt never undermines its diversification drive.

In the financial results for the year ended February 2025, revenue improved to R8,3 billion, but losses in the cement business, lower income from iron ore and losses at Glenover, all impacted profitability and earnings. Operating profit reduced by 58,5% to R477,7 million.

Net cash generated from operations improved from a negative position of R272,4 million in the first half, to a positive R512,1 million in the second half of the year. Although much reduced from the previous year, we are encouraged by the trend, which is recovering to what shareholders have come to expect from Afrimat.

The Board declared a final gross dividend of 15,0 cents per share.

These results are not what Afrimat is used to delivering but I can assure you that the Board and executive management team are focused on ensuring the reduction of the losses in the cement business, and for Nkomati to extract and sell its product. Glenover is unfortunately expected to take longer to reach profitability while we ensure that the new technology processes are working correctly.

Acquisitions continue to be assessed, but it is management's ambition to prioritise the bedding down of recent acquisitions and get the most out of these assets as well as steadying local iron ore sales. Smaller bolt-on acquisitions will be considered to ensure that the life of mine and quality of resource across all mining assets is maintained.

Environment, Social and Governance ('ESG') Safety

Being a mining operation, health and safety remains key, and we strive to ensure that everyone in Afrimat goes home every day without an injury. Pleasingly the Group achieved an all-time low LTIFR for 2025 of 0,27.

Community upliftment

Our commitment to contributing wellbeing and fostering and building strong community relations is to continue with corporate social investment. The Afrimat Foundation Trust was launched in 2024 to further entrench our commitment to CSI. The Afrimat Foundation Trust operates as a non-profit organisation with active Trustees. The communities surrounding our mines are recognised as beneficiaries. We are committed to achieving our goals through:

- Utilising dividend income from Afrimat's Equity Equivalent Programme;
- Partnering with businesses that want to allocate CSI funding but are unsure which projects to support;
- Allocating funds on partners' behalf, ensuring responsible spend and transparency; and
- Partnering businesses receive a Section 18A certificate.

Allocating additional funding to viable host community projects already identified through Afrimat's Sustainability Department in consultation with:

- relevant communities;
- municipalities;
- tribal authorities; and
- the Department of Mineral Resources and Energy ('DMRE').

We act not just because it is right, but because we genuinely care about the future of our people, communities, and country. This investment serves everyone, offering employment opportunities and fostering lasting skills development that empowers communities and enhances their inclusivity.

Sustainability

Afrimat, as a responsible corporate entity, prioritises environmental conservation and strong governance practices. Afrimat actively collaborates with the DMRE, the Department of Water and Sanitation, the Department of Environmental Affairs and Department of Labour. The Group consistently fosters positive relationships with all three, valuing their efforts.

The Social, Ethics & Sustainability Committee at Afrimat ensures a strong focus of the Group not only embracing global best practices for environmental accountability and reporting but also actively works to significantly lessen its environmental impact. The committee's report details Afrimat's carbon footprint, carbon emissions, electricity usage, water consumption, waste management strategies, response to climate change, and efforts in biodiversity.

Ethical governance

Governance and ethics remain fundamental to our operations. The Group adheres to both the spirit and the principles set forth in the JSE Listings Requirements, King IV™, the Framework for Integrated Reporting, the Mining Charter, and the Companies Act. Our unwavering commitment to governance is supported by a unitary Board along with designated sub-committees. Additionally, Afrimat follows fair remuneration practices and provides equal employment opportunities.

All resolutions outlined in the 2024 Notice of the Annual General Meeting ('AGM') received majority approval from shareholders present at the meeting or represented by proxy. Our 2025 AGM will be held on 23 July 2025.

Our ESG Report contains metrics and narratives on Afrimat's approach to these critical elements of the business. Every time I interact with Afrimat people, I am reminded of how they live the Group's motto – 'Excellence with Integrity' – ensuring that respect and care are foremost in everything that they do. Given the acquisition of Lafarge (cement), a review of our carbon footprint is being undertaken and will be adapted accordingly.

Appreciation

Despite facing a very challenging year, the executives, management teams, and employees have worked diligently to uphold the high standard for which Afrimat is known. Outstanding customer service and product quality have remained steadfast, and I commend the Afrimat family for this achievement. To my fellow Board members, I express my gratitude for your invaluable guidance and expertise, which have been essential to our deliberations and continued success. The depth of knowledge and experience they provide offers excellent support to the executive management team. Finally, I thank our shareholders, investors, stakeholders, employees, and customers for their unwavering commitment and support. Carefully considered strategic decisions, designed to benefit all stakeholders, will continue to guide our actions.

 **AFRIMAT**
SIGNED ELECTRONICALLY

Francois Louw

13 June 2025



CEO's Report



“ During the year under review, Afrimat continued to generate a profit, produce cash from operations and declare a dividend. However, the overall results did not meet the standard to which our shareholders are accustomed. ”

Andries van Heerden

In this letter, I want to clarify the tremendous amount of work that was done 'behind the scenes' to ensure Afrimat navigated the year successfully. I will also share the lessons we learnt along the way. This year marks the Group's 19th year of being listed, making this my 18th report to shareholders. From experience, I can assure you that there are always lessons to be learned, and as long as we remain humble enough to take these seriously, we will continue to honour our promises to shareholders, supported by our diversification strategy.

This year, the typically precarious nature of the South African economy intensified, which tested our resilience. This included logistics challenges, the shutdown of two of AMSA's furnaces, and Mozambique's border closures that limited exports. We also faced losses in certain operations, which affected overall performance, and we had to contend with exchange rate variability as well as fluctuations in the iron ore price.

On the positive side, we successfully integrated our largest acquisition to date, produced excellent results in the aggregates business and the Industrial Minerals segment, and made great progress on the Nkomati Anthracite Mine.

Our results showed an increase of 36,7% in revenue to R8,3 billion from R6,1 billion in the previous year. An increase in the cost of sales and operating expenses, in particular, led to a decline of 58,5% in operating profit. Pleasingly, the Construction Materials aggregates improved revenue by 60,0% and operating profit by 40,2%. Similarly, Industrial Minerals delivered an operating profit that was a staggering 325,7% better than the previous period, at R58,8 million compared to R13,8 million in FY2024. Unfortunately, these gains were eroded by reduced profit and losses in the remaining segments.

Let's unpack this result a little more.

Where are we in the Lafarge integration process, and is it beneficial to the Group?

This year marked the successful integration of Afrimat's largest acquisition to date – Lafarge. This acquisition included quarries, readymix batching plants, fly-ash operations, and an integrated cement operation and grinding plant.

The quarries were amalgamated into the 26 quarries Afrimat already had in the Construction Materials segment, with the additional 13 quarries from the acquisition immediately enhancing our national footprint. Under the Competition Tribunal directives, Afrimat is in the process of divesting of five quarries and four readymix concrete operations.

Through our extensive industry experience, we knew exactly what had to be done to improve these operations. The new quarries underwent almost immediate efficiency improvements, ensuring they produced measurable results by year-end while also focusing on long-term sustainability.

On the cement side, because the Competition Tribunal took an unusually long time to rule on the Competition Commission's recommendations, by the time Afrimat took over the cement operations, they were in significant disrepair, and the cash available at the acquisition date had diminished. Approximately R185,0 million was spent in the current financial year to return the kilns to steady production. Although cement losses are steadily decreasing, this has resulted in a significant loss for this financial year.

What could we have done differently?

I am confident that we approached these challenges with the determination and prudence that were required to ensure the best possible outcome. When the Competition Commission conditionally approved the transaction, the business had good cash flow; however, the delay in the Competition Tribunal's final decision really hurt us and which was completely outside of management's control. Nonetheless, we focused our attention on the great

aggregate assets we added to our portfolio and tackled challenges in the cement business head-on, ensuring that extensive kiln maintenance was performed optimally and will henceforth be conducted regularly. We are also encouraged by bulk and retail cement sales and are seeing a steady progress toward achieving our desired market share.

A historical delivery by industrial minerals

If you recall, during the peak loadshedding stages, the Industrial Minerals segment and its customers found it very difficult to operate. A decision was made to acquire and install new generators, making this a very reliable business. The suspension of loadshedding significantly improved the segment's performance, albeit from a low base.

The market downturn experienced during loadshedding, while not ideal, did provide us with the opportunity to reposition some of the products, and a renewed marketing drive focused on agricultural lime and precision agriculture has proved to be immensely beneficial. This year, the segment delivered its best historical revenue to date, which is testament to the teams' commitment to achieving excellence and which is to be commended.

What have we learnt?

While this is a small contributor to the Afrimat Group; margins are attractive, and the resources we own are truly fantastic. It was difficult at that time to invest in the generators, but we are pleased that this was done, as it provides surety against any possible loadshedding. While we are grateful that loadshedding has been suspended for some time, we remain mindful that it does return from time to time.

We also re-explored market gaps that we believed we could fill, but as Whitey Basson warned, *'There might be a gap in the market, but you need to ensure there is a market in the gap.'* Mindful of this, we will continue to remain close and relevant to this market.



Poor logistics impact international iron ore sales

One of the main detractors from these financial results was international iron ore export volumes, even though the reduced 'new normal' volumes are still almost 16,5% below the Transnet rail allocation of 870 000 tonnes per annum. We are doing everything possible to support Transnet where we can and look forward to fruitful discussions on the Private Sector Participation being considered by the Government and Transnet. Afrimat is also an active member of the Ore Users Forum, the body assisting Transnet in ensuring improved rail system reliability to Saldanha.

What have we learnt?

While frustrating, the process takes time. We remain close to Transnet management at various levels to assist as much as we can, ensuring that when the reallocation takes place in 2027, Afrimat can benefit from it.

Nkomati Anthracite Mine turns the corner, post year-end

Shareholders are aware that the Nkomati Anthracite Mine presents multiple challenges. A significant amount of executive management's time has been spent on addressing these issues, which included an extensive drive to get the required Environmental Impact Assessment ('EIA') over the line, and adjusting the mine's management structure. We are thankful to have received a much more comprehensive EIA, which expedited mining across the mining areas. Numerous houses and graves were relocated, along with an Eskom power line which were obstructing mining operations. Most of the mining area is now cleared. Anthracite has been accessed in the underground section, and this, along with improved management structures, ensured that performance improved for the mine. However, this was insufficient to compensate for reduced sales to the export market because of the border closures with Mozambique. Fortunately, shipment resumed during the first quarter of the new financial year, and orders have been secured for approximately 80% of the export product.

What have we learnt?

The market knows that this is a challenging mine. Nevertheless, as an executive team, we should have stepped in earlier to analyse the data being produced. We subsequently made some tough decisions to rectify the situation, and once we did, the results were palpable. We have further strengthened oversight to assist the Nkomati management team on the ground. We look forward to this asset delivering results that will please shareholders.

The Glenover project

Glenover's phosphate plant is currently operational; however, sales volumes are still below expectations with increased volumes expected during the new planting season.

Given the growing importance of rare earth, great care is taken in developing the business plan for this business. Comprehensive test work has confirmed the competitive advantage of this resource and the process to identify a suitable partner has begun.

What have we learnt?

The rare earth industry is not well understood in most parts of the Western world, and it is critical to have the right technology partner.

What do the 2025 results mean for Afrimat?

Although we have learnt a lot this past year, we suffered some impacts completely outside our control. Those within our control have been addressed meticulously, and I am pleased to report that Nkomati is doing much better and that the losses in cement are steadily reducing.

Unfortunately, the world is in turmoil, with many geo-political challenges such as potential trade wars which are resulting in market uncertainty, and this could have an impact on Afrimat.

Afrimat remains extremely proud of its financial record of delivering outstanding results. However, too many impacts and uncertainty, together with digesting a large acquisition, took their toll during this period.

I am confident that all the work we have put into fixing and positioning our diversified structure will pay off in the future.

What keeps me awake at night?

I am blessed with extremely competent and capable colleagues who are all passionate about our business. This gives me the confidence that we are equipped to navigate challenges and allows me to sleep peacefully.

I do, however, worry about the state of our nation and economic contraction. After our national election, there was exuberance with the Government of National Unity ('GNU'), but at some point, that fizzled out. Our politicians do not direct sufficient focus towards sound economic policies and are often blinded by outdated ideologies. These ideologies have resulted in a broken economy and world-beating unemployment as a consequence. Illogical trade policies have resulted in the de-industrialisation of South Africa and the slow response to known problems such as logistics, energy and crime has exacerbated the problem. When the political leaders do step in, it is often at the eleventh hour. Often, this is to the detriment of jobs and raises the anxiety levels of workers as they have to deal with the uncertainty of having a job or not. I am hoping for the GNU to roll out better service delivery, maintenance, and infrastructure to support our growing nation.

Even a small increase in the growth rate could ensure that various industries, such as the steel and cement industries, are rejuvenated.



Glenover Mine



High Grade Phosphate



CEO's Report (continued)

I am encouraged by the improvements that are becoming visible on the Sishen-Saldanha rail system in recent months.

The Lafarge integration, under the leadership of Pieter de Wit, was meticulously undertaken and I am very proud of how the process was managed. All that remains is the transition of the enterprise resource planning system from Holcim to the Afrimat information technology and billing system. This is never a simple one-step process, but our teams have been moving small portions across and testing them before moving on to the next.

The next three years

I need to recap what I wrote last year to ensure that this section is meaningful.

I am optimistic that the private sector's involvement in assisting the government in addressing critical infrastructure issues will establish a better economic growth trajectory. Afrimat remains committed to this goal, participating in the Ore Users Forum and engaging in discussions regarding private sector participation. Despite being a mid-tier miner, Afrimat has secured a seat at the table and will contribute in any way possible.

Last year, I said that *'the next three years will be dedicated to ensuring that Nkomati matures into the great business it has been set up to be. Future*

Materials and Metals should produce profitable results, and Lafarge needs to be integrated, nurtured, and carefully expanded upon. Alongside this, we will continue to assess other potential acquisitions if they fit into our criteria framework, and we may look at geographic diversity within southern Africa.'

Let me break this down:

- Nkomati, after much input from the executive team and changes to the management structure and operational team on the ground, has turned the corner. All the time spent moving obstacles, securing the EIA, and opening up the underground face has delivered the necessary results. I am confident this operation will show much better results over the next few years.
- The Glenover mine still has some way to go before reaching its full potential and must not be rushed so that full value extraction can be ensured in a very dynamic environment.
- Lafarge provides us with product and process diversification, as well as the opportunity for sector consolidation and potential disruption. This is being approached thoughtfully, and I remain very excited about this business's potential.

I also said last year that we would enter a period of consolidation before taking the next step in our diversification journey. Now, while we may consider a few more bolt-on acquisitions to ensure we have sufficient life of mine across our mining operations, I doubt we will make another large

acquisition until the latest acquisitions are contributing satisfactorily to Group profits.

We remain focused on ensuring long-term sustainability, and if this takes a little longer, we are comfortable with that.

Overall, we must ensure that all of our existing assets reach their full potential. Our business development team consistently evaluates new opportunities.

In closing, Afrimat supports community development through our corporate social investment initiatives. As a mid-tier miner operating across many regions, we take pride in an all-time low injury frequency rate of 0,27 for the year under review. I am blessed to work alongside a dedicated and passionate executive team, management teams, a supportive Board, and engaged employees.

To all our employees and stakeholders who played their roles throughout the year, my heartfelt thanks and appreciation. To all stakeholders touched by Afrimat, I thank you for your ongoing support and commitment to the legacy we are building.



Andries van Heerden

13 June 2025

Nkomati Anthracite Mine



CFO's Report



“ There are still opportunities for organic growth, expansion through acquisitions, broadening our reach into a wider range of minerals, and possibly expanding into southern Africa as well. As has been our practice in the past, we will approach such decisions with caution and sound judgment. ”

Pieter de Wit

Highlights

- ▶ Successful integration of **the Lafarge business**
- ▶ **Fly-ash business and quarries contributed well** to the Construction Materials (aggregates) segment
- ▶ **Revitalisation of cement operations and regaining market share**
- ▶ **Constructive progress made in the cement business**
- ▶ **Progress was made at Nkomati through several improvements that were implemented**, one of which is a significant portion of the Environmental Impact Assessment ('EIA') for the full Life of Mine Plan, enabling more optimal open-pit mining
- ▶ **Secured anthracite export commitments**
- ▶ **Recovery in the Industrial Minerals segment**
- ▶ **Advancements in the Future Materials and Metals segment**

Introduction and background to the results

Afrimat is known for its outstanding record when it comes to diversification, capital allocation, and delivering strong financials. The year under review saw the successful integration of the largest acquisition to date, Lafarge. On the capital outflow side, this acquisition of R1,0 billion laid the foundation for enhanced diversification for the Group.

While we certainly do not regret our investment to deliver greater diversification, this year we were hit by several unfortunate circumstances almost simultaneously, which are addressed in detail in the Chairman's and CEO reports (on pages 12 to 16 of this integrated annual report).

In my feedback to shareholders, I will thus concentrate on the impact of these on the financial results.

Highlights	Consequence
Construction Materials – aggregates	Revenue R3,5 billion, operating profit R383,5 million
Industrial Minerals	Revenue R575,1 million, operating profit R58,8 million
Together, Aggregates and Industrial Minerals were responsible for 49,5% and 92,6% of total Group revenue and operating profit, respectively	

Segment	Source of hindrance	Hindrance
Iron ore	External	- Adverse export iron ore market dynamics - Exchange rate weakened by 2,1% - Lump premium decreased by 12,4% - Iron ore price declined by 12,9% - Shipping increased by 7,5% - Volume reduction in local iron ore from AMSA in the first half of the financial year - While volumes recovered in subsequent periods, the initial impact was considerable
Nkomati	Geology and EIA	- Weaker-than-expected performance from the anthracite business - Impact of Mozambique border closure on Nkomati
Construction Materials – cement	Delayed Competition Tribunal authorisation and extensive maintenance required	- Losses incurred within the acquired cement operations and the extended approval process - R285,4 million loss - Provisional gain on bargain purchase was revised to RNil, due to a downward adjustment to the fair value on certain assets
Glenover	New technology	Slower than projected phosphate plant ramp-up



CFO's Report (continued)

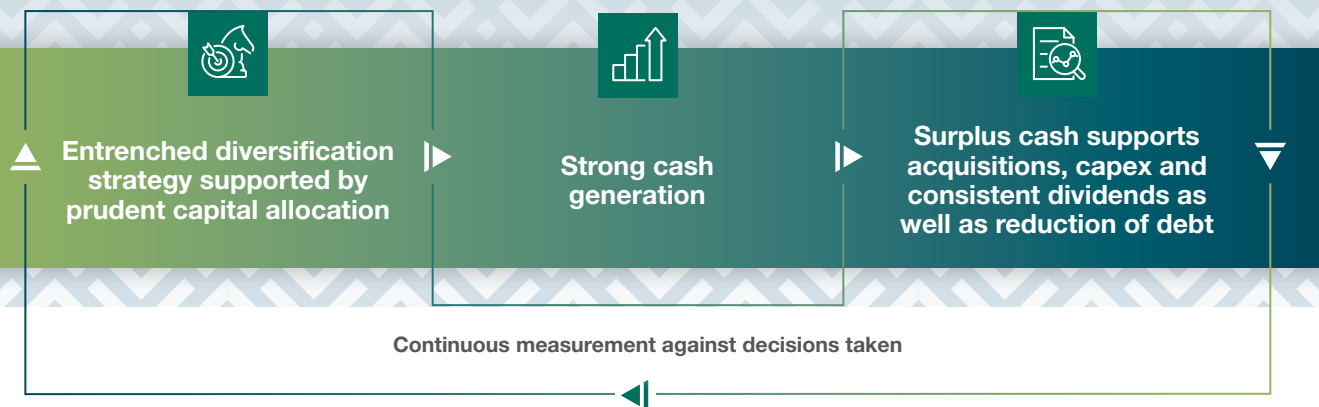
All these hindrances culminated in the perfect storm and an overall reduction in operating profit to R477,7 million from R1 152,4 million in FY2024. Despite this, Afrimat still generated strong cash flows, in particular in the second half of the FY2025 reporting period, and it is expected that with the recovery plans in place, this trend should continue.

The Lafarge acquisition also resulted in our net debt:equity position rising to 48,9%, which is unusually high for Afrimat. However, our firm intention is to generate cash to pay this down as quickly as possible. We are confident that we will be able to make a large dent in the net debt:equity position across the new financial year.

Although our full-year dividend has reduced to 25 cents per share, we have not deviated from our dividend cover of 2,75 times.

Our financial scorecard has discipline and measurement at its core to support growth, diversification and sustainability. This strategy has served us extremely well, and we continue to be disciplined in our approach towards each pillar.

The financial scorecard has discipline and measurement at its core to support growth, diversification and sustainability.



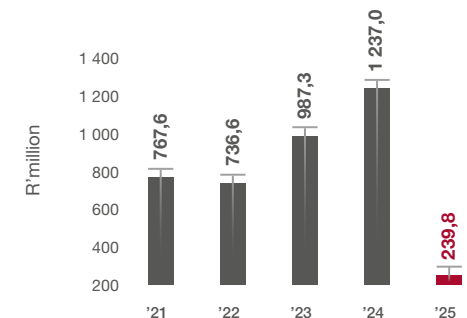
The financial scorecard aids and embodies our thorough and systematic approach to financial management.

I like to use this analogy – the Springbok rugby team loses some matches but is still ranked as the number 1 rugby team in the world. Although they strive to win every game they do not always achieve this. It does not mean that their strategy is wrong. Similarly, Afrimat has faced a challenging year; however, armed with excellent financial and management discipline, we made it through the year. While the results are lower than those we usually produce, we have not faltered in terms of maintenance and fixing operations that needed fixing.

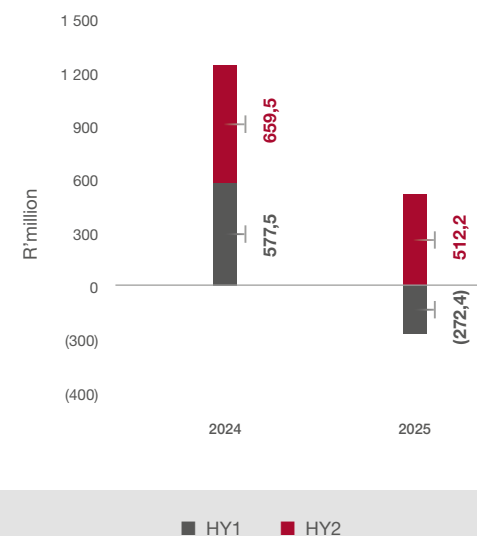
While the financial scorecard reflects the decisions that were made and events that subsequently took place, we are now moving forward to ensure that, over time, shareholders receive the returns they are accustomed to.

In the second half of the financial year, we focused on improving cash generation, and we are very happy with the outcome of this.

Net cash from operating activities (full year)



Improvement in cash generation in HY2025





Group revenue increased by 36,7% from R6,1 billion to R8,3 billion, including the Lafarge business. Operating profit decreased by 58,5% from R1 152,4 million to R477,7 million, resulting in an overall profit margin of 5,7%. Cash generated from operations equated to R571,6 million compared to the comparative period of R1 551,4 million. This decrease resulted from lower profits and the Group's expanded working capital requirements.

In the interim results, a gain on bargain purchase of R262,7 million was reported relating to the acquisition of Lafarge, based on the preliminary fair values of the identifiable assets. However, in line with IFRS 3, and as part of the final purchase price allocation within the permitted measurement period, the Group reassessed the fair values of the identifiable net assets acquired. This reassessment led to a downward adjustment to the value of

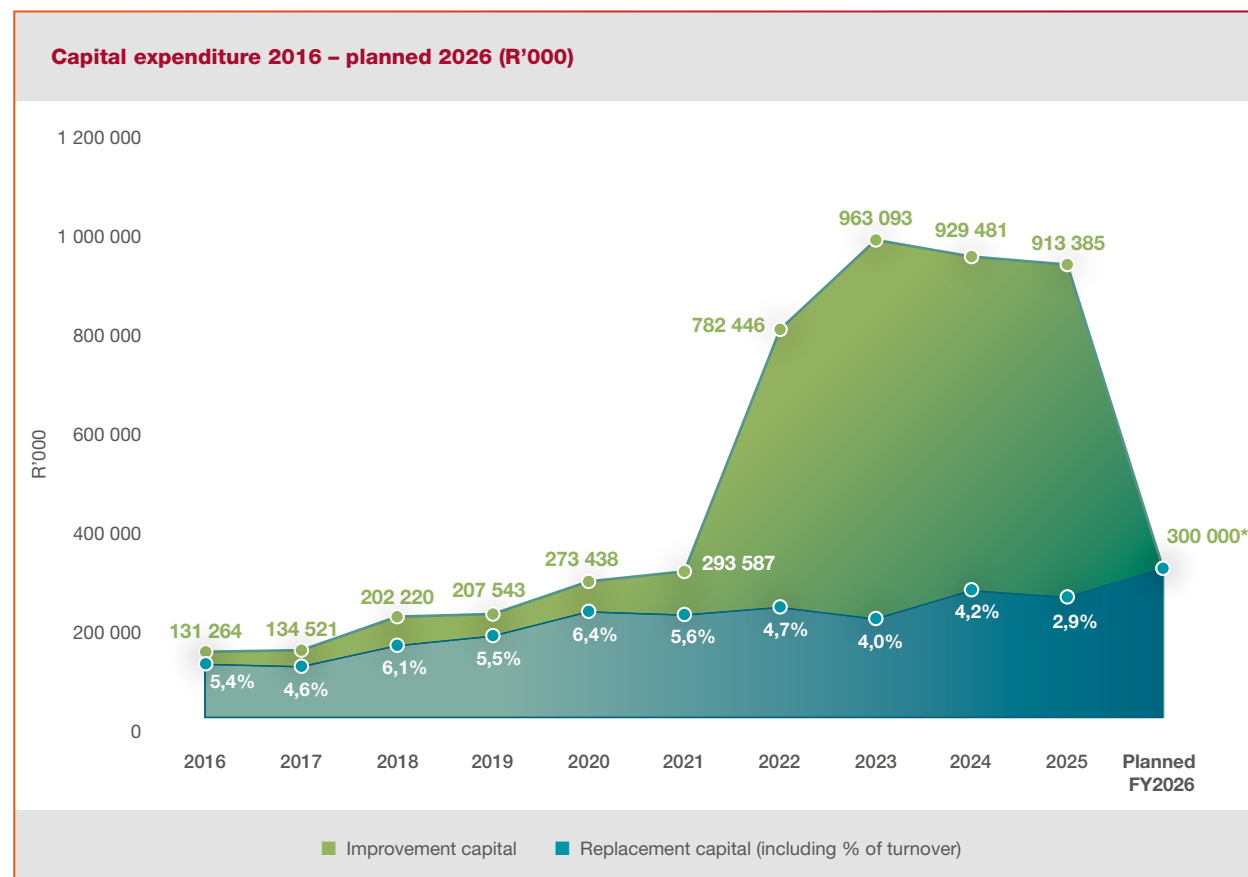
certain assets, based on updated information that existed at the acquisition date. As a result, the previously recognised bargain purchase gain was derecognised, and no gain on bargain purchase is reflected in the final results.

The weakening iron ore price, the strengthening Rand, and ongoing limitations on the export rail line, along with a large industrial customer reducing off-take of iron ore products during the first half of the year and then increasing it again in the second half, as well as the halt in anthracite product exports through Mozambique due to border closures, losses in the cement business, and the additional debt to fund the Lafarge acquisition, resulted in significant additional finance costs. This impacted headline earnings per share, which decreased from 567,3 cents to 72,3 cents.

As mentioned, the net debt:equity position increased to 48,9% (February 2024: 1,4%), primarily due to funding the Lafarge acquisition.

Capital allocation

Our capital allocation comes with strict internal viable return metrics. If the businesses within the Group are unable to meet these, funding is not provided. The rationale here is that the capital can be put to better use elsewhere. The Board has approved R300,0 million in capital, which will be used primarily for replacement capital at our current mines, quarries and maintaining our equipment. Improvement capital will be approved on a per-project basis and subject to the projected return on investment.



* Planned FY2026, reflects replacement capital only.

Afrimat is mindful of ensuring that capital is spent regularly on keeping our mines, quarries, and equipment well-maintained and able to operate cost-effectively.





CFO's Report (continued)

Afrimat is mindful of ensuring that capital is spent regularly on keeping our mines, quarries, and equipment well-maintained and able to operate cost-effectively.

Our approach to capital risk management

The fundamentals that Afrimat applies to capital risk management have not changed and have steadfastly served the Group since its inception. We remain prudently cautious in our approach.

The main drive during this financial year and which remains ongoing, is to ensure that we turn the business to deliver greater profitability. The cement business and Nkomati are receiving a lot of attention, and this will continue to be the main focus until results have reached targeted levels.

The Group's objectives in managing capital are to safeguard our ability to continue as a going concern while providing returns for shareholders, benefiting other stakeholders, and maintaining an optimal capital structure. The directors meet regularly to review the capital structure, part of which includes considering available funding in the Group to support capital requirements. Also considered are the cost of capital and the risks associated with each class of capital.

To maintain or adjust the capital structure, the Group may alter the amount of dividends paid to shareholders, return capital to shareholders, buy back its shares, or reduce debt. Through covenants provided to financiers, the Group is required to maintain certain solvency and profitability ratios. These are monitored monthly through management accounts and cash flow forecasts. The Group assesses capital based on the net debt:equity ratio, which is calculated as net debt divided by total equity. Net debt is computed as total borrowings and other financial liabilities less cash and cash equivalents, net of bank overdraft. The Group's strategy is to keep the net debt:equity ratio below 25% in the long-term. Although the net debt ratio at the end of February 2025 was 48,9%, management is focusing on reducing this ratio to below the strategy target of 25%.

Technology

During the financial year, Afrimat successfully completed the Lafarge acquisition. The only remaining task is the implementation of the ERP

system, transitioning from the Holcim platform to the Afrimat platform. This involves replacing the current SAP system with Sage X3, implementing and integrating a new transport management system, replacing the Holcim point of sale systems, and importing Lafarge's historical data into the Afrimat data warehouse for future reference.

Aside from the Lafarge ERP system transfer, Afrimat is also implementing a more comprehensive ERP system that will consolidate financial data into a single database for easier data extraction, control, and analysis.

Afrimat continually strives to be at the forefront of information and data availability and analysis and has undertaken improvements across the technology and systems environment of the Group. This entails the creation of a single data repository (data warehouse), where data from multiple data sources will be stored in a normalised, structured way.

We have also consciously invested in a data science and analytics team comprised of two data engineers, three data analysts specialising in data analysis and visualisation, and two data scientists. This team utilises analytical tools, techniques, and algorithms to extract meaningful insights from data, enabling Afrimat to make informed decisions, enhance processes, implement efficiency initiatives, and achieve its goals. These goals encompass both operational and financial information and data.

Afrimat has always maintained a robust reporting system, particularly in financial matters, with information now readily available in less than five days. This ensures management has excellent clarity regarding the Group's financial position consistently and accurately.

On the topic of artificial intelligence ('AI'), it serves as a tool that we utilise and selectively employed to empower people to perform their jobs better, using AI to verify software development code, detect anomalies more quickly and predict failure in the maintenance realm.

Our focus for the next year will be to transfer the Lafarge system seamlessly, accurately, and within budget while enhancing the Afrimat system. Once this is achieved, Afrimat will gain even greater data analytics, transparency, and information for decision-making. This will align with Afrimat's ability to make changes quickly and agilely where needed.

Afrimat remains a going concern

Despite a reduction in the financial results, the Group's current financial position is sound, ensuring that it has access to adequate resources to continue operating for the foreseeable future. Therefore, the Group's annual financial statements have been prepared on the basis of accounting policies applicable to a going concern.

Our approach to managing the finance function

The Group's diversification strategy enables us to broaden our reach across both industries and sectors, thereby reducing our reliance on specific commodities or markets. This approach makes the business less vulnerable to external shocks and fluctuations.

The same vigilance and diligence we apply to strategy should also be applied across the finance function. Our current position did not come about overnight; it required dedication from both the team and our system provider.

I strongly believe in fostering and allowing innovation among employees. By doing so, alongside adopting new technologies, companies can enhance efficiency, productivity, and competitiveness, as Afrimat has successfully demonstrated. Our financial system is now so advanced that we have a clear understanding of the business's financial health within a five-day turnaround period. This serves as a critical support tool for our weekly Business Performance Review meeting, where feedback on each segment is evaluated. Of vital importance is that if problems are identified, they can be addressed swiftly. Automated predictive financial analytics have cut turnaround times from 20 to five days, ensuring timely decision-making.

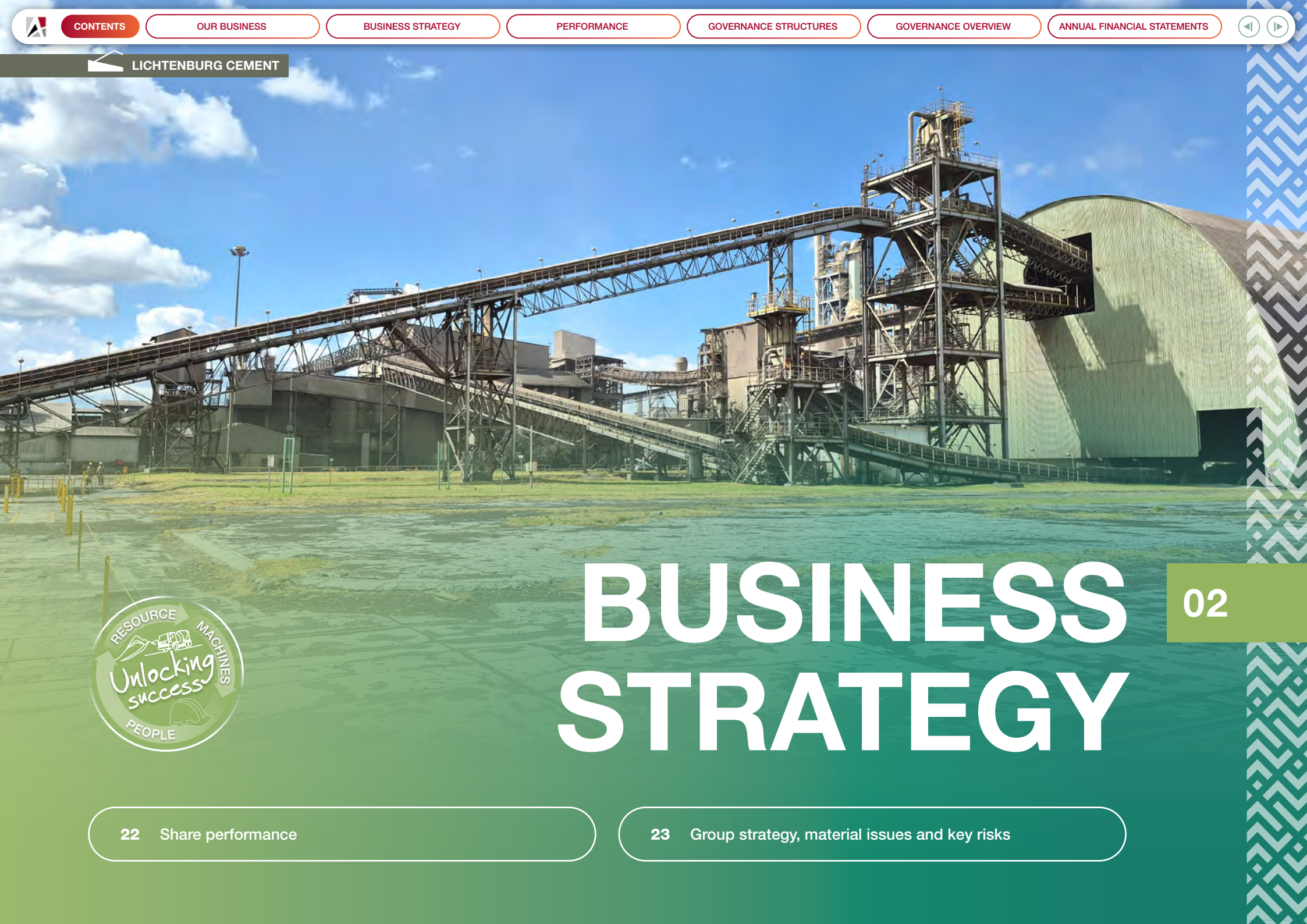
Conclusion

I remain optimistic about Afrimat's future. There are still opportunities for organic growth, expansion through acquisitions, broadening our reach into a wider range of minerals, and possibly expanding into southern Africa as well. As has been our practice in the past, we will approach such decisions with caution and sound judgement.



Pieter de Wit

13 June 2025



BUSINESS STRATEGY

02

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Group's top priorities for FY2026

Further enhance profitability of the successful aggregates business.



Enhance industrial minerals product offering.



Develop the cement business through operational improvement and product innovation.



Finalisation of outstanding Lafarge integration items, such as the transitioning of the ERP system.



Improve cash flow and reduce debt levels to historical base.



Ramp up production at the single superphosphate ('SSP') plant and market development from Glenover mine.



Expand iron ore resource base.



Optimise mine fleet efficiency through innovative technology solutions.



Enhance the diversification strategy.



Successful execution of Nkomati by optimising the Life of Mine ('LOM') plan.



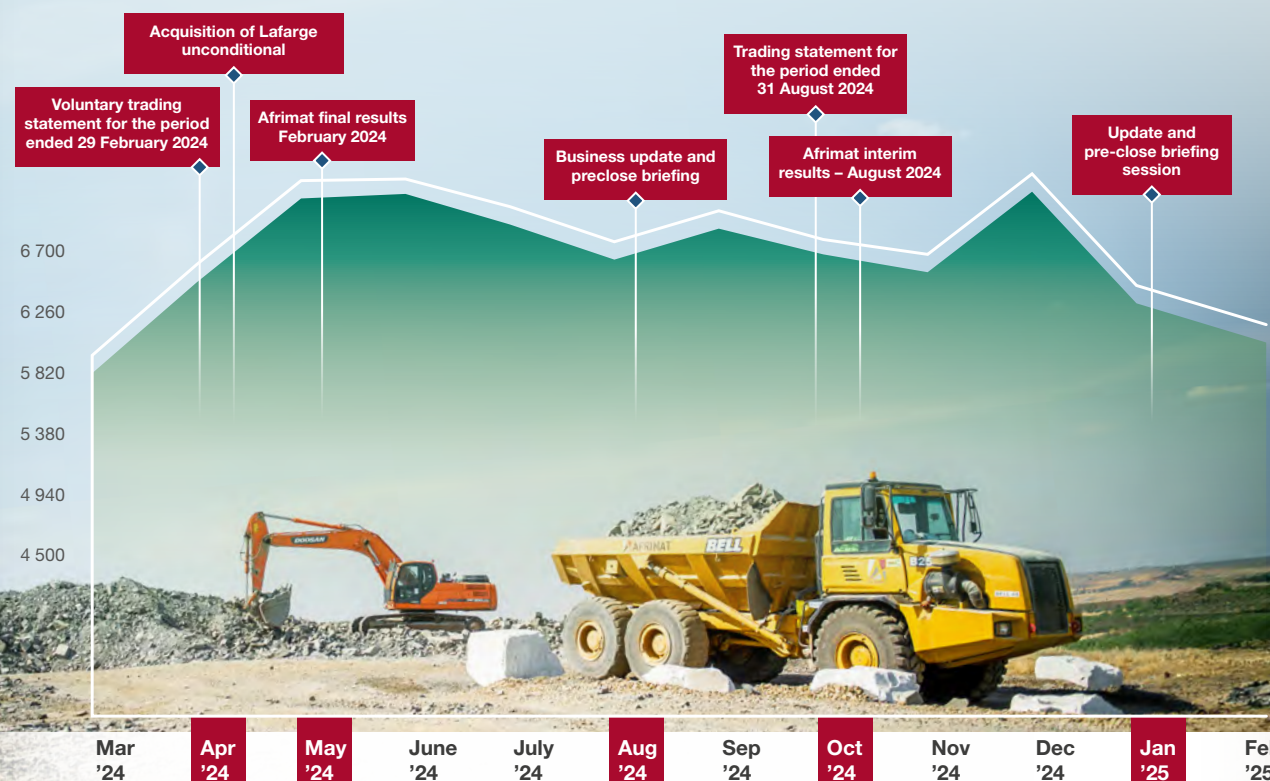
Continue focus on ESG.



Share performance

	F2025	F2024	F2023	F2022	F2021
Number of ordinary shares in issue ('000)	160 297	159 691	159 719	146 346	146 145
Less: Number of treasury shares ('000)	8 068	8 509	11 670	8 201	8 545
Net number of ordinary shares in issue ('000)	152 229	151 182	148 049	138 145	137 599
Weighted number of ordinary shares in issue ('000)	151 698	150 243	144 687	137 803	135 381
Headline earnings per share (cents)	72,3	567,3	457,6	542,9	441,7
Price:earnings ratio	83,1	12,0	11,8	12,2	10,0
Market price per share at year-end (cents)	6 005	6 264	5 388	6 650	4 430
Market capitalisation based on issued shares (R'000)	9 625 835	10 003 042	8 605 660	9 732 009	6 474 213
Market capitalisation based on issued shares less treasury shares (R'000)	9 141 351	9 470 005	7 976 880	9 186 643	6 095 658

Share price (cents)





Group strategy, material issues and key risks

Our strategy requires sustainable value creation in the immediate and longer term. The Board reviews the relevancy of our strategic objectives annually. An integrated approach to strategy, risk management and performance has been adopted.

Our strategic objectives address material issues that have been identified as risks that could significantly affect the Group's ability to create value in the immediate and longer term.

The following strategies and their value creation in terms of the six capitals are represented below:

Growth through diversification			Performance against objective	
Objectives	Capital created	Stakeholders	Outputs FY2025	Outcomes FY2025
Hedge against economic volatility	FC MC IC		An efficient hedge against volatile local business conditions was created through a focus on various product lines. The Jenkins mine increased volumes. Increased product offering by Nkomati mine. Fixed pricing agreements are in place for its domestic iron ore and anthracite revenue. Aggressive expansion of industrial minerals product offering. Expanded into cement and fly-ash production.	Balance reliance on local economic business environment. Impacted by the volatility of local and international markets.
Continuous research into business environment	FC MC IC		Further research into possible new markets is ongoing, specifically relating to the high-grade phosphate and single superphosphate field.	Reduce reliance on one key market via organic expansion, as well as acquisitions into new products. Establishing an export market for our anthracite products through Maputo.
Focus on value enhancing acquisitions* and successful execution thereof	FC MC IC		Identification of value enhancing targets. The Group acquired Lafarge. The acquisition increases Afrimat's offering in the Construction Materials space, by expanding the Group's quarry and readymix operations nationally and adding cement and fly-ash. The Group acquired an additional iron ore mining resource, namely Salene mine.	The acquisition of Lafarge provides Afrimat with greater geographical access to the market and expands its national footprint within the Construction Materials segment, resulting in improved diversification. The Salene iron ore resource improves our product quality and extends the life-of-mine at Jenkins. Furthering the vertical integration into the production of cementitious products such as cement and fly-ash created new market opportunities.

* Acquisition purchase consideration should preferably be below 15,0% of Afrimat's market capitalisation, be in Afrimat's space of expertise and create value for shareholders.

Material issues and key risks	Risk mitigation and opportunities	Focus areas for next year
Diversification into various products requires further expertise and a full understanding of the relevant market	Structure the Group into different clusters, managed by leaders with the required specialist knowledge and expertise.	- Continued development of longer life-of-mine assets. - Navigating the business through the difficult and changing economic environment. - Greater product diversity within Afrimat's area of expertise. - Successful execution and implementations of acquisitions. - Strengthen the balance sheet.
Fluctuations in the iron ore price	Maintaining a low cost of production and the ability to 'mothball' operations when the price drops to a specified level.	
Human capital resource availability	Onboarding talent, training and upskilling employees. Focus on creating a healthy culture.	
Loss of revenue from economic turmoil of various industries in South Africa	Maintaining a strong balance sheet and cash reserves and supplying into essential industries as well as having multi-currency exposure.	

Capitals created

Financial	FC
Natural	NC
Manufactured	MC
Human	HC
Social and relationship	SRC
Intellectual	IC

* Refer to capital inputs for value creation reflected on page 8.

Stakeholders

Shareholders/ Investors	
Trade unions	
Lenders/providers of capital	
Major contractors, suppliers and business partners	
Government, local authorities and regulatory bodies	
Employees	
Customers	
Local communities	

* Refer to stakeholders list on page 10.



Group strategy, material issues and key risks (continued)

Maintain competitive advantage			Performance against objective	
Objectives	Capital created	Stakeholders	Outputs FY2025	Outcomes FY2025
Extensive geographic footprint	FC MC		The further mine development of the Nkomati anthracite (underground) mine and the opening of the two opencast pits at Nkomati. The acquisition of Lafarge in the Construction Materials segment. Acquiring an additional iron ore resource, Salene mine.	Increased volumes secured by Jenkins, Nkomati and Salene mine, thereby reducing the vulnerability of the export market. Sourcing high quality resources to supplement iron ore resource base and negate contaminate level penalties. These acquisitions are in support of deeper diversification within the Group.
Structural cost advantage	FC MC IC		Focus is placed on efficiency improvement and cost reduction initiatives in all business units. Mine fleet efficiency was achieved through the roll out of innovative technology solutions, that resulted in cost savings which countered, to an extent, the rise in input costs.	The Group attained an overall operating profit margin of 5,7% (2024: 18,9%). Vertical integration into the production of cementitious products such as cement and fly-ash enable extraction of margins in the value chain related to readymix businesses. Secured strategic raw materials in relation to the production of cement to provide competitive cost of production.
Sustainable logistics and distribution channel	FC MC		Sustainable relationships with logistics and transport service providers to effectively facilitate the delivery of products to customers. The Group is participating in the Ore Users Forum ('OUF') to increase rail capacity. Transnet engagement strategy to increase our rail capacity beyond 2027. Establishing an export market for our anthracite products through Maputo. Optimise scheduling and execution of cementitious product logistics.	A request for information ('RFI') process was completed with major service providers. The Group implemented a transport management system ('TMS') to extract efficiencies in logistics of cementitious products.
Unique metallurgies	FC MC IC		Glenover grants access to additional resources and minerals such as phosphate and rare earth elements. Research into possible new markets is ongoing.	These acquisitions enable Afrimat to retain further resilience to be profitable.
Flexible business model	FC IC		Focus on efficiency improvement and cost reduction initiatives in all business units.	Enabled the Group to weather a rise in input costs (diesel, explosives), electricity supply interruptions and the pullback of iron ore prices.
Company culture	HC SRC		Afrimat has a comprehensive drive to create a good and healthy company culture, through the 'Afrimat Way'.	Afrimat's company culture has become a competitive advantage.

Material issues and key risks	Risk mitigation and opportunities	Focus areas for next year
Information and technology data and network loss	Ensure proper access controls are in place, protection software is installed, and backups are made regularly. Regular penetration tests are performed by external service providers of virus, web security and mail analysing software to ensure the security within Afrimat. An appropriate Disaster Recovery Plan is in place.	- Continuing the culture drive. - Focus on continuous improvement of existing operations. - Successfully implement, integrate and execute new acquisitions. - Public sector participation on the Ore Corridor. - Mutual Cooperation Agreement and Ore Corridor Recovery Plan between Ore Users Forum and Transnet.
South African economic slowdown	Diversification into products sold in a different currency than the local currency and diversification into international markets.	
Managing geographically dispersed business units	Structure the Group into different clusters, managed by leaders with the required specialist knowledge.	
Local community unrest	Good relationships are built with local communities. Various skills development and educational programmes are implemented to uplift communities, together with assistance to build and support infrastructure in cases where there is a dire lack of water or other requirements.	
Lack of availability of trains from Transnet in order to fulfil full allocation	Continuous interaction with Transnet on senior management level regarding allocation of rail capacity. Participating in the Ore Users Forum ('OUF') to increase rail capacity, collaborating closely with government and Transnet to advance logistics network reform and expedite the Ore Corridor Improvement initiatives. Involved with the Chamber of Mine Industry initiatives to resolve the lack of availability. Alternative transport solutions, i.e. via road.	



Organic growth through innovation

			Performance against objective	
Objectives	Capital created	Stakeholders	Outputs FY2025	Outcomes FY2025
Product innovation and entering new markets			Afrimat's culture is driven by excellence, innovation and a perpetual drive to find new applications or industries into which our products can be sold such as developing environmentally friendly products. With the addition of the Lafarge business, Afrimat added cement and fly-ash to its product portfolio. Continuous innovation in cement products will drive sales volumes.	Entered new markets of phosphate and rare earths through Glenover, adding further to our diversification strategy and generally achieving higher operating margins. Developing products for the Hemp market. Establishing an export market for our anthracite products through Maputo. Additional innovative cement products introduced to the market. Development of low carbon cement products.
Strong operational efficiency			Continuously improving operational efficiencies through innovative approaches and cost management.	Innovative technology solutions were rolled out which optimise mine fleet efficiency that resulted in cost savings which countered the rise in input costs.
Excellent maintenance and care			Afrimat prides itself in the excellent maintenance and care of its plant and machinery.	Excellent maintenance and care improve the life cycle of assets. Enhanced maintenance practices through the implementation of an On Key maintenance system.

Material issues and key risks	Risk mitigation and opportunities		Focus areas for next year
Sustainable supply of electricity to operations		A sustainable renewable energy project team. Usage of diesel generators on site. Emergency response plans. Installation of solar plants at key sites.	- Further focus on cost savings within the Group. - Innovative solutions to reduce carbon footprint. - Innovative use of technology to enter new markets that were previously uneconomical. - Innovative application of technological solutions to improve efficiency. - Successful ongoing implementation of On Key maintenance system to further enhance maintenance and care.
Understanding new markets and the application of new products		Onboarding of required talent and constant market analysis.	

People led company

			Performance against objective	
Objectives	Capital created	Stakeholders	Outputs FY2025	Outcomes FY2025
Values-based entrepreneurial culture			Focus on maintaining entrepreneurial culture.	Afrimat's company culture has become a competitive advantage.
Leveraging Afrimat's 'combined intellect' through synergistic teamwork			Focus is placed on deliberately building a teamwork culture. Continuous development of our employees remains a high priority.	Enabling competent employees to develop their skills, knowledge and experience in a culture of great teamwork. Employee development of R46,0 million.
Appointing the right people in the right position			Proper succession planning by means of tracking critical positions via a talent matrix will ensure the correct internal candidate is available when the need arises.	Sustained growth rate since Afrimat was listed on the JSE. Low attrition FY2025: 9,7% (FY2024: 12,4%) and absenteeism FY2025: 2,3% (FY2024: 1,3%) achieved.
Tangible leadership			Visible leadership through active and accessible involvement.	Stable high-performance workforce.

Material issues and key risks	Risk mitigation and opportunities		Focus areas for next year
Industrial action and labour unrest		Regular meetings are held with unions. Employees are acknowledged for their contribution. Focus is placed on creating a healthy culture. All wage negotiations for FY2025 have been settled.	- Achievement of EE targets. - Drive a strength-based culture programme. - Maximising benefits of an integrated People Management System. - Continuous culture drive.
Retention of key employees		Prioritise succession planning and development for all our employees. Creating a culture of tangible strength-based leadership, shared values and great teamwork within an atmosphere of joy and positivity.	



Group strategy, material issues and key risks (continued)

Maintaining a leading position in our sustainability performance			Performance against objective	
Objectives	Capital created	Stakeholders	Outputs FY2025	Outcomes FY2025
Safe operations	HC SRC		Refer to page 54 for safety initiatives.	LTIFR of 0,27 (2024: 0,29) was achieved.
Environmental stewardship, social impact and governance as part of our sustainable development practices	HC SRC		Dedicated focus is placed on the improvement of Afrimat's ESG performance.	An improved performance on all aspects of ESG was achieved. Integration of cement business led to significant increase of carbon emissions but commercialisation of low carbon products already illustrating Afrimat's commitment to environmental leadership.

Material issues and key risks	Risk mitigation and opportunities		Focus areas for next year
Compliance to the new Mining Charter and maintaining an acceptable B-BBEE ownership level		Steps are taken to understand the change in ownership structure and where it is reasonable to implement strategies to improve or adhere.	Achievement of safety targets (refer page 54). Improvement in ESG performance (refer page 55). Committed to being part of the solution for climate change.
Operating safely		Dedicated focus on safety, making it an anchor of our culture. The incorporation of a safety and environmental management system throughout all business units. Increase safety standards at our operations and ensure disruptions are minimised.	
Non-compliance with the Mining Charter, Social and Labour plans as well as Environmental plans can lead to loss of mining licences		A dedicated sustainability department ensures effective management and planning with respect to sustainability and is supported by external consultants.	
Environmental management and climate change impacts on our operations		Climate change scenario and TCFD gap analysis completed to better understand the climate risk. Ongoing monitoring of GHG emissions and climate change risks. Climate change strategy is being reviewed and updated.	

Outstanding customer service			Performance against objective	
Objectives	Capital created	Stakeholders	Outputs FY2025	Outcomes FY2025
Strategically positioned to deliver excellent service	FC MC		The Group continues to expand the business and to strategically position the operating units to ensure flexible services which are supplemented by mobile mining and crushing facilities. Participating in the Ore Users Forum ('OUF') to increase rail capacity.	
Engaged customer relationships	FC MC SRC		Keeping lines of communication with customers open and providing customer support.	The business plan/model is continuously adapted. Reduce reliance on one key market via organic expansion. Continuous feedback is considered to improve market opportunity.
Customer advocacy through service, reliability, and quality of supply	FC MC SRC		The Company keeps up to date with its services and products and ensures it supplies guaranteed products and services.	The marketing team spends time getting to know their customers, standardising its processes, focusing on employee training, and ensuring a unified customer experience across all channels.

Material issues and key risks	Risk mitigation and opportunities		Focus areas for next year
Dependence on key customers		Diversification into different products and markets. A dedicated business development team continues to successfully pursue opportunities. Alternative markets are continually investigated. Supply agreements with key customers.	Further technological enhancements improving customer experience and service. Ongoing advances to improve market share through strong product execution. Continued focus on market research. Focus on alternatives to reduce reliance on key customers. Comprehensive customer survey.



PERFORMANCE

03

28 Five-year review

29 Operational reviews



Five-year review

	2025 R'000	2024 R'000	2023 R'000	2022 R'000*	2021 R'000
Financial results and status					
Revenue	8 317 766	6 083 280	4 908 238	4 680 078	3 693 759
Construction Materials	4 552 667	2 212 760	1 809 333	1 751 942	1 595 055
Industrial Minerals	575 149	554 546	553 889	471 560	514 291
Bulk Commodities	2 825 071	2 957 816	2 480 355	2 408 710	1 584 413
Future Materials and Metals	68 054	31 266	25 215	2 964	–
Services	296 825	326 892	39 446	44 902	–
Revenue split					
Construction Materials	54,7%	36,4%	36,9%	37,4%	43,2%
Industrial Minerals	6,9%	9,1%	11,3%	10,1%	13,9%
Bulk Commodities	34,0%	48,6%	50,5%	51,5%	42,9%
Future Materials and Metals	0,8%	0,5%	0,5%	0,1%	–
Services	3,6%	5,4%	0,8%	1,0%	–
Operating profit	477 735	1 152 365	961 561	1 108 911	1 058 901
Construction Materials	98 030	273 448	129 603	157 524	104 906
Industrial Minerals	58 759	13 803	49 387	84 946	55 481
Bulk Commodities	286 666	957 775	787 653	859 922	885 202
Future Materials and Metals	(34 980)	(12 851)	(11 437)	(2 174)	–
Services	69 260	(79 810)	6 355	8 693	13 312
Profit after tax	113 510	788 716	665 481	775 168	776 437
Headline earnings	109 689	852 271	662 028	748 142	597 927
Net operating assets	6 511 830	4 497 323	4 008 445	3 362 461	2 597 222
Total assets	9 203 294	6 748 527	5 682 336	5 046 297	4 638 930
Total equity	4 388 260	4 563 041	3 848 352	3 007 200	2 431 017
Total liabilities	4 815 034	2 185 486	1 833 984	2 039 097	2 207 913
Net cash from operating activities	239 754	1 237 005	987 319	736 555	767 580
Number of ordinary shares in issue ('000)	160 297	159 691	159 719	146 346	146 145
Less: Number of treasury shares ('000)	(8 068)	(8 509)	(11 670)	(8 201)	(8 546)
Net number of ordinary shares in issue ('000)	152 229	151 182	148 049	138 145	137 599
Weighted number of ordinary shares in issue ('000)	151 698	150 243	144 687	137 803	135 381
Profitability ratios					
Operating profit margin					
Construction Materials	2,2%	12,4%	7,2%	9,0%	6,6%
Industrial Minerals	10,2%	2,5%	8,9%	18,0%	10,8%
Bulk Commodities	10,1%	32,4%	31,8%	35,7%	55,9%
Future Materials and Metals	(51,4%)	(41,1%)	(45,4%)	(73,3%)	–
Total	5,7%	18,9%	19,6%	23,7%	28,7%
Earnings per ordinary share (cents)	63,0	520,3	457,1	560,7	571,6
Headline earnings per share (cents)	72,3	567,3	457,6	542,9	441,7
Dividends declared (cents)					
Interim	10,00	40,0	40,0	40,0	32,0
Final	15,00	154,0	110,0	146,0	112,0
Total	25,00	194,0	150,0	186,0	148,0

	2025 R'000	2024 R'000	2023 R'000	2022 R'000*	2021 R'000
PBIT return on net operating assets/liabilities	7,3%	25,6%	24,0%	33,0%	40,8%
Return on shareholders' funds	2,5%	18,7%	17,2%	24,9%	24,6%
Utilisation of asset ratios					
Revenue: fixed assets ratio	1,5	1,6	1,5	1,7	1,6
Revenue: net operating assets ratio	1,3	1,4	1,2	1,4	1,4
Net asset value per share (cents)	2 862	3 004	2 591	2 170	1 761
Tangible net asset value per share (cents)	2 693	2 848	2 419	2 016	1 608
Capital expenditures					
Construction Materials	222 658	96 192	108 969	166 210	158 885
Industrial Minerals	19 778	37 685	41 851	31 357	32 313
Bulk Commodities	532 601	540 539	654 766	524 389	87 307
Future Materials and Metals	24 801	165 394	123 244	9 689	–
Services	113 547	89 672	34 263	50 801	15 082
	913 385	929 482	963 093	782 446	293 587
Liquidity and solvency ratios					
Current assets: current liabilities	0,7	1,6	1,5	1,4	1,5
Debt/overdraft less cash: equity	48,9%	1,4%	4,5%	12,1%	4,0%
Total liabilities: shareholders' funds	109,7%	47,9%	47,7%	67,8%	90,8%
Dividend cover (based on headline earnings)	2,74	2,75	2,76	2,75	2,76
Interest cover	2,7	28,3	36,0	25,9	61,3
Productivity, efficiencies and consumption					
Number of employees at year-end	3 829	2 755	2 668	2 511	2 625
Revenue per weighted number of employees	2 172	2 208	1 840	1 864	1 407
Depreciation	605 442	367 564	358 815	295 147	207 578
Amortisation of intangible assets	9 789	1 865	1 865	1 676	1 798
	615 231	369 429	360 680	296 823	209 376
Electricity usage	451 013	129 057	100 897	101 807	84 540
Fuel usage	568 211	489 311	433 943	281 166	163 862
– Average fuel price (Western Cape) (Rand/litre)	19,15	20,35	21,80	16,44	11,93
Cement usage	260 973	197 867	142 754	147 417	180 347
Lost time injuries frequency rate	0,27	0,29	0,34	0,58	0,61

* The Group reallocated various businesses within the operational segments in order to report in a manner consistent with the internal reporting provided to the chief operating decision-maker. These reallocations were due to an internal restructure performed.





Operational reviews

There are five main operational segments, namely Construction Materials, Industrial Minerals, Bulk Commodities, Future Materials and Metals and Services.

The diversified position Afrimat has adopted, together with efficiency projects that are in place, helped the Group to counter impactful economic headwinds.

All operating units are strategically positioned to deliver outstanding service to customers, whilst acting as an efficient hedge against volatile local business conditions. The product range is wide and diversified and is made up of **Construction Materials** consisting of aggregates, concrete-based products, fly-ash and cement. **Industrial Minerals** consisting of limestone and dolomite; **Bulk Commodities** consisting of iron ore and anthracite. The **Services** segment consists of external logistical and mining services. **Future Materials and Metals** consists of phosphate and rare earth elements.



CONSTRUCTION MATERIALS

The aggregates component of the **Construction Materials** segment delivered a solid performance, increasing operating profit by 40,2% to R383,5 million from R273,4 million in the previous year and delivering an operating profit margin of 10,8% (2024: 12,4%). This is due mainly to the successful integration of the Lafarge quarries, the fly-ash business, and the readymix batching plants, as well as volume growth.

The cement business incurred losses of R285,4 million. During the first half of the financial year, the operation contended with known reliability issues at the cement factory, resulting in excessive maintenance costs and limited production. Following the revitalisation of the plant, production is at acceptable, efficient, and dependable levels, but during the second half of the year the business had to contend with unusual high rainfall which impacted production in January and February 2025. Afrimat is regaining market share, and the trend remains positive. The cement kilns benefited from extensive maintenance and are operating efficiently and dependably, ensuring that Afrimat can now operate with backup capacity. Production has steadily improved, and good progress has been made towards achieving the Group's desired market share.

Highlights FY2025

- A successful integration of the Lafarge quarries, the fly-ash business, and the readymix batching plants that led operating profit to increase by 40,2%
- Operational efficiency drives such as cost reduction initiatives are closely monitored by management
- Integration of the Lafarge cement business, resulting in excessive maintenance costs. During the year the plant was revitalised and production is at acceptable, efficient, and dependable levels

Key distinguishing features

- Operations are geographically well positioned
- Diverse customer base
- Wide product range complemented by ability to customise solutions
- Well-maintained plant and equipment
- Efficient processing plant design and process flows
- High quality standards (including compliance with COLTO and SABS standards)
- Brick and block products carry the SABS seal of approval
- Readymix products meet SARMA standards
- Flexible customised solutions for individual customer needs

Review of FY2025

	Audited February 2025	Audited February 2024	% change
Revenue (R'000)	4 552 667	2 212 760	105,7
Aggregates	3 541 008	2 212 760	60,0
Cement	1 011 659	–	
Operating profit (R'000)	98 030	273 448	(64,2)
Aggregates	383 458	273 448	40,2
Cement	(285 428)	–	
Operating profit margin (%)	2,2	12,4	
Aggregates	10,8	12,4	
Cement	(28,2)	–	
Capital expenditure (R'000)	222 658	96 192	
Aggregates	172 457	96 192	
Cement	50 201	–	
Headcount	2 294	1 403	
Aggregates	1 900	1 403	
Cement	394	–	



Operational reviews (continued)



INDUSTRIAL MINERALS

The **Industrial Minerals** businesses delivered a strong and recovered performance. Revenue remained relatively flat from R554,5 million to R575,1 million, however with an increase in the operating profit of 325,7% from R13,8 million to R58,8 million for the year. The suspension of loadshedding has been positive for both the segment and its customers. This improved performance is encouraging and has been supplemented by strategic marketing initiatives and significant progress in the agricultural lime and precision farming sectors.

Highlights FY2025

- Successful market penetration for new products
- Client base expansion
- New marketing initiatives under way
- Product development to access new markets

Key distinguishing features

- High quality, metallurgic unique geological resources
- Wide product range
- Diverse customer base
- Well-maintained plant and equipment

Review of FY2025

	Audited February 2025	Audited February 2024	% change
Revenue (R'000)	575 149	554 546	3,7
Operating profit (R'000)	58 759	13 803	325,7
Operating profit margin (%)	10,2	2,5	
Capital expenditure (R'000)	19 778	37 685	
Headcount	282	279	



BULK COMMODITIES

The **Bulk Commodities** segment contributed 60,0% to the Group's operating profit. Both revenue and operating profit decreasing by 4,5% and 70,1% respectively from the previous year. The iron ore mines' operating profit decreased by 69,8% to R238,1 million from R789,0 million. International iron ore sales were adversely impacted by lower US dollar prices, down by 12,9%; increase in shipping costs of 7,5%; a decrease in the lump premium of 12,4%; and concurrent strengthening of the South African Rand of 2,1%. Exports continue to be impacted by the challenges on the rail line. International sales tonnages increased from 709 709 to 726 436. However, overall volumes remain 16,5% below Afrimat's rail allocation, and international iron ore prices have remained lower than last year.

In the first half of the financial year, local iron ore volumes were impacted by a furnace freeze at AMSA. Pleasingly, volumes recovered well across the second half of the financial year. Afrimat remains in active discussions with AMSA to supply it with innovative raw material solutions to support its long-term sustainability. Local iron ore sales volumes for the year amounted to 889 556 tonnes (2024: 882 168 tonnes) and are expected to continue to be steady. The anthracite mine's revenue increased by 11,0% to R829,1 million from R746,7 million. Operating profit declined to R48,6 million compared to an operating profit of R168,7 million in the comparative year.

Highlights FY2025

- The partial receipt of the Environmental Impact Assessment ('EIA') for the full LOM Plan, and the successful relocation of power lines, graves, and houses at Nkomati
- Increase in iron ore tonnes sold to 1 615 992 from 1 591 877 (iron ore mines) and anthracite tonnes sold to 358 187 from 319 853 (anthracite mine)
- Additional iron ore reserves have been secured to ensure the sustainability of Afrimat's iron ore export business with a LOM in excess of 14 years
- Ongoing local supply agreement to serve as a hedge to the volatile Platts Index
- This segment has implemented innovative technology solutions which optimise mine fleet efficiencies, that resulted in cost savings which countered, to an extent, the fall in iron ore price
- Establishing an export market for our anthracite products through Maputo

Key distinguishing features

- All ore products manufactured in terms of the Platts Iron Ore 62% grade for export
- High quality hematite origin iron ore up to 65% Fe
- High quality nuts and duff anthracite product
- High quality product sold into the local market, as a replacement for imported anthracite, the segment is recognised as a consistent, reliable supplier of anthracite
- An in-house test laboratory is used for continuous process control
- Quality and specification statements are generated by an outsourced accredited laboratory
- Being a low-cost producer

Review of FY2025

	Audited February 2025	Audited February 2024	% change
Revenue (R'000)	2 825 071	2 957 816	(4,5)
Operating profit (R'000)	286 666	957 775	(70,1)
Operating profit margin (%)	10,1	32,4	
Capital expenditure (R'000)	532 601	540 539	
Headcount	593	594	





FUTURE MATERIALS AND METALS

The Future Materials and Metals segment further supports the diversification strategy and offers wider exposure than ferrous metals. The segment adds phosphate and rare earth elements to the offering and aligns Afrimat to advancing decarbonisation trends through rare earth elements and improved food security through fertiliser products.

The project focuses on processing high-grade phosphate and single superphosphate ('SSP'). With the SSP plant commissioned, sales volumes for fertiliser are slowly ramping up with an increase in revenue from R31,3 million in 2024 to R68,1 million in the current financial year and start-up losses of R35,0 million.

The rare earth elements strategy remains under investigation to ensure a comprehensive understanding of the market and technology. This project is recognised as a strategic development requiring time to achieve its full potential.

Highlights FY2025

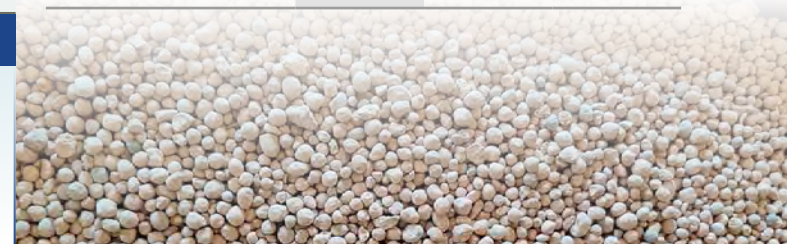
- Revenue of R68,1 million was generated
- The Group is in the process of ramping up this operation, with site establishment already completed

Key distinguishing features

- Aligns with global trends such as the advancement of technology for decarbonisation (through rare earth minerals) and food security (through fertiliser products)
- Fertiliser for agricultural applications
- Rare earth elements, supporting technological advancements such as high-strength permanent magnets and battery technology

Review of FY2025

	Audited February 2025	Audited February 2024	% change
Revenue (R'000)	68 054	31 266	117,7
Operating profit (R'000)	(34 980)	(12 851)	(172,2)
Operating profit margin (%)	(51,4)	(41,1)	
Capital expenditure (R'000)	24 801	165 394	
Headcount	102	52	



SERVICES

Services consists of Group shared services including IT services, consulting services, external logistical and mining services. Mining services comprises of contracting operations such as mobile crushing, screening, drilling, blasting, mining and loading and hauling.

Highlights FY2025

- The dedicated new business development team ensures investigation of lucrative business opportunities for sustainable growth and value creation
- Improvement of internal audit efficiency and further focus placed on the implementation of a combined assurance model
- Significant investment in technology and infrastructure
- Further development and improvement of the Afrimat Leadership Development Programme ('ALDP')
- Additional mobile crushing services were provided to external customers in the iron ore and chrome industries during the year

Review of FY2025

	Audited February 2025	Audited February 2024	% change
Revenue (R'000)	296 825	326 892	(9,2)
Operating profit (R'000)	69 260	(79 810)	186,8
Operating profit margin (%)	23,3	(24,4)	
Capital expenditure (R'000)	113 547	89 672	
Headcount	558	427	





04

GOVERNANCE STRUCTURES



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Corporate governance

The Afrimat Board takes responsibility for the holistic application of the principles contained in King IV™, without diluting the Group's focus on sustainable performance. The Group has evaluated governance processes and reporting in the context of King IV™ to promote integrated thinking to create value over time. The Board appreciates all governance codes assisting companies with further value creation to stakeholders without adding cumbersome compliance requirements. The Board steers and sets the direction of the Group, through effective and ethical leadership ensuring the Group's core purpose, risks, performance and sustainability developments are realised through its strategy.

The Company's King IV™ application register is available at www.afrimat.co.za.

Our Board

Directors appointed by the Board to fill a casual vacancy hold office only until the next AGM where they are eligible for election. They are not included in the number of directors who retire by rotation at the AGM.

A brief curriculum vitae in respect of Board members appointed by annual rotation, appear in the Notice of AGM, available at www.afrimat.co.za.

The roles of the Chairman and CEO are separate and clearly defined and no director has unrestricted decision-making powers. The Board and executive management work closely in determining the strategic objectives of the Group. The Board delegates authority to the CEO and executive management for the implementation of the strategy and the day-to-day operations of the Group.

To ensure a balance of power and authority is maintained at Board level and that no one individual has unfettered decision-making power, the Board elected Derick van der Merwe, an independent non-executive director, to act as lead independent director ('LID'). The role of the LID is to provide leadership and advice to the Board when the Chairman has a conflict of interest, without detracting from the authority of the Chairman.

Training and development

- The directors are primarily responsible for acquiring the skills necessary for effective discharge of their duties.
- A comprehensive induction programme is in place for new directors.
- A formal internal annual process is followed whereby the performance of the Board, Chairman and all Board Committees are reviewed by the directors. The FY2025 evaluation indicated an adequate discharge of responsibilities, and no exceptions were identified. This is supported by a development and succession plan. The effectiveness of the Chairman is assessed by all directors.
- To improve the effectiveness of the directors and to understand the Company's business, the Afrimat directors scheduled key company site visits during the year. These visits are vital in order to provide context to any Board deliberations.
- The Board ensures a smooth succession plan is in place for all directors and senior management to avoid unexpected disruptions. The Company strives to improve its talent pool and reports back to the directors on a quarterly basis by tabling the current talent pool and development needs.

Board skill and composition*

(refer to pages 34 to 35 for composition)



* The Board skill analysis was assessed by the Chairman of the Board, assisted by the LID and CEO.

** Sustainability, safety, health, environment, governance, compliance, climate change and social responsibility.

In identifying and considering potential candidates, the Remuneration & Nominations Committee and Board will, amongst skills, experience, race and age diversity, suitability and the specific requirement to be addressed, take gender diversity into consideration to ensure that the Company's policy on employment equity, and particularly gender diversity, is aligned with the Codes of Good Practice of the Broad-Based Black Economic Empowerment Act 53 of 2003, namely:

- 25% exercisable voting rights of black female directors as a percentage of all directors; and
- 25% black executive female directors as a percentage of all directors.

The Board has adopted and approved a policy on broader diversity at Board level specifically focusing on the promotion of the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience, as contemplated in paragraph 3.84(i) of the JSE Listings Requirements.

Information and communication

- There is full disclosure from Board Committees to the Board. Committee Chairmen provide the Board with a verbal report on recent Committee activities at each Board meeting, and the minutes of Committee meetings are available to the directors in support thereof. Board members receive information packs supporting decision-making for each Committee meeting held.
- Relevant and timely information is supplied to the Board in the form of comprehensive quarterly reports from management.
- Access to the advice and services of the Company Secretary and to Company records, information, documents and property is unrestricted. Non-executive directors also always have unfettered access to the external auditor and to management. All directors are entitled, at Afrimat's expense, to seek independent professional advice on any matters concerning the affairs of the Group.

Board charter

- The Board is guided by a charter which is reviewed annually. The charter includes a delegation of authority, which states the matters to be dealt with by the Board Committees. A number of governance policies support and frame the delegation of authority, which are reviewed on an annual basis. The Board approves all amendments. (Afrimat's Board charter and key governance policies are available at www.afrimat.co.za.)

- Each new Board member acknowledges the Code of Conduct when joining the Group. On an annual basis, all senior managers of the Group are required to submit a declaration confirming their continued compliance with the Code. Any areas of non-compliance or any perceived conflicts of interest are addressed through the appropriate levels of divisional management, with ultimate reporting to the Board.
- The Board delegates certain of its functions to well-structured Committees without abdicating its own responsibilities. The Committees as established by the Board have formal charters, approved annually by the Board.
- The Board appoints the CEO to manage the Group on its behalf. The CEO serves as the principal link between management and the Board.
- The CEO is mandated to ensure that the day-to-day business affairs of the Group are appropriately managed by executive management and that the necessary systems and controls are in place for effective risk management.

Independence

- Afrimat believes that there are a sufficient number of independent non-executive directors on the Board to create a suitable balance of power and prevent the dominance of the Board by one individual or by a small number of individuals.
- The classification of independent non-executive directors is determined by the Board on the recommendation of the Remuneration & Nominations Committee in accordance with the guidelines set out in King IV™. During FY2025, a rigorous review of independence and performance was performed on Derick van der Merwe, Phuti Tsukudu and Gert Coffee. Annual independence reviews are conducted on all directors serving in an independent capacity for longer than nine years.
- Director independence is measured giving consideration to: director involvement with other companies; external directorships held; relationship with material suppliers and competitors; material contracts with the Group; employment of the director by the Group in an executive capacity during the preceding three years; whether the director has a direct or indirect interest in the Company which is material to their personal wealth.
- All directors regularly declare their directorships and commercial interests to the Board.



Directorate

The Board meets at least four times a year with *ad hoc* meetings when necessary to review strategy, planning and financial performance, resources, operations, risk, internal control, capital expenditure, standards of conduct, transformation, diversity, employment equity, people management and environmental management.

Executive directors

	Andries J van Heerden (CEO) (59) BEng (Mech), MBA, Government Certificate of Competence, Advanced Management Programme (Insead Business School)	4/4 4/4* 3/3* 2/2*	18 years
	Pieter GS de Wit (CFO) (51) BCompt (Hons), CA(SA), ACIS, Post Grad Cert in Tax, MBA (Cum Laude), Strategic Financial Leadership Programme (Stanford University)	4/4 4/4* 3/3* 2/2*	9 years
	Collin Ramukhubathi (51) BTech (Mechanical Engineering), MBA, Executive Leadership Development Programme (Stanford University)	4/4 4/4* 3/3* 2/2*	6 years
	Marthinus (Gerhard) G Odendaal (60) National Higher Diploma (T4) (Civil Engineering), C-Level Programme (Stanford University Graduate School of Business)	4/4 1/1* 2/2	3 years

Non-executive director

	Loyiso Dotwana ® (61)		BSc, Civil Eng		4/4	18 years
					4/4	
					3/3	
					2/2	
					4/4	

Length of service:

Attendance of Board and Board Committee meetings are as follows:

Meeting attendance

	2025 (%)	2024 (%)
Board meetings		
	98	100
Audit & Risk Committee		
	97	100
Remuneration & Nominations Committee		
	100	100
Social, Ethics & Sustainability Committee		
	100	100
Non-executive meetings		
	98	100

- Invitee
- Investment Review Committee Chairman
- ◇ Remuneration Committee Chairman
- ◆ Nominations Committee Chairman
- ◇ Social, Ethics & Sustainability Committee Chairman
- Audit & Risk Committee Chairman
- + LID



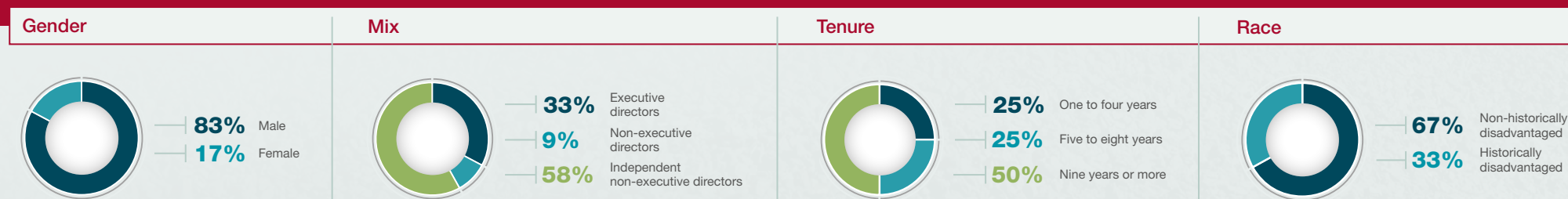
Independent non-executive directors

	Francois M Louw** (Chairman) (64) BEng (Mech), MBA		4/4	8 years
			4/4	
			3/3	
			2/2	
			4/4	
	Gert J Coffee (74) BSc, BEng (Mech) (Industrial)		4/4	15 years
			2/2	
			4/4	
	Sisanda Tuku (46) BCom Financial Accounting, CA(SA)		4/4	3 years
			4/4	
			3/3	
			4/4	
	Phuti RE Tsukudu^o (71) MEd, Postgraduate Diploma in Adult Education BA (SW)		4/4	16 years
			3/3	
			2/2	
			4/4	

	Johannes (Johan) HP van der Merwe (60) CA(SA), Master in Income Tax, MPhil Finance, Advanced Management Programme (Harvard Business School), Challenge of Leadership (Insead Business School)		3/4	8 years
			3/3	
			3/4	
			3/4	
			3/4	
	Nicolaas AS Kruger (58) BCom (Mathematics) (Cum Laude), FFA (Fellow of the Faculty of Actuaries), AMP (Advanced Management Programme, Oxford University), CD(SA) (Chartered Director)		4/4	2 years
			3/4	
			3/3	
			4/4	
			4/4	
	Jacobus (Derick) F van der Merwe^{o+} (71) BCompt (Hons), CA(SA)		4/4	10 years
			4/4	
			4/4	
			4/4	

As per SENS announcement published on 30 May 2025, the Board appointed Messrs Jacques Breytenbach and Pierre Joubert as non-executive board members with effect from 1 June 2025. These appointments form part of the Company's strategy to bolster the skillset of the Board and strengthen its overall governance and strategic oversight capabilities and follows on the conclusion of Mr Gert Coffee's, a non-executive director, term effective 23 July 2025.

Board diversity





Board and Executive Committee structure

Statement of compliance

The Board is committed to uphold the fundamental tenets of governance, committee discipline, independence, responsibility, fairness, social responsibility, transparency and accountability of directors to all stakeholders.

The Afrimat directors have confirmed that, to the best of their knowledge, Afrimat (i) complied with the provisions of the Companies Act, and (ii) operated in accordance with its memorandum of incorporation, during the year under review.

Board	The Board is responsible for determining the Company's strategic direction and exercising prudent control over the Company and Committee affairs. The Board and the individual directors will, at all times, act in the best interest of the Company and adhere to all relevant legal standards of conduct.					
	Executive directors		Non-executive directors	Independent non-executive directors		
	Andries van Heerden (CEO) Pieter de Wit (CFO)	Collin Ramukhubathi Gerhard Odendaal	Loyiso Dotwana	Francois Louw (Chairman) Phuti Tsukudu	Derick van der Merwe (LID) Sisanda Tuku	Johan van der Merwe Gert Coffee Nicolaas Kruger
The Board meets four times per year.						
Committees	Audit & Risk Committee	Remuneration & Nominations Committee	Social, Ethics & Sustainability Committee*	Investment Review Committee	Executive Committee ('Exco')	
	The Audit & Risk Committee fulfils a vital role in corporate governance and is in place to ensure, among other things, the integrity of integrated reporting and internal financial controls, identify and manage financial risks and monitors the financial sustainability of the Group.	The Remuneration & Nominations Committee assists the Board with the development of the Afrimat remuneration policy, regularly reviews the structure, size and composition (committee diversity) of the Board and makes recommendations to the Board with regard to any adjustments that are deemed appropriate.	The Social, Ethics & Sustainability Committee monitors and reviews the Group's safety, health and environmental activities, labour practices and the Company's approach to transformation.	Monitors and reviews high impact investments defined in terms of potential value addition or value destruction for the Company.	Assists the CEO implement strategies and operational matters.	
	Derick van der Merwe (Chairman) Sisanda Tuku Loyiso Dotwana Francois Louw Nicolaas Kruger	Francois Louw (Chairman – Nominations Committee) Phuti Tsukudu (Chairman – Remuneration Committee) Loyiso Dotwana Sisanda Tuku Johan van der Merwe Nicolaas Kruger	Loyiso Dotwana (Chairman) Gert Coffee Collin Ramukhubathi Phuti Tsukudu Andries van Heerden Gerhard Odendaal Francois Louw	Francois Louw Pieter de Wit Derick van der Merwe Johan van der Merwe Nicolaas Kruger (Chairman)	Executive directors Cluster Heads	
Number of independent director members	4	5	3	4	N/A	
Number of meetings per year	4	3	2	Ad hoc	4	
Self-evaluation completed	Yes	Yes	Yes	N/A	N/A	
For further information see	89		79		44	

* The Social, Ethics & Sustainability Committee has fulfilled its mandate as prescribed by the Companies Regulations to the Companies Act, and there were no instances of material non-compliance to disclose.

Overall, the Board is satisfied with the performance of the Chairman, the Committees and the Chairmen of the Committees, non-executive directors' meetings are held on an *ad hoc* basis as the need arises.

In accordance with King IV™ the Chairman of the Board should not be a member of the Audit Committee and all members of the Audit Committee should be independent, non-executive directors. Francois Louw (Chairman of the Board) and Loyiso Dotwana (non-executive director) are both members of the Audit & Risk Committee. The Board is of the opinion that Francois Louw and Loyiso Dotwana, who have both demonstrated the ability to act independently, continue to make a valuable contribution to the Audit & Risk Committee, which in turn helps the Audit & Risk Committee to satisfactorily discharge its roles and responsibilities.

Company Secretary

The Board of directors is assisted by a competent, suitably qualified and experienced Company Secretary. The Company Secretary, Catharine Burger, is a chartered accountant. Ms Burger has also completed her board exam at the Chartered Governance Institute of South Africa and is a Chartered Company Secretary. The Board, through the Remuneration & Nominations Committee, considered and satisfied itself to the competence, qualifications and experience of the Company Secretary and concluded that she is competent to carry out her duties.

The Company Secretary is not a director of Afrimat, reports to the Chairman of the Board and is accountable to the Board as a whole and accordingly maintains an arm's length relationship with the Board of directors.



Risk management



Risk management

The Board, assisted by the Audit & Risk Committee, is ultimately responsible for the risk management process.

During the year under review, the Board fulfilled its risk mandate by meeting quarterly to discuss the following key risk governance and risk management matters:



Risk management effectiveness

Management is accountable to the Board for designing, implementing, monitoring and improving the systems and processes of risk management and integrating these into the day-to-day activities of the Group. The Board is satisfied that the systems and processes in place to govern and manage risk are adequate and that management has generally executed its risk management responsibilities satisfactorily.

Afrimat views the management of risk central to its operational strategy of delivering sustained growth to stakeholders. While the CEO and CFO are the key drivers of risk management, the different management teams in the Group, Exco, Audit & Risk Committee and Board, as well as all employees, further assist with identifying, evaluating and managing key risk areas. Management has effectively implemented an adequate and effective risk management framework, which identifies, evaluates and responds to key opportunities and risks that may affect strategic objectives. The risk management policy is widely distributed throughout the Group and is integrated into the daily activities of the Group.



Risk appetite

Risk appetite and tolerance are the fundamental concepts that provide the context for strategy identification, entrepreneurial flair and the pursuit of Group objectives. It clarifies what risks the Group can, or is willing to, take and the risks that the Group will avoid.

The Board has formally defined its appetite for risk and annually reviews this. It confirms an appropriate risk management policy, including the Group's risk appetite, to guide strategy and the engagement of risk. The Board confirms there were no material deviations from the Group's risk appetite in the period.



Key business risks and opportunities

Key business opportunities and risks were discussed comprehensively by the Board during their quarterly strategy meetings. The Board, having considered the Group's key risks, is satisfied that the identified strategy and business plans do not give rise to risks not thoroughly assessed and confirms there were no undue, unexpected or unusual risks taken by the Group and no material losses were incurred during the year.

Risk management process

Risk register

- Risk identification is a continuous process applied frequently to update and accommodate changes in a volatile environment.
- The risks contained on the risk register are prioritised, ranked and responses documented.
- Risk items on register and implementation of mitigation actions are actively monitored and followed up.

Key control drivers

- Key control drivers originate from the following: policies and procedures; internal control system; management control system; authorisation levels; risk analysis when major decisions are made; financial risk targets (capital, liquidity, credit, market); financial and management reporting.
- Uncontrollable risks are insured where applicable and affordable.

Adherence to key controls

To ensure that key controls are adhered to, the following compliance activities are in place:

- Management supervision and reviews;
- HIRA 'Hazard Identification and Risk Assessment' in respect of safety and health;
- Internal audits;
- Self-audits;
- Loss control officer (operational auditor) inspections;
- Government departments inspectors;
- Industry body audits;
- Audits by external consultants and specialists;
- Compulsory reporting and returns to government departments; and
- Whistleblowing hotline.

Risk incidents reporting

Risk incidents must be reported as follows:

- All instances of theft, fraud, injuries and damage to the Group's assets are recorded in a register and quarterly reported to management in an internal audit committee as well as a summarised version to the Audit & Risk Committee. Each instance of fraud is investigated to determine if internal and management controls functioned properly, i.e. fraud was timeously detected. Each injury is investigated, and corrective actions implemented.
- All cases of theft and fraud committed by employees and external persons are reported to the South African Police Service.





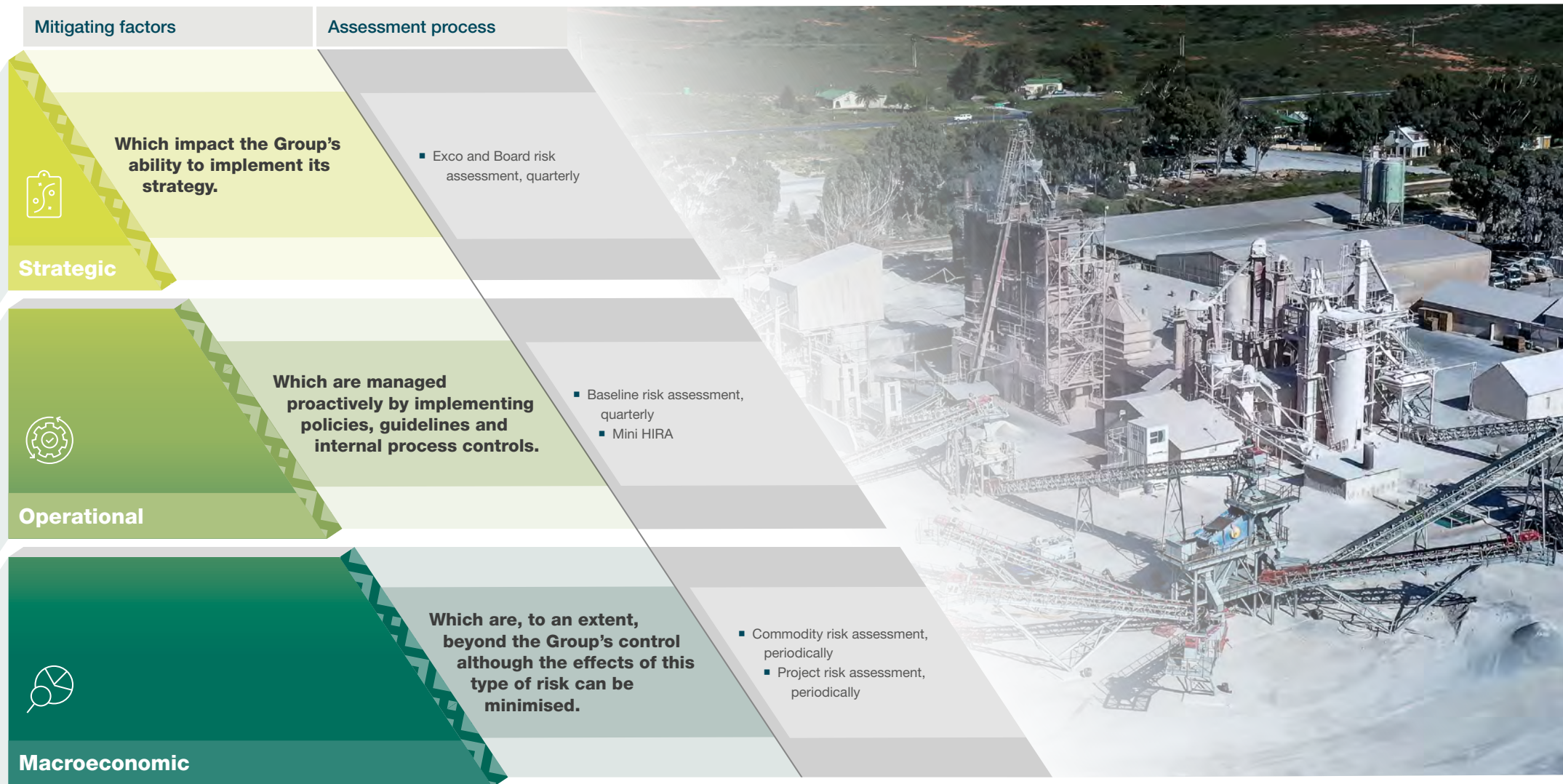
Risk management (continued)

Identifying principal risks

The risks that affect the Group's ability to create value in the immediate and longer term can be grouped into three categories:

Material risks

A description of all immediately identifiable material risks which are specific to the Company, its industry and/or its issued ordinary shares are set out under 'Afrimat's business strategy' in this integrated annual report.





Assurance

Combined assurance model

A combined assurance model is applied to provide a coordinated approach to assurance activities. The assurance activities are conducted by Board Committees, external auditors, internal auditors, via self-audits by specialist staff, external consultants, industry bodies, DMRE and government agencies. The assurance model clarifies the roles of management, internal assurance providers and independent assurance providers. In addition, it increases collaboration and facilitates a shared and more holistic view of the Group's risk profile.

The internal audit function plays a vital role as an independent third line of defence. Afrimat applies four lines of defence:

▶ **internal control framework;**

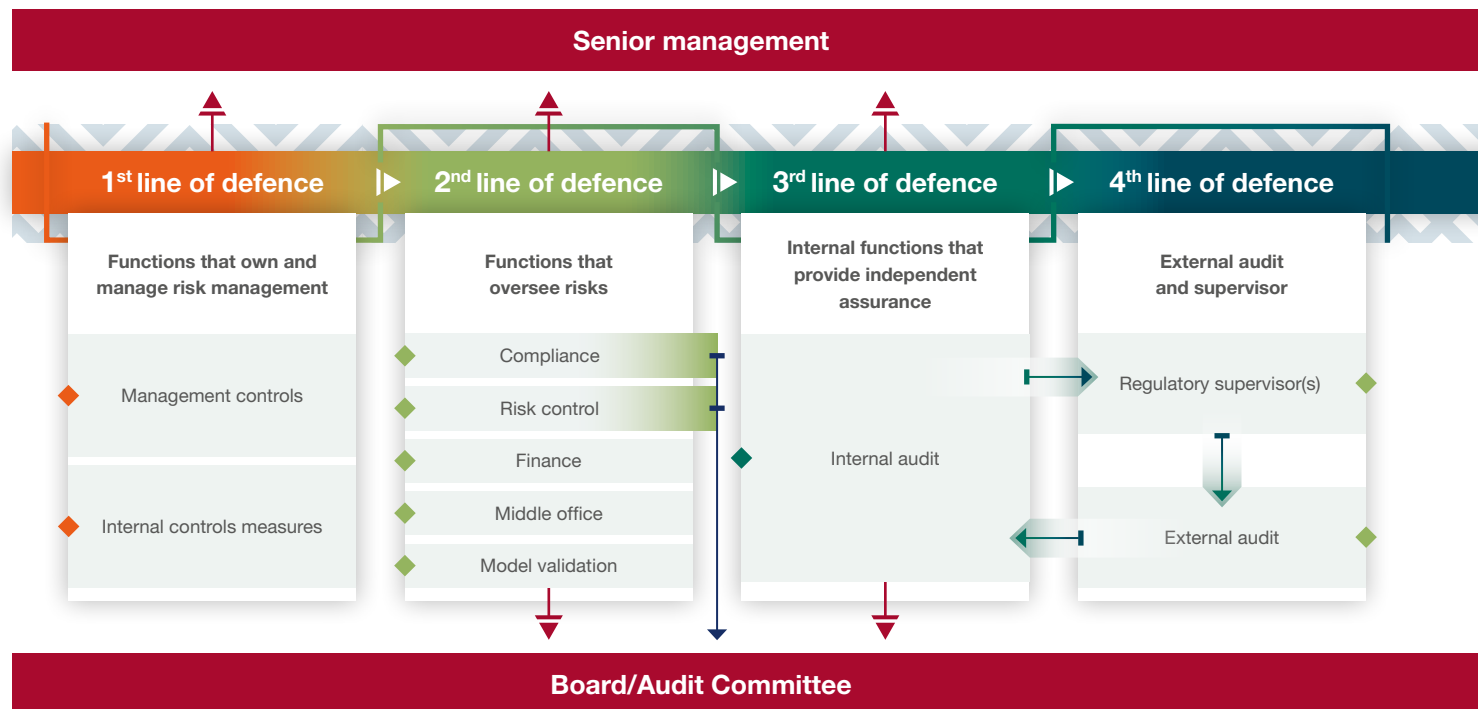
▶ **oversight of controls by management;**

▶ **internal controls review functions – internal audit, quality management functions;**

▶ **specific management functions, i.e. sustainability; and**

▶ **external assurance providers – external consultants, industry bodies, DMRE and government agencies.**

Four lines of defence



The external auditor, PricewaterhouseCoopers Inc., as recommended by the Audit & Risk Committee and appointed by the shareholders, is responsible for reporting on whether the annual financial statements are fairly presented in compliance with IFRS Accounting Standards and the Companies Act. The preparation of the annual financial statements remains the responsibility of the directors. The CEO and CFO, supported by Exco and the Audit & Risk Committee, are responsible for identifying, evaluating and managing key risk areas and performance indicators for Afrimat (crossing the financial and non-financial divide). Risk appetite and levels of tolerance are set out in the Group's risk management policy, which is reviewed annually (available at www.afrimat.co.za).

An ad hoc additional risk analysis is also conducted for major strategic decisions. An Investment Review Committee gives comfort to the Board that all significant risks in high impact investments have been addressed. High impact investments have been defined in terms of potential value addition or value destruction for Afrimat.

To ensure ongoing relevance, a formal risk assessment is conducted quarterly, and the necessary updates are made to the risk register. In addition, throughout the year changes in risk relative to the formal register are reported to the Audit & Risk Committee (and the Board), together with an impact assessment and how the identified risks will be managed. In assessing risk, Afrimat reviews performance in terms of profit growth, return on new investments and debt levels against targets set during the annual budget process. In addition, the Group monitors profitability, utilisation of assets, liquidity/solvency, and productivity levels on a monthly basis. The Group's reputational risk is managed through strategic relationships and liaison with stakeholders. The CEO is the central point of contact assisted by investor and communications service providers and executives (for further details on this and other risks, see Group strategy, material issues and key risks on page 23).

The Board, assisted by the Audit & Risk Committee, is satisfied with the effectiveness of the risk management process.



Assurance (continued)

External audit

The Board, assisted by the Audit & Risk Committee, regularly meets with the external auditor and formally evaluates their independence annually. As a rule, the Board does not engage the external auditor for any non-audit services, including tax compliance and assisting with company secretarial duties. Where the external auditor is, as an exception, appointed for non-audit services, the Board ensures that there is a strict separation of divisions in order to maintain independence.

Internal audit

The Group's Internal Audit charter has its own terms of reference clearly defined and monitored by the Audit & Risk Committee, which conducts an annual review thereof (available at www.afrimat.co.za). The in-house internal audit function also adheres to the standards set by the Institute of Internal Auditors in fulfilling its key duties, including:

- Evaluating the Company's governance processes;
- Assessing the effectiveness of risk management and the internal control framework;
- Systematically analysing and evaluating business processes, risks and associated controls; and
- Providing a source of information regarding instances of fraud, corruption, unethical behaviour and irregularities.

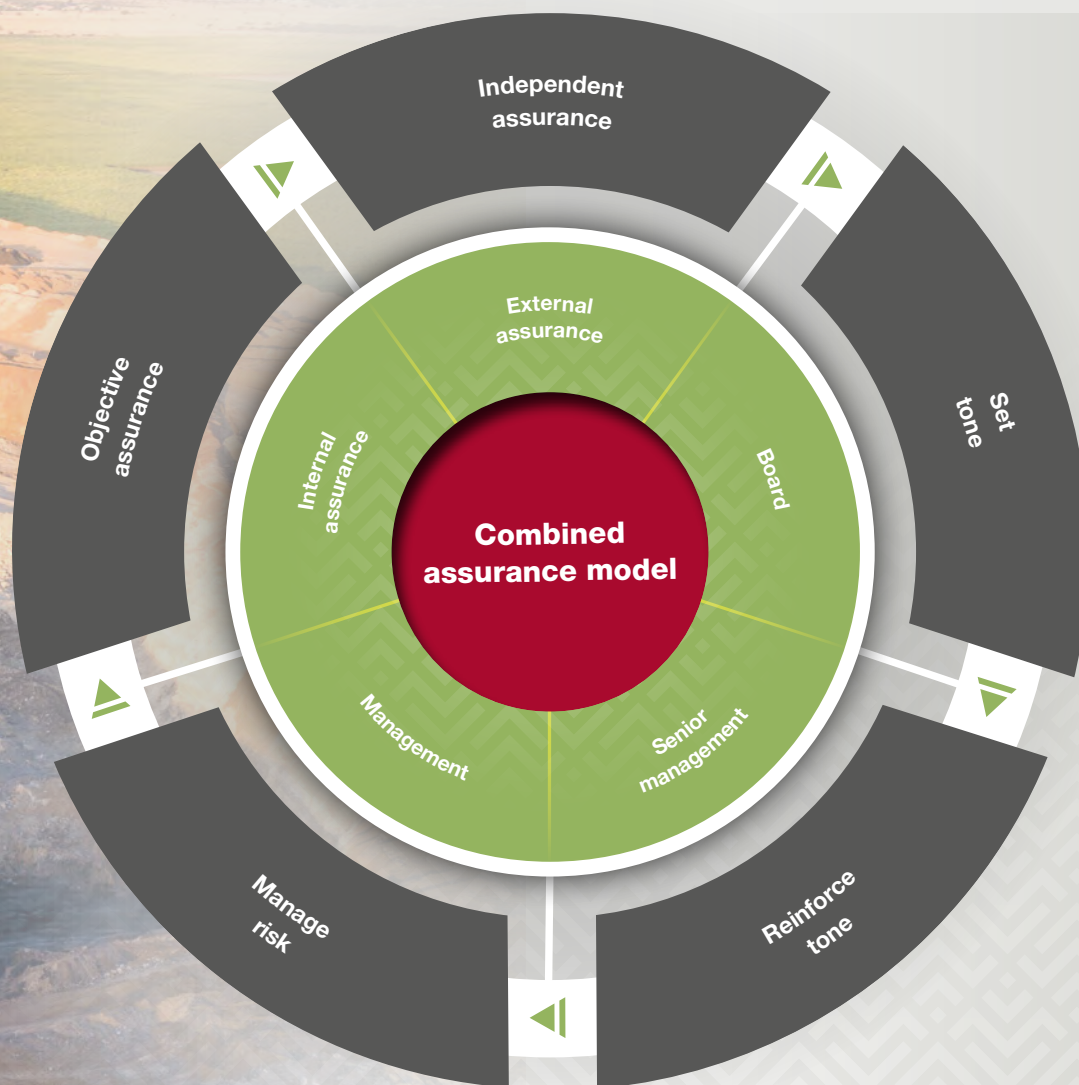
Piet van Zyl, Chief Audit Executive, reports directly to the Chairman of the Audit & Risk Committee and has unhindered access to the Board Chairman. Further, Afrimat voluntarily adheres to the South Africa Code of Good Corporate Citizenship.

Exco members and senior management make an annual declaration that all laws have been complied with, based on there being no reported instances of non-compliance. All deficiencies noted by Exco members and senior management are tabled to the Board on an annual basis. The effectiveness of the compliance framework is continuously monitored at Board level. The Board confirms that no material non-compliance has been brought to its attention. Furthermore, Afrimat fully complies with employment laws and practices and is committed to the protection of human rights.

A risk-based internal audit programme was followed during the year. The findings were reviewed and remediated by management where practical and follow-up audits were conducted to ensure corrective action was implemented.



Nkomati Anthracite Mine



Internal control framework

The Board is responsible for the Group's systems of internal control and risk management (as above). The Audit & Risk Committee, CFO and internal audit assist in this regard. Together they evaluate the adequacy and effectiveness of internal control systems and processes and monitor whether internal control recommendations made by the CFO, external auditor and internal auditors have been implemented. The internal control framework together with the required assurance is formally documented and reviewed by the Audit & Risk Committee annually.

The system of internal control is primarily designed to safeguard and maintain accountability of the Group's assets. Further, these systems should identify and curtail significant fraud, potential liability, loss and material misstatement while complying with applicable statutory laws and regulations.

The system of internal control is designed to manage and reduce risk rather than eliminate all risk. Absolute assurance cannot be provided. For instance, they provide only reasonable assurance as to the integrity and reliability of the annual financial statements.

Inherent limitations to the system's effectiveness exist due to the possibility of human error and the circumvention or overriding of controls. The internal audit function, based on the fieldwork undertaken during the year, has provided reasonable assurance on the adequacy of the internal controls tested and the associated risk management process.

The importance of internal control systems and management of risks is clearly communicated to all employees so that they have a clear understanding of their roles and obligations in this regard.



Assurance (continued)

Whistleblowing process



Afrimat is committed to the highest standards of openness, probity and accountability. An important aspect of accountability and transparency is a mechanism to enable staff and other stakeholders of Afrimat to voice concerns in a responsible and effective manner.

A whistleblowing process is in place, which also allows for anonymous tip-offs, if the whistleblowers prefer to remain anonymous. A link is available on the Company's website with all relevant details. Internally, awareness campaigns are done to create an understanding of the process and to foster a culture of openness and transparency and to ensure that employees are aware that they can freely report on any wrongdoing or inappropriate behaviours and that their reporting will be handled in a discreet and confidential manner.

Employees (including independent contractors, consultants and temporary employment service staff), customers and suppliers and other stakeholders are encouraged to provide information of any of the following areas:

Financial malpractice or impropriety or fraud/theft/corruption

Failure to comply with a legal obligation or Statutes

Dangers to Health & Safety or the environment

Criminal activity

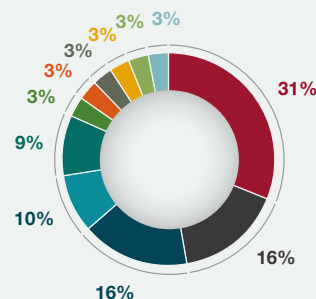
Improper conduct or unethical behaviour

Attempts to conceal any of these



Below please find a summary of FY2025 Whistleblowing cases that were reviewed, handled and appropriate action taken as deemed necessary:

Whistleblowing cases for FY2025



Employee dishonest/3rd party fraud
Employee behaviour
Procurement/Supplier irregularities

Employee treatment
Social media scams
Employment irregularities
Matters outside Afrimat
Theft – Product

Service provider conduct
Environmental matter
Theft of material

Contact details

Piet van Zyl
Renier van Coller

(Chief Audit Executive)
(General Manager: People)

071 400 4471
021 917 8706



www.afrimat.co.za/whistle-blowing/



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Social, Ethics & Sustainability Committee Report

The Committee is a statutory committee appointed in terms of the Companies Act. The Committee's responsibilities encompass monitoring and regulating the impacts of the Group on its material stakeholders and environments, ensuring that our policies and practices add quality to life, by ensuring minimum harm to the environment, managing the impact of climate change, enhancement of community and safety and health of employees. Although management is tasked with overseeing the day-to-day operational sustainability of their respective areas of business, and reporting thereon to the Committee, the Board retains ultimate responsibility for Group sustainability.

A key focus of the Board is setting the direction of ethical and responsible business behaviour by prevailing codes of best practice and other ethical policies in order to create an ethical organisational culture. The Committee is accountable for:

ensuring that safe operations and fair labour practices are applied across the Group;

improvement strategies relating to social and economic development are in place and adhered to; and

responsible utilisation of natural resources, as well as minimising the long-term impact on the environment, with due consideration to climate-related changes.



The Group is committed to endorsing the 10 principles set out in the United Nations Global Compact Principles ('UN Global Compact'), advocated by the Universal Declaration of Human Rights and International Labour Organisation.

The 10 principles are summarised as follows:

- 1 Support and respect the protection of internationally proclaimed human rights.
- 2 Ensure we are not complicit in human rights abuses.
- 3 Uphold freedom of association and the effective recognition of the right to collective bargaining.
- 4 Contribute to the elimination of all forms of forced and compulsory labour.
- 5 Contribute to the abolition of child labour and commit to ensuring that the minimum entry ages for employment are adhered to.
- 6 Ensure we do not practice discrimination in respect of employment and occupation.
- 7 Support a precautionary approach to environmental challenges.
- 8 Undertake initiatives to promote greater environmental responsibility.
- 9 Encourage the development and diffusion of environmentally friendly technologies.
- 10 Work against corruption in all its forms, including extortion and bribery.



The Committee comprises of executive and non-executive directors during the year under review. Details of the Committee composition and meeting attendance are on page 34.

The full purpose of the Committee is to regularly monitor the Group's activities regarding any relevant legislation, other legal requirements or prevailing codes of best practice, in respect of the following:

1. Social and economic development including the Group's standing in terms of the:

- ◆ 10 principles set out in the United Nations Global Compact Principles;
- ◆ Organisation for Economic Co-operation and Development guidelines on bribery and corruption;
- ◆ Employment Equity Act; and
- ◆ B-BBEE Act.

2. Good corporate citizenship, including the Group's:

- ◆ Promotion of equality, fair remuneration, prevention of unfair discrimination, safety, health, dignity and development of employees;
- ◆ Economic transformation, prevention, detection and response to fraud and corruption, and responsible and transparent tax policy;
- ◆ Contribution to development of the communities in which our activities are predominantly conducted or within which our products or services are predominantly marketed; and
- ◆ Record of sponsorship, donations and charitable giving.



3. Environment, climate change, health and public safety, including the impact of the Group's activities and its services.

4. Customer relationships, including the Group's advertising, public relations and compliance with consumer protection laws.

5. Labour and employment, including the Group's:

- ◆ Standing in terms of the International Labour Organisation Protocol on decent work and working conditions; and
- ◆ Employment relationships, and our contribution towards the educational development of employees.

The Committee draws these matters to the attention of the Board. Employment equity, B-BBEE, CSI and labour-related issues as reviewed by the Committee are reported on pages 58 to 67.

Key indicators monitored by the Committee include:

Indicator	Standard or future goal
Transformation and B-BBEE ratings including: - Equity ownership - Management control - Skills development - Preferential procurement - Enterprise and supplier development - Socio-economic development	Maintain a Level 2 to 3 B-BBEE Group rating annually
Labour relations	Maintain employee satisfaction (employee turnover rate, industrial action, etc.) Effectively manage expectations and union relations to minimise labour unrest
Health and safety	Zero LTIFR
Environment including: - Carbon footprint - Water and forestry compliance and returns - Climate change	To mine within approved environmental management plans ('EMP') for all of the Group's mining activities and zero harm to the environment for all other activities Compliance with mining rights' EMPs Committed to being part of the solution to climate change
DMRE compliance including: - Mining Works Programme - Social and Labour Plan - EMP - Mining Charter returns	All existing mining rights maintained All future mining right applications predicated on the Group's reliable track record of compliance
Mining rights status including: - New applications - NEMA/LUPO regulations - Water use licence	Business expansion not restricted by insufficient mining rights
Compliance with laws and regulations	Full compliance with relevant laws and regulations
Compliance with the 2018 Mining Charter ownership criteria	The creation of an umbrella trust to address shareholding to host mine communities by using the equity equivalent mechanism Increase in shareholding to qualifying employees



Social, Ethics & Sustainability Committee Report (continued)

The Group fosters a culture of respect, with zero-tolerance of discriminatory behaviour.

No incidents of discrimination were reported during the year. Afrimat fully complies with employment laws and practices and is committed to the protection of human rights.



Effectiveness against FY2025 KPIs and committee evaluation

FY2025 KPI	Evaluation score*
More detailed reporting on climate change-related matters, measuring carbon emissions and whether the reduction in such emissions have been accomplished;	4,2
Detailed monitoring of environmental matrix (e.g. water consumption, waste management);	4,0
Continue with intervention to drive the LTIFR lower;	4,2
Further analysing health statistics; and	4,4
Sharing best practice: Senior management actively sharing appropriate and applicable best practice from other committees with the committee/Company.	4,2

* Scored out of five. Scores above 3,5 rated as green, 3 to 3,5 as amber and below 3 as red.

KPIs for FY2026

- More detailed reporting on climate change-related matters, measuring carbon emissions and whether the reduction in such emissions have been accomplished;
- Continued detailed monitoring of environmental matrix and initiate trend analysis (e.g. water consumption, waste management);
- Continue with intervention to drive the LTIFR lower with new acquired business;
- Further analysing health and hygiene statistics; and
- Sharing best practice: Senior management actively sharing appropriate and applicable best practice from other committees with the committee/Company.





Ethical leadership and compliance

The Board strives to ensure that the Group conducts its business with integrity and leads by example. This commitment is formalised in a Code of Conduct (available at www.afrimat.co.za) which applies to the Board and all employees of the Group.

The Code of Conduct is designed to provide guidance as to ethical conduct in all areas, appropriate policies in respect of the safeguarding of assets and information, and the appropriate corrective measures to enforce these policies. The performance of the Board in terms of being held accountable for ethical and effective leadership is reviewed annually by the directors. Furthermore, the strong value system embedded in the Group culture is constantly reinforced by the CEO and supported by business unit heads and people management. Strict adherence to the provisions of the Code of Conduct is a condition of employment within Afrimat and is incorporated as part of the induction process.

The Code of Conduct sets out the Group's values and practices over and above requirements of formal governance codes and legal requirements such as the King IV™ Report and the Companies Act. Ethical conduct is an area with which the Social, Ethics & Sustainability Committee is tasked by the Board to oversee. As part of its responsibility, the Committee ensures that the Company's ethical performance is assessed, monitored, reported and disclosed. It reviews cases of conflicts of interest, misconduct or fraud, or any other unethical activity engaged in by employees or the Company. Further, the Committee reviews the Code of Conduct annually and recommends it to the Board for approval.

All senior employees are required to sign an annual declaration confirming compliance to laws and regulations. The Group has an independent whistleblowing hotline, and all reported matters are investigated by appropriate employees and the results reported to the Audit & Risk Committee. Unethical behaviour is not tolerated within the Group and all criminal behaviour is reported to the police. Management reports to the Committee on matters relevant to its deliberations to enable the members to fulfil their responsibilities. Mechanisms to encourage ethical behaviour such as the Code of Conduct, corporate citizenship policy and whistleblower's hotline, were confirmed as adequate by the Social, Ethics & Sustainability Committee in the year. As part of the improvement process, annual interest declarations were requested from all senior employees.

Furthermore, the procurement and customer policies incorporate ethical supplier and customer selection standards.

Anti-bribery and corruption

The Group is committed to working against corruption, by endorsing:

- Zero-tolerance against fraud, theft, corruption or any similar illegal behaviour;
- Complying with all applicable anti-bribery and corruption laws, regulations, rules, codes of conduct and conducting business transparently and in an honest and ethical manner;
- Reinforcing the anti-bribery and corruption compliance framework and processes in the day-to-day activities; and
- Continuously monitoring the regulatory environment to implement appropriate responses to changes and developments.

Legal compliance

The CEO, CFO, EDs, Group Legal Advisor, Company Secretary and senior management drive compliance. The Group has a legal and regulatory compliance checklist in place, which includes the Mining Charter. A risk-based compliance framework has been adopted to provide additional focus on compliance with priority legislation.

Management considers and includes all material legislative requirements within the checklist and delegates this to the appropriate compliance owners across top and senior management levels. Furthermore, Afrimat voluntarily adheres to the Business Leadership South Africa Code of Good Corporate Citizenship.

Exco and senior management make an annual declaration that laws have materially been complied with, based on there being no reported instances of non-compliance. All deficiencies noted by Exco and senior management are tabled to the Board on an annual basis. The effectiveness of the compliance framework is continuously monitored at Board level. The Board confirms that

no material non-compliance has been brought to their attention. Furthermore, Afrimat materially complies with employment laws and relevant leading practices and is committed to the protection of human rights.

Mining right compliance

We are committed to conducting mining operations in strict compliance with the mining right conditions set by the DMRE, in the Mineral and Petroleum Resources Development Act, Mine Health and Safety Act, and all other relevant legislation and regulations. This compliance is driven by the Executive Director: People & Sustainability for the Afrimat Group. Our culture is a pivotal thread in how we operate our operations and continuously strive to build and nurture good working relationships with different stakeholders.

Mining rights conditions set by the DMRE are reflected in the following documents for each mining operation and annual compliance reports in this regard are submitted to the regional DMRE offices:

- Environmental Authorisation;
- Mine Works Programme;
- Social and Labour Plan; and
- Mining Charter.

The DMRE conducts compliance audits at the Group's mining operations and management addresses all issues identified. The Group's overall compliance level continues to improve. Through collaboration and teamwork, we ensure our operations comply with the legal requirements and mining right licence conditions. The Group continues achieving its target on people development training of 6% of employee costs incurred. This included a mentoring programme for interns in the field of mining engineering, mechanical engineering and environmental specialists.

Other conditions are set by other authorities in the following documents:

- Water Use Licence;
- Air Emissions Licence; and
- Land Use Planning Act ('LUPO' and 'SPLUMA').



Environmental responsibility

As a responsible mid-tier miner with an environmental impact, Afrimat has an extensive environmental management system driven by a competent environmental management team.

We aim to comply with all environmental legislation and to support this, our sites' environmental performance is audited annually by ASPASA (external body) and the environmental team. The DMRE and other state departments also performs inspections at our mining operations. Areas for improvement identified during these audits/inspections are addressed by management. External consultant audits support our environmental conservation efforts and provide additional opportunity for refinement of our EMPs.

We manage our environmental footprint with mandatory EMPs and relevant required authorisations (WUL, AEL, etc.) at all the mines, in the absence of which no mining activities will commence or continue. These focus on:

- ▶ **Responsible mining**
- ▶ **Responsible water usage**
- ▶ **Reducing emissions**
- ▶ **Reducing spillages**
- ▶ **Waste management and recycling**
- ▶ **Monitored utilities usage**
- ▶ **Rehabilitation**

The Group employs a dedicated mine planning team that periodically rotates among all mining sites to monitor performance against the mine plan. This approach allows the team to identify and promptly address any shortcomings that may arise. Developing an appropriate and adequate mining plan is a fundamental part of the planning operation. A sound mining plan is essential to achieve optimal and sustainable resource development and utilisation. Sustainable mining requires an approach that balances the curbing of environmental degradation with the optimising of materials extraction and the minimisation of cost.

The EMPs, other relevant authorisations and Environmental HIRAs during the year were reviewed by management and independent consultants/specialists and only minor changes were required, all of which were implemented.

The GM-sustainability, through senior environmental specialists, is responsible for ensuring compliance with the site EMPs, assisted by the regional managers.

Environmental training

Afrimat focuses on ongoing environmental training and awareness to enhance the mitigation of risks identified in an ever-changing environment. To remain up to date with laws and regulations, specialist training was provided. Annual training is provided on specific environmental matters identified in consultation with industry bodies and relevant state departments. These matters include day-to-day environmental management processes to reduce the risk of environmental degradation. In addition, programmes conducted for all employees included training on the conservation of water and the quantification of carbon emissions.

Carbon footprint

Afrimat has embarked on a project to identify different renewable energy, energy efficiency and forestry carbon emission offset projects to implement in the near future. These include the implementation of Solar Photovoltaic plants as well as other carbon dioxide capturing projects (refer to Afrimat's ESG report available at www.afrimat.co.za).

Committed to reducing our carbon footprint as a key climate change strategy, we are reassessing our initial target of a 32% reduction by 2030 after the acquisition of Lafarge. The integration of Lafarge, leading to an expanded operational footprint, entry into the cement market, and a larger workforce, necessitates the establishment of new baselines before setting realistic targets. We maintain our overarching goal of achieving carbon neutrality across our operations by 2050.

The following measures were implemented to conserve precious resources and decrease Afrimat's carbon footprint:

- Benchmarking of operational output and the use of electricity, fuel and explosives;
- Determination of the basic requirements to deliver optimum production leading to the establishment of a standard energy consumption rate per machine;
- Ongoing monitoring of power factor corrector capacitors to ensure a decreasing trend in electricity usage;
- Sequential start-up of electrical motors at each start-up procedure;
- Shifting production times to fall in non-peak electricity consumption periods;
- Monitor water usage by all sites in an effort to implement initiatives to reduce water consumptions; and
- Used oil and scrap steel to be sold to accredited companies for recycling purposes.

The environmental information presented in this report includes data from Lafarge, acquired in April 2024, based on the information available. With Afrimat's measurement systems scheduled for full implementation in the next reporting cycle, the 2025 figures will form the future baseline. This will require an adjustment of our established goals to encompass the expanded Group's dynamics.



Key focus areas are summarised below:

Long-term goals

Key focus areas	FY2026 goal	Long-term goal
 Electricity consumed	Determine reduction % from baselines.	Measure electricity consumed per product tonne produced, compare usage at different operations and reduce usage in line with best practices.
 Water usage	Determine reduction % from baselines.	Measure water usage per product tonne produced, compare usage at different operations and reduce usage in line with best practices.
 Carbon emissions	Determine reduction % from baselines.	Register all relevant sites with South African Greenhouse Emissions Reporting Services ('SAGERS') in order to measure all carbon emissions. Compare emissions between different sites and identify initiatives to reduce emissions.
 Waste management	Determine reduction % from baselines.	Compare waste generated between various operations, reduce, reuse and recycle the waste generated.
 Biodiversity	Determine reduction % from baselines.	Set annual target percentage on rehabilitation of operations (in hectares).

Effectiveness against FY2025

Key focus areas	FY2026 goal	Evaluation	Benchmark comparison
 Electricity consumed	Benchmark the use of electricity by all operations.	Electricity usage for FY2025 has been measured for all operations.	279,5% increase (in Scope 2 emissions) from 49,3 thousand tCO ₂ e in FY2024 to 187,3 thousand tCO ₂ e in FY2025 due to the addition of Lafarge operations.
 Water usage	Water supplied by the municipality is currently measured. Meters to be installed at all sites utilising extraction points to draw water from natural resources. Recycling and conservation of water.	Water usage by operations (including municipal water supply as well as extraction points) is available for FY2025, based on a 90% measurement of all operations.	21,2% increase from 1 586 935 m ³ water used in FY2024 to 1 922 937 m ³ in FY2025.
 Carbon emissions	Register of all relevant sites with SAGERS to enable the sites to report emissions accurately.	All operations have been registered with SAGERS, measured, and compared.	381,0% increase from 193 944 tCO ₂ e in FY2024 to 932 854 tCO ₂ e in FY2025. Addition of the Cement business has contributed significantly to this emissions increase.
 Waste management	Measure all municipal waste generated.	Municipal waste stream identified for all operations.	68,4% increase in waste from 193 tCO ₂ e in FY2024 to 325 tCO ₂ e in FY2025, due to addition of Lafarge operations.
 Biodiversity	Quantify all hectares rehabilitated on the environmental performance assessment.	In FY2025, 100% of all operations (including Lafarge) were quantified in terms of hectares rehabilitated.	Increase from 27,5 ha in FY2024 to 183,9 ha in FY2025. The major increase in rehabilitation relates to our bulk commodities and KZN operations.



Environmental responsibility (continued)



Total greenhouse emissions per scope

Scope	tCO ₂ e (incl. Lafarge) 2025	tCO ₂ e (excl. Lafarge) 2025	tCO ₂ e 2024	Increase/ (decrease) (incl. Lafarge) from 2024	Increase/ (decrease) (excl. Lafarge) from 2024
Total scope 1*	721 533	154 217	127 916	464,1%	20,6%
Total scope 2**	187 277	49 049	49 349	279,5%	(0,6%)
Total scope 3***	24 044	22 698	16 679	44,2%	36,1%
Total carbon footprint	932 854	225 964	193 944	381,0%	16,5%

* The growth in Scope 1 emissions for Afrimat (excluding Lafarge) is primarily due to the ramp-up of production at the Jenkins, Nkomati, and Glenover granulation operations, as well as the commissioning of the new Drieheekspan site.

** Afrimat's Scope 2 emissions (excluding Lafarge) decreased due to the implementation of energy-efficient electricity technologies.

*** Afrimat's Scope 3 emissions increased due to employee-related activities and support provided to additional sites following the acquisition, with associated costs allocated solely to Afrimat.



Intensity emissions

Scope	Intensity (incl. Lafarge) 2025	Intensity (excl. Lafarge) 2025	Intensity 2024	Increase/ (decrease) (incl. Lafarge) from 2024	Increase/ (decrease) (excl. Lafarge) from 2024
Scope 1 and 2 (tCO ₂ e/employee)	237,8	73,8	64,3	269,8%	14,8%
Scope 1 and 2 (tCO ₂ e/tonne)	0,033	0,007	0,009	266,7%	(22,2%)



Monitored utilities, resource and rehabilitation

	Including Lafarge 2025	Excluding Lafarge 2025	2024	Increase/ (decrease) (incl. Lafarge) from 2024	Increase/ (decrease) (excl. Lafarge) from 2024
Water consumption (m ³)****	1 922 937	1 371 780	1 586 935	21,2%	(13,6%)
Electricity consumption (tCO ₂ e)	187 277	49 049	49 349	279,5%	(0,6%)
Fuel consumption (diesel and petrol) (million litres)	30,5	27,3	21,9	39,3%	24,7%
CO ₂ emissions (tCO ₂ e)	932,9	226,0	193,9	381,1%	16,6%
Rehabilitation (ha)	183,9	156,5	27,5	568,7%	469,1%
Business travel (tCO ₂ e)*****	20,6	20,6	14,6	41,1%	41,1%

**** Although the figures include Lafarge, the original Afrimat operations showed a significant decrease, primarily driven by reduced usage at the Glen Douglas site due to the implementation reuse and recycling of water processed.

***** Travel emissions could not be disaggregated due to the reporting of combined data.

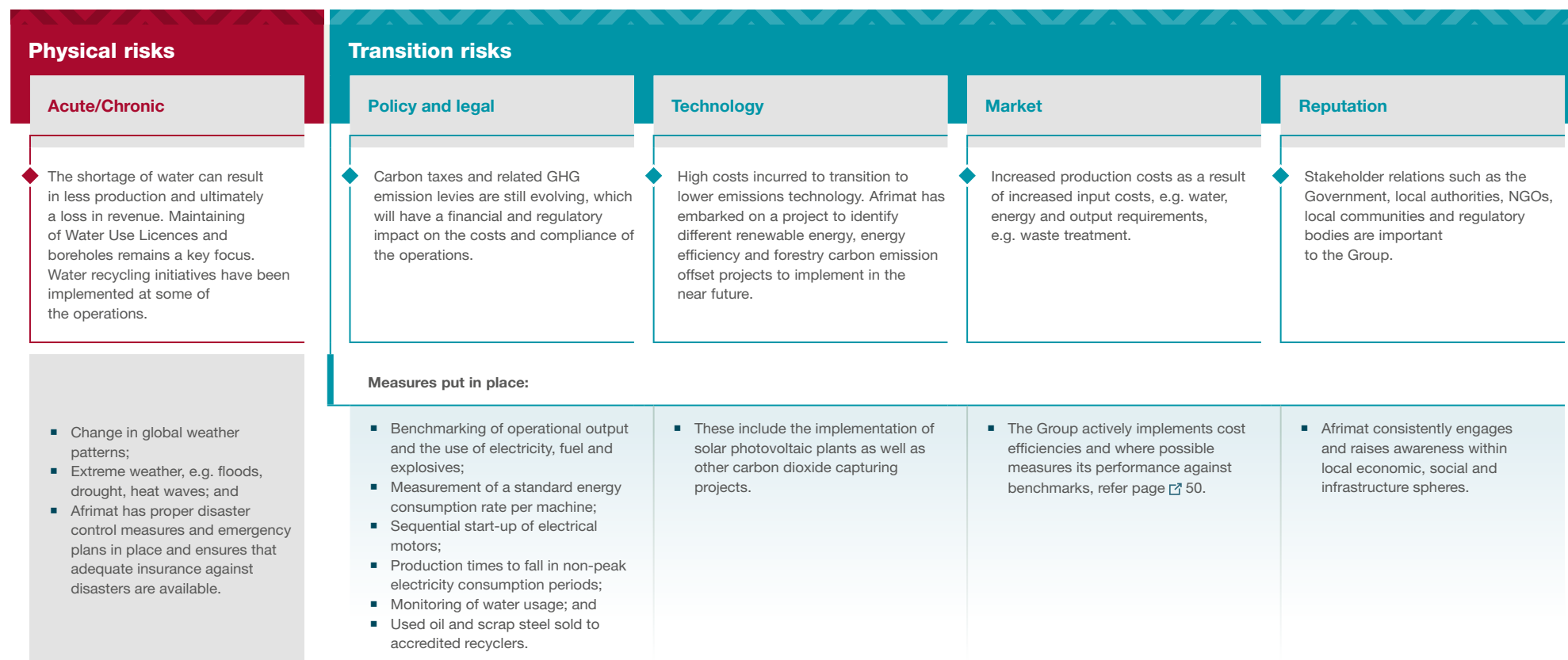


Managing climate change

Afrimat recognises the significance of the impact of climate change, being one of the critical global challenges of our time. Our commitment to being part of the solution to climate change has transformed our way of thinking. All business units within the Group are required to adopt high environmental management standards, we do this by continuing to develop and implement strategies, for example, using resource materials responsibly and efficiently, and complying with legislative requirements. We strive to create awareness and embed a culture of being mindful of the environmental impact in areas where we have influence.

The risks associated with climate change can generally be categorised into two broad areas:

- ◆ **Physical risks/opportunities:** These risks may be acute, driven by weather events, such as drought/floods or risks may be chronic, resulting in long-term weather pattern shifts; and
- ◆ **Transition risks/opportunities:** Transition to a low carbon economy may have certain challenges such as a change in customer behaviour, increase in costs, and compliance to new regulations.





Managing climate change (continued)

Afrimat is committed to being part of the solution to climate change

Task Force on Climate-Related Financial Disclosures ('TCFD')

We have used the guidelines as per the recommendations of the TCFD to respond to the TCFD reporting requirements. The core elements of the recommended climate-related financial disclosures may be illustrated as follows:



Themes	Purpose	Recommended disclosures	Application
Governance	Disclose the Group's governance around climate-related risks and opportunities	(a) The Board's oversight of climate-related risks and opportunities.	Board level oversight is a mandated responsibility of the Chairman of the Board and the CEO. The Social, Ethics & Sustainability Committee also provides overall direction on our sustainability strategy. The Committee oversees, on behalf of the Board, our environmental management; delivery of the sustainability framework implementation plan; and our climate change strategy, which includes management of water, energy and waste considerations. The Audit & Risk Committee is responsible for the governance of risk and has oversight of our climate-related risks and opportunities.
		(b) Management's role in assessing and managing climate-related risks and opportunities.	The GM: Sustainability (supported by senior environmental specialists) assesses the impact of climate-related risks and opportunities. They are assisted by regional managers of the various sites to whom the environmental resources are available. The Group has conducted a formal carbon footprint assessment with the assistance of internal and external specialists.
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the Group's businesses, strategy, and financial planning where such information is material	(a) The climate-related risks and opportunities the Group has identified over the short, medium and long term.	Refer to the risks of climate-related changes addressed on page 51.
		(b) The impact of climate-related risks and opportunities on the Group's business, strategy and financial planning.	Climate-related risks have a financial impact on the Group's operations. The transition to a low carbon economy is costly. Therefore, Afrimat focuses on sustainable mining that requires an approach which balances the steps and costs to mitigate the impact of climate – related changes with the optimising of materials extraction and minimisation of costs.
		(c) The resilience of the Group's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	The Group remains committed to be net-zero by 2050, and is busy re-assessing the road to net-zero following the integration of the Lafarge business into the Group. Adhere to guidelines aiming to limit the increase in global temperature to below pre-industrial level or the so-called 2°C climate environment.



Themes	Purpose	Recommended disclosures	Application
Risk management	Disclose how the Group identifies, assesses and manages climate-related risks	(a) The Group's processes for identifying and assessing climate-related risks.	Refer to page 37 for Afrimat's risk management process. These processes are used to identify and mitigate risks.
		(b) The Group's processes for managing climate-related risks.	The Group manages its environmental footprint with mandatory EMPs at all the mines, while other carbon – related risks are managed through existing risk management processes in place across the Group with oversight from Audit & Risk Committee and, ultimately the Board. Refer to the focus areas on page 49 .
		(c) How processes for identifying, assessing and managing climate-related risks are integrated into the Group's overall risk management.	Benchmarks are used to assess the Group's climate-related risks and targets are then set for the Group, which is then monitored on a continuous basis. Strategies are devised by the GM: Sustainability and senior environmental specialists and subsequently implemented.
Metrics and targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	(a) The metrics used by the Group to assess climate-related risks and opportunities in line with its strategy and risk management process.	GHG emissions as well as electricity, water usage, waste management and biodiversity are measured and monitored at all operations and the Group is compliant to the latest regulations on GHG reporting, Carbon Tax, carbon budget and carbon offset. GHG emissions have been measured since 1 January 2018, and while the Group remains focused on developing mitigating measures to reduce emissions across all business units, benchmarks have been reset during the year to account for the impact of the Lafarge acquisition. Refer to the measures that have been implemented, refer to page 48 for carbon footprint.
		(b) Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ('GHG') emissions, and the related risks.	The GHG Protocol ('Protocol') is widely used methodology, suitable for companies. The Protocol defines emissions as either 'direct' or 'indirect', where direct emissions are from sources that are owned or controlled by the Group. Three scopes are defined: - Scope 1: Direct emissions and emissions from sources owned and controlled by the Group (includes direct emissions from the combustion of liquid fuels in Group-owned vehicle fleet and the combustion of diesel generators); - Scope 2: Indirect emissions associated with the generation of electricity, heating/cooling and steam purchased for own consumption (includes indirect emissions associated with purchased electricity from Eskom); and - Scope 3: Indirect emissions other than those covered in Scope 2 (comprise a range of indirect emissions including business travel, air travel, employee commuting, purchased goods and services such as food, paper products, water supply and solid waste). Refer to page 50 for the reported GHG per scope.
		(c) The targets used by the Group to manage climate-related risks and opportunities and performance against targets.	To mine within approved EMP for all of the Group's mining activities. Refer to the table on page 49 for the Group's key focus areas, indicating the long-term goals and the measure of effectiveness against the goals.



Safe and reliable operations

Health and safety: Pioneering a safer tomorrow

At Afrimat, we are not only dedicated to the safety and well-being of our employees but are also committed to continuously transforming our approach to workplace safety. In a high-risk industry like mining, we recognise that safety cannot be static. It must evolve. That's why we integrate cutting-edge technologies, data-driven insights, and the latest safety protocols to mitigate risk and protect our teams. Alongside our strict adherence to South African Occupational Health and Safety regulations and the Mine Health and Safety Act, we are always looking for innovative ways to stay ahead of potential hazards. Through proactive risk management, we ensure that safety remains at the heart of our operations, with a focus on preventing incidents before they arise.

Driving a culture of safety through leadership and collaboration

Safety is embedded in the DNA of Afrimat, and this commitment flows from the top down and across every department. Our Executive Director: People & Sustainability, General Manager: Sustainability, and Group Safety, Health, Environment and Quality ('SHEQ') Manager not only set the tone for safety but also lead by example in fostering a collaborative environment. Regional managers take ownership of safety in their regions, ensuring that best practices are applied daily and that resources are effectively deployed. We go beyond compliance by engaging our entire workforce in safety initiatives, from team discussions to hands-on training. Our Regional H&S officers are key players in ensuring seamless communication, offering real-time feedback and reporting, so that we remain agile and responsive to any emerging challenges.

Innovative policy development: A living document

Our safety policies are not just documents – they are dynamic, living frameworks that evolve in response to new challenges, emerging risks, and lessons learned. Spearheaded by our Group SHEQ Manager, we are actively pushing the boundaries of what's possible in health and safety management. This year, we introduced new measures that integrate predictive analytics and smart safety tools, bringing us closer to our goal of zero incidents. These changes are communicated promptly through various channels, including digital platforms, training modules, and monthly safety forums across all operations. This ensures that every employee, from senior leadership to frontline workers, is informed, engaged, and empowered to make safety a part of their daily routine.

Future-focused compliance and continuous improvement

Compliance is the foundation of our operations, but we believe in going beyond the bare minimum. Our approach to compliance is proactive and future-focused, aimed not only at meeting existing standards but at anticipating future needs and challenges. Each team member plays a vital role in this effort, from adhering to updated Health & Safety policies to embracing the importance of mental health and fatigue management in the workplace. Throughout the year, management has ensured that policy updates reflect the latest global trends and regulatory changes, reinforcing our commitment to continuous improvement. Our focus now is on building a resilient, future-ready workforce that can adapt to the evolving demands of the industry and maintain a culture of safety in every aspect of the operation.



Our Lost Time Injury Frequency Rate ('LTIFR') experienced a continuous improvement, from 0,29 to 0,27 by the close of this financial year.



Health and safety risk: Strategy for FY2026

Looking ahead to FY2026, we are charting an ambitious course for health and safety risk management. Our strategy is built on a forward-thinking approach that prioritises cutting-edge leading indicators – ranging from electrical safety, isolation and lockout procedures, and ergonomic improvements to fall prevention, traffic management, and moving machinery safety. We are also placing a significant emphasis on environmental sustainability, focusing on air quality, waste management, and the protection of surface and groundwater resources.

These indicators are not mere trends, but actionable insights derived from a thorough analysis of Afrimat-specific data, including incident root causes and audit discrepancies. By leveraging findings from internal audits, as well as external scrutiny from DMRE, the Department of Labour, and ASPASA, we are transforming valuable data into proactive steps. Our approach includes rigorous lockout/tagout protocols and enhanced safeguards for working around moving machinery, which are critical in preventing serious incidents.

Moreover, our commitment to continuous improvement is accelerating. By benchmarking our performance from FY2024 to FY2025, we are setting ambitious, data-driven targets for FY2026, ensuring that each year builds upon the last in our quest to create the safest possible work environment.

FY2024 compared to FY2025 and the targets set for FY2026

Metric	FY2024	FY2025	FY2026 Targets
LTIFR (12mr)*	0,29	0,27	0,25
MTI (12mr)**	0,99	0,70	0,50
FAI (12mr)***	0,72	0,78	0,50
TRIFR (12mr)****	1,30	0,97	0,80
Near miss (12mr)	705	629	700
Leading indicators*****	92%	95%	98%

* Lost time injury frequency rate (number of incidents x 200 000 man hour/actual hours worked).

** Medical treatment injuries frequency rate (number of medical treatment x 200 000 man hour/actual hours worked).

*** First aid (number of first aid cases x 200 000 man hour/actual hours worked).

**** Total recordable injury frequency rate. (Number of LTI + MTI x 200 000 man hour/actual hours worked).

***** The leading indicator tool is utilised to measure and monitor proactive safety actions taken to prevent employees and contractors from being injured and to maintain safe and healthy working environments.



The focus in the upcoming year will be on leading indicators (proactive steps in preventing injury) rather than lagging LTIFR indicators

Key focus area	Leading indicators*	Near miss reporting**	Identifying critical tasks***	Planned task observations	Procedure and guideline training****
FY2026 goal	95% compliance	20% improvement	90% of six focus points implemented	95% conducted	98% compliance testing
Long-term goal	Entrench uniform SHEQ culture within the Group	Increase accuracy of near miss reporting and reduction of LTIFR and MTI	Reduction of LTIFR	Reduction of LTIFR	Reduction of LTIFR

Our FY2026 strategy is grounded in a proactive, future-focused approach that drives us to continuously innovate and enhance our safety standards. We are focusing on advanced leading indicators, including electrical safety, isolation and lockout procedures, ergonomic improvements, fall prevention, traffic management, and the safety of moving machinery.

Looking ahead, we're also exploring the integration of smart technologies such as predictive analytics for risk identification, real-time monitoring systems for machinery, and AI-powered safety solutions to proactively address hazards before they escalate. Our commitment extends to fostering a culture of wellness through mental health and fatigue management initiatives, ensuring the well-being of every team member as we continue to elevate our safety performance.

Effectiveness against FY2025 goals

Key focus area	Leading indicators*	Near miss reporting**	Identifying critical tasks***	Planned task observations	Procedure and guideline training****
FY2025 goal	Standardisation of the SHEQ system with employee input	Redefine the definitions of the various incidents. Re-train all employees on incident reporting	Identify critical tasks relevant to each operation	Measure planned task observations performed on critical tasks	Measure and monitor training planned and executed
Evaluation	95% achieved on the overall leading indicator measuring tool	Proactive near misses reporting maintained	95% planned critical tasks identified	95% task observations on critical tasks completed	100% completion of training matrix

* The leading indicator tool is utilised to measure and monitor proactive safety actions taken to prevent employees and contractors from being injured and to maintain safe and healthy working environments.

** Near miss reporting gives an operation the opportunity to react to situations that could have resulted in an injury before it happens. Injuries will therefore reduce because unsafe situations or behaviours are corrected before these result in injury.

*** Critical tasks are those work activities with high risk due to the nature of the task, the employees must be informed of these tasks and the control measures to follow while performing the task. Planned task observations are then conducted on employees while performing the task to ensure they perform the safety measures during the tasks to prevent injury.

**** Training ensures that everyone is informed of the various rules and the control measures, if a person is unaware of the impact, the rule can be followed for protection.



Safe and reliable operations (continued)

Dynamic Health & Safety Training Programme: Paving the way for FY2026

Building on the success of the previous year, we are amplifying our health and safety training programme to set new standards for FY2026. Our approach integrates innovative learning methods and cutting-edge technology, ensuring that every team member not only understands safety but also lives it, every day.

Key elements of the FY2026 programme include:

- **Immersive SHE Inductions:** For our new team members, we'll offer interactive and immersive onboarding experiences, making safety protocols come to life in a hands-on, engaging way. This will be paired with dynamic annual refreshers for existing employees to keep safety top-of-mind year-round. Leveraging Sharepoint automated reminder system, we ensure continuous compliance.
- **Virtual Training Excellence:** We're transforming the training experience by taking it into the virtual realm. Our new generation eLearning platform will offer highly interactive, real-time simulations and gamified training – making learning about safety not just informative, but also exciting. Expect a tailored, engaging experience that empowers employees to take safety seriously in an intuitive and enjoyable format.
- **Safety Meets Leadership:** Through our Afrilead Management Programme, we will dive deep into the intersection of safety and leadership. By weaving SHE principles into the sustainability curriculum, we're not only creating leaders in safety but also fostering a culture of holistic well-being that extends beyond the workplace to employees' lives as a whole.
- **Elevated Training Quality:** To ensure exceptional standards, we will introduce a robust evaluation system for all SHE representative training. By actively assessing feedback, we'll continuously improve training modules, keeping them aligned with evolving best practices and workforce needs. The result? Excellence in every learning opportunity, ensuring that everyone is equipped with the tools and knowledge to manage safety in the most effective way.

In FY2026, we are committed to making safety training an experience – one that is both transformational and innovative, nurturing a culture where safety is not just learned, but lived. Every individual is empowered to lead with safety in mind, ensuring both personal well-being and organisational success.

Our employees' well-being

At Afrimat, we don't just focus on work; we are dedicated to fostering a culture of holistic well-being for our employees. Our occupational healthcare system is a cornerstone of this initiative, providing comprehensive mental, social, and medical risk assessments for every team member.

As part of our AfriCare initiative, Afrimat has established a transformative partnership with Netcare 911. Together, we provide fast and efficient emergency response services for work-related medical emergencies, ensuring our employees receive the care they need when it matters most.

By utilising our emergency number 082911, employees benefit from:

- **Swift medical responses:** Rapid emergency care, which could be life-saving, especially in remote locations where ambulances may be delayed.
- **Expert guidance:** Access to professional advice through phone or video calls, offering support during emergencies.
- **Emergency medical evacuation:** Road or air transport, coordinated by a dedicated team of doctors, nurses, and paramedics, providing life-saving treatment, resuscitation, and stabilisation.

Igniting a culture of health and safety/policy highlights

At the heart of our values is an unwavering commitment to fostering a vibrant, safe workplace where every employee can thrive. Guided by our Health and Safety policy, we lead by example, understanding that each individual plays a critical role in our collective well-being.

Embracing an integrated approach

At Afrimat, we go beyond departmental silos and operate as an integrated team, empowering every employee to take charge of their health. Our comprehensive health and safety programmes are implemented across all sites, building a strong culture of health, safety, and empowerment.

Empowering health champions

Our Occupational Health Service Providers act as key protectors of employee health, identifying and mitigating risks through rigorous occupational hygiene assessments. In collaboration with our People Management department, they ensure a smooth return-to-work process, always championing employee well-being.

Comprehensive health initiatives

From entry to annual, return-to-work, and exit medical assessments, we leave no aspect of health unaddressed. We track our progress with health statistics, while our Safety Committee continuously develops new practices. Lessons learned from past incidents help us maintain and improve our health and safety standards.

Commitment to HIV and TB initiatives

Our commitment to combating HIV and TB remains steadfast across all operations. Through voluntary counselling and testing, we emphasise early detection, treatment, and non-discrimination, with a formal policy reinforcing our dedication to these goals.

Raising awareness

Through vibrant channels like posters, newsletters, and clinic sessions, we raise awareness about HIV and TB, promoting a culture of understanding, compassion, and support.

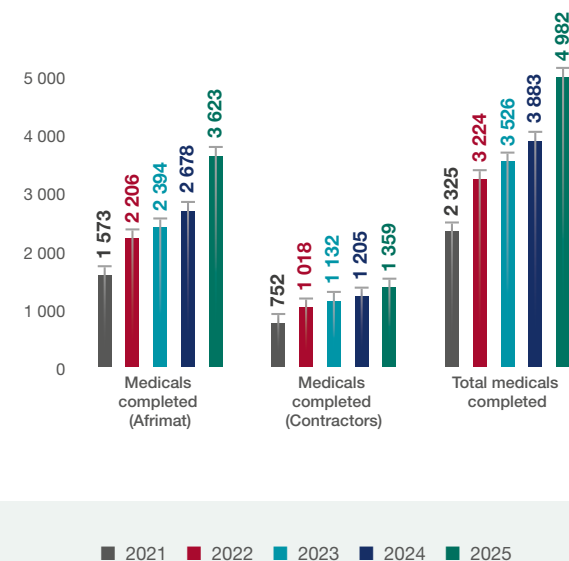
Performance ignited

At Afrimat, we drive health management with the energy of full legislative compliance under the Mine Health and Safety Act, Occupational Health and Safety Act, and Code of Practices. Our medical surveillance and health awareness initiatives not only protect our team but also fuel our commitment to operational excellence.

Elevating well-being

We are committed to prioritising the holistic well-being of our employees. Our proactive health monitoring promotes and sustains the highest levels of physical, mental, and social well-being, as evidenced by a noticeable decrease in chronic illness cases. Heightened health awareness and empowered lifestyle choices have played a key role in this success.

Medical surveillance





In the realm of public health and safety

Over the past year, we've maintained our steadfast commitment to public health and safety, implementing robust measures to safeguard both our mining operations and the surrounding communities. Afrimat took proactive steps through a comprehensive community risk assessment, ensuring all community engagements were conducted with a strong focus on risk management and sustainable safety practices.

In addition to our existing initiatives, we launched community forums to promote a deeper understanding of health and safety protocols. These forums not only provided a platform for discussing potential hazards but also encouraged community involvement in safety decision-making. By strengthening relationships and fostering dialogue, we aim to build a collaborative safety culture.

Our commitment to transparency and compliance is further strengthened by initiatives like the Afrimat Whistleblower Hotline, which enhances our ability to address concerns and reports of safety risks quickly. This initiative not only ensures compliance with legislative requirements but also amplifies our responsiveness to community feedback and safety concerns.



Key measures to safeguard health and safety

Access control

We ensure strict access control to maintain safety on-site, including the construction and ongoing maintenance of perimeter fences. Breathalyser tests are conducted on all personnel entering the mine, along with thorough security inspections to prevent harmful goods from entering or exiting the premises.

Community engagement

We remain deeply committed to understanding and addressing the concerns of our local communities. By establishing community liaison committees and holding regular public meetings, we foster trust and mutual understanding.

Environmental monitoring

As part of our future strategy, we are expanding our environmental monitoring efforts to include real-time, automated data collection for air and water quality, noise levels, and dust suppression. This data will be analysed through predictive analytics to identify potential risks before they occur, ensuring that any environmental impact is promptly addressed.

Creating a safe and healthy working environment

We continue to uphold industry-leading practices in blasting and other high-risk activities, using advanced simulation technologies to train employees in a safe, controlled environment. Moving forward, we are exploring the introduction of AI-powered wearable safety technology that can detect fatigue, stress, or unsafe behaviour in real time, providing an extra layer of safety for our teams.

Regulatory compliance

Our commitment to staying compliant with health, safety, and environmental regulations remains a top priority. We constantly monitor changes in local, national, and international regulations and adjust our operations accordingly. As part of our continuous improvement efforts, we are exploring blockchain technology to ensure transparent, tamper-proof tracking of regulatory compliance and safety incidents, which will further enhance accountability.

By continuously evaluating and enhancing our safety practices, we ensure that we not only protect the health and well-being of those directly involved in our operations but also positively impact the surrounding communities.



Marble Hall



Celebrating Safety Day



For the LOVE of Safety



People management

Empowering talent, driving success: Our commitment to people excellence

Within our dynamic workplace, every employee should rise above their role as part of the team to become an indispensable contributor to our success. Our ethos prioritises empowerment, aiming to unlock the potential of everyone. From the outset, they are more than employees; they are essential partners in our shared mission. This segment underscores our commitment to fostering talent through various initiatives, while also extending our efforts to community development. In the People Management function, success is measured not just in statistics, but in the investments, we make in those who drive our progress.

The evolution from Human Resources to People Management signifies a crucial strategic elevation, recognising that our employees are not merely resources but the very foundation of Afrimat's success. This shift underscores our commitment to placing people at the heart of everything we do, moving beyond traditional HR functions to proactively shape a positive and holistic people experience.

Highlights

Job creation

Afrimat has played a pivotal role in job creation, employing 3 829 (2024: 2 755) individuals across South Africa, thereby fostering economic growth and opportunity within local communities.

Corporate social responsibility

Afrimat invested R16,3 million (2024: R34,4 million) in CSI, prioritising local labour sourcing for community empowerment. Extensive social and labour plans are established at all mining sites, fostering sustainable growth and positive impacts.

Learning and development

Afrimat is steadfast in its commitment to developing employees across all levels, having achieved a total of 9 562 (2024: 10 381) interventions aimed at fostering continuous growth and skill enhancement.

Leadership development

Afrimat in partnership with Stellenbosch Business School: Executive Development ('SBS-ed'), launched a Senior Leadership Development Programme aimed at creating exemplary leaders, with 30 employees participating across the Group.

In tandem with this evolution, we've strategically aligned our culture function, renaming it the Culture and People Experience department. This integration reflects our understanding that a thriving culture and a positive employee experience are inextricably linked. The Culture and Employee Experience team is now empowered to strategically and operationally cultivate a healthy and engaging environment at all levels, ensuring that every employee feels valued, connected, and empowered to contribute to Afrimat's continued growth. This unified focus on both culture and experience underscores our deep belief that our people are key to unlocking our full potential.

Talent management

At Afrimat our talent management strategy is thoughtfully crafted to not only attract top talent but also to cultivate and retain exceptional individuals who play a pivotal role in our continued success.

Leadership development stands as a cornerstone of our approach, with structured programmes designed to identify and nurture emerging leaders. During the previous year we were able to launch our first customised **Afrimat Leadership Development Programme** with Stellenbosch Business School: Executive Development. The programme is designed to cultivate

leaders who possess a diverse range of leadership competencies, enabling them to effectively lead, influence, motivate, and empower teams, while also fostering collaborative relationships, breaking down silos, driving company culture, and championing innovation and change in our unique Afrimat Way.

Our graduate programmes serve as breeding place for fresh talent, providing a platform for recent graduates to gain hands-on experience and kickstart their careers within our organisation. During the current year we had 60 graduates participating on the various programmes.

Additionally, our commitment to further study assistance, which has seen 83 employees participating, underscores our dedication to lifelong learning and skill enhancement, empowering individuals to pursue advanced education and specialised training relevant to their roles.

Through these initiatives, including promotions, mentorship, and coaching, we comprehensively invest in the continuous development and advancement of our workforce. With a total of 118 promotions, 201 participants in mentorship and coaching programmes, we foster a culture of excellence, innovation, and growth across all levels of the organisation.

Learning and development

Elevating the skill sets of our workforce stands as a paramount objective, ensuring optimal levels of productivity and efficiency among our employees. We've cultivated an exciting culture of continuous learning, inspiring individuals to embrace roles as mentors, coaches and lifelong learners.

To facilitate learning and development for all staff members, we offer a range of development initiatives, including:

Adult education and training ('AET')

Bursaries
(30 participants)

Learnerships
(137 participants)

Specialised training programmes covering operational skills, health and safety

Supervisory development
(34 participants)

Empowering employees to capitalise on every avenue for personal development, we provide them with access to the resources made available by the Group for upskilling.

In total, Afrimat has invested R46,0 million (2024: R39,2 million) in learning and development initiatives across all sectors of the Group, resulting in an average expenditure of R12 014 (total Rand value/3 829) per employee.



Culture and employee experience

Beyond the deal: People and culture at the heart of Lafarge integration

All Lafarge operations have successfully been absorbed into the Group. The remaining goal for FY2026 is to move off Holcim's SAP system and ensure a smooth transition to a new ERP system.

The successful integration of Lafarge is not only a financial and system metric – a large part of the integration touches on the people and cultural components of the transaction.

Research tells us that many acquisitions fail to achieve their intended strategic benefits due to cultural misalignment and resistance to change. This makes culture integration one of the most difficult aspects of an acquisition.

Effectively integrating culture after an acquisition is difficult for several reasons. Unlike financials or operations, culture is often seen as vague and intangible, making it harder to analyse and address systematically.

Recognising these potential challenges in Afrimat's acquisition of Lafarge, we adopted a deliberate, long-term, and multi-dimensional approach to integrate Afrimat's culture.

- As soon as the acquisition was announced, our executive leadership made it a priority to personally visit 37 various Lafarge sites to **welcome employees** and foster a sense of **inclusion**.
- To ensure a smooth transition, all individuals leading integration projects underwent **change management training**, equipping them to recognise and mitigate the potential negative impacts of change. Additionally, all leaders in the newly acquired business received the same training, reinforcing their role as key drivers of transformation within their respective areas. Collectively nine change management sessions were done.
- To introduce the new business to Afrimat's culture, we conducted **leadership culture induction sessions** for all leaders from the former Lafarge organisation, a total of 12 such sessions were held. Further efforts, in collaboration with these leaders, were made to extend this cultural induction to all employees. More than 20 employee Afrimat Way sessions were held.
- To strengthen cohesion within newly formed teams, we leveraged a **positive psychology tool** already embedded in Afrimat's culture, reinforcing our strength-based approach.
- Moreover, new leaders were trained in **Afrimat's leadership philosophies**, ensuring alignment in the way we lead and support our people. Through the process we emphasise on the importance of building connection, creating alignment, developing and cultivating a motivated workforce.

All culture integration activities were supported by regular and targeted various forms of communication to help keep people informed. In true Afrimat spirit, we also made deliberate efforts to celebrate our milestones in the integration process.

Culture integration activities

- ▶ Welcoming roadshow on 37 sites
- ▶ Change management sensitivity training for leaders
- ▶ Afrimat Way alignment sessions for leaders
- ▶ Afrimat Way alignment sessions for all employees
- ▶ Strength-based coaching for individuals and teams
- ▶ Training leaders how to lead the Afrimat Way

Supported by:

Regular and targeted communications

- Afrimat Connect: frequently distributed internal print and digital magazine that addresses frequently asked integration questions
- Two-way SMS platforms: ensuring that all employees are well informed and can share their opinions of integration activities
- Live update webinars hosted by Exco
- Informal check-ins, discussions and meetings by integration implantation teams

Celebrating our victories along the way

- 60 days of integration
- 100 days integration
- Deep dive culture diagnostics (only some areas)

Aligning the new team on how to do business the Afrimat Way

- Integrating day-to-day operational processes such as Finance, Governance, Logistics, IT, People Management, Sustainability, Commercial and Branding, etc.

Employee relations

While industrial action is always a high risk in labour intensive businesses, Afrimat experienced no labour action related to substantive issues or wage demands during the year under review. We strictly comply with all applicable legislation and bargaining arrangements and, in addition, have a strategic engagement process with unions and employees based on transparency, respect and relationships.

The Skills Development and Employment Equity Consultative Committees of each business unit communicates with the unions representing Afrimat's employees. No single union has a majority representativity of all business units in Afrimat. Unions with sufficient representativity at certain business units include amongst others:

- ▶ National Union of Mineworkers ('NUM');
- ▶ Association of Mineworkers and Construction Union ('AMCU');
- ▶ National Union of Metal Workers of South Africa ('NUMSA'); and
- ▶ Transport and Omnibus Workers Union ('TOWU').



People management (continued)

Other key people statistics

Employees



Number of employees – permanent	3 402
Number of employees – fixed term (>90 days)	427
Percentage of employees who are permanent	89%
Number of employees who are deemed disabled	38%

Management



Percentage of management (top and senior) deemed 'HDSA'	12%
Percentage of management (top and senior) who are women	10%

Training



Total number of employees trained for skills, including internal and external training interventions	1 826
Total number of employees with disabilities trained for skills	7

Age



Percentage of employees under the age of 30	12%
Percentage of employees aged between 30 and 50	64%
Percentage of employees over the age of 50	24%

Lost days



Total number of person days lost due to absenteeism	2,4%
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Remuneration

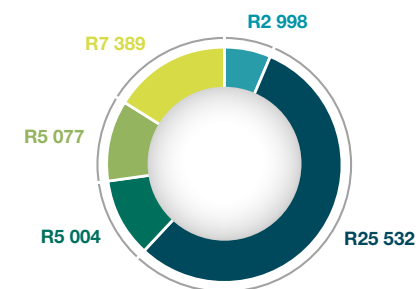


The median remuneration of all employees	R156 503
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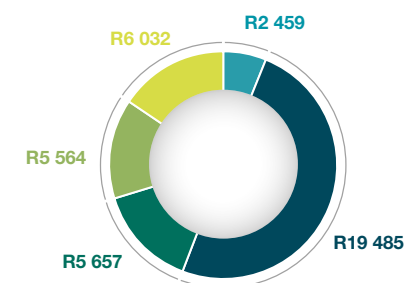
Training and development initiatives (R'000)

2025



Bursary/study loans	6,5%	Learnerships	11,0%
Training costs	55,5%	Internship remuneration	16,1%
Skills development department cost	10,9%		

2024



Bursary/study loans	6,3%	Learnerships	14,2%
Training costs	49,7%	Internship remuneration	15,4%
Skills development department cost	14,4%		



Transformation

We are committed to integrating genuine transformation that permeates the organisation and understand this to be critical for the sustainability of our business in South Africa. Each subsidiary has a dedicated BEE Committee which actions the plans and recommendations of the Social, Ethics & Sustainability Committee in this regard, and further proactively drives improvements in all B-BBEE categories.

Ownership

Our main BEE partners, which are all black-owned organisations are:

Afrimat BEE Trust 4,3%

Mega Oils Proprietary Limited 1,0%

Mandated investments 3,9%

Previously recognised interest 20,8%*

Other smaller B-BBEE shareholders 0,4%

Total black ownership 30,4%

* Shares sold previously held by ARC, the shares qualify to be recognised in terms of paragraph 3.8 Recognition of ownership after the sale or loss of shares by black participants, of the B-BBEE COGP ('Codes'), therefore we are able to include these shares into our BEE ownership.

Black ownership in the Group totals 30,4% in line with Mining Charter requirements. In calculating the ownership percentage, the methodology as required in terms of Statement 100 of the Code was applied. This requires a measured enterprise to apply the exclusion principle to four categories of rights of ownership to the number of issued shares: those held by organs of state and public entities; those held as mandated investments; those held by non-profit companies or public benefit organisations; those that equate to the value of the foreign operations of multinational businesses operating in South Africa.

The Group's B-BBEE ratings* are set out below:

Company/Subsidiary name	FY2024 B-BBEE rating level	FY2023 B-BBEE rating level
Afrimat Limited (Consolidated)	2	2
Afrimat Aggregates (Eastern Cape) Proprietary Limited	N/A	5
Afrimat Aggregates (KZN) Proprietary Limited	2	2
Afrimat CM Western Cape Proprietary Limited (previously known as Afrimat Aggregates (Operations) Proprietary Limited)	5	3
Afrimat CM Eastern Cape Proprietary Limited (previously known as Afrimat Concrete Products Proprietary Limited)	8	7
Afrimat Contracting International Proprietary Limited	3	7
Afrimat Iron Ore Proprietary Limited	2	2
Afrimat Logistics Proprietary Limited	3	3
Afrimat Lyttelton Proprietary Limited	2	4
Afrimat Marble Hall Proprietary Limited	6	NC
Afrimat Mining Services Proprietary Limited	8	4
Afrimat Readymix (Cape) Proprietary Limited	4	4
Afrimat Silica Proprietary Limited	4	4
Afrimat Phosphates Proprietary Limited	7	NC
Afrimat Aggregates East Proprietary Limited	N/A	5
Cape Lime Proprietary Limited	4	4
Clinker Supplies Proprietary Limited	NC	8
Glen Douglas Dolomite Proprietary Limited	3	3
Nkomati Anthracite Proprietary Limited	4	8
SA Block Proprietary Limited (disposed of during the year)	NC	8

* Non-compliant ('NC').

* At the time of issue of this integrated annual report, the FY2025 B-BBEE ratings had not been finalised. Once finalised this will be communicated on SENS.



Transformation (continued)

Management control

Our Board includes four black directors, two of whom are female. The majority of subsidiaries have at least 50% black directors on their respective boards of directors. We make an effort to ensure participation of historically disadvantaged individuals at decision-making positions and core occupational categories through Afrimat's in-house Supervisory and Management Development Programmes, Leadership Programme, and external development initiatives. Through these programmes we aim to ensure leadership continuity in key positions, encourage individual advancement within the organisation, and find a match between the current talents to the required future talent.

Employment equity

A total of 86,1% (2024: 84,3%) of the Group's 3 829 employees are from the historically disadvantaged population groups.

A formal Employment Equity Policy is in place for all employees and potential candidates, which promotes equal opportunities by encouraging good practice in the recruitment and selection process complying with the Employment Equity Act. (Afrimat's employment equity policy is available on www.afrimat.co.za). The policy is an integral part of our commitment to building an effective and representative workforce and to ensure that historically disadvantaged individuals are appointed at management level to reflect the demographics of the country. This has been achieved through the implementation of individual development plans, skills audits, career progression plans, talent identification, fast tracking, training and mentoring. Particular efforts are directed at identifying historically disadvantaged individuals with potential and providing training and development initiatives to assist their progression.

In recruitment and promotion, the governing principle is 'from within the Group' and priority is given to the advancement of black employees. Employment equity goals are communicated to employees via the various subsidiaries' Skills Development and Employment Equity Consultative Committees.

We are also proactive in recognising and rewarding initiative, effort, and merit. Attractive remuneration and incentive schemes are outlined in the remuneration policy to attract and retain employees over the short, medium, and long term. (See remuneration report page [79](#).)

Employment equity reports

The Group is in compliance with the requirements of the Employment Equity Act. Each business registered its report on its BEE employment status at the Department of Labour by 30 September 2024.

Summary of employment equity reports

	 Male				 Female				 Foreign nationals		
Company	A	C	I	W	A	C	I	W	Male	Female	Total
AfriGen Proprietary Limited (previously known as Geocycle Proprietary Limited)	7	0	0	0	5	0	0	0	0	0	12
Afrimat Aggregates (KZN) Proprietary Limited	152	2	2	20	38	3	3	10	0	0	230
Afrimat Central Services Proprietary Limited (previously known as Community Quarries Proprietary Limited)	6	0	1	31	5	1	0	6	0	0	50
Afrimat CM Eastern Cape Proprietary Limited (previously known as Afrimat Concrete Products Proprietary Limited)	136	0	1	8	20	0	2	5	0	0	172
Afrimat CM Western Cape Proprietary Limited (previously known as Afrimat Aggregates (Operations) Proprietary Limited)	130	117	1	33	16	30	0	13	0	0	340
Afrimat Construction Materials Holdings (previously known as Lafarge South Africa Holdings Proprietary Limited)	11	1	3	5	23	7	5	7	0	1	63
Afrimat Contracting International Proprietary Limited	53	2	0	3	9	0	0	2	0	0	69
Afrimat Group Services Proprietary Limited	3	4	0	5	3	2	0	16	0	1	34
Afrimat Industries Proprietary Limited (previously known as Lafarge Industries South Africa Proprietary Limited)	268	23	7	35	65	6	1	10	1	0	416
Afrimat Iron Ore Proprietary Limited	89	26	0	13	23	8	0	8	1	0	168
Afrimat Limited	2	1	0	9	1	5	0	4	1	0	23
Afrimat Logistics Proprietary Limited	26	2	0	3	5	0	0	3	0	0	39
Afrimat Lyttelton Proprietary Limited	62	3	0	3	15	0	0	3	0	0	86
Afrimat Management Services Proprietary Limited	4	8	0	27	1	2	0	7	0	0	49
Afrimat Marble Hall Proprietary Limited	82	0	0	6	17	0	0	3	0	0	108
Afrimat Mining Services Proprietary Limited	248	0	19	48	26	2	0	9	0	0	352
Afrimat Phosphates Proprietary Limited	82	2	0	5	9	0	0	4	0	0	102
Afrimat Quarrying South Africa Proprietary Limited (previously known as Lafarge Mining South Africa Proprietary Limited)	209	18	4	19	80	10	4	7	0	0	351
Afrimat Readymix Cape Proprietary Limited	21	20	1	7	0	4	0	5	0	0	58
Afrimat Readymix Inland Proprietary Limited	16	0	0	4	1	0	0	2	0	0	23
Afrimat Shared Services Proprietary Limited	7	0	1	26	5	2	0	1	0	0	42
Afrimat Silica Proprietary Limited	0	0	0	0	0	0	0	0	0	0	0
Agri Lime Proprietary Limited	0	0	0	1	0	0	0	0	0	0	1
Ash Resources Proprietary Limited	64	0	0	5	17	0	0	0	0	0	86
Cape Lime Proprietary Limited	35	78	1	20	14	20	0	10	0	0	178
Clinker Supplies Proprietary Limited	36	0	0	4	3	0	1	2	0	0	46
Eckraal Quarries Proprietary Limited	44	0	1	5	9	0	0	4	0	0	63
Glen Douglas Dolomite Proprietary Limited	82	1	0	13	22	2	1	6	0	0	127
Nkomati Anthracite Proprietary Limited	319	0	0	21	84	0	0	5	1	0	430
SA Block Proprietary Limited	68	0	0	10	110	0	0	6	0	0	194
TOTAL	2 262	308	42	389	626	104	17	158	4	2	3 912

A = African C = Coloured I = Indian W = White

The Employment Equity reports have a different cut-off period than the year under review and include employees as at 01 January 2025.



Preferential procurement

Afrimat's procurement teams manage the flow of materials and services across the Group. A 'total cost of ownership methodology' is applied to drive efficiencies within the supply chain. This benefits our bottom line, while retaining focus on localisation, supplier and enterprise development and maintaining quality and safety standards.

Our procurement framework is underpinned by good governance and efficient procedures and processes. Improvements in our supply chain are driven by KPIs, ethics, customer service, stakeholder interaction and a culture of teamwork.

Our sustainable development programmes and initiatives provide active support to targeted qualifying suppliers, who are actively participating or may potentially participate within our supply chain. These suppliers play an important role in the growth of the local communities we operate in and to bring previous disadvantaged individuals into the mainstream economy.

The Department of Trade and Industry ('DTI') defines preferential procurement as 'the procurement of goods and services from Empowering Suppliers as a percentage of total procurement'.

Our Preferential Procurement Philosophy supports transformation in South Africa by:

- Promoting compliance, and providing training where necessary, with legislation relating to B-BBEE;
- Supporting and promoting preferential procurement initiatives for purposes of improving procurement from qualifying suppliers;
- Improving existing suppliers' B-BBEE level rating annually, and this principle will be contracted with the suppliers;
- Promoting supplier rotation, allowing for new entrants to participate in our supply chain;
- Educating our suppliers on changes in the Mining Charter, as well as B-BBEE Codes of Good Practice; and
- Providing greater access to markets.

Our procurement practices are aligned to the codes of practice, as well as the Mining Charter to be able to continue contributing to the transformation of the supply chains we are active in. Our spend profile reflects our positive commitment to spend with transformed suppliers within South Africa.

Through the tools introduced to track B-BBEE ratings, the Group intensified its focus on Preferential Procurement during the year.

Procurement days were held to increase the awareness of B-BBEE amongst existing suppliers and to create an opportunity for new BEE

suppliers to meet with the Group's procurement management. Existing suppliers are continuously encouraged to implement transformation processes within their companies and those that demonstrate compliance to BEE empowerment, are given preferred supplier status. A continued focus on supplier development resulted in the identification of BEE suppliers who may otherwise not have been identified by the Group, contributing towards an improvement in BEE procurement of the Company. The Group assisted qualifying small enterprises to provide a relevant affidavit for the purposes of confirming B-BBEE exemption.

Enterprise and supplier development

As part of our commitment to achieving sustainable growth and having an impact on the wider communities that we operate in, we continue to promote Enterprise and Supplier Development, even under difficult conditions with lower demand in certain businesses. We are invested in and committed to the process of assisting small businesses to thrive as they are one of the key vehicles through which poverty alleviation and inequality can be tackled effectively in our local communities, and South Africa as a whole. We believe it's more than compliance. It is about extracting value from our supply chain.

All of our Enterprise and Supplier Development initiatives with established companies are aimed at ensuring that businesses become capable of supplying their products and services into diverse supply chains. The aim is to help these suppliers become more agile and competitive to foster a strong likelihood of meaningful market share gain and sustainable job creation. More so in challenging situations experienced in the last year. This approach will form part of the Afrimat culture and long-term strategy, to create commercially valuable relationships with all stakeholders within our supply chain.

We contributed towards Enterprise and Supplier Development programmes by providing extensive management advice, administration services, grants and working capital funding to qualifying enterprises. In addition, several services and goods have been ring-fenced in order for the Group to only procure from these enterprises. This focus allowed Afrimat to achieve a higher level of compliance, sustainability and development of reliable suppliers in its supply chain.

Supplier and Enterprise Development does have its challenges and there are learnings from both sides, but in the Enterprise and Supply Development journey we are on, we believe we extract value from our supply chain and create a sustainable supply chain aligned to our values. This is a true win-win approach.



Transformation (continued)

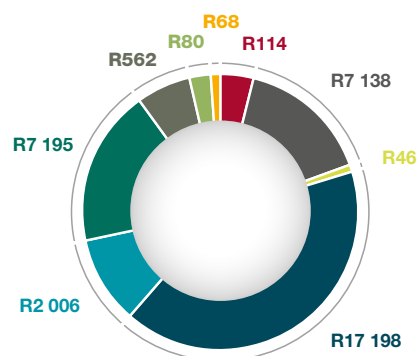
Communities and upliftment

Genuinely passionate about South Africa, we continue creating value through our CSI in the different communities we operate in. With over 63 mining rights across the country, our geographic footprint allows for a bigger socio-economic impact in the nine provinces across the country. Building a collaborative working relationships with our communities, local and district municipalities, tribal authorities, and all other relevant stakeholders ensures the projects and programmes identified are aligned with the needs of the communities. The Group targets a portion of its profit to contribute to these initiatives. CSI expenditures during FY2025 amounted to R16,3 million (2024: R34,4 million). The expenditure is education projects, skill development, community upliftment, basic needs, sport art and culture and supporting and empowering small businesses.



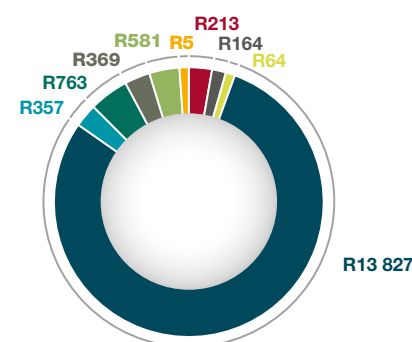
CSI spend: Categorisation 2024 (R'000)

2024



CSI spend: Categorisation 2025 (R'000)

2025



■ Art, Sports & Culture	0,3%	■ Uplifting community	20,9%
■ Basic needs	20,8%	■ Skills development	1,6%
■ Environmental management	0,2%	■ Small business development	0,2%
■ Infrastructure	50,0%	■ Health	0,2%
■ Education projects	5,8%		

■ Art, Sports & Culture	1,3%	■ Uplifting community	4,7%
■ Basic needs	1,0%	■ Skills development	2,2%
■ Environmental management	0,4%	■ Small business development	3,5%
■ Infrastructure	84,6%	■ Health	0,1%
■ Education projects	2,2%		



Griekwas Sponsorship



Arbor Month – Kliprug Quarry



Taletso Resource Centre



Geographical footprint of the positive socio-economic impact of projects in the financial year:

A detailed breakdown of projects in the financial year

Snapshot/overview

Genuinely passionate about South Africa and creating value in the communities we operate in

Creating access to market for local small, medium and micro-enterprises

Creating meaningful jobs through partnership with local small, medium and micro-enterprises

Partnering with the Department of Education to create a conducive learning environment

	Area	Type of project	Project description	Beneficiaries
	Dunoon and Fisantekraal (WC)	Skills development training for unemployed youth	The programme has been running for over nine years, in partnership with Learn to Earn, a division of Fisantekraal Centre of Development. The programme provides unemployed youth with skills relevant to the labour market – trained 50.	Unemployed youth in and around Fisantekraal, Dunoon, Kraaifontein, Khayelitsha, Gugulethu, Cross Road.
	Grabouw (WC)	Early Childhood Development Programme	Afrimat partnered with Heaven-On-Earth Programme ('HOEP') three years ago for this programme. It is a school readiness programme for early childhood development centres. The programme focuses on numeracy, literacy, phonics, and values to get learners ready for foundation phase/primary school.	Peaceful Land in Siyanyanzela informal settlement, Mbalentle in Siteview, Kammaland in Pineview, Flukse Voetjies in Pineview and Little Folks in Water West.
	Nkomazi (MP)	Mzinti Road Repairs	This project began over two years ago with the aim of repairing potholes on the Mzinti Road. Due to the poor condition of the road, vehicles were forced to drive along its edges, posing a significant safety risk to both commuters and other road users.	Nkomazi Local Municipality residents.
	Vryheid (KZN)	Amakhwatha Primary School Library	This project is in partnership with the Department of Basic Education. Afrimat constructed a new school library, and the department to resource the library. The completed project to be handed over in February 2025.	Amakhwatha Primary School has over 1 000 learners.
	Lichtenburg (NW)	Taletso Technical Vocational Education and Training ('TVET') College Resource and Computer Centre	This project is in partnership with Afrisam and Sephaku. The project entailed converting and upgrading two classrooms into a resource and computer centre at the college. The total committed budget by the three companies for the project is R4,0 million. The project to be handed over in February 2025.	Taletso TVET College 2 000 learners.
	Olifantshoek (NC)	Upgrade of the Olifantshoek Fire Station	The upgrade of the fire station was the first phase of the request from the local municipality. The upgrades included redoing the floors, ceiling, installing new ablution facilities, redoing the kitchen, repainting and rewiring the electrical cables. The second phase was the purchasing of fire trucks for the station, which was done by other donors.	Estimated 14 994 residents of Olifantshoek.
	Marble Hall (LP)	Code 14 Licence Training	The programme was introduced to train local unemployed community members in code 14 driver's licence. Ten local community members from the surrounding communities and villages were trained. Since the completion of the programme, two candidates have been employed, one as a driver at a farm company in Marble Hall and another as a machine operator at another mine in the area.	Ten members from surrounding communities and villages: Malatane, Letebejane, Manapyane, Regae, Mogalatsane, Leeuwfontein, Morarela and Marble Hall Ext. 6.



Transformation (continued)

Afrimat Foundation Trust

The Afrimat Foundation Trust is a non-profit organisation ('NPO') where passion meets purpose.

At Afrimat we are genuinely passionate about our country and its people, we believe that our success is intertwined with the well-being of the community where we operate in.

Recognising our social responsibility and because it is the right thing to do, we established The Afrimat Foundation Trust with the mission to uplift the communities we operate in and to foster a sustainable future for all.



www.afrimat.co.za/foundation-trust/



**AFRIMAT
FOUNDATION
TRUST**

Our Vision

To be leading catalyst for positive change in South Africa, promoting sustainable, self-reliant communities and responsible resource management.

Our Values

Guided by our Afrimat culture to achieve excellence with integrity, we based the Foundation Trust's core values on the following:

- ▶ **Integrity**
Operating with transparency and accountability.
- ▶ **Inclusivity**
Through diversity, we strive to create opportunities for all.
- ▶ **Sustainability**
Investing in long-term solutions that will generate a lasting positive impact.
- ▶ **Collaboration**
Working with all stakeholders to leverage collective resources and expertise.
- ▶ **Empowerment**
Believing in the potential of individuals and communities to shape their own destinies.

Our objective

To bring a positive change through access to education and unemployed youth skills development initiatives and to do what is right.

How do we achieve our objective

- By utilising dividend income from Afrimat's Equity Equivalent Programme, to uplift our host communities through educational and unemployed youth skills development initiatives.
- Partnering with businesses who wish to allocate their CSI funding responsibly when unsure about which projects to support. Not only will The Afrimat Foundation Trust allocate these funds responsibly and transparently on behalf of our partners, but our partnering businesses will also receive a **Section 18A** certificate, which qualifies as a tax-deductible expense.
- Through the Trust, additional funding and/or services are allocated to viable host community projects that have been identified through Afrimat's Sustainability Department that are in consultation with the relevant communities, municipalities, tribal authorities and the DMRE.
- We also make use of socio-economic development, training and skills development.

Governance, leadership and expertise

The Afrimat Foundation Trust is governed by a Board of Trustees that is responsible for developing and implementing the strategic direction of the Trust, also ensuring financial transparency and maintaining of high ethical standards.

Our funding

Utilising the Equity Equivalent Benefit, The Foundation will be funded through a combination of sources that includes:

- Contributions from Afrimat through its 5% Equity Equivalent Programme;
- Fundraising initiatives;
- Donations; and
- Partnerships with like-minded organisations, customers, and/or suppliers with CSI funding available.





Afrimat Foundation Trust: Board of Trustees



Collin Ramukhubathi

Executive Director: People & Sustainability

Collin is a Mechanical Engineer with a MBA from Stellenbosch University.

He has vast knowledge in open cast mining and oversees the Group's ESG initiatives.



Marlo Janse van Rensburg

General Manager: Sustainability

Marlo holds a B.Comm (Law), B.Comm (Hons) in Business Economics and a Certificate in Environmental Law from the Northwest University; Diplomas in Financial Planning (WITS) and Corporate Insurance (FSB) and a MBA from Stellenbosch University.

He has extensive experience in finance, compliance and sustainability.



Duduzile Kunene

Independent Trustee

Director: Izithelo Mining Law Consulting

Duduzile holds a Bachelor of Commerce and a LLB degree and has extensive experience working for the Department of Mineral Resources and Energy for many years prior to venturing into the private sector. In 2018, she participated in the formulation of the new Mining Charter and its implementation guidelines.



Nonhlanhla Hlophe

Independent Trustee

Managing Director: NOSI Resources Proprietary Limited

Nonhlanhla is a Chemical Engineer with a Post-Graduate Diploma in Business from Henley Business School. She has worked in the manufacturing and mining industry for a decade, before venturing into entrepreneurship and running an Occupational Health and Safety services organisation.





Mineral Resources register

The Group supplies a broad range of products ranging from Construction Materials (aggregates and concrete-based products), Industrial Minerals (limestone, dolomite and industrial sand), Bulk Commodities (iron ore and anthracite), Services (external logistical and mining services) and Future Materials and Metals (phosphate and rare earth elements). For further information, refer to the business overview on page 4. This Mineral Resources register specifically relates to the Bulk Commodities and the Future Materials and Metals divisions of the Group. Afrimat established the Bulk Commodities division in 2016, with the acquisition of an iron ore mine in the Northern Cape. The division was subsequently expanded to include high-quality anthracite in Mpumalanga. Future Materials and Metals consists of phosphate and rare earth elements resource.

Compliance and reporting basis

Afrimat's method of reporting Mineral Resources and Mineral Reserves complies with the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code and section 12.13 of the JSE Listings Requirements). The SAMREC Code of 2016 sets out minimum standards, recommendations and guidelines for Public Reporting of Exploration Results, Mineral Resources and Mineral Reserves in South Africa. It was launched and adopted by the Johannesburg Stock Exchange ('JSE') in May 2016. The 2025 Afrimat Mineral Resources and Mineral Reserves Report is based on the SAMREC Code. The reporting of Mineral Resources and Mineral Reserves is done annually according to the following flow chart:

The Company's environmental obligations are managed in terms of approved environmental management plans. Compliance with these plans are audited by independent external parties on a regular basis.

The lead Competent Person ('CP') with overall responsibility for the compilation of the FY2025 Mineral Resources and Mineral Reserves report is Philip Mostert, an Afrimat employee. He confirms that the information in this report complies with the SAMREC Code and that it may be published in the form and context in which it was intended.

Philip Mostert graduated with a BSc (Hons) in geology from the University of Pretoria. He spent six years at Goldfields of South Africa as a production geologist, where his duties included the management of the surface capital exploration programme at Kloof. Subsequently, he joined Aflase Gold followed by Brinkley Mining as Senior Exploration Geologist, where he managed the exploration programmes both in South Africa and internationally.

In 2009, he joined Eskom's Primary Energy Division, and was promoted to Senior Manager Technical Services, taking responsibility for all geology, coal quality management, mining and process engineering functions. He was employed as a Principal Consultant at The MSA Group between 2015 and 2017, and at Deloitte Technical Mining Advisory as Senior Manager between 2018 and 2021. In both instances he was responsible for the completion of Competent Persons Reports, leading due diligence studies, Mineral Asset Valuations and evaluations of mining projects at all stages of development.

He was appointed as a Business Development Manager at Afrimat in September 2022, primarily focused on evaluating new mining acquisitions, assisting with the development of life of mine plans and providing expert geological services to the various Afrimat operations. In April 2024, Philip assumed the role as Group Geologist for Afrimat.

He is registered with the South African Council for Natural Scientific Professions ('SACNASP') as a professional natural scientist (Pr.Sci.Nat.) in the field of practice of geological science, registration number 400442/11.

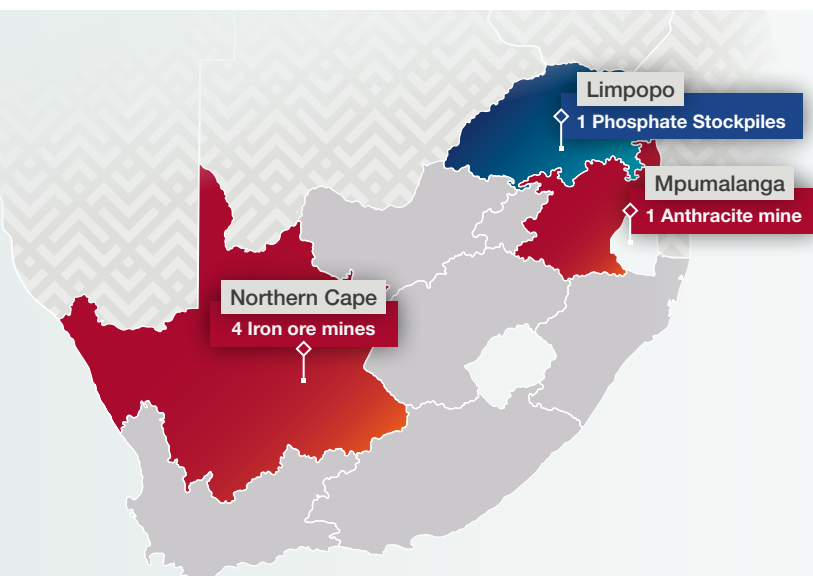
He has a total of 24 years' experience in various aspects of mining and exploration geology, database management, Mineral Asset Valuations and Mineral Resource and Mineral Reserve estimation and as such is considered to be a Competent Person. All Competent Persons at the Afrimat corporate office and the operations have sufficient relevant experience in the type of deposit and in the activity for which they have taken responsibility. The Competent Persons consent to the inclusion of the Exploration Results, Mineral Resources and Mineral Reserves information in this report, in the form and context in which it appears. Details of Afrimat's Competent Persons are available from the Company Secretary on written request.

Philip Mostert Pr.Sci.Nat

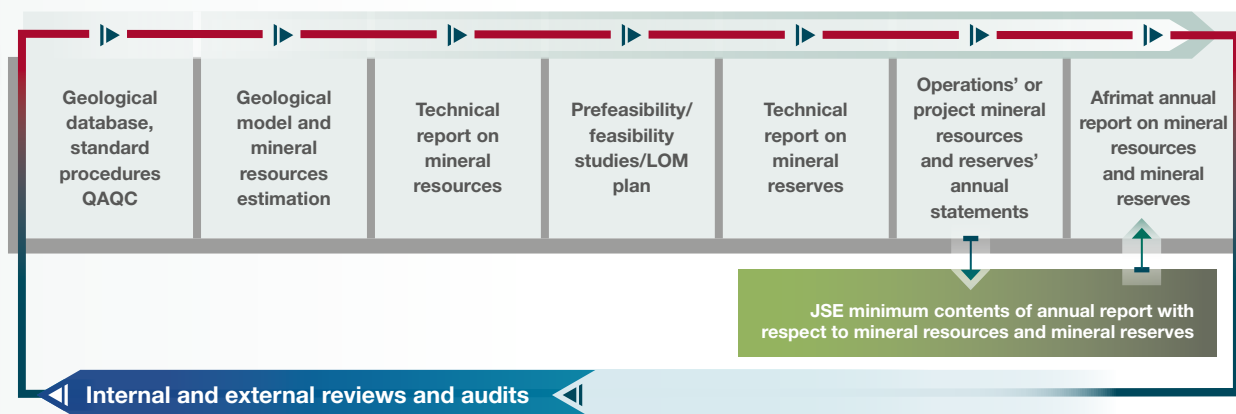
Group Geologist

Tyger Valley Office Park No. 2, Corner Willie van Schoor Avenue and Old Oak Road, Bellville

28 March 2025



Reporting of mineral resources and mineral reserves flow chart





FY2025 Mineral Resources and Mineral Reserves summary at 28 February 2025

The tables below are summaries of Afrimat's Mineral Resources and Mineral Reserves. Mineral Resources and Mineral reserves are declared on 100% beneficial attributable basis. BEE shareholding is held at the Group level.



NKOMATI ANTHRACITE

Nkomati summary Coal Resource estimate (28 February 2025) Air Dried Washed Qualities @ 18% Ash

Mining Area	Year	Measured			Indicated			Measured and Indicated			Inferred		
		MTIS Mt	Yield %	CV MJ/kg	MTIS Mt	Yield %	CV MJ/kg	MTIS Mt	Yield %	CV MJ/kg	MTIS Mt	Yield %	CV MJ/kg
Mangweni	2025	8.2	85.1	27.1	–	–	–	8.2	85.1	27.1	14.0	78.2	26.7
	2024	8.8	85.1	27.1	–	–	–	8.8	85.1	27.1	14.0	78.2	26.7
Madadeni	2025	19.7	77.2	26.3	1.7	73.2	26.3	21.4	76.9	26.3	0.9	40.8	24.9
	2024	19.5	76.1	26.5	2.4	73.2	26.3	21.9	75.7	26.5	1.0	40.8	25.0
Total Nkomati	2025	27.9	79.5	26.5	1.7	73.2	26.3	29.6	79.2	26.5	15.0	75.4	26.4
	2024	28.3	78.8	26.7	2.4	73.2	26.3	31.2	78.4	26.6	15.0	75.8	26.7

Notes:

Coal Resources include Coal Reserves.

A minimum seam thickness of 0,5 m for opencast and 1,2 m for underground applied.

Rounding down of tonnages to 10 000 t.

Rounding down may result in computational discrepancies in totals.

Nkomati summary Coal Reserve estimate ROM (28 February 2025)

Mining Area	Year	Probable		Proven		Probable and Proven	
		ROM Mt	CV MJ/kg	ROM Mt	CV MJ/kg	ROM Mt	CV MJ/kg
Mangweni	2025	1.8	23.3	–	–	1.8	23.3
	2024	2.0	23.3	–	–	2.0	23.4
Madadeni	2025	1.1	24.5	9.8	22.4	10.9	22.6
	2024	1.1	24.5	10.3	22.5	11.4	22.8
Total Nkomati	2025	2.9	23.8	9.8	22.4	12.7	22.7
	2024	3.1	23.7	10.3	22.5	13.4	22.9

Notes:

Rounding down of tonnages to 10 000 t. Rounding down may result in computational discrepancies in totals.

Product specification applied as per current market standards and Afrimat offtake agreements.

The CP has reviewed these before inclusion in modifying factors.

Historical equipment capacities and efficiencies used in estimation production outputs.

Nkomati Anthracite Mine



Mineral Resources register (continued)



AFRIMAT IRON ORE

		Afrimat Iron Ore summary Mineral Resources (28 February 2025)							
Mining Area	Year	Measured		Indicated		Measured and Indicated		Inferred	
		Mt	Fe %	Mt	Fe %	Mt	Fe %	Mt	Fe %
Demaneng ¹	2025	–	–	1.9	56.51	1.9	56.51	–	–
	2024	–	–	2.6	56.85	2.6	56.85	–	–
Jenkins	2025	19.3	61.85	–	–	19.3	61.85	–	–
	2024	19.6	62.54	–	–	19.6	62.54	–	–
Jenkins South	2025	3.3	61.74	–	–	3.3	61.74	–	–
	2024	–	–	–	–	–	–	–	–
Driehoekspan	2025	17.6	57.37	4.2	56.38	21.8	57.18	–	–
	2024	17.8	57.39	4.2	56.40	22.0	57.20	–	–
Doornpan	2025	1.1	56.57	1.5	57.14	2.6	56.88	0.1	58.1
	2024	1.1	56.57	1.5	57.14	2.6	56.88	0.1	58.1
Total Afrimat Iron Ore	2025	41.3	59.79	7.5	56.57	48.8	59.30	0.1	58.1
	2024	38.5	59.99	8.3	56.67	46.8	59.41	0.1	58.1

Notes:

¹ Mineral Resources at Demaneng was not classified according to the SAMREC Code.

50% Fe cut-off used for Resource estimation.

Mineral Resources include Mineral Reserves. Rounding down of tonnages to 10 000 t. Rounding down may result in computational discrepancies in totals.

		Afrimat Iron Ore summary Mineral Reserves (28 February 2025)					
Mining Area	Year	Probable		Proven		Probable and Proven	
		ROM Mt	Fe %	ROM Mt	Fe %	ROM Mt	Fe %
Demaneng	2025	1.6	63.51	–	–	1.6	63.51
	2024	2.4	63.03	–	–	2.4	63.03
Jenkins	2025	18.4	63.84	–	–	18.4	63.84
	2024	13.8	62.61	–	–	13.8	62.61
Driehoekspan	2025	6.7	60.23	–	–	6.7	60.23
	2024	7.2	60.18	–	–	7.2	60.18
Total Afrimat Iron Ore	2025	26.7	62.91	–	–	26.7	62.91
	2024	23.4	61.91	–	–	23.4	61.91

Notes:

All Iron Ore Resources are mined open pit. Rounding down of tonnages to 10 000 t. Rounding down may result in computational discrepancies in totals. Long-term iron ore price of USD100/t FOB China. Product specification applied as per current market standards and Afrimat offtake agreements. The CP has reviewed these before inclusion in modifying factors. Historical equipment capacities and efficiencies used in estimation production outputs.

Demaneng Mine



AFRIMAT PHOSPHATES

Afrimat Phosphates summary Mineral Resources (28 February 2025)

Rock Type	Year	Measured			Indicated			Measured and Indicated			Inferred		
		Mt	%TREO + Y ₂ O ₃	P ₂ O ₅ (%)	Mt	%TREO + Y ₂ O ₃	P ₂ O ₅ (%)	Mt	%TREO + Y ₂ O ₃	P ₂ O ₅ (%)	Mt	%TREO + Y ₂ O ₃	P ₂ O ₅ (%)
Apatite-Haematite Breccia	2025	–	–	–	7.4	2.2	17.57	7.4	2.2	17.57	0.3	2.16	15.83
	2024	–	–	–	–	–	–	–	–	–	–	–	–
Carbonatite	2025	–	–	–	9.4	0.86	3.50	9.4	0.86	3.50	0.5	0.80	4.24
	2024	–	–	–	–	–	–	–	–	–	–	–	–
Pyroxenite	2025	–	–	–	–	–	–	–	–	–	8.7	0.66	5.31
	2024	–	–	–	–	–	–	–	–	–	–	–	–
Surface Stockpiles	2025	–	–	–	–	–	–	–	–	–	2.4	1.94	22.21
	2024	–	–	–	–	–	–	–	–	–	–	–	–
Total Afrimat Phosphates	2025	–	–	–	16.8	1.45	9.7	16.8	1.45	9.7	11.9	0.96	8.94
	2024	–	–	–	–	–	–	–	–	–	–	–	–

Notes:

Cut off of 0,5% TREO + Y₂O₃ used for Resource Estimation. Rounding down of tonnages to 10 000 t. Rounding down may result in computational discrepancies in totals. Afrimat has not previously disclosed Resources for Afrimat Phosphates.



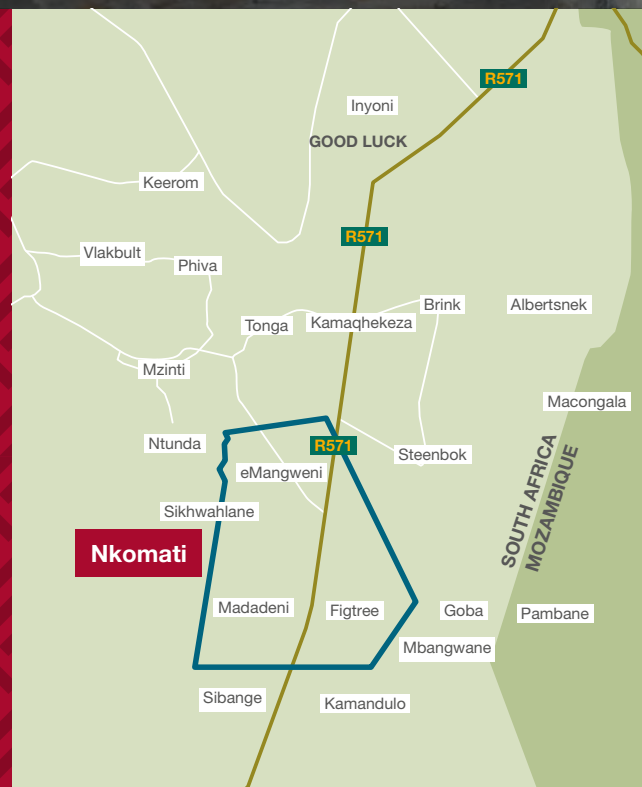
Glenover Mine



Mineral Resources register (continued)

Overview of assets

Locality map of Nkomati Anthracite



Legal tenure

Security of tenure for the Nkomati properties is held in the form of Mining Right MP30/5/12/2/89/MR issued on 22 January 2022. The mining right is valid until 21 January 2052 and covers approximately 11 812 hectares.



NKOMATI ANTHRACITE

Overview

Nkomati is an anthracite mine located in eastern Mpumalanga Province, South Africa, close to the borders of Mozambique and Swaziland. Nkomati covers two distinct mining areas, namely Mangweni to the north and Madadeni to the south, separated by the Komati River. A central coal processing plant is located midway between these areas on the western side of the Komati River.

Exploration activities and expenditure

Exploration activities are limited to resource definition drilling, largely through the use of diamond core drilling. A total of 69 boreholes were drilled in FY2025 for a combined length of 8,334 m.

Logging and sampling of the vertical cored boreholes are done as soon as possible after drilling to avoid deterioration of the coal core. The core is photographed, and logging, sampling and analytical results are captured, which includes validation processes during importing of data. Coal samples are sent to a SANAS accredited laboratory.

For FY2025 the exploration expenditure was R12,01 million.

Geological setting

Regional Geology Anthracite

The majority of the Nkomati Mining Right is located within a narrow sliver of the north/south trending rocks belonging to the Karoo Supergroup which are situated between the granites and greenstones associated with the Barberton Greenstone Belt to the west and the Lebombo syncline to the east. Nkomati is located in the Ka'Ngwane Coalfield.

The Ka'Ngwane coalfield extends along the eastern border of South Africa, north of Swaziland and west of the Kruger National Park, for approximately 70 km by 40 km and is subdivided into northern, central and southern sections. Although named the Ka'Ngwane Coalfield north of Swaziland, the coalfield continues southwards through Swaziland and is believed to be an extension of the Somkhele Coalfield.

The regional geology is dominated by sedimentary sequences including sandstones, mudstones, shales and coal seams of the Karoo Supergroup. The Karoo Supergroup, in chronological order, comprises thin glacial sediments of the Dwyka Group; coal hosted in Ecca Group sediments; coarse sandstones of the Beaufort Group; and basalt of the Stormberg Group. Coal sequences occur in the Volksrust and Vryheid Formations of the Ecca Group. As a result of the deep sand cover, outcrops are limited, and geological mapping was essentially based on drill hole information. No clear marker beds are present. Strata dip regionally to the east at between 3° to 20°, with a down dip steepening. The strike is north northeast/south southwest. The steepening dip defines the Lebombo monocline with a north northeast/south southwest trending fold axis.

Coal has been devolatilised on a regional scale and locally where adjacent to intrusives. The regional alteration is due to major and common regional faulting and volcanic activity throughout the coalfield. Faulting and dykes are generally post coal deposition.



Local Geology Nkomati

The local surface geology within the Nkomati Mining Right typically comprises sediments, coal seams and extrusive lava flows associated with the Karoo Supergroup along with the granites associated with the Nelspruit Suite (post Barberton Sequence). At Nkomati, seams 1, 2 (comprising 2L, 2U(1), 2U(2) subseams), 3, 4, 6 and 8 occur within the late Permian age, Vryheid Formation. The Volksrust Formation has not been encountered at Nkomati. The Nkomati area has been divided into two areas namely Mangweni to the north and Madadeni to the south. There are generally four to five coal seams present of economic significance within the Vryheid Formation, dipping approximately 8° to 10° east and a 2° dip towards the south. The sedimentary succession at Nkomati comprises sandstones, mudstones and shales. Structurally, the mining area is affected by multiple north northeast/south southwest trending faults and, to a lesser extent, east/west faults resulting in the Mining Right being divided into a series of fault-bounded blocks. Although the geological modelling has been undertaken across these structures, mining areas have been defined by the fault bounded blocks separated by large fault throws. The local structure has had a significant impact on the selection of the mining method, with up faulted blocks enabling opencast methods to be implemented due to lower stripping ratios. Down faulted blocks may only be considered for underground extraction methods. The area is intruded by two major sills, which appear to have been intruded before the dykes and the thermal effects of these sills have resulted in the formation of anthracite. These sills have not been mapped in detail on surface, with the information pertaining to their extent being interpreted from the geophysical survey results. The sills have not been separately identified in drill holes using lithological characteristics and therefore they have not been named. Vertical to semi-vertical dolerite dykes are regularly encountered in exploration drill hole cores and are visible in both the opencast and underground mining areas. These dykes appear to be secondary intrusions crosscutting the sills and coal seams. The dykes are generally cool and do not show significant burning or devolatilisation of the adjacent coal seams.

The coal seams are numbered from bottom to top, with the 1 seam being lowermost and the 8 seam being the uppermost, stratigraphically. The upper seams are only encountered in drill holes located towards the east. The occurrence of the various coal seams varies from Mangweni in the north to Madadeni in the south.

At Mangweni the 2L seam is well developed and of significant thickness (on average 5,5 m thick) and is the only seam of economic interest. The seam can be split into two horizons based upon its phosphorous content, with the upper portion being significantly lower phosphorus content than the lower portion. The lowermost 1 seam does not occur at Mangweni. The upper coal seams of the 4, 3 and 2U are less well developed and significantly thinner with approximately thickness's of 0,6 m, 1,1 m and 1,2 m, respectively, totalling approximately 3 m.

At Madadeni, the 1, 2L and 2U (1) seams are well developed and of economic interest. The seams are on average 1,2 m, 4,0 m, 3,5 m thick, respectively, totalling approximately 8,7 m. The 2U (2) is approximately 0,3 m thick and therefore not of economic interest. All of the 2L coal seam is classified as low phosphorus coal.

The 2L seam is the main seam mined within the Mining Right, and is the seam targeted for underground mining. All seams are extracted within the opencast mining area.

Orebody modelling

The most recent geological models include exploration drilling and sampling results. Datamine RM was used for the structural, physical and quality modelling. With the change in modelling software, a comparison with the previous Dassault Systèmes GEOVIA Minex model was completed. The comparison showed no material deviations.

A 25 m x 25 m x 2.5 m cell size was used throughout. Coal seam floor elevations and coal seam thickness's were gridded from which the coal seam roof elevations were calculated. All raw coal qualities were estimated for the seams of interest (CV, Ash, IM, RD, VM, FC and TS) as well as the same qualities and theoretical yield variables within the wash curve. It is noted that over time different wash fractions have been analysed in the various exploration campaigns. These cumulative fractions have been regularised to estimate the missing fractions between analysed fractions.

Phosphorous has only been analysed on certain wash fractions (float density 1,55 and 1,65) which was not necessarily consistent with the product reported. Fortunately, this still does provide a rigorous indication of the expected phosphorous content of the saleable product. The wash tables were adjusted to wash for a theoretical product of 18% ash per drill hole and per coal seam. These results were used to report the theoretical product yield and quality per Coal Resource block.

Mining activities

Mining is focused in the Madadeni section, with majority of coal extracted from the Madadeni Opencast, its North-East extension and Block L. The 2U and 2L seams are the primary mining targets, with additional coal coming from the 1 and 3 seams where developed. Madadeni Block L had a slower than expected ramp-up while graves ahead of the mining faces were removed.

The Mangweni Underground decline intersected the 2 Lower Seam during FY2025 and was ramping up production to design volumes. A major roof collapse resulted in the section being placed on care and maintenance while alternative support strategies are being considered. Mangweni Underground subsequently moved production focus to the 2 Upper Seam along the eastern

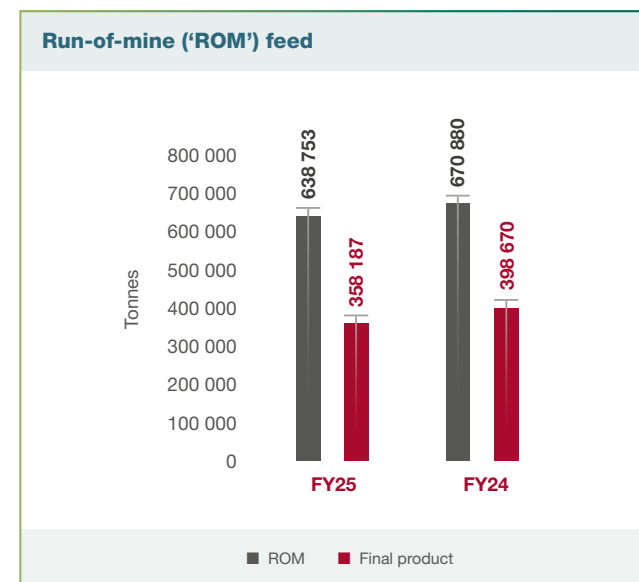
portion of the decline, where the sandstone roof provides more stable geotechnical conditions. The 2 Upper Seam was intersected during the latter part of Q4 FY2025.

The remaining Life of Mine ('LOM') is estimated at 18 years with ROM reserves of 12,7 Mt. The Coal Reserve total has decreased from FY2024 due to depletion, with a slightly longer LOM owing to a decreased mining production rate.

There are no Inferred Coal Resources included in the LOM plan.

Production

ROM feed for FY2025 was 639 Kilotonnes ('kt') with a saleable product of 358 kt. A comparison with FY2024 is presented in the graph below.



The coal from the mining areas is transported by truck to the ROM tip at the centrally located coal processing plant.

During 2024, the sales split averaged 52% small nuts (+20-80 mm), 47% duff (+0,5-20,0 mm), and 1% spirals and slurry. Primary products are sold Free On Truck ('FOT') to the local market, specifically to Glencore Operations South Africa Proprietary Limited (Glencore) for use in their ferroalloy smelters as a high-carbon reductant. Limited export sales of secondary products occur when excess product is available.



Mineral Resources register (continued)

Locality map of the Afrimat Iron Ore Properties



AFRIMAT IRON ORE

Overview

Afrimat operates the three properties (Demaneng, Jenkins and Driehoekspan) as a single operating unit, with shared technical, operational and support functions. Production output from the properties is considered as a whole to meet customer requirements and maximise value. Doornpan is considered an exploration property.

The Demaneng Iron Ore mine is situated approximately 15km south of the mining town of Kathu in the Northern Cape Province. Demaneng primarily mined Pit H and Rust & Vrede Pit, with ore processed through the two dense medium separation plants.

The Jenkins Iron Ore Mine is situated approximately 8km due south of the Demaneng Iron Ore Mine and about 23km south of the mining town of Kathu. Jenkins mined from a single open pit and produces a direct shipping ore product from its fixed crushing plant.

The Driehoekspan Iron Ore Mine is situated approximately 19km north of the Postmasburg town and about 25km south of the Jenkins Iron Ore Mine.

The Doornpan Iron Ore project is situated approximately 13km north of the Postmasburg town and about 6km south of the Driehoekspan Iron Ore Project.

Legal tenure

Demaneng

Security of tenure for the Demaneng property is held in the form of Mining Right NC 270 MR issued on 28 May 2011. The mining right is valid until 27 May 2028.

Jenkins

Security of tenure for the Jenkins property is held in the form of Mining Right NC 10094 MR issued on 24 March 2021. The mining right is valid until 23 March 2051.

Driehoekspan

Security of tenure for the Driehoekspan property is held in the form of Mining Right NC 10082 MR issued on 15 October 2020. The mining right is valid until 14 October 2050.

Doornpan

Security of tenure for the Doornpan property is held in the form of Mining Right NC 10034 MR issued on 4 December 2017. The mining right expired on 3 December 2023. An application for renewal of the Mining Right was submitted and is awaiting approval. The mining right remains valid while approval is pending.



Exploration activities and expenditure

Exploration activities are limited to resource definition drilling, largely through the use of percussion drills. Logging and sampling of the boreholes are done at the drill rig. Logging, sampling and analytical results are captured, which includes validation processes during importing of data.

Samples are sent to the on-site laboratory for analysis.

For FY2025 the exploration expenditure was R0.6 million.

Geological setting and modelling

The central part of the Maremane dome comprises a flat lying erosional plain consisting of dolomite of the Campbellrand Subgroup, with an eastern and western limb consisting of the iron formation of the Asbesheuwels Subgroup of the Transvaal Supergroup.

The dome is a north-south plunging anticline elongated to form a semi-arcuate feature, with the eastern limb dipping gently to the east and the western limb dipping to the west. The structure of the dome has been considerably modified by later tectonics and is a remnant of a much larger palaeo feature with considerable amounts of ore material, mainly from the Griquatown Iron Formation, having been removed by erosion. Only the eastern half of the dome is exposed with the western half covered unconformably by the Gamagara succession of diamictite, quartzite and basaltic andesites, with an unconformity produced by thrusting from the west caused by the low angle Black Ridge thrust fault.

High to medium grade hard hematite iron ore deposits are considered as type examples of the ancient enrichment of Precambrian Banded Iron Formations. These deposits are situated on the Klipfontein hills ridge, part of the eastern edge of the Maremane dome where BIF overlies the core of dolomite. Along the Klipfontein hills forming the eastern edge of the dome structure, scattered outcrops of BIF and chert breccia occur. The Sishen and Beeshoek iron ore deposits are hosted within the Manganore Iron Formation which is generally regarded as an altered equivalent of the Kuruman Iron Formation and the Griquatown Iron Formation of the Asbesheuwels Subgroup.

The distribution of chert bearing dolomite has influenced the development of karst type sub-surface into which high grade iron ore deposits have developed and been preserved.

The two major types of iron ore deposits are the micro-crystalline hematite ores derived from supergene enrichment of the Asbesheuwels Iron Formation below the angular Gamagara unconformity and the conglomeratic ore derived from erosion of the underlying laminated ores. The conglomeratic ores can thicken considerably into karst (solution) palaeo lows in the dolomite which can produce ore deposits with irregular floor and thickness distributions.

Local Geology Demaneng

The lithological sequence consists of shale and conglomerate of the Gamagara Formation that is unconformably underlain by BIF of the Manganore Iron Formation which is overlying an undulating Wolhaarkop chert breccia.

The majority of the mineralisation on Pit H occurs in a zone of structurally controlled haematite alteration in the BIF. The mineralisation is interpreted to occur within a series of repeated/duplicated zones of faulting or thrusting, which are orientated north-south. Duplication is evident with older stratigraphy observed to overlie younger stratigraphy. A set of northwest-southeast linear structures can be seen in the open-pit and are considered to be associated with the faulting and thrusting seen in the drillholes.

At Pit H, these linear features are perpendicular to the strike of the thrust orientations with recorded measurements of 90° to 110° dipping at approximately 75° to 90° to the northeast. Three distinct zones of mineralisation are evident in the drill holes, massive, homogenous haematite (>60% Fe), layered BIF with minor zones of haematite enrichment 45% to 55% Fe and a conglomerate.

The zones of partially replaced BIF that contain haematite are interpreted to form a 'halo' around the massive mineralisation which is orientated approximately northwest-southeast. Overlying the host BIF is the Doornfontein Conglomerate. The pebbles and matrix of the conglomerate are often seen to be replaced by haematite. The conglomerate is flat lying, with grades ranging from 50% to 55% Fe.

Local Geology Jenkins

The eastern part of Jenkins contains well exposed outcrops of dense black hematite, dipping at around 17° to west. At approximately 200 m down slope, the hematite is overlain by the younger Gamagara quartzite and ferruginous shale, on an angular unconformity. Thrust faulting has been reported in the literature between the oxide layers and the underlying dolomite. Further to the west, the sedimentary rocks are overlain by the basaltic andesite of the Ongeluk Lava along the Black Ridge thrust fault plane.

Variations occur in the thickness of the various layers due to undulations of the dolomite floor (probably collapsed solution cavities in the dolomite), variations of the overlying sedimentary events and compression flexing from the west.

Local Geology Driehoekspan

On Driehoekspan, only the western extremity of the farm contains the ore zone which outcrops on three distinct topographic ridges with opposing and overturned dips on the western most exposures, the eastern remainder of the farm being the central flat lying erosional dolomite plain with occasional low hills of dolomite.

Compression tectonics from the west has produced steep to vertical and possibly overturned isoclinal folding, the frequency and amplitude of which decreases rapidly eastwards. This is evidenced by three separate outcrop exposures of both ferrous and ferro-manganiferous oxide material, decreasing in altitude from the west.



Mineral Resources register (continued)

Local Geology Doornpan

Doornpan lies on the flat lying central Maremane dome dolomite plain with the Bleskop Hill forming an isolated topographic high containing a semi-elliptical crown outcrop of hematite. Outcropping black hematite is visible both at the apex and at the base of the hill. Topographically, the top of the hill forms a shallow inwardly dipping which shows that the hill is a remnant overlying a collapsed solution cavity forming a slump structure, the base of which is some 70 m below the present-day dolomite erosional surface.

Orebody modelling

The Datamine software package was used for geological modelling and geostatistical analyses and mineral resource determination and classification.

The orebody top and bottom contacts were established using a 50% Fe cut-off value.

>50% Fe samples near to the ore body (in both hanging and footwall) was used as a cut-off grade. The weighted grade of the outlier and the waste separating it from the ore body was calculated. If this weighted grade exceeded 50% Fe the outlier (and waste) was included in the ore body.

The orebody top and bottom were constructed as two separate DTM surfaces and the volume between was filled with blocks. The orebody was terminated 50 m beyond the last line of boreholes. In order to avoid overestimating of the resource a geological loss was calculated for the orebody model. The number of samples at grades less than 55% Fe within the ore envelope was expressed as a percentage of the total samples and quoted as a loss.

Data was composited to 1 m intervals. Summary statistics as histograms were generated on the composited file for the three different ore bodies.

The elements studied are Iron, Potassium, Silica, Alumina, Sulphur, Phosphate, Magnesium, Sodium and Titanium. The elements mainly follow the Normal distribution. Ordinary kriging was used in the interpolation process. The number of Discretisation points is 4*4*4 in the X, Y, Z directions respectively. The Datamine software package was used for geological and grade modelling. Swath analyses for the Fe and K₂O elements were done to compare borehole input against the predicted Block model value. A 50 m corridor along the Y-axis of the deposit through the borehole file and the same corridor through the block model was compared to assess if the same trend is present, i.e. is the kriging interpolation following the borehole values.

Mining activities

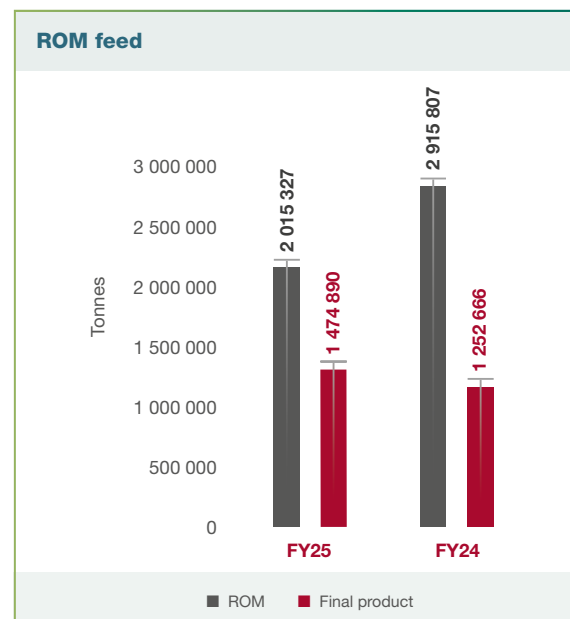
Demaneng mines four open pits (JC, Pit H, Rust and Vrede and Rust and Vrede South). Jenkins consists of a single open pit, that has been optimised during FY2025 to include the extraction of the boundary pillar with the neighbouring operation. Mining operations at Driehoekspan is ongoing, with current focus on mining the overlying manganese.

The remaining LOM is estimated at fourteen years with ROM Reserves of 26,7 Mt. The increase in Reserves is primarily due to the redesigned Jenkins 'mega-pit' resulting in more extractable ore.

There are no Inferred Mineral Resources included in the LOM plan.

Production

ROM for FY2025 was 2,02 Mt with a saleable product of 1,48 Mt. A comparison with FY2024 is presented in the graph below.



Ore from the pit is transported to the ROM tip located at each site. Dependent on iron content it is either stockpiled and blended as direct shipping ore or processed through the dense medium separation plants at Demaneng.

All product is transported to Lyleveld Siding, from where it is loaded on trains for transport to local and international customers.

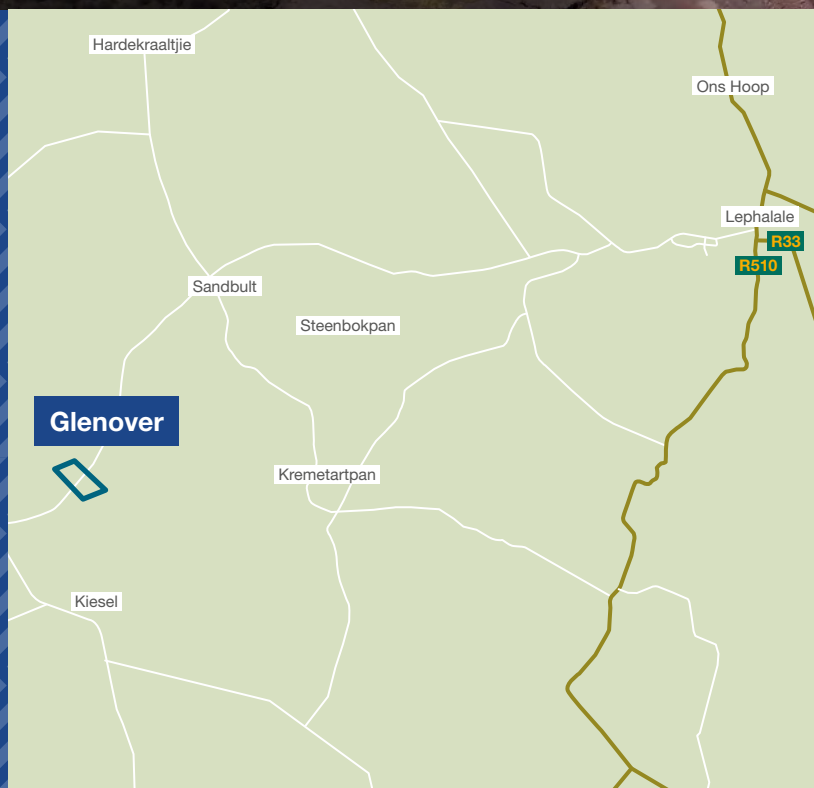


Demaneng & Jenkins



AFRIMAT PHOSPHATES

Locality map of the Afrimat Phosphates

**Legal tenure**

Glenover holds a Mining Right, granted on 17 December 2021. The Mining Right covers an extent of 652.0622 hectares on the farm Glenover 371LQ in the Lephalale Magisterial District.

**Overview**

The Mining Right is valid for a period of 30 years and expires on 16 December 2051.

Exploration activities and expenditure

Afrimat conducted an internal review of the previous exploration results including geophysical surveys. The aim was to identify additional REE targets that might require further study and exploration work. The results of the review is currently being assessed and further exploration activities will commence once the required capital approval process has been completed.

No additional exploration activities occurred during FY2025.

Geological setting and modelling

The Glenover Carbonatite complex is a 4,5 by 3,5 kilometre oval-shaped body consisting mainly of poorly exposed pyroxenite and dolomitic carbonatite with subordinate calcitic carbonatite. The complex intrudes Waterberg sediments and has fenitised quartzites surrounding the intrusion. Past drilling has shown that the major component is probably magnetite-apatite-biotite pyroxenite with an average P_2O_5 content of around 5%. Mining was confined to a phosphate-rich apatite-haematite breccia body at the core of the complex. Its origin is the subject of on going debate but was originally thought to be agglomerate from an intrusive breccia. The current geological model suggests that fluid activity including solution-collapse has played a major role in enrichment of mineralisation within the apatite-haematite breccia. The entire complex is located within a pronounced east-west trending structural graben which is the dominant trend of lineaments through the Glenover area.

Local Geology Glenover

During the course of drilling in the pit area at Glenover the major rock types encountered were characterised and coded for the logging protocol. The main target for this phase of the project was the apatite-haematite breccia remaining in and around the pit area, which is also the source of the unconsolidated stockpile material on surface.

The old phosphate mine (and current REE target) is situated in the central part of the Glenover Complex. The general area is flat and covered in a layer of hard pan calcrete (duricrust) which appears to vary between one and three metres in thickness. The primary lithologies of the complex have been identified as carbonatite and pyroxenite and various weathered products of the rocks occur below the calcrete horizon. The pit area still contains a significant volume of apatite-haematite breccia that was left un-mined after GFSA ceased mining operations. The highest concentrations of REE and phosphate are found within the apatite-haematite breccia.



Mineral Resources register (continued)



Glenover Milling

Orebody modelling

The Datamine software package was used for geological modelling and geostatistical analyses and mineral resource determination and classification.

Data analyses, both spatial and non-spatial followed by resource estimation, were completed for each of the three geological zones identified and modelled. For each of the three zones, analyses and estimates of the following grade variables were completed:

- Total phosphate expressed as % P_2O_5 .
- Total rare earth element oxide content plus Yttrium (%TREO + Y_2O_3).
- Niobium expressed as oxide, Nb_2O_5 , in parts per million (ppm)
- Scandium expressed as oxide, Sc_2O_3 , in ppm.

The selected cell size of 30 m x 30 m x 10 m was based on the fact that the drill hole spacing of the GHV series of the holes approximates to 50 metre in both the X and Y directions. 60% of this spacing (30 metre) was therefore used. A 10 metre Z was used in an attempt to approximate the anticipated bench height of the open pit mining where 10 metre is commonly used.

Estimations were performed on all grade variables for each of the three rock types using Ordinary Kriging. With the exception of Nb_2O_5 ppm in the Apatite-Haematite-Breccia, isotropic search ellipses were used.

A central high-grade core with %TREO + Y_2O_3 grades exceeding 3.5% can be seen align almost on the centre of the pit itself. This zone is elongated slightly from east to west and dips at a relatively low angle (30° to 40°) towards the west. Around this core, grades decrease steadily through the Carbonatite to some 0.5% within the Pyroxenite.

Mining activities

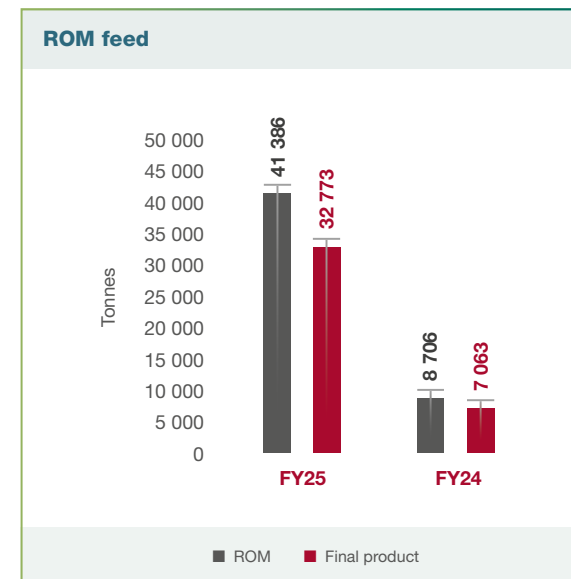
Material is currently recovered from the various phosphate stockpiles for feed into the Single superphosphate ('SSP') plant. No active mining of the in-situ phosphate Resource is currently being conducted, while technical studies are completed.

Afrimat continues to consider various processing options for the extraction of the REE Resource, the results of which will further inform the outcomes of the mining technical studies.

The remaining LOM is estimated at 28 years. No Reserves have been declared for Glenover.

Production

ROM for FY2025 was 41,4 kt with a saleable product of 32,8 kt. A comparison with FY2024 is presented in the graph below.



Ore is primarily transported from the stockpiles to Afrimat's SSP plant for processing. Where the ore meets the more stringent requirements for secondary uses (e.g. phosphoric acid producers), it is crushed and processed separately.

Primary products are sold Free On Truck ('FOT') to the local agricultural market.



Glenover Mine



Remuneration Report

Letter from the Chairmen of the Remuneration & Nomination Committee

Dear shareholders

On behalf of the Committee, we are pleased to present the FY2025 remuneration report. This report outlines our remuneration philosophy and policy and demonstrates how the Company's performance in FY2025 is reflected in the remuneration outcomes for our executive directors.

In line with King IV™ Code on Corporate Governance for South Africa, and our commitment to fair and responsible remuneration, we review and enhance our policies annually. This process considers emerging trends, regulatory requirements, best practices, and stakeholder feedback. We remain committed to engaging meaningfully with shareholders and external experts to ensure our remuneration framework continues to support Afrimat's strategy, values, and long-term success. Our goal is to attract, retain, and motivate high-calibre talent who can deliver sustainable value to all stakeholders.

Transparency remains a cornerstone of our remuneration philosophy and accordingly both the Company's remuneration policy and its implementation report thereon will once again be presented to shareholders for separate non-binding advisory votes at Afrimat's 2025 AGM. Should 25% or more shareholders vote against either the policy or the implementation report, Afrimat will actively engage with those shareholders – via dialogue, written submissions, or other means – to understand and address their concerns, always mindful of meeting the Company's stated business objectives while being fair and responsible toward both the employees and shareholders.

Focus areas for FY2026

- ▶ **Employee development remains key**
- ▶ **Sustained emphasis on fair compensation principles throughout the Group**
- ▶ **Attract, retain and motivate top talent who will create long-term value**
- ▶ **Continued focus on a healthy culture**
- ▶ **Sound shareholder engagement to ensure alignment with shareholder interest**
- ▶ **Transparency and clear communication, allowing shareholders to fully comprehend our remuneration philosophy and practices**

Committee considerations and decisions

Introduction

The Remuneration & Nominations Committee is an independent and objective body, monitoring and strengthening the credibility of the Group's remuneration system. It ensures that executive remuneration is linked to individual performance, the Group's performance and market conditions and benchmarks. The Committee considers and makes recommendations to the Board on remuneration packages and policies in this regard. The Committee is therefore authorised by the Board, to seek any information that may further obtain external legal and/or other independent professional advice if deemed necessary. The requirement for engaging with external advisors is assessed annually in the context of issues at hand and the recommendations by these advisors are only used as a guide, and do not serve as a substitute to the Board's thorough consideration of the relevant matters.

The Committee is structured and held responsible in a manner demonstrating to all stakeholders that the remuneration of executives is set by independent, objective directors with no personal interest in the outcome of their decisions and who will give due regard to the interests of all stakeholders and to the financial and commercial health of the Group in reaching their recommendations. The Committee's Charter is available on the Company's website.

Prescribed officers are defined as those who exercise general executive control over and manage the whole or significant portion of the business and activities of the Group, or who regularly participate to a material degree in any such exercise of general executive control and management. The executive directors and deputy CFO are deemed to be prescribed officers of the Company. Their remuneration is disclosed in the integrated annual report on page 84.

Voting at the AGM held on 6 August 2024

The remuneration policy and implementation report is tabled each year for separate non-binding advisory votes by shareholders at the AGM. At the AGM on 6 August 2024, the remuneration policy and the implementation report were passed by the requisite majorities. As such, no further engagement with shareholders was required. The 2024 and 2023 AGM voting results are set out below.

	2024	2023
Advisory vote		
Remuneration policy	95,8%	94,5%
Implementation report	86,9%	94,9%
Special Resolution 1 – 12		
Future non-executive directors' remuneration	>89,5%	>90%

The CEO and CFO attend Remuneration & Nominations Committee meetings by invitation to assist with deliberations, apart from with discussions regarding their own remuneration.

Independent external advisors

The Committee contracted the services of Deloitte Touché Tohmatsu Limited during FY2025 for independent external advice. The Committee continues to use Willis Towers Watson Public Limited Company (Willis Tower Watson) for remuneration benchmarking purposes. Furthermore, the Committee is satisfied with their independence and objectivity.



Remuneration Report (continued)

Remuneration policy and framework

The Group pays competitive and market-related salaries relevant to an individual's position and the region/area in which he/she will be employed, considering his/her qualifications, experience and performance. The administration of the Group's retirement funds is outsourced to Alexander Forbes, which advises on market trends in retirement benefits.

The Group's approach is to reward holistic and balanced as follows:

Remuneration mix			
Guaranteed annualised remuneration		Variable pay	
BS			
Benchmarked against applicable companies to ensure that base salary is competitive and attracts and retains the required level of experience and expertise required for the Group		Short and long-term incentives with the opportunity to earn additional financial rewards over performance periods of between one and three years	
(‘BS’)		(‘STI’)	(‘LTI’)
Base Salary: Competitive salary tailored to roles and performance.	Benefits: Competitive benefits including pension and provident funds, healthcare and vehicle allowance.	Short-term incentives: Annual performance bonus paid on the achievement of one-year financial targets taking into account individual performance. Employees in the Group participate in an STI scheme appropriate to the level and role that they perform in the Group.	Long-term incentives: Share schemes designed to incentivise CEO, executive directors, executives and senior management levels across the Group, on delivery of long-term strategic goals aligned with shareholder expectations: - Share appreciation right scheme (‘SAR’). - Forfeitable share plan (‘FSP’).

Discretion

The remuneration framework provides a guideline for the Group's remuneration arrangements. Although the basis for STI and LTI awards are mostly formulaic in nature, participation in variable pay remuneration is discretionary. The Remuneration Committee determines the size of the STI cash pool and has the discretion to exercise reasonability and discretion to make *ex gratia* payments where extraordinary value has been created. If a material deviation from the remuneration policy occurs, this will be appropriately disclosed in the Remuneration Report.

The Group's executives are remunerated in terms of a remuneration package and incentivised with a short-term incentive bonus and long-term share appreciation rights scheme and forfeitable share plan. The remuneration packages are structured on a 'cost to company' basis and include contributions to health care and retirement benefits. Annual increases in executive remuneration packages are adjusted for changes in the general cost of living and market-related changes and movements. Performance incentives are calculated in terms of defined profit targets and key performance indicators ('KPIs'), including risk management efficacy. Details of the share appreciation rights scheme and forfeitable share plan for executive directors and senior management are disclosed on pages 81 to 82 of this report. (Afrimat's full remuneration policy is available at www.afrimat.co.za).

The following section sets out the manner in which the Group's remuneration policy addresses fair and responsible remuneration for executive management in the context of overall employee remuneration.

Some of the principles driving fair and responsible remuneration are:

- consideration given to minimum wage legislative requirements;
- equal pay for work of equal value specifically addressing any income disparities based on gender, race, age and cultural preference;
- participation of senior permanent employees in some form of short-term incentive scheme and/or forfeitable share scheme, the distribution of which is based on the achievement of performance metrics; and
- participation of permanent employees in operational business units in some form of a Committee-approved production incentive bonus scheme that is affordable. The distribution to individual employees of this bonus pool is based on the achievement of performance metrics.

The Group measures the business unit's respective positioning relative to minimum wage legislation. All annual salary increases are informed by affordability, Company performance, internal parity, individual performance and responsibility of the role.

Employee share benefit scheme

The Afrimat employee trust, Afrimat BEE Trust, holds (indirectly through AEI) on an unencumbered basis, 6,9 million shares representing 4,3% of the issued share capital of the Company. It is the Company's intent to increase the shareholding of qualifying employees to 5,0% over time.

Qualifying employees will be an individual who must:

- be a permanent employee of the Group, and be employed for at least three uninterrupted years;
- not be serving his/her notice period; and
- not be participating in any other short-term incentive scheme of the Group.

The participation by the qualifying employee in a self-funded productivity incentive bonus scheme shall not disqualify his/her participation in the revised scheme.

The beneficiaries have been allocated units in relation to the shares held. A beneficiary shall not be entitled to dispose and/or encumber or in any way deal with his/her trust unit but will have a vested right to receive distributions, i.e. dividends commensurate with his/her participation rights. Dividends to, the amount of R6,4 million (2024: R5,3 million) was distributed to the qualifying participants during the 2025 financial year.

At least 85,0% of the beneficiaries under the revised scheme shall be people defined as 'black' in terms of the Broad Based Black Economic Empowerment Act. The Company's qualifying employees constitute a representation of more than 85,0% black persons, i.e. 93,4%.



Employees

Collective wage increases for employees in bargaining units, i.e. where recognition agreements are in place and formal collective bargaining agreements take place, are negotiated with the majority representative trade union per business unit. Trade union membership in bargaining units comprises 41% (2024: 57%) of the total workforce.

Remuneration mix

Refer page 80 for remuneration framework of executives.

The Company ensures that remuneration of executives constitutes a mix of fixed and variable elements (short-term and long-term variable compensation). In terms of the Group's remuneration policy, philosophy and strategy for executives (as opposed to general employees), the variable performance linked remuneration portion carries relatively more weight than the guaranteed remuneration portion ensuring a large element of total pay at risk for the executives, aligning performance with reward. The remuneration of executives are benchmarked against Willis Tower Watson annual industry remuneration survey data, to ensure independence and integrity of information. The industry remuneration survey data reflects the median levels based on the role and individual skills and experience of key individuals.

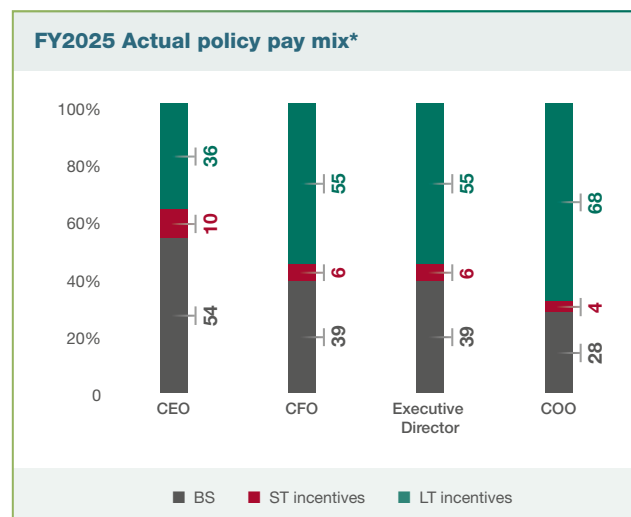
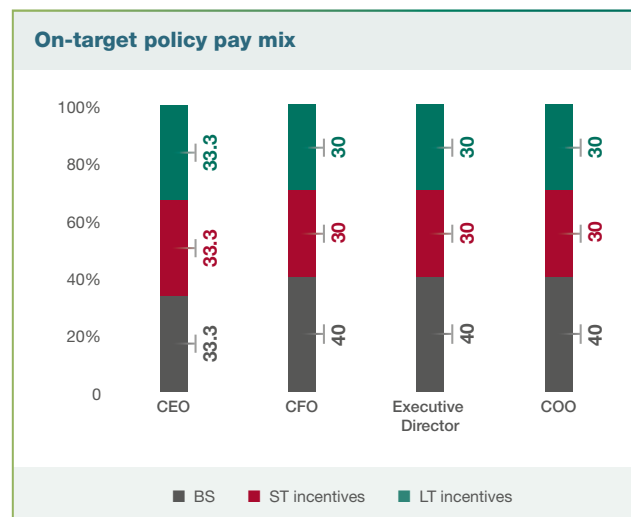
The Willis Tower Watson' remuneration survey done in 2025 confirmed the Group's executives total remuneration being in line with the market and that the pay mix are relatively skewed towards variable pay which is seen to be a more aggressive pay mix. The Committee uses remuneration surveys and peer group data from the JSE construction/mining sector. In line with its 'aggressive' lean towards variable pay mix for executives, Afrimat targets between the 25th percentile and the 50th percentile for guaranteed pay of the market for executives. The Committee is satisfied that the total reward outcome should be the key driver in executive pay should they achieve performance targets.

Share appreciation rights and forfeitable shares are issued to executives to align the interest of executives with those of the shareholders. The award of share options and forfeitable shares to key management are recommended by the Remuneration & Nominations Committee and approved by the Board. Refer to note 19 on page 154 of the annual financial statements for further information.

Non-executive directors do not take part in any performance-based remuneration, as to not adversely affect the independence and objectivity of such directors.

The below graph has been inserted to reflect the Company policy to ensure

an acceptable mix of short-term, long-term and cost to company remuneration for executives:



* Short-term incentives are lower than 'on target' pay mix, in line with the Company's FY2025 performance/profitability.

Employment contracts

Refer to note 20 on page 158 of the annual financial statements for further information.

Share appreciation right plan ('SAR')

Upon recommendation by the CEO and the Remuneration & Nominations Committee, the Board may approve and grant equity-based remuneration in the form of SARs.

SARs are granted to executives and key employees having regard, among other things, to the past and potential contribution of the person to the Group and the need to retain the skills of the employee. The instruments provide a right to future delivery of Afrimat shares (the value equating to the growth in share price from grant date to exercise date of the instruments, e.g. if 10 SARs are awarded at R10 and the share price grows to R20, then R100 will be delivered in shares (five shares at R20 on exercise date). Overall levels of SARs granted are reviewed annually in accordance with market best practice. When SARs vest the performance criteria stipulated in the SAR scheme rules (and agreed with participants in terms of grant letters) determine whether individuals qualify to receive shares and the quantum of shares. The vesting period of the SARs is typically three years, but SARs may vest up to five years after grant date (with a further exercise period). For early termination of employment (based on resignation, dismissal) all unvested SARs will lapse, but for good leavers (disability, death, retrenchment, etc.) unvested SARs will vest *pro rata* based on time employed and the extent to which performance conditions were met. The aggregate number of shares at any one time, which may be settled in respect of this SAR to all participants, shall not exceed 11,2 million shares, which equates to approximately 7,0% of the number of issued shares at the date of adoption of the SAR. Although a limitation of 7,0% was provided in the SAR rules, the actual aggregate number of shares that may settle at any one time has always been below 2,0%.

The maximum number of shares settled to any single participant in terms of this SAR, will not exceed one million shares, which equates to approximately 0,7% of the numbered issued shares at the date of adoption of the SAR, which is considered in line with best market practice. The limits will be aggregated with the FSP as discussed on page 82.



Remuneration Report (continued)

All awards in terms of the SAR scheme were subject to financial performance conditions as well as retention conditions.

The nature of performance conditions to be imposed in terms of the SAR scheme rules provides the Committee with the flexibility to determine the most appropriate conditions to impose on an annual basis and taking cognisance of the economic and business conditions at the time of the SAR award. The financial performance conditions for the vesting of SARs are agreed in the SAR award letter to participants annually.

The achievement of the performance conditions for the SAR vesting during the year is as follows:

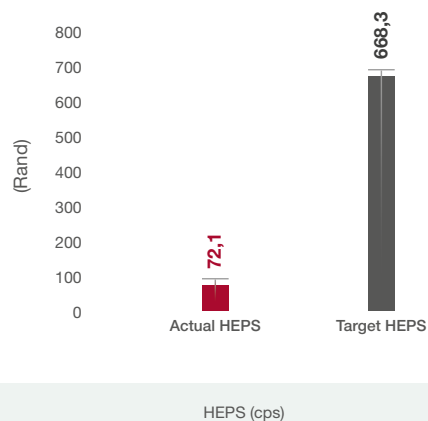
Performance measure	Targets
Target year three	HEPS growth of cumulative CPI for the three-year performance period + 6% from base year
Target year four	HEPS growth of cumulative CPI for the four-year performance period + 8% from base year
Target year five	HEPS growth of cumulative CPI for the five-year performance period + 10% from base year

Vesting of Grant 17 SAR allocation:

The performance conditions for the Grant 17 SAR allocation vesting on 17 May 2025 were tested to determine if vesting had been achieved.

The performance condition for SARs is HEPS growth of cumulative CPI plus 6% over the three-year performance period. The graph shows the target HEPS, which is required for the full vesting of the May 2022 SAR, against actual HEPS. Actual HEPS achieved was 72,1 cps, 596,2 cps below the target HEPS of 668,3 cps. Based on the outcome, the May 2022 allocations have not vested and are not exercisable. The performance against targets will be reviewed in the next financial year, as per the policy.

HEPS performance – SARs



Forfeitable share plan ('FSP')

A FSP is in place as a long-term incentive for selected employees to encourage delivery of the Group's business strategy and to serve as a retention mechanism.

Forfeitable shares are awarded annually to executive directors, senior executives and senior managers based on achieving Company and individual performance objectives for the year under review. The performance objectives relate to specific KPIs identified per individual and their respective overall performance thereon. The FSP currently has 10 (2024: 10) participants. The FSP participant population is intended to be for individuals who are key to the Company's leadership and is considered annually. A forfeitable share award vests after a period of three years. Forfeitable share awards will be forfeited if the participant leaves employment during the restricted period (except if the participant is a 'good leaver' under the scheme rules).

The shares are held by a Central Depository Participant ('CSDP') on behalf of the employee during the time of the vesting period and the employee will not be able to dispose of the shares before the vesting date.

The FSP provides for the delivery of full shares (performance and/or restricted shares) on granting date. The shares are subject to forfeiture and disposal restrictions and are held on behalf of a participant until it vests. A participant will have all other shareholder rights (i.e. dividends and voting rights) from grant date. Overall levels of FSPs granted are reviewed annually in accordance with the market's best practice. The number of FSPs granted to participants is based on the participants' total cost of employment ('TCOE'), grade, performance, retention requirements and market benchmarks. Every qualifying position will be capped in terms of the maximum total FSPs. The vesting period of the FSP is three years. For early termination of employment (based on resignation, dismissal) all unvested FSPs will lapse, but for good leavers (disability, death, retrenchment, etc.) unvested FSPs will vest *pro rata* based on time employed.

Refer to limits set in aggregate with the SAR scheme as presented above.

Short-term variable incentives

The short-term incentive bonus scheme ('STIBS') is discretionary and is linked to the achievement of targets led by the short-term performance target of headline PBIT. Bonuses are paid proportional to BS relative to achievement of financial and operational targets. Bonuses are created after the achievement of predefined targets aligned to the Group's strategic plan.

Bonuses are increased in value as threshold, target or stretch targets are attained. Bonuses are capped at the following percentages of TCOE:

Category	Bonus cap	FY2025 payout
Group CEO	On-target 77% Stretch 83%	– 19%
Group Executive Directors	On-target 47% Stretch 65%	– 15%

All bonuses paid are subject to approval by the Board on recommendation of the Remuneration & Nominations Committee.

STIBS is based on performance of FY2025.

Pledged securities

In compliance with 3.64(h) the following is being disclosed to shareholders. No Afrimat ordinary shares held by directors were pledged as a guarantee or collateral during the reporting period.



Lyttelton Dolomite Mine



Implementation and remuneration disclosure of the CEO, CFO, COO and executive director

The implementation report details the outcomes of implementing the remuneration policy and detailed on page [84](#).

2025 STIBS performance

A component to the CFO, COO and executive director's performance scorecard specifically relates to their respective responsibility, i.e. financial metrics, operational efficiencies, people management and safety, health and environment. But moreover, their scorecards are aligned to that of the CEO and therefore presented as one scorecard for the purposes of disclosure in terms of achieving their relevant targets.

Detailed disclosure of the CEO, COO, CFO and executive director's performance scorecard is as follows:

	Performance	
Key performance areas	Target	Actual
Financial returns	HEPS, cash generated from operations and RONA.	HEPS decreased by 87,3%. Cash generated from operating activities was an inflow of R571,6 million and a RONA of 7,3% was achieved.
Safety, health and environment	LTIFR lower than 1, no reported environmental compliance incidences and a clean audit result with health legislation compliance.	A LTIFR of 0,27 was achieved, no reported incidence, clean audit result.
People management	Performance management, develop organisational culture, succession planning and driving a leadership development programme.	Management of Company-wide performance management system, integration of acquisitions and driving culture programme Group-wide, assessment of leadership talent and enhancing of individual development plans.
B-BBEE	Compliance to revised B-BBEE criteria.	Comply with all targets in Mining Charter and employment equity plans. Improvement on all targets.
Business strategy	Approved strategy which focuses on five-year growth objective.	Cost reduction optimisation, sustainable HEPS growth.
Ensuring Afrimat has a positive image with investors	Positive relations with investors, good profile in the media and compliance to values and legislation.	Frequent interaction with top investors, clean audit reports, functional internal audit and annual financial statements.

Stretched targets in relation to the CEO's performance included:

	Performance	
Key performance areas	Target	Actual
Improve and grow the Nkomati, Glenover and Lafarge businesses to a steady state	Ramp up to steady state.	It is recognised that the Nkomati and Lafarge acquisitions were 'turn around' in nature and carries some risks on turn around/ramp up uncertainties. The action plans on key focus areas are expected to deliver the necessary results. The rare earth elements strategy at Glenover remains under investigation to ensure a comprehensive understanding of the market and technology. This project is recognised as a strategic development requiring time to achieve its full potential.
Entrepreneurial and Strategic growth	Establishing a consistent pipeline of growth opportunities.	Nkomati, Glenover and Lafarge provides sufficient growth potential.
Drive a Company-wide efficiency optimisation programme	Mining cost reduction of 10,0% in R/tonne, when comparing to 28 February 2024.	The excessive increases in fuel and explosives costs were effectively mitigated through a Company-wide efficiency drive delivering notable financial benefits. Good progress on embedding efficiency initiatives into the Company's culture. Positive results on Company-wide culture survey.
Risk management	Ensure a sufficient risk mitigation strategy.	Portfolio diversification strategy on track. Risk mitigation strategy focus delivered and some key risks successfully mitigated and others on track.



Remuneration Report (continued)

Single-figure remuneration

Single-figure remuneration is disclosed for executive directors' remuneration for the year. The intention of single-figure remuneration is to disclose the remuneration earned or accrued by directors based on the performance of the current year, including any income attributable to unvested long-term share schemes.

Tables of single total figure of remuneration (R'000)

The following tables have been prepared in accordance with the provisions of King IV™ and practices notes.

The value of the SAR and FSP are on vesting date and not on award date.

Andries van Heerden (CEO)

	2025 R'000	2024 R'000	% increase
BS	7 395	6 924	6,8%
STIBS	1 385	6 924	(80,0%)
LTI	4 964	18 703	(73,5%)
SAR	4 558	12 826	(64,5%)
FSP*	–	5 710	(100,0%)
Dividends	406	167	143,1%
Total (pre-tax)	13 744	32 551	(57,8%)

* No FSP shares vested during the financial year.

Pieter de Wit (CFO)

	2025 R'000	2024 R'000	% increase
BS	4 507	4 220	6,8%
STIBS	675	3 376	(80,0%)
LTI	6 228	5 623	10,8%
SAR	2 206	5 513	(60,0%)
FSP	3 756	–	100,0%
Dividends	266	110	141,8%
Total (pre-tax)	11 410	13 219	(13,7%)

Collin Ramukhubathi (Executive director)

	2025 R'000	2024 R'000	% increase
BS	4 432	4 150	6,8%
STIBS	664	3 320	(80,0%)
LTI	6 228	4 831	28,9%
SAR	2 206	4 721	(53,3%)
FSP	3 756	–	100,0%
Dividends	266	110	141,8%
Total (pre-tax)	11 324	12 301	(7,9%)

Gerhard Odendaal (COO)

	2025 R'000	2024 R'000	% increase
BS	4 418	4 137	6,8%
STIBS	662	3 309	(80,0%)
LTI	10 908	4 902	122,5%
SAR**	6 886	4 792	43,7%
FSP	3 756	–	100,0%
Dividends	266	110	141,8%
Total (pre-tax)	15 988	12 348	29,5%

** The material increase is linked to the growth in shareholder value, which was realised upon exercising of the SAR.

Non-executive directors' remuneration

The Remunerations Committee proposed an annual fee increase of 6,0% to Board members. This increase is informed by external benchmarking and in line with proposed salary and wage increases throughout the Afrimat organisation for FY2026.

The remuneration of non-executive directors is paid monthly and no short-term or long-term incentives are paid. The directors are not paid Board attendance fees, as historically, very high attendance of meetings is evident.

The Company reimburses reasonable travel and accommodation to attend meetings. The Board and committee member remuneration structure consists of a fixed fee as set out in the table below:

Type of fee	Proposed annual fee 2025/26 R	Proposed annual fee 2024/25 R
Board		
Chairman	1 222 000	1 152 000
Board member	430 000	405 000
Audit & Risk Committee		
Chairman	258 000	243 000
Member	141 000	133 000
Remuneration & Nominations Committee		
Chairman – Remuneration	102 000	96 000
Chairman – Nominations	102 000	96 000
Member	80 000	75 000
Social, Ethics & Sustainability Committee		
Chairman	123 000	116 000
Member	80 000	75 000
Investment Review Committee		
Chairman	123 000	116 000
Member	80 000	75 000

On advice from the Remuneration & Nominations Committee, the Board recommends the increase for all non-executive director fees for approval by shareholders at the next AGM. Only once the shareholder resolution is passed, will the proposed fees be paid.

Service contracts: Non-executive directors

A daily rate of R22 000 for non-executive directors is currently paid for extraordinary duties. This daily rate will be requested for approval by shareholders at the next AGM.

There are no other service contracts between the Company and its non-executive directors. No agreements to pay fixed fees on termination have been entered into with any of the non-executive directors.



Technology and systems

Overview

In this ever-changing, environment we find ourselves in, we need a new way of doing things to stay ahead. What got us here, will not take us to the future. Truly, this is an environment and time that has tested and will continue to test Afrimat on all levels. Achievements on the Afrimat's Technology and Systems side are the resilience, agility, and innovation shown in the cyber security and disaster recovery ('DR') realms. Continuous digital transformation and innovation have become the norm. We need to unlock real value and create a competitive advantage from the data generated on all these connected, transformed, and innovative digital platforms ('convert data to cash').

With our Technology and Systems strategy, Afrimat positioned itself in such a way that it was able to take advantage of any usable digital technologies, such as network, server, backup, and disaster recovery technologies that presented themselves.

Due to our level of digital readiness, where all sites have secure network access to the data centre, we continue strengthening the Group's Technology, Data, and Systems governance structures through executive and non-executive oversight of all matters. Independent experts are co-opted to support future growth and assist with selecting the best possible technology and solution for the task. As an integral part of our business, the Technology and Systems cluster adheres to the relevant governance frameworks, standards and policies as set by SANS, IEEE, ISO, COBIT, King IV™ and more.

Looking at the current trend where technology is developing faster than its adoption, we must embrace change, remain 'abnormally' innovative, and take advantage of the latest developments in data science and analytics, secure ourselves against cyber criminals and invest in upskilling our people to stay on par with technology development.

Our strategy

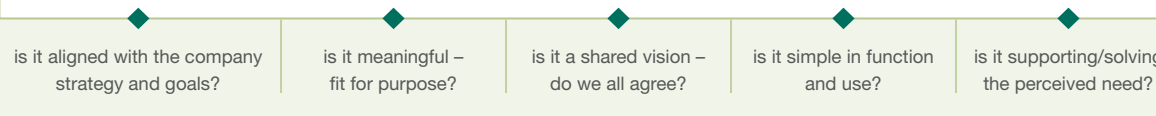
Technology, and more specifically to create a competitive advantage and real value from data through data science and analytics, will play an increasingly important role in the future of Afrimat. The synergy between the two disciplines of Information Technology ('IT') and Engineering (Operational Technology ('OT')), proved to be invaluable, with infrastructure and data flow being the main contributors.

The main purpose of Information Technology and Business Systems ('ITBS') is to provide infrastructure (servers, networks, data storage) and systems with agility, elasticity and reliability. This effectively enables Afrimat to pre-empt trends and vulnerabilities to sustain and grow value for all stakeholders.

Engineering, on the other hand, which involves driving projects, Reliability Centred Maintenance ('RCM') for equipment availability, installing IoT devices to collect OT data, and a continuous improvement culture for operational excellence. The synergy lies in the combined effort and focus to use Technology, Data, and Systems to alert tolerance deviations, trend analysis to pre-empt possible failure, condition monitoring and the reliance on historical data to decide on equipment replacement strategies and improvements.

The overlapping element between the two disciplines is data availability on all levels. By creating our data warehouse, we built a normalised, structured dataset and use relevant data science and analytics tools to support decision-making.

In our process of sustainable technology selection, we use well-thought-through principles, supported by international IT and engineering governance frameworks and/or enforced by law. We ensure that we understand and answer the most basic questions:



To ensure that our support structures and information networks are not at risk, but reliable and sustainable, we evaluate all our service providers according to a set of criteria that include availability and content of Service Level Agreements ('SLA's'), Company profile, product composition, and the relevance and sustainability of their technologies.

Our Disaster Recovery strategy is threefold:

- ◆ Firstly, to ensure that all Company data is backed up to an immutable state and back-ups checked and tested for restorability daily.
- ◆ Secondly, to ensure that all systems are replicated to second data centre from where it's accessible by the users if the main server hardware is in distress, without losing data and long periods of processing time.
- ◆ Thirdly, be sure it is resilient enough to restore the Afrimat systems to its original state after an attack, without the loss of any or minimal transactional data.

The goal is to provide an intelligent assistant for every level of Afrimat user, an integrated system that supports the entire business decision chain. All data is contained in one place, on one database supported by world class data science, analytics, and visualisation tools.

The structure of the technology cluster is composed in such a way that the strategy can be achieved by using employed staff and managed specialised consultants to ensure that current and future sustainability of infrastructure, systems, data, and services can be provided to the different business units.



Technology and systems (continued)

Risk mitigation and governance

Risks are considered those that adversely affect business continuity. We continuously review and invest in our physical and digital security systems and risk management processes. We perform weekly reviews of risks and mitigation strategies, and quarterly reporting is provided to management in the risk register, measured against the ITBS governance framework.

In weekly review meetings, we oversee the detailed actions and progress, align the efforts with the business's strategy and goals, and monitor any deviations from the agreed plans. The IT Steering Committee, Audit & Risk Committee, and the Board oversee and monitor compliance with our own charters on a quarterly basis.

Core actions in the process of mitigating risks are:

- ◆ to stay on the latest workable technology for a secure network infrastructure;
- ◆ ensure that our network, server, and endpoint security protection tools are in place and up to date;
- ◆ have full visibility over our network, servers and end-points devices to detect any abnormal activity or behaviour;
- ◆ standardised use of our ERP software and other software in all business units and ensure data-integrity and usability;
- ◆ maintain a data warehouse to provide the platform for data science, analytics, visualisation to report anomalies on all levels;
- ◆ make financial and operational reports available daily, incorporating near real time information for informed decision-making; and
- ◆ create an asset care system that supports operational excellence and is fit for purpose to Afrimat.

The future

The Group is implementing a new ERP system. This will enhance our processes, data integration, system usability, and data integrity on all levels of the business.

Data and the science thereof, automation of repetitive tasks, data analytics and the visualisation of anomalies ('black screen principle'), incorporating artificial intelligence ('AI') and machine learning ('ML') to take advantage of the ability to process big data fast, and investing in the literacy levels of our users, will be the challenges and biggest opportunities in the data value chain.

Our cyber security strategy proved to be a huge success, and we will enhance it further according to our maturity assessment report if need be. With the user awareness programme on cyber security fully implemented and user training progress percentage reported, there is a drastic reduction in the 'harmful click' or 'Just click YES' attitude. Multi Factor Authentication ('MFA') is now our standard method of authentication.

Our internal clients increasingly expect information in a near to real time manner and to be connected to operating systems 24/7 at an acceptable speed. To be able to achieve the strategy of operational excellence means fully integrating our financial systems with the operational systems (maintenance and plant performance, where the OT/OT integration/synergy will play a major role with a well-defined 'De-Militation Zone' (DMZ)) when we execute our 'connected' initiatives. With these initiatives, we will provide the relevant information, as close to real time as possible, to our operations, managers, and clients.

Summary

The Technology and Systems cluster is fully aware and informed of the challenges and opportunities that the business is facing. We are well-positioned to support businesses with these challenges using a combination of 'human and digital forces' (Intelligent Assistant) to supply an infrastructure that is stable and agile, fit for purpose business and engineering systems that support the business processes, data science that is built on world standards and a DR strategy that will ensure business continuity.



Cape Lime Vredendal



ANNUAL FINANCIAL STATEMENTS

06

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Directors' Responsibility Statement

for the year ended 28 February 2025

The Annual Financial Statements set out on pages 89 to 162 are the responsibility of the directors. The directors are responsible for selecting and adopting sound accounting practices, for maintaining an adequate and effective system of accounting records, for safeguarding assets and for developing and maintaining systems of internal control that, among other things, will ensure the preparation of annual financial statements that achieve fair presentation and have been prepared in accordance with the Companies Act No. 17 of 2008 of South Africa ('Companies Act'), the South African Institute of Chartered Accountants ('SAICA') financial reporting guides as issued by the Accounting Practices Committee, IFRS® Accounting Standards, Financial Pronouncements as issued by the Financial Reporting Standards Council, Listings Requirements of the JSE and interpretations issued by the IFRS Interpretation Committee ('IFRS IC'). They are based on appropriate accounting policies which have been consistently applied, unless otherwise indicated, and which are supported by reasonable and prudent judgements and estimates.

The Audit & Risk Committee confirmed that effective systems of internal control and risk management are being maintained. Such systems can provide reasonable, but not absolute, assurance against material misstatement or loss. There were no breakdowns of the internal financial control systems during the year under review, which had a material impact on the annual financial statements. Afrimat Limited and its subsidiaries ('Group') internal auditors independently evaluate the internal controls and coordinate their audit coverage with the independent external auditors.

The board of directors ('Board') is satisfied that the annual financial statements fairly present the result of the operations and the financial position at year-end, changes in equity and cash flows of the Group.

The annual financial statements were prepared on the going concern basis since the directors have every reason to believe that the Company and the Group have adequate resources in place to continue operations for the foreseeable future. The external auditors are responsible for independently auditing and reporting on these Annual Financial Statements in conformity with International Standards on Auditing. The annual financial statements were approved by the Board of directors and were signed on its behalf by:



Andries J van Heerden
CEO

Cape Town
14 May 2025



Pieter GS de Wit
CFO

Chief Executive Officer and Chief Financial Officer responsibility statement:

Each of the directors, whose names are stated below, hereby confirm that:

- the annual financial statements set out on pages 89 to 162, fairly present in all material respects the financial position, financial performance and cash flows of the Group in terms of IFRS® Accounting Standards;
- to the best of our knowledge and belief no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its subsidiaries have been provided to effectively prepare the annual financial statements of the Group;
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the Audit & Risk Committee and the external auditors any deficiencies in design and operational effectiveness of the internal financial controls and have remediated the deficiencies; and
- we are not aware of any fraud involving directors.



Andries J van Heerden
CEO

Cape Town
14 May 2025



Pieter GS de Wit
CFO

Declaration by the Company Secretary

In terms of section 88(2)(e) of the Companies Act, I certify that to the best of my knowledge and belief the Company has lodged with the Companies and Intellectual Property Commission all such returns and notices as are required of a public company in terms of the Companies Act, in respect of the financial year ended 28 February 2025 and that all such returns and notices are true, correct and up to date.



Catharine Burger
Company Secretary

Cape Town

14 May 2025



Audit & Risk Committee Report

The Audit & Risk Committee ('the Committee') is pleased to present its report for the financial year ended 28 February 2025 to the shareholders of Afrimat Limited.

Composition

The Committee is chaired by independent non-executive director Derick van der Merwe and further comprises independent non-executive Board Chairman Francois Louw, non-executive director Loyiso Dotwana, independent non-executive directors Sisanda Tuku and Nicolaas Kruger. The Board is satisfied that these directors act independently for the purposes of the Committee.

Afrimat acknowledges that in accordance with the King IV™ Report all members of the Committee should be independent non-executive directors, which is borne in mind when considering Board and Committee appointments. Presently, membership of the Committee is based on the skills and experience available on Afrimat's Board to ensure full efficacy and discharge of the Committee's responsibilities. All members are suitably qualified chartered accountants and/or experienced business leaders.

The effectiveness of the Committee is assessed as part of the annual Board and Committee self-evaluation process.

Attendance

The Committee met four times during the year. The Committee assists the Board in fulfilling its review and control responsibilities.

The Committee has established an annual meeting plan agenda. The Chairman of the Committee reports to the Board after each Committee meeting and also attends the annual general meeting ('AGM') of shareholders to answer any questions that may arise concerning the activities of the Committee.

The CEO, CFO, CAE, COOs, executive directors, prescribed officer, General Manager: Technology Systems and representatives of the external auditors attend Committee meetings by invitation.

Role and responsibilities

The Committee's role and responsibilities include its statutory duties as per the Companies Act, as well as the responsibilities assigned to it by the Board.

The Committee acts as an Audit & Risk Committee for the subsidiaries of the Company and has performed the functions required under the Companies Act on behalf of the subsidiaries of the Company.

Charter

The Committee regulated its affairs as set out in the terms of the Committee charter that is reviewed and approved by the Board on an annual basis. During the year the Audit & Risk Committee charter was reviewed by the Committee and the Board, in terms of King IV™ requirements, amongst others.

The Committee has assessed the compliance with its charter and is satisfied that it has discharged its responsibilities as stated in the charter, a copy of which may be found on the website: www.afrimat.co.za.

Review of Annual Financial Statements

The Committee reviewed the annual financial statements, culminating in a recommendation to the Board to adopt them. In conducting its review, the Committee took appropriate steps to ensure that the annual financial statements were prepared in accordance with IFRS® Accounting Standards and in the manner required by the Companies Act. The accounting policies were assessed for appropriateness in relation to the current business environment and industry specific requirements. The Committee has reviewed the disclosures in the integrated annual report and is satisfied that it is reliable and does not conflict with the annual financial statements. The Committee has considered the JSE proactive monitoring reports and the impact thereof on the annual financial statements.

The Committee advised and updated the Board on issues ranging from accounting standards to published financial information.

In accordance with International Standards on Auditing, independent auditor's reports are required to incorporate the reporting of key audit matters. When reviewing the external audit plan for the financial year ended 28 February 2025, the Committee considered a preliminary view by the external auditors of key audit matters that might arise during the course of the audit, which in their judgement, were of significance to the audit of the annual financial statements. The Committee concluded that it had adequately considered the key audit matters as reported in the independent auditor's report.

Audit procedures and internal controls

The Committee performed the following functions relating to audit procedures and internal controls:

- reviewed the internal control framework and procedures including accounting policies, legislative compliance, regulatory matters and governance;

- ensured that appropriate financial reporting procedures exist and are working which includes consideration of all entities included in the consolidated Group IFRS® Accounting Standards annual financial statements;
- considered and dealt with any concerns or complaints;
- approved the internal audit plan;
- considered and reviewed the internal audit charter for approval by the Board;
- considered and reviewed the information technology and business systems governance framework for approval by the Board;
- confirmed and reviewed the internal audit process and assessed the quality of the internal audit function;
- reviewed the internal and external audit reports;
- reviewed the effectiveness of the system of internal control including IT internal controls and risk management, based on a written annual report received from the CAE;
- considered updates on key internal and external audit findings in relation to the IT control environment; and
- reviewed legal matters that could have a significant impact on the annual financial statements.

The Committee reviewed the appropriateness of processes in place to ensure compliance with legal and regulatory provisions. The Committee was not made aware of any material compliance breaches of laws and regulations during the current financial year.

The CAE reports to the Committee and meets with the Chairman of the Committee independently of management.

The Committee has reviewed the written assessment performed by internal audit and the design, implementation and effectiveness of the internal financial controls of the Company. Based on the results of this review, the Committee is of the opinion that the internal financial controls form a sound basis for the preparation of reliable annual financial statements.

The Company's internal audit department is an effective independent appraisal function and forms an integral part of the risk management system that provides assurance on the effectiveness of the Company's system of internal control. The internal audit department of the Company is staffed by qualified and experienced personnel and provide services to all subsidiaries in the Group.

Risk management

During the year management reviewed the risk policy, which assists the Committee in meeting its duty to ensure appropriate risk management processes are in place.



Audit & Risk Committee Report (continued)

In addition, the following risk assessment actions were taken by the Committee:

- continuous review of key risks with findings reported to the Board;
- confirmation that the risk policy is widely distributed throughout the Group (and management provided assurance that risk management is integrated into the daily activities of the Group); and
- ensured that the combined assurance model was appropriate to address all the significant risks facing the Group.

External auditor

The Committee considered and recommended the following in respect of the external auditor:

- the appointment of an external auditor for approval by shareholders at the AGM;
- the external audit plan; and
- the remuneration of the external auditor for approval to the Board (note 4.3 on page 109).

The principles for recommending the use of an external auditor for non-audit purposes to the Board were reconfirmed. The non-audit services provided by the external auditor during the year related to guidance on IFRS-related interpretations and a factual findings report on the transfer of a property.

The Committee also performed an annual assessment of the independence of the external auditor and confirms that it is satisfied therewith and with the independence of the respective audit partner. The external auditor confirmed that they had complied with the ethical requirements regarding independence and were considered independent with respect to the Group as required by the codes endorsed and administered by the South African Institute of Chartered Accountants and the International Federation of Accountants.

In accordance with paragraph 3.84(g)(ii) of the JSE Listings Requirements the Committee requested the required information in its assessment of the suitability of re-appointment of the external auditor. It has further assessed the performance of the external auditor and confirms that it is satisfied with the performance.

The Committee reviewed the external auditor's opinion on the annual financial statements and considered any reports on risk exposure and weaknesses in internal controls. The Committee also met with the external auditor separately without management being present.

The Committee has nominated, for approval at the AGM, PricewaterhouseCoopers Inc. as external auditor for the 2026 financial year. The Committee is satisfied that the audit firm is accredited to appear on the JSE List of Accredited Auditors. Shareholders will therefore be requested to re-elect PricewaterhouseCoopers Inc. as the independent external auditor for the 2026 financial year at the AGM on 23 July 2025.

Significant financial and reporting matters

As part of its role in assessing the integrity of the Group's external reporting, the Committee has continued to pay particular attention to the key areas of management's judgement underpinning the annual financial statements. The Committee considered a number of significant issues during the year, taking into account in all instances the views of the Company's external auditor. All accounting policies can be found in the related notes to the annual financial statements. Where further information is provided in the notes to the annual financial statements, note references are included. The issues and how they were addressed by the Committee are detailed below:

Impairment of intangible assets (refer note 6.2)

The Committee reviewed management's process for testing goodwill and intangible assets for potential impairment and ensuring appropriate sensitivity analysis disclosure. This included challenging the key assumptions: principally cash flow projections, growth rates and discount rates. The Group has significant goodwill. In the process of performing the annual goodwill impairment test, it was identified that the carrying value of the Fincrete Proprietary Limited cash-generating unit ('CGU') exceeded its recoverable amount. This was mainly due to the shortfall in the anticipated market share of the resource, which resulted in the company not meeting its budget. As a result of the aforementioned, a goodwill impairment of R22,3 million (2024: R22,9 million on Agri Lime Proprietary Limited) was recorded in the current year.

Environmental rehabilitation provision (refer note 6.5)

The Committee has considered the assessments made in relation to the estimation of the costs and associated provisions for the rehabilitation obligation. This includes detailed reports from management outlining the accounting treatment of the costs and the basis for the key assumptions used in the estimation of the cost. The Committee concurred with the 'individual disturbance, unit based' calculations used in determining the rehabilitation provision for IFRS reporting purposes and acknowledges that this differs with the DMRE-based calculations in determining the provisions for submission to the DMRE.

The Committee has challenged management and is satisfied that these provisions are appropriate. The Committee is satisfied that appropriate costs were used to recognise associated provisions.

Revenue recognition (refer note 3)

In terms of IFRS 15: *Revenue from contracts with customers* is recognised based on the satisfaction of specifically identified performance obligations, when control of goods or services transfers to a customer.

In addition, the internal audit function has reported to the Committee on the controls and processes in this area. The Committee also routinely monitors the views of the external auditor on revenue recognition issues.

The Committee considered the key judgements made by management in accounting for revenue, especially in relation to the estimates used in determining the value of provisionally priced sales of Bulk Commodities and concur with the conclusion and reporting thereof.

Inventory valuation (refer note 6.4)

The Committee considered the key judgements made by management regarding measurement of stockpile quantities and provisioning for inventory obsolescence and is satisfied that a sufficiently robust process was followed to confirm quantities and quantities of slow-moving inventory and a provision was made against inventory for obsolescence. Where cost at year-end exceeds the net realisable value of inventory, the difference was written off.

The Committee challenged management on the consistency of the approach and ultimately was satisfied that the approach taken continued to be appropriate.

Contingent liabilities (refer note 17)

The Committee considered the key judgements made by management regarding the identification and classification of contingent liabilities. This includes evaluating external expert opinions and concur with management's classification and reporting thereof.

Tax and deferred tax (refer notes 5 and 6.3)

The Committee agreed with management's judgement that the deferred tax assets were appropriately supported by forecasted taxable profits, taking into account the Group's long-term financial and strategic plans.

The Committee confirms that the entity is in compliance with material legislative requirements and has accurately disclosed the impact of all taxes applicable to the entity.

Accounting for complex transactions (refer notes 6.1, 6.2 and 12.1)

Management has applied IFRS 3: *Business Combination*, to the acquisitions and recognised a mining asset and an intangible asset as part of the purchase price allocation.

The Committee considered the key judgements made by management in accounting for these business combinations and the fair value of assets and liabilities used for the calculation of the mining asset and intangible assets and concur with the conclusion and reporting thereof.

Finance function

As per the JSE Listings Requirements, the Committee considered and is satisfied with the appropriateness of the expertise and experience of Pieter GS de Wit as CFO as well as the appointment of the deputy CFO, André Smith. It further considered the expertise, experience and resources of the finance function as required by the King IV™ Report and is satisfied with the expertise and experience of the Group's financial staff.



Audit & Risk Committee Report (continued)

Sustainability

The Committee has reviewed a documented assessment by management of the going concern premise of the Company. The Committee is in agreement with management that the Company will remain a going concern going forward and conveyed this to the Board.

Election of Committee members

The following members have made themselves available for election to the Committee. They are proposed to the shareholders for consideration and approval at the next AGM:

- Mr Loyiso Dotwana
- Mr Francois Louw
- Ms Sisanda Tuku
- Mr Nicolaas Kruger
- Mr Derick van der Merwe (Chairman)

Statutory duties

The Committee is of the opinion that it has discharged its statutory duties in terms of its charter and as ascribed to it by the Companies Act.



Derick van der Merwe

Audit & Risk Committee Chairman

14 May 2025

Independent Auditor's Report

to the shareholders of Afrimat Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Afrimat Limited (the Company) and its subsidiaries (together the Group) as at 28 February 2025, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Afrimat Limited's consolidated and separate financial statements set out on pages 98 to 162 comprise:

- the consolidated and separate statements of financial position as at 28 February 2025;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* ('IRBA Code') and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Our audit approach



Overview

Final materiality

- Overall group materiality: R66,5 million, which represents 0,8% of consolidated revenue.
- Overall entity materiality: R35,8 million, which represents 0,8% of total assets.

Group audit scope

- Full scope audits were performed for all individually financially significant components;
- Full scope audits or audits of certain balances and/or classes of transactions were performed for components that are financially significant in aggregate with other components; and
- Analytical procedures were performed over the remaining financially inconsequential components.

Key audit matters

Consolidated financial statements

- Environmental rehabilitation provisions;
- Goodwill impairment assessments; and
- Accounting for the acquisition of Lafarge South Africa Holdings Proprietary Limited ('Lafarge').

Separate financial statements

- Impairment assessment of investments in subsidiaries.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.



Independent Auditor's Report (continued)

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 ('EAR Rule'), we report final materiality and group audit scope below.

Final materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated and separate financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated and separate financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the final materiality for the consolidated and separate financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated and separate financial statements as a whole.

	Consolidated financial statements	Separate financial statements
Final materiality	R66,5 million	R35,8 million
How we determined it	0,8% of consolidated revenue	0,8% of total assets
Rationale for the materiality benchmark applied	We chose consolidated revenue as the benchmark, because it is, in our view, the benchmark against which performance of the Group is most commonly measured by users and is a generally acceptable benchmark. We chose 0,8% as our rule of thumb, which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.	We chose total assets as the benchmark, because it is, in our view, the benchmark against which performance of the Company is most commonly measured by users and is a generally acceptable benchmark. We chose 0,8% as our rule of thumb, which is consistent with quantitative materiality thresholds used for not-for-profit companies in this sector.

Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Significant components were identified based on scoping benchmarks such as the component's contribution to a key financial statement line item (consolidated revenue) or the risk associated with the component. Other components were scoped in to increase our coverage to each key financial statement line item and were identified as components which in aggregate contribute significantly to the group financial statements.

Full scope audits were performed on three significant components. For the twenty three other in-scope components we performed a combination of full scope audits, audit of balances and/or classes of transactions.

The remainder of the forty three components were considered financially inconsequential, individually and in aggregate. These components were subject to high level analytical procedures.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In terms of ISA 701 *Communicating key audit matters in the independent auditor's report*/the EAR Rule (as applicable), we are required to report key audit matters and these are included below.

Key audit matter	How our audit addressed the key audit matter
Environmental rehabilitation provisions	
<i>This key audit matter relates to the consolidated financial statements only.</i>	We utilised our sustainability and climate change expertise to perform the following procedures: ■ We obtained management's provision calculations and compared the calculation methodology that was applied by the Group's internal and external environmental experts to the Group's policy. We found it to be consistent with the Group's policy; ■ We evaluated the Group's policy against the requirements of the DMRE and IFRS Accounting Standards. Based on our evaluation, we accepted the Group's policy and obtained explanations from management for the differences between their quantum calculation of the provision for reporting purposes and the DMRE guidelines for reporting to the DMRE. We assessed evidence in respect of such differences, taking into consideration the Group's specific sites. Based on our evaluation we accepted management's explanations in this regard; ■ We tested a sample of inputs used by the Group's experts, such as the cost per hectare, by comparing them to industry benchmarks. No material differences were noted; ■ We tested management's inputs in the valuation of the provision, such as the discount rate and inflation rate, by obtaining our own independent rates and comparing them to management's rates. No material differences were noted; ■ We tested management's life of mine assessment through evaluation of mineral reserve statements, duration of the mining licence as well as the respective mine plans prepared per site. No material differences were noted; ■ We assessed the competency, experience and objectivity of the Group's internal and external experts by obtaining evidence relating to their qualifications and professional membership. In doing so we held discussions with the Group's internal and external experts, inspected their curriculum vitae and where applicable, considered whether they were in good standing with relevant professional bodies; and ■ We tested the mathematical accuracy of management calculations and noted no material differences.

Given the nature of its operations, the Group incurs obligations to close, restore and rehabilitate its sites. These activities are governed by a combination of legislative requirements and group policy.

As at 28 February 2025, the consolidated statement of financial position includes environmental rehabilitation provisions of R231,6 million (2024: R250,8 million) as per note 6.5 of the consolidated financial statements.

The Group applies the guidelines issued by the South African Department of Mineral Resources and Energy ('DMRE') to determine the rehabilitation provisions for submission to the DMRE. For IFRS Accounting Standards reporting purposes, it utilises its own internal and external environmental experts to determine the value of the environmental rehabilitation provisions.

We considered the environmental rehabilitation provisions to be a matter of significance to the current year audit due to the degree of estimation and significant judgement applied by management in the determination of:

- When the rehabilitation of each site will take place, including the life of mine ('LOM'); and
- The closure costs and the expected increase in the costs associated with the rehabilitation activities.



Independent Auditor's Report (continued)

Key audit matter	How our audit addressed the key audit matter
Goodwill impairment assessments	
<i>This key audit matter relates to the consolidated financial statements only.</i>	
The Group has goodwill of R203,3 million (2024: R225,6 million) allocated to cash-generating units ('CGUs') as disclosed in note 6.2 to the consolidated financial statements. The Group is required to perform annual impairment tests on goodwill in terms of IFRS Accounting Standards. The recoverable amount of the CGUs to which goodwill has been allocated was based on value-in-use calculations, using discounted cash flows. Based on their impairment assessments and calculations, management recognised impairment losses of R22,3 million against goodwill relating to the Fincrete CGU within the Industrial Minerals segment. No further impairment losses were recognised to goodwill in relation to the other CGUs. Management performed a sensitivity analysis to ascertain the impact of possible changes to key assumptions (growth rate and discount rates) on the available headroom of the CGUs. Management concluded that any reasonably possible change in the key assumptions supporting the recoverable amount of these CGUs would not result in impairment losses. We considered goodwill impairment assessments to be a matter of most significance to the current year audit because the impairment assessment performed by the Group required the exercise of significant management judgement, including making assumptions regarding growth rates and discount rates applied to each CGU.	We obtained management's impairment calculations per CGU and tested the reasonableness of the discounted cash flow calculations, and the key assumptions applied, specifically the growth rates and discount rates, by performing the following: ■ We agreed amounts as per the forecasted base year of the calculation to the current year financial statements. We noted no material differences; ■ We utilised our valuation expertise to test the principles of management's calculation. We challenged key inputs in the calculations which included the long-term growth rate, medium-term revenue growth rate and future cash flow assumptions by comparing them to approved business plans and independent market data. We found the methodology to be appropriate and accepted the key inputs applied by management; ■ We further utilised our valuation expertise to test the reasonableness of the discount rates applied by management to each CGU. This was performed by recalculating the entities' cost of capital with reference to industry benchmarks and economic forecasts. We found the discount rates used by management to be within an acceptable range; ■ We performed independent sensitivity calculations on the impairment assessments where no impairments were recognised, to assess the degree by which the key assumptions needed to change in order to trigger impairment. Management's conclusions were consistent with the results of our sensitivity analyses.

Key audit matter	How our audit addressed the key audit matter
Accounting for the acquisition of Lafarge South Africa Holdings Proprietary Limited ('Lafarge')	
<i>This key audit matter relates to the consolidated financial statements only.</i>	
The Group acquired Lafarge, effective 23 April 2024 for a consideration of R969,4 million. As a result of this acquisition, the Group recognised property, plant and equipment of R1 301,0 million, intangible assets of R53,4 million, and other net liabilities of R360,0 million as disclosed in note 6.1 (Property, plant and equipment), note 6.2 (Intangible assets) and note 12.1 (Acquisition of businesses) to the consolidated financial statements. In accordance with IFRS 3: <i>Business Combinations</i>, the accounting for this acquisition requires management to perform a purchase price allocation which requires significant judgement by management to determine the fair value of the identifiable assets and liabilities and the resulting goodwill/bargain purchase. As part of the valuation process, management involved external valuation experts to assist in the determination of the purchase price allocation and valuation of identified assets and liabilities. The initial allocation of the fair value of the assets and liabilities resulted in a bargain purchase. Management re-assessed the identification and measurement of Lafarge's identifiable assets and liabilities using a discounted cash flow for the cement business. This resulted in the original bargain purchase being allocated to the value of the property, plant and equipment and intangible assets. The accounting for the acquisition of Lafarge was a matter of significance due to the judgement and complexity involved in performing the purchase price allocations, specifically the underlying estimates involved in forecasting cash flows and other significant assumptions used in the valuation and subsequent allocation of the bargain purchase.	Using our valuation expertise, we performed, among others, the following procedures: ■ We agreed transaction details to supporting documentation such as signed purchase agreements and proof of payment and noted no material inconsistencies; ■ We evaluated the competence, capabilities and objectivity of valuation experts engaged by the Group by assessing their professional qualifications, experience and objectivity of these experts with reference to the profiles of the valuation company and individual experts. No aspects requiring further consideration were noted; ■ We assessed the appropriateness and completeness of the identifiable intangible assets identified by management and their valuation experts based on our knowledge of the business models of similar businesses as Lafarge and noted no material inconsistencies; ■ We assessed the methodologies utilised by management and their valuation expert in determining the fair value of the intangible assets against the requirements of IAS 38: <i>Intangible Assets</i> and did not note any aspects requiring further consideration; ■ We independently calculated the discount rate with our own assumptions and publicly available data such as risk-free rates, equity market risk premiums and the betas of comparable companies. We found the discount rates used by management to be within an acceptable range; ■ We tested the mathematical accuracy of the fair value measurement calculations prepared by management and their valuation experts and no material findings were identified; ■ We assessed the reasonability of management's forecasted cash flows by reconciling the business valuation with the purchase consideration and noted no material inconsistencies; ■ We assessed the disclosure against the requirements of IFRS 3 and no material disclosure deficiencies were noted.



Independent Auditor's Report (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of investment in subsidiaries <i>This key audit matter relates to the separate financial statements only.</i> The Company holds investments in subsidiaries with a carrying amount of R1 470,0 million (2024: R1 443,2 million) as disclosed in note 13 to the separate financial statements. Investments are tested by management for impairment if impairment indicators exist, using a value-in-use calculation. Management concluded on an impairment loss of R7,5 million on the investment in Fincrete Proprietary Limited during the current financial year. Further disclosure with regards to this matter has been made in note 13 to the separate financial statements. The impairment assessment of investments in subsidiaries was considered to be a matter of most significance to the current year audit due to the estimation involved in determining the growth and discount rates used by management in calculating the recoverable amount of each investment.	Through discussion with management, we obtained an understanding of the process followed by them in their impairment assessment. We obtained management's impairment assessment of the investments in subsidiaries and performed the following procedures: ■ We compared the Company's carrying value of investments in subsidiaries to the value-in-use calculations used for goodwill impairment assessment by management, which were subject to audit procedures as part of our group audit. No exceptions were noted; ■ We made use of our valuation expertise to test the reasonableness of the key assumptions underpinning management's value-in-use calculations of the Company's investments, including the selection of growth rates and discount rates, by comparing them to approved business plans and independent market data. Based on the procedures performed, we accepted the assumptions used; and ■ We reviewed the disclosures regarding the impairment losses and the financial statements and noted no material differences.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled 'Afrimat Limited Annual Financial Statements 2025', which includes the Directors' Report, the Audit & Risk Committee Report and the Declaration by the Company Secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the other sections of the document titled 'Afrimat Limited Integrated Annual Report 2025', which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements 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 that we 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 consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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



Independent Auditor's Report (continued)

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are 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 ISAs 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 these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, 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 and the Company'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 and the Company'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 consolidated and separate financial statements 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 and/or Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent 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 consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for 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 with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period 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 other legal and regulatory requirements Audit tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Afrimat Limited for eight years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: D de Jager

Registered Auditor

Stellenbosch, South Africa

14 May 2025



Directors' Report

for the year ended 28 February 2025

The directors of Afrimat present their report for the Group for the year ended 28 February 2025.

Nature of business

Afrimat is a black-empowered, open-pit, mid-tier mining and materials company that specialises in the supply of beneficiated, processed, and sized materials, as well as contracting services, to the industrial minerals, building, construction, road-building, railroad, and mining sectors. It also supplies bulk commodities to both local and international markets, and phosphates to the agricultural sector. In addition to its mining operations, Afrimat has expanded its offering to include the manufacturing and supply of cement, further strengthening its position in the construction value chain. The Group operates across several provinces in South Africa, including the Western Cape, Eastern Cape, KwaZulu-Natal, Free State, Northern Cape, Gauteng, Limpopo, Mpumalanga, and North West.

Financial results

The annual financial statements and accompanying notes presented on pages 98 to 162 set out fully the Group's financial position, results of operations and cash flows for the year, and in the directors' opinion, require no further comment.

Headline earnings per share decreased by 87,3% from 567,3 cents to 72,3 cents per share.

Operational review

Impacts on and strategy of the operations are reviewed in detail in the CEO's report and operational reviews.

Corporate governance

The directors endorse the principles contained in the King IV™ Report and are committed to applying the principles of transparency, integrity, fairness and accountability in the conduct of its business and affairs. Full details on how these principles are applied, are set out in the supplementary information on the website www.afrimat.co.za. The Board has satisfied itself that appropriate principles of corporate governance were applied throughout the year under review.

Accounting policies

Detailed accounting policies are set out in the relating notes to the annual financial statements.

Dividend

A final dividend of 15,0 cents per share (2024: 154,0 cents per share), was declared for the year on 14 May 2025. This equates to 12,0 cents per share (2024: 123,2 cents per share) for shareholders who are subject to dividend tax. This is in line with the Group's dividend policy of 2,75 times cover.

The total dividend (interim and final) for the year amounts to 25,0 cents per share (2024: 194,0 cents per share).

Taxation

The latest tax assessment of the Company relates to the year ended 29 February 2024. All tax submissions up to and including February 2024 have been submitted. Tax returns for 28 February 2025 will be submitted during the next financial year.

Stated capital

The total authorised ordinary stated capital at year-end consisted of 1 000 000 000 (2024: 1 000 000 000) no par value ordinary shares of which 160 297 456 (2024: 159 690 957) ordinary shares were issued. There was no change to the authorised stated capital during the year.

Directors

The directors of the Company at the date of the annual financial statements are set out below:

- Mr Gert Coffee (independent non-executive director)
- Mr Pieter de Wit (CFO)
- Mr Loyiso Dotwana (non-executive director)
- Mr Nicolaas Kruger (independent non-executive director)
- Mr Francois Louw (independent non-executive Chairman)
- Mr Collin Ramukhubathi (executive director)
- Ms Phuti Tsukudu (independent non-executive director)
- Mr Derick van der Merwe (independent non-executive director and LID)
- Mr Johan van der Merwe (independent non-executive director)
- Mr Andries van Heerden (CEO)
- Mr Gerhard Odendaal (executive director)
- Ms Sisanda Tuku (independent non-executive director)

Mr Derick van der Merwe, Mr Johan van der Merwe and Mr Gert Coffee will retire by rotation at the upcoming AGM. Mr Derick van die Merwe and Mr Johan van der Merwe being eligible, will stand for re-election.

Directors' and officers' interests in contracts

No material contract in which directors have an interest was entered into during the year other than the transactions detailed in note 15 to the annual financial statements.

Directors' emoluments and employment contracts

Details of directors' emoluments are set out in note 20 to the annual financial statements.

Shareholder analysis

An analysis of shareholders together with a list of shareholders beneficially holding, directly or indirectly, in excess of 3% of the ordinary shares of the Company on 28 February 2025, is set out on page 163.

Directors' shareholding on 28 February 2025*

	Number of securities held				
	Direct beneficial	Indirect beneficial	Through associates	Total	% held
Director 2025					
Gert Coffee	680 084	–	–	680 084	0,42
Loyiso Dotwana	–	1 552 475	–	1 552 475	0,97
Phuti Tsukudu	–	–	–	–	–
Andries van Heerden	4 634 288	853 564	1 198 543	6 686 395	4,17
Derick van der Merwe	30 000	–	–	30 000	0,02
Pieter de Wit	425 372	–	–	425 372	0,27
Johan van der Merwe	–	–	–	–	–
Francois Louw	215 714	–	–	215 714	0,13
Collin Ramukhubathi	199 557	–	–	199 557	0,12
Gerhard Odendaal	411 145	–	–	411 145	0,26
Nicolaas Kruger	17 000	8 000	–	25 000	0,02
Sisanda Tuku	–	–	–	–	–
	6 613 160	2 414 039	1 198 543	10 225 742	6,38

Pledged securities

In compliance with 3.64(h) the following is being disclosed to shareholders. No Afrimat ordinary shares held by directors were pledged as a guarantee or collateral during the course of the reporting period.



Directors' Report (continued)

for the year ended 28 February 2025

	Number of securities held				% held
	Direct beneficial	Indirect beneficial	Through associates	Total	
Director 2024					
Gert Coffee	680 084	–	–	680 084	0,43
Loyiso Dotwana	–	1 747 475	–	1 747 475	1,09
Phuti Tsukudu	–	–	–	–	–
Andries van Heerden	4 543 784	853 564	1 198 543	6 595 891	4,13
Derick van der Merwe	30 000	–	–	30 000	0,02
Pieter de Wit	403 554	–	–	403 554	0,25
Johan van der Merwe	–	–	–	–	–
Francois Louw	215 714	–	–	215 714	0,14
Collin Ramukhubathi	162 777	–	–	162 777	0,10
Gerhard Odendaal	336 112	–	–	336 112	0,21
Nicolaas Kruger	–	–	–	–	–
Sisanda Tuku	–	–	–	–	–
	6 372 025	2 601 039	1 198 543	10 171 607	6,37

* Excludes shares granted under the Forfeitable Share Plan ('FSP'), which have not yet vested. Refer note 19 for further details.

There has been no change in directors' interests since year-end to the date of this report.

Internal control

The directors are accountable for developing and maintaining systems of internal control. No material losses, exposures or financial misstatements and compliance breaches have been reported to the directors during the current financial year.

Going concern

The directors have reviewed the Group's cash flow forecast for the year to 28 February 2026 and in light of this review and the current financial position, they are satisfied that the Group and Company has or had access to adequate resources to continue in operational existence for the foreseeable future. The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern.

Litigation statement

The directors are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or had a material impact on the Group's financial position during the current financial year.

Refer note 17 for information regarding legal or arbitration proceedings currently in progress.

Company Secretary

Catharine Burger is the Company Secretary. Her business and postal addresses, which are also the registered addresses of the Company, are set out on the inside back cover of the annual financial statements.

Auditor

PricewaterhouseCoopers Inc. will continue in office as the external auditor in accordance with section 90 of the Companies Act.

Special resolutions

The following special resolutions were passed by shareholders of the Company during the year (at the AGM of shareholders held on 6 August 2024), and where necessary have been registered by the Companies and Intellectual Property Commission:

- special resolution providing approval for fees payable to non-executive directors for the year ended 28 February 2025;
- special resolution providing authority for the provision of financial assistance to Group inter-related entities (in terms of section 45 of the Companies Act); and
- special resolution providing authority for the financial assistance for subscription of securities (in terms of section 44 of the Companies Act).

Borrowings

In terms of the memorandum of incorporation ('MOI') the directors may exercise all the powers of the Company to borrow money, as they consider appropriate.

Events after the reporting date

Refer note 18 for disclosure of events after the reporting date.

The Afrimat directors have confirmed that, to their best knowledge, Afrimat (i) complied with the provisions of the Companies Act, and (ii) operated in accordance with its MOI.

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Statements of Profit or Loss and Other Comprehensive Income

for the year ended 28 February 2025

	Note	Group		Company	
		2025 R'000	2024 R'000	2025 R'000	2024 R'000*
Revenue	3	8 317 766	6 083 280	392 531	913 359
Group companies interest revenue	3	–	–	92 914	53 812
Cost of sales	4.3	(6 818 123)	(4 002 277)	–	–
Gross profit		1 499 643	2 081 003	485 445	967 171
Operating expenses	4.3	(1 203 374)	(935 533)	(108 314)	(82 294)
Other income	4.1	46 718	19 902	–	809
Other net gains/(losses)	4.2	89 022	1 724	79	(1 115)
Profit/(loss) on disposal of subsidiaries	12.3	36 541	(11 200)	11 400	(97 031)
Movement in expected credit loss allowance		9 185	(3 531)	(22 027)	(52 127)
Operating profit		477 735	1 152 365	366 583	735 413
Finance income	4.4	45 595	36 173	29 011	26 252
Finance costs	4.5	(221 251)	(76 959)	(148 482)	(43 646)
Share of profit of equity-accounted investments	14	–	1 829	–	–
Profit before tax		302 079	1 113 408	247 112	718 019
Income tax expense	5	(188 569)	(324 692)	(3 563)	2 205
Profit for the year		113 510	788 716	243 549	720 224

* In the current year, interest revenue from Group companies has been separately disclosed on the face of the income statement for the Company, in accordance with the presentation requirements of IAS 1. This enhances the relevance and comparability of the financial statements. The prior year has been restated accordingly to reflect this change in presentation. There is no impact on profit for the year or retained earnings.

	Note	Group		Company	
		2025 R'000	2024 R'000	2025 R'000	2024 R'000
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Exchange differences on translation of foreign operations		(373)	1 413	–	–
Foreign currency translation reserve released to profit or loss on sale of foreign subsidiary	8.3	–	32 654	–	–
Income tax effect relating to these items		–	–	–	–
Items that will not be reclassified to profit or loss					
Net change in fair value of equity instruments at fair value through other comprehensive income		415	304	–	–
Income tax effect relating to these items		(92)	(53)	–	–
Other comprehensive (loss)/income for the year, net of tax		(50)	34 318	–	–
Total comprehensive income for the year		113 460	823 034	243 549	720 224
Profit attributable to:					
Owners of the parent		95 562	781 776	243 549	720 224
Non-controlling interests	8.4	17 948	6 940	–	–
		113 510	788 716	243 549	720 224
Total comprehensive income attributable to:					
Owners of the parent		95 512	816 094	243 549	720 224
Non-controlling interests	8.4	17 948	6 940	–	–
		113 460	823 034	243 549	720 224
Earnings per ordinary share (cents)	8.5	63,0	520,3	–	–
Diluted earnings per ordinary share (cents)	8.5	62,2	514,4	–	–



Statements of Financial Position

as at 28 February 2025

		Group		Company	
	Note	2025 R'000	2024 R'000	2025 R'000	2024 R'000
ASSETS					
Non-current assets					
Property, plant and equipment	6.1	5 665 172	3 898 037	–	–
Intangible assets	6.2	256 029	234 728	–	–
Loans to subsidiaries	13	–	–	1 678 608	549 363
Investments in subsidiaries	13	–	–	1 469 601	1 443 239
Investment in associate	14	–	1 837	–	–
Other financial assets	7.1 – 7.3.1	162 965	146 533	9 787	4 593
Deferred tax	6.3	247 722	197 910	3 137	6 392
Inventories	6.4	210 141	215 254	–	–
Total non-current assets		6 542 029	4 694 299	3 161 133	2 003 587
Current assets					
Inventories	6.4	1 101 387	614 189	–	–
Other financial assets	7.1 – 7.3.1	–	150 000	–	150 000
Current tax receivable		12 348	11 388	–	–
Trade and other receivables	7.3.2	1 169 291	773 973	98 881	17 004
Cash and cash equivalents	7.3.3	301 329	504 678	1 006	56 934
Loans to subsidiaries	13	–	–	1 232 118	1 121 095
Total current assets*		2 584 355	2 054 228	1 332 005	1 345 033
Disposal group assets held for sale		76 910	–	–	–
Total assets		9 203 294	6 748 527	4 493 138	3 348 620
EQUITY AND LIABILITIES					
Equity					
Stated capital	8.1	857 851	901 082	759 751	793 147
Treasury shares	8.2	(123 713)	(143 485)	–	–
Net issued stated capital		734 138	757 597	759 751	793 147
Other reserves	8.3	(77 000)	(32 350)	46 458	48 676
Retained earnings		3 698 942	3 815 802	2 150 270	2 156 678
Attributable to equity holders of the parent		4 356 080	4 541 049	2 956 479	2 998 501
Non-controlling interests	8.4	32 180	21 992	–	–
Total equity		4 388 260	4 563 041	2 956 479	2 998 501

		Group		Company	
	Note	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Liabilities					
Non-current liabilities					
Other financial liabilities	7.3.5	86 875	–	–	–
Borrowings	7.3.4	193 852	210 030	–	–
Other liability	19.2	40 726	19 979	14 603	7 058
Provisions	6.5	279 746	279 939	–	–
Deferred tax	6.3	394 382	363 330	–	–
Total non-current liabilities		995 581	873 278	14 603	7 058
Current liabilities					
Loans from subsidiaries	13	–	–	312 886	115 461
Other financial liabilities	7.3.5	421 320	9 671	–	–
Borrowings	7.3.4	1 665 415	347 095	1 100 000	200 000
Current tax payable		8 262	14 665	624	–
Trade and other payables	7.3.6	1 636 569	940 777	30 718	27 600
Bank overdraft	7.3.3	77 828	–	77 828	–
Total current liabilities*		3 809 394	1 312 208	1 522 056	343 061
Disposal group liabilities held for sale	12.4	10 059	–	–	–
Total liabilities		4 815 034	2 185 486	1 536 659	350 119
Total equity and liabilities		9 203 294	6 748 527	4 493 138	3 348 620

* Refer note 23 for the directors assessment of the Group's ability to continue as a going-concern, as the current liabilities exceed current assets.



Statements of Changes in Equity

for the year ended 28 February 2025

	Stated capital R'000	Treasury shares R'000	Other reserves R'000	Retained earnings R'000	Non- controlling interests R'000	Total equity R'000
Group						
Balance at 1 March 2023	939 435	(289 348)	(64 611)	3 249 771	13 105	3 848 352
Total comprehensive income						
Profit for the year	–	–	–	781 776	6 940	788 716
Other comprehensive income for the year	–	–	34 318	–	–	34 318
Net change in fair value of equity instruments at fair value through other comprehensive income	–	–	304	–	–	304
Income tax effect	–	–	(53)	–	–	(53)
Exchange differences on translation of foreign operations	–	–	1 413	–	–	1 413
Foreign currency translation reserve released to profit or loss on sale of foreign subsidiary	–	–	32 654	–	–	32 654
Total comprehensive income	–	–	34 318	781 776	6 940	823 034
Transactions with owners of the parent						
Contributions and distributions						
Share-based payment expense for the year (refer note 8.3)	–	–	21 091	–	–	21 091
Deferred taxation on share-based payments (refer note 8.3)	–	–	(8 028)	–	–	(8 028)
Purchase of treasury shares (refer note 8.2)	–	(31 578)	–	–	–	(31 578)
Issue of stated capital (refer note 8.1)	154 546	–	–	–	–	154 546
Repurchase of shares (refer note 8.1)	(137 770)	137 770	–	–	–	–
Settlement of employee Share Appreciation Rights exercised, Forfeitable Share Plan vested and reserve transfer, net of tax (refer notes 8.1, 8.2 and 8.3)	(55 129)	39 671	(15 120)	15 120	–	(15 458)
Dividends paid (refer note 8.7)	–	–	–	(227 336)	(1 925)	(229 261)
Total contributions and distributions	(38 353)	145 863	(2 057)	(212 216)	(1 925)	(108 688)
Non-controlling interest disposed of (refer note 12.3):						
– Afrimat Mozambique Limitada	–	–	–	–	585	585
– Afrimat Logistics Limitada	–	–	–	–	236	236
– Stony Lime Proprietary Limited	–	–	–	(3 529)	3 051	(478)
Total changes in ownership interests	–	–	–	(3 529)	3 872	343
Total transactions with owners of the parent	(38 353)	145 863	(2 057)	(215 745)	1 947	(108 345)
Balance at 29 February 2024	901 082	(143 485)	(32 350)	3 815 802	21 992	4 563 041

	Stated capital R'000	Treasury shares R'000	Other reserves R'000	Retained earnings R'000	Non- controlling interests R'000	Total equity R'000
Balance at 1 March 2024	901 082	(143 485)	(32 350)	3 815 802	21 992	4 563 041
Total comprehensive income						
Profit for the year	–	–	–	95 562	17 948	113 510
Other comprehensive loss for the year	–	–	(50)	–	–	(50)
Net change in fair value of equity instruments at fair value through other comprehensive income	–	–	415	–	–	415
Income tax effect	–	–	(92)	–	–	(92)
Exchange differences on translation of foreign operations	–	–	(373)	–	–	(373)
Total comprehensive income	–	–	(50)	95 562	17 948	113 460
Transactions with owners of the parent						
Contributions and distributions						
Share-based payment expense for the year (refer note 8.3)	–	–	16 803	–	–	16 803
Deferred taxation on share-based payments (refer note 8.3)	–	–	(8 292)	–	–	(8 292)
Purchase of treasury shares (refer note 8.2)	–	(23 021)	–	–	–	(23 021)
Issue of stated capital (refer note 8.1)	40 000	–	–	–	–	40 000
Settlement of employee Share Appreciation Rights exercised, Forfeitable Share Plan vested and reserve transfer, net of tax (refer notes 8.1, 8.2 and 8.3)	(83 231)	42 793	(42 085)	42 085	–	(40 438)
Dividends paid (refer note 8.7)	–	–	–	(254 507)	(3 758)	(258 265)
Total contributions and distributions	(43 231)	19 772	(33 574)	(212 422)	(3 758)	(273 213)
Additional non-controlling interest acquired through acquisition of businesses:						
– Ash Resources Proprietary Limited (refer note 12.1)	–	–	–	–	24 972	24 972
Changes in ownership interests:						
– Ash Resources Proprietary Limited (refer note 8.4)	–	–	(11 026)	–	(28 974)	(40 000)
Total changes in ownership interests	–	–	(11 026)	–	(4 002)	(15 028)
Total transactions with owners of the parent	(43 231)	19 772	(44 600)	(212 422)	(7 760)	(288 241)
Balance at 28 February 2025	857 851	(123 713)	(77 000)	3 698 942	32 180	4 388 260
Note	8.1	8.2	8.3		8.4	



Statements of Changes in Equity (continued)

for the year ended 28 February 2025

	Stated capital R'000	Treasury shares R'000	Other reserves R'000	Retained earnings R'000	Non- controlling interests R'000	Total equity R'000
Company						
Balance at 1 March 2023	851 264	–	50 077	1 668 662	–	2 570 003
Total comprehensive income						
Profit for the year	–	–	–	720 224	–	720 224
Other comprehensive income for the year	–	–	–	–	–	–
Total comprehensive income	–	–	–	720 224	–	720 224
Transactions with Company						
Contributions and distributions						
Issue of stated capital (refer note 8.1)	154 546	–	–	–	–	154 546
Repurchase of shares (refer note 8.1)	(150 000)	–	–	–	–	(150 000)
Share-based payment expense for the year (refer note 8.3)	–	–	5 947	–	–	5 947
Deferred taxation on share-based payments (refer note 8.3)	–	–	(4 098)	–	–	(4 098)
Settlement of employee Share Appreciation Rights exercised, Forfeitable Share Plan vested and reserve transfer, net of tax (refer notes 8.1 and 8.3)	(62 663)	–	(3 250)	7 489	–	(58 424)
Dividends paid (refer note 8.7)	–	–	–	(239 697)	–	(239 697)
Total contributions and distributions	(58 117)	–	(1 401)	(232 208)	–	(291 726)
Total changes	(58 117)	–	(1 401)	488 016	–	428 498
Balance at 29 February 2024	793 147	–	48 676	2 156 678	–	2 998 501
Total comprehensive income						
Profit for the year	–	–	–	243 549	–	243 549
Other comprehensive income for the year	–	–	–	–	–	–
Total comprehensive income	–	–	–	243 549	–	243 549
Transactions with Company						
Contributions and distributions						
Issued of stated capital (refer note 8.1)	40 000	–	–	–	–	40 000
Share-based payment expense for the year (refer note 8.3)	–	–	7 505	–	–	7 505
Deferred taxation on share-based payments (refer note 8.3)	–	–	(316)	–	–	(316)
Settlement of employee Share Appreciation Rights exercised, Forfeitable Share Plan vested and reserve transfer, net of tax (refer notes 8.1 and 8.3)	(73 396)	–	(9 407)	11 913	–	(70 890)
Dividends paid (refer note 8.7)	–	–	–	(261 870)	–	(261 870)
Total contributions and distributions	(33 396)	–	(2 218)	(249 957)	–	(285 571)
Total changes	(33 396)	–	(2 218)	(6 408)	–	(42 022)
Balance at 28 February 2025	759 751	–	46 458	2 150 270	–	2 956 479
Note	8.1		8.3			

Statements of Cash Flows

for the year ended 28 February 2025

		Group		Company	
	Note	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Cash flows from operating activities					
Cash generated from operations	9.1	571 591	1 551 383	89 597	29 171
Finance income received	9.2	45 595	34 701	29 011	26 252
Dividends received	9.8	1 551	21	128 870	805 333
Finance costs paid	9.3	(197 214)	(56 222)	(148 482)	(43 646)
Tax paid	9.4	(181 769)	(292 878)	–	–
Net cash inflow from operating activities		239 754	1 237 005	98 996	817 110
Cash flows from investing activities					
Acquisition of property, plant and equipment	9.6	(593 215)	(694 837)	–	–
Proceeds on disposal of property, plant and equipment	9.5	55 282	32 396	–	–
Acquisition of businesses	12.1	(380 808)	(7 314)	(113 880)	(7 514)
Acquisition of assets	12.2	(148 845)	–	(3 000)	–
Proceeds on disposal of businesses	9.9	44 280	36 449	44 000	36 533
Advances of loans to subsidiaries	13	–	–	(3 047 575)	(3 818 811)
Proceeds of loans to subsidiaries	13	–	–	1 898 262	3 240 487
Purchase of other financial assets		(74 420)	(59 296)	(3 413)	(4 593)
Repayments from other financial assets		83 467	46 954	–	–
Net cash outflow from investing activities		(1 014 259)	(645 648)	(1 225 606)	(553 898)
Cash flows from financing activities					
Repurchase of Afrimat shares	8.2	(23 021)	(31 578)	–	–
Proceeds from borrowings	7.3.4	1 100 000	200 000	1 100 000	200 000
Repayment of borrowings	7.3.4	(387 598)	(177 251)	(200 000)	–
Capital elements of lease payments	9.7	(24 207)	(5 505)	–	–
Withdrawn funds in overdraft	7.3.4	1 083 813	–	–	–
Repayment of bank overdraft	7.3.4	(981 409)	–	–	–
Proceeds from other financial liabilities		–	803	–	–
Repayments from other financial liabilities		(15 985)	(123 126)	–	–
Repayments of loans from subsidiaries	13	–	–	(2 285 428)	(282 393)
Proceeds of loans from subsidiaries	13	–	–	2 640 152	41 642
Dividends paid	8.7	(258 265)	(229 261)	(261 870)	(239 697)
Net cash inflow/(outflow) from financing activities		493 328	(365 918)	992 854	(280 448)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		(281 177)	225 439	(133 756)	(17 236)
Cash, cash equivalents and bank overdrafts at the beginning of the year	7.3.3	504 678	279 239	56 934	74 170
Cash, cash equivalents and bank overdrafts at the end of the year	7.3.3	223 501	504 678	(76 822)	56 934



Notes to the Annual Financial Statements

for the year ended 28 February 2025

Accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are included in the specific notes to which they relate and are indicated with a grey background.

Significant accounting judgements and estimates

The preparation of Annual Financial Statements in conformity with IFRS® Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these annual financial statements, are included in the specific notes to which they relate and are indicated with a maroon border.

1. Material accounting policies

These policies have been consistently applied with the previous year.

1.1 Statement of compliance

The annual financial statements are prepared on a going concern basis in compliance with the Companies Act, the South African Institute of Chartered Accountants ('SAICA') financial reporting guides as issued by the Accounting Practices Committee, IFRS® Accounting Standards, Financial Pronouncements as issued by the Financial Reporting Standards Council, Listings Requirements of the JSE and interpretations issued by the IFRS Interpretation Committee ('IFRS IC').

1.2 Basis of preparation

The annual financial statements have been prepared under the historical cost convention, modified by the revaluation of certain financial assets and liabilities, as well as the application of the equity method of accounting for investments in associated companies and joint ventures. Refer note 21 for fair value estimation disclosure.

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 1 March 2025 or later periods:

- IAS 21: Lack of Exchangeability for foreign operations/transactions
- IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments
- IFRS 18: Presentation and Disclosure in Financial Statements
- IFRS 19: Subsidiaries without Public Accountability

Refer note 22 for details of new and amended standards issued but not yet effective in the current year.

The annual financial statements are expressed in South African Rand (ZAR or R), rounded to the nearest thousand, unless otherwise stated.

1.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the annual financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated annual financial statements are presented in South African Rand (ZAR or R), which is the Group's presentation currency.

1. Material accounting policies (continued)

1.3 Foreign currency translation (continued)

(b) Transactions and balances

Foreign currency transactions and balances are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured, respectively. Foreign exchange gains and losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income within 'other net gains and losses' (refer note 4.2).

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position;
- (ii) income and expenses for each Statement of Profit or Loss and Other Comprehensive Income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in equity through other comprehensive income.

1.4 Impairment of non-financial assets

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the individual asset. Irrespective of whether there is any indication of impairment, the Group also tests goodwill acquired in a business combination for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed annually at the end of the reporting period.

If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the CGU to which the asset belongs is determined. The recoverable amount of an asset or CGU is the higher of its fair value less costs of disposal and its value-in-use.

1.5 Significant accounting judgements and estimates

The preparation of the Group's annual financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying value of the asset or liability affected in the future.

The Group continues to develop its assessment of the potential impacts of climate change and the transition to a low carbon economy. The potential financial impacts on the Group of climate change and the transition to a low carbon economy have been considered in the assessment of indicators of impairment.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

1. Material accounting policies (continued)

1.5 Significant accounting judgements and estimates (continued)

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are highlighted below with more detail provided in the specific notes to which they relate:

(a) Estimates

- Trade and other receivables – refer note 7.3.2
- Deferred tax assets – refer note 6.3
- Dismantling and rehabilitation provisions – refer note 6.5
- Impairment of mining assets and goodwill – refer notes 6.1 and 6.2
- Share-based payment expense calculation – refer notes 19.1 and 19.2
- Provision for stock obsolescence – refer note 6.4
- Measurement of stockpile quantities – refer note 6.4
- Provisional pricing arrangements – refer note 3
- Acquisitions of businesses – refer note 12.1

(b) Judgements

- Consolidation of Afrimat BEE Trust and its subsidiary Afrimat Empowerment Investments Proprietary Limited ('AEI') – refer note 13
- Consolidation of Infrasors Environmental Rehabilitation Trust and Infrasors Empowerment Trust – refer note 13
- Extension and termination options in determining the lease term – refer note 6.1
- Impairment of mining assets and goodwill – refer notes 6.1 and 6.2
- Contingent liabilities – refer note 17
- Acquisitions of businesses – refer note 12.1

How numbers are calculated

2. Segment information

The segments of the Group have been identified by business segment. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors. Aggregation of segments has been determined on the basis of product outputs with similar attributes; by considering the nature of products and services, production processes and the type of class of customer for the products and services.

There are five main operational segments based on the market use of products.

Construction Materials comprises two distinct product segments: Aggregates and Cement. **Aggregates** include the sale of sand, gravel, crushed stone, and concrete-based products. Concrete-based products are produced using rock, sand, water, cement, and readymix concrete are typically used in various construction applications. The segment also includes the processing and sale of fly ash, a by-product used to enhance concrete performance. **Cement** is a newly introduced product segment and includes the manufacturing and supply of cement. These products require a more extensive manufacturing process compared to aggregates but are closely aligned in terms of end-use within the construction sector. Although the manufacturing processes differ, the classification of these segments is based on how the market consumes the products. Demand across aggregates and cement is driven by construction activity and typically increases or decreases in tandem.

Industrial Minerals consist mainly of the sale of limestone, dolomite and industrial sand. Although the manufacturing process and customers are similar to those in Construction Materials, the Industrial Minerals products contain unique metallurgic and high quality properties which widens the customer base and serves a different market to Construction Materials.

Bulk Commodities includes iron ore and anthracite. Iron ore and anthracite have minimal manufacturing time and are sold in high volumes. Iron ore products are manufactured in terms of the Platts Iron Ore Index ('IODEX') 62% grade of export. High quality hematite origin of iron ore is beneficiated up to 65% Fe. High quality anthracite nuts and duff products are produced and sold internationally and locally.

Future Materials and Metals comprises phosphate. The phosphates are graded according to high, medium or low. Currently the Group produces high-grade ('HG') phosphate which is also known as an organic fertiliser. The HG phosphate needs minimal manufacturing time and serves a different market to the existing operational segments.

Services consists of Group shared services including IT services, consulting services, external logistical and mining services. Mining services comprises contracting operations such as mobile crushing, screening, drilling, blasting, mining and loading and hauling.

The chief operating decision-maker monitors the operating results of the business segments separately for the purposes of making decisions about resources to be allocated and of assessing performance. They primarily assess the performance of the operating segments based upon a measure of operating profit.

Inter-segment pricing is determined on an arm's length basis in a manner similar to transactions with third parties.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

2. Segment information (continued)

	Construction Materials			Industrial Minerals	Bulk Commodities			Future Materials and Metals	Services	Unallocated	Total
	Aggregates R'000	Cement R'000	Total R'000	R'000	Iron ore R'000	Anthracite R'000	Total R'000	R'000	R'000	R'000	R'000
For the year ended 28 February 2025											
Segmental revenue	3 658 347	1 014 895	4 673 242	583 035	1 995 991	829 080	2 825 071	68 054	974 250	–	9 123 652
Inter-segmental revenue	(117 339)	(3 236)	(120 575)	(7 886)	–	–	–	–	(677 425)	–	(805 886)
Revenue	3 541 008	1 011 659	4 552 667	575 149	1 995 991	829 080	2 825 071	68 054	296 825	–	8 317 766
Depreciation and amortisation	110 669	58 226	168 895	36 560	158 957	143 294	302 251	30 731	76 794	–	615 231
Impairments	–	–	–	–	–	3 028	3 028	–	66 401	–	69 429
Repairs and maintenance	379 714	184 998	564 712	54 251	49 719	60 730	110 449	9 532	101 986	–	840 930
Cement	248 303	11 770	260 073	–	–	3	3	897	–	–	260 973
Fuel and diesel	195 389	41 937	237 326	33 093	124 867	103 394	228 261	1 834	67 697	–	568 211
External transport	442 964	182 608	625 572	70 356	49 291	46 470	95 761	10 729	252 592	–	1 055 010
Railage	–	–	–	–	187 610	–	187 610	–	–	–	187 610
Employee costs	623 878	186 174	810 052	96 641	144 643	141 509	286 152	31 292	397 050	–	1 621 187
Electricity	126 526	239 119	365 645	44 447	18 466	16 645	35 111	5 098	712	–	451 013
Lease charges	156 480	24 641	181 121	17 117	270 982	216 197	487 179	3 584	80 436	–	769 437
Royalties	48 224	–	48 224	2 872	4 509	4 145	8 654	–	–	–	59 750
Drilling and blasting	16 593	–	16 593	1 211	–	–	–	–	173 057	–	190 861
Loading and handling	153 878	1 061	154 939	101	58 655	33 872	92 527	1	–	–	247 568
Raw materials	–	557 497	557 497	–	–	–	–	–	–	–	557 497
Operating profit/(loss)	383 458	(285 428)	98 030	58 759	238 092	48 574	286 666	(34 980)	69 260	–	477 735
Operating profit margin on external revenue	10,8%	(28,2%)	2,2%	10,2%	11,9%	5,9%	10,1%	(51,4%)	23,3%	–	5,7%

	Construction Materials			Industrial Minerals	Bulk Commodities			Future Materials and Metals	Services	Unallocated	Total
	Aggregates R'000	Cement R'000	Total R'000	R'000	Iron ore R'000	Anthracite R'000	Total R'000	R'000	R'000	R'000	R'000
Assets*	1 905 514	1 364 946	3 270 460	474 768	1 653 627	1 582 682	3 236 309	843 995	250 570	1 127 192	9 203 294
Liabilities**	768 819	393 911	1 162 730	114 336	209 424	183 351	392 775	12 683	183 828	2 948 682	4 815 034
Capital expenditure***	172 457	50 201	222 658	19 778	272 947	259 654	532 601	24 801	71 634	41 913	913 385



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

2. Segment information (continued)

	Construction Materials [^]	Industrial Minerals [^]	Bulk Commodities [^]			Future Materials and Metals	Services [^]	Unallocated	Total [^]
	R'000	R'000	Iron ore R'000	Anthracite R'000	Total R'000	R'000	R'000	R'000	R'000
For the year ended 29 February 2024									
Segmental revenue	2 230 112	561 324	2 211 166	746 650	2 957 816	31 266	875 824	–	6 656 342
Inter-segmental revenue	(17 352)	(6 778)	–	–	–	–	(548 932)	–	(573 062)
Revenue	2 212 760	554 546	2 211 166	746 650	2 957 816	31 266	326 892	–	6 083 280
Depreciation and amortisation	83 665	32 696	108 503	65 908	174 411	11 150	67 507	–	369 429
Impairments	–	–	–	9 360	9 360	–	22 919	–	32 279
Repairs and maintenance	218 128	55 974	68 620	48 916	117 536	3 097	94 658	–	489 393
Cement	194 400	209	–	5	5	3 253	–	–	197 867
Fuel and diesel	194 839	38 403	126 434	79 716	206 150	2 038	47 881	–	489 311
External transport	306 294	91 386	37 142	8 517	45 659	1 916	298 229	–	743 484
Railage	–	–	177 431	–	177 431	–	–	–	177 431
Employee costs	410 678	116 091	134 129	104 794	238 923	11 405	308 032	–	1 085 129
Electricity	65 607	39 227	13 204	9 137	22 341	1 297	585	–	129 057
Lease charges	52 210	48 081	251 861	152 710	404 571	1 215	39 279	–	545 356
Royalities [^]	29 778	4 016	24 866	3 823	28 689	–	–	–	62 483
Drilling and blasting [^]	15 446	971	–	4 994	4 994	–	84 367	–	105 778
Loading and handling [^]	–	187	46 400	35 580	81 980	–	–	–	82 167
Operating profit/(loss)	273 448	13 803	789 048	168 727	957 775	(12 851)	(79 810)	–	1 152 365
Operating profit margin on external revenue	12,4%	2,5%	35,7%	22,6%	32,4%	(41,1%)	(24,4%)	–	18,9%

	Construction Materials	Industrial Minerals	Bulk Commodities			Future Materials and Metals	Services	Unallocated	Total
	R'000	R'000	Iron ore R'000	Anthracite R'000	Total R'000	R'000	R'000	R'000	R'000
Assets [*]	1 224 344	535 636	1 509 309	1 341 427	2 850 736	521 592	267 503	1 348 716	6 748 527
Liabilities ^{**}	434 635	148 072	224 066	161 582	385 648	12 356	218 257	986 518	2 185 486
Capital expenditure ^{***}	96 192	37 685	162 610	377 929	540 539	165 394	51 281	38 391	929 482



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

2. Segment information (continued)

	2025 R'000	2024 R'000
* The following assets have not been allocated to segments:		
Goodwill	203 315	225 625
Other financial assets	162 965	296 533
Deferred tax	247 722	197 910
Current tax receivable	12 348	11 388
Cash and cash equivalents	301 329	504 678
Other assets	199 513	112 582
	1 127 192	1 348 716
** The following liabilities have not been allocated to segments:		
Provisions	279 746	279 939
Deferred tax	394 382	363 330
Current tax payable	8 262	14 665
Bank overdraft	449 765	–
Other liabilities	1 816 527	328 584
	2 948 682	986 518

*** Excludes property, plant and equipment acquired through business combinations, refer notes 12.1 and 12.2.

^ In the current year, the Group expanded the disclosure of expenses by nature to provide more detailed information, which led to the expanded disclosure of the segment expenses. This enhances the relevance and comparability of the financial statements. The prior year has been restated accordingly to reflect this change in presentation. There is no impact on the total expenses, profit for the year or retained earnings.

There is significant exposure and dependency on Kumba International Trading Limited, ArcelorMittal South Africa Limited and Glencore Operations South Africa Proprietary Limited, with revenues of approximately R1 161,1 million (2024: R1 300,0 million), R963,4 million (2024: R879,3 million) and R649,9 million (2024: R546,8 million), respectively, major customers of Afrimat Iron Ore Proprietary Limited, Nkomati Anthracite Proprietary Limited, within the Bulk Commodities segment. This risk has been mitigated by Afrimat's diversification strategy, which focuses on expanding the customer base across different sectors and geographic regions. By targeting a broader range of customers and reducing reliance on any one client, the Group aims to improve revenue stability and reduce the financial impact associated with changes in demand or commercial terms from a single customer.

Segment revenue reflects both sales to external parties and inter-group transactions across segments.

Segment operating assets and liabilities are only those items that can be specifically identified within a particular segment.

The Group views the entire southern African region as a single geographical area.

3. Revenue

Group financial statements

The Group recognises revenue from contracts with customers as defined in IFRS 15: *Revenue from contracts with customers* from the following major sources:

- Sale of Construction Materials: Comprises sand, gravel, crushed stone, fly ash, cement and concrete made from rock, sand, water and cement;
- Sale of Industrial Minerals: Comprises limestone, dolomite and agricultural lime;
- Sale of Bulk Commodities: Comprises iron ore, anthracite and manganese;
- Sale of Future Materials and Metals: Comprises phosphate; and
- Rendering of Services: Includes mobile crushing, screening, drilling and blasting and external logistical and contract mining services.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Revenue from the sale of Construction Materials (including Cement), Industrial Minerals, Bulk Commodities (excluding manganese) and Future Materials and Metals are recognised when control of the products has transferred to the buyer, which occurs at a point in time. Control transfers when products are delivered to the buyer and there is no unfulfilled obligation that could affect the buyer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the buyer, and either the buyer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. Revenue is measured at the invoiced amount net of value added tax, trade discounts, returns, volume rebates and amounts collected on behalf of third parties. Shipping and handling is included in sale of goods as one component of revenue due to risks and rewards over goods only passing to the customer on delivery to site.

Revenue from the sale of manganese is recognised when control of the product has transferred to the customer, which occurs upon delivery in accordance with the terms of the contract. Payment terms consist of a fixed component (90%) and a variable component (10%) subject to final quality assessment. The Group recognises revenue when the initial payment of 90% is received, as this reflects the transfer of control and fulfilment of performance obligations. The remaining 10%, which is dependent on quality adjustments, is considered variable consideration and is recognised only when the final product quality has been confirmed and it is highly probable that no significant reversal of revenue will occur.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

3. Revenue (continued)

In terms of the agreement with Kumba International Trading Limited, commodity prices used in the calculation of the bulk commodity debtor are based on the average daily prices with reference to the IODEX during the month prior to the relevant month of delivery. The amount of revenue recognised at the designated point of delivery ('FOB') is based on the best estimate of the amount expected to be received. Provisional pricing arrangements introduce an element of market variability into the sales contract. The final price is based on the average market price of the third month following revenue recognition (shipping date). These changes are out of the scope of IFRS 15: *Revenue from contracts with customers*. As a result, the changes in the commodity prices and foreign currency fluctuations are reflected as 'other revenue' within the revenue note to the annual financial statements and not revenue from contracts with customers.

Aggregates, Cement and Industrial Minerals are occasionally sold with retrospective volume discounts. Revenue from these sales are recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is recognised when it is highly probable that it will not be reversed, taking into account trade discounts and volume discounts. No element of financing is deemed present as the sales are made with credit terms largely ranging between 30 days and 60 days depending on the specific terms agreed to with the customer concerned, which is consistent with market practice. Generally, cement and readymix concrete are not returned as a customer will only accept these products once they have passed a stringent quality check at delivery point.

Revenue arising from the rendering of services such as drilling, blasting and mining services are performed and recognised over time. This leads to the revenue being recognised (based on an output method) in the accounting period in which the services are rendered, because the customer receives and uses the benefits simultaneously. Whereas revenue arising from external logistical services are performed and recognised at a point in time. Revenue is recognised based on standalone selling prices per type of service rendered. Revenue is measured at the fair value of the consideration received or receivable, which is represented by the invoiced amount net of value added tax, trade discounts and amounts collected on behalf of third parties.

Company financial statements

Finance income comprises interest revenue and dividend revenue. Interest revenue is recognised in profit or loss using the effective interest method. Dividend revenue is recognised when received or receivable.

Revenue arising from the rendering of services, i.e. management fee income earned are performed over time and, therefore, is recognised as the performance obligations identified are satisfied.

3. Revenue (continued)

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Revenue from contracts with customers:				
Sale of Construction Materials	3 886 224	1 843 369	–	–
Sale of Industrial Minerals	500 640	457 946	–	–
Sale of Bulk Commodities	2 808 916	3 024 588	–	–
Sale of Future Materials and Metals	60 541	29 999	–	–
Rendering of Services [^]	1 045 290	794 150	110 173	43 422
Revenue from contracts with customers	8 301 611	6 150 052	110 173	43 422
Timing of revenue recognition				
At a point in time	8 158 339	6 077 491	–	–
Over time	143 272	72 561	110 173	43 422
	8 301 611	6 150 052	110 173	43 422
Revenue other than from contracts with customers:				
Group companies interest revenue	–	–	92 914	53 812
Group companies dividend revenue	–	–	282 358	869 937
Revenue other than from contracts with customers	–	–	375 272	923 749
Other revenue*	16 155	(66 772)	–	–
Total	8 317 766	6 083 280	485 445	967 171

* *Provisional pricing arrangements, within the Bulk Commodities segment, introduces an element of market variability into the sales contract. These changes are outside of the scope of IFRS 15 and as a result, the changes in the commodity prices are reflected as 'other revenue'.*

[^] *Included in 'Rendering of services' is revenue from transport services of R748,5 million (2024: R467,3 million), which is recognised at a point in time when the service has been rendered and control has transferred to the customer.*



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

4. Other income and expense items

4.1 Other income

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Recoveries	11 298	4 681	–	–
Rental income	13 593	5 714	–	–
Scrap sales	2 412	2 924	–	–
Training centre*	5 620	–	–	–
Other	13 795	6 583	–	809
Total	46 718	19 902	–	809
4.2 Other net gains and losses				
Gains – financial assets at fair value through profit or loss	13 255	9 369	–	–
Gains – contingent consideration payable at fair value through profit or loss**	48 786	–	–	–
Foreign exchange gains	24 066	20 130	79	–
Foreign exchange losses	(7 357)	(3 338)	–	(1 115)
Foreign currency translation reserve released to profit or loss on sale of foreign subsidiary	–	(32 654)	–	–
Remeasurement gain on lease liabilities	1 424	3 955	–	–
Loss on disposal of associate	(1 557)	–	–	–
Profit on disposal of property, plant and equipment	10 405	4 262	–	–
Total	89 022	1 724	79	(1 115)

* Training centre is located in Lichtenburg and is used for external on-the-go job training.

** As part of the Agreement of Fincrete, there is an 'agterskot' period which may trigger an 'agterskot' payment, which is a period commencing at the end of the initial production period (18 months after the CPs have been met), for a period of three years. This 'agterskot' payment also known as a contingent consideration had a downward fair value adjustment during the current year, following a reassessment of the contingent liability.

4. Other income and expense items (continued)

4.3 Expenses by nature

Leases

Payments associated with short-term leases, low-value assets and variable payments are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. Variable payments are determinable on a percentage of revenue recognised in profit or loss. It is the Group's policy to lease yellow equipment for certain projects as the need arises.

Some property leases contain variable payment terms that are linked to sales generated from the extract of certain minerals and aggregates from the quarries. The variable lease payments are determined on the basis of either a fixed rand/per tonne of stone extracted and sold from the quarry or as a fixed percentage of revenue generated from the sale of such product. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occur. A 100,0% increase in sales across all quarries in the Group with such variable lease contracts would increase total lease payments by approximately R68,8 thousand (2024: R81,4 thousand).

Short-term employee benefits

The cost of short-term employee benefits (those expected to be wholly settled within 12 months after the end of the period in which the employees render the related service, such as sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the related service is rendered and are not discounted.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Bonus plans

The Group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the operating profit after adjustments for non-operational activities, i.e. profit or loss on disposal of businesses, impairment of property, plant and equipment and impairment of goodwill, etc. The Group recognises an accrual where contractually obliged or where there is a past practice that has created a constructive obligation.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

4. Other income and expense items (continued)

4.3 Expenses by nature (continued)

	Group						Company	
	Cost of sales R'000	2025 Operating expenses R'000	Total* R'000	Cost of sales* R'000	2024 Operating expenses R'000	Total* R'000	2025 Operating expenses R'000	2024 Operating expenses R'000
Lease charges (short-term, low-value and variable lease payments not included in lease liabilities)	762 046	7 391	769 437	538 078	7 278	545 356	–	–
Premises								
Short-term	19 706	1 189	20 895	15 721	1 803	17 524	–	–
Variable lease payments	–	688	688	–	814	814	–	–
Equipment								
Short-term	741 054	385	741 439	521 703	211	521 914	–	–
Lease rentals – other								
Short-term	1 081	2 008	3 089	462	2 582	3 044	–	–
Low-value	205	3 121	3 326	192	1 868	2 060	–	–
Amortisation of intangible assets	1 206	8 583	9 789	1 205	660	1 865	–	–
Depreciation of property, plant and equipment	549 602	55 840	605 442	313 767	53 797	367 564	–	–
Impairment of goodwill (refer note 6.2)	–	22 310	22 310	–	22 919	22 919	–	–
Impairment of property, plant and equipment (refer note 6.1)	47 119	–	47 119	9 360	–	9 360	–	–
Impairment/(reversal) of impairment of investment in subsidiary (refer note 13)	–	–	–	–	–	–	7 514	(14)
Write-off's	–	–	–	–	–	–	15 645	–
Increase in inventory provision for impairment	–	38 416	38 416	–	4 510	4 510	–	–
Inventory write-off to net realisable value	10 310	–	10 310	1 750	–	1 750	–	–
Repairs and maintenance	835 114	5 816	840 930	484 210	5 183	489 393	–	–
Royalties	59 750	–	59 750	62 483	–	62 483	–	–
Drilling and blasting*	190 861	–	190 861	105 778	–	105 778	–	–
Cement	260 973	–	260 973	197 867	–	197 867	–	–
Fuel and diesel	567 546	665	568 211	488 340	971	489 311	–	–
External transport	1 055 010	–	1 055 010	743 484	–	743 484	–	–
Railage	187 610	–	187 610	177 431	–	177 431	–	–
Electricity	444 041	6 972	451 013	125 606	3 451	129 057	–	–
Audit fees	–	12 691	12 691	–	9 553	9 553	6 909	5 073
Audit**	–	12 401	12 401	–	9 112	9 112	6 811	4 732
Other	–	290	290	–	441	441	98	341
Employee costs	1 059 073	562 114	1 621 187	624 830	460 299	1 085 129	58 061	53 616
Defined contribution plan contributions	65 847	39 634	105 481	37 329	30 915	68 244	2 025	2 081
Share-based payment expense	714	36 836	37 550	725	35 252	35 977	15 050	11 210
Short-term employee expenses	992 512	485 644	1 478 156	586 776	394 132	980 908	40 986	40 325
Consulting and legal fees	29 787	76 083	105 870	19 818	64 254	84 072	6 449	11 124
Access control	–	91 865	91 865	–	53 777	53 777	–	–
Insurance	11 472	20 095	31 567	2 323	21 100	23 423	37	218
Training	–	23 502	23 502	–	21 267	21 267	–	140
Rehabilitation expense/(reversal)	(88 593)	–	(88 593)	(35 651)	–	(35 651)	–	–
Travel and accommodation	–	67 042	67 042	–	46 241	46 241	1 857	1 462
Loading and handling*	247 568	–	247 568	82 167	–	82 167	–	–
Raw materials	557 497	–	557 497	–	–	–	–	–
Other costs*	30 131	203 989	234 120	59 431	160 273	219 704	11 842	10 675
Total	6 818 123	1 203 374	8 021 497	4 002 277	935 533	4 937 810	108 314	82 294

* In the current year, the Group expanded the disclosure of expenses by nature to provide more detailed information. This enhances the relevance and comparability of the financial statements. The prior year has been restated accordingly to reflect this change in presentation. There is no impact on the total expenses, profit for the year or retained earnings.

** Included in 'Audit fees' are fees for Afrimat Offshore and Afrimat Mining & Aggregates Zambia Limited for audits performed by RSM (Mauritius) LLP and RSM Zambia Chartered Accountants, respectively, amounting to R45,1 thousand and R19,3 thousand, respectively.

^ The significant increase in cost of sales and operating expenses during the year is primarily attributable to the acquisition of Lafarge by the Group. The acquisition resulted in the consolidation of additional operations, leading to higher input costs, production volumes, and associated overheads. Refer note 12.1 for further details on the acquisition.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

4. Other income and expense items (continued)

4.4 Finance income

Finance income is recognised in profit or loss using the effective interest method.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Bank	43 859	33 309	29 011	26 252
Other interest	1 736	2 864	–	–
Total	45 595	36 173	29 011	26 252

4.5 Finance costs

Finance costs are calculated using the effective interest method and included in profit or loss.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Instalment sale agreements	28 110	25 467	–	–
Lease liabilities	8 267	5 815	–	–
Bank	155 162	22 275	126 082	21 825
South African Revenue Service	3	1 222	–	–
Group companies loans	–	–	22 400	21 821
Environmental rehabilitation and dismantling	24 037	20 737	–	–
Other interest paid	5 672	1 443	–	–
Total	221 251	76 959	148 482	43 646

5. Income tax expense

The income tax expense for the period comprises current and deferred income tax. Income tax is recognised in the Statement of Profit or Loss and Other Comprehensive Income, except to the extent that it relates to items recognised directly in equity, in which case it will also be recognised directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the Statement of Financial Position date in the countries where the Group operates and generates taxable income.

5. Income tax expense (continued)

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Major components of the tax expense				
Current				
Local income tax				
Current year	166 916	291 990	624	–
Prior year overprovision	(68)	(1 942)	–	–
	166 848	290 048	624	–
Deferred				
Deferred income tax				
Current year	21 721	34 644	2 939	(2 205)
	21 721	34 644	2 939	(2 205)
Total	188 569	324 692	3 563	(2 205)
Tax rate reconciliation				
Standard tax rate (%)	27,0	27,0	27,0	27,0
Permanent differences (%)	35,4	2,2	(25,6)	(27,3)
Non-deductible expenses (%)*	3,5	3,3	5,6	7,4
Share Appreciation Right Scheme expense realised (%)	1,8	(1,1)	0,9	(0,7)
Deferred tax not recognised in prior year utilised (%)	0,9	(0,8)	–	–
Exempt income (%)**	(2,9)	(0,3)	(32,1)	(34,0)
Deferred tax not recognised on tax losses (%)	32,4	1,6	–	–
Tax credit (%)***	(0,3)	(0,3)	–	–
Overprovision of taxation expense (%)	–	(0,2)	–	–
Effective rate (%)	62,4	29,2	1,4	(0,3)

* Includes legal fees, consulting fees, fines and penalties which are not in the production of income and thus non-deductible.

** Exempt income in the Group relates to profit on disposal of subsidiary and in the Company relates to dividends received from subsidiaries.

*** The tax credit relates to a reduction in the amount of tax owed as a result of tax incentives granted to Glen Douglas Dolomite Proprietary Limited in term of section 12BA for energy efficiency savings (in the prior year) and Afrimat Shared Services Proprietary Limited and Afrimat Phosphates Proprietary Limited in terms of section 11D for approved research and development projects.

For details on deferred tax, refer note 6.3.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

6. Non-financial assets and liabilities

6.1 Property, plant and equipment

Property, plant and equipment is initially recognised at cost. The cost of an item of property, plant and equipment includes the initial estimate of the cost of dismantling and removing the asset and restoring the site on which it is located. When this initial estimate of costs is included in the cost of the item of property, plant and equipment, a corresponding provision is created for the obligation. The initial estimate of the expenditure required to settle the present obligation is determined using a current market-based discount rate, refer note 6.5.

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

At inception of the lease, that falls within the scope IFRS 16: *Leases*, the Right-of-Use ('RoU') assets are initially measured at cost comprising the following: the amount of the initial measurement of the lease liability, any initial direct costs incurred by the Group, estimate of costs to be incurred upon the dismantling and removal of an asset and the cost of purchasing the asset at the end of the lease term if it is reasonably certain. RoU assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment and RoU assets will be tested for impairment when there is an indication of impairment, in terms of IAS 36: *Impairments of Assets*.

For new leases the RoU asset will be the sum of: the amount of the initial measurement of the liability, any initial direct costs incurred by the Group, estimate of costs to be incurred upon the dismantling and removal of an asset and the cost of purchasing the asset at the end of the lease term if it is reasonably certain.

Depreciation is provided on all property, plant and equipment other than freehold land, to write down the cost, less residual value, on the straight-line basis over their estimated useful lives or, in the case of RoU assets the lease term if shorter, as follows:

Land	Indefinite life
Buildings	10 to 20 years
Leasehold property	1 to 20 years
Plant and machinery	5 to 20 years
Motor vehicles	3 to 15 years
Office and computer equipment	3 to 5 years
Dismantling costs	2 to 30 years
Mining assets	7 to 30 years
Stripping assets	Units of Production ('UoP')

6. Non-financial assets and liabilities (continued)

6.1 Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment, is included in profit or loss and is calculated as the difference between the net disposal proceeds, if any, and the carrying amount of the item at the date of derecognition.

The cost of an item of property, plant and equipment comprises any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. During the ramp-up phase, all costs that are directly attributable to developing the mine are capitalised up to the date when the commercial production indicators are met. The development of a mine to gain access to the resource as well as ramps, access roads and surface rights are components necessary for the mine to be capable of operating in the manner intended by management. Capitalisation of costs to the carrying amount of mining assets ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Mining assets:

Mining assets represent the future benefits in respect of acquiring mineral reserves and resources, and therefore classifies it as a tangible asset under property, plant and equipment. These are acquired through business combinations and are initially valued at the fair value of the resources obtained. When the Group is able to mine, the undeveloped mining resources are depreciated as above.

The useful life of the mining assets equals the estimated useful life of the mine. Depreciation of the capitalised costs of mining assets start at the time when the mining activities commence on the acquired mining assets.

Stripping assets:

Stripping assets are initially recognised at cost and subsequently measured at cost less accumulated depreciation and impairment losses. These assets derive as a result of the removal of overburden or waste material which is required to obtain access to the ore body and therefore realise future economic benefit.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

6. Non-financial assets and liabilities (continued)

6.1 Property, plant and equipment (continued)

Mining costs associated with the removal of overburden are deferred to the extent that the actual stripping ratio of a component is higher than the expected average reserve life stripping ratio for that component. These assets are depreciated using the units-of-production method over the expected run of mine ('ROM') that becomes more accessible as a result of the stripping activity and are charged to 'cost of sales' in profit or loss. The average reserve life stripping ratio is calculated as the total cubes of waste material expected to be removed over the reserve life per tonne of ore extracted. A component has been identified as a geographically distinct ore body within a pit to which the stripping activities being undertaken within that component could be allocated. Where the pit profile is such that the actual stripping ratio is below the average reserve life stripping ratio no deferral takes place as this would result in recognition of a liability for which there is no obligation. Instead, this position is monitored and when the cumulative calculation reflects a debit balance deferral commences. The stripping ratios for each component are reassessed annually at the end of each reporting period. Any changes in such accounting estimates are adjusted in the year of reassessment and applied prospectively.

Other:

When a transaction involving the acquisition of assets does not constitute a business as defined in IFRS 3: *Business Combinations*, the Group shall account for the transaction as an asset acquisition within IAS 16: *Property, Plant and Equipment*. Therefore a mining asset relating to the mineral reserves and resources will be accounted for at cost.

Extension and termination options in determining the lease term

In determining the lease period, management considers all facts and circumstances pertaining to the lease such as: the non-cancellable period and any periods covered by an option to extend or terminate. Extension or termination options are only included in the lease period if the lease is reasonably certain to be extended or terminated.

The following factors are indicative that extension is most probable:

- Where mining rights and permits are awarded and the business is profitable, the Group is typically reasonably certain to extend the lease term; and
- Otherwise, the Group considers other factors including historical lease durations and business disruption required to replace the leased assets.

6. Non-financial assets and liabilities (continued)

6.1 Property, plant and equipment (continued)

Impairment of property, plant and equipment

In management's assessment the following factors were considered in determining whether an indication of impairment exist:

- The current condition of the individual assets;
- Operational efficiencies;
- The operating relevance of the individual asset;
- Residual value of the individual assets; and
- Economic environment in which the assets operate in.

Useful lives of property, plant and equipment

Property, plant and equipment are depreciated over their useful lives taking into account, where appropriate, residual values.

Assessment of useful lives and residual values are performed annually, taking into account factors such as technological innovation, maintenance programmes, periodic studies of actual asset lives and intended use for those assets could result in the actual useful lives or residual values differing from initial estimates.

Consideration is given to whether subsequent expenditure is to be treated as maintenance or to be capitalised.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

6. Non-financial assets and liabilities (continued)

6.1 Property, plant and equipment (continued)

Group	Accumulated depreciation/impairment			Carrying value		
	Cost	2025	2025	Cost	2024	2024
	R'000	R'000	R'000	R'000	R'000	R'000
Land and buildings	314 840	(57 329)	257 511	174 073	(46 134)	127 939
Leasehold property	24 370	(12 519)	11 851	34 163	(24 197)	9 966
Plant and machinery	3 702 757	(1 393 783)	2 308 974	2 149 882	(902 211)	1 247 671
Motor vehicles	1 309 825	(677 248)	632 577	1 214 314	(586 653)	627 661
Office and computer equipment	109 668	(75 484)	34 184	83 370	(60 627)	22 743
Dismantling costs	46 574	(18 117)	28 457	29 770	(17 429)	12 341
Mining assets	2 529 802	(602 473)	1 927 329	1 935 722	(384 183)	1 551 539
Stripping assets	626 928	(222 312)	404 616	403 683	(149 166)	254 517
RoU assets	125 267	(65 594)	59 673	78 735	(35 075)	43 660
Total	8 790 031	(3 124 859)	5 665 172	6 103 712	(2 205 675)	3 898 037

Analysis of movements in carrying value:

Group	Opening carrying value R'000	Additions R'000	Additions/ (disposals) of subsidiaries (refer notes 12.1 – 12.3) R'000	Reclassification R'000	Reclassified as held for sale (refer note 12.4) R'000	Disposals R'000	Depreciation R'000	Impairment R'000	Closing carrying value R'000
Group 2025									
Land and buildings	127 939	17 394	115 721	9 170	(3 035)	(4 003)	(5 675)	–	257 511
Leasehold property	9 966	3 771	–	–	(480)	(2)	(1 404)	–	11 851
Plant and machinery	1 247 671	235 450	1 102 877	(13 607)	(46 930)	(18 136)	(198 351)	–	2 308 974
Motor vehicles	627 661	123 765	14 814	4 437	(3 039)	(23 882)	(111 179)	–	632 577
Office and computer equipment	22 743	27 282	929	–	(21)	(585)	(16 164)	–	34 184
Dismantling costs	12 341	2 430	19 760	–	–	(4 722)	(1 352)	–	28 457
Mining assets	1 551 539	270 644	323 435	–	–	–	(174 198)	(44 091)	1 927 329
Stripping assets	254 517	223 244	–	–	–	–	(70 117)	(3 028)	404 616
RoU assets	43 660	9 405	34 760	–	–	(1 150)	(27 002)	–	59 673
Total	3 898 037	913 385	1 612 296	–	(53 505)	(52 480)	(605 442)	(47 119)	5 665 172
Group 2024									
Land and buildings	126 442	7 132	–	–	–	(1 272)	(4 363)	–	127 939
Leasehold property	12 145	1 567	–	–	–	–	(3 746)	–	9 966
Plant and machinery	1 088 404	301 290	46	–	–	(15 548)	(126 521)	–	1 247 671
Motor vehicles	571 340	165 850	(24)	–	–	(11 254)	(98 251)	–	627 661
Office and computer equipment	15 638	17 528	–	–	–	(60)	(10 363)	–	22 743
Dismantling costs	15 103	4 656	–	–	–	(7 970)	552	–	12 341
Mining assets	1 458 597	141 513	48 100	–	–	–	(96 671)	–	1 551 539
Stripping assets	15 128	268 839	–	–	–	–	(20 090)	(9 360)	254 517
RoU assets	34 533	21 107	2 416	–	–	(6 285)	(8 111)	–	43 660
Total	3 337 330	929 482	50 538	–	–	(42 389)	(367 564)	(9 360)	3 898 037



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

6. Non-financial assets and liabilities (continued)

6.1 Property, plant and equipment (continued)

Certain property, plant and equipment has been encumbered as security for interest-bearing borrowings (refer note 7.3.4).

	Group	
	2025 R'000	2024 R'000
Carrying value of assets pledged as security:		
Plant and machinery	112 341	86 467
Motor vehicles	314 067	271 222
Total	426 408	357 689

Included in additions are plant, equipment and motor vehicles with a total cost of R175,1 million (2024: R205,4 million), which were financed and recognised as instalment sale agreements in borrowings (refer note 7.3.4).

Included in disposals are plant and equipment with a cost of R15,4 million (2024: R2,1 million) and accumulated depreciation of R14,0 million (2024: R1,4 million), which had no further economic value and have been removed from the register.

Included in additions under 'mining assets' is an amount of R232,2 million, consisting of R100,0 million initial cash payment and R132,2 million which relates to the present value of the deferred consideration recognised as an other financial liability, refer note 7.3.5, for an iron ore mining resource purchased during the year.

During the year, an impairment loss of R3,0 million (2024: R9,4 million) was recognised for the stripping asset of the Nkomati mine. The updated LOM plan, as well as the expected average reserve life stripping ratio was reassessed which subsequently resulted in the impairment loss recorded.

During the year, an impairment indicator was identified for the mining asset of Fincrete Proprietary Limited, following the impairment of goodwill allocated to the CGU, refer note 6.2. As a result, the Group performed an impairment assessment, which led to the recognition of an impairment loss on the mining asset. The recoverable amount of the asset was determined based on its value-in-use, using discounted cash flow projections. An impairment of R44,1 million has been recognised in profit or loss. Refer note 6.2 for assumptions used.

The Group assessed indicators of impairment for its Cement and Future Materials and Metals segments, both of which reported losses for the year and hold material non-financial asset balances. Although both segments incurred losses during the year, management has not recognised any impairment losses. This is based on detailed impairment assessments which concluded that the recoverable amounts of the CGUs, determined using value-in-use models, exceeded their respective carrying amounts. The value-in-use calculations were based on approved cash flow projections, which reflect management's expectations of future market recovery, efficiency improvements, and strategic initiatives to restore profitability. Accordingly, no impairment losses have been recognised in respect of the Cement and Future Materials and Metals segments as at year-end. See below for assumptions used.

6. Non-financial assets and liabilities (continued)

6.1 Property, plant and equipment (continued)

Assumptions used in discounted cash flow methodology: Aggregates: Cement and Future Materials and Metals segments

Financial budgets approved by management are used to calculate the cash flow projections for a five-year period.

Assumption	Approach used to determine values
Sales volume	An annual average growth rate extended over the five-year forecast period is used; this is based on past performance and management's expectations of market development, which is between the range of 4,0% to 10,0%.
Other operating costs	These costs are forecasted by management adjusted for inflationary increases, non-cash flow items and once-off isolated expenses. These costs will generally reflect the fixed costs which are not expected to vary significantly with sales volumes or prices, which is between the range of 4,0% to 6,0%.
Annual capital expenditure	Expected capital expenditure approved by the Board of directors for planned refurbishment. This is determined based on historical experience and expectations set by management, which is between the range of 4,0% to 6,0%.
Long-term growth rate	This is the weighted average growth rate, used to extrapolate the cash flows over the budgeted period, of 4,6%.
Discount rate	This is a discount rate determined by the Group that best reflects the specific risks relating to the CGUs against an adjusted market estimate of the weighted average target cost of capital structure of the Group. A rate of 14,8% has been applied.

Depreciation expense of R549,6 million (2024: R313,8 million) has been charged in 'cost of sales' and R55,8 million (2024: R53,8 million) in 'operating expenses'.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

6. Non-financial assets and liabilities (continued)

6.1 Property, plant and equipment (continued)

Leases:

	2025 R'000	2024 R'000
Carrying value of RoU assets:		
Land and buildings	59 451	43 660
Equipment	222	–
Total	59 673	43 660

	2025 R'000	2024 R'000
Depreciation charge of RoU assets:		
Land and buildings	7 816	7 839
Equipment	19 186	272
Total	27 002	8 111

	2025 R'000	2024 R'000
Additions/reassessment of RoU assets:		
Land and buildings	42 451	17 238
Equipment	564	–
Total	43 015	17 238

For additional disclosures on the lease expense, interest expense and lease liability refer notes 4.3, 4.5 and 7.3.4, respectively.

6.2 Intangible assets

Goodwill is carried at cost less any accumulated impairment.

At the acquisition dates, goodwill is allocated to each of the CGUs expected to benefit from a business combination. An impairment is determined by assessing the recoverable amount of the CGU to which goodwill relates. The recoverable amount is either determined as the value-in-use of each CGU or fair value less cost to sell. Value-in-use is calculated by estimating the expected future cash flows in each unit and choosing a suitable discount rate in order to calculate the present value of those cash flows.

Where the recoverable amount of the CGU is less than the carrying amount of the unit, an impairment loss is recognised in profit or loss beginning with the write-off of the goodwill allocated to such CGU. Where the goodwill is insufficient to cover the amount of the impairment adjustment, the remaining assets in the CGU are impaired on a *pro rata* basis.

Irrespective of whether there is any indication of impairment, the Group also tests goodwill acquired in a business combination for impairment annually by comparing the CGUs carrying amount with its recoverable amount. This impairment test is performed annually at the end of the reporting period.

In assessing value-in-use the estimated cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset or to the CGU.

Other intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

For mining rights, amortisation is provided to write down the cost of the mining rights, less their residual values, on the straight-line basis over their useful lives as follows:

Mining rights	20 to 30 years
Surface right	5 years
Customer contracts and brands	5 to 8 years

The amortisation charge is recognised as an expense in profit or loss. The amortisation period and amortisation method applied to an intangible asset with a finite useful life is reviewed, and adjusted if necessary, on an annual basis. These charges are accounted for as a change in estimate.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

6. Non-financial assets and liabilities (continued)

6.2 Intangible assets (continued)

Impairment of goodwill

Goodwill was allocated to CGUs. The carrying value of the CGUs was assessed for impairment using a discounted cash flow methodology based on forecasts including assumptions on operating profit, depreciation, working capital movements and capital expenditure.

Group						
	Cost 2025 R'000	Accumulated amortisation/ impairment 2025 R'000	Carrying value 2025 R'000	Cost 2024 R'000	Accumulated amortisation/ impairment 2024 R'000	Carrying value 2024 R'000
Goodwill	287 119	(83 804)	203 315	287 119	(61 494)	225 625
Mining rights	21 474	(16 289)	5 185	22 831	(16 810)	6 021
Surface right	5 226	(3 173)	2 053	5 226	(2 144)	3 082
Customer contracts and brands	53 400	(7 924)	45 476	–	–	–
Total	367 219	(111 190)	256 029	315 176	(80 448)	234 728

6. Non-financial assets and liabilities (continued)

6.2 Intangible assets (continued)

Analysis of movements in carrying value:

Group						
	Opening carrying value R'000	Additions through business combinations (refer note 12.1) R'000	Additions R'000	Disposals R'000	Amortisation/ impairments R'000	Closing carrying value R'000
2025						
Goodwill	225 625	–	–	–	(22 310)	203 315
Mining rights	6 021	–	–	–	(836)	5 185
Surface right	3 082	–	–	–	(1 029)	2 053
Customer contracts and brands	–	53 400	–	–	(7 924)	45 476
Total	234 728	53 400	–	–	(32 099)	256 029
2024						
Goodwill	243 417	–	22 310	(17 183)	(22 919)	225 625
Mining rights	6 857	–	–	–	(836)	6 021
Surface right	4 111	–	–	–	(1 029)	3 082
Total	254 385	–	22 310	(17 183)	(24 784)	234 728

None of the mining rights included in intangible assets have indefinite lives. Remaining amortisation periods vary between three and 13 years (2024: four and 14 years). An amortisation expense of R1,2 million (2024: R1,2 million) has been charged to 'cost of sales' and R0,7 million (2024: R0,7 million) has been charged to 'operating expenses'.

The customer contracts and brands were acquired as part of a business combination (see note 12.1 for details). They are recognised at their fair values at the date of acquisition and are subsequently amortised on a straight-line basis, based on the timing of projected cash flows of the contracts over their estimated remaining terms. Remaining amortisation periods varies between five and eight years. An amortisation expense of R7,9 million has been charged to 'operating expenses'.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

6. Non-financial assets and liabilities (continued)

6.2 Intangible assets (continued)

Goodwill acquired through business combinations has been allocated to CGUs as follows:

	Group	
	2025 R'000	2024 R'000
Afrimat Aggregates (KZN) Proprietary Limited	16 878	16 878
Rodag Holdings Proprietary Limited	1 058	1 058
Afrimat CM Western Cape Proprietary Limited (previously know as		
Afrimat Aggregates (Operations) Proprietary Limited)	10 955	10 955
Afrimat Aggregates (Eastern Cape) Proprietary Limited	39 267	39 267
Clinker Supplies Proprietary Limited	26 105	26 105
Sunshine Crushers Proprietary Limited	5 723	5 723
Glen Douglas Dolomite Proprietary Limited	801	801
Afrimat Lyttelton Proprietary Limited	1 787	1 787
Cape Lime Proprietary Limited	57 456	57 456
Afrimat Iron Ore Proprietary Limited	40 472	40 472
Eckraal Quarries Proprietary Limited	2 813	2 813
Finctrete Proprietary Limited	–	22 310
	203 315	225 625

During the process of performing the annual goodwill impairment test, it was identified that the carrying value of the Finctrete CGU exceeded its recoverable amount. This was mainly due to the shortfall in the anticipated market share of the resource, which resulted in the company not meeting its budget. As a result of the aforementioned a goodwill impairment of R22,3 million was recorded. Finctrete is included in the Industrial Minerals segment.

6. Non-financial assets and liabilities (continued)

6.2 Intangible assets (continued)

The recoverable amount was determined using value-in-use calculations using a discounted cash flow methodology. These cash flows were based on forecasts which included assumptions as disclosed in the table below.

Assumptions used in discounted cash flow methodology

Financial budgets approved by management are used to calculate the cash flow projections for a five-year period.

Assumption	Approach used to determine values
Sales volume	An annual average growth rate extended over the five-year forecast period is used; this is based on past performance and management's expectations of market development, which is between the range of 4,0% to 6,0% (2024: 4,0% to 6,0%).
Budgeted gross margin	Based on past performance and management's expectations for the future, which is between the range of 4,0% to 6,0% (2024: 4,0% to 6,0%).
Other operating costs	These costs are forecasted by management adjusted for inflationary increases, non-cash flow items and once-off isolated expenses. These costs will generally reflect the fixed costs which are not expected to vary significantly with sales volumes or prices, which is between the range of 4,0% to 6,0% (2024: 4,0% to 6,0%).
Annual capital expenditure	Expected capital expenditure approved by the Board of directors for planned refurbishment. This is determined based on historical experience and expectations set by management, which is between the range of 4,0% to 6,0% (2024: 4,0% to 6,0%).
Medium-term growth rate	This is the weighted average growth rate, used to extrapolate the cash flows over the budgeted period, of 4,6% (2024: 4,6%).
Long-term growth rate	This is the weighted average growth rate, used to extrapolate the cash flows over the budgeted period, of 4,6% (2024: 4,6%).
Discount rate	This is a discount rate determined by the Group that best reflects the specific risks relating to the CGUs against an adjusted market estimate of the weighted average target cost of capital structure of the Group. A rate of 14,8% (2024: 15,4%) has been applied.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

6. Non-financial assets and liabilities (continued)

6.2 Intangible assets (continued)

Based on management's assessment no other impairments were identified during the current year.

Significant estimate: impact on possible changes in key assumptions

A sensitivity analysis on assumptions used in the discounted cash flow has been done and management has not identified any instances that could cause the carrying amount of the CGUs to exceed its recoverable amount, therefore no impairment has been recorded.

6.3 Deferred tax

Deferred income tax is recognised, using the liability method, for calculated income tax losses and temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the Statement of Financial Position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Management applies judgement to determine whether sufficient future taxable profit will be available after considering, amongst others, factors such as profit histories, forecasted cash flows and budgets.

6. Non-financial assets and liabilities (continued)

6.3 Deferred tax (continued)

Deferred tax assets

Deferred tax assets are only recognised on tax losses which are expected to be offset against future taxable income in the foreseeable future.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Accelerated capital allowances for tax purposes	(481 346)	(358 243)	–	–
Accruals	76 637	54 734	2 134	3 122
Provisions	75 321	75 531	–	–
Tax losses available for set-off against future taxable income	315 244	208 867	–	1 883
Share-based payments	3 892	17 948	1 003	2 737
Fair value adjustments	(8 046)	(5 173)	–	–
Mining assets	(143 184)	(178 208)	–	–
Other	(1 204)	3 212	–	(1 350)
Lease liabilities	16 026	15 912	–	–
	(146 660)	(165 420)	3 137	6 392



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

6. Non-financial assets and liabilities (continued)

6.3 Deferred tax (continued)

Analysis of movement in deferred tax balance:

	Group						
	February 2024						February 2025
	Assets R'000	Liabilities R'000	Total R'000	Recognised in profit or loss R'000	Recognised directly in equity R'000	Business combinations (refer note 12.1 – 12.3) R'000	Assets R'000
							Liabilities R'000
							Total R'000
Accelerated capital allowances for tax purposes	(52 361)	(305 882)	(358 243)	(60 071)	–	(63 032)	(149 765)
Accruals	21 295	33 439	54 734	(1 284)	–	23 187	33 789
Provisions	29 115	46 416	75 531	(19 060)	–	18 850	40 358
Tax losses available for set-off against future taxable income	201 449	7 418	208 867	36 696	–	69 681	3 075
Share-based payments	7 961	9 987	17 948	(5 764)	(8 292)	–	2 286
Fair value adjustments	(2 014)	(3 159)	(5 173)	(2 781)	(92)	–	1 606
Mining assets	(10 806)	(167 402)	(178 208)	35 024	–	–	(6 896)
Other	(2 047)	5 259	3 212	(4 416)	–	–	3 604
Lease liabilities	5 318	10 594	15 912	(65)	–	179	(146 788)
Total	197 910	(363 330)	(165 420)	(21 721)	(8 384)	48 865	(1 235)
							16 026
							(146 660)

	Company					
	February 2024					
	Assets R'000	Liabilities R'000	Total R'000	Recognised in profit or loss R'000	Recognised directly in equity R'000	Assets R'000
						Liabilities R'000
						Total R'000
Accruals	3 122	–	3 122	(988)	–	2 134
Tax losses available for set-off against future taxable income	1 883	–	1 883	(1 883)	–	–
Other	(1 350)	–	(1 350)	1 350	–	–
Share-based payments	2 737	–	2 737	(1 418)	(316)	–
Total	6 392	–	6 392	(2 939)	(316)	1 003
						–
						3 137

The Group has estimated income tax losses and capital tax losses available of R5,1 billion (2024: R1,0 billion) and R52,6 million (2024: R52,6 million), respectively.

Included in the assessed tax losses were R3,9 billion (2024: R242,9 million) and R52,6 million (2024: R52,6 million) relating to income and capital tax losses, respectively, which are available for set-off against future taxable income, but due to the improbability of the realisation of related tax benefits, these assets were not raised. R3,5 billion of this balance relates to Afrimat Industries South Africa Proprietary Limited.

The deferred tax asset includes an asset of R315,2 million (2024: R208,9 million) relating to assessed tax losses carried forward. The Group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plan and budgets.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

6. Non-financial assets and liabilities (continued)

6.4 Inventories

Inventories are measured at the lower of cost and net realisable value.

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

The cost of the inventories is assigned using the first-in, first-out ('FIFO') method, except for cement and consumable stores the cost of which is determined on the weighted average basis.

The cost of inventories for Cement comprises all costs of purchase, costs of manufacturing and other costs incurred in bringing the inventories to their present location and condition.

In general for Cement, the bases of determining cost are weighted average cost method. The values of finished goods and work in progress include direct costs and directly attributable overhead expenditure based on normal operating capacity.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Provision for stock obsolescence

The Group recognises a provision for stock obsolescence based on the determination of excess stock on hand as well as damaged and unusable items.

A provision for stock obsolescence is calculated as follows:

Construction materials	100% if older than 24 months
Cement and concrete manufactured products	100% if older than 12 months
Commodities	100% if older than 24 months
Industrial minerals	100% if older than 12 months
Production supplies	100% if older than 36 months
Raw materials	100% if older than 12 months

Measurement of stockpile quantities

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile. This is determined using assumptions such as densities and sizes which are based on studies, historical data and industry norms. Stockpile tonnages are verified by periodic surveys of which year-end surveys are performed by external service providers.

6. Non-financial assets and liabilities (continued)

6.4 Inventories (continued)

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Amounts attributable to the different categories are as follows:				
Raw materials, components	229 650	245 200	–	–
Finished goods	817 861	519 872	–	–
Production supplies	350 001	88 534	–	–
Inventories held for sale (refer note 12.4)	(23 405)	–	–	–
Total	1 374 107	853 606	–	–
Allowance for inventory obsolescence:				
Finished goods	(26 808)	(20 642)	–	–
Production supplies	(35 771)	(3 521)	–	–
Total*	1 311 528	829 443	–	–
Non-current assets*	210 141	215 254	–	–
Current assets	1 101 387	614 189	–	–
Total	1 311 528	829 443	–	–

* Inventories classified as 'non-current assets' relate to the 'raw materials: phosphate stockpiles' purchased by Afrimat Phosphates Proprietary Limited from Glenover Phosphate Proprietary Limited. The company is in the process of ramping up its operation for the processing of these stockpiles and therefore this has been classified as non-current.

^ The significant increase in inventories during the year is primarily attributable to the acquisition of Lafarge by the Group. Refer note 12.1 for further details on the acquisition.

Inventory write-off to net realisable value amounted to R10,3 million (2024: R1,8 million) and included in 'cost of sales' in the Statement of Profit or Loss and Other Comprehensive Income.

The total amount of inventory recognised as an expense is R4 784,3 million (2024: R2 229,1 million) and was recognised in 'cost of sales'.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

6. Non-financial assets and liabilities (continued)

6.5 Provisions

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Group policy is that environmental rehabilitation and dismantling estimates will be reviewed annually and be reassessed by independent consultants every three years.

Group companies are required to restore quarry and manufacturing sites at the end of their productive lives to a condition acceptable to the relevant authorities.

Annual estimates are made in determining the present obligation of decommissioning and quarry rehabilitation provisions, which include the actual estimate, the discount rate used and the expected date of closure of mining activities in determining the present value of decommissioning and quarry rehabilitation provisions. Estimates are based on costs that are regularly reviewed, by internal and external experts, and adjusted as appropriate for new circumstances.

The expected increase or decrease in the cost of any rehabilitation programme, discounted to its net present value, is charged as an expense in the year in which the increase or decrease occur and is included in 'cost of sales'. The increase or decrease in the net present value of the expected cost is included in 'finance costs'.

Where a closure and environmental obligation arises from mine development activities, the costs are capitalised as part of the cost of the item of property, plant and equipment.

Key assumptions used by management in valuation of rehabilitation and dismantling provisions:

	2025	2024
Assumptions	LOM	LOM
Values	7 to 30 years	7 to 30 years
Medium-term growth	4,5%	6,5%
Pre-tax discount rate	8,3%	7,3%

Quantifying the future costs of these obligations is complex and requires various estimates to be made, as well as interpretations of and decisions regarding regulatory requirements, particularly with respect to the degree of rehabilitation required, with reference to the sensitivity of the environmental area surrounding the sites.

The carrying value of the rehabilitation and dismantling provision is sensitive to assumptions and estimates used in its calculation. If the discount rate of 8,3% (2024: 7,3%) had been 0,8% higher than management's estimate, the Group would have decreased the provisions by R22,5 million (2024: R23,4 million). However, if the discount rate had been 0,8% lower than management's estimate, the Group would have increased the provisions by R26,1 million (2024: R27,0 million).

6. Non-financial assets and liabilities (continued)

6.5 Provisions (continued)

	Group		
	Environmental rehabilitation R'000	Dismantling R'000	Total provisions R'000
Balance at 1 March 2023	265 490	33 084	298 574
Acquired through business combination (refer note 12.1)	193	–	193
Discount unwinding	20 737	–	20 737
Reversed during year	(54 857)	(8 570)	(63 427)
Additions	19 206	4 656	23 862
Total changes	(14 721)	(3 914)	(18 635)
Balance at 1 March 2024	250 769	29 170	279 939
Acquired through business combination (refer notes 12.1 and 12.2)	61 777	21 240	83 017
Discount unwinding	24 037	–	24 037
Reversed during year	(95 097)	(4 716)	(99 813)
Additions	195	2 430	2 625
Provisions held for sale (refer note 12.4)	(10 059)	–	(10 059)
Total changes	(19 147)	18 954	(193)
Balance at 28 February 2025	231 622	48 124	279 746

The Group appointed Site Plan Consulting Proprietary Limited ('SPC') as its independent expert for determining closure cost. SPC has applied an 'individual disturbance, unit-based' calculation, based on measurement of actual ('ground-truthed') disturbances, as an alternative quantum calculation to the DMRE Guideline for Evaluation of the Quantum of Closure-related Financial Provision Provided by a Mine (2005) for IFRS reporting purposes. The DMRE guideline is used when calculating the liability for submission to the DMRE.

Key assumptions used by SPC:

Rehabilitation of access roads	R8,41/m ² (2024: R8,41/m ²)
Buttress blasting	R1 170/linear metre (2024: R1 170/linear metre)
Rehabilitation of overburden and spoils	R154 400/hectare ('ha') (2024: R154 400/ha)
General surface rehabilitation	R86 676/ha (2024: R86 676/ha)
Two to three years of maintenance and aftercare	R7 474/ha (2024: R7 474/ha)
Discount rate	8,0% (2024: 8,0%)
These assumptions were unchanged and consistent with those used for the prior year.	



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

6. Non-financial assets and liabilities (continued)

6.5 Provisions (continued)

The Financial Provisioning Regulations, 2015 as amended by Government Notice No. 1314, Government Gazette No. 40371 of 26 October 2016, Government Notice No. R452, Government Gazette No. 41584 of 20 April 2018, Government Notice No. 991, Government Gazette No. 42956 of 17 January 2020 and Government Notice No. 495, Government Gazette No. 44698 of 11 June 2021 have been repealed and replaced with the Proposed Financial Provisioning Regulations, 2022.

All environmental rehabilitation and dismantling provisions at year-end have been reviewed by management and adjusted as appropriate for changes in legislation, technology and other circumstances. The expected timing of any outflows of these provisions will be on the closure of the respective mines. Estimates are based on costs that are reviewed regularly and adjusted as appropriate for new circumstances. Future cash flows are appropriately discounted. A discount rate of 8,3% (2024: 7,3%) was used. The Company appointed SPC to conduct an Independent Specialist Update of the quarry and mining site rehabilitation quantum during FY2024.

The decommissioning and rehabilitation provisions are secured by guarantees issued to the DMRE to the amount of R613,3 million (2024: R429,6 million) (refer note 17). Funds to the amount of R105,6 million (2024: R92,8 million) have been invested in environmental insurance policies, R4,3 million (2024: R3,9 million) in a Green Horizons Environmental Rehabilitation Trust Fund, R4,8 million (2024: R4,4 million) in a Momentum Rehabilitation Trust Fund and R2,5 million (2024: R1,9 million) in an Old Mutual Rehabilitation Trust Fund (refer note 7.1).

7. Financial assets and liabilities

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Other financial assets				
Non-current assets				
Financial assets at fair value through other comprehensive income (refer note 7.1)	21 757	10 212	–	–
Financial assets at fair value through profit or loss (refer note 7.2)	106 226	93 438	–	–
Financial assets at amortised cost (refer note 7.3.1)	34 982	42 883	9 787	4 593
	162 965	146 533	9 787	4 593
Current assets				
Financial assets at amortised cost (refer note 7.3.1)	–	150 000	–	150 000
	–	150 000	–	150 000
Total other financial assets	162 965	296 533	9 787	154 593

The Group classifies its financial assets in categories dependent on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

7. Financial assets and liabilities (continued)

7.1 Financial assets at fair value through other comprehensive income

Investments in equity instruments measured at fair value through other comprehensive income ('FVOCI') are recognised when the Group becomes a party to the contractual provisions of the instrument. The investments are measured at initial recognition at fair value. Transaction costs are added to the initial carrying amount for those investments. Investments in equity instruments are subsequently measured at FVOCI.

The gains or losses which accumulated in equity in the 'fair value reserve' for equity investments at FVOCI are not reclassified to profit or loss on derecognition. Instead, the cumulative amount is transferred directly to retained earnings.

Financial assets at FVOCI comprise equity securities not held for trading and which the Group irrevocably elected on initial recognition, to designate as at fair value through other comprehensive income.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Non-current assets				
Listed shares at fair value				
Old Mutual PLC shares	81	69	–	–
Business Partners Limited	10 047	–	–	–
Environmental funds at fair value				
Green Horizons Environmental Rehabilitation Trust Fund	4 284	3 869	–	–
Old Mutual Rehabilitation Trust Fund	2 538	1 924	–	–
Momentum Rehabilitation Trust Fund	4 807	4 350	–	–
Total financial assets at fair value through other comprehensive income	21 757	10 212	–	–

Environmental funds were established to fund the cost of rehabilitation on closure of certain of the Group's mines.

The Momentum and Old Mutual policies relate to investment funds for the purpose of the rehabilitation of the Eckraal quarry. The contributions to these policies are paid by Eckraal Quarries Proprietary Limited on behalf of Eckraal Rehabilitation Trust.

Refer note 21 for details of fair value estimation.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

7. Financial assets and liabilities (continued)

7.2 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss ('FVPL') comprise:

- Equity investments held for trading; and
- Equity investments for which the entity has not elected to recognise fair value gains and losses through other comprehensive income.

Investments in equity instruments measured at FVPL are recognised when the Group becomes a party to the contractual provisions of the instrument. The investments are measured at initial recognition at fair value. Transaction costs are recognised through profit or loss. Investments in equity instruments are subsequently measured at FVPL.

Changes in the fair value of financial assets at FVPL are recognised in profit or loss and presented net within 'other net gains and losses'.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Non-current assets				
Cadiz Asset Management Proprietary Limited Enterprise Development Investment	605	607	–	–
Centriq Insurance Company Limited Mining Rehabilitation Guarantee Insurance Policy	105 621	92 831	–	–
Total financial assets at fair value through profit or loss	106 226	93 438	–	–

The Group invested an amount in a Centriq Mining Rehabilitation Guarantee Insurance Policy to rehabilitate the environment after mining operations are completed at various mining sites throughout the Group (refer note 6.5).

The Cadiz Enterprise Development Investment is an upfront investment which counts towards the Group's enterprise development score. This investment was acquired as part of the Cape Lime acquisition.

The fair value of all equity securities is based on their current bid prices in an active market. A change in fair value of R13,3 million (2024: R9,4 million) was allocated to 'other net gains and losses' in profit or loss, refer note 4.2.

Refer note 21 for details of fair value estimation and note 10 for disclosures on financial risk management.

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost

7.3.1 Other financial assets at amortised cost

Financial assets at amortised cost comprise assets held for collection of contractual cash flow comprising solely payments of principal and interest.

Loans receivable are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus direct transaction costs, if any.

Interest on these financial assets is calculated using the effective interest method and recognised in the Statement of Profit or Loss and Other Comprehensive Income as part of 'finance income'.

The Group recognises a loss allowance for expected credit losses ('ECL') on all loans receivable measured at amortised cost. The amount of ECL is updated at each reporting date to reflect the changes in credit risk since initial recognition of the respective loans.

The Group measures the loss allowance at an amount equal to lifetime expected credit losses ('lifetime ECL') when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, the loss allowance for that loan is measured at 12-month expected credit losses ('12-month ECL').

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Non-current assets				
Enterprise and supplier development loans	23 731	38 290	–	–
Other	11 251	4 593	9 787	4 593
Current assets				
Glenover Phosphates Proprietary Limited*	–	150 000	–	150 000
Total other financial assets at amortised cost	34 982	192 883	9 787	154 593

* This relates to the purchase of the Sale Claims from Glenover Phosphates Proprietary Limited 'Glenover' of R150,0 million, refer note 8.1.

As part of Afrimat's commitment to achieve sustainable growth and having an impact on the communities we operate in, the Group provides local enterprise and supplier development loans to local qualifying enterprises. The majority of these loans have been provided by Afrimat Iron Ore Proprietary Limited to local qualifying enterprises. These loans bear no interest and are repayable between 10 and 48 monthly instalments.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.1 Other financial assets at amortised cost (continued)

It is management's view that these counterparties have a low risk of default as there are no amounts past due. For supplier development loans sufficient security is provided. The expected credit loss has been determined over a 12-month period, resulting in expected credit loss identified being immaterial.

The fair values of other financial assets at amortised cost are considered to be approximate to the carrying value due to their short-term nature.

7.3.2 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. They are subsequently measured at amortised costs using the effective interest method, because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on trade and other receivables.

The Group applies the IFRS 9: *Financial Instruments* simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade receivables. The Group makes use of a provision matrix as a practical expedient to the determination of ECL on trade and other receivables. Trade receivables have been grouped with relation to the credit quality of the customers. The expected loss rate is based on the historical payment of sales, as well as credit losses experienced during a 12-month period before reporting date. The historical loss rate is adjusted to reflect current and forward-looking information on macroeconomic factors that may affect the ability of customers to settle the debt outstanding. The Group has identified the gross domestic product ('GDP') of South Africa to be the most relevant factor and accordingly adjusted the historical loss rate based on expected changes in the GDP. When there is no expectation to recover additional cash, the receivable is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'other income' in the Statement of Profit or Loss and Other Comprehensive Income.

A significant increase in credit risk is indicated when:

- (1) the debtor has missed at least one payment (i.e. 30/60 days past due); and
- (2) any other economic indicators (i.e. national/global occurrences).

The quantitative criterion of credit impairment is when receivables are more than 90 days past due on their contractual payments which is a rebuttable presumption in IFRS 9.

ECL allowance is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The ECL is included in 'other operating expenses' in profit or loss as a movement in credit loss allowance.

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.2 Trade and other receivables (continued)

The Group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Provisionally priced receivables included within the trade receivables of Afrimat Iron Ore Proprietary Limited are exposed to future IODEX price movements. A financial asset host that is within the scope of IFRS 9 is not assessed for embedded derivatives, because the solely payments of principal and interest ('SPPI') criterion is applied to the entire hybrid contract to determine the appropriate measurement category. The exposure of provisionally priced trade receivables to future IODEX price fluctuations will fail the SPPI criteria and are therefore measured at fair value through profit or loss from the date of recognition up until date of settlement.

When assessing the loss allowance for inter-group loans, other financial assets and net investment in leases, the Group applies the General Model by firstly assessing which stage of the three-stage model the financial asset falls into, and secondly calculating this loss taking into account the exposure, probability and expected loss accordingly. The stages applied are:

- (1) A performing asset – a 12-month expected credit loss is calculated;
- (2) Increased credit risk – lifetime expected credit loss is calculated; or
- (3) Credit impaired – lifetime expected credit loss is calculated.

Trade and other receivables

ECL of trade and other receivables requires the consideration of historical default rates and forward-looking information. The Group applies the practical expedient in using the provision matrix and a forward-looking factor.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.2 Trade and other receivables (continued)

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Trade receivables at amortised cost	845 360	632 842	40 239	9 856
Less: Allowances for credit losses	(11 934)	(11 604)	–	–
Trade and other receivables at fair value through profit or loss*	132 658	77 191	–	–
Trade receivables – net	966 084	698 429	40 239	9 856
Loans to related parties	–	412	–	–
Other receivables**	107 369	20 808	58 642	416
Trade and other receivables – financial assets (refer note 10)	1 073 453	719 649	98 881	10 272
Prepayments and value-added taxation	95 838	54 324	–	6 732
Total trade and other receivables	1 169 291	773 973	98 881	17 004

* Trade receivables at fair value through profit or loss relate to the customer, Kumba International Trading Limited, refer note 21 for further details on fair value methodology.

** Other receivables include an amount of R50,5 million relating to the Lafarge acquisition where the contract included a provision allowing for an adjustment to the consideration payable through a leakage adjustment within six months following the closing date. Refer note 12.1.

The other receivables comprising deposits, are assessed on an individual basis and considered to be low risk of default, with no amount past due as well as the parties having sufficient access to high liquid assets at year-end. The ECL has been determined over a 12-month period, resulting in an ECL identified being immaterial.

Loans to related parties and other trade receivables are assessed on an individual basis and considered to be low risk of default, due to parties having sufficient access to high liquid assets at year-end. The expected credit loss has been determined over a 12-month period, and the identified credit loss was immaterial.

Trade receivables for the Company relates to inter-company balances. These balances have been assessed for ECL over a 12-month period, resulting in an ECL identified being immaterial, due to the balances not being past due.

Exposure to credit risk

Trade receivables inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if customers fail to make payments as they fall due.

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.2 Trade and other receivables (continued)

In order to mitigate the risk of financial loss from defaults, the Group only deals with reputable customers with consistent payment histories. The collateral in place includes an insurance policy covering credit losses greater than R5,0 million. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Statistical credit scoring models are used to analyse customers. These models make use of information submitted by the customers as well as external bureau data (where available). Customer credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of customers are continuously monitored.

Three of the Group's largest customers, Kumba International Trading Limited, ArcelorMittal South Africa Limited and Glencore Operations South Africa Proprietary Limited accounted for approximately 14,0%, 11,6% and 7,8% of net sales (2024: 21,4%, 19,7% and 9,2%) which represents 12,8%, 17,5% and 3,1% of the trade and other receivables balance outstanding (2024: 17,3%, 30,0% and 3,3%), respectively. There are no other significant concentration of customer credit risk.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

The Group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

	Group			
	Estimated gross carrying amount at default 2025 R'000	Loss allowance (lifetime expected credit loss) 2025 R'000	Estimated gross carrying amount at default 2024 R'000	Loss allowance (lifetime expected credit loss) 2024 R'000
Expected credit loss rate:				
Not past due: 0,1% (2024: 0,4%)	688 460	(809)	587 911	(2 271)
Less than 30 days past due: 0,5% (2024: 10,7%)	83 614	(389)	13 792	(1 472)
31 – 60 days past due: 1,0% (2024: 13,8%)	25 665	(259)	5 523	(760)
61 – 90 days past due: 11,2% (2024: 10,0%)	6 420	(719)	1 759	(176)
More than 90 days past due: 23,7% (2024: 29,0%)	41 201	(9 758)	23 857	(6 925)
Total	845 360	(11 934)	632 842	(11 604)



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.2 Trade and other receivables (continued)

The following table shows the movement in the loss allowance (lifetime ECL) for trade and other receivables:

	Group	
	2025 R'000	2024 R'000
Opening balance	11 604	17 572
Acquired through business combination	6 981	–
Disposal of subsidiary	(1 228)	(3 309)
Provision raised on new trade receivables	6 495	7 027
Provisions reversed on settled trade receivables	(11 918)	(9 686)
Closing balance	11 934	11 604

The ECL rates have improved during the current financial year, primarily due to the recovery of previously provided trade receivables, which were successfully collected during this period.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Rand	1 033 175	644 621	98 881	17 004
US Dollar	136 116	129 352	–	–
	1 169 291	773 973	98 881	17 004

The fair values of 'trade and other receivables at amortised cost' are considered to be equal to the carrying value due to their short-term nature. Refer note 21 for details of fair value estimation on 'trade and other receivables at fair value through profit or loss'.

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.3 Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk in change in value; these are classified as financial assets measured at amortised cost.

For purposes of the cash flow statements, cash and cash equivalents comprise cash and cash equivalents defined above, net of outstanding bank overdrafts.

Bank overdrafts are classified as financial liabilities at amortised cost.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Cash and cash equivalents consist of:				
Cash on hand	513	483	–	–
Bank balances	238 324	377 764	1 006	56 934
Short-term bank deposits	62 492	126 431	–	–
Bank overdraft	(77 828)	–	(77 828)	–
	223 501	504 678	(76 822)	56 934
Current assets	301 329	504 678	1 006	56 934
Current liabilities	(77 828)	–	(77 828)	–
	223 501	504 678	(76 822)	56 934

Unlimited and R700 million omnibus securityships between Group companies were provided to Standard Bank of South Africa Limited ('SBSA') and FirstRand Bank Limited, respectively, for the Group banking facilities.

The overdraft bears interest on a negotiated rate based on prime and payable on demand. Refer note 7.3.4 for the Group's undrawn facilities.

Refer note 10 for details on the credit quality of cash and cash equivalents.

The fair values of cash and cash equivalents are considered to be equal to the carrying value due to their short-term nature.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.4 Borrowings

Borrowings are classified as financial liabilities subsequently measured at amortised cost. The liabilities are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Leases are recognised as a RoU asset and a corresponding liability at the date at which the leased asset is available for use by the Group. The Group leases various land and buildings, equipment and vehicles. Rental contracts are typically made for fixed periods of one year to 10 years, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leased assets may not be used as security for borrowing purposes.

Lease liabilities are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments less any lease incentives receivable;
- exclude variable lease payments;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the RoU asset in a similar economic environment with similar terms, security and conditions.

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.4 Borrowings (continued)

The Group remeasures the lease liability, when applicable, in accordance with the following table:

Lease liability remeasurement scenario	Lease liability remeasurement methodology
Change to the lease term.	■ discounting the revised lease payments using a revised discount rate.
Change in the assessment of whether the Group will exercise a purchase, termination or extension option.	■ discounting the revised lease payments using a revised discount rate.
Change to the lease payments as a result of a change in an index or a rate.	■ discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
Change in expected payment under a residual value guarantee.	■ discounting the revised lease payments using the initial discount rate.
Lease contract has been modified and the lease modification is not accounted for as a separate lease.	■ discounting the revised lease payments using a revised discount rate.

Identifying a lease

The Group assesses whether a contract is, or contains a lease, at inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determines whether the asset under consideration is 'identified', which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.4 Borrowings (continued)

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Non-current liabilities				
Instalment sale agreements	143 325	157 104	–	–
Lease liabilities	50 527	52 926	–	–
	193 852	210 030	–	–
Current liabilities				
Bank overdraft	371 937	–	–	–
Medium-term loans	1 100 000	200 000	1 100 000	200 000
Instalment sale agreements	167 936	140 823	–	–
Lease liabilities	25 542	6 272	–	–
	1 665 415	347 095	1 100 000	200 000
Total borrowings	1 859 267	557 125	1 100 000	200 000
Bank overdraft				
Capital reconciliation of bank overdraft was as follows:				
Opening balance	–	–	–	–
Additions through business combinations (refer note 12.1)	269 533	–	–	–
Funds drawn	1 083 813	–	–	–
Repayments	(981 409)	–	–	–
Closing balance	371 937	–	–	–
Medium-term loans				
Capital reconciliation of medium-term loans was as follows:				
Opening balance	200 000	20 266	200 000	–
Borrowings raised	1 100 000	200 000	1 100 000	200 000
Repayments	(200 000)	(20 266)	(200 000)	–
Closing balance	1 100 000	200 000	1 100 000	200 000
Instalment sale agreements				
Capital reconciliation of instalment sale agreements was as follows:				
Opening balance	297 927	249 519	–	–
Additions through business combinations (refer note 12.1)	25 820	–	–	–
Borrowings raised	175 112	205 393	–	–
Repayments	(187 598)	(156 985)	–	–
Closing balance	311 261	297 927	–	–

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.4 Borrowings (continued)

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Lease liabilities				
Capital reconciliation of lease liabilities was as follows:				
Opening balance	59 198	51 374	–	–
Additions through business combinations (refer note 12.1)	34 955	2 451	–	–
Additions	6 123	10 878	–	–
Finance cost	8 267	5 815	–	–
Lease payments (refer note 9.7)	(32 474)	(11 320)	–	–
Closing balance	76 069	59 198	–	–
Total borrowings	1 859 267	557 125	1 100 000	200 000
Minimum payments due on instalment sale agreements and lease liabilities are as follows:				
Within one year	218 522	175 196	–	–
In second to fifth year inclusive	194 817	215 279	–	–
More than five years	26 541	33 583	–	–
	439 880	424 058	–	–
Future finance charges	(52 550)	(66 933)	–	–
Present value of minimum payments	387 330	357 125	–	–
Analysis of present value of minimum payments due:				
Within one year	193 478	147 095	–	–
In second to fifth year inclusive	173 723	184 949	–	–
More than five years	20 129	25 081	–	–
	387 330	357 125	–	–



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.4 Borrowings (continued)

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Analysis as per Statement of Cash Flows:				
Total opening balance				
borrowings	557 125	321 159	200 000	–
Borrowings raised	1 100 000	200 000	1 100 000	200 000
Withdrawn funds in overdraft	1 083 813	–	–	–
Borrowings raised – non-cash	511 543	218 722	–	–
Instalment sale agreements (refer note 6.1)	175 112	205 393	–	–
Additions through business combinations (refer note 12.1)	330 308	2 451	–	–
Lease liabilities	6 123	10 878	–	–
Repayments	(1 393 214)	(182 756)	(200 000)	–
Bank overdraft	(981 409)	–	–	–
Instalment sale agreements and medium-term loans	(387 598)	(177 251)	(200 000)	–
Capital elements of lease payments	(24 207)	(5 505)	–	–
Total closing balance borrowings	1 859 267	557 125	1 100 000	200 000

The following covenants are applicable to the medium-term loans, instalment sale agreements and the general banking facilities

The Group shall ensure that the following financial covenants will be met:

	Targets	Achieved
– Net debt to earnings before interest, taxation, depreciation and amortisation ('EBITDA') ratio shall not exceed target;	2,25	2,04
– EBITDA to finance charges ratio shall at all times exceed target;	3,5	5,6
– Debt service cover ratio shall at all times exceed target;	1,2	1,9
– Guarantor EBITDA ratio shall at all times exceed target; and	90,0%	98,9%
– Guarantor total assets ratio shall at all times exceed target.	90,0%	117,2%

The Group is required, by means of covenants provided to financiers, to maintain certain solvency and profitability ratios (as disclosed above) which are monitored monthly via management accounts and cash flow forecasts. None of the covenants were breached during the year ended 28 February 2025, neither in the preceding year.

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.4 Borrowings (continued)

During the prior year, the Group acquired a R0,9 billion revolving credit facility ('RCF') with SBSA, that was increased to R1,1 billion in the current year. The facility was fully utilised as at 28 February 2025 (29 February 2024: R200,0 million). The facility bears interest at the three-month Jibar overnight deposit rate plus 1,6%, payable quarterly in arrears. The facility is repayable quarterly instalments with the final repayment date of 11 August 2026.

On 16 January 2023, the Group acquired a US\$5,0 million RCF with ABSA Bank (Mauritius) Limited. The utilised portion of the facility was US\$Nil as at 28 February 2025 (29 February 2024: US\$Nil). The facility bears interest at the daily Secured Overnight Financing Rate ('SOFR'), compounded monthly, plus a margin of 2,5%.

The lease liabilities are measured at the present value of remaining lease payments, discounted using the lessee's incremental borrowing rate.

Total cash outflow for leases during the year was R793,9 million (2024: R556,7 million).

It is Group policy to purchase certain property, plant and equipment under instalment sale agreements. The instalment sale agreements and lease liabilities are repayable in monthly instalments of R16,1 million (2024: R16,6 million) including interest and capital. Interest rates are linked to the prime overdraft rate and varied between 9,0% and 12,0% (2024: 6,4% and 13,0%) during the year. The instalment sale agreements are secured by various items of property, plant and equipment as indicated in note 6.1.

The exposure of the Group's borrowings to interest rate changes and to contractual repricing dates at the reporting dates are as follows:

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Medium-term loan: at floating rates based on the three-month Jibar overnight deposit rate plus 1,6%	1 100 000	200 000	1 100 000	200 000
Bank overdraft: at floating rates based on a rate between 9,0% – 12,0%	371 937	–	–	–
Instalment sale agreements: at floating rates based on a rate between 9,0% – 12,0%	311 261	297 927	–	–
Lease liabilities: at floating rates based on a rate between 9,0% – 12,0%	76 069	59 198	–	–
	1 859 267	557 125	1 100 000	200 000



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.4 Borrowings (continued)

The Group has the following undrawn borrowing facilities with First National Bank of South Africa ('FNB'), SBSA and ABSA:

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Floating rate:				
– Expiring within one year	1 296 925	1 242 794	647 543	835 828

The fair value of borrowings equals their carrying amount. The carrying amounts of the Group's borrowings are all denominated in South African Rand.

The MOI of Afrimat Limited and its subsidiary companies provides no limitation on the borrowing powers of the directors, accordingly the borrowings set out above comply with the MOI of the respective companies.

Transition from JIBAR to ZARONIA

The South African Reserve Bank ('SARB') has announced its intention to transition away from the Johannesburg Interbank Average Rate ('JIBAR') as a reference rate and to adopt the South African Rand Overnight Index Average ('ZARONIA') as the preferred alternative reference rate. ZARONIA is a near risk-free rate based on overnight unsecured lending transactions and is designed to enhance transparency and align with global benchmark reform initiatives. The Group has exposure to funding arrangements that currently reference JIBAR. While the transition is still in progress, the Group is actively monitoring developments and engaging with counterparties to assess the potential impact of the change. At the reporting date, no funding arrangements have yet transitioned from JIBAR to ZARONIA, and the Group does not expect any immediate impact on the measurement or classification of the medium-term loan. The Group will continue to evaluate the impact of the transition and provide updated disclosures in future reporting periods as more information becomes available.

7.3.5 Other financial liabilities

Other financial liabilities are initially recognised at fair value, net of transaction costs incurred. Other financial liabilities are subsequently measured at amortised cost.

The Group has entered into an arrangement for the acquisition of a mining resource, which includes an initial payment and a deferred payment structure over a period of 60 months. The deferred payment is contractually linked to the volume of material extracted from the resource and is determined based on a formula referencing external market variables, including the iron ore price ('Platts index') and the USD/ZAR exchange rate.

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.5 Other financial liabilities (continued)

The deferred payment is classified as a financial liability at fair value through profit or loss as it contains one or more embedded derivatives that significantly modify the cash flows of the contract.

The liability is measured at initial recognition at fair value. Subsequent to initial recognition, the liability is remeasured at fair value at each reporting date, with any changes in the fair value of the financial liability at FVPL is recognised in profit or loss and presented net within 'other net gains and losses'.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Non-current liabilities				
Financial liabilities at fair value through profit or loss	86 875	–	–	–
Current liabilities				
Caricement B.V. (refer note 12.1)	382 314	–	–	–
Net capital proceeds owing to Afrimat BEE Trust participants	6 559	6 301	–	–
Other financial liabilities	2 836	1 987	–	–
Acquired through business combination (refer note 12.1)	–	1 383	–	–
Financial liabilities at fair value through profit or loss	29 611	–	–	–
Total other financial liabilities	508 195	9 671	–	–

As part of the purchase consideration, the Company has agreed to repay or procure the loan amounts owing by Lafarge to Holcim Group subsidiary, Caricement B.V. ('seller') equating to R900,0 million. The Company paid R500,0 million in cash to the seller, on 15 April 2024, and the outstanding R400,0 million will be interest free and will be repaid by no later than 12 months after the closing date, be converted into euro. This liability was settled on 30 April 2025. Refer to note 12.1 and 18 for further details on the Lafarge acquisition.

Financial liabilities at fair value through profit or loss, relates to a deferred consideration for the acquisition of an iron ore mining resource purchased during the year, refer note 6.1. It represents the present value of future payments determined in accordance with a formula linked to the volume of iron ore extracted, Platts index, and the USD/ZAR exchange rate.

Refer note 21 for details of fair value estimation and note 10 for disclosures on financial risk management.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.6 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade and other payables are initially recognised at fair value and are subsequently measured at amortised cost.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Trade payables [^]	1 126 669	547 404	14 129	11 442
Accrued expenses	237 286	138 878	279	279
Other payables	62 179	69 323	–	–
Trade and other payables – financial liabilities (refer note 10)	1 426 134	755 605	14 408	11 721
Taxes and other statutory liabilities	69 709	57 275	2 703	–
Employee-related accruals*	140 726	127 897	13 607	15 879
Total trade and other payables	1 636 569	940 777	30 718	27 600

* Included in 'Employee-related accruals' are accruals for bonuses, leave pay, retirement fund and medical aid contributions.

[^] The significant increase in trade payables during the year is primarily attributable to the acquisition of Lafarge by the Group. Refer note 12.1 for further details on the acquisition.

Trade and other payables consist of purchases from suppliers at normal trade terms. Interest is paid on overdue accounts at an interest rate linked to the prime bank rate.

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Rand	1 635 421	940 170	28 209	24 983
US Dollar	1 148	607	2 509	2 617
	1 636 569	940 777	30 718	27 600

The fair values of trade and other payables are considered to be equal to the carrying value due to their short-term nature.

8. Equity – including earnings per share

8.1 Stated capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Authorised				
1 000 000 000 (2024: 1 000 000 000) ordinary shares with no par value	–	–	–	–
Issued				
160 297 456 (2024: 159 690 957) ordinary shares with no par value				
Opening balance	901 082	939 435	793 147	851 264
606 499 (2024: 2 800 818) shares issued during the year	40 000	154 546	40 000	154 546
Nil (2024: 2 828 790) shares repurchased during the year	–	(137 770)	–	(150 000)
Net effect of settlement of employee share options	(83 231)	(55 129)	(73 396)	(62 663)
Stated capital	857 851	901 082	759 751	793 147

During the current year, the Company issued 606 499 shares at a price of R65,95, being the volume weighted average market price for the Afrimat shares as quoted on the JSE measured over the 30 day period immediately preceding the effective date (29 November 2024), equating to R40,0 million, to Peotona Ash Resources Proprietary Limited for the acquisition of the minority share holding of 25,0% in Ash Resources Proprietary Limited.

During the prior year, the Company repurchased 2 828 790 ordinary shares for a price of R53,03 per repurchase share. Subsequently, 2 682 884 shares were issued at a price of R55,91, equating to R150,0 million, to the Glenover Shareholders for the first tranche payment settlement in respect of the Sale Claims, refer note 12.2.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

8. Equity – including earnings per share (continued)

8.1 Stated capital (continued)

On or about 9 November 2020, Afrimat acquired the issued share capital of Unicorn Capital Partners Proprietary Limited ('UCP') by way of a scheme of arrangement in terms of section 114 of the Companies Act, which was implemented on 14 December 2020 ('scheme'). In terms of the scheme, scheme participants were entitled to receive 1 Afrimat share for every 280 UCP shares held on the record date of the scheme. Pursuant to the scheme, certain dissenting UCP shareholders ('Dissenting Shareholders') exercised their appraisal rights in terms of section 164 of the Companies Act and accordingly their right to participate in the scheme was suspended pending the outcome of the appraisal rights process. During the prior year, the Dissenting Shareholders have withdrawn their demand in terms of section 164 of the Companies Act and have now become scheme participants and are entitled to receive the scheme consideration shares. The Company therefore issued 117 934 shares at a price of R38,55, equating to R4,5 million.

The net effect of settlement of employee share options refer to the total shares issued to employees in terms of the Share Appreciation Rights Scheme including the shares 'surrendered' by employees in order to raise cash to pay the taxation owing.

All shares issued by the Company were fully paid.

8.2 Treasury shares

Shares in Afrimat Limited held by wholly owned subsidiaries are classified as treasury shares. Where any Group company purchases the Company's ordinary shares (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders under 'treasury shares' until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders under 'treasury shares'. Dividends received on treasury shares are eliminated on consolidation. No gains or losses are recognised in the Group profit or loss on the purchase, sale, issue or cancellation of treasury shares.

	Group	
	2025 R'000	2024 R'000
Opening balance	(143 485)	(289 348)
Utilised for settlement of employee Share Appreciation Rights exercised	32 955	28 001
Utilised for settlement of employee Forfeitable Share Plan shares vested	9 838	11 670
Purchased during the year	(23 021)	(31 578)
AEI	(1 285)	(1 876)
Afrimat Management Services Proprietary Limited ('AMS')	(21 736)	(29 702)
Repurchase of shares*	–	137 770
	(123 713)	(143 485)

* During the prior year, the Group repurchased 2 828 790 ordinary shares for a price of R53,03 per repurchase share. Subsequently, 2 682 884 shares were issued at a price of R55,91, equating to R150,0 million, to the Glenover shareholders for the first tranche payment settlement in respect of the sale claims, refer note 12.2.

8. Equity – including earnings per share (continued)

8.2 Treasury shares (continued)

	Group	
	2025 '000	2024 '000
Analysis of movement in number of treasury shares:		
Opening balance	8 509	11 670
Utilised for settlement of employee Share Appreciation Rights exercised	(521)	(574)
Utilised for settlement of employee Forfeitable Share Plan shares vested/forfeited	(252)	(320)
Purchased during the year	332	562
AEI	20	32
AMS	312	530
Repurchase of shares*	–	(2 829)
Closing balance	8 068	8 509

* During the prior year, the Group repurchased 2 828 790 ordinary shares for a price of R53,03 per repurchase share. Subsequently, 2 682 884 shares were issued at a price of R55,91, equating to R150,0 million, to the Glenover shareholders for the first tranche payment settlement in respect of the sale claims, refer note 12.2.

The Group acquired 311 500 and 19 610 (2024: 530 210 and 32 300) of its own shares, by way of general authority to repurchase shares, through purchases on the JSE Limited via AMS and AEI, respectively. The total amount paid to acquire the shares was R23,0 million (2024: R31,6 million) and has been deducted from shareholders' equity. The related weighted average share price at the time of purchase was R69,11 (2024: R55,80). During the year, 520 555 (2024: 574 181) shares were utilised in terms of the Share Appreciation Rights ('SAR') Scheme, for an amount of R33,0 million (2024: R28,0 million). The related weighted average share price at the time of exercise was R67,61 (2024: R53,70). During the year, 446 950 shares (2024: 124 350 shares) vested under the Forfeitable Share Plan ('FSP'). The related weighted average share price at the time of exercise was R60,10 (2024: R56,00).

The Afrimat BEE Trust (indirectly through AEI) holds, on an unencumbered basis, 6 882 804 (2024: 6 863 194) shares amounting to R71,3 million (2024: R70,0 million) representing 4,3% (2024: 4,3%) of the issued share capital of the Company.

AMS shareholding is as follows:

- 1 175 598 (2024: 1 035 939) shares, as nominee for the absolute benefit of the participants of the Company's FSP amounting to R51,8 million (2024: R18,6 million); and
- 9 932 (2024: 610 387) shares held in AMS are held for the purposes of the Company's SAR amounting to R0,7 million (2024: R54,9 million).



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

8. Equity – including earnings per share (continued)

8.3 Other reserves

Other reserves comprise mainly of accumulated amounts related to equity-settled share-based payment schemes, and also accumulated amounts related to re-measurements of financial assets at FVOCI and currency translation differences. The Group transfer amounts from the fair value reserve to retained earnings when relevant equity securities are derecognised.

	Fair value reserve R'000	Share- based payment reserve R'000	Trans- lation reserve R'000	Reverse acqui- sition reserve R'000	Total other reserves R'000
Group					
Balance at 1 March 2023	1 496	68 953	(29 272)	(105 788)	(64 611)
Share-based payment expense for the year	–	21 091	–	–	21 091
Settlement of employee SAR exercised, FSP vested, net of tax	–	(15 120)	–	–	(15 120)
Deferred taxation on share-based payments	–	(8 028)	–	–	(8 028)
Net change in fair value of equity instruments at fair value through other comprehensive income, net of tax	251	–	–	–	251
Exchange differences on translation of foreign operations	–	–	1 413	–	1 413
Foreign currency translation reserve released to profit or loss on sale of foreign subsidiary	–	–	32 654	–	32 654
Total changes	251	(2 057)	34 067	–	32 261
Balance at 29 February 2024	1 747	66 896	4 795	(105 788)	(32 350)
Share-based payment expense for the year	–	16 803	–	–	16 803
Settlement of employee SAR exercised, FSP vested, net of tax	–	(42 085)	–	–	(42 085)
Deferred taxation on share-based payments	–	(8 292)	–	–	(8 292)
Net change in fair value of equity instruments at fair value through other comprehensive income, net of tax	323	–	–	–	323
Exchange differences on translation of foreign operations	–	–	(373)	–	(373)
Changes in ownership: Ash Resources Proprietary Limited	–	–	–	(11 026)	(11 026)
Total changes	323	(33 574)	(373)	(11 026)	(44 650)
Balance at 28 February 2025	2 070	33 322	4 422	(116 814)	(77 000)

8. Equity – including earnings per share (continued)

8.3 Other reserves (continued)

	Fair value reserve R'000	Share- based payment reserve R'000	Trans- lation reserve R'000	Reverse acqui- sition reserve R'000	Total other reserves R'000
Company					
Balance at 1 March 2023	–	50 077	–	–	50 077
Share-based payment expense for the year	–	5 947	–	–	5 947
Deferred taxation on share-based payments	–	(4 098)	–	–	(4 098)
Settlement of employee SAR exercised, FSP vested, net of tax	–	(3 250)	–	–	(3 250)
Total changes	–	(1 401)	–	–	(1 401)
Balance at 29 February 2024	–	48 676	–	–	48 676
Share-based payment expense for the year	–	7 505	–	–	7 505
Deferred taxation on share-based payments	–	(316)	–	–	(316)
Settlement of employee SAR exercised, FSP vested, net of tax	–	(9 407)	–	–	(9 407)
Total changes	–	(2 218)	–	–	(2 218)
Balance at 28 February 2025	–	46 458	–	–	46 458

Nature and purpose of reserves

- (a) *Fair value reserve*
This reserve records the changes in fair value of equity instruments at FVOCI.
- (b) *Share-based payment reserve*
This reserve records the fair value of the vested and unvested portion of share options (determined at grant date) granted in terms of the Group's share-based payment schemes.

Refer note 19 for further details on the relevant schemes.
- (c) *Translation reserve*
The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.
- (d) *Reverse acquisition reserve*
The Group financial statements are issued in the name of Afrimat Limited but are, in fact, prepared as a continuation of the Group financial statements of Prima Klipbrekers Proprietary Limited as a result of a reverse acquisition in 2007. This has resulted in a reverse acquisition reserve in the Group of R105,8 million in terms of IFRS 3. During the current year the Group purchased the remainder of the 25,0% interest in Ash Resources Proprietary Limited, resulting in an equity adjustment of R11,0 million.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

8. Equity – including earnings per share (continued)

8.4 Non-controlling interest

	Other individually immaterial subsidiaries	
	2025 R'000	2024 R'000
Carrying amount of non-controlling interest	32 180	21 992
Total non-controlling interest	32 180	21 992
Summarised financial information:		
Non-current assets	65 520	62 986
Current assets	161 666	153 798
Non-current liabilities	(25 409)	(32 850)
Current liabilities	(170 030)	(171 385)
Net assets	31 747	12 549
Revenue	705 611	633 103
Profit after taxation included in results		
Reported by subsidiaries	42 833	78 652
Other comprehensive income	–	–
Total comprehensive income	42 833	78 652
Profit after taxation, allocated to non-controlling interest	17 948	6 940
Other comprehensive income, allocated to non-controlling interest	–	–

During the year, Afrimat acquired the remaining shares from the minority shareholder of Ash Resources Proprietary Limited. The purchase consideration was settled by way of an issue of shares to the value of R40,0 million, refer note 8.1.

8.5 Earnings per share

(a) Basic and headline earnings per share

Basic earnings and headline earnings per share is calculated by dividing the net profit attributable to owners of the Group and headline earnings, respectively, by the weighted average number of ordinary shares in issue during the year, excluding the ordinary shares held by the Group as treasury shares. Headline earnings are calculated in accordance with Circular 1/2023 issued by the SAICA as required by the JSE Listings Requirements.

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all ordinary shares with dilutive potential. For this purpose the share options are assumed to have been converted into ordinary shares. The share options have no effect on net profit and therefore no adjustment is made in this respect.

8. Equity – including earnings per share (continued)

8.5 Earnings per share (continued)

	Group	
	2025 '000	2024 '000
Number of shares in issue		
Total shares in issue	160 297	159 691
Treasury shares	(8 068)	(8 509)
Net shares in issue	152 229	151 182
Weighted average number of net shares in issue	151 698	150 243
Adjusted for effect of future share-based compensation payments	1 823	1 746
Diluted weighted average number of shares	153 521	151 989
Profit attributable to ordinary shareholders (rand)	95 562	781 776
Earnings per ordinary share (cents)	63,0	520,3
Diluted earnings per ordinary share (cents)	62,2	514,4

	Group			
	Gross 2025 R'000	Net of tax 2025 R'000	Gross 2024 R'000	Net of tax 2024 R'000
Reconciliation of headline earnings				
Profit attributable to ordinary shareholders	–	95 562	–	781 776
Profit on disposal of property, plant and equipment attributable to owners of the parent	(10 405)	(7 596)	(4 262)	(3 111)
(Profit)/loss on disposal of subsidiaries*	(36 541)	(36 541)	11 200	11 200
Loss on disposal of associate	1 557	1 557	–	–
Foreign currency translation reserve released to profit or loss on sale of foreign subsidiary	–	–	32 654	32 654
Impairments (refer note 4.3)	69 429	56 707	32 279	29 752
Headline earnings		109 689		852 271
Headline earnings per share ('HEPS') (cents)		72,3		567,3
Diluted HEPS (cents)		71,4		560,7

* (Profit)/loss on disposal of subsidiaries, in the current year, relates to the profit on the sale of SA Block Proprietary Limited, and in the prior year, cumulatively consists of a loss on the sale of Afrimat Mozambique Limitada and Afrimat Logistics Limitada amounting to R30,4 million and R405 thousand, respectively, and a profit on the sale of Story Lime Proprietary Limited amounting to R19,6 million, refer note 12.3.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

8. Equity – including earnings per share (continued)

8.6 Net asset value ('NAV') per share

	Group	
	2025 '000	2024 '000
Number of shares in issue		
Total shares in issue	160 297	159 691
Treasury shares	(8 068)	(8 509)
Net shares in issue	152 229	151 182
Shareholders' funds attributable to owners of the parent (rand)	4 356 080	4 541 049
Total NAV per share (cents)	2 862	3 004
Tangible net asset value ('TNAV') per share		
Shareholders' funds attributable to owners of the parent (rand)	4 356 080	4 541 049
Intangible assets and goodwill	(256 029)	(234 728)
TNAV (rand)	4 100 051	4 306 321
Total TNAV per share (cents)	2 693	2 848

8.7 Dividends paid

Dividends declared to the Group's shareholders are recognised in the Group's financial statements in the period in which dividends are approved by the Group's directors.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Current year interim dividend paid	17 875	63 876	15 967	63 876
Previous year final dividend paid	245 903	175 691	245 903	175 821
Dividends received on treasury shares	(9 271)	(12 231)	–	–
Dividends paid by subsidiaries to non-controlling interest shareholders	3 758	1 925	–	–
	258 265	229 261	261 870	239 697
The Company has declared the following cash distributions to shareholders:				
Interim dividend paid (cents)			10,0	40,0
Final dividend declared/paid (cents)			15,0	154,0
Distributions declared/paid (cents)			25,0	194,0

9. Cash flow information

9.1 Cash generated from operations

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Profit before tax	302 079	1 113 408	247 112	718 019
Adjustments for:				
Depreciation and amortisation	615 231	369 429	–	–
Impairment of property, plant and equipment	47 119	9 360	–	–
Remeasurement gain on lease liabilities	(1 424)	(3 955)	–	–
Impairment of goodwill	22 310	22 919	–	–
Expected credit losses from related parties	–	–	23 927	48 518
Expected credit losses from other financial assets	(1 900)	6 189	(1 900)	3 609
Impairment/(reversal) of impairment of investment in subsidiary	–	–	7 514	(14)
(Profit)/loss on disposal of subsidiaries	(36 541)	11 200	(11 400)	97 031
Share of profit of associate	–	(1 829)	–	–
Profit on sale of property, plant and equipment	(10 405)	(4 262)	–	–
Loss on sale of associate	1 557	–	–	–
Inventory write-off to net realisable value	10 310	1 750	–	–
Write-off's	–	–	15 645	–
(Gains)/loss – financial assets at fair value through profit or loss	(13 111)	(12 131)	(79)	1 115
Gains – contingent consideration payable at fair value through profit or loss	(48 786)	–	–	–
Foreign exchange differences	(18 059)	1 420	–	–
Dividend revenue	(1 551)	(21)	(282 358)	(869 937)
Interest revenue	(45 595)	(36 173)	(29 011)	(26 252)
Finance costs	221 251	76 959	148 482	43 646
Net effect of settlement of employee SAR exercised, FSP vested	(40 438)	(15 458)	(18 314)	(28 447)
Movements in provisions	(94 902)	(35 651)	–	–
Share-based payment expense	37 550	35 977	15 050	11 210
Items subsequently reclassified to profit or loss	–	32 654	–	–
Changes in working capital:				
Increase in inventories	(198 474)	(175 613)	–	–
(Increase)/decrease in trade and other receivables	(43 857)	(54 580)	(28 189)	22 408
Increase/(decrease) in trade and other payables	(130 773)	209 791	3 118	8 265
	571 591	1 551 383	89 597	29 171



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

9. Cash flow information (continued)

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
9.2 Finance income received				
Finance income (refer note 4.4)	45 595	36 173	29 011	26 252
Adjustments for:				
Other financial assets interest	–	(1 472)	–	–
	45 595	34 701	29 011	26 252
9.3 Finance costs paid				
Finance costs (refer note 4.5)	221 251	76 959	148 482	43 646
Adjustments for:				
Environmental rehabilitation and dismantling (refer note 4.5)	(24 037)	(20 737)	–	–
	197 214	56 222	148 482	43 646
9.4 Tax paid				
Opening balance as per Statement of Financial Position	(3 277)	(5 958)	–	–
Current tax for the year recognised in Statement of Profit or Loss and Other Comprehensive Income (refer note 5)	(166 848)	(290 048)	(624)	–
Additions/disposals of subsidiaries (refer note 12)	(7 558)	(149)	–	–
Closing balance as per Statement of Financial Position	(4 086)	3 277	624	–
	(181 769)	(292 878)	–	–
9.5 Proceeds on disposal of property, plant and equipment				
Disposals (refer note 6.1)	52 480	42 389	–	–
Adjustments for:				
Disposal of dismantling costs (refer note 6.1)	(4 722)	(7 970)	–	–
Profit on sale of property, plant and equipment (refer note 4.2)	10 405	4 262	–	–
Disposal of RoU assets	(2 881)	(6 285)	–	–
	55 282	32 396	–	–

9. Cash flow information (continued)

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
9.6 Acquisition of property, plant and equipment				
Additions (refer note 6.1)	913 385	929 482	–	–
Adjustments for:				
Acquisition of property, plant and equipment by means of instalment sale agreements (refer note 7.3.4)	(175 112)	(205 393)	–	–
Additions of dismantling costs (refer note 6.1)	(2 430)	(4 656)	–	–
Additions of RoU assets	(10 427)	(21 107)	–	–
Reclassification from other financial assets	–	(3 489)	–	–
Additions of mining asset (refer note 6.1)	(132 201)	–	–	–
	593 215	694 837	–	–
9.7 Capital elements of lease payments				
Repayment of lease liability (refer note 7.3.4)	32 474	11 320	–	–
Interest expense on lease liability (refer note 7.3.4)	(8 267)	(5 815)	–	–
	24 207	5 505	–	–
9.8 Dividend revenue				
Dividend revenue	1 551	21	282 358	869 937
Adjustments for:				
Dividend received in specie	–	–	(153 488)	(64 604)
	1 551	21	128 870	805 333
9.9 Proceeds on disposal of businesses				
Proceeds on disposal of subsidiaries (refer note 12.3)	44 000	36 449	44 000	36 449
Proceeds on disposal of associate	280	–	–	–
	44 280	36 449	44 000	36 449



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

Risk

10. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board. Group treasury identifies and evaluates financial risks, when beneficial, with prior approval from the Board. The Board provides guidance on overall risk management, as well as on written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. The Audit and Risk Committee oversees how management monitors compliance with these risks and control policies.

There has been no change in the Group's objectives, policies and processes for managing its financial risks or the methods to measure them.

Financial instruments by category

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Assets as per Statement of Financial Position:				
Financial assets at FVOCI (refer note 7.1)	21 757	10 212	–	–
Financial assets at FVPL (refer note 7.2)	106 226	93 438	–	–
Trade and other receivables at FVPL (refer note 7.3.2)	132 658	77 191	–	–
Financial assets at amortised cost:				
Other financial assets (refer note 7.3.1)	34 982	192 883	9 787	154 593
Trade and other receivables (refer note 7.3.2)	940 795	642 458	98 881	10 272
Cash and cash equivalents (refer note 7.3.3)	301 329	504 678	1 006	56 934
Loans to subsidiaries (refer note 13)	–	–	2 910 726	1 670 458
Total financial assets	1 537 747	1 520 860	3 020 400	1 892 257
Liabilities as per Statement of Financial Position:				
Financial liabilities at FVPL:				
Other liability	40 726	19 979	14 603	7 058
Other financial liabilities (refer note 7.3.5)	116 486	–	–	–
Financial liabilities at amortised cost:				
Medium-term loans (refer note 7.3.4)	1 100 000	200 000	1 100 000	200 000
Instalment sale agreements (refer note 7.3.4)	311 261	297 927	–	–
Bank overdraft (refer note 7.3.4)	371 937	–	–	–
Lease liabilities (refer note 7.3.4)	76 069	59 198	–	–
Other financial liabilities (refer note 7.3.5)	391 709	9 671	–	–
Loans from subsidiaries (refer note 13)	–	–	312 886	115 461
Trade and other payables (refer note 7.3.6)	1 426 134	755 605	14 408	11 721
Bank overdraft (refer note 7.3.3)	77 828	–	77 828	–
Total financial liabilities	3 912 150	1 342 380	1 519 725	334 240

10. Financial risk management (continued)

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of market prices. Market risk comprises equity price risk, interest rate risk, foreign exchange risk and commodity price risk. Financial instruments affected by market risk include other financial assets, trade and other receivables, cash and cash equivalents and borrowings.

Hedging is conducted in very limited circumstances.

(i) Equity price risk

The Group is exposed to equity price risk in respect of the investments held in the environmental rehabilitation trusts, Old Mutual PLC shares and Business Partners Limited. Refer note 7.1 and 7.2.

Sensitivity analysis

The Group measures sensitivity of the equity price risk as the effect of a change in the JSE shareholder weighted Top 40 Index performance for the year. The Group regards a 500 basis points (2024: 500 basis points) change in the aforementioned index as being reasonably possible at the end of the reporting periods.

	Statements of Financial Position	Statement of Profit or Loss and Other Comprehensive Income	
	R'000	Movement in basis points	Effect on other comprehensive income after tax R'000
Group 2025			
Financial assets at FVOCI (refer note 7.1)	21 757	+500 -500	635 (635)
Total		+500 -500	635 (635)
Group 2024			
Financial assets at FVOCI (refer note 7.1)	10 212	+500 -500	298 (298)
Total		+500 -500	298 (298)



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

10. Financial risk management (continued)

(a) Market risk (continued)

(i) Equity price risk (continued)

	Statements of Financial Position	Statement of Profit or Loss and Other Comprehensive Income	
	R'000	Movement in basis points	Effect on profit after tax R'000
Group 2025			
Financial assets at FVPL (refer note 7.2)	106 226	+500 -500	3 877 (3 877)
Total		+500 -500	3 877 (3 877)
Group 2024			
Financial assets at FVPL (refer note 7.2)	93 438	+500 -500	3 410 (3 410)
Total		+500 -500	3 410 (3 410)

(ii) Interest rate risk

The Group's interest rate risk arises from other financial assets, cash and cash equivalents and borrowings as set out in notes 7.3.1, 7.3.3 and 7.3.4. Cash and cash equivalents invested and borrowings obtained at variable interest rates expose the Group to cash flow interest rate risk.

The Group's policy is to invest cash and cash equivalents and to obtain borrowings at variable interest rates and not to make use of any interest rate derivatives, which expose the Group to cash flow interest rate risk.

Sensitivity analysis

Interest rate risks are presented by way of sensitivity analysis in accordance with IFRS 7: *Financial Instruments: Disclosure*. These show the effects of changes in market interest rates on interest payments, interest income and expense, other income components and, if appropriate, shareholders' equity.

The Group measures sensitivity to interest rates as the effect of a change in the South African Reserve Bank ('SARB') repo rate on the profit after tax based on the Group's exposure at reporting date. The Group regards a 200 basis points (2024: 200 basis points) change in the SARB repo rate as being reasonably possible at the end of the reporting periods.

10. Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

	Statements of Financial Position	Statement of Profit or Loss and Other Comprehensive Income	
	R'000	Movement in basis points	Effect on profit after tax R'000
Group 2025			
Other financial assets	34 982	+200 -200	511 (511)
Cash and cash equivalents	300 816	+200 -200	4 392 (4 392)
Borrowings	(1 859 267)	+200 -200	(27 145) 27 145
Other financial liabilities	(119 322)	+200 -200	(1 742) 1 742
Bank overdraft	(77 828)	+200 -200	(1 136) 1 136
Total		+200 -200	(25 120) 25 120

	Statements of Financial Position	Statement of Profit or Loss and Other Comprehensive Income	
	R'000	Movement in basis points	Effect on profit after tax R'000
Company 2025			
Other financial assets	9 787	+200 -200	143 (143)
Cash and cash equivalents	1 006	+200 -200	15 (15)
Borrowings	(1 100 000)	+200 -200	(16 060) 16 060
Loans to subsidiaries	2 910 726	+200 -200	42 497 (42 497)
Loans from subsidiaries	(312 886)	+200 -200	(4 568) 4 568
Bank overdraft	(77 828)	+200 -200	(1 136) 1 136
Total		+200 -200	20 891 (20 891)



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

10. Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

	Statements of Financial Position	Movement in basis points	Statement of Profit or Loss and Other Comprehensive Income
	R'000		Effect on profit after tax R'000
Group			
2024			
Other financial assets	192 883	+200	2 816
		-200	(2 816)
Cash and cash equivalents	504 195	+200	7 361
		-200	(7 361)
Borrowings	(557 125)	+200	(8 134)
		-200	8 134
Other financial liabilities	(3 370)	+200	(49)
		-200	49
Total		+200	1 994
		-200	(1 994)
Company			
2024			
Other financial assets	154 593	+200	2 257
		-200	(2 257)
Cash and cash equivalents	56 934	+200	831
		-200	(831)
Borrowings	(200 000)	+200	(2 920)
		-200	2 920
Loans to subsidiaries	1 670 458	+200	24 389
		-200	(24 389)
Loans from subsidiaries	(115 461)	+200	(1 686)
		-200	1 686
Total		+200	22 871
		-200	(22 871)

10. Financial risk management (continued)

(a) Market risk (continued)

(iii) Foreign exchange risk

The Group's earnings are exposed to movements in exchange rates. Afrimat Iron Ore Proprietary Limited ('AIO') export prices are determined in US Dollars and the company negotiates iron ore prices in that currency with customers. Currency movements of the US Dollar against the Rand therefore could have a significant effect on the financial position and results of AIO. The Group's functional currency for the preparation of financial accounts is South African Rand and is therefore exposed to foreign exchange risk in respect of non-rand cash flows for revenues. Hedging may only take place in exceptional circumstances which would require approval by the Iron Ore Executive Committee. It is the Group's policy to be fully exposed to revenue currency risk, i.e. not to hedge foreign currency revenues.

The Group's foreign exchange risk arises from certain trade and other receivables, cash and cash equivalents, other financial liabilities and trade and other payables as set out in notes 7.3.2, 7.3.3, 7.3.5 and 7.3.6. Currency movements of the US Dollar against the Rand therefore could have an effect on the financial position. The Group's functional currency for the preparation of financial accounts is South African Rand and is therefore exposed to foreign exchange risk in respect of non-rand cash flows for these balances and transactions. The US Dollar:Rand exchange rate as at 28 February 2025 was R18,50 (29 February 2024: R19,25).

Sensitivity analysis

A movement in exchange rate of 10,0% (2024: 10,0%), with all other variables held constant, against the US Dollar would have increased/(decreased) profit or loss and financial position by the amounts shown below.

This analysis considers the impact of changes in foreign exchange rates on profit or loss, excluding foreign exchange translation differences resulting from the translation of Group entities that have a functional currency different from the presentation currency, into the Group's presentation currency (and recognised in the foreign currency translation reserve).



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

10. Financial risk management (continued)

(a) Market risk (continued)

(iii) Foreign exchange risk (continued)

	Statements of Profit or Loss and Other Comprehensive Income/Statements of Financial Position	Statement of Profit or Loss and Other Comprehensive Income	
	R'000	Movement in basis points	Effect on profit after tax R'000
Group 2025			
Revenue subject to exchange rate fluctuations	1 236 560	+1 000 -1 000	90 269 (90 269)
Trade receivables subject to exchange rate fluctuations	136 116	+1 000 -1 000	9 936 (9 936)
Cash and cash equivalents subject to exchange rate fluctuations	3 630	+1 000 -1 000	265 (265)
Other financial liabilities subject to exchange rate fluctuations	(498 800)	+1000 -1 000	(36 412) 36 412
Trade payables subject to exchange rate fluctuations	(1 148)	+1 000 -1 000	(84) 84
Total		+1 000 -1 000	63 974 (63 974)
2024			
Revenue subject to exchange rate fluctuations	1 480 506	+1 000 -1 000	108 077 (108 077)
Trade receivables subject to exchange rate fluctuations	129 394	+1 000 -1 000	9 446 (9 446)
Cash and cash equivalents subject to exchange rate fluctuations	4 960	+1 000 -1 000	362 (362)
Trade payables subject to exchange rate fluctuations	(754)	+1 000 -1 000	(55) 55
Total		+1 000 -1 000	117 830 (117 830)

10. Financial risk management (continued)

(a) Market risk (continued)

(iv) Commodity price risk

The Group's earnings are exposed to movements in the prices of iron ore that it produces. As a commodity producer the Group wishes to remain exposed to individual commodity prices for the ultimate benefit of its shareholders. It is the Group's policy not to hedge commodity price risks. Certain of the Group's sales are provisionally priced, meaning that the selling price is determined normally 30 to 90 days after delivery to the customer, based on quoted market prices stipulated in the contract, and as a result are susceptible to future price movements. As at 28 February 2025, R132,7 million (2024: R77,2 million) of the trade receivables balance are subject to price movements.

The other financial liability (deferred consideration) exposes the Group to commodity price risk, as the liability is linked to fluctuations in the prices of iron ore, which reflects global commodity prices. An increase in the iron ore price will result in a higher obligation under the deferred payment formula, thereby increasing the fair value of the liability and impacting profit or loss accordingly.

Sensitivity analysis

A movement in commodity prices of 10,0% (2024: 10,0%), with all other variables held constant, on the Group's sales exposed to this risk would have increased/(decreased) profit or loss by the amounts shown below.

	Statements of Financial Position	Statement of Profit or Loss and Other Comprehensive Income	
	R'000	Movement in basis points	Effect on profit after tax R'000
Group 2025			
Trade receivables subject to price fluctuations	132 658	+1 000 -1 000	9 684 (9 684)
Other financial liabilities subject to price fluctuations	(116 486)	+1 000 -1 000	(8 503) 8 503
Total		+1 000 -1 000	1 181 (1 181)
Group 2024			
Trade receivables subject to price fluctuations	77 191	+1 000 -1 000	5 635 (5 635)
Total		+1 000 -1 000	5 635 (5 635)



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

10. Financial risk management (continued)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risks from its operating activities. Credit risk arises principally from accounts receivable and, to a lesser extent, from other third-party contractual financial obligations such as other financial assets and short-term bank deposits in note 7.3.1 to 7.3.3.

The Group did not consider there to be any significant credit risk exposure which has not been adequately provided for.

The maximum exposure to credit risk is presented in the table below:

	2025			2024		
	Gross carrying amount R'000	Credit loss allowance R'000	Amortised cost/fair value R'000	Gross Carrying amount R'000	Credit loss allowance R'000	Amortised cost/fair value R'000
Group						
Other financial assets at amortised cost	42 691	(7 709)	34 982	199 072	(6 189)	192 883
Trade and other receivables	1 085 387	(11 934)	1 073 453	731 253	(11 604)	719 649
Cash and cash equivalents	300 816	–	300 816	504 195	–	504 195
Total	1 428 894	(19 643)	1 409 251	1 434 520	(17 793)	1 416 727

The Group's concentration of credit risk is limited to South Africa.

	2025			2024		
	Gross carrying amount R'000	Credit loss allowance R'000	Amortised cost/fair value R'000	Gross Carrying amount R'000	Credit loss allowance R'000	Amortised cost/fair value R'000
Company						
Other financial assets at amortised cost	17 496	(7 709)	9 787	158 202	(3 609)	154 593
Loans to subsidiaries	3 235 531	(324 805)	2 910 726	1 971 336	(300 878)	1 670 458
Trade and other receivables	98 881	–	98 881	10 272	–	10 272
Cash and cash equivalents	1 006	–	1 006	56 934	–	56 934
Total	3 352 914	(332 514)	3 020 400	2 196 744	(304 487)	1 892 257

10. Financial risk management (continued)

(b) Credit risk (continued)

(i) Trade receivables

For exposure to credit risk identified by the Group, refer note 7.3.2 for further details disclosed.

(ii) Cash and cash equivalents

The Group limits its counterparty exposure arising from bank accounts/call deposits by only dealing with well-established financial institutions of high credit standing. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Board annually.

Credit quality of cash in the bank and short-term deposits, excluding cash on hand (according to Moody's short-term ratings):

	Credit rating		Amount	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Group				
Financial institution:				
ABSA	P-3	NP	7 255	21 086
FNB	P-3	NP	17 060	4 419
SBSA	P-3	NP	265 990	417 279
Other	N/A	N/A	10 511	61 411
			300 816	504 195

(iii) Other financial assets

Refer note 7.3.1 for details.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities, when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its cash flow requirements through monthly cash forecasts which includes the servicing of financial obligations, but excludes the potential impact of extreme circumstances that cannot reasonably be predicted. To assist, strict credit control and debt monitoring processes are applied.

Surplus cash over and above the balance required for working capital management, is transferred to the Group treasury. Group treasury invests surplus cash in interest-bearing current accounts and call deposits to provide sufficient headroom as determined by the abovementioned forecasts. At the reporting period, the Group held call deposits of R62,5 million (2024: R126,4 million) that are expected to readily assist in generating cash inflows for managing liquidity risks.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

10. Financial risk management (continued)

(c) Liquidity risk (continued)

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The following table details the Group's undiscounted contractual maturities for its financial liabilities:

	Carrying values R'000	Total cash flows R'000	Less than 1 year R'000	Between 2 and 5 years R'000	More than 5 years R'000
Group					
At 28 February 2025					
Other liability	40 726	40 726	–	40 726	–
Medium-term loans	1 100 000	1 100 000	1 100 000	–	–
Bank overdraft	371 937	371 937	371 937	–	–
Other financial liabilities	508 195	508 195	421 320	86 875	–
Lease liabilities	76 069	94 720	25 542	42 637	26 541
Instalment sale agreements	311 261	320 116	167 936	152 180	–
Trade and other payables	1 426 134	1 426 134	1 426 134	–	–
Bank overdraft	77 828	77 828	77 828	–	–
	3 912 150	3 939 656	3 590 697	322 418	26 541
At 29 February 2024					
Other liability	19 979	19 979	–	19 979	–
Medium-term loans	200 000	200 000	200 000	–	–
Other financial liabilities	9 671	9 671	9 671	–	–
Lease liabilities	59 198	81 769	6 272	41 914	33 583
Instalment sale agreements	297 927	314 188	140 823	173 365	–
Trade and other payables	755 605	755 605	755 605	–	–
	1 342 380	1 381 212	1 112 371	235 258	33 583
Company					
At 28 February 2025					
Medium-term loans	1 100 000	1 100 000	1 100 000	–	–
Other liability	14 603	14 603	–	14 603	–
Loans from subsidiaries	312 886	312 886	312 886	–	–
Trade and other payables	14 408	14 408	14 408	–	–
Bank overdraft	77 828	77 828	77 828	–	–
	1 519 725	1 519 725	1 505 122	14 603	–
At 29 February 2024					
Medium-term loans	200 000	200 000	200 000	–	–
Other liability	7 058	7 058	–	7 058	–
Loans from subsidiaries	115 461	115 461	115 461	–	–
Trade and other payables	11 721	11 721	11 721	–	–
	334 240	334 240	327 182	7 058	–

11. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The directors meet regularly to review the capital structure. As part of this review the directors consider the availability of funding within the Group to fund the Group's capital requirements. The directors also consider the cost of capital and the risks associated with each class of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, buy back its own shares or reduce debt.

The Group is required, by means of covenants provided to financiers, to maintain certain solvency and profitability ratios which are monitored monthly via management accounts and cash flow forecasts. The Group monitors capital on the basis of the net debt:equity ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings, other financial liabilities and loans from subsidiaries less cash and cash equivalents, net of bank overdraft as shown in the Statement of Financial Position.

The Group's strategy is to maintain the net debt:equity ratio to below 25% in the long term. The net debt:equity ratios at reporting date were as follows:

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Total borrowings, other financial liabilities and loans from subsidiaries	2 367 462	566 796	1 412 886	315 461
Overdraft less cash and cash equivalents/ (surplus cash)	(223 501)	(504 678)	76 822	(56 934)
Net debt	2 143 961	62 118	1 489 708	258 527
Total equity	4 388 260	4 563 041	2 956 479	2 998 501
Total capital	6 532 221	4 625 159	4 446 187	3 257 028
Net debt:equity ratio (%)	48,9	1,4	50,4	8,6

The Group's and Company's net debt:equity ratio temporarily exceeds its strategic target of 25% due to funding obtained for a significant acquisition during the year. The Board is satisfied that the Group will meet its obligations as they fall due, supported by sufficient undrawn financing facilities. The Group remains committed to its long-term capital structure strategy and intends to reduce gearing levels over time to align with its target ratio.

There were no changes in the Group's approach to capital maintenance during the year.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

Group structure

12. Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

If the initial accounting for business combination is incomplete by the end of the reporting period in which the combination occurs the Group reports provisional amounts for the item for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

When the Group acquires a set of assets and liabilities that does not constitute a business as defined in IFRS 3, the transaction is accounted for as an asset acquisition. In such cases, no goodwill is recognised. The cost of the acquisition is allocated to the individual identifiable assets and liabilities on a relative fair value basis at the acquisition date. Transaction costs incurred in an asset acquisition are capitalised as part of the cost of the assets acquired. The assessment of whether an acquisition is a business or an asset is based on the substance of the transaction and considers whether the acquired set includes inputs and processes capable of producing outputs, as outlined in IFRS 3 and the accompanying application guidance.

Non-current assets and liabilities are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

12. Business combinations (continued)

Identification of a business combination

Management assesses whether an acquisition meets the definition of a business under IFRS 3, which requires judgement, particularly when acquiring a set of activities and assets that may not constitute a business.

Determination of the acquisition date

The Group determines the acquisition date based on the point in time when control is transferred to the Group, which may involve judgement where there are conditions precedent or complex transaction structures.

Fair value of consideration transferred

The consideration transferred, including contingent or deferred elements, is measured at fair value at the acquisition date. Estimating the fair value of contingent consideration requires judgement regarding future financial and operational performance, discount rates, and probabilities of outcomes.

Fair value of identifiable assets acquired and liabilities assumed

The Group engages valuation experts to assist in determining the fair value of tangible and intangible assets acquired, which involves significant judgement in selecting valuation techniques, assumptions (e.g. discount rates, royalty rates, useful lives), and market-based data.

Recognition of intangible assets

Management evaluates whether identifiable intangible assets such as customer relationships, brands, or technology should be recognised separately from goodwill. This involves judgement in assessing control, separability, and future economic benefits.

Allocation of goodwill

Goodwill is allocated to the CGUs that are expected to benefit from the combination. This allocation requires judgement about the integration plans, synergies, and future cash flow expectations.

Measurement period adjustments

If new information arises within the measurement period (not exceeding 12 months) that affects the provisional amounts recognised, retrospective adjustments may be made. Management uses judgement to determine whether such information existed at the acquisition date.

12.1 Acquisition of businesses

Lafarge South Africa Holdings Proprietary Limited ('Lafarge')

As per the SENS announcement on 20 June 2023, in terms of which Afrimat announced that it entered into a share purchase agreement, in terms of which the Company will acquire 100,0% of the issued share capital of Lafarge and, as a consequence, all of Lafarge's subsidiaries (collectively 'Lafarge Group') from the Holcim Group subsidiary, Caricement B.V. ('seller').



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

12. Business combinations (continued)

12.1 Acquisition of businesses (continued)

Lafarge South Africa Holdings Proprietary Limited ('Lafarge') (continued)

The Lafarge Group is a leading provider of construction materials in South Africa, offering a wide range of products to the construction industry, including aggregates, concrete, cement and fly ash that meet the industry's need for products with reliable quality and high performance. In addition, a key focus of the Afrimat Group is its operational efficiency initiatives, which are aimed at expanding volumes, reducing costs and developing the required skill levels across all staffing categories. Consequently, the Acquisition is in line with the Afrimat Group's strategy to expand the current national footprint and products and to drive efficiencies within the construction materials segment.

The Construction Materials segment of the Afrimat Group supplies a wide variety of aggregates and concrete-based products to the market, and the Group, in response to customer demand, continues to focus on market and product development within this segment.

All conditions precedent were met to acquire 100,0% of the shares in Lafarge on 10 April 2024 and the acquisition became effective from 23 April 2024.

The purchase consideration was structured as follows:

- \$6,0 million less any amounts categorised as leakage under the share purchase agreement ('Sale Price'). The Sale Price was paid on 17 April 2024; and
- Loan amounts owing by Lafarge to the seller, equating to R900,0 million. The Company will pay the seller an amount of R500,0 million in cash, this was paid on 15 April 2024 and the R400,0 million will be interest free and will be repaid by no later than 12 months after the closing date, be converted into euro, this was paid on 30 April 2025, refer note 18.

Details of the purchase consideration are as follows:

	Total 2025 R'000
Cash paid (\$6,0 million)	113 880
Cash paid (loan)	500 000
Consideration payable (loan)	400 000
Cash paid (minority)*	6 000
Leakage claim**	(50 466)
Total purchase consideration	969 414

* Additional consideration of R6,0 million for the acquisition of the minority shareholding of Afrimat Industries South Africa Proprietary Limited and Afrimat Quarrying South Africa Proprietary Limited (previously known as Lafarge Industries South Africa Proprietary Limited and Lafarge Mining South Africa Proprietary Limited, respectively), this was paid on 5 September 2024.

** The contract included a provision allowing for an adjustment to the consideration payable through a leakage adjustment within six months following the Closing Date. An amount of R50,5 million was received on 30 April 2025.

12. Business combinations (continued)

12.1 Acquisition of businesses (continued)

Lafarge South Africa Holdings Proprietary Limited ('Lafarge') (continued)

Details of the acquisition are as follows:

	Total 2025 R'000
Carrying amount/fair value of net assets acquired – Lafarge	
Property, plant and equipment ¹	1 301 000
Intangible assets ²	53 400
Inventories ³	320 901
Trade and other receivables ⁴	305 923
Other financial assets	10 047
Deferred tax asset	48 464
Cash and cash equivalents	239 072
Borrowings	(330 308)
Provisions	(72 395)
Trade and other payables	(875 251)
Current tax payable	(6 467)
Net assets – Lafarge	994 386
Less: Non-controlling interests	(24 972)
Goodwill/(gain on bargain purchase)	–
Total purchase consideration	969 414

	Total 2025 R'000
Total revenue assuming the business combination for the full year	2 479 688
Total loss after tax assuming the business combination for the full year	(95 973)
Revenue included in results	2 030 733
Loss after tax included in results	(148 219)
Acquisition cost included in 'operating expenses' for the FY2024/FY2025 year	7 985
Analysis as per Statement of Cash Flows:	
Total consideration (fair value)	(969 414)
Leakage claim receivable	(50 466)
Consideration payable	400 000
Cash and cash equivalents	239 072
Cash outflow	(380 808)

¹ The fair value of the Cement Plant was determined by applying an income approach using a discounted cash flow ('DCF') model and taking into account 100% of the attributable cash flows and a discount rate of 18,1%, long-term growth rate of 4,6% and sale volumes growth rate of between 3,0% and 5,1%. For other property, plant and equipment, a combination of depreciated replacement cost ('DRC') valuation method and market value was used.

² Intangible assets consist of R15,9 million for the DuraPozz brand and R37,5 million for the customer relationships of the Ash business. The fair value of the DuraPozz brand was calculated by applying the determined royalty rate to the forecasted revenues and discounting the after tax royalties at the calculated cost of equity. For the customer relationships a variation of the income method, namely the multi-period excess earnings method ('MEEM'), was applied to determine the fair value.

³ The fair value of inventories was based on an assessment of net realisable value, taking into account the quantity of tonnes included in the various inventory categories (raw materials, finished goods and production supplies).

⁴ Trade receivables comprise gross contractual amounts due of R251,3 million. An expected credit loss allowance of R7,0 million was raised at the date of acquisition.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

12. Business combinations (continued)

12.1 Acquisition of businesses (continued)

Lafarge South Africa Holdings Proprietary Limited ('Lafarge') (continued)

At the acquisition date, a bargain purchase gain was provisionally recognised, primarily due to the acquired company being loss-making, which resulted in the fair value of the identifiable net assets acquired exceeding the consideration transferred. Subsequent to the provisional recognition, and within the measurement period as permitted under IFRS 3, the Group performed a reassessment of the fair values of the identifiable net assets acquired. This reassessment resulted in a downward adjustment to the fair value of certain assets, reflecting updated information about conditions that existed at the acquisition date. As a result of this fair value adjustment, the previously recognised bargain purchase gain was derecognised, and the final purchase price allocation no longer resulted in a gain on bargain purchase.

Fincrete Proprietary Limited and Rondawel Kaolien Proprietary Limited

In the prior year, Afrimat entered into a Sale of Shares Agreement ('Agreement') to acquire 100,0% of the shares in Fincrete Proprietary Limited ('Fincrete'), a company that supplies kaolin clay to the local ceramic industry for a consideration of R5,2 million. The opencast mine is situated close to the town of Garies in the Northern Cape.

In addition to the acquisition of Fincrete, the Group also entered into an agreement to acquire 100,0% of Rondawel Kaolien Proprietary Limited ('Rondawel') for R4,0 million. Rondawel owns the mining right to mine the kaolin.

The acquisition of the shares in Rondawel is subject to the fulfilment of the following outstanding conditions precedent ('CP'):

- Approval in terms of section 11 of the Mineral and Petroleum Resources Development Act No. 28 of 2002.

For the interim period the Group entered into a contractors agreement with Rondawel, allowing the Group to undertake all activities in conducting the operations of Rondawel, including but not limited to mining, processing, logistics, marketing and selling. Effective management and control of the operations through its appointment as contractor in terms of the agreement was obtained by the Group effectively from 1 July 2023.

Details of the purchase consideration are as follows:

	Total 2024 R'000
Cash paid	7 514
Other financial liabilities assumed*	1 700
Contingent consideration**	48 786
Total purchase consideration	58 000

* Other financial liabilities assumed consist of two loans of R850 000 each. A loan at Nedbank Limited of R850 000, repayable monthly over a three-year period with an interest rate of prime plus 5,0% and a loan at Capitec Business Bank of R850 000, repayable monthly over a three-year period with an interest rate of prime plus 1,0%.

** As part of the Agreement for Fincrete, there is an 'agterskot' period which may trigger an 'agterskot' payment, which is a period commencing at the end of the initial production period (18 months after the CPs have been met), for a period of three years. This 'agterskot' payment also known as a contingent consideration will be payable if the earnings of Fincrete reach a certain level based on a formula determined in the Agreement.

12. Business combinations (continued)

12.1 Acquisition of businesses (continued)

Fincrete Proprietary Limited and Rondawel Kaolien Proprietary Limited (continued)

Details of the acquisition are as follows:

	Total 2024 R'000
Carrying amount/fair value of net assets acquired – Fincrete/Rondawel	
Property, plant and equipment	50 562
Inventories	221
Trade and other receivables	426
Cash and cash equivalents	200
Borrowings	(2 451)
Provisions	(193)
Trade and other payables	(98)
Deferred tax liability	(12 977)
Net assets – Fincrete/Rondawel	35 690
Goodwill	22 310
Total purchase consideration	58 000
Total revenue assuming the business combination for the full year	2 826
Total loss after tax assuming the business combination for the full year	(249)
Revenue included in results	1 703
Loss after tax included in results	(455)
Acquisition cost included in 'operating expenses' for the year	–
Analysis as per Statement of Cash Flows:	
Total consideration (fair value)	(58 000)
Other financial liabilities assumed	1 700
Contingent consideration	48 786
Cash and cash equivalents	200
Cash outflow	(7 314)

The goodwill acquired in Fincrete and Rondawel is attributable to the quality of the mining resource, which produces a high quality product with a wide range of potential uses once beneficiated. The transaction will expand the Group's current product portfolio within the Industrial Minerals segment.

12.2 Acquisition of assets

Glenover Phosphates Proprietary Limited ('Glenover')

The Glenover acquisition includes phosphate stockpiles (purchased in FY2022 for R215,1 million) and a rare earth, phosphate and vermiculite bearing mining right (subordinate Vermiculite Mining Right purchased in FY2023 for R34,9 million), which positions the Group to enter new commodities aligned with global trends relating to food security and the advancement of technology. The implementation of the initial phases of this acquisition have progressed well with the Group selling high-grade phosphate into the organic phosphate market.

This acquisition did not include any workforce or processes and therefore does not constitute a business as defined in IFRS 3.

On 9 December 2021, Afrimat announced that it had purchased an option, for R5,0 million, to acquire 100,0% of the shares ('Sale Shares') in Glenover. Subsequently this option was exercised on 19 October 2022.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

12. Business combinations (continued)

12.2 Acquisition of assets (continued)

Glenover Phosphates Proprietary Limited ('Glenover') (continued)

On 30 April 2024, all conditions precedent were fulfilled and the acquisition became effective.

The purchase consideration of Sale Shares and Sale Claims of R300,0 million was settled as follows:

- A first tranche payment of R150,0 million in respect of the Sale Claims payable through an issue of Afrimat Limited shares equivalent to R150,0 million, calculated on a 30-day volume weighted average price ('VWAP') on the first tranche payment date being 15 business days after signature of the Addendum;
- A second tranche payment of R147,0 million in respect of the Sale Claims payable in cash on 30 April 2024; and
- A cash consideration of R3,0 million payable in respect of the Sale Shares, on fulfilment of the suspensive conditions.

The purchase consideration in respect of the Sale Shares was settled in full.

Details of the purchase consideration are as follows:

	Total 2025 R'000
Cash paid	155 000
Afrimat Limited shares issued	150 000
Total purchase consideration	305 000

Details of the acquisition are as follows:

	Total 2025 R'000
Carrying amount/fair value of net assets acquired – Glenover	
Property, plant and equipment	315 508
Trade and other receivables	71
Deferred tax asset	73
Cash and cash equivalents	1 155
Provisions	(10 622)
Trade and other payables	(94)
Current tax payable	(1 091)
Net assets – Glenover	305 000
Analysis as per Statement of Cash Flows:	
Total consideration (fair value)	(305 000)
Shares issued	150 000
Cash paid: Option (FY2023)	5 000
Cash and cash equivalents	1 155
Cash outflow	(148 845)

12. Business combinations (continued)

12.3 Disposal of businesses

SA Block Proprietary Limited

During the current year, the Group entered into an agreement to dispose of its total shareholding in SA Block Proprietary Limited ('SAB') for a total purchase consideration of R44,0 million. The Group subsequently lost effective control over SAB on 1 February 2025. The company was previously included in the Construction Materials segment.

Details of the disposal are as follows:

	Total 2025 R'000
Carrying amount/fair value of net assets over which control was lost	
Property, plant and equipment	4 212
Inventories	3 575
Deferred tax liability	(328)
Net assets disposed of	7 459
Profit on disposal of subsidiary	
Consideration	44 000
Net assets disposed of	(7 459)
Profit on disposal	36 541
Analysis as per Statement of Cash Flows:	
Total cash flow on disposal of subsidiary	44 000
Cash inflow	44 000



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

12. Business combinations (continued)

12.3 Disposal of businesses

Afrimat Mozambique Limitada

During the prior year, the Group entered into an agreement to dispose of its total shareholding in Afrimat Mozambique Limitada ('AML'), consisting of 99,0% to ELM Mauritius Limited for a total purchase consideration of R18,6 million. The Group subsequently lost effective control over AML on 1 June 2023. The company was previously included in the Construction Materials segment.

Details of the disposal are as follows:

	Total 2024 R'000
Carrying amount/fair value of net assets over which control was lost	
Inventories	16 143
Trade and other receivables	32 424
Trade and other payables	(192)
Non-controlling interest	585
Net assets disposed of	48 960
Loss on disposal of subsidiary	
Consideration	
– Cash	15 854
– Receivable	2 721
Net assets disposed of	(48 960)
Loss on disposal	(30 385)
Analysis as per Statement of Cash Flows:	
Total cash flow on disposal of subsidiary	15 854
Less: Cash received in FY2022	(12 821)
Less: Cash and cash equivalents disposed of	–
Cash inflow	3 033

12. Business combinations (continued)

12.3 Disposal of businesses

Afrimat Logistics Limitada

During the prior year, the Group entered into an agreement to dispose of its total shareholding in Afrimat Logistics Limitada ('ALL'), consisting of 51,0% to an external third party for a total purchase consideration of USD 1. The Group subsequently lost effective control over ALL on 1 November 2023. The company was previously included in the Construction Materials segment.

Details of the disposal are as follows:

	Total 2024 R'000
Carrying amount/fair value of net assets over which control was lost	
Trade and other receivables	169
Non-controlling interest	236
Net assets disposed of	405
Loss on disposal of subsidiary	
Consideration*	–
Net assets disposed of	(405)
Loss on disposal	(405)
Analysis as per Statement of Cash Flows:	
Total cash flow on disposal of subsidiary	–
Less: Cash and cash equivalents disposed of	–
Cash inflow	–

* The purchase price payable by the purchaser for the sale of shares shall be a nominal consideration of USD 1, on the basis that the assets and liabilities of the company have a net zero value. For the purposes of the agreement, the seller waives the right to receive payment of the nominal purchase price.

Stony Lime Proprietary Limited

On 12 November 2021, Afrimat entered into an agreement to acquire 100,0% of the shares in Agri Lime Proprietary Limited and 74,0% of the shares in Stony Lime Proprietary Limited (collectively 'Agri Lime') for a purchase consideration of R38,0 million. In addition, the Group entered into a contract mining agreement with Kalaka Mining Proprietary Limited (holder of the mining right), allowing the Group to undertake mining operations under the mining area in respect of which the mining right has been granted. Effective management and control of the mining operations (Stony Lime Proprietary Limited) through its appointment as mining contractor in terms of the contract mining agreement and asset lease agreement was obtained by the Group effectively from 13 May 2022.

During the prior year, the Group terminated the contract mining agreement with Kalaka Mining Proprietary Limited which resulted in the Group losing effective control over Stony on 30 November 2023. Furthermore, due to the non-fulfilment of the outstanding CP, being ministerial consent obtained in writing, the Group did not purchase 74,0% of the shares in Stony. Therefore, the consideration previously paid into an escrow account of R33,5 million was transferred back to the Company. The Company was previously included in the Industrial Minerals segment.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

12. Business combinations (continued)

12.3 Disposal of businesses (continued)

Stony Lime Proprietary Limited (continued)

Details of the disposal are as follows:

	Total 2024 R'000
Carrying amount/fair value of net assets over which control was lost	
Property, plant and equipment	24
Trade and other receivables	103
Cash and cash equivalents	84
Trade and other payables	(320)
Other financial liabilities	(2 686)
Non-controlling interest	(478)
Goodwill	17 183
Net assets disposed of	13 910
Profit on disposal of subsidiary	
Consideration	
– Cash	33 500
Net assets disposed of	(13 910)
Profit on disposal	19 590
Analysis as per Statement of Cash Flows:	
Total cash flow on disposal of subsidiary	33 500
Less: Cash and cash equivalents disposed of	(84)
Cash inflow	33 416

12. Business combinations (continued)

12.4 Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were reclassified as held for sale:

	Total 2025 R'000
Assets classified as held for sale	
Property, plant and equipment	53 505
Inventories	23 405
Total assets of disposal group held for sale	76 910
Liabilities directly associated with assets classified as held for sale	
Provisions	(10 059)
Total liabilities of disposal group held for sale	(10 059)
	66 851

As part of the acquisition of the Lafarge business combination during the financial year, the Group was required by the Competition Commission to dispose of certain operations in order for the transaction to proceed. The condition was a prerequisite for regulatory approval and stipulates that the specified operations must be sold within a 12-month period.

In line with this requirement, the Group has committed to a plan to sell the relevant operations and has actively commenced the sale process. A potential buyer has been identified, and negotiations are at an advanced stage. As such, the criteria in IFRS 5: *Non-current Assets Held for Sale and Discontinued Operations* have been met. The disposal group is included in the Construction Materials segment.

Accordingly, the assets and liabilities of these operations have been classified as a disposal group held for sale.

The sale is expected to be finalised within the prescribed 12-month period.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

13. Investment in subsidiaries

(a) Basis of consolidation

Group financial statements

Subsidiaries are all entities (including structured entities) over which the Group has control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group recognises that control is the single basis for consolidation for all types of entities in accordance with IFRS 10: *Consolidated Financial Statements*. The consolidated financial information includes the financial statements of the Company, its subsidiaries, interest in joint ventures and structured entities. Where the Group has no control over an entity, that entity is not consolidated.

The Group, regardless of the nature of its involvement with an entity, shall determine whether it is a parent by assessing whether it controls the investee. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power to direct the activities of the entity.

Company financial statements

Investments in subsidiaries are initially recognised at cost.

Investments in subsidiaries are subsequently measured at cost less any accumulated impairment.

(b) Changes in ownership interests in subsidiaries without change of control

IFRS 3: *Business Combinations* excludes from its scope business combinations between entities under common control. Depending on the specific facts and circumstances surrounding a particular business combination under common control, management selects an appropriate accounting policy, and it applies that policy consistently from period to period to all business combinations under common control that are considered similar in nature. The Group accounted for the common control transaction by applying the predecessor method, that is the assets and liabilities of the acquired entities are stated at their predecessor carrying amounts, being the net book value of these assets and liabilities in the financial statements.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions at cost. The difference between the share acquired of the carrying value of net assets of the subsidiary and the purchase consideration is recorded in retained earnings within equity.

Gains or losses on disposals of ownership interests to non-controlling interests, whilst still holding a controlling interest after the disposal, are also recorded in retained earnings within equity.

(c) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

13. Investment in subsidiaries (continued)

(d) Share trusts

Afrimat BEE Trust is a structured entity that is consolidated by the Group.

(e) Loans to/from subsidiaries

Loans to/from subsidiaries are classified as financial assets/liabilities subsequently measured at amortised cost.

Loans receivable/payable are recognised when the Company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

The loans are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Consolidation of Afrimat BEE Trust and its subsidiary AEI

Afrimat BEE Trust and its subsidiary AEI were established with the objective of holding and funding shares on behalf of qualifying employees. The Group is exposed to variable returns from the trust in the form of staff performance and incentives associated with BEE and the DTI Codes of Good Practice. Furthermore, the Group is also exposed to changes in the trust's net asset value. Management therefore concluded that the Group controls the trust and its subsidiary.

Consolidation of Infrasors Environmental Rehabilitation Trust

The Group consolidated the Infrasors Environmental Rehabilitation Trust due to the Group having rights to variable returns from its involvement with the trust and has the ability to affect those returns through its control over the trust.

Consolidation of Infrasors Empowerment Trust

Due to the Group having the right to appoint the trustees, providing all loan funding and the fact that the Group is exposed to variable returns from the trust, management has concluded that the Group controls the trust.

Consolidation of Labonte 3 Proprietary Limited ('Labonte')

The Group owns 50,0% of the shareholding in Labonte. Due to the effective management in place, the Group has the power to direct the relevant activities, are exposed to variable returns from its involvement and has the ability to use its power to affect those returns, of Labonte. Therefore, the Group consolidates Labonte.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

13. Investment in subsidiaries (continued)

Name of entity	Nature of business	Principal place of business	% holding 2025	% holding 2024
Afrimat Aggregates (Eastern Cape) Proprietary Limited [#]	Aggregates	Eastern Cape	100,0	100,0
Afrimat Aggregates (KZN) Proprietary Limited	Aggregates	KwaZulu-Natal	100,0	100,0
Afrimat CM Western Cape Proprietary Limited (previously known as Afrimat Aggregates (Operations) Proprietary Limited) [#]	Aggregates	Western Cape	100,0	100,0
Afrimat Aggregates (Trading) Proprietary Limited [#]	Aggregates	Western Cape	100,0	100,0
Afrimat Aggregates East Proprietary Limited	Concrete-based products	Western Cape	100,0	100,0
Afrimat BEE Trust	Investment	Western Cape	–	–
Afrimat Bulk Commodities Proprietary Limited ^{**}	Bulk commodities	Northern Cape	100,0	100,0
Afrimat CM Eastern Cape Proprietary Limited (previously known as Afrimat Concrete Products Proprietary Limited)	Aggregates	KwaZulu-Natal	100,0	100,0
Afrimat Central Services Proprietary Limited (previously known as Community Quarries Proprietary Limited) [#]	Services	Western Cape	100,0	100,0
Afrimat Construction Materials Holdings Proprietary Limited (previously known as Lafarge South Africa Holdings Proprietary Limited) ^{**}	Aggregates, Cement	Gauteng	100,0	–
Afrimat Contracting International Proprietary Limited [#]	Aggregates	Gauteng	100,0	100,0
Afrimat Empowerment Investments Proprietary Limited	Investment	Western Cape	–	–
Afrimat Foundation Trust	Community	Western Cape	–	–
Afrimat Group Services Proprietary Limited [#]	Services	Western Cape	100,0	100,0
Afrimat Hemp Proprietary Limited [#]	Future materials and metals	Western Cape	55,0	55,0
Afrimat Lime Company Proprietary Limited	Industrial minerals	Gauteng	100,0	100,0
Afrimat Logistics Proprietary Limited	Services	Gauteng	51,0	51,0
Afrimat Lyttelton Proprietary Limited	Aggregates	Gauteng	100,0	100,0
Afrimat Management Services Proprietary Limited	Services	Western Cape	100,0	100,0
Afrimat Marble Hall Proprietary Limited [#]	Industrial minerals	Gauteng	100,0	100,0
Afrimat Mining Services Proprietary Limited	Contracting	Gauteng	100,0	100,0
Afrimat Offshore ^{***}	Investment	Mauritius	100,0	100,0
Afrimat Phosphates Proprietary Limited [#]	Future materials and metals	Limpopo	100,0	100,0
Afrimat Readymix (Cape) Proprietary Limited	Concrete-based products	Western Cape	100,0	100,0
Afrimat Readymix Inland Proprietary Limited	Concrete-based products	Mpumalanga	75,0	75,0
Afrimat Shared Services Proprietary Limited	Services	Western Cape	100,0	100,0
Afrimat Silica Proprietary Limited [#]	Aggregates	Gauteng	100,0	100,0
Agri Lime Proprietary Limited [#]	Industrial minerals	Limpopo	100,0	100,0
Cape Lime Proprietary Limited [#]	Industrial minerals	Western Cape	100,0	100,0
Capmat Proprietary Limited [#]	Aggregates	Western Cape	100,0	100,0
Clinker Supplies Proprietary Limited [#]	Aggregates	Gauteng	100,0	100,0
Delf Silica Coastal Proprietary Limited [#]	Industrial minerals	Gauteng	100,0	100,0
Eckraal Quarries Proprietary Limited ^{****}	Aggregates	Gauteng	–	–
Fincrete Proprietary Limited [#]	Industrial minerals	Western Cape	100,0	100,0
Glen Douglas Dolomite Proprietary Limited	Aggregates	Gauteng	100,0	100,0
Glenover Phosphates Proprietary Limited [#]	Future materials and metals	Limpopo	100,0	–
Infrasors Empowerment Trust	Investment	Gauteng	–	–
Infrasors Environmental Rehabilitation Trust	Investment	Gauteng	–	–
Labonte 3 Proprietary Limited	Property	Eastern Cape	50,0	50,0
Maritzburg Quarries Proprietary Limited	Aggregates	KwaZulu-Natal	100,0	100,0
Meepo Ya Mmu Resources Proprietary Limited	Aggregates	Mpumalanga	54,0	54,0
Olympic Sand Proprietary Limited	Aggregates	Western Cape	100,0	100,0
Pienaarspoort Ontwikkeling Proprietary Limited	Industrial minerals	Gauteng	100,0	100,0
Afrimat Namibia Proprietary Limited (previously known as Prima Quarries Namibia Proprietary Limited)	Aggregates	Namibia	100,0	100,0
Rodag Holdings Proprietary Limited	Property	KwaZulu-Natal	100,0	100,0
SA Block Proprietary Limited	Concrete-based products	Gauteng	–	100,0
Rondawel Kaolien Proprietary Limited	Industrial minerals	Western Cape	–	–
Scottburgh Quarries Proprietary Limited	Aggregates	KwaZulu-Natal	100,0	100,0
Sunshine Crushers Proprietary Limited	Aggregates	KwaZulu-Natal	100,0	100,0



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

13. Investment in subsidiaries (continued)

	Carrying amount shares 2025 R'000	Carrying amount shares 2024 R'000	Carrying amount indebtedness 2025 R'000	Carrying amount indebtedness 2024 R'000
Analysis of assets and liabilities:				
Non-current assets				
Loans to subsidiaries	–	–	2 003 413	850 241
Less: Allowances for credit losses	–	–	(324 805)	(300 878)
Investments in subsidiaries	1 469 601	1 443 239	–	–
Current assets				
Loans to subsidiaries	–	–	1 232 118	1 121 095
Current liabilities				
Loans from subsidiaries	–	–	(312 886)	(115 461)
	1 469 601	1 443 239	2 597 840	1 554 997

* Indirectly held subsidiaries include Afrimat Iron Ore Proprietary Limited, Afrimat Manganese Proprietary Limited, Nkomati Anthracite Proprietary Limited, Coza Mining Proprietary Limited and Benicon Coal Proprietary Limited.

** Indirectly held subsidiaries include Ash Resources Proprietary Limited, Afrimat Industries Proprietary Limited, Afrimat Quarrying South Africa Proprietary Limited, Afrigen Proprietary Limited and Sinako Proprietary Limited.

*** Indirectly held subsidiary include Afrimat Mining and Aggregates Zambia Limited.

**** Indirectly held subsidiary include Eckraal Bricks and Ready-Mix Proprietary Limited.

Management performed further impairment assessments on the Company's investments in subsidiaries where the net asset value of the Company did not exceed its cost of investment.

The loans have no fixed terms of repayment and the majority bear interest at prime (2024: prime). The subsidiaries are incorporated in the Republic of South Africa except for Afrimat Namibia Proprietary Limited, Afrimat Offshore and Afrimat Mining and Aggregates Zambia Limited that are incorporated in Namibia, Mauritius and Zambia, respectively.

The Group has no contractual, other commitments or intentions to provide financial assistance to, or to buy assets from the Afrimat BEE Trust and its subsidiary AEI, Infrasors Environmental Rehabilitation Trust and Infrasors Empowerment Trust.

The investment in subsidiaries was assessed for impairment. The recoverable amount was determined by means of value-in-use calculations using a discounted cash flow methodology with the same assumptions as disclosed in note 6.2. It was identified that the carrying value of the Fincrete CGU exceeded its recoverable amount. This was mainly due to the shortfall in the anticipated market share of the resource, which resulted in the company not meeting its budget. As a result of the aforementioned an investment impairment of R7,5 million was recorded.

13. Investment in subsidiaries (continued)

The ECL calculated on loans to subsidiaries is based on the probability of default, the loss given default and the exposure at the default. The Group considers the probability of default upon initial recognition of these loans and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of default occurring on the financial asset as at the reporting date with the risk of default as at the date of initial recognition. The Group considers this to be when there is existing or forecast deterioration, i.e. insufficient cash balances or highly liquid assets available, in the counterparty's ability to meet its debt obligations.

The ECL's recognised on loans to subsidiaries are made up as follows: Nkomati Anthracite Proprietary Limited R128,1 million (2024: R128,1 million); Afrimat Management Services Proprietary Limited R2,4 million (2024: R2,4 million); Afrimat CM Eastern Cape Proprietary Limited RNil (2024: R24,0 million); Afrimat Silica Proprietary Limited R10,7 million (2024: RNil); Afrimat Manganese Proprietary Limited R34,5 million (2024: R30,2 million); Agri Lime Proprietary Limited R32,2 million (2024: R33,1 million); Afrimat Phosphates Proprietary Limited R51,9 million (2024: R51,9 million); Afrimat Hemp Proprietary Limited R8,6 million (2024: R8,6 million); Eckraal Quarries Proprietary Limited R43,5 million (2024: R19,6 million); Fincrete Proprietary Limited R2,2 million (2024: R2,9 million); Afrimat Aggregates (Trading) Proprietary Limited R0,8 million (2024: RNil) and Afrimat Group Services Proprietary Limited R9,8 million (2024: RNil).

During the year the Group disposed of the following subsidiaries, SA Block Proprietary Limited (2024: Afrimat Mozambique Limitada, Afrimat Logistics Limitada and Stony Lime Proprietary Limited), refer note 12.3 for further disclosures.

The Group acquired 100,0% of the issued shares of Afrimat Construction Materials Holdings Proprietary Limited (2024: Fincrete Proprietary Limited), refer note 12.1 for further disclosures.

14. Investment in associate

Group financial statements

The Group's associate is accounted for using the equity method, after initially being recognised at cost in the consolidated Statement of Financial Position.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss.

During the prior year, Afrimat Offshore acquired 50,0% of the share capital of Hislop International ('Hislop'). The primary role of Hislop is to both identify and pursue market opportunities for the Group. These services provided constitutes its core function and therefore profits earned from this associate is included in the Services segment.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Hislop International Nil% (2024: 50,0%)	–	1 837	–	–
Total	–	1 837	–	–



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

14. Investment in associate (continued)

Hislop International

The Group's share of the results of its associate, which is unlisted, and the Group's share of its aggregated assets and liabilities, are as follows:

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
At 28 February 2025				
Assets	–	6 287	–	–
Liabilities	–	(4 409)	–	–
Revenues	–	18 746	–	–
Profit	–	1 829	–	–

During the current year, the investment in Hislop International was disposed of. Refer to note 4.2 for the loss on disposal of associate.

15. Related parties

Subsidiaries, associates and related trusts

During the year under review, the Company and its subsidiaries, in the ordinary course of business, entered into various sale and purchase transactions with related parties. For a list of the Group's subsidiaries and related trusts, refer note 13.

		Group	
		2025 R'000	2024 R'000
Share of net profit after tax	Associate	–	1 829

		Company	
		2025 R'000	2024 R'000
Net loan balances	Subsidiaries	2 597 840	1 554 997
Loan balances owing (to)	Subsidiaries	(312 886)	(115 461)
Loan balances owing by	Subsidiaries	2 910 726	1 670 458
Trade and other payables	Subsidiaries	(185)	(10 191)
Trade and other receivables	Subsidiaries	40 239	9 856
Sales of goods to – gross values	Subsidiaries	110 173	43 422
Dividends received from	Subsidiaries	282 358	869 937
Interest paid to	Subsidiaries	(22 400)	(21 821)
Interest received from	Subsidiaries	92 914	53 812

15. Related parties (continued)

The Company has provided unlimited and R700 thousand omnibus securityships to SBSA and FirstRand Bank Limited, respectively, in respect of funding provided by the bank to its subsidiaries.

Directors

Remuneration

Details relating to executive, prescribed officer and non-executive directors' remuneration are disclosed in note 20. The only key employees identified are the executive directors and prescribed officer of Afrimat Limited.

Share options

Share options have been granted to certain executive directors and prescribed officer of Afrimat Limited and employees of its subsidiaries. These are fully disclosed in note 19.

Shareholding

Refer to the analysis of shareholders on page 163 for a list of shareholders with a beneficial interest of 3,0% or more in the Company.

Associate

Details regarding the Group's associates are set out in note 14. Transactions with the associate is entered into at the prevailing market rates. Refer note 7.3.2 for loan terms and conditions.

Joint venture

During FY2020, the Group impaired the investment in the joint venture. No transactions were entered into with the joint venture during the year under review.

Treasury shares

The Group acquired 331 110 (2024: 562 510) of its own shares through purchases on the JSE Limited, refer to note 8.2 for further disclosure. Furthermore, Afrimat BEE Trust holds (indirectly through AEI) on an unencumbered basis, 6 882 804 (2024: 6 863 194) shares representing 4,3% (2024: 4,3%) of the issued share capital of the Company.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

Unrecognised items

16. Commitments

	Group	
	2025 R'000	2024 R'000
Authorised capital expenditure		
Contracted after year-end, but not provided for		
Property, plant and equipment	7 479	1 427
Not yet contracted for		
Property, plant and equipment	292 521	299 275
Total authorised capital expenditure	300 000	300 702

Authorised capital expenditure is to be funded from surplus cash and bank financing.

17. Contingencies

Guarantees

Guarantees to the value of R516,6 million (2024: R60,2 million) were supplied by SBSA to various parties, including the DMRE and Eskom. The increase in guarantees from SBSA relates to an amount of €19,7 million for Holderfin B.V. (sole shareholder of Caricement – previous shareholder of Lafarge), for the consideration payable, refer note 12.1.

Guarantees to the value of R73,8 million (2024: R68,8 million) were supplied by FNB to various parties, including the DMRE and Eskom.

Guarantees to the value of R0,9 million (2024: R0,9 million) by ABSA, R460,5 million (2024: R368,3 million) by Centriq Insurance Innovation and R5,4 million (2024: R2,7 million) by SIG Guarantee Acceptances Proprietary Limited were supplied to various parties, including the DMRE, Eskom and Chevron South Africa Proprietary Limited. The value of Centriq guarantees has increased due to the proportionate increase in quantum calculations affected by National Environmental Management Act ('NEMA') requirements.

The majority of these guarantees are in respect of environmental rehabilitation costs and will only be payable in the event of default by the Group.

Other

A contingent liability exists due to the uncertain timing of cash flows with regards to future local economic development ('LED') commitments made to the DMRE in respect of companies with mining rights. These commitments are dependent on the realisation of the future agreed upon LED projects. Future commitments amount to R44,9 million (2024: R16,3 million). An accrual has been raised in respect of commitments made up to the end of the year.

17. Contingencies (continued)

The Company received notice on 31 March 2017 from the Competition Commissioner that it had referred a complaint to the Competition Tribunal, alleging that the Company, through its wholly owned subsidiary, Clinker Supplies Proprietary Limited ('Clinker'), had engaged in an abuse of dominance by allegedly charging excessive prices. After taking legal advice and considering the complaint, the Company is of the opinion that there is no merit to the complaint and will therefore vigorously defend itself before the Competition Tribunal. The Competition Commission is ordering an administrative penalty equal to 10% of affected turnover for F2016 which equates to R16,3 million. The Company still awaits a final hearing date to be set by the Tribunal.

During 20 to 24 February 2023, Labour Court Proceedings took place in terms of which the Association of Mineworkers and Construction Union ('AMCU'), claims unfair dismissal of a number of Nkomati employees. Judgement in this matter was handed down on 11 October 2024. The court found in favour of AMCU and ordered that all dismissed employees be reinstated and that Nkomati should reimburse employees from whom moneys were deducted, on the basis that these deductions were unlawful. Nkomati was also ordered to pay AMCU's legal costs. Nkomati is appealing the judgement. The appeal has suspended the operation of the judgement. Management estimates that the total legal fees and disbursements and pay-out to AMCU will be in order of R8,0 million.

18. Events after the reporting period

Dividend

A final gross dividend, No. 36 of 15,0 cents per share, in respect of the year ended 28 February 2025, was declared on 14 May 2025. There are 160 297 456 shares in issue at the reporting date, of which 8 068 334 are held in treasury. The total dividend payable is R24,0 million. The Board has confirmed that the solvency and liquidity test as contemplated by the Companies Act, has been duly considered, applied and satisfied. The net dividend payable to shareholders who are subject to dividend tax and shareholders who are exempt from dividend tax is 12,0 cents and 15,0 cents per share, respectively. 6 June 2025 and 9 June 2025 being the record and payable date, respectively.

Lafarge

Subsequent to year-end, on 30 April 2025, the Group finalised and settled the loan claims related to the acquisition of Lafarge. An amount of R416,3 million was paid in settlement of these claims, following conversion from euro at the exchange rate applicable on the date of settlement. An amount of R50,5 million was received on 30 April 2025, for a leakage adjustment to purchase consideration as provided by the contract.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

Employee benefits and costs

19. Share-based payments

The Group operates an equity-settled Share Appreciation Rights Scheme and cash-settled Forfeitable Share Plan, under which the Group receives services from employees as consideration for ordinary shares of Afrimat Limited.

The employee services received is recognised at the fair value of the shares granted and is expensed over the vesting period. The corresponding credit entry is recognised as an increase in equity in 'other reserves'.

When the reward is vested, the Group utilises treasury shares. The market value of rewards exercised, net of any directly attributable transaction costs, is debited to 'stated capital'. The share-based payment reserve related to rewards previously provided is transferred directly to 'retained earnings' as the rewards expire or are exercised.

Grants issued under the Forfeitable Share Plan are recognised as cash-settled. At initial recognition, the employee services received is recognised at the fair value of the shares granted and is expensed over the vesting period. The corresponding credit entry is recognised in the balance sheet as an 'other liability'. The 'other liability' is subsequently remeasured at the fair value of the shares granted at each reporting period. The fair value remeasured is allocated to 'employee costs' in profit or loss.

Refer note 21 for details of fair value estimation and note 10 for disclosures on financial risk management.

19. Share-based payments (continued)

Share-based payment expense calculation

The Group uses the American valuation model (2024: Black Scholes valuation model) to determine the fair value of the appreciation rights/shares granted.

Share appreciation rights are granted to executive directors and to selected employees in the form of a Share Appreciation Rights Scheme. The exercise price of the granted appreciation rights is equal to the 30-day average volume weighted average price for the Afrimat Limited shares on the date when the appreciation right is exercised. Appreciation rights are conditional on the employee completing three years' service (the vesting period). The appreciation rights are exercisable starting three years from the grant date and have a contractual term of four years after vesting. The Group has no legal or constructive obligation to repurchase or settle the appreciation rights in cash. When the appreciation rights are exercised the participants will receive shares equal in value to the number of appreciation rights exercised multiplied by the difference between the exercise price and the grant price.

Additionally the Group has an Afrimat Forfeitable Share Plan ('FSP'). The plan allows certain senior employees to earn a long-term incentive to assist with the retention and reward of selected employees. Shares are granted to employees for no consideration. These shares participates in dividends and shareholder rights from grant date. Awards are based on their performance conditional on the employee completing three years' service (the vesting period). The shares are recognised at the closing share price on the grant date as an issue of treasury shares.

During the FY2022 an amendment to the FSP was approved by shareholders, whereby shares allocated to FSP participant may be settled in cash or shares at the discretion of the Board. The Group has a legal or constructive obligation to repurchase or settle the shares in cash, therefore these shares are cash-settled share-based payments.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

19. Share-based payments (continued)

19.1 Share Appreciation Rights Scheme ('SAR')

Movements in the number of share appreciation rights outstanding and their related weighted average exercise prices are as follows:

	Average grant price in cents per share	Number of options '000	Average grant price in cents per share	Number of options '000
	2025	2025	2024	2024
Opening balance	4 825	6 015	3 946	6 070
Granted	6 246	2 120	5 196	1 955
Exercised	3 420	(2 310)	2 519	(1 860)
Forfeited	–	–	2 674	(150)
Closing balance	5 898	5 825	4 825	6 015

Out of the 5 825 000 outstanding appreciation rights (2024: 6 015 000), 225 000 appreciation rights (2024: 885 000) were exercisable. Appreciation rights exercised, resulted in 120 000, 180 000, 560 000 and 1 450 000 shares (2024: 50 000, 80 000 and 1 730 000) being issued at a weighted price of R26,79, R30,21, R25,01 and R48,00 each, respectively (2024: R29,00, R26,79 and R25,01 each, respectively). The related weighted average share price at the time of exercise was R67,61 (2024: R53,19) per share.

Share appreciation rights outstanding at the end of the year have the following expiry dates and grant prices:

		Number of options	
	Grant price Cents	2025 '000	2024 '000
2025	2 679	–	120
2026	3 021	–	180
2027	2 501	25	585
2028	4 800	200	1 650
2029	6 514	1 525	1 525
2030	5 196	1 955	1 955
2031	6 246	2 120	–
		5 825	6 015

19. Share-based payments (continued)

19.1 Share Appreciation Rights Scheme ('SAR') (continued)

The remaining number of shares, as at year-end, that may be utilised for the purpose of share appreciation rights are:

	Number of shares	
	2025 '000	2024 '000
Opening balance	21 031	20 976
Exercised	2 310	1 860
Forfeited	–	150
Utilised	(2 120)	(1 955)
Closing balance	21 221	21 031

Number of share appreciation rights held by executive directors and prescribed officer:

	Opening balance '000	Granted/ transferred in '000	Average grant price in cents per share '000	Expiry dates '000	Exercised/ expired '000	Closing balance '000
2025						
Andries J van Heerden	765	260	6 246	2031	(260)	765
Pieter GS de Wit	325	115	6 246	2031	(110)	330
Collin Ramukhubathi	315	115	6 246	2031	(100)	330
Marthinus G Odendaal	475	115	6 246	2031	(160)	430
André Smith*	80	50	6 246	2031	(30)	100
	1 960	655			(660)	1 955
2024						
Andries J van Heerden	940	295	5 196	2030	(470)	765
Pieter GS de Wit	402	125	5 196	2030	(202)	325
Collin Ramukhubathi	363	125	5 196	2030	(173)	315
Marthinus G Odendaal	430	125	5 196	2030	(80)	475
André Smith*	–	105	4 755	2030	(25)	80
	2 135	775			(950)	1 960

* André Smith was appointed as prescribed officer effective from 31 August 2023 to 31 December 2024.

The fair value of appreciation rights granted during the year using the American valuation model (2024: Black Scholes valuation model), was R54,9 million (2024: R25,8 million), and will be expensed over a three-year vesting period. The option expense for the year, in respect of current year and previous years' appreciation rights granted, was R16,8 million (2024: R16,0 million), of which R5,0 million (2024: R5,6 million) is attributed to the executive directors and the prescribed officer.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

19. Share-based payments (continued)

19.1 Share Appreciation Rights Scheme ('SAR') (continued)

Analysis of movement in remaining options:

	5 Nov 2018	22 May 2019	20 May 2020	26 May 2021	18 May 2022	17 May 2023	15 May 2024	Total '000
Grant date	'000	'000	'000	'000	'000	'000	'000	
Originally granted	1 520	1 603	2 465	1 690	1 570	1 955	2 120	12 923
Forfeited	(170)	(110)	(150)	(40)	(45)	–	–	(515)
Exercised	(1 350)	(1 493)	(2 290)	(1 450)	–	–	–	(6 583)
Net outstanding	–	–	25	200	1 525	1 955	2 120	5 825
Grant price (cents)	2 679	3 021	2 501	4 800	6 514	5 196	6 246	
Fair value of option (cents)	676	853	655	1 541	1 879	1 322	2 589	

The assumptions used in determining the fair value, which reflect the conditions as at the reporting date, were as follows:

	5 Nov 2018	22 May 2019	20 May 2020	26 May 2021	18 May 2022	17 May 2023	15 May 2024
Grant date							
Grant price (cents)	2 679	3 021	2 501	4 800	6 514	5 196	6 246
Expected option life	3 years	3 years	3 years	3 years	3 years	3 years	3 years
Expected volatility	30,90%	37,59%	41,22%	40,32%	36,71%	29,22%	32,29%
Expected likelihood	100,00%	100,00%	100,00%	100,00%	50,00%	50,00%	50,00%
Expected employee attrition	5,00%	5,00%	5,00%	5,00%	5,00%	5,00%	5,00%
Expected risk free rates	7,08%	7,07%	6,75%	9,23%	8,37%	8,93%	8,56%
Expected dividend yields	2,31%	2,68%	4,68%	3,01%	2,86%	2,89%	2,84%

The share price volatility is measured at the standard deviation of expected share price returns based on the statistical analysis of monthly share prices over the current year.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

19. Share-based payments (continued)

19.2 Forfeitable Share Plan ('FSP')

Shares issued under the plan are at the discretion of the Board, and no offer may be made unless employment conditions were met. The FSP is considered a long-term retention plan and shares are only awarded to certain key individuals based on their performance. Shares issued under the plan may not be sold, ceded, transferred, encumbered, pledged or otherwise alienated until the award has vested. In all other respects the shares rank equally with other fully-paid ordinary shares in issue.

	Group	
	2025 R'000	2024 R'000
Other liability*		
Opening balance	19 979	5 094
Share-based payment expense for the year	20 747	14 885
Vested	–	–
Closing balance	40 726	19 979

	Number of shares	
	2025 '000	2024 '000
Opening balance	1 231	912
Issued to participating employees	391	444
Forfeited	–	–
Vested	(447)	(125)
Closing balance	1 175	1 231

During the year, 391 400 (2024: 443 850) shares were issued to participants at an average market value of R62,46 (2024: R51,96).

In terms of IFRS 2, the transaction is measured at fair value of the equity instruments at the grant date. The fair value takes into account that the employees are entitled to the dividends from grant date. The fair value of the cash-settled shares subject to non-market conditions is the closing share price at reporting date.

During the year 446 950 shares (2024: 124 350 shares) vested, the related weighted average share price at the time of exercise was R60,10 (2024: R56,00) per share. The shares vested relate to the last FSP's that were accounted for as equity-settled, refer note 8.3.

The share-based payment expense for the year, in respect of current and previous years' shares granted, was R20,0 million (2024: R15,7 million), of which R11,1 million (2024: R9,9 million) is attributed to the executive directors.

19. Share-based payments (continued)

19.2 Forfeitable Share Plan ('FSP') (continued)

Number of forfeitable shares held by directors:

	Opening balance '000	Issued '000	Average grant price in cents per share	Vesting dates	Vested '000	Closing balance '000
2025						
Andries J van Heerden	262	80	6 246	2027	(95)	247
Pieter GS de Wit	173	52	6 246	2027	(63)	162
Collin Ramukhubathi	173	52	6 246	2027	(63)	162
Marthinus G Odendaal	173	52	6 246	2027	(63)	162
André Smith*	–	20	6 246	2027	–	20
	781	256			(284)	753
2024						
Andries J van Heerden	292	95	5 196	2026	(125)	262
Pieter GS de Wit	110	63	5 196	2026	–	173
Collin Ramukhubathi	110	63	5 196	2026	–	173
Marthinus G Odendaal	110	63	5 196	2026	–	173
	622	284			(125)	781

* André Smith was appointed as prescribed officer effective from 31 August 2023 to 31 December 2024.

The assumptions used in determining the fair value, which reflect the conditions as at the reporting date, were as follows:

Grant date	22 February 2021	18 May 2022	17 May 2023	15 May 2024
Grant price (cents)	4 390	6 514	5 196	6 246
Fair value of grants (cents)	3 443	5 455	4 027	5 300
Expected volatility	42,67%	36,71%	29,22%	27,07%
Expected risk free rates	6,75%	8,37%	8,93%	2,40%
Expected dividend yields	4,68%	2,86%	2,89%	2,89%
Vesting dates	22 February 2024	18 May 2025	17 May 2026	15 May 2027



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

20. Directors' and prescribed officer emoluments

Directors and prescribed officer basic salary and allowances:

	Short-term benefits			Post-employment benefits	Other	Total
	Basic salary R'000	Travel allowance R'000	Medical aid R'000	Pension R'000	Other allowances R'000	
2025						
Paid by Company						
Executive directors and prescribed officer						
Andries J van Heerden	7 436	183	50	–	–	7 669
Pieter GS de Wit	4 045	96	106	396	–	4 643
Collin Ramukhubathi	3 933	146	104	385	–	4 568
Marthinus G Odendaal	3 754	154	106	594	–	4 608
André Smith*	2 097	19	62	252	380	2 810
	21 265	598	428	1 627	380	24 298
Non-executive directors						
Loyiso Dotwana	729	–	–	–	–	729
Jacobus F van der Merwe	831	–	–	–	–	831
Phuti RE Tsukudu	576	–	–	–	–	576
Johannes HP van der Merwe	555	–	–	–	–	555
Francois M Louw	1 572	–	–	–	–	1 572
Sisanda Tuku	613	–	–	–	–	613
Gert J Coffee	480	–	–	–	–	480
Nicolaas AS Kruger	791	–	–	–	–	791
	6 147	–	–	–	–	6 147
Total	27 412	598	428	1 627	380	30 445

20. Directors' and prescribed officer emoluments (continued)

	Short-term benefits			Post-employment benefits	Other	Total
	Basic salary R'000	Travel allowance R'000	Medical aid R'000	Pension R'000	Other allowances R'000	
2024						
Paid by Company						
Executive directors and prescribed officer						
Andries J van Heerden	7 044	171	51	–	–	7 266
Pieter GS de Wit	3 779	102	99	370	–	4 350
Collin Ramukhubathi	3 647	169	90	358	–	4 264
Marthinus G Odendaal	3 481	162	102	524	–	4 269
André Smith*	1 813	19	55	218	207	2 312
	19 764	623	397	1 470	207	22 461
Non-executive directors						
Loyiso Dotwana	662	–	–	–	–	662
Jacobus F van der Merwe	751	–	–	–	–	751
Phuti RE Tsukudu	523	–	–	–	–	523
Johannes HP van der Merwe	504	–	–	–	–	504
Francois M Louw	1 428	–	–	–	–	1 428
Sisanda Tuku	557	–	–	–	–	557
Gert J Coffee	436	–	–	–	–	436
Nicolaas AS Kruger	675	–	–	–	–	675
	5 536	–	–	–	–	5 536
Total	25 300	623	397	1 470	207	27 997

* André Smith was appointed as prescribed officer effective from 31 August 2023 to 31 December 2024.

Executive directors' and prescribed officer contracts

No executive director and prescribed officer has a notice period of more than three months. No executive director and prescribed officer's service contract includes predetermined compensation as a result of termination exceeding one year's salary and benefits.

Andries J van Heerden, Pieter GS de Wit, Collin Ramukhubathi, Marthinus G Odendaal and André Smith have indefinite employment contracts. There are no other service contracts between the Company, executive directors and the prescribed officer.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

20. Directors' and prescribed officer emoluments (continued)

Executive directors' and prescribed officer participation in share schemes

Share options are granted to executive directors and prescribed officer in the format of a SAR Scheme (refer note 19.1):

	Number of SARs initially allocated	Date awarded	Strike price (cents)	Number of SARs exercised	Number of SARs terminated	Share price at date of redemption (cents)	Value increase from strike price to price at redemption* R'000	Number of SARs not redeemed (outstanding)	Indicative expected value of number of SARs not redeemed**
2025									
Andries J van Heerden	260 000	26 May 2021	4 800	260 000	–	6 553	4 558	–	–
	210 000	18 May 2022	6 514	–	–	–	–	210 000	–
	295 000	17 May 2023	5 196	–	–	–	–	295 000	2 387
	260 000	14 May 2024	6 246	–	–	–	–	260 000	–
				260 000	–		4 558	765 000	2 387
Pieter GS de Wit	110 000	26 May 2021	4 800	110 000	–	6 805	2 206	–	–
	90 000	18 May 2022	6 514	–	–	–	–	90 000	–
	125 000	17 May 2023	5 196	–	–	–	–	125 000	1 011
	115 000	14 May 2024	6 246	–	–	–	–	115 000	–
				110 000	–		2 206	330 000	1 011
Collin Ramukhubathi	100 000	26 May 2021	4 800	100 000	–	6 805	2 005	–	–
	90 000	18 May 2022	6 514	–	–	–	–	90 000	–
	125 000	17 May 2023	5 196	–	–	–	–	125 000	1 011
	115 000	14 May 2024	6 246	–	–	–	–	115 000	–
				100 000	–		2 005	330 000	1 011
Marthinus G Odendaal	160 000	20 May 2020	2 501	160 000	–	6 805	6 886	–	–
	100 000	26 May 2021	4 800	–	–	–	–	100 000	1 205
	90 000	18 May 2022	6 514	–	–	–	–	90 000	–
	125 000	17 May 2023	5 196	–	–	–	–	125 000	1 011
	115 000	14 May 2024	6 246	–	–	–	–	115 000	–
				160 000	–		6 886	430 000	2 216
André Smith	30 000	26 May 2021	4 800	30 000	–	6 805	602	–	–
	25 000	18 May 2022	6 514	–	–	–	–	25 000	–
	25 000	17 May 2023	5 196	–	–	–	–	25 000	202
	50 000	14 May 2024	6 246	–	–	–	–	50 000	–
				30 000	–		602	100 000	202

* The cash realisation value depicts the number of SARs exercised multiplied by the growth in share price (i.e. share price on exercise less strike price).

** Number of SARs not redeemed at financial year-end (outstanding) multiplied by the applicable year-end Afrimat Limited share price (R60,05), less the strike price of these instruments.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

20. Directors' and prescribed officer emoluments (continued)

Executive directors' and prescribed officer participation in share schemes (continued)

In terms of the SAR Scheme: Grant 16 (2024: Grant 15), the rights have vested after the three-year vesting period, as the performance criteria have been met.

Forfeitable shares awarded to executive directors, in the format of a FSP (refer note 19.2):

	Number of shares initially allocated	Date awarded	Market value on grant date
2025			
Andries J van Heerden	80 000	14 May 2024	62,46
Pieter GS de Wit	52 100	14 May 2024	62,46
Collin Ramukhubathi	52 100	14 May 2024	62,46
Marthinus G Odendaal	52 100	14 May 2024	62,46
André Smith	20 000	14 May 2024	62,46
2024			
Andries J van Heerden	95 000	17 May 2023	51,96
Pieter GS de Wit	62 500	17 May 2023	51,96
Collin Ramukhubathi	62 500	17 May 2023	51,96
Marthinus G Odendaal	62 500	17 May 2023	51,96

Incentive bonuses paid to executive directors and prescribed officer:

	Group	
	2025 R'000	2024 R'000
Executive directors and prescribed officer		
Andries J van Heerden	1 385	6 925
Pieter GS de Wit	675	3 375
Collin Ramukhubathi	664	3 320
Marthinus G Odendaal	662	3 310
André Smith*	200	750
	3 586	17 680

* André Smith was appointed as prescribed officer effective from 31 August 2023 to 31 December 2024.

Incentive bonuses include those earned in the current year but only received in the following year.

Directors' shareholding

Please refer to page 96 for further disclosure regarding the directors' respective shareholding in the Company.

Other

21. Fair value estimation

Items measured at fair value on the Statement of Financial Position are classified according to a fair value hierarchy. The fair value hierarchy is identified in levels as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the financial assets and liabilities that are measured at fair value:

	Group			
	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total balance R'000
At 28 February 2025				
Assets				
At fair value through other comprehensive income				
Equity securities*	10 128	–	–	10 128
Environmental funds**	–	11 629	–	11 629
At fair value through profit or loss				
Unit trusts**	–	106 226	–	106 226
Trade receivables***	–	132 658	–	132 658
Total assets	10 128	250 513	–	260 641
Liabilities				
Other liability**	(40 726)	–	–	(40 726)
Other financial liabilities****	–	–	(116 486)	(116 486)
Total liabilities	(40 726)	–	(116 486)	(157 212)

	Company			
	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total balance R'000
At 28 February 2025				
Liabilities				
Other liability**	(14 603)	–	–	(14 603)
Total liabilities	(14 603)	–	–	(14 603)



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

21. Fair value estimation (continued)

	Group			
	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total balance R'000
At 29 February 2024				
Assets				
At fair value through other comprehensive income				
Equity securities*	69	–	–	69
Environmental funds**	–	10 143	–	10 143
At fair value through profit or loss				
Unit trusts**	–	93 438	–	93 438
Trade receivables***	–	77 191	–	77 191
Total assets	69	180 772	–	180 841
Liabilities				
Other liability*#	(19 979)	–	–	(19 979)
Total liabilities	(19 979)	–	–	(19 979)
	Company			
	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total balance R'000
At 29 February 2024				
Liabilities				
Other liability*#	(7 058)	–	–	(7 058)
Total liabilities	(7 058)	–	–	(7 058)

* Other liability relates to the cash-settled Forfeitable Share Plan of the Group.

* This fair value is based on quoted market prices at the end of the reporting period.

** The fair value was derived using the adjusted net asset method. The adjusted net asset method determines the fair value of the investment by reference to the fair value of the individual assets and liabilities recognised in the unit trust's/environmental fund's Statement of Financial Position.

*** Trade receivables measured at fair value relates to Afrimat Iron Ore Proprietary Limited. The fair value was determined using the three-month forward-looking iron ore prices and foreign exchange rates as at the end of the reporting period.

**** The fair value of the other financial liability (deferred payment liability) was determined using a Level 3 discounted cash flow model, incorporating unobservable inputs including forecast Platts index pricing and USD/ZAR exchange rates over the remaining term of the liability. The model discounts expected future cash outflows using a market-related discount rate reflective of the Group's credit risk.

21. Fair value estimation (continued)

The Group's equity securities are traded in active markets. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

Environmental funds and environmental insurance policies consist of equity investments quoted in an active market. Their fair values are indirectly derived from prices quoted in Level 1, and therefore included in Level 2.

Unit trusts are investments held in trust to be used to rehabilitate the environment after mining operations are completed at various mining sites throughout the Group (refer note 6.5). The significant inputs to the adjusted net asset method are the fair values of the individual assets and liabilities whose fair value is derived from quoted market prices in active markets. The fair values are indirectly derived from prices quoted in Level 1, and therefore included in Level 2 of the fair value hierarchy.

Provisionally priced receivables related to the sale of bulk commodities were measured at FVPL from the date of recognition up until date of settlement, as it fails the amortised cost requirement of cash flows representing solely payment of principal and interest.

The deferred payment liability relates to the acquisition of a mining resource and represents future payments contractually linked to the volume of tonnes extracted over a 60-month period, with amounts determined based on a formula referencing the Platts index and the USD/ZAR exchange rate.

The initial recognition of the mining resource in the current year was R132,2 million, with fair value adjustments of (R15,7 million). This resulted in a closing balance of R116,5 million for the other financial liabilities at fair value through profit or loss.

(a) Transfers

The Group recognises transfers between level of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. There were no transfers within the fair value hierarchy during the period ended 28 February 2025 or the prior year.



Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

22. New and amended standards

New standards and interpretations not yet effective

There are no standards that are not yet effective that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

The Group has not early adopted the following new standards and amendments:

Standard	Subject	Key Requirements	Impact
IAS 21 (effective 1 January 2025)	Lack of Exchangeability for foreign operations/ transactions	In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when exchangeability is not available.	Impact of the amendment was not material.
IFRS 9 and IFRS 7 (effective 1 January 2026)	Classification and Measurement of Financial Instruments	These amendments: - clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ('SPPI') criterion; - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and - update the disclosures for equity instruments designated at fair value through other comprehensive income ('FVOCI').	Impact of the amendment was not material.

22. New and amended standards (continued)

New standards and interpretations not yet effective (continued)

Standard	Subject	Key Requirements	Impact
IFRS 18 (effective 1 January 2027)	Presentation and Disclosure in Financial Statements	Issued in April 2024, the new standard on presentation and disclosure in financial statements, with a focus on updates to the profit or loss to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. The key new concepts introduced in IFRS 18 relate to: - the structure of the statement of profit or loss; - require disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures within the financial statements and notes in general).	Impact of the amendment was not material.
IFRS 19 (effective 1 January 2027)	Subsidiaries without Public Accountability	Issued in May 2024, IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements.	No impact expected.

23. Going concern

The directors have assessed the Group's ability to continue as a going-concern, as the current liabilities exceed current assets. The directors believe that the Group has adequate cash flow resources to meet its short term obligations. The RCF is included in current liabilities as the facility is repayable quarterly. The facility is available to the Company until 11 August 2026, with the option to extend by 12 to 24 months on the request of the borrower. Additionally the Group has access to undrawn financing facilities of R1,3 billion. Based on these factors, the directors are satisfied that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

The following impacts, outside of the control of management have been considered:

Transnet

The poor and deteriorating performance from the national rail carrier Transnet is not only impacting Afrimat, but all mining operations across South Africa. Exports continue to be impacted by the challenges on the rail line and overall volumes remain under 16,5% below Afrimat's rail allocation. To counter this impact, particularly on the export of iron ore, Afrimat executives dedicate time in the Ore User Forum ('OUF') to assist as part of a public/private collaborative effort. This is being closely monitored by Afrimat's management and is currently not impacting the Group's ability to continue as a going concern.



Analysis of Shareholders

as at 28 February 2025

	Number of shareholders	%	Number of shares	%
Shareholding				
1 – 1 000 shares	12 036	74,75	2 393 503	1,49
1 001 – 10 000 shares	3 285	20,40	10 551 674	6,58
10 001 – 100 000 shares	619	3,84	18 958 359	11,83
100 001 – 1 000 000 shares	136	0,85	38 239 395	23,86
1 000 000 shares and over	25	0,16	90 154 525	56,24
	16 101	100,00	160 297 456	100,00
Analysis of holdings				
Non-public shareholding				
Directors and their associates	9	0,05	10 232 085	6,38
Treasury shares – Afrimat Management Services Proprietary Limited	1	0,01	1 185 530	0,75
Treasury shares – Afrimat Empowerment Investments Proprietary Limited/Afrimat BEE Trust	1	0,01	6 882 804	4,29
	11	0,07	18 300 419	11,42
Public shareholding	16 090	99,93	141 997 037	88,58
	16 101	100,00	160 297 456	100,00

	Number of shares	%	Number of BEE shares	%
Major, founder and BEE shareholders				
Founder shareholders – related parties				
Andries J van Heerden (CEO)	4 634 288	2,89	–	–
Maryke E van Heerden	1 198 543	0,75	–	–
Amala Familie Trust (CEO)	853 564	0,53	–	–
Founder shareholders – not related parties				
Korum Trust (TCB Jordaan)	8 930 000	5,57	–	–
Forecast Investments Proprietary Limited (Laurie P Korsten)	400 000	0,25	–	–
Frans du Toit Trust	17 009 800	10,61	–	–
Other major shareholders				
Government Employees Pension Fund	20 024 549	12,49	–	–
BEE shareholders*				
Mega Oils Proprietary Limited (Loyiso Dotwana, non-executive director)	1 552 475	0,97	1 552 475	0,97
Afrimat Empowerment Investments Proprietary Limited/Afrimat BEE Trust	6 882 804	4,29	6 882 804	4,29
Collin Ramukhubathi	361 757	0,23	361 757	0,23
Joe Kalo Investments Proprietary Limited	55 000	0,03	55 000	0,03
Ikapa Quarries Proprietary Limited	15 650	0,01	15 650	0,01
Johannes M Kalo	45 090	0,03	45 090	0,03
Goolam Ballim	227 009	0,14	227 009	0,14
Mandated investments	68 278 684	42,60	6 274 811	3,92
Previously recognised interest**	–	–	–	20,80
	130 469 213	81,39	15 414 596	30,42
Other	29 828 243	18,61	–	–
	160 297 456	100,00	15 414 596	30,42

* During the current year the Flow Through Principal method was used to calculate the BEE ownership of the Group.

** Shares sold previously held by ARC, the shares qualify to be recognised in terms of paragraph 3.8 Recognition of ownership after the sale or loss of shares by black participants, of the B-BBEE COGP, therefore we are able to include these shares into our BEE ownership.



Definitions

‘AEI’	Afrimat Empowerment Investments Proprietary Limited	‘KPA’	Key Performance Area
‘Afrimat’ or	Afrimat Limited (Registration number 2006/022534/06), listed on the Main Board	‘KPI’	Key Performance Indicator
‘Company’	of the JSE Limited in the ‘General Mining’ sector	‘Lafarge’	Afrimat Construction Materials Holdings Proprietary Limited (previously known as Lafarge South Africa Holdings Proprietary Limited)
‘AGM’	Annual general meeting		Life of mine
‘AI’	Artificial Intelligence		Lost Time Injury Frequency Rate
‘AMSA’	ArcelorMittal South Africa Limited	‘LOM’	Land Use Planning Ordinance
‘ASPASA’	Aggregate and Sand Producers Association of South Africa	‘LTIFR’	Managing Director
‘B-BBEE’	Broad-Based Black Economic Empowerment	‘LUPO’	National Environmental Management Act, 1998
‘BEE’	Black Economic Empowerment	‘MD’	Non-Governmental Organisation
‘Board’	The Board of Directors of Afrimat, as set out on page 34	‘NEMA’	Nkomati Anthracite Proprietary Limited or Nkomati Anthracite Mine
‘CAE’	Chief Audit Executive of Afrimat Limited, Piet van Zyl	‘NGO’	National Occupational Safety Association (South Africa)
‘CEO’	Chief Executive Officer of Afrimat, Andries van Heerden	‘Nkomati’	Ore User's Forum
‘CFO’	Chief Financial Officer of Afrimat, Pieter de Wit	‘NOSA’	Year ended 29 February 2024
‘COBIT’	Control objectives for information and related technologies	‘OUF’	Quality assurance/Quality control
‘Codes’	Department of Trade and Industry's B-BBEE Codes of Good Practice	‘previous/prior year’ or ‘FY2024’	South African Bureau of Standards
‘COLTO’	Committee of Land Transport Officials	‘QAQC’	South African National Accreditation System
‘Companies Act’	Companies Act No. 71 of 2008, as amended	‘SABS’	South African Reserve Bank
‘COO’	Chief Operating Officer of Afrimat (Mining), Gerhard Odendaal	‘SANAS’	Share Appreciation Right
‘CSI’	Corporate Social Investment	‘SARB’	South African Readymix Association
‘DMRE’	Department of Mineral Resources and Energy	‘SAR’	South African Revenue Service
‘ED’	Executive Director	‘SARMA’	Securities Exchange News Service, the regulatory information dissemination platform for the JSE
‘EE’	Employment Equity	‘SARS’	Safety, Health and Environment
‘EIA’	Environmental Impact Assessment	‘SENS’	Safety, Health, Environment and Quality
‘EMP’	Environmental Management Plan		Social and Labour Plan
‘ERP’	Enterprise Resource Planning	‘SHE’	Spatial Planning and Land Use Management Act
‘ESG’	Environmental, Social and Governance	‘SHEQ’	Task Force on Climate-Related Financial Disclosures
‘EXCO’	Executive Committee	‘SLP’	Year ended 28 February 2025
‘Executive Director:	Executive Director, Collin Ramukhubathi	‘SPLUMA’	
People & Sustainability’		‘TCFD’	
‘the Group’	Afrimat Limited, its subsidiaries and associate companies	‘year’ or ‘year under review’	
‘GHG’	Greenhouse gas	or ‘FY2025’	
‘Glenover’	Glenover Phosphate Proprietary Limited	‘WUL’	Water use licence
‘GM’	General Manager		
‘GRI’	Global Reporting Initiative, a best practice benchmark in reporting	Financial definitions	
‘H&S’	Health and Safety	‘CAGR’	Compound annual growth rate
‘HIRA’	Hazard Identification and Risk Assessment	‘EBITDA’	Earnings before interest, taxes, depreciation and amortisation
‘IAR’	Integrated Annual Report	‘EPS’	Earnings per share
‘IEEE’	Institute of Electrical and Electronics Engineers	‘FY’	Financial year ending February
‘IIRC’	International Integrated Reporting Council	‘IFRS’	International Financial Reporting Standards
‘IoT’	Internet of Things	‘HEPS’	Headline earnings per share
‘IRBA’	Independent Regulatory Board of Auditors	‘NAV’	Net asset value
‘IRC South Africa’	The Integrated Reporting Committee of South Africa	‘PAT’	Profit after tax
‘IRMSA’	The Institute of Risk Management South Africa	‘PBIT’	Profit before interest and tax
‘ISHE’	Integrated Safety, Health and Environment Management	‘ROE’	Return on equity
‘ISO’	International Organisation for Standardisation	‘ROI’	Return on investment
‘IT’	Information Technology	‘RONA’	Return on net operating assets
‘ITBS’	Information Technology Business Systems	‘TNAV’	Tangible net asset value
‘JSE’	JSE Limited incorporating the JSE Securities Exchange, the main board in South Africa		
‘King IV™ Report’	King Report on Governance for South Africa 2016		



Shareholders' diary

Financial year-end	28 February
Trading update	23 April 2025
Announcement of annual results	15 May 2025
Integrated annual report posted	13 June 2025
AGM	23 July 2025
Trading update	October 2025
Announcement of interim results and interim dividend	October 2025
Interim dividend payment	November 2025

Contact details

Registered office

Tyger Valley Office Park No 2
Corner Willie van Schoor Avenue and Old Oak Road
Tyger Valley, 7530
(PO Box 5278, Tyger Valley, 7536)
Telephone: +27 21 917 8840
Email: info@afrimat.co.za
Website: www.afrimat.co.za

Company Secretary

Catharine Burger
Tyger Valley Office Park No 2
Corner Willie van Schoor Avenue and Old Oak Road
Tyger Valley, 7530
(PO Box 5278, Tyger Valley, 7536)
Email: secretary@afrimat.co.za
Telephone: +27 21 917 8840

Transfer secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196
(Private Bag X9000, Saxonwold, 2132)
Telephone: +27 11 370 5000
Facsimile: +27 11 688 5200

Sponsor

Valeo Capital Proprietary Limited
Unit G02, Skyfall Building, De Beers Avenue, Paardevlei, 7130
Telephone: +27 21 851 0091

Auditor

PricewaterhouseCoopers Inc.
Trumali Forum Building, Trumali Street
Stellenbosch, 7600
(PO Box 57, Stellenbosch, 7599)

Afrimat Limited

Tyger Valley Office Park No 2
Corner Willie van Schoor Avenue and Old Oak Road, Tyger Valley, 7530
(PO Box 5278, Tyger Valley, 7536)

Telephone +27 21 917 8840
E-mail info@afrimat.co.za
Website www.afrimat.co.za