UNAUDITED CONSOLIDATED INTERIM FINANCIAL RESULTS

FOR THE HALF YEAR ENDED 30 JUNE 2024

AECI®

100 YEARS OF EXCELLENCE

We Are One AECI, for a Better World

Our business at a glance

A proud 100-year history defines our global business, characterised by our pioneering spirit, resilience, agility, innovation and commitment to excellence.

AECI's expertise in optimising the use of explosives has been instrumental in advancing the South African mining and chemical industries. Our ability to overcome local and global economic challenges and create value through profitable growth and disciplined capital allocation has contributed significantly to the South African economy over the past century.

We operate in 22 countries on six continents and employ 7 189 people.

Below is a representation of our new operating business segments, products and services aligned to the Group strategy.

OUR SEGMENTS	PRODUCTS AND SERVICES
AECI MINING Our core business and main growth vehicle	
MINING EXPLOSIVES	▪ Mining explosives, detonators, blasting services
MINING CHEMICALS	▪ Collectors, frothers, depressants for mineral extraction and tailings treatment ▪ Emulsifiers for explosives manufacture
AECI CHEMICALS Restructured and repositioned to provide operational and financial support through cash generation to drive the growth of AECI Mining	
INDUSTRIAL AND SPECIALTY CHEMICALS	▪ Blended chemical products ▪ Bulk chemicals
AGRIHEALTH	▪ Crop protection products and plant nutrients
WATER TREATMENT	▪ Water treatment chemicals, technology, equipment and plant
AECI MANAGED BUSINESSES For divestment	
Schirm **Much Asphalt** **Animal Health*** **SANS Fibers** **Food and Beverage**	
AECI PROPERTY AND CORPORATE SERVICES	▪ Property leasing and provision of utilities ▪ Corporate support services

* A sale and purchase agreement for the sale of Animal Health to Nutreco International B.V. (the South African subsidiary is Trouw Nutrition South Africa Proprietary Limited) was signed post 30 June 2024.

Unaudited consolidated interim financial results

2024, a year of transition for AECI

Our stated ambition as the AECI Group is to double profitability of our core businesses by 2026 and to attain a global market position in Mining of #3 by 2030.

In the first six months of this year, we made strides in investing in the capabilities required to execute on our strategy and have commenced delivering on the milestones set. This positions the businesses for improved operational efficiencies, overall performance and profitability in the short to medium term, as well as sustainable growth in the long term.

Pleasingly, we achieved the following key strategic milestones in the first half of 2024:

- New executive leadership is in place
- The restructure of the organisation in line with our new operating model to the third level below the Executive Committee
- A leadership compact, culture code and desired behaviours developed to foster a high-performance culture
- The sale of AECI Animal Health in line with our portfolio optimisation journey
- R400m EBITDA run rate delivered
- R800m organic mining and chemicals growth projects defined
- Enhanced mining digital platform for high-performance initiating systems and cutting-edge electronics technology is being launched
- Increased investment in maintenance to ensure the prolonged life of our existing asset base

Our strategic transition is progressing well. With the focus and investment we have dedicated in the first half of the year, we anticipate continued momentum and substantial value realisation in the second half of the year and the future.

Statement from the Group CEO

"I am proud of the results achieved by the Group during the period. Our business is resilient, supported by the strong underlying fundamentals of a world class team and leading technology, superior customer service and value-accretive growth opportunities. The execution of our strategy is progressing as planned and I am confident that we will deliver on our promises."

Safety **TRIR[1] of 0.28** H1 2023: 0.38*	**Revenue** **R17 580 million** H1 2023: R18 404 million
EBITDA[2] **R1 390 million** H1 2023: R1 826 million	**Profit from operations** **R818 million** H1 2023: R1 269 million
Basic earnings per share **233 cents** H1 2023: 600 cents	**Headline earnings per share** **260 cents** H1 2023: 603 cents
Working capital **18% of revenue** 31 Dec 2023: 15% H1 2023: 19%	**Capex** **R591 million** Expansion: R162 million; Replacement: R429 million H1 2023: R652 million
Gearing **41%** 31 Dec 2023: 35% H1 2023: 47%	**Cash dividend** **Nil cents per share** H1 2023: 100 cents per share

* Restated to account for unrecorded numbers from AECI Schirm
1 12-months rolling Total Recordable Injury Rate
2 Earnings before interest, taxation, depreciation and amortisation calculated as profit from operations and equity-accounted investees plus depreciation, amortisation and impairments.

RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

OUR COMMITMENT TO SUSTAINABILITY AND CREATING ENTERPRISE VALUE

We aim to achieve excellence in all aspects of our commitment to environmental stewardship, our role in society and our approach to leadership and governance (ESG). During the period under review, we reduced our potable water consumption by 8%, the water we discharged to sea or sewer by 15% and our CO_2 footprint by 5% compared with our performance in H1 2023. While we are pleased with the constant improvement in our key performance indicators, we are cognisant of the challenges that lie ahead as we pursue our 2050 Net Zero objective.

Safety

Our goal of achieving Zero Harm and managing and mitigating risks is anchored in the principles of accountable leadership, engaged and empowered employees, risk-based Safety, Health, Environment and Quality (SHEQ) management and continuous improvement. No fatalities were recorded in the period under review. The Group's 12-months rolling total recordable injury rate (TRIR) improved to 0.28 as at 0.38 as at 30 June 2023 (restated). Our 2023 sustainability report noted that the 2022 TRIR measure was restated due to under-reporting in AECI Schirm. With this measure being on a 12-months rolling basis, the previously reported figure of 0.24 was also impacted and was consequently restated.

Segmental review

THE RESTRUCTURING OF OUR REPORTING SEGMENTS

Until 31 December 2023, our operating businesses were structured into four key segments: AECI Mining, AECI Water, AECI Agri Health and AECI Chemicals. In line with our strategy of optimising our portfolio to create a platform for growth, we have restructured our reporting segments to AECI Mining, AECI Chemicals, AECI Property Services and Corporate and AECI Managed businesses. As required by IFRS8: Operating Segments, the comparative numbers were restated.

AECI Mining – positioned for robust performance and international growth

AECI Mining, comprises the explosives and mining chemicals businesses. The explosives business is an international manufacturer and supplier of explosives, initiating systems and blasting services for mining, quarrying and construction. The mining chemicals business develops, manufactures, and distributes advanced mining chemical technologies.

During the period, we invested in four statutory shutdowns, two of the shutdowns were deferred from the previous year and two were planned for the period. We used this opportunity to also catch-up on other maintenance, setting up our operations for delivery in the second half of the current year and into the future. Our ammonia supply in South Africa improved significantly after the commissioning of 60 wagons, resulting from the memorandum of understanding signed for 120 refurbished wagons. The ramp-up to 120 wagons takes place at an agreed 20 wagons per month expected to be introduced to the supply network. We augmented the supply of ammonia by road transportation , to further build resilience in our supply chain. To support the long-term sustainability of our operations we are actively exploring alternative supply of ammonia, including green ammonia.

The segment recorded revenue of R9 376 million compared to R10 004 million in H1 2023. This decrease is attributable to lower ammonia prices and lower sales volumes in the South African market. Profit from operations was down 12% to R909 million when compared with the same period in 2023 because of lower revenue, inflationary cost increases and the R204 million investment spend in the segment. Operating margins remained in line with the prior year at 10%, showing the effectiveness of our risk mitigation processes against the price of ammonia. If normalised for the investment spend, the mining segment's operating profit shows a flat year-on-year performance with stable margins.

The R204 million investment spend made during the period under review included the alternate sourcing of ammonium nitrate solution (ANS) at higher market prices coupled with expected manufacturing under-recoveries during the plant shutdowns. Elevated cost for ANS buy-ins could not be passed through contractually to our customers.

AECI Mining Explosives' revenue and profit for the period were down 5% and 19%, respectively, compared to H1 2023. Revenue was impacted by weakening ammonia prices and lower sales volumes in initiating systems resulting from industrial action in South Africa and regulatory mine closures. These were partially offset by higher bulk sales volumes in Asia-Pacific and Central Africa on the back of new contracts and customers.

Revenue and profit in **AECI Mining Chemicals** were down 9% and 8%, respectively, compared to H1 2023. Softening mining chemical prices impacted revenue. At the same time, metallurgy sales volumes declined due to the adverse effect of high operating costs, supply chain inefficiencies and low commodity prices on the South African mining sector. Margins remained stable.

Our business continues to grow globally with new contract extensions in Asia-Pacific where bulk explosives volumes were up 23% and electronics grew by 33% during the period. We continue to grow in Central Africa, where robust mining activity is driving growth. Following the increase in rail wagons, we have ramped up the Richards Bay storage to rail supply of ammonia. Regarding inland supply of ammonia, we have initiated road transportation as an additional means of supply, further securing the supply of the key raw material.

Sales volumes of mining chemicals are expected to improve on the back of an anticipated recovery in mining activity in South Africa.

AECI Chemicals – driving operational excellence

AECI Chemicals comprises of Industrial chemicals, Speciality chemicals, Water treatment and Agri-health. The segment's revenue of R4 363 million (H1 2023: R4 555 million) was down 4% due to the continued decline in the South African manufacturing and industrial sectors and over-supply of key products. A pleasing increase in profits from operations of 9% from R365 million, restated in H1 2023 to R395 million, is attributable to stringent cost management and increased operational efficiencies.

AECI Industrial Chemicals is a leading manufacturer and distributor of bulk chemicals to industry in South Africa and the Southern African Development Community (SADC) region. Its product range includes sulphur and sulphur-based derivatives, surfactants, phosphates, resins, and traded chemicals. Revenue was down 11% compared to H1 2023 due to suppressed market conditions, particularly for sulphuric acid, contributing to a 14% reduction in profit from operations.

AECI Speciality Chemicals is a highly diversified industry-focused business serving a broad spectrum of customers across sectors that include personal and home care, lubricants, rail, oleochemicals and mineral oils, coating and construction, polymers, sanitisers and disinfectants, road construction, can coatings, fire, and specialities. Despite a 4% decrease in revenue from a sluggish South African market, profit from operations increased by 26% due to excellent cost management and operational efficiency gains.

AECI Plant Health services the agricultural sector, providing an extensive range of products to preserve natural resources, restore soil biology and address the need to produce nutritious food. Revenue for the business was up 2%, but profit from operations was down 7% from the prior period. Drier weather conditions negatively impacted bulk nutrition products in the first quarter of 2024, and a reduction in the price of ammonia-based products further hampered performance.

AECI Water provides innovative solutions and technologies that address complex water management challenges. Revenue for this business was down 7% because of delays in new contract work, but operating profit increased by 19% due to good cost management and improved operational performance in the public water business. A R10 million in bad debts previously recorded by AECI Water was recovered in H1 2024.

Notable contract wins/renewals include:

- Successful renewal of customer service and product supply contracts in the Democratic Republic of Congo (DRC)
- New contracts in Ghana and the Northern and Western Cape provinces of South Africa
- New projects, contracts and market growth in West Africa

AECI Managed businesses

In line with our strategy, business units in this segment have been identified as businesses earmarked for divestment. Revenue in this segment at R3 731 million was down 2% compared to the prior period. The segment recorded a loss from operations of R3 million, an improvement from R87 million loss in H1 2023. The divestment process is proceeding as planned and we anticipate meeting our commitments.

AECI Property Services and Corporate

The AECI Property Services and Corporate provides Property leasing and provision of utilities to internal and external customers, and corporate support services to the Group, including executing our corporate strategy. This segment recorded a loss of R484 million (H1 2023: R42 million loss) arising from necessary investment in strategy execution, including:

- R255 million in transformation costs
- R85 million in divestment costs
- R82 million in severance costs

This investment spend is essential for the implementation of our strategy and the delivery of the 2026 EBITDA value unlock.

Group's major strategic growth projects

Delivering on our globalisation strategy

- Continued organic growth in Australia, leveraging our current market presence that grew 33% year-on-year
- Asia-Pacific Growth, Papua New Guinea targeted growth in the region for mining explosives. Plant will be commissioned in Q4 2024
- In Latin America we are in the early stages of growth and gaining momentum through market share gains, exports and expansion in Brazil, Chile and Peru
- Europe Wolfenbuttel plant in Germany, repurposed to produce and sell mining chemicals to the international market
- A non-disclosure agreement has been signed with a partner in South Africa for the potential long-term supply of green ammonia. The project is expected to be commissioned in 2027/2028
- Specialty chemical assets have been repurposed towards mining chemicals for exports into the continent

Group Financial Performance

Revenue for the Group was down 4% to R17 580 million (H1 2023: R18 404 million).

Basic earnings per share and headline earnings per share decreased by 61% and 57% to 233 cents and 260 cents, respectively, following lower profitability and an elevated effective tax rate.

Profit from operations decreased from R1 269 million in the prior period to R818 million, mainly because of:

- R450 million investment spend for strategy execution
- R204 million investment spend resulting mainly from statutory shutdowns

The Group's profit from operations margin declined to 5% (H1 2023: 7%).

Excluding the investments spend during the period, the Group delivered flat year-on-year earnings before interest and tax. This demonstrates the resilience of our underlying businesses. This performance was delivered in a challenging trading environment marked by declining commodity prices, ongoing geopolitical conflicts, high interest rates, inflation, supply chain disruptions and a slowdown in the South African macroeconomic environment and the mining industry.

R million (unless stated otherwise)	**H1 2024**	H1 2023	% change
Revenue	**17 580**	18 404	(4)
EBITDA	**1 390**	1 826	(24)
EBITDA margin (%)	**8**	10	(20)
Depreciation, amortisation and impairments	**(572)**	(537)	(7)
Profit from operations	**818**	1 269	(35)
Profit from operations margin (%)	**5**	7	(29)
Profit for the period	**239**	650	(63)
Basic earnings per share (EPS) (cents)	**233**	600	(61)
Headline earnings per share (HEPS) (cents)	**260**	603	(57)
Cash generated from operations	**1 474**	2 063	(29)

Depreciation and amortisation were slightly ahead of the prior period at R550 million (H1 2023: R537 million). A goodwill assessment in the period resulted in an impairment of R22 million (H1 2023: nil). There was a property, plant and equipment (PPE) impairment indicator, leading to a detailed impairment assessment of PPE at AECI Schirm. Based on the results of the impairment assessment, no significant impairment was triggered for PPE.

Net finance costs increased to R292 million (H1 2023: R274 million) after considering an interest of R35 million paid as part of a transfer pricing audit assessment.

The tax expense of R287 million for the period represents an effective tax rate of 54.5%, up from 36% in H1 2023. The elevated effective tax rate resulted from higher non-deductible expenses and foreign withholding taxes from improved dividends received from the foreign subsidiaries, based on lower profits.

Net debt increased to R5 096 million (31 December 2023: R4 338 million, H1 2023: 5 741, 30 June 2023: R5 741 million) based on investment in working capital due to seasonality and strategy execution investment spend during the period. Gearing for the period increased to 41% (31 December 2023: 35%, 30 June 2023: 47%) which marginally falls outside our guided range of 20%-40%. Inventories, trade and other receivables decreased by R239 million and R506 million, respectively, from 31 December 2023. Trade and other payables decreased by R1 453 million.

Management remains committed to reducing debt, applying stringent net working capital management and driving operational and strategic free cash flow initiatives to strengthen the balance sheet. On 30 June 2024, the Group's net debt to EBITDA, as defined in covenant agreements, was 1.6 times, remaining well within the loan covenant threshold of 2.5 times.

Capex for the period was R591 million, of which R429 million was for maintenance, and R162 million was for expansion. AECI Mining accounted for R407 million of the total spend which included R100 million on new contract wins in Australia.

The Board and executive management of AECI have applied the dividend policy and will not declare a dividend at this time due to negative free cash flow. This decision reflects our focus to prudent capital management as we look forward to achieving a significantly improved performance in the latter half of the year.

Net asset value per share attributable to ordinary shareholders of 11 657 cents remained in line with the prior year (31 December 2023: 11 137 cents).

2024 Outlook

As a company headquartered in South Africa, we are pleased to see that the recent South African elections concluded with a sense of optimism for economic growth and stability. The markets responded positively, reflecting an improved investor confidence and a general positive sentiment.

The performance of our underlying businesses remains strong and our Group performance outlook for the full year 2024 remains positive supported by:

- A stronger second half expected at AECI Mining and AECI Chemicals following investments made during the first half, market share gains and new contracts
- Continued momentum in the delivery of our strategic initiatives

Our focus on building a resilient business, leveraging our diverse footprint and commodity portfolio, for the future as well as the globalisation of our mining and chemicals businesses will continue to create value for our stakeholders, positioning us for future growth and success.

Directors' responsibility statement

The Directors are responsible for the preparation and presentation of these unaudited consolidated financial statements in accordance with International Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council, and the requirements of the Companies Act of South Africa. The Directors are also responsible for such internal controls as the Directors determine to be necessary to enable the preparation of unaudited consolidated interim financial statements that are free from material misstatement, whether owing to fraud or error.

Preparation of the interim results announcement

This announcement covers the unaudited consolidated interim financial statements of the Group for the six months ended 30 June 2024, which has been prepared in accordance with and contains the information required by IAS34: Interim Financial Reporting, International Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council, and the requirements of the Companies Act of South Africa. The preparation of these unaudited consolidated interim financial statements was supervised by the Chief Financial Officer, Rochelle Gabriels CA(SA), in terms of section 29(1)(e) of the Companies Act 2008, as amended.

Approval of the unaudited consolidated interim financial statements

The unaudited consolidated interim financial statements were approved by the Board of Directors of AECI on 30 July 2024 and signed by:

KDK Mokhele
Chairman

H Riemensperger
Group Chief Executive

Directors: KDK Mokhele (Chairman), H Riemensperger[1] (Group CEO), R Gabriels (Group CFO), ST Coetzer[2], SA Dawson[3], FFT De Buck, WH Dissinger[1], P Mishic O'Brien[4], AM Roets, PG Sibiya

[1]German [2]Canadian [3]Australian [4]American

VP Investor Relations: Z Salman

Group Company Secretary: C Singh

Condensed consolidated **statement of financial position**

Rand million	**2024 As at 30 Jun Unaudited**	2023 As at 30 Jun Unaudited	2023 As at 31 Dec Audited
Assets			
Non-current assets	**11 478**	11 702	11 762
Property, plant and equipment	**6 737**	6 499	6 699
Right-of-use assets	**651**	585	755
Investment property	**235**	224	234
Intangible assets	**788**	884	848
Goodwill	**2 304**	2 410	2 345
Pension fund employer surplus accounts	**325**	446	373
Investment in joint ventures	**55**	54	42
Investments in associates	**140**	149	150
Loans to associates	**58**	126	56
Other investments	**71**	207	71
Deferred taxation assets	**114**	118	189
Current assets	**15 646**	16 583	16 180
Inventories	**5 887**	6 879	6 126
Trade and other receivables	**6 916**	6 862	7 422
Other investments	**572**	459	576
Taxation receivable	**126**	81	96
Cash and cash equivalents	**2 145**	2 302	1 960
Total assets	**27 124**	28 285	27 942
Equity and liabilities			
Equity	**12 447**	12 324	12 411
Ordinary share capital and reserves	**12 300**	12 120	12 244
Non-controlling interest	**141**	198	161
Preference share capital	**6**	6	6
Non-current liabilities	**6 348**	2 518	6 485
Deferred taxation liabilities	**458**	647	520
Non-current debt	**4 710**	791	4 704
Lease liabilities	**609**	509	668
Non-current provisions and employee benefits	**571**	571	593
Current liabilities	**8 329**	13 443	9 046
Trade and other payables	**6 304**	6 515	7 757
Current debt	**1 808**	6 406	731
Lease liabilities	**104**	115	136
Loans from joint ventures	**89**	149	83
Put option liability	**–**	14	–
Taxation payable	**14**	22	280
Bank overdrafts	**10**	222	59
Total liabilities	**14 677**	15 961	15 531
Total equity and liabilities	**27 124**	28 285	27 942

Condensed consolidated **statement of profit or loss**

Rand million	Note	% change	**2024 First half Unaudited**	2023 First half Unaudited	2023 Year Audited
Revenue	2	(4)	**17 580**	18 404	37 500
Net operating costs			**(16 762)**	(17 135)	(34 929)
Profit from operations		(36)	**818**	1 269	2 571
Share of profit of equity-accounted investees, net of taxation			**–**	20	39
Profit from operations and equity-accounted investees		(37)	**818**	1 289	2 610
Net finance costs			**(292)**	(274)	(513)
Finance cost			**(345)**	(320)	(637)
Finance income			**53**	46	124
Profit before taxation			**526**	1 015	2 097
Taxation expense	6		**(287)**	(365)	(917)
Profit for the period			**239**	650	1 180
Attributable to preference shareholders			**(2)**	(2)	(4)
Attributable to AECI minority shareholders			**9**	(15)	(2)
Attributable to the AECI Group			**246**	633	1 174
Headline earnings are derived from:					
Profit attributable to ordinary shareholders			**246**	633	1 174
Impairment of goodwill			**22**	–	20
Loss on disposal of investment property and property, plant and equipment			**10**	4	8
Taxation effects of the above items			**(3)**	(1)	(2)
Headline earnings			**275**	636	1 200
Per ordinary share (cents):					
Basic earnings		(61)	**233**	600	1 112
Diluted basic earnings			**229**	596	1 092
Headline earnings		(57)	**260**	603	1 137
Diluted headline earnings			**256**	600	1 117
Ordinary dividends declared after the reporting date		(100)	**–**	100	119
Ordinary dividends paid			**119**	580	680

Condensed consolidated **statement of comprehensive income**

Rand million	**2024 First half Unaudited**	2023 First half Unaudited	2023 Year Audited
Profit for the period	**239**	650	1 180
Other comprehensive income net of taxation			
Items that may be reclassified subsequently to profit or loss:			
– Foreign currency translation differences	**(88)**	448	215
– Effective portion of cash flow hedges	**2**	1	2
Items that may not be reclassified subsequently to profit or loss:			
– Remeasurement of defined-benefit and post-retirement medical aid obligations	**–**	–	8
– Remeasurement of equity securities at fair value through other comprehensive income	**3**	5	(132)
Total comprehensive income for the period	**156**	1 104	1 273
Attributable to preference shareholders	**(2)**	(2)	(4)
Attributable to AECI minority shareholders	**7**	(2)	(11)
Attributable to the AECI Group	**161**	1 100	1 258

Condensed consolidated **statement of changes in equity**

Rand million	**2024 First half Unaudited**	2023 First half Unaudited	2023 Year Audited
Total comprehensive income for the period	**156**	1 104	1 273
Dividends paid	**(136)**	(625)	(733)
Share-based payment reserve	**16**	23	49
Equity at the beginning of the period	**12 411**	11 822	11 822
Equity at the end of the period	**12 447**	12 324	12 411
Made up as follows:			
Ordinary share capital	**106**	106	106
Reserves	**1 865**	2 237	1 919
– Foreign currency translation reserve	**1 799**	2 114	1 885
– Other reserves	**(84)**	27	(88)
– Share-based payment reserve	**150**	96	122
Retained earnings	**10 329**	9 777	10 219
Non-controlling interest	**141**	198	161
Preference share capital	**6**	6	6
Equity at the end of the period	**12 447**	12 324	12 411

Reconciliation of **weighted average number of shares**

Millions of shares	**2024 First half Unaudited**	2023 First half Unaudited	2023 Year Audited
Weighted average number of ordinary shares at the beginning of the period	**105.5**	115.6	115.6
Weighted average number of unlisted ordinary shares held by the consolidated AECI Employees Share Trust (EST) cancelled during the period	**–**	(10.1)	(10.1)
Weighted average number of ordinary shares for the basic earnings per share	**105.5**	105.5	105.5
Dilutive adjustment for potential ordinary shares	**1.8**	0.6	1.9
Weighted average number of ordinary shares for diluted earnings per share	**107.3**	106.1	107.4

Condensed consolidated **statement of cash flows**

Rand million	**2024 First half Unaudited**	2023 First half Unaudited	2023 Year Audited
Cash generated by operations	**1 474**	2 063	4 004
Dividends received	–	–	25
Finance cost paid	**(315)**	(288)	(581)
Finance income received	**54**	46	124
Taxation paid	**(565)**	(460)	(989)
Changes in working capital	**(776)**	(351)	1 037
Cash outflows relating to defined-benefit and post-retirement medical aid obligations	**(6)**	(12)	(19)
Cash outflows relating to non-current provisions and employee benefits	–	(5)	(7)
Cash (utilised in)/ generated from operating activities	**(134)**	993	3 594
Dividends paid	**(136)**	(625)	(733)
Cash (utilised in)/ generated from operating activities	**(270)**	368	2 861
Cash flows from investing activities	**(537)**	(592)	(1 439)
Acquisition of subsidiaries, net of cash acquired	–	–	(42)
Acquisition of non-controlling interest	–	–	(14)
Loans with joint ventures	–	–	(58)
Loans with associates and other net investment activities	–	46	–
Investments[1]	–	–	(36)
Net capital expenditure	**(537)**	(638)	(1 289)
Net cash (utilised)/ generated before financing activities	**(807)**	(224)	1 422
Cash flows/ (outflows) from financing activities	**1 051**	205	(1 551)
Capital repayments of lease liabilities	**(96)**	(93)	(201)
Loans from joint ventures	**6**	8	–
Loans from associates			88
Settlement of performance shares	**(36)**	–	(2)
Proceeds from debt raised	**1 250**	302	4 182
Repayment of debt	**(73)**	(12)	(5 618)
Increase/ (Decrease) in cash and cash equivalents	**244**	(19)	(129)
Cash and cash equivalents at the beginning of the period	**1 901**	1 933	1 933
Translation (loss)/ gain on cash and cash equivalents	**(10)**	166	97
Cash and cash equivalents at the end of the period[2]	**2 135**	2 080	1 901

[1] Includes money market investments

[2] Includes cash and cash equivalents of R2 145 million, restricted cash R73 million and a bank overdraft of R10 million. First half 2023: cash and cash equivalents of R2 302 million and bank overdraft of R222 million.

Year 2023: cash and cash equivalents of R1 960 million and a bank overdraft of R59 million.

Segmental **analysis**

Basis of segmentation

Until 31 December 2023, our operating businesses were structured into four key segments: AECI Mining, AECI Water, AECI Agri Health, and AECI Chemicals.

In alignment with our strategy and optimising our portfolio to create a platform for growth, we will focus on AECI Mining and AECI Chemicals and divest of businesses with limited synergies with our core businesses.

A new segment, named AECI Managed Businesses was introduced, to house all businesses to be divested through a structured competitive process.

REPORTABLE SEGMENTS	OPERATIONS
AECI MINING	The businesses in this segment provide a mine-to-mineral solution for the international mining sector. The offering includes commercial explosives, initiating systems, blasting services and surfactants for explosives manufacture across the value chain to chemicals for ore beneficiation and tailings treatment.
AECI CHEMICALS	Businesses in this segment supply traded, industrial and speciality chemical products; water treatment chemicals, technology, equipment and plant and crop protection products and plant nutrients.
AECI MANAGED BUSINESSES	Businesses in this segment have been ringfenced for divestment. These businesses supply to customers in agriculture, industrial, manufacturing, road infrastructure, food and beverage, public water, animal feed and products as well as the textile sector.
AECI PROPERTY SERVICES AND CORPORATE	Property Services relate mainly to property leasing and management in the office, industrial and retail sectors. Corporate includes centralised functions, namely Treasury and Finance; Procurement; Human Capital; Safety; Health and the Environment; Stakeholder Relations; Company Secretarial; Legal, Risk and Compliance; Environmental, Social, Governance and Sustainability; Information Technology and Strategy Execution.

There are varying levels of integration between the segments. This includes transfers of raw materials and finished goods, and property management services. Inter-segment pricing is determined on terms that are no more and no less favourable than transactions with unrelated external parties.

Segmental **analysis**

Information relating to reportable segments

Management makes decisions based on management accounting information which reflects the financial performance of each reportable segment.

Information relating to each reportable segment is set out below. Segmental profit from operations is used to measure performance as AECI's Executive Committee believes that this information is the most relevant in evaluating the results of the respective segments.

The comparative figures have been restated to reflect the revised reportable segments

Rand million	First half Unaudited 2024	First half Unaudited Restated 2023	First half Unaudited 2024	First half Unaudited Restated 2023	First half Unaudited 2024	First half Unaudited Restated 2023
	EXTERNAL REVENUE		INTER-SEGMENT REVENUE		TOTAL SEGMENT REVENUE	
AECI MINING	9 335	9 932	41	72	9 376	10 004
AECI CHEMICALS	4 289	4 458	74	97	4 363	4 555
AECI MANAGED BUSINESSES	3 728	3 799	3	1	3 731	3 800
AECI PROPERTY SERVICES AND CORPORATE	228	215	78	73	306	288
Inter-segment	–	–	(196)	(243)	(196)	(243)
	17 580	18 404	–	–	17 580	18 404
Rand million	DEPRECIATION		AMORTISATION		IMPAIRMENTS	
AECI MINING	273	290	5	4	–	–
AECI CHEMICALS	52	51	7	7	–	–
AECI MANAGED BUSINESSES	167	141	27	27	22	–
AECI PROPERTY SERVICES AND CORPORATE	26	24	–	–	–	–
Inter-segment	(7)	(7)	–	–	–	–
	511	499	39	38	22	–
Rand million	PROFIT/(LOSS) FROM OPERATIONS		EBITDA [2,4]		CAPITAL EXPENDITURE	
AECI MINING	909	1 038	1 172	1 338	407	270
AECI CHEMICALS	395	365	467	436	55	65
AECI MANAGED BUSINESSES	(3)	(87)	215	82	95	272
AECI PROPERTY SERVICES AND CORPORATE [1]	(484)	(42)	(458)	(18)	34	45
Inter-segment	1	(5)	(6)	(12)	–	–
	818	1 269	1 390	1 826	591	652
Rand million			OPERATING ASSETS [3,4]		OPERATING LIABILITIES [3,4]	
AECI MINING			9 982	10 246	3 102	3 115
AECI CHEMICALS			5 838	6 187	2 061	2 205
AECI MANAGED BUSINESSES			6 961	7 242	1 157	1 440
AECI PROPERTY SERVICES AND CORPORATE			1 352	1 353	519	341
Inter-segment			(615)	(685)	(536)	(586)
			23 518	24 343	6 303	6 515

[1] Includes once-off costs of R418m related to strategy execution

[2] Earnings before interest, taxation, depreciation and amortisation calculated as profit from operations and equity-accounted investees plus depreciation, amortisation and impairment. EBITDA is unaudited.

[3] Operating assets comprise property, plant and equipment, right-of-use assets, investment property, intangible assets, goodwill, inventories, trade and other receivables and assets classified as held for sale. Operating liabilities comprise trade and other payables.

[4] Non-IFRS measure (see note 7).

Geographical information on non-current assets has not been disclosed as it is only partially available.

Other **salient features**

Rand million	Note	**2024 First half Unaudited**	2023 First half Unaudited	2023 Year Audited
Capital expenditure		**591**	652	1 303
– expansion		**162**	360	434
– replacement		**429**	292	869
Capital commitments		**683**	795	1 135
– contracted for		**259**	375	318
– not contracted for		**424**	420	817
Future rentals on short-term and low value assets		**92**	77	60
– payable within one year		**45**	36	58
– payable thereafter		**47**	41	2
Net debt [1, 4]		**5 096**	5 741	4 338
EBITDA [4]		**1 390**	1 826	3 683
Depreciation		**511**	499	976
Amortisation		**39**	38	78
Impairment		**22**	–	20
Gearing (%) [2, 4]		**41**	47	35[3]
Current assets to current liabilities [4]		**1.9**	1.2	1.8[3]
Net asset value per ordinary share (cents) [4]		**11 657**	11 024	11 137
ZAR/EUR closing exchange rate (rand)		**19.49**	20.59	20.31
ZAR/EUR average exchange rate (rand)		**20.25**	19.68	19.95
ZAR/USD closing exchange rate (rand)		**18.19**	18.86	18.35
ZAR/USD average exchange rate (rand)		**18.73**	18.21	18.45

[1] Current and non-current debt, including non-current and current finance lease liabilities and a bank overdraft, less cash and cash equivalents.

[2] Net debt as a percentage of equity.

[3] Unaudited.

[4] Non-IFRS measure (see note 7).

Notes

(1) Basis of preparation and accounting policies

The unaudited condensed consolidated interim financial results are prepared in accordance with the requirements of the JSE Limited's Listings Requirements for interim reports and the requirements of the Companies Act of South Africa applicable to financial statements. The JSE Listings Requirements require interim reports to be prepared in accordance with and containing the information required by IAS 34: Interim Financial Reporting and the South African financial reporting requirements (as applicable). The accounting policies applied in the preparation of these unaudited condensed consolidated interim financial results are in terms of IFRS Accounting Standards as issued by the International Accounting Standards Board and are consistent with those applied in the previous consolidated financial statements.

The preparation of these unaudited condensed consolidated interim financial results for the half-year ended 30 June 2024 was supervised by the Group Chief Financial Officer, Rochelle Gabriels CA(SA).

(2) Revenue

	GROUP		
	2024	2023	2023
Rand million	**First half Unaudited**	First half Unaudited Restated	Year Unaudited Restated
AECI MINING	**9 376**	10 004	19 621
Sale of goods	**8 639**	9 050	17 828
Sale of goods and related product application services	**737**	954	1 793
AECI CHEMICALS	**4 363**	4 555	10 095
Sale of goods	**2 511**	3 507	8 116
Sale of goods and related product application services	**1 852**	1 048	1 979
AECI MANAGED BUSINESSES	**3 731**	3 800	7 632
Sale of goods	**3 731**	3 800	7 632
Sale of goods and related product application services	**–**	–	–
AECI PROPERTY SERVICES AND CORPORATE	**242**	226	485
Sale of services	**242**	226	485
Revenue recognised at a point in time	**17 712**	18 585	37 833
AECI PROPERTY SERVICES AND CORPORATE	**64**	62	126
Rental income	**64**	62	126
Inter-segment	**(196)**	(243)	(459)
TOTAL REVENUE	**17 580**	18 404	37 500

Disaggregation of revenue by geographic end market

	GROUP		
	2024	2023	2023
Rand million	**First half Unaudited**	First half Unaudited	Year Unaudited
SACU [1]	**9 837**	10 044	21 263
Rest of the African continent	**3 752**	4 081	8 270
Rest of the world	**3 991**	4 279	7 967
TOTAL REVENUE	**17 580**	18 404	37 500

[1] Southern African Customs Union comprising South Africa, Botswana, Eswatini, Lesotho and Namibia.

Revenue includes foreign and export revenue of R8 334 million (2023: R9 142 million).

Disaggregation of revenue by segment and geographic end market

Rand million	SACU [1]	Rest of the African continent	Rest of the world	Inter-segment	Total segment revenue
AECI MINING	3 432	3 261	2 642	41	9 376
AECI CHEMICALS	3 832	389	68	74	4 363
AECI MANAGED BUSINESSES	2 345	102	1 281	3	3 731
AECI PROPERTY SERVICES AND CORPORATE	228	–	–	78	306
Inter-segment	–	–	–	(196)	(196)
Total	9 837	3 752	3 991	–	17 580

[1] Southern African Customs Union comprising South Africa, Botswana, Eswatini, Lesotho and Namibia.

(3) Cash and debt covenants

The Company's net borrowing position at 30 June 2024 was R5 096 million compared to R5 741 million at 30 June 2023 and R4 338 million at 31 December 2023, with undrawn finance facilities of R1 900 million. All covenant requirements were met.

(4) The Group entered into various sale and purchase transactions with related parties in the Group in the ordinary course of business, the nature of which was consistent with those previously reported. Those transactions were concluded on terms that were no more and no less favourable than transactions with unrelated external parties. All transactions and balances with these related parties have been eliminated appropriately in the consolidated results.

(5) Financial instruments and financial risk management

Categories of financial instruments and fair values

	CARRYING AMOUNT		FAIR VALUE	
	2024	2023	**2024**	2023
Rand million	**First half Unaudited**	First half Unaudited	**First half Unaudited**	First half Unaudited
FINANCIAL ASSETS				
At fair value through other comprehensive income – equity instrument [1]	64	199	64	199
– Listed shares – Level 1	36	171	36	171
– Unlisted shares – Level 3	28	28	28	28
At fair value through profit or loss [2]	447	364	447	364
– Forward exchange contracts – Level 2	22	74	22	74
– Money market investment in collective investment scheme – Level 1	281	210	281	210
– Employer surplus accounts – Level 1	144	80	144	80
Amortised cost	8 475	8 670		
– Trade and other receivables [3]	6 111	6 048		
– Cash [4]	2 145	2 302		
– Loans receivable [3]	11	19		
– Interest-bearing non-current loans to associates [4]	58	126		
– Loans and receivables relating to other investments [4]	150	175		
	8 986	9 233		

	CARRYING AMOUNT		FAIR VALUE	
	2024	2023	**2024**	2023
Rand million	**First half Unaudited**	First half Unaudited	**First half Unaudited**	First half Unaudited
FINANCIAL LIABILITIES				
Amortised cost	**(11 453)**	(12 603)		
– Trade and other payables [3]	**(4 794)**	(4 982)		
– Bank overdraft [4]	**(10)**	(222)		
– Loans from joint ventures [4]	**(89)**	(149)		
– Debt [5]	**(6 518)**	(7 197)		
– Interest accrued	**(42)**	(53)		
At fair value through profit or loss	**(19)**	(64)	**(19)**	(64)
– Forward exchange contracts – Level 2	**(19)**	(50)	**(19)**	(50)
– Put option liability – Level 3 [6]	**–**	(14)	**–**	(14)
	(11 472)	(12 667)		

[1] Designated at initial recognition to be carried at fair value through other comprehensive income.

[2] Measured at fair value through profit or loss because the asset is not measured at either amortised cost nor at fair value through other comprehensive income.

[3] The fair values for financial instruments such as short-term receivables and payables have not been disclosed because their carrying amounts are a reasonable approximation of their fair value.

[4] The fair values would not be materially different from the carrying amounts.

[5] The fair values of the interest-bearing debt have not been disclosed as they are not materially different from their carrying amounts.

[6] Not measured at fair value and subject to estimation uncertainty.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

There were no transfers between Levels 1, 2 or 3 of the fair value hierarchy during the period.

(6) (i) Taxation expense

R millions	GROUP 2024 First half Unaudited	2023 First half Unaudited	2023 Year Audited
Current taxation expense	**(270)**	(437)	(1 098)
South African and foreign normal taxation	**(208)**	(395)	(992)
Foreign withholding taxes	**(62)**	(42)	(106)
Deferred taxation	**(17)**	72	181
South African and foreign deferred taxation	**(17)**	72	181
Total income taxation expense	**(287)**	(365)	(917)

(ii) Reconciliation of taxation rate

	GROUP 2024 First half Unaudited	2023 Year Audited
South African standard rate	**27.0%**	27.0%
Capital and non-taxable receipts	**1.0%**	(3.4%)
Exempt Dividends	**-**	(0.1%)
Non-deductible expenses[1]	**17.7%**	11.0%
Foreign withholding taxes[2]	**11.2%**	5.1%
Prior-year adjustments	**0.7%**	3.0%
Difference in tax rates	**(2.4%)**	(1.9%)
Special allowances	**(2.1%)**	(0.4%)
Unrecognised and unutilised assessed losses	**2.5%**	3.1%
Other	**(1.1%)**	0.3%
Effective rate on profit before taxation	**54.5%**	43.7%

[1] Non-deductible expenses include interest paid to the revenue authority due to a Transfer Pricing assessment, thin capitalisation limitation for Schirm Germany from increased funding, and once-off divestment costs.

[2] Due to an increase in dividends receivable from foreign subsidiaries and the introduction of license fees in 2024.

(7) Contingent liabilities

The Group is involved in legal proceedings and is in consultation with its legal counsel, assessing the outcome of these proceedings, on an ongoing basis. As proceedings develop, the Group's management makes provision in respect of legal proceedings where appropriate. Litigations, current or pending, are not likely to have a material adverse effect on the Group.

(8) Non-IFRS measures

To provide a more meaningful assessment of the Group's performance, non-IFRS measures are included in disclosures made. The non-IFRS measures are described in the respective notes and statements where disclosure is included.

Non-IFRS measures are the responsibility of the Group's directors. These measures may not be comparable to other similarly titled measures of performance of other companies. Non-IFRS measures are not an IFRS requirement, nor a JSE Listings Requirement and is a measurement used by the chief operating decision-makers of the Group.

(9) Impairment assessment of property, plant, and equipment of AECI Schirm Germany

An Impairment test was conducted on property, plant, and equipment at plant level constituting a cash generating unit (CGU) in Schirm Germany following the identification of an impairment indicator. As part of our ongoing monitoring, we performed a detailed impairment assessment.

While business performance in the first half of 2024 initially lagged expectations, it concluded on a stronger note. Projections for the latter half of 2024 remain stable, with industries served anticipated to recover in 2025, supported by positive external economic indicators and improving customer demand trends.

Based on the results of the impairment assessment, no significant impairment was triggered for the property, plant and equipment.

(10) Events after the reporting date

On 9 July 2024, the Group signed an agreement with Trouw Nutrition South Africa (Pty) Ltd, a subsidiary of Nutreco International B.V, for the sale of all the shares in it's Animal Health business. Due to the suspensive conditions of the transaction, the sale of the business did not meet the criteria of being available for immediate sale in its current condition at the reporting date and was therefore not classified as a non-current asset held for sale.


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