AFRIMAT® LIMITED

Annual Financial Statements 2024

Consistently delivering

DIRECTORS' RESPONSIBILITY STATEMENT

The annual financial statements set out on pages 2 to 73 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 of South Africa, 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. The 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 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

Pieter GS de Wit
CFO

Cape Town

15 May 2024

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 2 to 73, 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

Pieter GS de Wit
CFO

Cape Town

15 May 2024

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 29 February 2024 and that all such returns and notices are true, correct and up to date.

Catharine Burger
Company Secretary

Cape Town

15 May 2024

AUDIT & RISK COMMITTEE REPORT

The Audit & Risk Committee ('the Committee') is pleased to present its report for the financial year ended 29 February 2024 to the shareholders of Afrimat Limited.

COMPOSITION

The Committee is chaired by independent non-executive director Jacobus (Derick) F van der Merwe and further comprises independent non-executive Board Chairman Francois M Louw, non-executive director Loyiso Dotwana, independent non-executive directors Sisanda Tuku and Nicolaas AS Kruger. The Board of directors 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 director, 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 29 February 2024, 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 provides 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.

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 21).

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.

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 22.15(h) of the JSE Listings Requirements the Committee requested the required information in its assessment 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 2025 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 2025 financial year at the AGM on 6 August 2024.

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 Agri Lime 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 R22,9 million 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 Combinations*, 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.

SUSTAINABILITY

The Committee has also 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 M Louw
- Ms Sisanda Tuku
- Mr Nicolaas AS Kruger
- Mr Jacobus (Derick) F 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

15 May 2024

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 29 February 2024, 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 10 to 73 comprise:

- the consolidated and separate statements of financial position as at 29 February 2024;
- 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

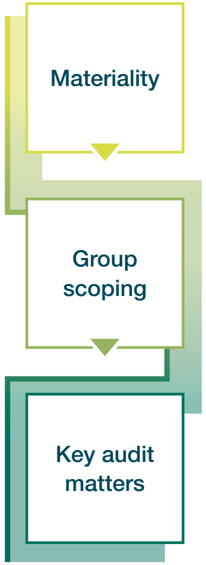
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

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

Overall group materiality

- Overall group materiality: R50 million, which represents 4,5% of consolidated profit before tax.

Group audit scope

- Full scope audits were performed for all significant components and components required to be audited for statutory purposes;
- Independent reviews or a combination of independent reviews / specified audit procedures over additional components to ensure adequate coverage was obtained over material balances and disclosures; and
- Analytical procedures were performed over the remaining insignificant components.

Key audit matters

Consolidated financial statements

- Environmental rehabilitation provisions; and
- Goodwill impairment assessments.

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.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the 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 financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated 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 financial statements as a whole.

Overall group materiality	R50 million.
How we determined it	4,5% of consolidated profit before tax.
Rationale for the materiality benchmark applied	We chose consolidated profit before tax as the benchmark because it is, in our view, the benchmark against which the performance of the Group is most commonly measured by users and is a generally acceptable benchmark. We chose 4,5% as our rule of thumb, which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.

How we tailored our 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 the components contribution to consolidated profit before tax or the risk associated with the component. Additional components were identified to ensure adequate coverage was obtained over material balances and disclosures in the consolidated financial statements.

Full scope audits were performed on all significant components and components which required statutory audits to be performed. For the additional components identified independent reviews were performed or a combination of independent reviews/specified audit procedures.

The remainder of the components were considered non-significant, individually and in aggregate. These components were subject to analytical review 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.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Environmental rehabilitation provisions</td></tr>
<tr><td>This key audit matter relates to the consolidated financial statements only.

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 29 February 2024, the consolidated statement of financial position includes environmental rehabilitation provisions of R250,8 million (2023: R265,5 million, restated) as per note 6.5 of the consolidated financial statements.

The Group applies the guidelines issued by the South African Department of Mineral Resources ('DMR') to determine the rehabilitation provisions for submission to the DMR. 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.</td><td>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 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 qualification and professional memberships. 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's calculations and noted no material differences.</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT (continued)

Key audit matter	How our audit addressed the key audit matter
Goodwill impairment assessments	
This key audit matter relates to the consolidated financial statements only. The Group has goodwill of R225,6 million (2023: R243,4 million, restated) 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 R22,9 million against goodwill relating to Agri Lime 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 of the impairment assessment performed by the Group required to 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 noted no material differences 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; and ▪ We performed independent sensitivity calculations on the impairment assessments to assess the degree by which the key assumptions needed to change in order to trigger an impairment. Management's conclusions were consistent with the results of our sensitivity analyses.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of investment in subsidiaries	
This key audit matter relates to the separate financial statements only. The Company holds investments in subsidiaries with a carrying amount of R1 443,2 million (2023: R1 431,5 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. Impairment indicators were noted for the following investments: ▪ Afrimat Aggregates (Eastern Cape) Proprietary Limited ▪ Afrimat Aggregates (Trading) Proprietary Limited ▪ Afrimat Aggregates (Operations) Proprietary Limited ▪ Afrimat Group Services Proprietary Limited ▪ Afrimat Aggregates East Proprietary Limited (previously known as Boublok Proprietary Limited) ▪ Afrimat Bulk Commodities Proprietary Limited ▪ Afrimat Concrete Products Proprietary Limited ▪ Cape Lime Proprietary Limited ▪ Capmat Proprietary Limited ▪ Clinker Supplies Proprietary Limited ▪ Afrimat Marble Hall Proprietary Limited ▪ Meepo Ya Mmu Resources Proprietary Limited ▪ Olympic Sand Proprietary Limited ▪ Afrimat Hemp Proprietary Limited ▪ Afrimat Silica Proprietary Limited ▪ Afrimat Phosphates Proprietary Limited ▪ Afrimat Mining Services Proprietary Limited ▪ Fincrete Proprietary Limited ▪ Community Quarries Proprietary Limited ▪ Delf Silica Coastal Proprietary Limited ▪ Agri Lime Proprietary Limited Management concluded that no impairment loss was required during the current financial period. 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 discussions 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 in the financial statements and noted no material differences.

INDEPENDENT AUDITOR'S REPORT (continued)

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 2024', 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 2024', 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[1]

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.

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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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

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 seven years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: D de Jager
Registered Auditor

Stellenbosch, South Africa

15 May 2024

[1] *The examination of controls over the maintenance and integrity of the Group's website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.*

DIRECTORS' REPORT

for the year ended 29 February 2024

The directors of Afrimat present their report for the Group for the year ended 29 February 2024.

NATURE OF BUSINESS

Afrimat is a black empowered open pit mid-tier mining company that supplies beneficiated or processed and sized materials and contracting services to the industrial minerals, building, construction, road building, railroad and mining sectors. In addition, Afrimat supplies bulk commodities to local and international markets as well as phosphates to the agriculture sector. It operates in 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 10 to 73 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 increased by 24,0% from 457,6 cents to 567,3 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 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 154,0 cents per share (2023: 110,0 cents per share), was declared for the year on 15 May 2024. This equates to 123,2 cents per share (2023: 88,0 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 194,0 cents per share (2023: 150,0 cents per share).

TAXATION

The latest tax assessment of the Company relates to the year ended 28 February 2023. All tax submissions up to and including February 2023 have been submitted. Tax returns for 29 February 2024 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 (2023: 1 000 000 000) no par value ordinary shares of which 159 690 957 (2023: 159 718 929) 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 J Coffee (independent non-executive director)
- Mr Pieter GS de Wit (CFO)
- Mr Loyiso Dotwana (non-executive director)
- Mr Nicolaas AS Kruger (independent non-executive director)
- Mr Francois M Louw (independent non-executive Chairman)
- Mr Collin Ramukhubathi (executive director)
- Ms Phuti RE Tsukudu (independent non-executive director)
- Mr Jacobus (Derick) F van der Merwe (independent non-executive director and LID)
- Mr Johannes (Johan) HP van der Merwe (independent non-executive director)
- Mr Andries J van Heerden (CEO)
- Mr Marthinus G Odendaal (executive director)
- Ms Sisanda Tuku (independent non-executive director)

Ms Phuti RE Tsukudu, Ms Sisanda Tuku and Mr Francois M Louw will retire by rotation at the upcoming AGM with all three being eligible, they will stand for re-election.

CHANGES TO BOARD AND BOARD COMMITTEES

Mr Nicolaas AS Kruger was appointed as a member of the Remuneration & Nomination Committee, effective 23 February 2023.

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 29 February 2024, is set out on page 74.

Directors' shareholding on 29 February 2024*

	Number of securities held				
	Direct beneficial	Indirect beneficial	Through associates	Total	% held
Director					
2024					
Gert J Coffee	680 084	–	–	680 084	0,43
Loyiso Dotwana	–	1 747 475	–	1 747 475	1,09
Phuti RE Tsukudu	–	–	–	–	–
Andries J 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 GS de Wit	403 554	–	–	403 554	0,25
Johan van der Merwe	–	–	–	–	–
Francois M Louw	215 714	–	–	215 714	0,14
Collin Ramukhubathi	162 777	–	–	162 777	0,10
Marthinus G Odendaal	336 112	–	–	336 112	0,21
Nicolaas AS Kruger	–	–	–	–	–
Sisanda Tuku	–	–	–	–	–
	6 372 025	2 601 039	1 198 543	10 171 607	6,37

DIRECTORS' REPORT (continued)

for the year ended 29 February 2024

	Number of securities held				
	Direct beneficial	Indirect beneficial	Through associates	Total	% held
Director					
2023					
Gert J Coffee	680 084	–	–	680 084	0,43
Loyiso Dotwana	–	2 160 000	–	2 160 000	1,35
Phuti RE Tsukudu	–	–	–	–	–
Andries J van Heerden	4 340 506	853 564	1 198 543	6 392 613	4,00
Derick van der Merwe	30 000	–	–	30 000	0,02
Pieter GS de Wit	365 582	–	–	365 582	0,23
Johan van der Merwe	–	–	–	–	–
Francois M Louw	215 714	–	–	215 714	0,14
Collin Ramukhubathi	123 128	–	–	123 128	0,08
Marthinus G Odendaal	291 979	–	–	291 979	0,18
Nicolaas AS Kruger	–	–	–	–	–
Sisanda Tuku	–	–	–	–	–
	6 046 993	3 013 564	1 198 543	10 259 100	6,43

* *Excludes shares granted under the Forfeitable Share Plan ('FSP'), which have not yet vested. Refer note 19 for further details.*

Subsequent to year end, grant 6 under the FSP vested, amounting to 52 250, 34 375, 34 375 and 34 375, securities acquired after settlement of tax by Mr van Heerden, Mr de Wit, Mr Ramukhubathi and Mr Odendaal, respectively.

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 2025 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 2 August 2023), 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 29 February 2024;
- 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.

CONTENTS OF THE NOTES TO THE FINANCIAL STATEMENTS

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 29 February 2024

		Group		Company	
	Note	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Revenue	3	**6 083 280**	4 908 238	**967 171**	898 731
Cost of sales	4.3	**(4 002 277)**	(3 212 160)	**–**	–
Gross profit		**2 081 003**	1 696 078	**967 171**	898 731
Operating expenses	4.3	**(935 533)**	(793 931)	**(82 294)**	(103 731)
Other income	4.1	**19 902**	15 988	**809**	2 123
Other net gains/(losses)	4.2	**1 724**	44 943	**(1 115)**	–
Loss on disposal of subsidiaries	12.2	**(11 200)**	–	**(97 031)**	–
Movement in expected credit loss allowance		**(3 531)**	(1 517)	**(52 127)**	(90 514)
Operating profit		**1 152 365**	961 561	**735 413**	706 609
Finance income	4.4	**36 173**	33 810	**26 252**	28 741
Finance costs	4.5	**(76 959)**	(60 508)	**(43 646)**	(126 125)
Share of profit of equity-accounted investments	14	**1 829**	–	**–**	–
Profit before tax		**1 113 408**	934 863	**718 019**	609 225
Income tax expense	5	**(324 692)**	(269 382)	**2 205**	(11 525)
Profit for the year		**788 716**	665 481	**720 224**	597 700

		Group		Company	
	Note	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Exchange differences on translation of foreign operations		**1 413**	(16 005)	**–**	–
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		**304**	192	**–**	–
Income tax effect relating to these items		**(53)**	(17)	**–**	–
Other comprehensive income/(loss) for the year, net of tax		**34 318**	(15 830)	**–**	–
Total comprehensive income for the year		**823 034**	649 651	**720 224**	597 700
Profit attributable to:					
Owners of the parent		**781 776**	661 320	**720 224**	597 700
Non-controlling interests	8.4	**6 940**	4 161	**–**	–
		788 716	665 481	**720 224**	597 700
Total comprehensive income attributable to:					
Owners of the parent		**816 094**	645 490	**720 224**	597 700
Non-controlling interests	8.4	**6 940**	4 161	**–**	–
		823 034	649 651	**720 224**	597 700
Earnings per ordinary share (cents)	8.5	**520,3**	457,1	**–**	–
Diluted earnings per ordinary share (cents)	8.5	**514,4**	450,0	**–**	–

STATEMENTS OF FINANCIAL POSITION

at 29 February 2024

	Note	Group 2024 R'000	Group Restated 2023 R'000*	Company 2024 R'000	Company 2023 R'000
ASSETS					
Non-current assets					
Property, plant and equipment*	6.1	**3 898 037**	3 337 330	**–**	–
Intangible assets*	6.2	**234 728**	254 385	**–**	–
Loans to subsidiaries	13	**–**	–	**549 363**	769 802
Investments in subsidiaries	13	**–**	–	**1 443 239**	1 431 487
Investment in associate	14	**1 837**	–	**–**	–
Other financial assets*	7.1 – 7.3.1	**146 533**	121 748	**4 593**	–
Deferred tax	6.3	**197 910**	260 808	**6 392**	8 285
Inventories	6.4	**215 254**	212 569	**–**	–
Total non-current assets		**4 694 299**	4 186 840	**2 003 587**	2 209 574
Current assets					
Inventories*	6.4	**614 189**	458 934	**–**	–
Other financial assets*	7.1 – 7.3.1	**150 000**	8 900	**150 000**	3 609
Current tax receivable		**11 388**	6 884	**–**	–
Trade and other receivables*	7.3.2	**773 973**	739 961	**17 004**	30 238
Cash and cash equivalents*	7.3.3	**504 678**	280 817	**56 934**	74 170
Loans to subsidiaries	13	**–**	–	**1 121 095**	700 008
Total current assets		**2 054 228**	1 495 496	**1 345 033**	808 025
Total assets		**6 748 527**	5 682 336	**3 348 620**	3 017 599
EQUITY AND LIABILITIES					
Equity					
Stated capital	8.1	**901 082**	939 435	**793 147**	851 264
Treasury shares	8.2	**(143 485)**	(289 348)	**–**	–
Net issued stated capital		**757 597**	650 087	**793 147**	851 264
Other reserves	8.3	**(32 350)**	(64 611)	**48 676**	50 077
Retained earnings		**3 815 802**	3 249 771	**2 156 678**	1 668 662
Attributable to equity holders of the parent		**4 541 049**	3 835 247	**2 998 501**	2 570 003
Non-controlling interests*	8.4	**21 992**	13 105	**–**	–
Total equity		**4 563 041**	3 848 352	**2 998 501**	2 570 003

	Note	Group 2024 R'000	Group Restated 2023 R'000*	Company 2024 R'000	Company 2023 R'000
Liabilities					
Non-current liabilities					
Borrowings*	7.3.4	**210 030**	174 911	**–**	–
Other liability		**19 979**	5 094	**7 058**	1 795
Provisions*	6.5	**279 939**	298 574	**–**	–
Deferred tax*	6.3	**363 330**	370 526	**–**	–
Total non-current liabilities		**873 278**	849 105	**7 058**	1 795
Current liabilities					
Loans from subsidiaries	13	**–**	–	**115 461**	429 487
Other financial liabilities*	7.3.5	**9 671**	133 145	**–**	–
Borrowings	7.3.4	**347 095**	146 248	**200 000**	–
Current tax payable*		**14 665**	12 842	**–**	–
Trade and other payables*	7.3.6	**940 777**	691 066	**27 600**	16 314
Bank overdraft*	7.3.3	**–**	1 578	**–**	–
Total current liabilities		**1 312 208**	984 879	**343 061**	445 801
Total liabilities		**2 185 486**	1 833 984	**350 119**	447 596
Total equity and liabilities		**6 748 527**	5 682 336	**3 348 620**	3 017 599

* *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

STATEMENTS OF CHANGES IN EQUITY

for the year ended 29 February 2024

	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 2022	315 886	(109 030)	(38 498)	2 829 609	9 233	3 007 200
Total comprehensive income						
Profit for the year	–	–	–	661 320	4 161	665 481
Other comprehensive loss for the year	–	–	(15 830)	–	–	(15 830)
Net change in fair value of equity instruments at fair value through other comprehensive income	–	–	192	–	–	192
Income tax effect	–	–	(17)	–	–	(17)
Exchange differences on translation of foreign operations	–	–	(16 005)	–	–	(16 005)
Income tax effect	–	–	–	–	–	–
Total comprehensive (loss)/income	–	–	(15 830)	661 320	4 161	649 651
Transactions with owners of the parent						
Contributions and distributions						
Share-based payment expense for the year (refer note 8.3)	–	–	29 291	–	–	29 291
Deferred taxation on share-based payments (refer note 8.3)	–	–	(14 465)	–	–	(14 465)
Purchase of treasury shares (refer note 8.2)	–	(214 534)	–	–	–	(214 534)
Issue of stated capital (refer note 8.1)	680 000	–	–	–	–	680 000
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)	(56 451)	34 216	(25 109)	25 109	–	(22 235)
Dividends paid (refer note 8.7)	–	–	–	(266 267)	(1 650)	(267 917)
Total contributions and distributions	623 549	(180 318)	(10 283)	(241 158)	(1 650)	190 140
Additional non-controlling interest acquired through acquisition of businesses (refer note 12.1):						
– Stony Lime Proprietary Limited	–	–	–	–	478	478
– Eckraal Quarries Proprietary Limited*	–	–	–	–	883	883
Total changes in ownership interests	–	–	–	–	1 361	1 361
Total transactions with owners of the parent	623 549	(180 318)	(10 283)	(241 158)	(289)	191 501
Restated balance at 28 February 2023	939 435	(289 348)	(64 611)	3 249 771	13 105	3 848 352

* *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

	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**
Restated 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 12.2):						
– 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**
Note	8.1	8.2	8.3		8.4	

STATEMENTS OF CHANGES IN EQUITY (continued)

for the year ended 29 February 2024

	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 2022	228 638	–	25 885	1 339 483	–	1 594 006
Total comprehensive income						
Profit for the year	–	–	–	597 700	–	597 700
Other comprehensive income for the year	–	–	–	–	–	–
Total comprehensive income	–	–	–	597 700	–	597 700
Transactions with Company						
Contributions and distributions						
Issue of stated capital (refer note 8.1)	680 000	–	–	–	–	680 000
Share-based payment expense for the year (refer note 8.3)	–	–	9 059	–	–	9 059
Deferred taxation on share-based payments (refer note 8.3)	–	–	(4 541)	–	–	(4 541)
Settlement of employee Share Appreciation Rights exercised, Forfeitable Share Plan vested and reserve transfer, net of tax (refer notes 8.1 and 8.3)	(57 374)	–	19 674	9 033	–	(28 667)
Dividends paid (refer note 8.7)	–	–	–	(277 554)	–	(277 554)
Total contributions and distributions	622 626	–	24 192	(268 521)	–	378 297
Total changes	622 626	–	24 192	329 179	–	975 997
Balance at 28 February 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**
Note	8.1		8.3			

STATEMENTS OF CASH FLOWS

for the year ended 29 February 2024

		Group		Company	
	Note	**2024 R'000**	Restated 2023 R'000*	**2024 R'000**	2023 R'000
Cash flows from operating activities					
Cash generated from operations	9.1	**1 551 383**	1 262 186	**29 171**	78 350
Finance income received	9.2	**34 701**	32 610	**26 252**	28 741
Dividends received	9.8	**21**	–	**805 333**	718 566
Finance costs paid	9.3	**(56 222)**	(41 704)	**(43 646)**	(126 125)
Tax (paid)/refund received	9.4	**(292 878)**	(265 773)	**–**	3 808
Net cash inflow from operating activities		**1 237 005**	987 319	**817 110**	703 340
Cash flows from investing activities					
Acquisition of property, plant and equipment	9.6	**(694 837)**	(810 610)	**–**	–
Proceeds on disposal of property, plant and equipment	9.5	**32 396**	20 670	**–**	–
Proceeds on disposal of non-current assets held for sale	6.1	**–**	23 340	**–**	–
Acquisition of businesses*	12.1	**(7 314)**	(30 448)	**(7 514)**	(33 500)
Proceeds on disposal of businesses	12.2	**36 449**	–	**36 533**	–
Advances of loans to subsidiaries	13	**–**	–	**(3 818 811)**	(1 746 656)
Proceeds of loans to subsidiaries	13	**–**	–	**3 240 487**	1 810 157
Purchase of other financial assets		**(59 296)**	(35 932)	**(4 593)**	–
Repayments from other financial assets		**46 954**	10 990	**–**	–
Net cash (outflow)/inflow from investing activities		**(645 648)**	(821 990)	**(553 898)**	30 001
Cash flows from financing activities					
Repurchase of Afrimat shares	8.2	**(31 578)**	(214 534)	**–**	–
Proceeds from equity raise	8.1	**–**	680 000	**–**	680 000
Proceeds from borrowings	7.3.4	**200 000**	75 453	**200 000**	–
Repayment of borrowings	7.3.4	**(177 251)**	(560 508)	**–**	(350 000)
Capital elements of lease payments	9.7	**(5 505)**	(7 018)	**–**	–
Proceeds from other financial liabilities	7.3.5	**803**	120 000	**–**	–
Repayments from other financial liabilities		**(123 126)**	(394)	**–**	–
Repayments of loans from subsidiaries	13	**–**	–	**(282 393)**	(1 461 720)
Proceeds of loans from subsidiaries	13	**–**	–	**41 642**	730 176
Dividends paid	8.7	**(229 261)**	(267 917)	**(239 697)**	(277 554)
Net cash outflow from financing activities		**(365 918)**	(174 918)	**(280 448)**	(679 098)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		**225 439**	(9 589)	**(17 236)**	54 243
Cash, cash equivalents and bank overdrafts at the beginning of the year	7.3.3	**279 239**	288 828	**74 170**	19 927
Cash, cash equivalents and bank overdrafts at the end of the year*	7.3.3	**504 678**	279 239	**56 934**	74 170

** Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 29 February 2024

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 the application of the equity method of accounting for investments in associated companies and joint ventures.

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 2024 or later periods:

- IAS 1: Presentation of Financial Statements – Non-current liabilities with covenants
- IFRS 16: Lease liability in a Sale and Leaseback
- IAS 7 and IFRS 7: Supplier Finance Arrangements
- IAS 21: Lack of Exchangeability for foreign operations/transactions

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.

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
- Incremental borrowing rate in discounting leases – 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 aggregates and concrete-based products. Aggregates consist mainly of the sale of sand, gravel and crushed stone and concrete-based products includes concrete made from rock, sand, water and cement. Although concrete-based products go through a longer manufacturing process than aggregates, the classification between the operations are influenced by the market's use of products. Demand for these products is similar and increases/decreases during the same period as customers use both aggregates and concrete-based products during construction.

Industrial Minerals consists 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% Fe 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 and blasting.

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.

2. SEGMENT INFORMATION (continued)

	Construction Materials	Industrial Minerals	Bulk Commodities[#]			Future Materials and Metals	Services	Unallocated	Total
			Iron ore	Anthracite	Total				
	R'000	R'000	R'000	R'000	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
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
			Iron ore	Anthracite	Total				
	R'000	R'000	R'000	R'000	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

[#] *The reporting components within the Bulk Commodities segment have changed from being reported on 'per operation' to 'per commodity'. When additional commodities are added, this will make the analysis of the commodities simpler.*

2. SEGMENT INFORMATION (continued)

	Construction Materials	Industrial Minerals	Bulk Commodities[#]			Future Materials and Metals	Services	Unallocated	Total
			Iron ore	Anthracite	Total				
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
For the year ended 28 February 2023									
Segmental revenue	1 865 230	560 099	1 906 687	573 668	2 480 355	25 215	436 198	–	5 367 097
Inter-segmental revenue	(55 897)	(6 210)	–	–	–	–	(396 752)	–	(458 859)
Revenue	1 809 333	553 889	1 906 687	573 668	2 480 355	25 215	39 446	–	4 908 238
Depreciation and amortisation	97 993	24 850	57 062	127 526	184 588	3 579	49 670	–	360 680
Impairment of property, plant and equipment	3 776	–	–	–	–	–	–	–	3 776
Repairs and maintenance	183 073	53 547	51 184	20 718	71 902	3 274	63 155	–	374 951
Cement	142 754	–	–	–	–	–	–	–	142 754
Fuel and diesel	183 162	31 593	122 604	54 764	177 368	4 839	36 981	–	433 943
External transport	273 963	103 281	85 631	14 274	99 905	1 216	45 231	–	523 596
Railage	–	–	170 486	–	170 486	–	–	–	170 486
Employee costs	423 387	103 017	121 329	66 137	187 466	8 598	218 150	–	940 618
Electricity	52 068	35 575	8 699	3 941	12 640	132	482	–	100 897
Lease charges	50 136	57 491	243 162	113 509	356 671	4 961	23 885	–	493 144
Operating profit/(loss)	129 603	49 387	767 899	19 754	787 653	(11 437)	6 355	–	961 561
Operating profit margin on external revenue	7,2%	8,9%	40,3%	3,4%	31,8%	(45,4%)	16,1%	–	19,6%

	Construction Materials^	Industrial Minerals	Bulk Commodities[#]			Future Materials and Metals	Services	Unallocated^	Total
			Iron ore	Anthracite	Total				
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Assets*^	1 281 065	621 007	1 688 204	701 400	2 389 604	369 683	39 464	981 513	5 682 336
Liabilities**^	396 680	59 901	146 948	285 591	432 539	2 877	133 597	808 390	1 833 984
Capital expenditure***	108 969	41 851	203 726	451 040	654 766	123 244	25 521	8 742	963 093

 # The reporting components within the Bulk Commodities segment have changed from being reported on 'per operation' to 'per commodity'. When additional commodities are added, this will make the analysis of the commodities simpler.

^ Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.

2. SEGMENT INFORMATION (continued)

	2024 R'000	2023 R'000^
* The following assets have not been allocated to segments:		
Goodwill^	**225 625**	243 417
Other financial assets^	**296 533**	130 648
Deferred tax	**197 910**	260 808
Current tax receivable	**11 388**	6 884
Cash and cash equivalents^	**504 678**	280 817
Other assets^	**112 582**	58 939
	1 348 716	981 513
** The following liabilities have not been allocated to segments:		
Provisions^	**279 939**	298 574
Deferred tax^	**363 330**	370 526
Current tax payable^	**14 665**	12 842
Bank overdraft^	**–**	1 578
Other liabilities^	**328 584**	124 870
	986 518	808 390

*** *Excludes property, plant and equipment acquired through business combination, refer note 12.1.*

^ *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

There is significant exposure and dependency on Kumba International Trading S.A.R.L, ArcelorMittal South Africa Limited and Glencore Operations South Africa Proprietary Limited, with revenues of approximately R1 300,0 million (2023: R1 307,3 million), R879,3 million (2023: R684,5 million) and R546,8 million (2023: R489,1 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.

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 and concrete made from rock, sand, water and cement;
- Sale of Industrial Minerals: Comprises limestone, dolomite and industrial sand;
- Sale of Bulk Commodities: Comprises iron ore and anthracite;
- Sale of Future Materials and Metals: Comprises phosphate; and
- Rendering of Services: Includes mobile crushing, screening, drilling and blasting and external logistical and 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, Industrial Minerals, Bulk Commodities 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.

3. REVENUE (continued)

In terms of the agreement with Kumba International Trading S.A.R.L, 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 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.

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 stand alone 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	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
Revenue from contracts with customers:				
Sale of Construction Materials	**1 843 369**	1 540 249	**–**	–
Sale of Industrial Minerals	**457 946**	443 489	**–**	–
Sale of Bulk Commodities	**3 024 588**	2 604 696	**–**	–
Sale of Future Materials and Metals	**29 999**	25 215	**–**	–
Rendering of Services	**794 150**	418 930	**43 422**	64 706
Revenue from contracts with customers	**6 150 052**	5 032 579	**43 422**	64 706
Timing of revenue recognition				
At a point in time	**6 077 491**	4 993 133	**–**	–
Over time^	**72 561**	39 446	**43 422**	64 706
	6 150 052	5 032 579	**43 422**	64 706
Revenue other than from contracts with customers:				
Group companies interest revenue	**–**	–	**53 812**	115 459
Group companies dividend revenue	**–**	–	**869 937**	718 566
Revenue other than from contracts with customers	**–**	–	**923 749**	834 025
Other revenue*	**(66 772)**	(124 341)	**–**	–
Total	**6 083 280**	4 908 238	**967 171**	898 731

* *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'.*

^ *The revenue in the prior year has been restated to include logistical revenue (R379,5 million) in revenue recognised 'At a point in time' as the performance obligation is satisfied at the point of delivery.*

4. OTHER INCOME AND EXPENSE ITEMS

4.1 Other income

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Recoveries	4 681	2 195	–	17
Rental income	5 714	4 690	–	–
Scrap sales	2 924	1 321	–	–
Other	6 583	7 782	809	2 106
Total	**19 902**	15 988	**809**	2 123

4.2 Other net gains and losses

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Gains – financial assets at fair value through profit or loss	9 369	2 500	–	–
Foreign exchange gains	20 130	46 455	–	–
Foreign exchange losses	(3 338)	(6 805)	(1 115)	–
Foreign currency translation reserve released to profit or loss on sale of foreign subsidiary	(32 654)	–	–	–
Remeasurement gain on lease liabilities	3 955	–	–	–
Profit on disposal of property, plant and equipment	4 262	2 793	–	–
Total	**1 724**	44 943	**(1 115)**	–

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 R81,4 thousand (2023: R55,8 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.

4. OTHER INCOME AND EXPENSE ITEMS (continued)

4.3 Expenses by nature (continued)

	Group						Company	
	2024			2023			2024	2023
	Cost of sales R'000	Operating expenses R'000	Total R'000	Cost of sales R'000	Operating expenses R'000	Total R'000	Operating expenses R'000	Operating expenses R'000
Lease charges (short-term, low-value and variable lease payments not included in lease liabilities)	538 078	7 278	545 356	484 865	8 279	493 144	–	–
Premises								
Short-term	15 721	1 803	17 524	10 371	3 541	13 912	–	–
Variable lease payments	–	814	814	–	558	558	–	–
Equipment								
Short-term	521 703	211	521 914	474 101	–	474 101	–	–
Lease rentals – other								
Short-term	462	2 582	3 044	173	2 184	2 357	–	–
Low-value	192	1 868	2 060	220	1 996	2 216	–	–
Amortisation of intangible assets	1 205	660	1 865	1 205	660	1 865	–	–
Depreciation of property, plant and equipment	313 767	53 797	367 564	308 346	50 469	358 815	–	–
Impairment of goodwill (refer note 6.2)	–	22 919	22 919	–	–	–	–	–
Impairment of property, plant and equipment (refer note 6.1)	9 360	–	9 360	3 776	–	3 776	–	–
(Reversal)/impairment of investment in subsidiary (refer note 13)	–	–	–	–	–	–	(14)	43 617
Increase in inventory provision for impairment	–	4 510	4 510	–	2 824	2 824	–	–
Inventory write-off to net realisable value	1 750	–	1 750	8 370	–	8 370	–	–
Repairs and maintenance	484 210	5 183	489 393	369 409	5 542	374 951	–	–
Royalties	62 483	–	62 483	57 414	–	57 414	–	–
Drilling and blasting	70 876	–	70 876	41 675	–	41 675	–	–
Cement	197 867	–	197 867	142 754	–	142 754	–	–
Fuel and diesel	488 340	971	489 311	432 845	1 098	433 943	–	–
External transport	743 484	–	743 484	523 596	–	523 596	–	–
Railage	177 431	–	177 431	170 486	–	170 486	–	–
Electricity	125 606	3 451	129 057	98 607	2 290	100 897	–	–
Audit fees	–	9 553	9 553	–	8 693	8 693	5 073	3 930
Audit	–	9 112	9 112	–	8 541	8 541	4 732	3 930
Other	–	441	441	–	152	152	341	–
Employee costs	624 830	460 299	1 085 129	530 408	410 210	940 618	53 616	41 603
Defined contribution plan contributions	37 329	30 915	68 244	34 132	28 084	62 216	2 081	1 968
Share-based payment expense	725	35 252	35 977	971	33 414	34 385	11 210	10 855
Short-term employee expenses	586 776	394 132	980 908	495 305	348 712	844 017	40 325	28 780
Consulting and legal fees	19 818	64 254	84 072	20 778	57 879	78 657	11 124	1 097
Access control	–	53 777	53 777	–	47 343	47 343	–	–
Insurance	2 323	21 100	23 423	2 355	21 771	24 126	218	–
Training	–	21 267	21 267	–	20 328	20 328	140	–
Rehabilitation expense	(35 651)	–	(35 651)	8	–	8	–	–
Travel and accommodation	–	46 241	46 241	–	36 131	36 131	1 462	1 421
Other costs	176 500	160 273	336 773	15 263	120 414	135 677	10 675	12 063
Total	4 002 277	935 533	4 937 810	3 212 160	793 931	4 006 091	82 294	103 731

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	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
Bank	**33 309**	31 458	**26 252**	28 695
Other interest	**2 864**	2 352	**–**	46
Total	**36 173**	33 810	**26 252**	28 741

4.5 Finance costs

Finance costs are calculated using the effective interest method and included in profit or loss.

	Group		Company	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
Instalment sale agreements	**25 467**	14 859	**–**	–
Lease liabilities	**5 815**	3 667	**–**	–
Bank	**22 275**	20 869	**21 825**	19 316
South African Revenue Service	**1 222**	921	**–**	–
Group companies loans	**–**	–	**21 821**	106 809
Environmental rehabilitation and dismantling	**20 737**	18 804	**–**	–
Other interest paid	**1 443**	1 388	**–**	–
Total	**76 959**	60 508	**43 646**	126 125

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	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
Major components of the tax expense				
Current				
Local income tax				
Current year	**291 990**	274 247	**–**	–
Prior year over provision	**(1 942)**	(2 087)	**–**	(1 350)
	290 048	272 160	**–**	(1 350)
Deferred				
Deferred income tax				
Current year	**34 644**	(6 847)	**(2 205)**	12 875
Prior year under provision	**–**	4 069	**–**	–
	34 644	(2 778)	**(2 205)**	12 875
Total	**324 692**	269 382	**(2 205)**	11 525
Tax rate reconciliation				
Standard tax rate (%)	**27,0**	28,0	**27,0**	28,0
Permanent differences (%)	**2,2**	0,8	**(27,3)**	(26,1)
Non-deductible expenses (%)*	**3,3**	2,5	**7,4**	7,5
Share Appreciation Right Scheme expense realised (%)	**(1,1)**	(0,8)	**(0,7)**	(0,5)
Deferred tax not recognised in prior year utilised (%)	**(0,8)**	(1,7)	**–**	(0,2)
Exempt income (%)**	**(0,3)**	(0,3)	**(34,0)**	(33,0)
Effect of rate change (%)	**–**	(0,2)	**–**	0,1
Deferred tax on previously unrecognised tax losses (%)	**1,6**	1,3	**–**	–
Tax credit (%)***	**(0,3)**	–	**–**	–
Over provision of taxation expense (%)	**(0,2)**	–	**–**	–
Effective rate (%)	**29,2**	28,8	**(0,3)**	1,9

* *Includes legal fees, consulting fees, fines and penalties which are not in the production of income and thus non-deductible.*

** *Exempt income 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 terms of section 12BA for energy efficiency savings and Afrimat Shared Services Proprietary Limited and Afrimat Phosphates Proprietary Limited in terms of S11D for approved research and development projects.*

For details on deferred tax, refer note 6.3.

Corporate income tax rate

The 2022 budget speech, delivered on 23 February 2022, announced that the corporate income tax rate will be reduced to 27% (from 28%) with effect for years of assessment ending on or after 31 March 2023. Therefore the new corporate income tax rate is applicable to the Group for the current year.

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.

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 of 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 or its revalued amount 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.

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, 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
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.

6. NON-FINANCIAL ASSETS AND LIABILITIES (continued)

6.1 Property, plant and equipment (continued)

	Cost 2024 R'000	Accumulated depreciation/ impairment 2024 R'000	Carrying value 2024 R'000	Cost 2023 R'000*	Accumulated depreciation/ impairment 2023 R'000*	Carrying value 2023 R'000*
Group						
Land and buildings	**174 073**	**(46 134)**	**127 939**	169 601	(43 159)	126 442
Leasehold property	**34 163**	**(24 197)**	**9 966**	32 596	(20 451)	12 145
Plant and machinery*	**2 149 882**	**(902 211)**	**1 247 671**	1 874 310	(785 906)	1 088 404
Motor vehicles*	**1 214 314**	**(586 653)**	**627 661**	1 110 131	(538 791)	571 340
Office and computer equipment*	**83 370**	**(60 627)**	**22 743**	66 228	(50 590)	15 638
Dismantling costs*	**29 770**	**(17 429)**	**12 341**	33 198	(18 095)	15 103
Mining assets*	**1 935 722**	**(384 183)**	**1 551 539**	1 746 109	(287 512)	1 458 597
Stripping assets	**403 683**	**(149 166)**	**254 517**	134 411	(119 283)	15 128
RoU assets*	**78 735**	**(35 075)**	**43 660**	79 558	(45 025)	34 533
Total	**6 103 712**	**(2 205 675)**	**3 898 037**	5 246 142	(1 908 812)	3 337 330

** Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

Analysis of movements in carrying value:

	Opening carrying value R'000	Additions R'000	Additions/(disposals) of subsidiaries (refer note 12) R'000*	Reclassification R'000	Disposals R'000	Depreciation R'000	Impairment R'000	Closing carrying value R'000*
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**
Group								
2023								
Land and buildings	114 993	16 007	–	–	(260)	(4 298)	–	126 442
Leasehold property	13 280	2 625	–	–	–	(3 760)	–	12 145
Plant and machinery*	924 021	260 157	8 954	2 714	(1 873)	(105 569)	–	1 088 404
Motor vehicles*	507 108	163 208	8 747	(2 714)	(19 239)	(81 994)	(3 776)	571 340
Office and computer equipment*	13 092	10 807	89	–	(39)	(8 311)	–	15 638
Dismantling costs*	13 270	1 682	1 334	–	(52)	(1 131)	–	15 103
Mining assets*	997 471	485 488	35 444	–	–	(59 806)	–	1 458 597
Stripping assets	84 660	17 997	–	–	–	(87 529)	–	15 128
RoU assets*	28 553	5 122	8 238	–	(963)	(6 417)	–	34 533
Total	2 696 448	963 093	62 806	–	(22 426)	(358 815)	(3 776)	3 337 330

** Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

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	
	2024 R'000	2023 R'000
Carrying value of assets pledged as security:		
Plant and machinery	**86 467**	72 092
Motor vehicles	**271 222**	258 902
Total	**357 689**	330 994

Included in additions are plant, equipment and motor vehicles with a total cost of R205,4 million (2023: R145,7 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 R2,1 million (2023: R8,6 million) and accumulated depreciation of R1,4 million (2023: R8,6 million), which had no further economical value and have been removed from the register.

During the year, an impairment loss of 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 F2022 financial reporting year an attack by non-state armed groups occurred in the Palma District, Cabo Delgado province, Mozambique. As a result, Afrimat immediately withdrew all expats, repatriated them to South Africa and declared force majeure. An impairment of R9,7 million was recognised in respect of property, plant and equipment, which could not be recovered and no longer had economic value. During the prior year a further impairment of R3,8 million was recognised.

Depreciation expense of R313,8 million (2023: R308,3 million) has been charged in 'cost of sales' and R53,8 million (2023: R50,5 million) in 'operating expenses'.

Leases:

	2024 R'000	2023 R'000*
Carrying value of RoU assets:		
Land and buildings*	**43 660**	34 261
Equipment	**–**	272
Total	**43 660**	34 533

6. NON-FINANCIAL ASSETS AND LIABILITIES (continued)

6.1 Property, plant and equipment (continued)

	2024 R'000	2023 R'000
Depreciation charge of RoU assets:		
Land and buildings	**7 839**	6 246
Equipment	**272**	171
Total	**8 111**	6 417

	2024 R'000	2023 R'000
Additions/reassessment of RoU assets:		
Land and buildings	**17 238**	12 397
Total	**17 238**	12 397

* *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

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.

6. NON-FINANCIAL ASSETS AND LIABILITIES (continued)

6.2 Intangible assets (continued)

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

Purchasing rights relate to ash dumps to which the Group has exclusive rights to utilise and process until the dumps are exhausted.

The amortisation on the purchasing right has been depleted during F2021. 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.

Impairment of goodwill
Goodwill was allocated to CGUs. The carrying value of goodwill is 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 2024 R'000	**Accumulated amortisation/ impairment 2024 R'000**	**Carrying value 2024 R'000**	Cost 2023 R'000*	Accumulated amortisation/ impairment 2023 R'000	Carrying value 2023 R'000*
Goodwill*	**287 119**	**(61 494)**	**225 625**	281 992	(38 575)	243 417
Mining rights	**22 831**	**(16 810)**	**6 021**	24 188	(17 331)	6 857
Surface right	**5 226**	**(2 144)**	**3 082**	5 226	(1 115)	4 111
Total	**315 176**	**(80 448)**	**234 728**	311 406	(57 021)	254 385

* *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

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 R'000***	**Disposals R'000**	**Amortisation/ impairments R'000**	**Closing carrying value R'000***
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**
2023					
Goodwill*	200 502	42 915	–	–	243 417
Mining rights	7 693	–	–	(836)	6 857
Surface right	5 140	–	–	(1 029)	4 111
Total	213 335	42 915	–	(1 865)	254 385

* *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

None of the mining rights included in intangible assets have indefinite lives. Remaining amortisation periods vary between four and 14 years (2023: five and 15 years). An amortisation expense of R1,2 million (2023: R1,2 million) has been charged to 'cost of sales' and R0,7 million (2023: R0,7 million) has been charged to 'operating expenses'.

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	
	2024 R'000	2023 R'000*
Afrimat Aggregates (KZN) Proprietary Limited	**16 878**	16 878
Rodag Holdings Proprietary Limited	**1 058**	1 058
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
Agri Lime Proprietary Limited	**–**	40 102
Eckraal Quarries Proprietary Limited*	**2 813**	2 813
Fincrete Proprietary Limited**	**22 310**	–
	225 625	243 417

* *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

** *The goodwill for Fincrete Proprietary Limited is provisional due to the accounting for the business combination not being finalised at year-end, refer note 12.1.*

During the current year, an amount of R17,2 million was disposed of with the Stony Lime Proprietary Limited disposal, which formed part of the Agri Lime Proprietary Limited ('Agri Lime') goodwill. Furthermore, during the process of performing the annual goodwill impairment test, it was identified that the carrying value of the Agri Lime 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 forementioned a goodwill impairment of R22,9 million was recorded. Agri Lime 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% (2023: 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% (2023: 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% (2023: 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% (2023: 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% (2023: 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% (2023: 4,6%).
Pre-tax 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 15,4% (2023: 15,8%) has been applied.

6. NON-FINANCIAL ASSETS AND LIABILITIES (continued)

6.2 Intangible assets (continued)

Based on management's assessment no 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. The recoverable amounts of the CGU, Afrimat Aggregates (Eastern Cape) Proprietary Limited, would equal its carrying value amount if the key assumptions were to change as follows:

	2024		2023	
	From	**To**	From	To
Afrimat Aggregates (Eastern Cape) Proprietary Limited				
Medium-term growth rate	**N/A**	**N/A**	N/A	N/A
Long-term growth rate	**N/A**	**N/A**	4,6%	0,0%
Pre-tax discount rate	**N/A**	**N/A**	N/A	N/A

In the prior year, the recoverable amount of the CGU, Afrimat Aggregates (Eastern Cape) Proprietary Limited was estimated to exceed its carrying amount at R96,4 million.

Management have considered and assessed possible changes for the other assumptions and have not identified any instances that could cause the carrying amount of the CGU, Afrimat Aggregates (Eastern Cape) Proprietary Limited, to exceed its recoverable amount, therefore no impairment has been recorded. Should changes in the medium-term growth, long-term growth and pre-tax discount rate be greater than the rates stated above, it may cause the carrying amount to exceed the recoverable amount and therefore result in an impairment to be recognised.

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	
	2024 R'000	2023 R'000*	**2024 R'000**	2023 R'000
Accelerated capital allowances for tax purposes*	**(358 243)**	(280 302)	**–**	–
Accruals*	**54 734**	50 329	**3 122**	3 336
Provisions*	**75 531**	77 022	**–**	–
Tax losses available for set-off against future taxable income	**208 867**	182 695	**1 883**	515
Share-based payments	**17 948**	22 888	**2 737**	5 784
Fair value adjustments	**(5 173)**	(1 608)	**–**	–
Mining assets*	**(178 208)**	(162 995)	**–**	–
Other	**3 212**	(11 618)	**(1 350)**	(1 350)
Lease liabilities*	**15 912**	13 871	**–**	–
	(165 420)	(109 718)	**6 392**	8 285

* *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 29 February 2024

6. NON-FINANCIAL ASSETS AND LIABILITIES (continued)

6.3 Deferred tax (continued)

Analysis of movement in deferred tax balance:

	Group								
	February 2023						February 2024		
	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) R'000	**Assets R'000**	**Liabilities R'000**	**Total R'000**
Accelerated capital allowances for tax purposes*	7 044	(287 346)	(280 302)	(64 964)	–	(12 977)	**(52 361)**	**(305 882)**	**(358 243)**
Accruals*	18 471	31 858	50 329	4 405	–	–	**21 295**	**33 439**	**54 734**
Provisions*	33 377	43 645	77 022	(1 491)	–	–	**29 115**	**46 416**	**75 531**
Tax losses available for set-off against future taxable income	174 258	8 437	182 695	26 172	–	–	**201 449**	**7 418**	**208 867**
Share-based payments	12 413	10 475	22 888	3 088	(8 028)	–	**7 961**	**9 987**	**17 948**
Fair value adjustments	8	(1 616)	(1 608)	(3 512)	(53)	–	**(2 014)**	**(3 159)**	**(5 173)**
Mining assets*	12 582	(175 577)	(162 995)	(15 213)	–	–	**(10 806)**	**(167 402)**	**(178 208)**
Other	(1 122)	(10 496)	(11 618)	14 830	–	–	**(2 047)**	**5 259**	**3 212**
Lease liabilities*	3 777	10 094	13 871	2 041	–	–	**5 318**	**10 594**	**15 912**
Total	260 808	(370 526)	(109 718)	(34 644)	(8 081)	(12 977)	**197 910**	**(363 330)**	**(165 420)**

* *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

	Company							
	February 2023					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	3 336	–	3 336	(214)	–	**3 122**	**–**	**3 122**
Tax losses available for set-off against future taxable income	515	–	515	1 368	–	**1 883**	**–**	**1 883**
Other	(1 350)	–	(1 350)	–	–	**(1 350)**	**–**	**(1 350)**
Share-based payments	5 784	–	5 784	1 051	(4 098)	**2 737**	**–**	**2 737**
Total	8 285	–	8 285	2 205	(4 098)	**6 392**	**–**	**6 392**

The Group has estimated income tax losses and capital tax losses available of R1,0 billion (2023: R869,9 million) and R52,6 million (2023: R52,6 million), respectively. Included in the assessed tax losses were R242,9 million (2023: R186,4 million) and R52,6 million (2023: 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. Included in the income tax losses is an amount of R636,9 million (2023: R588,7 million) relating to the income tax losses of Nkomati Anthracite Proprietary Limited. The deferred tax asset includes an asset of R208,9 million (2023: R182,7 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.

6. NON-FINANCIAL ASSETS AND LIABILITIES (continued)

6.4 Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of the inventories is assigned using the first-in, first-out ('FIFO') method, except for consumable stores the cost of which is determined on the weighted average basis.

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:

Aggregates, industrial minerals and clinker	100% if older than 24 months
Commodities	100% if older than 24 months
Concrete manufactured products	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.

	Group		Company	
	2024 R'000	2023 R'000*	**2024 R'000**	2023 R'000
Amounts attributable to the different categories are as follows:				
Raw materials, components	**245 200**	246 836	**–**	–
Finished goods*	**519 872**	364 409	**–**	–
Production supplies	**88 534**	79 911	**–**	–
Total	**853 606**	691 156	**–**	–

6. NON-FINANCIAL ASSETS AND LIABILITIES (continued)

6.4 Inventories (continued)

	Group		Company	
	2024 R'000	2023 R'000*	**2024 R'000**	2023 R'000
Allowance for inventory obsolescence:	**(24 163)**	(19 653)	**–**	–
Finished goods	**(20 642)**	(16 329)	**–**	–
Production supplies	**(3 521)**	(3 324)	**–**	–
Total	**829 443**	671 503	**–**	–
Non-current assets**	**215 254**	212 569	**–**	–
Current assets*	**614 189**	458 934	**–**	–
Total	**829 443**	671 503	**–**	–

* *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

** *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.*

Inventory write-off to net realisable value amounted to R1,8 million (2023: R8,4 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 R680,4 million (2023: R636,5 million) and was recognised in 'cost of sales'.

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.

6. NON-FINANCIAL ASSETS AND LIABILITIES (continued)

6.5 Provisions (continued)

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:

	2024	**2023**
Assumptions	LOM	LOM
Values	7 to 30 years	7 to 30 years
Medium-term growth	6,5%	7,2%
Pre-tax discount rate	7,3%	7,0%

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 7,3% (2023: 7,0%) had been 0,8% higher than management's estimate, the Group would have decreased the provisions by R23,4 million (2023: R19,7 million). However, if the discount rate had been 0,8% lower than management's estimate, the Group would have increased the provisions by R27,0 million (2023: R22,7 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 2022	235 131	30 121	265 252
Acquired through business combination (refer note 12.1)*	11 547	1 334	12 881
Discount unwinding	18 804	–	18 804
Reversed during year	(13 412)	(53)	(13 465)
Additions	13 420	1 682	15 102
Total changes	30 359	2 963	33 322
Restated 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 29 February 2024	**250 769**	**29 170**	**279 939**

* *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

The Group appointed Site Plan Consulting Proprietary Limited ('SPC') as their 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 (2023: R7,14/m^2)
Buttress blasting	R1 170/linear metre (2023: R1 000/linear metre)
Rehabilitation of overburden and spoils	R154 400/hectare ('ha') (2023: R130 760/ha)
General surface rehabilitation	R86 676/ha (2023: R63 746/ha)
Two to three years of maintenance and aftercare	R7 474/ha (2023: R6 342/ha)
Discount rate	8,0% (2023: 8,0%)

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 7,3% (2023: 7,0%) was used. The Company appointed SPC to conduct an Independent Specialist Update of the quarry and mining site rehabilitation quantum's during the current year.

The decommissioning and rehabilitation provisions are secured by guarantees issued to the DMRE to the amount of R429,6 million (2023: R414,2 million) (refer note 17). Funds to the amount of R92,8 million (2023: R81,0 million) have been invested in environmental insurance policies, R3,9 million (2023: R3,6 million) in a Green Horizons Environmental Rehabilitation Trust Fund, R4,4 million (2023: R4,0 million) in a Momentum Rehabilitation Trust Fund and R1,9 million (2023: R1,4 million) in an Old Mutual Rehabilitation Trust Fund (refer note 7.1).

7. FINANCIAL ASSETS AND LIABILITIES

	Group		Company	
	2024 R'000	2023 R'000*	**2024 R'000**	2023 R'000
Other financial assets				
Non-current assets				
Financial assets at fair value through other comprehensive income (refer note 7.1)*	**10 212**	9 010	**–**	–
Financial assets at fair value through profit or loss (refer note 7.2)*	**93 438**	81 618	**–**	–
Financial assets at amortised cost (refer note 7.3.1)	**42 883**	31 120	**4 593**	–
	146 533	121 748	**4 593**	–
Current assets				
Financial assets at amortised cost (refer note 7.3.1)*	**150 000**	8 900	**150 000**	3 609
	150 000	8 900	**150 000**	3 609
Total other financial assets	**296 533**	130 648	**154 593**	3 609

** Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

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	
	2024 R'000	2023 R'000*	**2024 R'000**	2023 R'000
Non-current assets				
Listed shares at fair value				
Old Mutual PLC shares	**69**	67	**–**	–
Environmental funds at fair value				
Green Horizons Environmental Rehabilitation Trust Fund	**3 869**	3 567	**–**	–
Old Mutual Rehabilitation Trust Fund*	**1 924**	1 379	**–**	–
Momentum Rehabilitation Trust Fund*	**4 350**	3 997	**–**	–
Total financial assets at fair value through other comprehensive income	**10 212**	9 010	**–**	–

** Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

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, these investments were acquired as part of the Eckraal acquisition (refer note 12.1). 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.

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	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
Non-current assets				
Cadiz Asset Management Proprietary Limited Enterprise Development Investment	**607**	609	**–**	–
Centriq Insurance Company Limited Mining Rehabilitation Guarantee Insurance Policy	**92 831**	55 858	**–**	–
Guardrisk Insurance Company Limited	**–**	25 151	**–**	–
Total financial assets at fair value through profit or loss	**93 438**	81 618	**–**	–

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 Guardrisk investment was acquired as part of the Nkomati acquisition for the environmental rehabilitation costs of the Nkomati mine. During the year this fund was cancelled and the funds were moved to Centriq.

The fair value of all equity securities is based on their current bid prices in an active market. A change in fair value of R9,4 million (2023: R2,5 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 costs

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	
	2024 R'000	2023 R'000*	**2024 R'000**	2023 R'000
Non-current assets				
Enterprise and supplier development loans	**38 290**	31 120	**–**	–
Other	**4 593**	–	**4 593**	–
Current assets				
Enterprise and supplier development loans	**–**	5 411	**–**	3 609
Glenover Phosphates Proprietary Limited**	**150 000**	–	**150 000**	–
Other*	**–**	3 489	**–**	–
Total other financial assets at amortised cost	**192 883**	40 020	**154 593**	3 609

* *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

** *This relates to the purchase of the sale claims from Glenover Phosphates Proprietary Limited ('Glenover') of R150,0 million, refer note 8.1.*

7. FINANCIAL ASSETS AND LIABILITIES (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.1 Other financial assets at amortised costs (continued)

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.

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 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.

7. FINANCIAL ASSETS AND LIABILITIES (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.2 Trade and other receivables (continued)

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.

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.

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	
	2024 R'000	2023 R'000*	**2024 R'000**	2023 R'000
Trade receivables at amortised cost*	**632 842**	443 971	**9 856**	24 814
Less: Allowances for credit losses*	**(11 604)**	(17 572)	**–**	–
Trade and other receivables at fair value through profit or loss**	**77 191**	196 345	**–**	–
Trade receivables – net	**698 429**	622 744	**9 856**	24 814
Loans to related parties	**412**	–	**–**	–
Other receivables	**20 808**	50 345	**416**	424
Trade and other receivables – financial assets (refer note 10)	**719 649**	673 089	**10 272**	25 238
Prepayments and value-added taxation*	**54 324**	66 872	**6 732**	5 000
Total trade and other receivables	**773 973**	739 961	**17 004**	30 238

* *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

** *Trade receivables at fair value through profit or loss relates to the customer, Kumba International Trading S.A.R.L, refer note 21, for further details on fair value methodology.*

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.

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.

7. FINANCIAL ASSETS AND LIABILITIES (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.2 Trade and other receivables (continued)

Three of the Group's largest customers, Kumba International Trading S.A.R.L, ArcelorMittal South Africa Limited and Glencore Operations South Africa Proprietary Limited accounted for approximately 21,4%, 19,7% and 9,2% of net sales (2023: 26,6%, 13,9% and 10,0%) which represents 17,3%, 30,0% and 3,3% of the trade and other receivables balance outstanding (2023: 25,7%, 24,0% and 1,7%), 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 2024 R'000	**Loss allowance (lifetime expected credit loss) 2024 R'000**	Estimated gross carrying amount at default 2023 R'000*	Loss allowance (lifetime expected credit loss) 2023 R'000*
Expected credit loss rate:				
Not past due: 0,4% (2023: 1,5%)*	**587 911**	**(2 271)**	251 820	(3 829)
Less than 30 days past due: 10,7% (2023: 1,7%)	**13 792**	**(1 472)**	122 736	(2 044)
31 – 60 days past due: 13,8% (2023: 0,1%)	**5 523**	**(760)**	35 401	(34)
61 – 90 days past due: 10,0% (2023: 5,8%)	**1 759**	**(176)**	14 738	(862)
91 – 120 days past due: 47,7% (2023: 8,1%)	**3 644**	**(1 739)**	9 215	(742)
More than 120 days past due: 25,7% (2023: 100,0%)	**20 213**	**(5 186)**	10 061	(10 061)
Total	**632 842**	**(11 604)**	443 971	(17 572)

* *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

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	
	2024 R'000	2023 R'000*
Opening balance	**17 572**	8 961
Acquired through business combination*	**–**	7 094
Disposal of subsidiary	**(3 309)**	–
Amounts recovered	**(16)**	(547)
Provision raised on new trade receivables	**7 027**	9 324
Provisions reversed on settled trade receivables	**(9 670)**	(7 260)
Closing balance	**11 604**	17 572

** Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	Group		Company	
	2024 R'000	2023 R'000*	**2024 R'000**	2023 R'000
Rand*	**644 579**	513 743	**17 004**	30 238
Meticais	**–**	27 601	**–**	–
Zambian Kwacha	**42**	–	**–**	–
US Dollar	**129 352**	198 617	**–**	–
	773 973	739 961	**17 004**	30 238

** Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

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	
	2024 R'000	2023 R'000*	**2024 R'000**	2023 R'000
Cash and cash equivalents consist of:				
Cash on hand*	**483**	203	**–**	–
Bank balances*	**377 764**	199 143	**56 934**	74 170
Short-term bank deposits	**126 431**	81 471	**–**	–
Bank overdraft*	**–**	(1 578)	**–**	–
	504 678	279 239	**56 934**	74 170
Current assets*	**504 678**	280 817	**56 934**	74 170
Current liabilities*	**–**	(1 578)	**–**	–
	504 678	279 239	**56 934**	74 170

** Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

Unlimited and R700 thousand 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.

The cash and cash equivalents disclosed above and in the Statement of Cash Flows include RNil million (2023: R2,7 million) which was held by Afrimat Logistics Limitada, which related to deposits that were subject to regulatory restrictions and therefore was not available for general use by the other entities within the Group. During the current year, this subsidiary was disposed of, refer note 12.2 for further disclosure.

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.

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 as 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.

7. FINANCIAL ASSETS AND LIABILITIES (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.4 Borrowings (continued)

	Group 2024 R'000	Group 2023 R'000*	Company 2024 R'000	Company 2023 R'000
Non-current liabilities				
Medium-term loans	**–**	–	**–**	–
Instalment sale agreements*	**157 104**	130 978	**–**	–
Lease liabilities*	**52 926**	43 933	**–**	–
	210 030	174 911	**–**	–
Current liabilities				
Medium-term loans	**200 000**	20 266	**200 000**	–
Instalment sale agreements	**140 823**	118 541	**–**	–
Lease liabilities	**6 272**	7 441	**–**	–
	347 095	146 248	**200 000**	–
Total borrowings	**557 125**	321 159	**200 000**	–
Medium-term loans				
Capital reconciliation of medium-term loans was as follows:				
Opening balance	**20 266**	375 748	**–**	350 000
Borrowings raised	**200 000**	80 325	**200 000**	–
Repayments	**(20 266)**	(435 807)	**–**	(350 000)
Closing balance	**200 000**	20 266	**200 000**	–
Instalment sale agreements				
Capital reconciliation of instalment sale agreements was as follows:				
Opening balance	**249 519**	222 453	**–**	–
Additions through business combinations (refer note 12.1)*	**–**	6 088	**–**	–
Borrowings raised	**205 393**	145 679	**–**	–
Repayments	**(156 985)**	(124 701)	**–**	–
Closing balance	**297 927**	249 519	**–**	–

	Group 2024 R'000	Group 2023 R'000*	Company 2024 R'000	Company 2023 R'000
Lease liabilities				
Capital reconciliation of lease liabilities was as follows:				
Opening balance	**51 374**	45 625	**–**	–
Additions through business combinations (refer note 12.1)*	**2 451**	8 851	**–**	–
Additions	**10 878**	3 916	**–**	–
Finance cost	**5 815**	3 667	**–**	–
Lease payments (refer note 9.7)	**(11 320)**	(10 685)	**–**	–
Closing balance	**59 198**	51 374	**–**	–
Total borrowings	**557 125**	321 159	**200 000**	–
Minimum payments due on instalment sale agreements and lease liabilities are as follows:				
Within one year	**175 196**	146 579	**–**	–
In second to fifth year inclusive*	**215 279**	171 864	**–**	–
More than five years*	**33 583**	35 617	**–**	–
	424 058	354 060	**–**	–
Future finance charges*	**(66 933)**	(53 167)	**–**	–
Present value of minimum payments	**357 125**	300 893	**–**	–
Analysis of present value of minimum payments due:				
Within one year	**147 095**	125 982	**–**	–
In second to fifth year inclusive*	**184 949**	149 510	**–**	–
More than five years*	**25 081**	25 401	**–**	–
	357 125	300 893	**–**	–

7. FINANCIAL ASSETS AND LIABILITIES (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.4 Borrowings (continued)

	Group		Company	
	2024 R'000	2023 R'000*	**2024 R'000**	2023 R'000
Analysis as per Statement of Cash Flows:				
Total opening balance borrowings	**321 159**	643 826	**–**	350 000
Borrowings raised	**200 000**	75 453	**200 000**	–
Borrowings raised – non-cash*	**218 722**	169 406	**–**	–
Medium-term loans	**–**	4 872	**–**	–
Instalment sale agreements (refer note 6.1)	**205 393**	145 679	**–**	–
Additions through business combinations (refer note 12.1)*	**2 451**	14 939	**–**	–
Lease liabilities	**10 878**	3 916	**–**	–
Repayments	**(182 756)**	(567 526)	**–**	(350 000)
Instalment sale agreements and medium-term loans	**(177 251)**	(560 508)	**–**	(350 000)
Capital elements of lease payments	**(5 505)**	(7 018)	**–**	–
Total closing balance borrowings	**557 125**	321 159	**200 000**	–

* *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

The following covenants are applicable to 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	0,03
– EBITDA to finance charges ratio shall at all times exceed target;	3,5	31,4
– Debt service cover ratio shall at all times exceed target;	1,2	3,7
– Guarantor EBITDA ratio shall at all times exceed target; and	90,0%	93,6%
– Guarantor total assets ratio shall at all times exceed target.	90,0%	92,6%

7. FINANCIAL ASSETS AND LIABILITIES (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.4 Borrowings (continued)

During the current year, the revolving credit facility ('RCF') with SBSA and ABSA Group Limited ('ABSA') of R500,0 million, which bore interest at the three-month Jibar overnight deposit rate plus 1,7%, payable quarterly in arrears, was cancelled. Subsequently, the Group acquired a R900,0 million RCF with SBSA. The utilised portion was R200,0 million as at 29 February 2024. The facility bears interest at the three-month Jibar overnight deposit rate plus 1,6%, payable quarterly in arrears.

In the prior year, the Group repaid its US$4,0 million RCF with Standard Bank (Mauritius) Limited. The facility bore interest at Libor plus 2,6%, payable quarterly and was available until February 2023. Consequently, the Group acquired a US$5,0 million RCF with ABSA Bank (Mauritius) Limited on 16 January 2023. The utilised portion of the facility was US$Nil as at 29 February 2024 (28 February 2023: US$1,1 million). 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 as of 1 March 2019. The lessee's weighted average incremental borrowing rate applied to the lease liabilities on 1 March 2019 was 9,7%.

Total cash outflow for leases during the year was R556,7 million (2023: R503,8 million).

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. None of the covenants were breached during the year ended 29 February 2024, neither in the preceding year.

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 R16,6 million (2023: R15,1 million) including interest and capital. Interest rates are linked to the prime overdraft rate and varied between 6,4% and 13,0% (2023: 6,0% and 12,0%) 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	
	2024 R'000	2023 R'000*	**2024 R'000**	2023 R'000
At floating rates based on prime overdraft rate	**557 125**	321 159	**200 000**	–

* *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

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	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
Floating rate:				
– Expiring within one year	**1 242 794**	589 194	**835 828**	269 851

The fair value of borrowings equals their carrying amount. The carrying amounts of the Group's borrowings are all denominated in South African Rand, except for the medium-term loan in Afrimat Offshore, which amounted to $1,1 million on 28 February 2023. This loan was paid in full during the current year.

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

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.

	Group		Company	
	2024 R'000	2023 R'000*	**2024 R'000**	2023 R'000
Glencore Operations South Africa Proprietary Limited	**–**	120 000	**–**	–
Net capital proceeds owing to Afrimat BEE Trust participants	**6 301**	6 960	**–**	–
Other financial liabilities	**1 987**	4 752	**–**	–
Acquired through business combination (refer note 12.1)*	**1 383**	1 433	**–**	–
Total other financial liabilities	**9 671**	133 145	**–**	–

* *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

In the prior year, a loan agreement was entered into between Glencore Operations South Africa Proprietary Limited ('Glencore') and Nkomati Anthracite Proprietary Limited ('Nkomati'), whereby Glencore advanced R120,0 million to Nkomati. The loan was interest free and was repaid during the current year in four equal instalments of R30,0 million on 1 May 2023, June 2023, July 2023 and August 2023. The loan was secured by a guarantee issued to Glencore to the amount of R120,0 million by FNB, refer note 17.

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	
	2024 R'000	2023 R'000*	**2024 R'000**	2023 R'000
Trade payables*	**547 404**	403 624	**11 442**	195
Accrued expenses*	**138 878**	110 791	**279**	255
Other payables*#	**69 323**	19 500	**–**	–
Trade and other payables – financial liabilities (refer note 10)	**755 605**	533 915	**11 721**	450
Taxes and other statutory liabilities*	**57 275**	47 157	**–**	2 845
Employee-related accruals*^	**127 897**	109 994	**15 879**	13 019
Total trade and other payables	**940 777**	691 066	**27 600**	16 314

* *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

^ *Included in 'Employee-related accruals' are accruals for bonuses, leave pay, provident fund and medical aid contributions.*

Included in 'Other payables' is a contingent consideration payable of R48,8 million in relation to the Fincrete Proprietary Limited acquisition, refer note 12.1.

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	
	2024 R'000	2023 R'000*	**2024 R'000**	2023 R'000
Rand*	**940 023**	675 925	**24 983**	16 314
Meticais	**–**	14 917	**–**	–
Zambian Kwacha	**147**	–	**–**	–
US Dollar	**607**	224	**2 617**	–
	940 777	691 066	**27 600**	16 314

* *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

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	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
Authorised				
1 000 000 000 (2023: 1 000 000 000) ordinary shares with no par value	**–**	–	**–**	–
Issued				
159 690 957 (2023: 159 718 929) ordinary shares with no par value				
Opening balance	**939 435**	315 886	**851 264**	228 638
2 800 818 (2023: 13 372 665) shares issued during the year	**154 546**	680 000	**154 546**	680 000
2 828 790 (2023: Nil) shares repurchased during the year	**(137 770)**	–	**(150 000)**	–
Net effect of settlement of employee share options	**(55 129)**	(56 451)	**(62 663)**	(57 374)
Stated capital	**901 082**	939 435	**793 147**	851 264

During the current 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 18.

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 CP 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 current 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.

During the prior year, an equity raise of R680,0 million, through the issue of 13 372 665 new ordinary shares at R50,85 per share, was performed on 28 July 2022. These shares were issued under the Company's general authority to issue new shares for cash.

8. EQUITY – INCLUDING EARNINGS PER SHARE (continued)

8.1 Stated capital (continued)

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	
	2024 R'000	2023 R'000
Opening balance	**(289 348)**	(109 030)
Utilised for settlement of employee Share Appreciation Rights exercised	**28 001**	18 542
Utilised for settlement of employee Forfeitable Share Plan shares vested	**11 670**	15 674
Purchased during the year	**(31 578)**	(214 534)
AEI	**(1 876)**	(5 372)
Afrimat Management Services Proprietary Limited ('AMS')	**(29 702)**	(209 162)
Repurchase of shares*	**137 770**	–
	(143 485)	(289 348)

* *During the current 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 18.*

8. EQUITY – INCLUDING EARNINGS PER SHARE (continued)

8.2 Treasury shares (continued)

	Group	
	2024 '000	2023 '000
Analysis of movement in number of treasury shares:		
Opening balance	**11 670**	8 201
Utilised for settlement of employee Share Appreciation Rights exercised	**(574)**	(431)
Utilised for settlement of employee Forfeitable Share Plan shares vested/forfeited	**(320)**	(482)
Purchased during the year	**562**	4 382
AEI	**32**	106
AMS	**530**	4 276
Repurchase of shares*	**(2 829)**	–
Closing balance	**8 509**	11 670

* *During the current 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 18.*

The Group acquired 530 210 and 32 300 (2023: 4 276 406 and 105 650) 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 R31,6 million (2023: R214,5 million) and has been deducted from shareholders' equity. The related weighted average share price at the time of purchase was R55,80 (2023: R48,52). During the year, 574 181 (2023: 430 850) shares were utilised in terms of the Share Appreciation Rights ('SAR') Scheme, for an amount of R28,0 million (2023: R18,5 million). The related weighted average share price at the time of exercise was R53,70 (2023: R63,06). During the year, 124 350 shares (2023: 482 400 shares) vested under the Forfeitable Share Plan ('FSP'). The related weighted average share price at the time of exercise was R56,00 (2023: R51,45).

The Afrimat BEE Trust (indirectly through AEI) holds, on an unencumbered basis, 6 863 194 (2023: 6 830 894) shares amounting to R70,0 million (2023: R68,1 million) representing 4,3% (2023: 4,3%) of the issued share capital of the Company.

AMS shareholding is as follows:

- 1 035 939 (2023: 911 650) shares, as nominee for the absolute benefit of the participants of the Company's FSP amounting to R18,6 million (2023: R30,3 million);
- 610 387 (2023: 826 998) shares held in AMS are held for the purposes of the Company's SAR amounting to R54,9 million (2023: R42,4 million); and
- Nil (2023: 3 100 000) shares for the partial settlement for the Glenover acquisition amounting to RNil (2023: R148,5 million) (refer note 18).

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 remeasurements of financial assets at FVOCI and currency translation differences. The Group transfers 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 acquisi-tion reserve R'000	Total other reserves R'000
Group					
Balance at 1 March 2022	1 321	79 236	(13 267)	(105 788)	(38 498)
Share-based payment expense for the year	–	29 291	–	–	29 291
Settlement of employee SAR exercised, FSP vested, net of tax	–	(25 109)	–	–	(25 109)
Deferred taxation on share-based payments	–	(14 465)	–	–	(14 465)
Net change in fair value of equity instruments at fair value through other comprehensive income, net of tax	175	–	–	–	175
Exchange differences on translation of foreign operations	–	–	(16 005)	–	(16 005)
Total changes	175	(10 283)	(16 005)	–	(26 113)
Balance at 28 February 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)**

8. EQUITY – INCLUDING EARNINGS PER SHARE (continued)

8.3 Other reserves (continued)

	Fair value reserve R'000	Share-based payment reserve R'000	Translation reserve R'000	Reverse acquisition reserve R'000	Total other reserves R'000
Company					
Balance at 1 March 2022	–	25 885	–	–	25 885
Share-based payment expense for the year	–	9 059	–	–	9 059
Deferred taxation on share-based payments	–	(4 541)	–	–	(4 541)
Settlement of employee SAR exercised, FSP vested, net of tax	–	19 674	–	–	19 674
Total changes	–	24 192	–	–	24 192
Balance at 28 February 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**

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.

8. EQUITY – INCLUDING EARNINGS PER SHARE (continued)

8.4 Non-controlling interest

	Other individually immaterial subsidiaries	
	2024 R'000	2023 R'000*
Carrying amount of non-controlling interest*	**21 992**	13 105
Total non-controlling interest	**21 992**	13 105
Summarised financial information:		
Non-current assets*	**62 986**	103 780
Current assets*	**153 798**	97 702
Non-current liabilities*	**(32 850)**	(47 710)
Current liabilities*	**(171 385)**	(251 518)
Net assets/(liabilities)	**12 549**	(97 746)
Revenue	**633 103**	257 680
Profit after taxation included in results:		
Reported by subsidiaries	**78 652**	27 152
Other comprehensive income	**–**	–
Total comprehensive income	**78 652**	27 152
Profit after taxation, allocated to non-controlling interest	**6 940**	4 161
Other comprehensive income, allocated to non-controlling interest	**–**	–

* *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

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 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 2024 '000	Group 2023 '000
Number of shares in issue		
Total shares in issue	**159 691**	159 719
Treasury shares	**(8 509)**	(11 670)
Net shares in issue	**151 182**	148 049
Weighted average number of net shares in issue	**150 243**	144 687
Adjusted for effect of future share-based compensation payments	**1 746**	2 262
Diluted weighted average number of shares	**151 989**	146 949
Profit attributable to ordinary shareholders (rand)	**781 776**	661 320
Earnings per ordinary share (cents)	**520,3**	457,1
Diluted earnings per ordinary share (cents)	**514,4**	450,0

	Group Gross 2024 R'000	Net of tax 2024 R'000	Gross 2023 R'000	Net of tax 2023 R'000
Reconciliation of headline earnings				
Profit attributable to ordinary shareholders	**–**	**781 776**	–	661 320
Profit on disposal of property, plant and equipment attributable to owners of the parent	**(4 262)**	**(3 111)**	(2 793)	(2 011)
Loss on disposal of subsidiaries*	**11 200**	**11 200**	–	–
Foreign currency translation reserve released to profit or loss on sale of foreign subsidiary	**32 654**	**32 654**	–	–
Impairments	**32 279**	**29 752**	3 776	2 719
Headline earnings		**852 271**		662 028
Headline earnings per share ('HEPS') (cents)		**567,3**		457,6
Diluted HEPS (cents)		**560,7**		450,5

* *Loss on disposal of subsidiaries 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 Stony Lime Proprietary Limited amounting to R19,6 million, refer note 12.2.*

8. EQUITY – INCLUDING EARNINGS PER SHARE (continued)

8.6 Net asset value ('NAV') per share

	Group 2024 '000	Group 2023 '000*
Number of shares in issue		
Total shares in issue	**159 691**	159 719
Treasury shares	**(8 509)**	(11 670)
Net shares in issue	**151 182**	148 049
Shareholders' funds attributable to owners of the parent (rand)	**4 541 049**	3 835 247
Total NAV per share (cents)	**3 004**	2 591
Tangible net asset value ('TNAV') per share		
Shareholders' funds attributable to owners of the parent (rand)	**4 541 049**	3 835 247
Intangible assets and goodwill*	**(234 728)**	(254 385)
TNAV (rand)	**4 306 321**	3 580 862
Total TNAV per share (cents)	**2 848**	2 419

* *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

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 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Current year interim dividend paid	**63 876**	63 888	**63 876**	63 888
Previous year final dividend paid	**175 691**	213 666	**175 821**	213 666
Dividends received on treasury shares	**(12 231)**	(11 287)	**–**	–
Dividends paid by subsidiaries to non-controlling interest shareholders	**1 925**	1 650	**–**	–
	229 261	267 917	**239 697**	277 554
The Company has declared the following cash distributions to shareholders:				
Interim dividend paid (cents)			**40,0**	40,0
Final dividend declared/paid (cents)			**154,0**	110,0
Distributions declared/paid (cents)			**194,0**	150,0

9. CASH FLOW INFORMATION

9.1 Cash generated from operations

	Group		Company	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
Profit before tax	**1 113 408**	934 863	**718 019**	609 225
Adjustments for:				
Depreciation and amortisation	**369 429**	360 680	**–**	–
Impairment of property, plant and equipment	**9 360**	3 776	**–**	–
Remeasurement gain on lease liabilities	**(3 955)**	–	**–**	–
Impairment of goodwill	**22 919**	–	**–**	–
Expected credit losses from related parties	**–**	–	**48 518**	90 514
Expected credit losses from other financial assets	**6 189**	–	**3 609**	–
(Reversal)/impairment of investment in subsidiary	**–**	–	**(14)**	43 617
Loss on disposal of subsidiaries	**11 200**	–	**97 031**	–
Share of profit of associate	**(1 829)**	–	**–**	–
Profit on sale of property, plant and equipment	**(4 262)**	(2 793)	**–**	–
Inventory write-off to net realisable value	**1 750**	8 370	**–**	–
(Gains)/loss – financial assets at fair value through profit or loss	**(12 131)**	(2 016)	**1 115**	–
Foreign exchange differences	**1 420**	(11 133)	**–**	–
Dividend revenue	**(21)**	–	**(869 937)**	(718 566)
Interest revenue	**(36 173)**	(33 810)	**(26 252)**	(28 741)
Finance costs	**76 959**	60 508	**43 646**	126 125
Net effect of settlement of employee SAR exercised, FSP vested	**(15 458)**	(22 235)	**(28 447)**	(29 595)
Movements in provisions	**(35 651)**	8	**–**	–
Share-based payment expense	**35 977**	34 385	**11 210**	10 855
Items subsequently reclassified to profit or loss	**32 654**	–	**–**	–
Changes in working capital:				
Increase in inventories	**(175 613)**	(110 646)	**–**	–
(Increase)/decrease in trade and other receivables	**(54 580)**	65 956	**22 408**	(18 329)
Increase/(decrease) in trade and other payables	**209 791**	(23 727)	**8 265**	(6 755)
	1 551 383	1 262 186	**29 171**	78 350

9. CASH FLOW INFORMATION (continued)

	Group		Company	
	2024 R'000	2023 R'000*	**2024 R'000**	2023 R'000
9.2 Finance income received				
Finance income (refer note 4.4)	**36 173**	33 810	**26 252**	28 741
Adjustments for:				
Other financial assets interest	**(1 472)**	(1 200)	**–**	–
	34 701	32 610	**26 252**	28 741
9.3 Finance costs paid				
Finance costs (refer note 4.5)	**76 959**	60 508	**43 646**	126 125
Adjustments for:				
Environmental rehabilitation and dismantling (refer note 4.5)	**(20 737)**	(18 804)	**–**	–
	56 222	41 704	**43 646**	126 125
9.4 Tax paid				
Opening balance as per Statement of Financial Position	**(5 958)**	2 712	**–**	2 458
Current tax for the year recognised in Statement of Profit or Loss and Other Comprehensive Income (refer note 5)	**(290 048)**	(272 160)	**–**	1 350
Additions/disposals of subsidiaries (refer note 12)*	**(149)**	(2 283)	**–**	–
Closing balance as per Statement of Financial Position*	**3 277**	5 958	**–**	–
	(292 878)	(265 773)	**–**	3 808
9.5 Proceeds on disposal of property, plant and equipment				
Disposals (refer note 6.1)	**42 389**	22 426	**–**	–
Adjustments for:				
Disposal of dismantling costs (refer note 6.1)	**(7 970)**	(52)	**–**	–
Profit on sale of property, plant and equipment (refer note 4.2)	**4 262**	(497)	**–**	–
Disposal of RoU assets (refer note 6.1)	**(6 285)**	(1 207)	**–**	–
	32 396	20 670	**–**	–

* *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

9. CASH FLOW INFORMATION (continued)

		Group		Company	
		2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
9.6	**Acquisition of property, plant and equipment**				
	Additions (refer note 6.1)	**929 482**	963 093	**–**	–
	Adjustments for:				
	Acquisition of property, plant and equipment by means of instalment sale agreements (refer note 7.3.4)	**(205 393)**	(145 679)	**–**	–
	Additions of dismantling costs (refer note 6.1)	**(4 656)**	(1 682)	**–**	–
	Additions of RoU assets (refer note 6.1)	**(21 107)**	(5 122)	**–**	–
	Reclassification from other financial assets	**(3 489)**	–	**–**	–
		694 837	810 610	**–**	–
9.7	**Capital elements of lease payments**				
	Repayment of lease liability (refer note 7.3.4)	**11 320**	10 685	**–**	–
	Interest expense on lease liability (refer note 7.3.4)	**(5 815)**	(3 667)	**–**	–
		5 505	7 018	**–**	–
9.8	**Dividend revenue**				
	Dividend revenue	**21**	–	**869 937**	718 566
	Adjustments for:				
	Dividend received in specie	**–**	–	**(64 604)**	–
		21	–	**805 333**	718 566

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 & Risk Committee oversees how management monitors compliance with these risks and control policies.

10. FINANCIAL RISK MANAGEMENT (continued)

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	
	2024 R'000	2023 R'000*	**2024 R'000**	2023 R'000
Assets as per Statement of Financial Position:				
Financial assets at fair value through other comprehensive income ('FVOCI') (refer note 7.1)*	**10 212**	9 010	**–**	–
Financial assets at fair value through profit or loss ('FVPL') (refer note 7.2)*	**93 438**	81 618	**–**	–
Trade and other receivables at fair value through profit or loss (refer note 7.3.2)	**77 191**	196 345	**–**	–
Financial assets at amortised cost:				
Other financial assets (refer note 7.3.1)*	**192 883**	40 020	**154 593**	3 609
Trade and other receivables (refer note 7.3.2)*	**642 458**	476 744	**10 272**	25 238
Cash and cash equivalents (refer note 7.3.3)*	**504 678**	280 817	**56 934**	74 170
Loans to subsidiaries (refer note 13)	**–**	–	**1 670 458**	1 469 810
Total financial assets	**1 520 860**	1 084 554	**1 892 257**	1 572 827
Liabilities as per Statement of Financial Position:				
Financial liabilities at fair value through profit or loss:				
Other liability	**19 979**	5 094	**7 058**	1 795
Financial liabilities at amortised cost:				
Medium-term loans (refer note 7.3.4)	**200 000**	20 266	**200 000**	–
Instalment sale agreements (refer note 7.3.4)*	**297 927**	249 519	**–**	–
Lease liabilities (refer note 7.3.4)*	**59 198**	51 374	**–**	–
Other financial liabilities (refer note 7.3.5)*	**9 671**	133 145	**–**	–
Loans from subsidiaries (refer note 13)	**–**	–	**115 461**	429 487
Trade and other payables (refer note 7.3.6)*	**755 605**	533 915	**11 721**	450
Bank overdraft (refer note 7.3.3)*	**–**	1 578	**–**	–
Total financial liabilities	**1 342 380**	994 891	**334 240**	431 732

* *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

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 and Old Mutual PLC shares. Refer notes 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 (2023: 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			
2024			
Financial assets at fair value through other comprehensive income (refer note 7.1)	**10 212**	**+500** **-500**	**298** **(298)**
Total		**+500** **-500**	**298** **(298)**
Group			
2023			
Financial assets at fair value through other comprehensive income (refer note 7.1)	9 010	+500 -500	259 (259)
Total		+500 -500	259 (259)

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 other comprehensive income after tax R'000
Group			
2024			
Financial assets at fair value through profit or loss (refer note 7.2)	**93 438**	**+500** **-500**	**3 410** **(3 410)**
Total		**+500** **-500**	**3 410** **(3 410)**
Group			
2023			
Financial assets at fair value through profit or loss (refer note 7.2)*	81 618	+500 -500	2 938 (2 938)
Total		+500 -500	2 938 (2 938)

* *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

(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. 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 (2023: 200 basis points) change in the SARB repo rate as being reasonably possible at the end of the reporting periods.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 29 February 2024

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 other comprehensive income 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)

	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
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)

(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 other comprehensive income after tax R'000
Group			
2023			
Other financial assets*	40 020	+200	576
		-200	(576)
Cash and cash equivalents*	280 614	+200	4 041
		-200	(4 041)
Borrowings*	(321 159)	+200	(4 625)
		-200	4 625
Other financial liabilities*	(6 185)	+200	(89)
		-200	89
Bank overdraft*	(1 578)	+200	(22)
		-200	22
Total		+200	(119)
		-200	119
Company			
2023			
Other financial assets	3 609	+200	52
		-200	(52)
Cash and cash equivalents	74 170	+200	1 068
		-200	(1 068)
Loans to subsidiaries	1 469 810	+200	21 165
		-200	(21 165)
Loans from subsidiaries	(429 487)	+200	(6 184)
		-200	6 184
Total		+200	16 101
		-200	(16 101)

* *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

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 Dollars 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 and trade and other payables as set out in notes 7.3.2, 7.3.3 and 7.3.6. Currency movements of the US Dollars and Zambian Kwacha 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 and Zambian Kwacha:Rand exchange rate as at 29 February 2024 was R19,25 and R0,83.

Sensitivity analysis

A movement in exchange rate of 10,0% (2023: 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).

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			
2024			
Revenue subject to exchange rate fluctuations	1 480 506	+1 000	108 077
		-1 000	(108 077)
Trade receivables subject to exchange rate fluctuations	129 394	+1 000	9 446
		-1 000	(9 446)
Cash and cash equivalents subject to exchange rate fluctuations	4 960	+1 000	362
		-1 000	(362)
Trade payables subject to exchange rate fluctuations	(754)	+1 000	(55)
		-1 000	55
Total		+1 000	117 830
		-1 000	(117 830)

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			
2023			
Revenue subject to exchange rate fluctuations	1 307 280	+1 000	94 124
		-1 000	(94 124)
Trade receivables subject to exchange rate fluctuations	226 218	+1 000	16 288
		-1 000	(16 288)
Cash and cash equivalents subject to exchange rate fluctuations	3 567	+1 000	257
		-1 000	(257)
Trade payables subject to exchange rate fluctuations	(15 141)	+1 000	(1 090)
		-1 000	1 090
Total		+1 000	109 579
		-1 000	(109 579)

(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 29 February 2024, R77,2 million (2023: R196,3 million) of the trade receivables balance are subject to price movements.

Sensitivity analysis

A movement in commodity prices of 10,0% (2023: 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.

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(iv) Commodity 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			
2024			
Trade receivables subject to price fluctuations	**77 191**	**+1 000**	**5 635**
		-1 000	**(5 635)**
Total		**+1 000**	**5 635**
		-1 000	**(5 635)**
Group			
2023			
Trade receivables subject to price fluctuations	196 345	+1 000	14 137
		-1 000	(14 137)
Total		+1 000	14 137
		-1 000	(14 137)

(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 notes 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.

10. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

The maximum exposure to credit risk is presented in the table below:

	Gross carrying amount 2024 R'000	Credit loss allowance 2024 R'000	Amortised cost/fair value 2024 R'000	Gross carrying amount 2023 R'000*	Credit loss allowance 2023 R'000*	Amortised cost/fair value 2023 R'000*
Group						
Other financial assets at amortised cost*	199 072	(6 189)	192 883	40 020	–	40 020
Trade and other receivables*	731 253	(11 604)	719 649	690 661	(17 572)	673 089
Cash and cash equivalents*	504 195	–	504 195	280 614	–	280 614
Total	1 434 520	(17 793)	1 416 727	1 011 295	(17 572)	993 723

* *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

The Group's concentration of credit risk is limited to South Africa, Mozambique and Zambia.

	Gross carrying amount 2024 R'000	Credit loss allowance 2024 R'000	Amortised cost/fair value 2024 R'000	Gross carrying amount 2023 R'000	Credit loss allowance 2023 R'000	Amortised cost/fair value 2023 R'000
Company						
Other financial assets at amortised cost	158 202	(3 609)	154 593	3 609	–	3 609
Loans to subsidiaries	1 971 336	(300 878)	1 670 458	1 707 006	(237 196)	1 469 810
Trade and other receivables	10 272	–	10 272	25 238	–	25 238
Cash and cash equivalents	56 934	–	56 934	74 170	–	74 170
Total	2 196 744	(304 487)	1 892 257	1 810 023	(237 196)	1 572 827

(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.

10. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(ii) Cash and cash equivalents (continued)

Credit quality of cash in the bank and short-term deposits, excluding cash on hand (according to Moody's short-term ratings):

	Credit rating 2024	Credit rating 2023	Amount 2024 R'000	Amount 2023 R'000*
Group				
Financial institution:				
ABSA	NP	NP	21 086	14 275
FNB	NP	NP	4 419	3 390
SBSA	NP	NP	417 279	196 001
Other	N/A	N/A	61 411	66 948
			504 195	280 614

* *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

(iii) Financial guarantees

Credit risk arises in relation to financial guarantees given to certain parties.

Refer note 17 for details of guarantees provided.

(iv) 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 above mentioned forecasts. At the reporting period, the Group held call deposits of R126,4 million (2023: R81,5 million) that are expected to readily assist in generating cash inflows for managing liquidity risks.

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:

	Group				
	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 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**
At 28 February 2023					
Other liability	5 094	5 094	–	5 094	–
Medium-term loans	20 266	20 266	20 266	–	–
Other financial liabilities*	133 145	133 145	133 145	–	–
Lease liabilities*	51 374	74 618	7 441	31 560	35 617
Instalment sale agreements*	249 519	258 845	118 541	140 304	–
Trade and other payables*	533 915	533 915	533 915	–	–
Bank overdraft*	1 578	1 578	1 578	–	–
	994 891	1 027 461	814 886	176 958	35 617

** Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

10. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

	Company				
	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
Company					
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**	**–**
At 28 February 2023					
Other liability	1 795	1 795	–	1 795	–
Loans from subsidiaries	429 487	429 487	429 487	–	–
Trade and other payables	450	450	450	–	–
	431 732	431 732	429 937	1 795	–

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.

11. CAPITAL RISK MANAGEMENT (continued)

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	
	2024 R'000	2023 R'000*	**2024 R'000**	2023 R'000
Total borrowings, other financial liabilities and loans from subsidiaries*	**566 796**	454 304	**315 461**	429 487
Overdraft less cash and cash equivalents/ (surplus cash)*	**(504 678)**	(279 239)	**(56 934)**	(74 170)
Net debt	**62 118**	175 065	**258 527**	355 317
Total equity*	**4 563 041**	3 848 352	**2 998 501**	2 570 003
Total capital*	**4 625 159**	4 023 417	**3 257 028**	2 925 320
Net debt:equity ratio (%)*	**1,4**	4,5	**8,6**	13,8

* *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

There were no changes in the Group's approach to capital maintenance during the year.

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.

12. BUSINESS COMBINATIONS (continued)

12.1 Acquisition of businesses

Fincrete Proprietary Limited and Rondawel Kaolien Proprietary Limited

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 consists 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)

Provisional 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 profit 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. BUSINESS COMBINATIONS (continued)

12.1 Acquisition of businesses (continued)

Eckraal Quarries Proprietary Limited ('Eckraal Quarries')

In the prior year, Afrimat entered into an agreement to acquire 84,0% of the shares in Eckraal Quarries Proprietary Limited and the Ready-Mix Plant for a purchase consideration of R21,0 million. The opencast mine and plant are located in Pretoria.

Eckraal Quarries holds 100,0% of the shares in Eckraal Bricks and Ready-Mix Proprietary Limited ('Eckraal BRM').

The following conditions precedent had not been met at the reporting date:

- on or before 31 August 2024, the consent of the Minister for Section 11 application is granted.

The Group entered into an agreement with Eckraal Quarries, allowing the Group to undertake all activities in conducting the operations of Eckraal Quarries during the interim period, 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 31 January 2023.

Details of the purchase consideration are as follows:

As per the agreement, it was recorded that the purchase consideration was agreed on condition that a working capital target amount be available in Eckraal Quarries as at the interim operations commencement date. Should the purchaser determine that the amount of working capital available in Eckraal Quarries is less than the working capital target, the purchase consideration will be reduced by such shortfall. In addition to this, the purchase consideration is subject to adjustment to the extent that all trade payable obligations are not up to date as at the interim operations commencement date. During the measurement period this determination was made by Afrimat and the purchase consideration was adjusted to RNil.

12. BUSINESS COMBINATIONS (continued)

12.1 Acquisition of businesses (continued)

Eckraal Quarries Proprietary Limited ('Eckraal Quarries') (continued)

Details of the acquisition are as follows:

	As originally presented total 2023 R'000	Measurement period adjustments* 2023 R'000	Adjusted total 2023 R'000
Carrying amount/fair value of net assets acquired (liabilities assumed) – Eckraal Quarries			
Property, plant and equipment	42 768	11 271	54 039
Other financial assets	5 421	(45)	5 376
Inventories	2 798	(1 836)	962
Trade and other receivables	2 099	(2 099)	–
Cash and cash equivalents	450	(1 798)	(1 348)
Borrowings	(952)	(8 583)	(9 535)
Other financial liability	(3 609)	3 445	(164)
Provisions	(5 267)	(7 614)	(12 881)
Current tax payable	(5 072)	3 039	(2 033)
Trade and other payables	(18 795)	(8 196)	(26 991)
Deferred tax liability	(5 976)	(3 379)	(9 355)
Net assets (liabilities) – Eckraal Quarries	13 865	(15 795)	(1 930)
Less: Non-controlling interests	(1 545)	662	(883)
Goodwill	8 680	(5 867)	2 813
Total purchase consideration	21 000	(21 000)	–
Total revenue assuming the business combination for the full year	64 117	19 936	84 053
Total loss after tax assuming the business combination for the full year	(10 552)	(4 999)	(15 551)
Revenue included in results	–	–	–
Loss after tax included in results	–	–	–
Acquisition cost included in 'operating expenses' for the year	–	–	–
Analysis as per Statement of Cash Flows:			
Total consideration (fair value)**	(21 000)	21 000	–
Consideration payable	21 000	(21 000)	–
Cash and cash equivalents	450	(1 798)	(1 348)
Cash inflow/(outflow)	450	(1 798)	(1 348)

* *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination.*

** *The settlement of the purchase consideration of R21,0 million forms part of the net changes in working capital of trade and other payables as disclosed in note 9.1. This is as a result of the adjustment made to the purchase consideration as detailed above.*

12. BUSINESS COMBINATIONS (continued)

12.1 Acquisition of businesses (continued)

Eckraal Quarries Proprietary Limited ('Eckraal Quarries') (continued)

The goodwill acquired in Eckraal Quarries is attributable to the market share the business has in the industry, which is expected to expand the Group's current national footprint within the Construction Materials segment.

Non-controlling interest:
The Group had chosen to recognise the non-controlling interest at its proportionate share.

Agri 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. The opencast mine and plant are located close to the town of Northam in Limpopo.

All conditions precedent were met to acquire 100,0% of the shares in Agri Lime Proprietary Limited and the acquisition became effective from 13 May 2022.

The acquisition of 74,0% of the shares in Stony Lime Proprietary Limited is subject to the fulfilment of the following outstanding conditions precedent ('CP'):

- Ministerial consent is obtained, in writing, either unconditionally or free from any onerous terms.

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. The Group has full operational and financial control.

Details of the purchase consideration are as follows:

	Total 2023 R'000
Cash paid	33 500
Consideration payable*	4 500
Total purchase consideration	38 000

* *Consideration payable is attributed as follows and becomes payable once all CPs have been met:*
– R4,5 million for 74,0% of the shares in Stony Lime Proprietary Limited.

12. BUSINESS COMBINATIONS (continued)

12.1 Acquisition of businesses (continued)

Agri Lime Proprietary Limited (continued)

Details of the acquisition are as follows:

	Total 2023 R'000
Carrying amount/fair value of net liabilities acquired – Agri Lime	
Property, plant and equipment	8 767
Deferred tax asset	546
Trade and other receivables	11 157
Other financial liability	(1 269)
Borrowings	(5 404)
Current tax payable	(250)
Trade and other payables	(19 571)
Cash and cash equivalents	4 400
Net liabilities – Agri Lime	(1 624)
Less: Non-controlling interests	(478)
Goodwill	40 102
Total purchase consideration	38 000
Total revenue assuming the business combination for the full year	154 832
Total loss after tax assuming the business combination for the full year	(11 047)
Revenue included in results	131 894
Loss after tax included in results	(3 778)
Acquisition cost included in 'operating expenses' for the year	1 000
Analysis as per Statement of Cash Flows:	
Total consideration (fair value)	(38 000)
Consideration payable	4 500
Cash and cash equivalents	4 400
Cash outflow	(29 100)

The goodwill acquired in Agri Lime is attributable to the feedlime and Agri Lime market share, which is expected to expand the Group's current national footprint as well as include diversity with the access to minerals that will expand the product offering within the Industrial Minerals segment.

Non-controlling interest:
The Group had chosen to recognise the non-controlling interest at its proportionate share.

12. BUSINESS COMBINATIONS (continued)

12.2 Disposal of businesses

Afrimat Mozambique Limitada

During the current 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 F2022	**(12 821)**
Less: Cash and cash equivalents disposed of	**–**
Cash inflow	**3 033**

Afrimat Logistics Limitada

During the current 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.

12. BUSINESS COMBINATIONS (continued)

12.2 Disposal of businesses (continued)

Afrimat Logistics Limitada (continued)

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 (refer note 12.1).

During the current 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 (refer note 12.1 of the Agri Lime acquisition), the Group will no longer 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.

12. BUSINESS COMBINATIONS (continued)

12.2 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

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 29 February 2024

13. INVESTMENT IN SUBSIDIARIES (continued)

(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.

(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.

13. INVESTMENT IN SUBSIDIARIES (continued)

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 Labtone. Therefore, the Group consolidates Labonte.

13. INVESTMENT IN SUBSIDIARIES (continued)

Name of entity	Nature of business	Principal place of business	% holding 2024	% holding 2023
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 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 (previously known as Boublok 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 Concrete Products Proprietary Limited#	Concrete-based products	KwaZulu-Natal	**100,0**	100,0
Afrimat Contracting International Proprietary Limited	Aggregates	Gauteng	**100,0**	100,0
Afrimat Empowerment Investments Proprietary Limited	Investment	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 Mozambique Limitada	Aggregates	Mozambique	**–**	99,0
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
Community Quarries Proprietary Limited#	Aggregates	Western Cape	**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**	–
Glen Douglas Dolomite Proprietary Limited	Aggregates	Gauteng	**100,0**	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
Prima Quarries Namibia Proprietary Limited	Aggregates	Namibia	**100,0**	100,0
Rodag Holdings Proprietary Limited	Property	KwaZulu-Natal	**100,0**	100,0
Rondawel Kaolien Proprietary Limited	Industrial minerals	Western Cape	**–**	–
SA Block Proprietary Limited	Concrete-based products	Gauteng	**100,0**	100,0
Scottburgh Quarries Proprietary Limited	Aggregates	KwaZulu-Natal	**100,0**	100,0
Stony Lime Proprietary Limited	Industrial minerals	Limpopo	**–**	–
Sunshine Crushers Proprietary Limited	Aggregates	KwaZulu-Natal	**100,0**	100,0

* *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 Afrimat Mining & 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.

13. INVESTMENT IN SUBSIDIARIES (continued)

	Carrying amount shares 2024 R'000	Carrying amount shares 2023 R'000	**Carrying amount indebtedness 2024 R'000**	Carrying amount indebtedness 2023 R'000
Analysis of assets and liabilities:				
Non-current assets				
Loans to subsidiaries	**–**	–	**850 241**	1 006 998
Less: Allowances for credit losses	**–**	–	**(300 878)**	(237 196)
Investments in subsidiaries	**1 443 239**	1 431 487	**–**	–
Current assets				
Loans to subsidiaries	**–**	–	**1 121 095**	700 008
Current liabilities				
Loans from subsidiaries	**–**	–	**(115 461)**	(429 487)
	1 443 239	1 431 487	**1 554 997**	1 040 323

The loans have no fixed terms of repayment and the majority bear interest at prime (2023: prime). The subsidiaries are incorporated in the Republic of South Africa except for Prima Quarries Namibia Proprietary Limited, Afrimat Offshore and Afrimat Mining & 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. During the prior year, management concluded to fully impair the investment in Afrimat Concrete Products Proprietary Limited recognising an impairment loss of R43,6 million. This was mainly due to the reduction in sales volumes, inflationary cost pressures and electricity supply interruptions which affected the operations.

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.

13. INVESTMENT IN SUBSIDIARIES (continued)

The ECLs recognised on loans to subsidiaries are made up as follows: Nkomati Anthracite Proprietary Limited R128,1 million (2023: R128,1 million); Afrimat Mozambique Limitada RNil million (2023: R9,2 million); Afrimat Contracting International Proprietary Limited RNil million (2023: R54,3 million); Afrimat Management Services Proprietary Limited R2,4 million (2023: R2,4 million); Afrimat Concrete Products Proprietary Limited R24,0 million (2023: R16,3 million); Afrimat Silica Proprietary Limited RNil million (2023: R2,6 million); Afrimat Manganese Proprietary Limited R30,2 million (2023: R11,9 million); Stony Lime Proprietary Limited RNil million (2023: R12,4 million); Agri Lime Proprietary Limited R33,1 million; Afrimat Phosphates Proprietary Limited R51,9 million; Afrimat Hemp Proprietary Limited R8,6 million; Eckraal Quarries Proprietary Limited R19,6 million and Fincrete Proprietary Limited R2,9 million.

During the current year, the Group disposed of the following subsidiaries: Afrimat Mozambique Limitada, Afrimat Logistics Limitada and Stony Lime Proprietary Limited, refer note 12.2 for further disclosures.

The Group acquired 100,0% of the issued shares of Fincrete Proprietary Limited (2023: Agri Lime 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 current 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 constitute its core function and therefore profits earned from this associate is included in the Services segment.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 29 February 2024

14. INVESTMENT IN ASSOCIATE (continued)

	Group		Company	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
Hislop International (50,0%)	**1 837**	–	**–**	–
Total	**1 837**	–	**–**	–
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:				
At 29 February 2024				
Assets	**6 287**	–	**–**	–
Liabilities	**(4 409)**	–	**–**	–
Revenues	**18 746**	–	**–**	–
Profit	**1 829**	–	**–**	–

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	
		2024 R'000	2023 R'000
Share of net profit after tax	Associate	**1 829**	–

		Company	
		2024 R'000	2023 R'000
Net loan balances	Subsidiaries	**1 554 997**	1 040 323
Loan balances owing (to)	Subsidiaries	**(115 461)**	(429 487)
Loan balances owing by	Subsidiaries	**1 670 458**	1 469 810
Trade and other payables	Subsidiaries	**(10 191)**	(19)
Trade and other receivables	Subsidiaries	**9 856**	24 814
Rendering of services	Subsidiaries	**43 422**	64 706
Dividends received from	Subsidiaries	**869 937**	718 566
Interest paid to	Subsidiaries	**(21 821)**	(106 809)
Interest received from	Subsidiaries	**53 812**	115 459

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 74 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 F2020, 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 562 510 (2023: 4 382 056) of its own shares through purchases on the JSE Limited, refer note 8.2 for further disclosure. Furthermore, Afrimat BEE Trust holds (indirectly through AEI) on an unencumbered basis, 6 863 194 (2023: 6 830 894) shares representing 4,3% (2023: 4,3%) of the issued share capital of the Company.

Unrecognised items

16. COMMITMENTS

	Group	
	2024 R'000	2023 R'000
Authorised capital expenditure		
Contracted after year-end, but not provided for		
Property, plant and equipment	**1 427**	18 511
Not yet contracted for		
Property, plant and equipment	**299 275**	237 339
Total authorised capital expenditure	**300 702**	255 850

Authorised capital expenditure is to be funded from surplus cash and bank financing.

17. CONTINGENCIES

Guarantees

Guarantees to the value of R60,2 million (2023: R63,0 million) were supplied by SBSA to various parties, including the DMRE and Eskom.

Guarantees to the value of R68,8 million (2023: R139,7 million) were supplied by FNB to various parties, including the DMRE and Eskom. The decrease in the guarantees supplied by FNB relates to a guarantee that was cancelled, previously provided for the loan agreement entered into between Nkomati and Glencore, which loan has subsequently been repaid during the current year (refer note 7.3.5).

Guarantees to the value of R0,9 million (2023: R0,9 million) by ABSA, R368,3 million (2023: R253,1 million) by Centriq Insurance Innovation and R2,7 million (2023: 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.

During the prior year, a guarantee to the value of R94,8 million was supplied by Guardrisk to the DMRE. This guarantee relates to the environmental rehabilitation costs for Nkomati. During the current year, a guarantee amounting to R96,9 million was issued to the DMRE by Centriq and the Guardrisk guarantee was subsequently cancelled.

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.

17. CONTINGENCIES (continued)

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 R16,3 million (2023: R10,4 million). An accrual has been raised in respect of commitments made up to the end of the year.

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. Legal arguments were heard and the parties are still awaiting judgment, which has not been forthcoming for more than 12 months. If an award is made in favour of AMCU, the financial implication will depend on the relief awarded. Management estimates that the total legal fees and disbursements will be in the order of R1,0 million, which could increase if the matter is taken on review or appeal. The estimate of the pay-out to AMCU is R7,0 million.

18. EVENTS AFTER THE REPORTING PERIOD

Glenover

As per the SENS announcement on 9 December 2021, in terms of which Afrimat announced that it had purchased certain assets and rights to mine select deposits at the Glenover mine (the 'Sale Assets'), as well as the option to acquire 100,0% of the shares (the 'Sale Shares') in Glenover Phosphate Proprietary Limited ('Glenover') from the current shareholders, for a total purchase consideration of R550,0 million ('Glenover Acquisition'). The Group exercised this option to acquire the shares in Glenover on 19 October 2022. Refer to SENS announcement released on 20 October 2022.

The purchase consideration of R550,0 million is allocated as follows:

- Sale Assets: R250,0 million; and
- Sale of Shares: R300,0 million.

The purchase consideration of Sale Shares 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 (refer notes 7.3.1 and 8.1);
- 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.

On 30 April 2024, all conditions precedent were fulfilled and the purchase consideration in respect of the 'Sale of Shares' of R300,0 million was settled in full.

18. EVENTS AFTER THE REPORTING PERIOD (continued)

Lafarge South Africa Holdings Proprietary Limited ('Lafarge')

The Competition Authorities in South Africa ('Competition Tribunal') approved the Lafarge acquisition on 10 April 2024. The Company acquired 100,0% of the issued share capital of Lafarge and all of Lafarge's subsidiaries from Holcim group subsidiary, Caricement B.V. for a purchase consideration of $6,0 million (R133,0 million). Additionally, the Company has agreed to repay or procure the loan amounts owing by Lafarge to Holcim Group subsidiary, Caricement B.V. equating to R900,0 million. The effective date for the acquisition is the 23 April 2024.

The acquisition has been structured as a locked box transaction with effect from 31 December 2022 and the purchase consideration payable in respect of the acquisition is an amount of $6,0 million less any amounts categorised as leakage under the Share Purchase Agreement.

In terms of IFRS 3: *Business Combinations* the purchase price of the Lafarge business will be allocated to the intangible assets (mainly patents associated with the cement business as well as the additional market share that will expand the footprint of the business), mining assets (attributable to the quality of the mining resource and mining rights acquired) and other net assets, of which the balance will be allocated to goodwill or a bargain purchase income. At the date of the publication of the audited consolidated results, the acquisition date fair values of the acquired net assets have not yet been determined.

Dividend declared

A final gross dividend, No. 34 of 154,0 cents per share, in respect of year ended 29 February 2024, was declared on 15 May 2024. There are 159 690 957 shares in issue at the reporting date, of which 8 509 520 are held in treasury. The total dividend payable is R245,9 million. The Board has confirmed by resolution that the solvency and liquidity test as contemplated by the Companies Act, No. 71 of 2008, 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 123,2 cents and 154,0 cents per share, respectively. 7 June 2024 and 10 June 2024 being the record and payable date, respectively.

Employee benefits and costs

19. SHARE-BASED PAYMENTS

The Group operates an equity-settled Share Appreciation Rights scheme and 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.

Refer note 21 for details of fair value estimation and note 10 for disclosures on financial risk management.

19. SHARE-BASED PAYMENTS (continued)

New grants issued under the Forfeitable Share Plan are recognised as cash-settled, as a result of an amendment to the plan approved by shareholders in F2022. 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.

Share-based payment expense calculation

The Group uses the Black Scholes valuation model to determine the fair value of the options/shares granted.

Share options are granted to executive directors and to selected employees in the form of a Share Appreciation Rights Scheme. The exercise price of the granted options is equal to the 30-day average volume weighted average price for the Afrimat Limited shares on the date when the option is exercised. Options are conditional on the employee completing three years' service (the vesting period). The options are exercisable starting three years from the grant date, subject to the Group achieving its target growth in headline earnings per share over the period; the options have a contractual option term of four years after vesting. The Group has no legal or constructive obligation to repurchase or settle the options in cash. When the options are exercised the participants will receive shares equal in value to the number of options 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 participate 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. The Group has no legal or constructive obligation to repurchase or settle the shares in cash, therefore these shares are equity-settled share-based payments.

During F2022 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. This modification is only applicable on future FSP allocations.

19. SHARE-BASED PAYMENTS (continued)

19.1 Share Appreciation Rights Scheme ('SAR')

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Average grant price in cents per share 2024	Number of options '000 2024	Average grant price in cents per share 2023	Number of options '000 2023
Opening balance	**3 946**	**6 070**	3 066	6 108
Granted	**5 196**	**1 955**	6 514	1 570
Exercised	**2 519**	**(1 860)**	2 976	(1 473)
Forfeited	**2 674**	**(150)**	4 569	(135)
Closing balance	**4 825**	**6 015**	3 946	6 070

Out of the 6 015 000 outstanding options (2023: 6 070 000), 885 000 options (2023: 480 000) were exercisable. Options exercised, resulted in 50 000, 80 000 and 1 730 000 shares (2023: 70 000, 90 000 and 1 313 000) being issued at a weighted price of R29,00, R26,79 and R25,01 each, respectively (2023: R22,20, R29,00 and R30,21 each, respectively). The related weighted average share price at the time of exercise was R53,19 (2023: R63,06) per share.

Share options outstanding at the end of the year have the following expiry dates and grant prices:

	Grant price Cents	Number of options 2024 '000	Number of options 2023 '000
2024	2 900	**–**	50
2025	2 679	**120**	200
2026	3 021	**180**	230
2027	2 501	**585**	2 415
2028	4 800	**1 650**	1 650
2029	6 514	**1 525**	1 525
2030	5 196	**1 955**	–
		6 015	6 070

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 options are:

	Number of shares 2024 '000	Number of shares 2023 '000
Opening balance	**20 976**	20 938
Exercised	**1 860**	1 473
Forfeited	**150**	135
Utilised	**(1 955)**	(1 570)
Closing balance	**21 031**	20 976

Number of share options held by executive directors and prescribed officer:

	Opening balance '000	Granted/ transferred in '000	Average grant price in cents per share	Expiry dates	Exercised/ expired '000	Closing balance '000
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**
2023						
Andries J van Heerden	1 085	210	6 514	2029	(355)	940
Pieter GS de Wit	465	90	6 514	2029	(153)	402
Collin Ramukhubathi	353	90	6 514	2029	(80)	363
Marthinus G Odendaal**	–	590	3 654	2029	(160)	430
	1 903	980			(748)	2 135

* *André Smith was appointed as prescribed officer effective 31 August 2023.*
** *Marthinus G Odendaal was appointed as executive director effective 12 April 2022.*

The fair value of options granted during the year using the Black Scholes valuation model, was R25,8 million (2023: R29,5 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' options granted, was R16,0 million (2023: R21,0 million), of which R5,6 million (2023: R6,4 million) is attributed to the executive directors and the prescribed officer.

19. SHARE-BASED PAYMENTS (continued)

19.1 Share Appreciation Rights Scheme ('SAR') (continued)

Analysis of movement in remaining options:

Grant date	17 May 2017 '000	5 Nov 2018 '000	22 May 2019 '000	20 May 2020 '000	26 May 2021 '000	18 May 2022 '000	17 May 2023 '000	**Total '000**
Originally granted	1 455	1 520	1 603	2 465	1 690	1 570	1 955	**12 258**
Forfeited	(170)	(170)	(110)	(150)	(40)	(45)	–	**(685)**
Exercised	(1 285)	(1 230)	(1 313)	(1 730)	–	–	–	**(5 558)**
Net outstanding	–	120	180	585	1 650	1 525	1 955	**6 015**
Grant price (cents)	2 900	2 679	3 021	2 501	4 800	6 514	5 196	
Fair value of option (cents)	852	676	853	655	1 541	1 879	1 322	

The assumptions used in determining the fair value, which reflect the conditions as at the reporting date, were as follows:

Grant date	17 May 2017	5 Nov 2018	22 May 2019	20 May 2020	26 May 2021	18 May 2022	17 May 2023
Grant price (cents)	2 900	2 679	3 021	2 501	4 800	6 514	5 196
Expected option life	3 years	3 years	3 years	3 years	3 years	3 years	3 years
Expected volatility	37,57%	30,90%	37,59%	41,22%	40,32%	36,71%	29,22%
Expected likelihood	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%
Expected employee attrition	5,00%	5,00%	5,00%	5,00%	5,00%	5,00%	5,00%
Expected risk free rates	7,64%	7,08%	7,07%	6,75%	9,23%	8,37%	8,93%
Expected dividend yields	2,41%	2,31%	2,68%	4,68%	3,01%	2,86%	2,89%

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.

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.

	Number of shares	
	2024 '000	2023 '000
Opening balance	**912**	1 066
Issued to participating employees	**444**	350
Forfeited	**–**	(23)
Vested	**(125)**	(481)
Closing balance	**1 231**	912

During the year, 443 850 (2023: 350 350) shares were issued to participants at an average market value of R51,96 (2023: R65,14).

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 equity-settled shares subject to non-market conditions is the closing share price at grant date.

During the year 124 350 shares (2023: 105 200, 10 000 and 367 200 shares) vested, the related weighted average share price at the time of exercise was R56,00 (2023: R66,37, R58,12 and R47,00) per share.

The share-based payment expense for the year, in respect of current and previous years' shares granted, was R15,7 million (2023: R12,9 million), of which R9,9 million (2023: R8,3 million) is attributed to the executive directors.

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**
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**

19. SHARE-BASED PAYMENTS (continued)

19.2 Forfeitable Share Plan ('FSP') (continued)

	Opening balance '000	Issued '000	Average grant price in cents per share	Vesting dates	Vested '000	Closing balance '000
2023						
Andries J van Heerden	324	73	6 514	2025	(105)	292
Pieter GS de Wit	131	47	6 514	2025	(68)	110
Collin Ramukhubathi	131	47	6 514	2025	(68)	110
Marthinus G Odendaal*	–	178	3 588	2025	(68)	110
	586	345			(309)	622

** Marthinus G Odendaal was appointed as executive director effective 12 April 2022.*

The assumptions used in determining the fair value, which reflect the conditions as at the reporting date, were as follows:

Grant date	25 February 2019	30 October 2019	19 February 2020	22 February 2021	18 May 2022	17 May 2023
Grant price (cents)	2 850	3 200	2 930	4 390	6 514	5 196
Fair value of grants (cents)	2 607	2 644	2 413	3 443	5 455	4 027
Expected volatility	33,07%	36,61%	34,31%	42,67%	36,71%	29,22%
Expected risk free rates	7,58%	6,64%	6,26%	6,75%	8,37%	8,93%
Expected dividend yields	2,05%	2,66%	2,76%	4,68%	2,86%	2,89%
Vesting dates	25 February 2022	30 October 2022	19 February 2023	22 February 2024	18 May 2025	17 May 2026

20. DIRECTORS AND PRESCRIBED OFFICER'S EMOLUMENTS

Directors and prescribed officer's basic salary and allowances

	Short-term benefits			Post-employment benefits	Other	
	Basic salary R'000	**Travel allowance R'000**	**Medical aid R'000**	**Pension R'000**	**Other allowances R'000**	**Total 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 31 August 2023.*

20. DIRECTORS AND PRESCRIBED OFFICER'S EMOLUMENTS (continued)

Directors and prescribed officer's basic salary and allowances (continued)

	Short-term benefits			Post-employment benefits	Other	
	Basic salary R'000	Travel allowance R'000	Medical aid R'000	Pension R'000	Other allowances R'000	Total R'000
2023						
Paid by Company						
Executive directors						
Andries J van Heerden	6 268	165	47	–	–	6 480
Pieter GS de Wit	3 418	99	84	346	–	3 947
Collin Ramukhubathi	3 063	144	79	310	–	3 596
Marthinus G Odendaal*	3 176	163	106	438	–	3 883
	15 925	571	316	1 094	–	17 906
Non-executive directors						
Marthinus W von Wielligh	628	–	–	–	–	628
Loyiso Dotwana	601	–	–	–	–	601
Jacobus F van der Merwe	653	–	–	–	–	653
Phuti RE Tsukudu	475	–	–	–	–	475
Helmut N Pool	211	–	–	–	–	211
Johannes HP van der Merwe	432	–	–	–	–	432
Francois M Louw	1 078	–	–	–	–	1 078
Sisanda Tuku*	370	–	–	–	–	370
Gert J Coffee	396	–	–	–	–	396
Nicolaas AS Kruger*	28	–	–	–	–	28
	4 872	–	–	–	–	4 872
Total	20 797	571	316	1 094	–	22 778

* *During F2023, the following appointments were made:*
- *Marthinus G Odendaal was appointed as executive director effective 12 April 2022;*
- *Sisanda Tuku was appointed as non-executive director effective 1 May 2022; and*
- *Nicolaas AS Kruger was appointed as non-executive director effective 1 February 2023.*

Executive directors and prescribed officer's 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.

20. DIRECTORS AND PRESCRIBED OFFICER'S EMOLUMENTS (continued)

Executive directors' and prescribed officer's 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**
2024									
Andries J van Heerden	150 000	13 December 2007	850	–	150 000	–	–	–	–
	300 000	9 May 2008	650	–	300 000	–	–	–	–
	500 000	13 May 2009	200	500 000	–	874	3 370	–	–
	750 000	12 May 2010	325	750 000	–	901	4 320	–	–
	575 000	11 May 2011	340	575 000	–	1 652	7 544	–	–
	460 000	9 May 2012	572	460 000	–	1 873	5 985	–	–
	330 000	8 May 2013	850	330 000	–	2 223	4 531	–	–
	200 000	14 May 2014	1 565	200 000	–	2 956	2 782	–	–
	200 000	20 May 2015	1 726	200 000	–	2 820	2 188	–	–
	180 000	18 May 2016	2 220	180 000	–	3 504	2 311	–	–
	310 000	17 May 2017	2 900	310 000	–	3 611	2 204	–	–
	345 000	5 November 2018	2 679	345 000	–	5 125	8 439	–	–
	355 000	21 May 2019	3 021	355 000	–	6 441	12 141	–	–
	470 000	20 May 2020	2 501	470 000	–	5 230	12 826	–	–
	260 000	26 May 2021	4 800	–	–	–	–	260 000	3 806
	210 000	18 May 2022	6 514	–	–	–	–	210 000	–
	295 000	17 May 2023	5 196	–	–	–	–	295 000	3 151
				4 675 000	450 000		68 641	765 000	6 957
Pieter GS de Wit	40 000	9 May 2008	850	–	40 000	–	–	–	–
	50 000	9 May 2008	650	–	50 000	–	–	–	–
	50 000	13 May 2009	200	50 000	–	584	192	–	–
	60 000	12 May 2010	325	60 000	–	901	346	–	–
	100 000	11 May 2011	340	100 000	–	1 652	1 312	–	–
	120 000	9 May 2012	572	120 000	–	1 862	1 548	–	–
	80 000	8 May 2013	850	80 000	–	2 899	1 639	–	–
	60 000	14 May 2014	1 565	60 000	–	3 012	868	–	–
	60 000	20 May 2015	1 726	60 000	–	3 381	993	–	–
	120 000	18 May 2016	2 220	120 000	–	3 381	1 393	–	–
	135 000	17 May 2017	2 900	135 000	–	3 611	960	–	–
	145 000	5 November 2018	2 679	145 000	–	5 125	3 547	–	–
	153 000	21 May 2019	3 021	153 000	–	6 441	5 233	–	–
	202 000	20 May 2020	2 501	202 000	–	5 230	5 513	–	–
	110 000	26 May 2021	4 800	–	–	–	–	110 000	1 610
	90 000	18 May 2022	6 514	–	–	–	–	90 000	–
	125 000	17 May 2023	5 196	–	–	–	–	125 000	1 335
				1 285 000	90 000		23 544	325 000	2 945

* *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 (R62,64), less the strike price of these instruments.*

20. DIRECTORS AND PRESCRIBED OFFICER'S EMOLUMENTS (continued)

Executive directors' and prescribed officer's participation in share schemes (continued)

	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**
Collin Ramukhubathi	25 000	14 May 2014	1 565	25 000	–	2 943	345	–	–
	25 000	20 May 2015	1 726	25 000	–	2 851	281	–	–
	50 000	18 May 2016	2 220	50 000	–	3 381	581	–	–
	50 000	17 May 2017	2 900	50 000	–	3 611	356	–	–
	80 000	5 November 2018	2 679	80 000	–	5 125	1 957	–	–
	80 000	21 May 2019	3 021	80 000	–	6 441	2 736	–	–
	173 000	20 May 2020	2 501	173 000	–	5 230	4 721	–	–
	100 000	26 May 2021	4 800	–	–	–	–	100 000	1 464
	90 000	18 May 2022	6 514	–	–	–	–	90 000	–
	125 000	17 May 2023	5 196	–	–	–	–	125 000	1 335
				483 000	–		10 977	315 000	2 799
Marthinus G Odendaal	40 000	13 December 2007	850	–	40 000	–	–	–	–
	40 000	9 May 2008	650	–	40 000	–	–	–	–
	50 000	13 May 2009	200	50 000	–	584	192	–	–
	200 000	12 May 2010	325	200 000	–	1 325	2 000	–	–
	100 000	11 May 2011	340	100 000	–	1 652	1 312	–	–
	120 000	9 May 2012	572	120 000	–	1 873	1 561	–	–
	80 000	8 May 2013	850	80 000	–	2 970	1 696	–	–
	60 000	14 May 2014	1 565	60 000	–	3 504	1 163	–	–
	60 000	20 May 2015	1 726	60 000	–	3 611	1 131	–	–
	60 000	18 May 2016	2 220	60 000	–	5 802	2 149	–	–
	70 000	17 May 2017	2 900	70 000	–	5 647	1 923	–	–
	80 000	5 November 2018	2 679	80 000	–	6 265	2 869	–	–
	90 000	21 May 2019	3 021	90 000	–	6 441	3 078	–	–
	160 000	20 May 2020	2 501	–	–	–	–	160 000	6 021
	100 000	26 May 2021	4 800	–	–	–	–	100 000	1 464
	90 000	18 May 2022	6 514	–	–	–	–	90 000	–
	125 000	17 May 2023	5 196	–	–	–	–	125 000	1 335
				970 000	80 000		19 074	475 000	8 820
André Smith	60 000	12 May 2010	325	60 000	–	901	346	–	–
	50 000	9 May 2012	572	50 000	–	1 873	651	–	–
	40 000	8 May 2013	850	40 000	–	2 849	800	–	–
	25 000	14 May 2014	1 565	25 000	–	3 012	362	–	–
	25 000	20 May 2015	1 726	25 000	–	3 381	414	–	–
	20 000	18 May 2016	2 220	20 000	–	3 381	232	–	–
	25 000	17 May 2017	2 900	25 000	–	3 611	178	–	–
	25 000	5 November 2018	2 679	25 000	–	5 160	620	–	–
	25 000	21 May 2019	3 021	25 000	–	6 388	842	–	–
	25 000	20 May 2020	2 501	25 000	–	5 230	682	–	–
	30 000	26 May 2021	4 800	–	–	–	–	30 000	439
	25 000	18 May 2022	6 514	–	–	–	–	25 000	–
	25 000	17 May 2023	5 196	–	–	–	–	25 000	267
				320 000	–		5 127	80 000	706

* *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 (R62,64), less the strike price of these instruments.*

20. DIRECTORS AND PRESCRIBED OFFICER'S EMOLUMENTS (continued)

Executive directors' and prescribed officer's participation in share schemes (continued)

In terms of the SAR Scheme: Grant 15 (2023: Grant 14), 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
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**
2023			
Andries J van Heerden	72 350	18 May 2022	65,14
Pieter GS de Wit	47 600	18 May 2022	65,14
Collin Ramukhubathi	47 600	18 May 2022	65,14
Marthinus G Odendaal	47 600	18 May 2022	65,14

Incentive bonuses paid to executive directors and prescribed officer:

	Group	
	2024 R'000	2023 R'000
Executive directors and prescribed officer		
Andries J van Heerden	**6 925**	5 835
Pieter GS de Wit	**3 375**	2 945
Collin Ramukhubathi	**3 320**	2 685
Marthinus G Odendaal	**3 310**	2 885
André Smith*	**750**	–
	17 680	14 350

* *André Smith was appointed as prescribed officer effective 31 August 2023.*

Incentive bonuses include those earned in the current year but only received in the following year.

Directors' shareholding

Please refer to page 8 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 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)**

21. FAIR VALUE ESTIMATION (continued)

	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)**

	Group			
	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total balance R'000
At 28 February 2023				
Assets				
At fair value through other comprehensive income				
Equity securities*	67	–	–	67
Environmental funds**^	–	8 943	–	8 943
At fair value through profit or loss				
Unit trusts**^	–	81 618	–	81 618
Trade receivables***	–	196 345	–	196 345
Total assets	67	286 906	–	286 973
Liabilities				
Other liability*#	(5 094)	–	–	(5 094)
Total liabilities	(5 094)	–	–	(5 094)

21. FAIR VALUE ESTIMATION (continued)

	Company			
	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total balance R'000
At 28 February 2023				
Liabilities				
Other liability*#	(1 795)	–	–	(1 795)
Total liabilities	(1 795)	–	–	(1 795)

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.*

^ *Measurement period adjustment – during the current year, the comparative information for February 2023 was retrospectively adjusted in the process of finalising the accounting for the business combination, refer note 12.1 for further disclosure.*

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.

(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 29 February 2024 or the prior year.

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	Impact
IAS 1 (effective 1 January 2024)	**Presentation of Financial Statements — Non-current liabilities with covenants**	Impact of the amendment was not material.
IFRS 16 (effective 1 January 2024)	**Lease liability in a Sale and Leaseback**	No impact expected.
IAS 7 and IFRS 7 (effective 1 January 2024)	**Supplier Finance Arrangements**	No impact expected.
IAS 21 (effective 1 January 2025)	**Lack of Exchangeability for foreign operations/transactions**	Impact of the amendment was not material.

23. GOING CONCERN

The directors have reviewed the Group's cash flow forecast for the year to 28 February 2025 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.

The following impacts, outside of the control of management have been considered:

Loadshedding

The frequent power outages, known as loadshedding, continues to exert a significant and ongoing impact on the South African economy. The Group has effectively managed and addressed these interruptions in order to mitigate losses, resulting in successful outcomes.

Transnet

The poor and deteriorating performance from the national rail carrier Transnet is not only impacting Afrimat, but all mining operations across South Africa. To counter this impact, Afrimat executives dedicate time in forums to assist as part of a public/private collaborative effort.

ANALYSIS OF SHAREHOLDERS

as at 29 February 2024

	Number of shareholders	%	Number of shares	%
Shareholding				
1 – 1 000 shares	11 243	76,06	2 013 726	1,27
1 001 – 10 000 shares	2 814	19,04	9 280 269	5,81
10 001 – 100 000 shares	548	3,71	17 477 199	10,94
100 001 – 1 000 000 shares	157	1,06	45 513 129	28,50
1 000 001 shares and over	19	0,13	85 406 634	53,48
	14 781	100,00	159 690 957	100,00
Analysis of holdings				
Non-public shareholding				
Directors and their associates	10	0,05	10 177 950	6,37
Treasury shares – Afrimat Management Services Proprietary Limited	1	0,01	1 646 326	1,03
Treasury shares – Afrimat Empowerment Investments Proprietary Limited/Afrimat BEE Trust	1	0,01	6 863 194	4,30
	12	0,07	18 687 470	11,70
Public shareholding	14 769	99,93	141 003 487	88,30
	14 781	100,00	159 690 957	100,00

	Number of shares	%	Number of BEE shares	%
Major, founder and BEE shareholders				
Founder shareholders – related parties				
Andries J van Heerden (CEO)	4 543 784	2,85	–	–
Maryke E van Heerden	1 198 543	0,75	–	–
Amala Familie Trust (CEO)	853 564	0,54	–	–
Founder shareholders – not related parties				
Korum Trust (TCB Jordaan)	9 010 000	5,64	–	–
Forecast Investments Proprietary Limited (Laurie P Korsten)	400 000	0,25	–	–
Frans du Toit Trust	17 642 000	11,05	–	–
Other major shareholders				
Government Employees Pension Fund	20 910 194	13,09	–	–
BEE shareholders*				
Mega Oils Proprietary Limited (Loyiso Dotwana, non-executive director)	1 747 475	1,09	1 747 475	1,09
Afrimat Empowerment Investments Proprietary Limited/Afrimat BEE Trust	6 863 194	4,30	6 863 194	4,30
Collin Ramukhubathi	335 377	0,21	335 377	0,21
Joe Kalo Investments Proprietary Limited	75 000	0,05	75 000	0,05
Johannes M Kalo	45 090	0,03	45 090	0,03
Goolam Ballim	227 009	0,14	227 009	0,14
Mandated investments	68 211 268	42,71	6 323 185	3,96
Previously recognised interest**	–	–	–	19,84
	132 062 498	82,70	15 616 330	29,62
Other	27 628 459	17,30	–	–
	159 690 957	100,00	15 616 330	29,62

* *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.*