

Salient features

- The South African steel industry is facing its greatest challenge since the events of the financial crisis of 2008/09, as international steel-to-raw material price spreads remain under pressure, and countries rush to protect their steel industries against unfair trade and policy practices
- Commencement of the Longs Business wind down implementation plan (initially scheduled to start by end-January 2025) has been delayed by approximately one month to enable:
 - fulfilment of the higher-than-anticipated outstanding order book (prioritising automotive and other customers)
 - continuing discussions with the South African Government on the future of the Longs Business, with an announcement expected in the second half of February 2025Extended operations have been enabled through funding support of R380 million from the IDC in the form of a shareholder loan
- H2 2024 crude steel production levels up 12% due to improved asset utilisation in the Flats Business
- Sales volumes down 6% to 2,3 million tonnes (crude steel production down 6% to 2,6 million tonnes)
- Realised rand steel prices down 4% (down 3% in Dollar terms)
- Raw material basket (RMB) flat in Rand terms (international RMB down 13% in Rand terms)
- Value Plan added R910 million (2023: R2 093 million)
- Fixed costs up 2% to R6 783 million (2023: R6 619 million), in support of additional maintenance and environment cost
- Operational EBITDA loss - before the Longs Business wind down charge, severance packages charge and the write down of inventory - of R1 816 million (2023: R56 million profit), includes R670 million of losses relating to the Q2 2024 Blast Furnace instability and R1 514 million of inventory disposal losses in support of improved liquidity
- Operational EBITDA loss (before wind down and impairment charges) for the Longs Business amounted to R1,1 billion (2023: R0,6 billion)
- Longs Business wind down charge, severance packages charge, write down of inventory, and impairment charges amount to R1 813 million (2023: R2 115 million of impairment charges)
- Headline loss of R5 102 million (2023: R1 890 million)
- Net borrowings prior to the capitalisation of multi-year accrued interest and fees payable (R1 355 million) to the ArcelorMittal group, were flat for the last three quarters at R3 756 million (2023: R3 215 million); R5 111 million after accruals capitalisation
- Continued support from the ArcelorMittal group with shareholder loan (included in net borrowings) increased to R5 055 million (2023: R3 700 million), and now fully sub-ordinated (2023: R2 700 million sub-ordinated)
- As a non-adjusting subsequent event, the outstanding R950 million at year-end of the R1 000 million secured short-term loan received from the IDC in June 2024, was restructured with final settlement extended from 1 June 2025 to 1 September 2026. This excludes the R380 million IDC shareholder loan to enable the extended operations of the Longs Business for approximately one additional month
- The Company continues to advance the bankability of its high-payback investment portfolio, which includes addressing its balance sheet resilience through a potential recapitalisation.

The analysis below relates to the year ended 31 December 2024 (current period; "2024") compared to the year ended 31 December 2023 (prior or comparable period; "2023"), except where otherwise indicated. The immediately preceding six months refers to the first six months of 2024 ("H1 2024").

Overview

2024 saw both ArcelorMittal South Africa and the South African steel industry face the greatest challenge since the financial crisis of 2008/09. International steel-to-raw material price spreads remain under pressure. Countries and many regions including Brazil, India, the US, the EU, and those in Southeast Asia which regard their steel industries as strategic, have rushed to protect their industries against unfair trade and policy practices. Near-record high China exports at subsidised-enabled low prices continue to be the catalyst for this.

Following the unfortunate announcement of 6 January 2025, the commencement of the Longs Business wind down implementation plan, which was initially scheduled to start by end-January 2025, has been delayed by approximately one month to enable:

- fulfilment of the higher-than-anticipated outstanding order book, prioritising automotive and seamless tube customers; and
- continuing discussions with the South African Government on the future of the Longs Business with an announcement expected in the second half of February 2025.

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Extended operations for approximately one month have been enabled through funding support of R380 million in the form of an interest-free, sub-ordinated shareholder loan from the IDC, with no fixed maturity date.

The operational EBITDA loss (before wind down and impairment charges) for the Longs Business amounted to R1,1 billion (2023: R0,6 billion).

Pending any further clarity around the future of the Longs Business, a notice in terms of the Labour Relations Act has been issued and the consultation process regarding the contemplated large-scale retrenchment process as detailed in the 6 January 2025 announcement, has commenced. Resizing of the fixed cost structure of the Company is vital in the current market environment.

Work continues with the South African Government and key stakeholders in the South African steel and engineering value chain to agree on urgent, radical, and ambitious interventions needed to address the decline in the critical and strategic steel sector.

ArcelorMittal South Africa's strategy for the coming five years will focus on strengthening the business model and investing to improve the quality of earnings and cash flow, and positioning for growth when it arrives. This involves four strategic pillars. Pillar 1 is Safety, which is the Company's number one priority, aiming to create an injury-free and safer work environment. Pillar 2 (strengthening the core business) and Pillar 3 (executing the Company's high payback projects) are aimed at building a fit-for-purpose ArcelorMittal South Africa. Pillar 4 targets longer term upside potential of high-quality products and high value added markets in order to future-proof the business model. Elements of these pillars will be executed in parallel to one another.

Financial results

Financial performance

Revenue decreased by 7% to R38 596 million (2023: R41 637 million), mainly due to a 6% decrease in total steel sales volumes, a 4% fall in net realised steel sales prices, partly offset by a 7% increase in non-steel and other revenue types. Second half revenue of R18 090 million was 12% down (2024 H1: R20 506 million) compared to the immediately preceding six months.

The Company's RMB, representing 46% (2023: 49%) of cash cost per tonne¹, was flat in Rand terms, compared to a 13% decrease in the international basket (Rand terms). The components in the basket moved as follows: iron ore increased by 18%, coking coal and coke decreased by 7%, and scrap decreased by 2%. The local basket was 10% down in Rand terms compared to the immediately preceding six months.

Other variable conversion cost (excluding RMB) representing 36% of cash cost per tonne¹ (2023: 34%) increased year on year by 7% due to higher energy cost. Other variable conversion cost was 6% lower compared to the immediately preceding six months mainly due to reduced consumption rates.

Total variable cash cost per tonne¹ of steel increased 1% for the year while for the second half, the variable cash cost decreased by 11% against the immediately preceding six months.

Electricity tariffs increased by 14%, while Dollar-denominated commodity-indexed consumables decreased by 5% against the comparative period.

Fixed costs increased from R6 619 million in 2023 to R6 783 million for 2024 in response to additional maintenance undertaken following the blast furnace outages in Q2, certain maintenance work delayed from H1 to H2 for the Longs Business, and higher environmental costs. Second half fixed costs of R3 366 million decreased by 1% (2024 H1: R3 417 million) compared to the immediately preceding six months despite the impact of the additional maintenance cost and salary adjustments.

The Value Plan realised improvements of R910 million (2023: R2 093 million) consisting of commercial-related initiatives of R151 million (2023: R909 million) and cost-based initiatives of R759 million (2023: R1 184 million).

¹ Based on crude steel production

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The operational EBITDA loss - before the Longs Business wind down charge, severance packages charges and the write down of inventory - of R1 816 million was substantially lower than the R56 million profit in the comparable period. The operational EBITDA loss includes R670 million of losses relating to the Q2 2024 Blast Furnace instability and R1 514 million of inventory disposal losses in support of improved liquidity.

The depreciation and amortisation expense decreased by 7% to R818 million (2023: R878 million) following the impairment charge recognised against the Longs Business in December 2023, decreasing the depreciable net carrying amount of its property, plant and equipment.

Financial results continue

Financial performance continue

Net finance charges increased by 30% to R1 372 million (2023: R1 057 million) due to lower foreign exchange gains compared to 2023 of R173 million, a higher interest expense on borrowings of R102 million, together with a reduced discount rate used to present value the asset retirement- and environmental obligations, contributing to R60 million higher charge compared to 2023.

The Longs Business wind down charge, severance packages charge, write down of inventory and impairment charges amounted to R1 813 million (2023: R2 115 million of impairment charges).

ArcelorMittal South Africa posted a headline loss of R5 102 million (458 cents loss per share) against a loss of R1 890 million (170 cents loss per share) in the comparable period, and R3 983 million loss for the immediately preceding six-month period.

The attributable loss for the year amounted to R5 839 million (524 cents loss per share) against a loss of R3 920 million (352 cents loss per share) in 2023.

Cash flow and net borrowing position

Cash generated from operations of R1 029 million represents a R652 million decrease against the comparable period (2023: R1 681 million) mainly due to cash utilised by operations of R1 973 million (2023: R228 million utilised) countered by lower operating work capital requirements with R3 002 million of cash released (2023: R1 709 million released).

Net finance charge outflows of R640 million (2023: R658 million), were R18 million down due to a decrease in interest paid to suppliers.

The cash outflow associated with capital expenditure was R938 million (2023: R1 489 million), which consisted of R607 million (2023: R865 million) sustaining (including safety and structures), R115 million environmental (2023: R301 million) and R216 million (2023: R323 million) of strategic investments. Key projects undertaken / in process include the Vanderbijlpark Coke Gas Cleaning plant: R83 million; Blast Furnace D hot blast stove 4 restoration: R76 million; Newcastle Coke Oven Battery through-wall repairs: R66 million; Plate Mill restoration: R18 million and Blast Furnace C taphole and hearth repair of R14 million.

Continuing its intense focus on cash management, the Company maintained net borrowing levels within tolerable levels. The net borrowings position prior to the capitalisation of the multi-year accrued interest and fees of R1 355 million to the ArcelorMittal shareholder loan, remained flat for the last three quarters, at R3 756 million. The net borrowings position after the capitalisation amounted to R5 111 million. The net borrowings position was R3 215 million and R3 793 million at December 2023 and June 2024, respectively.

Continued support from the ArcelorMittal group resulted in its shareholder loan to the Company (included in net borrowings) increase to R5 055 million (2023: R3 700 million). It is now fully sub-ordinated (2023: R2 700 million sub-ordinated).

As a non-adjusting subsequent event, the R950 million outstanding at year-end of the R1 000 million secured short-term loan received from the IDC in June 2024, was restructured with final settlement extended from 1 June 2025 to 1 September 2026. This excludes the R380 million IDC shareholder loan to enable the extended operations of the Longs Business for approximately one additional month.

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Markets

Global crude steel production² was 0,9% down for 2024 at 1 839 million tonnes when compared to the same period last year. Global crude steel production fell by 7% against the preceding six months. International hot rolled coil (HRC) and rebar prices decreased by 12% and 9% respectively in Dollar terms when compared to the comparable period and decreased by 12% and 4% compared to the preceding six months.

Markets continue

Steel imports of primarily HRC, galvanised sheet, plates and cold rolled increased to 1,36 million tonnes in 2024³ or 33,6% of South Africa's Apparent Steel Consumption (ASC) (2023: 30,6%). This represents the highest absolute level and the highest percentage of ASC on modern record. Imports decreased in H2 2024 by 44 000 tonnes compared to the immediately preceding six months.

The Company's sales volumes decreased by 6%, or 136 000 tonnes, to 2,28million tonnes compared to 2023. Domestic sales were down 8% at 1,75 million tonnes while exports increased by 2% to 523 000 tonnes⁴. Africa overland sales decreased to 238 000 tonnes. Africa overland sales as a percentage of total exports was 45% (2023: 47%). Total sales volumes were 69 000 tonnes lower when compared to the immediately preceding six months, with domestic sales 12% lower while exports were up by 17%.

The Company's overall realised steel price in Dollar terms decreased by 3%. In Rand terms, this represented a 4% decrease as the average Dollar/Rand exchange rate strengthened by 1%. Realised Dollar steel prices decreased by 4% compared to the immediately preceding six months, with Rand prices down by 10% for the same period.

ArcelorMittal South Africa is the only primary producer of steel in South Africa which supports the downstream industry through a formal export support programme. This industry support totalled R169 million (2023: R144 million) in value added export and strategic rebate assistance during 2024.

Sales volumes of commercial market coke were 107 000 tonnes higher at 140 000 tonnes in 2024. Selling prices were 26% down in Rand terms against the comparable period.

Operations

Crude steel production decreased by 6%, or 178 000 tonnes, from 2,7 million in the comparable period to 2,59 million tonnes for 2024 due to the blast furnace instability in Q2. Crude steel production increased by 12%, or 143 000 tonnes, to 1,36 million tonnes against the immediately preceding six months despite the commencement of the Blast Furnace C hearth repair and shotcrete campaign in Q4.

The Company's average capacity utilisation⁵ decreased from 67% in 2023 to 63% in 2024 including the disruptive blast furnace chilled hearth conditions in the Flats Business in Q2. Overall utilisation increased from 60% in H1 to 66% in H2, with that of the Flats Business having improved from 58% to 69%. The successful completion of Blast Furnace C's shotcrete and hearth repair in Q4 should contribute to sustaining this recovery into 2025. Additionally, the major Plate Mill upgrade project, aimed at supplying the Renewable Energy and Mining industry, is on track for a second-half of February 2025 restart.

With improved production volumes returning to the Flats Business, due to considerable investment in equipment, that business is now intensely focused on quality and on-time delivery to improve customer service.

Capacity utilisation for the Longs Business remained stable at 61% (2023: 63%). Operations were steady in the iron and crude steel making areas with improving efficiencies. Yields were acceptable in the rolling mills area despite operating with sub-optimal scheduling programmes given the market conditions.

Positive progress was made on stock and cash management through targeted inventory controls.

² Source: WorldSteel Association

³ Source: South African Revenue Service, December estimated

⁴ Bluewater and Africa overland sales volumes

⁵ Based on achievable Hot Metal capacity for Vanderbijlpark and Newcastle Works

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Safety, Environmental, Social and Governance (ESG)

Safety

It is with deep regret that a fatality occurred in the second half of 2024. The Board and Management express heartfelt condolences to the family, friends and colleagues of Mr Image Mabowa, an employee of a contractor working at the Sinter Plant in the Flats Business.

Safety, Environmental, Social and Governance (ESG) continue

Safety continue

Safety is the Company's highest priority as it remains committed to Zero Harm. The Company's lost-time injury frequency rate (LTIFR⁶) increased from 0,77 to 1,14, though the total injury frequency rate (TIFR) decreased from 7,69 to 7,16. Total number of injuries decreased from 199 to 195.

Environmental

In 2024, there were notable improvements in air quality management, with significant reductions in sulphur dioxide (SO₂) emissions and particulate matter levels at the Flats Business's Sinter Plant. Nitrogen oxide (NO_x) emissions also reduced, particularly in H2 2024. Waste management trends were favourable, with a decrease in disposal volumes, improved waste handling processes, and an increase in by-products sold, highlighting more efficient waste management practices.

Social

In the local community, several initiatives are driving meaningful change. ArcelorMittal South Africa science centres provide vital educational support to underprivileged schools. These centres have reached 27 756 learners and 929 teachers across 369 schools, enriching their educational journeys.

Beyond the classroom, outreach science, technology, engineering, and mathematics ("STEM") awareness programmes have engaged 1 528 participants through 487 events, fostering curiosity and innovation.

The Company is also committed to fighting food insecurity, with its Thusong Project ensuring that more than 2 900 less fortunate community members receive nutritious daily meals. 27 000 litres of soup are produced each month to support this effort.

The GetOn Foundation in the Vaal recently celebrated its one-year anniversary. This collaboration has become a beacon of hope, particularly for unemployed youth, by offering job-specific training. In 2024, the foundation empowered over 1 000 students, equipping them with valuable skills for a brighter future.

Empowering women remains a key priority, with the Lusa Community Chest training programmes helping women from disadvantaged backgrounds establish and grow their businesses.

Legal and Regulatory Matters

Competition Commission (the "Commission")

ArcelorMittal South Africa has been engaging the Commission regarding the restructuring of the payment of the administrative penalty, with particular reference to challenges in the Longs Business and its impact on the Company as a whole.

Changes to the board of directors

No changes to board of directors in H2 2024.

⁶ LTIFR: Lost time injury frequency rate defined as Lost Time Injuries (LTI) per 1,000,000 worked hours (own personnel and contractors); A LTI is an incident that causes an injury that prevents the person from returning to their next scheduled shift or work period

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Dividends

No dividends were declared for the year ended 31 December 2024.

Outlook for the first half of 2025

No meaningful improvement in the steel market is anticipated for the next six months. Consequently, actions by the South African Government to support the industry and protect it against unfair trade and policy practices are vital.

The Longs Business will only continue with financial support as the Company does not have the ability to bear any further financial risk associated with the continued operations of that business.

The key focus areas for the first half of 2025 will be:

- Advancing discussions with the South African Government regarding the Longs Business, with an announcement expected in the second half of February 2025;
- Placing of the Flats Business and market coke operations on a more sustainable financial footing with an intense focus on improving reliability, quality, on-time delivery, and customer service;
- Resizing of the fixed cost structure of the Company; and
- Advancing the bankability of the Company's high-payback investment portfolio, which includes addressing balance sheet resilience, through a potential recapitalisation.

Exchange rates will continue to have an impact as will rail services and electricity reliability.

On behalf of the board of directors

HJ Verster
Chief Executive Officer
6 February 2025

GA Griffiths
Chief Financial Officer

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KEY STATISTICS

	Year ended	
	31 December 2024	31 December 2023
Unreviewed/unaudited information		
Operational		
Crude steel production	2 589	2 767
Total steel sales (Thousand tonnes)	2 276	2 412
Local steel sales (Thousand tonnes)	1 753	1 898
Export steel sales (Thousand tonnes)	523	514
Capacity utilisation (%)	63	67
Average steel net realised price (R/t)	14 909	15 455
Commercial coke sales (Thousand tonnes)	140	33
Safety		
Lost time injury frequency rate	1.14	0.77
Reviewed information		
Financial		
Revenue (R million)	38 596	41 637
Loss from operations (R million)	(4 447)	(2 937)
Loss for the year (R million)	(5 839)	(3 920)
Loss per share (cents)	(524)	(352)
Headline loss (R million)	(5 102)	(1 890)
Headline loss per share (cents)	(458)	(170)
Return on ordinary shareholders' equity per annum:		
- Attributable earnings (%)	(119.6)	(40.3)
- Headline earnings (%)	(104.5)	(19.4)
EBITDA margin	(4.7)	0.1
Net borrowings (R million)	5 111	3 215
Net borrowings to equity (%)	260.2	41.2
Share statistics		
Ordinary shares (thousands):		
- in issue	1 138 060	1 138 060
- outstanding	1 114 612	1 114 612
- weighted average number of shares	1 114 612	1 114 612
- diluted weighted average number of shares	1 114 612	1 114 612
Share price (closing) (Rand)	1.34	1.64
Market capitalisation (R million)	1 525	1 866
Net asset value per share (Rand)	1.76	7.00

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Reconciliation of earnings before interest, taxation, depreciation, amortisation, impairment of property, plant and equipment and intangible assets, impairment of equity-accounted investment and exceptional items

In millions of Rands	Year ended	
	31 December 2024 Reviewed	31 December 2023 Audited
Loss from operations	(4 447)	(2 937)
Adjusted for:		
- Depreciation	807	861
- Amortisation of intangible assets	11	17
- Impairment of property, plant and equipment and intangible assets	682	2 096
- Impairment of equity-accounted investments	-	19
- Exceptional items		
- Longs Business wind down charge	244	-
- Restructuring charge for severance packages	495	-
- Longs Business write down of inventory incl. plant spares and consumables	392	-
Earnings before interest, taxation, depreciation, amortisation, impairment of property, plant and equipment and intangible assets, impairment of equity accounted investment and exceptional items (EBITDA)	(1 816)	56

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In millions of Rands	Note	Year ended	
		31 December 2024 Reviewed	31 December 2023 Audited
Revenue		38 596	41 637
Raw materials and consumables used		(22 296)	(26 651)
Employee costs		(4 329)	(3 920)
Energy		(5 892)	(5 343)
Movement in inventories of finished goods and work in progress		(1 737)	1 006
Depreciation		(807)	(861)
Amortisation of intangible assets		(11)	(17)
Impairment (loss)/reversal and movement in expected credit losses of trade and other receivables		(10)	(2)
Impairment of equity-accounted investments	6	-	(19)
Impairment of property, plant and equipment and intangible assets	7	(682)	(2 096)
Other operating expenses		(7 279)	(6 671)
Loss from operations		(4 447)	(2 937)
Finance income	8	82	285
Finance costs	9	(1 454)	(1 342)
Fair value adjustment of investment properties	12	37	93
(Loss)/gain on remeasurement of asset held-for-sale	15	(57)	9
Income after tax from equity-accounted investments		5	17
Loss before tax		(5 834)	(3 875)
Income taxation expense	10	(5)	(45)
Loss for the year		(5 839)	(3 920)
Other comprehensive income/(loss)			
<i>Items that will not be reclassified to income or loss (net of tax):</i>			
Fair value adjustment on equity instruments		1	(12)
Revaluation of property, plant and equipment		-	6
<i>Items that may be reclassified subsequently to income or loss (net of tax):</i>			
Exchange differences on translation of foreign operations		1	9
Share of other comprehensive income of equity-accounted investments		-	2
Other comprehensive income for the year		2	5
Total comprehensive loss attributable to owners of the company		(5 837)	(3 915)
Basic/diluted loss per share (cents) attributable to owners of the company		(524)	(352)

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In millions of Rands	Note	As at	
		31 December 2024 Reviewed	31 December 2023 Audited
Assets			
Non-current assets		8 862	9 459
Property, plant and equipment		7 373	7 974
Investment properties	12	690	702
Intangible assets		58	62
Equity-accounted investments		243	245
Investments held by environmental trust		486	438
Other receivables		12	27
Other financial assets	13	-	11
Current assets		15 953	19 517
Inventories		10 113	12 441
Trade and other receivables		2 246	3 552
Other financial assets		-	39
Cash, bank balances and restricted cash	14	3 594	3 485
Asset held-for-sale	15	126	134
Total assets		24 941	29 110
Equity and Liabilities			
Shareholders' equity		1 963	7 799
Share capital		4 537	4 537
Reserves		(3 448)	(3 515)
Retained earnings		874	6 777
Non-current liabilities		7 706	5 061
Borrowings	16	5 055	2 700
Lease liabilities		142	156
Provisions	17	1 578	1 474
Trade and other payables		228	210
Other financial liabilities	18	703	521
Current liabilities		15 272	16 250
Borrowings	16	3 650	4 000
Lease liabilities		39	32
Provisions	17	1 714	924
Trade and other payables		9 708	11 020
Other financial liabilities	18	49	162
Taxation		112	112
Total equity and liabilities		24 941	29 110

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

In millions of Rands	Note	Year ended	
		31 December 2024 Reviewed	31 December 2023 Audited
Cash flows from operating activities		384	978
Cash generated from operations	19	1 029	1 681
Finance income		80	93
Finance costs	20	(720)	(751)
Income taxation paid		(5)	(45)
Cash flows from investing activities		(915)	(1 389)
Investment to maintain and expand operations		(938)	(1 489)
Proceeds from disposal of property, plant and equipment		11	-
Proceeds from disposal of asset held-for-sale		-	99
Proceeds from disposal of other financial assets	13	12	-
Loan repaid by equity-accounted investment		-	1
Cash flows from financing activities		622	480
Borrowings: Borrowing-base facility raised	16	8 100	3 350
Borrowings: Borrowing-base facility repaid	16	(8 400)	(2 850)
Borrowings: Loan from Industrial Development Corporation raised	16	1 000	-
Borrowings: Loan from Industrial Development Corporation repaid	16	(50)	-
Repayment of principal lease liabilities		(28)	(20)
Net increase in cash, cash equivalents and restricted cash		91	69
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash		18	24
Cash, cash equivalents and restricted cash at the beginning of the year		3 485	3 392
Cash, cash equivalents and restricted cash at the end of the year	14	3 594	3 485

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In millions of Rands	Stated Capital	Treasury share equity reserve	Other Reserves	Retained earnings	Total
Year ended 31 December 2023 (Audited)					
Balance as at 31 December 2022	4 537	(2 065)	(1 511)	10 714	11 675
Total comprehensive loss for the year	-	-	5	(3 920)	(3 915)
Loss for the year	-	-	-	(3 920)	(3 920)
Other comprehensive income for the year	-	-	5	-	5
Share-based payment movement	-	-	39	-	39
Transfer between reserves	-	-	17	(17)	-
Balance as at 31 December 2023 (Audited)	4 537	(2 065)	(1 450)	6 777	7 799
Total comprehensive loss for the year	-	-	2	(5 839)	(5 837)
Loss for the year	-	-	-	(5 839)	(5 839)
Other comprehensive income for the year	-	-	2	-	2
Share-based payment movement	-	-	1	-	1
Transfer between reserves	-	-	64	(64)	-
Balance as at 31 December 2024 (Reviewed)	4 537	(2 065)	(1 383)	874	1 963

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. Corporate information

ArcelorMittal South Africa Limited is a public company incorporated and domiciled in South Africa and listed on the JSE Limited. These reviewed condensed consolidated financial statements for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the Group). The Group is one of the largest steel producers on the African continent.

The reviewed condensed consolidated financial statements of the Group for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 4 February 2025.

2. Basis of preparation

2.1 Statement of compliance

The reviewed condensed consolidated financial statements have been prepared under the supervision of GA Griffiths CA(SA), Chief Financial Officer, in accordance with the framework concepts, the recognition and measurement criteria of the IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and International Accounting Standard (IAS 34) Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and Financial Pronouncements as issued by Financial Reporting Standards Council, the JSE Limited Listings Requirements and the requirements of the Companies Act of South Africa.

The reviewed condensed consolidated financial statements have been prepared in accordance with historical cost convention except for certain financial instruments which are stated at fair value and are presented in Rand, which is the functional and presentation currency of the company. All financial information presented in Rand has been rounded off to the nearest million.

2.2 Going concern

As a result of the very challenging trading environment the Group recognised a net loss after taxation of R5 837 million for the 2024 financial year. The net loss is after impairment of property, plant and equipment of R682 million relating to the wind down of the Long Steel Products (LSP or Longs Business) cash-generating unit (CGU) which had no cash flow impact, as disclosed in note 4, note 7 and note 22.

The current assets of the Group exceed current liabilities by R680 million (31 December 2023: current assets exceed current liabilities by R3 267 million). The cash preservation initiatives and working capital management deployed by the Group resulted in the Group generating R1 029 million (31 December 2023: R1 681 million) positive cash flow from operations with cash, bank balances and restricted cash being R3 594 million at year end (31 December 2023: R3 485 million). Subsequent to year end, the IDC loan maturity date was extended from June 2025 to September 2026 and the repayment profile restructured such that an amount of R750 million will be reclassified to non-current liabilities, refer note 25. Net borrowings increased to R5 111 million (31 December 2023: R3 215 million) for the Group.

The Group complied with all covenants as it pertains to the borrowing-based facility (BBF). The balance of the BBF was R2 700 million at year (31 December 2023: R3 000 million). The loan is currently classified as a current liability, however, the final maturity date is only in September 2026 and therefore not fully payable within 12 months after year end, refer to note 16 for detail. The Group continues to work closely with all lenders to ensure the required facilities remains in place, while being fully cognisant that the wind down of the Longs Business will impact the level of the borrowing base (i.e. asset securitisation) supporting the maximum facility amount.

ArcelorMittal Holdings AG, as holding company, continues to demonstrate their support through its subordinated Shareholder's loan in favour of the lenders of the BBF. During the current year the ArcelorMittal group enabled the capitalisation of R1 355 million worth of interest and fees, payable to the holding company, to the Shareholder's loan and it was agreed by the holding company to subordinate the full balance of the outstanding loan, being R5 055 million as at 31 December 2024 (31 December 2023: R2 700 million).

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 *continued***2 Going concern (continued)**

As required, the directors have prepared cash flow forecasts for a period of 12 months from the end of the reporting period, based on the most recent forecast and all available information. Assertive working capital management, monetisation of non-core assets together with cost reductions projects are key initiatives to optimise the liquidity and cash of the Group.

Shareholders are advised that the Group's financial performance is dependent upon the wider economic environment in which the Group operates. Other factors beyond the control of management, such as volatility of the Rand/US dollar exchange rate, steel demand, commodity and steel prices, and rail service and electricity supply reliability can also have an impact on the business. The directors and management continue to evaluate, develop and improve business plans and liquidity models to effectively deal with the effects of these factors.

Based on the Group's 12-month funding plan and taking banking facilities into consideration, together with the ongoing support from the holding company, ArcelorMittal Holdings AG, the directors believe that the Group has sufficient funds to pay debts as they become due over the next 12 months, and therefore will remain a going concern.

3. Accounting policies

The accounting policies and methods of computation applied in the preparation of the reviewed condensed consolidated financial statements of the Group are consistent with those applied for the year ended 31 December 2023.

3.1 New standards effective for annual periods beginning on or after 1 January 2024

The following new amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2024, and had been adopted by the Group at 31 December 2023.

- *Classification of Liabilities as Current or Non-current* (Amendments to IAS 1)
- *Non-current Liabilities with Covenants* (Amendments to IAS 1)
- *Lease Liability in a Sale and Leaseback* (Amendments to IFRS 16)
- *Supplier finance arrangements* (Amendments to IAS 7 and IFRS 7)
- *Lack of Exchangeability* (Amendments to IAS 21)

These amendments did not have a significant impact on the Group's financial statements.

3.2 New standards, amendments to existing standards and interpretations not yet effective

New standards and amendment to standards and interpretations that are effective for annual periods beginning on or after 1 January 2025, of which an earlier application is permitted, that may be relevant to the Group are the *Classification and Measurement of Financial Instruments* (Amendments IFRS 9 and IFRS 7) and the new standard *Presentation and Disclosures in Financial Statements* (IFRS 18). The amendments and new standard have not been early adopted by the Group in the 2024 financial year and is not expected to have a significant impact on the Group's financial statements, except for IFRS 18, the impact of which is still being assessed.

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 *continued*

4. Significant estimates and assumptions

The preparation of the financial statements in compliance with IFRS Accounting Standards requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results may differ from these estimates. Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which they were revised and in any future periods affected.

Key estimates and assumptions which have the most significant effect on the financial statements include:

- Valuation of investment properties - a Level 3 fair value utilising significant unobservable inputs, specifically the capitalisation rate, vacancy provision and expense ratio – refer to note 21.
- Expected credit loss assessment - the exposure to credit risk is insured and mainly underwritten by the Credit Guarantee Insurance Corporation of South Africa. The insurance excess ranges from 0% to 10%. The credit limits of customers were monitored and adjusted where applicable throughout the period. Goods were dispatched to customers in line with the approved credit limits. The assessment of expected credit losses was reperformed as at 31 December 2024 and the impairment loss provision on trade and other receivables increased by R10 million (2023: R2 million increase) compared to December 2023.
- Going concern basis – refer to note 2.2.
- Environmental remediation obligation and asset retirement obligation - specifically the expectation of future cost, discount rate and expected inflation rates. The average discount rate use for environmental remediation obligation is 9.17% (2023: 9.90%) and for asset retirement obligation is 8.82% (2023: 9.43%). The average escalation rate applied to the current cash flow estimates is 4.32% (2023: 5.57%) – refer to note 17.

- Impairment assessment of property, plant and equipment

An impairment assessment was completed for the 31 December 2024 year end using a discounted cash flow model with an explicit forecast period for five years. These cash flows are USD-based. To determine the terminal value, the Gordon growth model is used, where Year Five free cash flow is recognised in perpetuity. In 2023 LSP CGU, consisting of the Vereeniging, ArcelorMittal Rail and Structures (AMRAS) and Newcastle plants (together LSP plants, or the Longs Business), were assessed as a single CGU. In the current year, with the wind down consideration and subsequent developments, the LSP plants were assessed as separate CGUs, being Vereeniging, AMRAS and Newcastle, however, no impairment model was performed for Newcastle, therefore no cash assumptions are applicable. Instead, the Newcastle plant was impaired to fair value less costs to sell - refer to note 7.

The value in use for the Vanderbijlpark, Coke and Chemicals, Vereeniging and AMRAS CGUs, exceeded their carrying amounts. Management has considered the sensitivity of the impairment calculations to various key inputs and assumptions and concluded that reasonable adjustments to these key inputs and assumptions applied would not result in any additional impairment loss.

The following major assumptions were used:

	Vanderbijlpark		Vereeniging	AMRAS	LSP	Coke and Chemicals	
	2024	2023	2024	2024	2023	2024	2023
Major assumptions							
Total Pre-tax WACC/discount rate (%USD-based)*	17.71	19.91	19.39	20.38	21.08	17.07	16.79
Company specific premium (%USD-based)*	1.60	1.95	3.00	3.00	3.45	0.80	0.75
Growth rate (%USD-based)	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Exchange rate range (R/USD)**	17.93 – 19.41	18.50 – 21.80	17.93 – 19.41	17.93 – 19.41	18.50 – 21.80	17.93 – 19.41	18.50 – 21.80
Steel sales price range (average USD/t)**	771 – 818	716 – 850	1 048 – 1 080	699 – 793	691 – 748	67 – 153	22 – 45***
Sales volume range (kt)**	1 881 – 2 063	1 889 – 2 279	96 – 108	123 – 136	1 191 – 1 273	840 – 1 555	1 000 – 1 235

* Decarbonisation risk is incorporated in company-specific premium.

** Lowest to highest range over period of 2025 to 2029 (2023: 2024 to 2028).

*** Commercial coke sales price range (average USD/t).

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 *continued*

5. Segment report

Operating segments are identified based on internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker, in order to allocate resources to the segment and to assess its performance.

The Group's reportable segments are:

- Steel Operations consisting of Vanderbijlpark plant, Newcastle plant, Vereeniging plant and ArcelorMittal Rail and Structures
- Non-Steel Operations consisting of Coke and Chemicals undertaking the processing and marketing of by-products and the production and marketing of commercial grade coal, decommissioned Saldanha plant, Maputo plant, and Pretoria plant; and the Thabazimbi Iron Ore Mine.
- Corporate and other, consisting of commercial functions, procurement and logistics activities, shared services, investments and the results of the non-trading consolidated subsidiaries and consolidated structured entities

Earnings before interest, tax, depreciation and amortisation represents the earnings by each segment without the allocation of depreciation, amortisation, impairments and exceptional items (EBITDA).

Exceptional items, being abnormal items unrelated to the ordinary activities of the Group, include charges relating to onerous contracts, severance packages and write down of inventory, including plant spares and consumables, that arose as a result of the wind down of the Longs Business, refer note 7.

Segment profit/(loss) from operations represents the profit/(loss) earned/(incurred) by each segment without the allocation of after-tax profits of equity-accounted investments.

All assets and liabilities are allocated to the operating segments, other than for the following items that are allocated exclusively to the corporate and other segment, reflecting the way resource allocation is measured.

Assets not allocated to operating segments:

- Investments in equity-accounted entities
- Financial investments
- Cash and cash equivalents
- Income tax, capital gains tax and value added tax related assets, as applicable.

Liabilities not allocated to operating segments:

- Income tax
- Value added tax related liabilities, as applicable

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NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 *continued*

5. Segment report (continued)

	Steel Operations	Non-Steel Operations	Corporate and other	Adjustments and eliminations	Total reconciling to the consolidated amounts
	R'm	R'm	R'm	R'm	R'm
For the year ended 31 December 2024					
Revenue					
- External customers	37 263	1 333	-	-	38 596
- Internal customers	-	293	-	(293)	-
Total revenue	37 263	1 626	-	(293)	38 596
Revenue to external customers distributed as:					
Local	29 167	1 626	-	(293)	30 500
Export	8 096	-	-	-	8 096
Rest of Africa	5 184	-	-	-	5 184
America	25	-	-	-	25
Asia	909	-	-	-	909
Europe	1 669	-	-	-	1 669
Middle East	305	-	-	-	305
Other	4	-	-	-	4
Total	37 263	1 626	-	(293)	38 596
Expenses					
Raw materials and consumables used	(22 161)	(209)	(238)	312	(22 296)
Employee cost	(3 758)	(76)	-	-	(3 834)
Energy	(5 807)	(85)	-	-	(5 892)
Movement in inventories of finished goods and work-in-progress	(937)	(800)	-	-	(1 737)
Impairment (loss)/reversal and movement in expected credit losses of trade and other receivables	(2)	(8)	-	-	(10)
Other operating expenses	(6 519)	(124)	-	-	(6 643)
EBITDA	(1 921)	324	(238)	19	(1 816)
Impairment of property, plant and equipment and intangible assets	(682)	-	-	-	(682)
Depreciation and amortisation	(759)	(43)	(16)	-	(818)
Exceptional items:					
Longs Business wind down charge	(244)	-	-	-	(244)
Restructuring charge for severance packages	(495)	-	-	-	(495)
Longs Business - write down of inventory – including plant spares and consumables	(392)	-	-	-	(392)
(Loss)/profit from operations	(4 493)	281	(254)	19	(4 447)
Finance income	(10)	1	119	(28)	82
Finance costs	(621)	(141)	(720)	28	(1 454)
Fair value adjustment of investment properties	-	37	-	-	37
Loss on remeasurement of asset held-for-sale	-	(57)	-	-	(57)
Income after tax from equity-accounted investments	-	-	5	-	5
(Loss)/profit before taxation	(5 124)	121	(850)	19	(5 834)
Income taxation expense	-	(5)	-	-	(5)
(Loss)/profit for the year	(5 124)	116	(850)	19	(5 839)
Segment assets (excluding investments in equity-accounted entities)	18 358	2 358	4 153	(171)	24 698
Investments in equity-accounted entities	-	-	243	-	243
Segment liabilities	9 268	1 740	12 146	(176)	22 978
Cash generated from/(utilised in) operations	524	96	432	(23)	1 029
Capital expenditure	915	5	18	-	938
Number of employees at the end of the year (own)	5 165	156	676	-	5 997

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NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 *continued*

5. Segment report (continued)

	Steel Operations	Non-Steel Operations	Corporate and other	Adjustments and eliminations	Total reconciling to the consolidated amounts
Unreviewed information					
Crude steel production ('000 tonnes)	2 589	-	-	-	2 589
Steel sales ('000 tonnes)					
- Local	1 753	-	-	-	1 753
- Export	523	-	-	-	523
Capacity utilisation (%)	63	-	-	-	63
Average net realised price (R/t)	14 909	-	-	-	14 909
EBITDA margin (%)	(5.0)	-	-	-	(4.7)

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NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 *continued*

5. Segment report (continued)

	Steel Operations	Non-Steel Operations	Corporate and other	Adjustments and eliminations	Total reconciling to the consolidated amounts
	R'm	R'm	R'm	R'm	R'm
For the year ended 31 December 2023					
Revenue					
- External customers	40 885	752	-	-	41 637
- Internal customers	-	155	-	(155)	-
Total revenue	40 885	907	-	(155)	41 637
Revenue to external customers distributed as:					
Local	31 580	907	-	(155)	32 332
Export	9 305	-	-	-	9 305
Rest of Africa	5 651	-	-	-	5 651
Asia	1 626	-	-	-	1 626
Europe	1 876	-	-	-	1 876
America	152	-	-	-	152
Total	40 885	907	-	(155)	41 637
Expenses					
Raw materials and consumables used	(26 553)	(198)	(12)	112	(26 651)
Employee cost	(3 264)	(76)	(580)	-	(3 920)
Energy	(5 215)	(128)	-	-	(5 343)
Movement in inventories of finished goods and work-in-progress	1 247	(241)	-	-	1 006
Impairment (loss)/reversal and movement in expected credit losses of trade and other receivables	(1)	2	(3)	-	(2)
Other operating expenses	(7 472)	268	533	-	(6 671)
EBITDA	(373)	534	(62)	(43)	56
Impairment of equity-accounted investments and subsidiaries	-	-	(206)	187	(19)
Impairment of property, plant and equipment and intangible assets	(2 096)	-	-	-	(2 096)
Depreciation and amortisation	(782)	(74)	(22)	-	(878)
(Loss)/profit from operations	(3 251)	460	(190)	144	(2 937)
Finance income	48	15	239	(17)	285
Finance costs	(526)	(166)	(667)	17	(1 342)
Fair value adjustment of investment properties	-	93	-	-	93
Gain on remeasurement of asset held-for-sale	-	9	-	-	9
Income after tax from equity-accounted investments	-	-	17	-	17
(Loss)/profit before taxation	(3 729)	411	(701)	144	(3 875)
Income taxation expense	(45)	-	-	-	(45)
(Loss)/profit for the year	(3 774)	411	(701)	144	(3 920)
Segment assets (excluding investments in equity-accounted entities)	21 845	2 393	4 913	(286)	28 865
Investments in equity-accounted entities	-	-	245	-	245
Segment liabilities	9 100	1 781	10 689	(259)	21 311
Cash generated from/(utilised in) operations	913	(144)	924	(12)	1 681
Capital expenditure	1 422	36	31	-	1 489
Number of employees at the end of the year (own)	5 458	154	710	-	6 322

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NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 *continued*

5. Segment report (continued)

	Steel Operations	Non-Steel Operations	Corporate and other	Adjustments and eliminations	Total reconciling to the consolidated amounts
Unreviewed information					
Crude steel production ('000 tonnes)	2 767	-	-	-	2 767
Steel sales ('000 tonnes)					
- Local	1 898	-	-	-	1 898
- Export	514	-	-	-	514
Capacity utilisation (%)	54	-	-	-	54
Average net realised price (R/t)	15 455	-	-	-	15 455
EBITDA margin (%)	(0.9)	-	-	-	0.1

Revenue from major products

	Group	
	2024	2023
The Group's revenue from its major products sold to external customers was:		
Steel operations		
Hot rolled	12 058	12 320
Uncoated	5 426	6 424
Coated	7 203	7 529
Merchant bars	3 326	9 252
Wire rod	2 707	4 010
Seamless	6 543	1 350
	37 263	40 885
Non-steel operations		
Coke and tar	1 111	513
Other	222	239
	1 333	752
Total	38 596	41 637

Information about major customers

	Steel Operations R'm	% of Group revenue
2024		
Revenue of major customers		
Customer 1	4 695	12.16
Total	4 695	12.16
2023		
Revenue of major customers		
Customer 1	4 747	11.40
Total	4 747	11.40

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 *continued*

6. Impairment of equity-accounted investment

In millions of Rands	Year ended	
	31 December 2024 Reviewed	31 December 2023 Audited
Impairment of equity-accounted investment	-	19

The impairment of the equity accounted investment of R19 million in 2023 relates to the impairment of the investment in the joint venture Polokwane Iron Ore Company Pty (Ltd).

7. Impairment of property, plant and equipment and intangible assets

In millions of Rands	Year ended	
	31 December 2024 Reviewed	31 December 2023 Audited
Impairment of property, plant and equipment and intangible assets – LSP CGU	-	2 096
Impairment of property, plant and equipment and intangible assets – Newcastle plant	682	-

The Long steel Business has been undergoing significant financial challenges. In the current year, management has decided to restructure this business and place the Newcastle plant in care and maintenance. Previously, the long steel business was accounted for a single CGU comprising of Vereeniging, AMRAS and Newcastle plant. The decision to place Newcastle in care and maintenance has led to a re-determination of the CGU. The AMRAS and Vereeniging plants will be accounted for as separate CGU's. This is due to management's decision to repurpose these assets to maximise individual profitability with a view to generate independent cash flows which was not the case previously. Based on management's financial projections AMRAS and Vereeniging recoverable amount exceeds the carrying amount, therefore no impairment required. The disaggregation of CGUs did not have an impact on reportable segments in terms of IFRS 8 Operating Segments as disclosed in the segment report, since information reported to the chief operating decision maker for the 2024 financial year was still for the combined CGU.

The Newcastle plant has been impaired as the carrying amount of the plant exceeded the recoverable. The recoverable amount of the CGU, representing fair value less cost to sell, is R455 million, refer note 21.

In 2023 the LSP CGU consist of the Newcastle, Vereeniging and AMRAS plants, and forms part of the steel operations segment. It was concluded that the LSP CGU's carrying amount exceeded the recoverable amount and the CGU was impaired by the amount exceeding the recoverable amount. The impairment loss recognised was largely due to the decrease in projected shipment volumes because of lower market demand and overcapacity in the long steel market. Other key inputs such as imported raw material prices and higher logistics costs had a negative impact on the forecasted margins. The recoverable amount of the CGU, representing its value in use, is R4.9 billion based on the assumptions used as noted in note 4.

In millions of Rands	Year ended	
	31 December 2024 Reviewed	31 December 2023 Audited
The main classes of assets affected by the impairment loss are		
- Buildings and infrastructure	44	133
- Machinery, plant and equipment	495	1 962
- Right-of-use assets	20	-
- Assets under construction	122	-
Intangible assets:		
- Non-integrated software	1	1
Total	682	2 096

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NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 *continued*

8. Finance income

In millions of Rands	Year ended	
	31 December 2024 Reviewed	31 December 2023 Audited
Bank deposits and other interest income	80	93
Net foreign exchange profit and net gains from foreign exchange contracts	2	175
Discount rate adjustment of provisions and other financial liabilities	-	17
Total	82	285

9. Finance costs

In millions of Rands	Year ended	
	31 December 2024 Reviewed	31 December 2023 Audited
Interest expense on loans and payables	1 149	1 047
Interest expense on lease liabilities	18	20
Discount rate adjustment of provisions	34	-
Unwinding of the discounting effect on provisions and financial liabilities	253	275
- Provisions	189	212
- Other financial liabilities	64	63
Total	1 454	1 342

10. Taxation

The Group only recognises deferred income tax assets on carried forward tax losses to the extent there are sufficient estimated future taxable profits and/or taxable temporary differences. However, based on the considerations presented, management believes that the turnaround initiatives may result in the Group returning to profitability but also considers the timing and uncertainty of these initiatives. With the difficulty of accurately measuring the possible future effects, management believes it is premature to conclude at this stage that it is more likely than not for sufficient future taxable profits to be available against which the full proposed deferred tax asset can be utilised. Therefore, no deferred tax asset has been recognised.

In millions of Rands	Year ended	
	31 December 2024 Reviewed	31 December 2023 Audited
Current taxation		
Adjustment for current tax of prior periods	5	45
Total income taxation expense	5	45

The 2024 prior year tax adjustment relates to taxation of the proceeds on disposal of property in 2023 by ArcelorMittal Maputo.

The 2023 prior year adjustment for current taxation relates to the taxable income made by a wholly owned subsidiary for the 2022 financial year.

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NOTES TO THE PRELIMINARY REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 *continued*

11. Headline earnings

In millions of Rands	Year ended	
	31 December 2024 Reviewed	31 December 2023 Audited
Loss for the year	(5 839)	(3 920)
Adjusted for:		
- Fair value adjustment of investment property	(37)	(93)
- Loss/(gain) on remeasurement of asset held-for-sale	57	(9)
- Impairment of property, plant and equipment and intangible Assets	682	2 096
- Impairment of equity-accounted investment	-	19
- Loss on disposal or scrapping of property, plant and equipment*	35	17
- Total tax effect of adjustment	-	-
Headline loss for the year	(5 102)	(1 890)
Headline loss per share (cents)		
- basic	(458)	(170)
- diluted	(458)	(170)
Weighted average number of shares (thousand)	1 114 612	1 114 612

* Adjustment for headline earnings is shown pre-tax and the tax effect of adjustment separately.

12. Investment properties

In millions of Rands	Note	31 December 2024 Reviewed	31 December 2023 Audited
Carrying amount at the beginning of the year		702	737
Transfer from asset held-for-sale	15	77	-
Transfer from property, plant and equipment		-	6
Transfer to asset held-for-sale	15	(126)	(134)
Change in fair value – unrealised gains		37	93
Carrying amount at the end of the year		690	702

13. Other financial assets

In millions of Rands	31 December 2024 Reviewed	31 December 2023 Audited
Equity instruments carried at Fair value through other comprehensive income (FVTOCI)	-	11
Other foreign exchange contracts carried at fair value through profit or loss (FVTPL)	-	39
Total	-	50
Non-current	-	11
Current	-	39

Equity instruments carried at FVTOCI

Hwange Colliery Company Ltd

The group holds 10% of the ordinary share capital of Hwange Colliery Company Ltd, a coal, coke and by-products producer in Zimbabwe. The shares of Hwange Colliery Company Ltd are traded on the dollarised Zimbabwe Stock Exchange. The Zimbabwean miner was placed under administration in October 2018 and consequently suspended on the JSE, resulting in the carrying amount of the investment reducing to Rnil (2023: Rnil). The fair value is observed on the open market and is therefore a Level 1.

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NOTES TO THE PRELIMINARY REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 *continued*

13 Other financial assets (continue)

MC Mining Ltd

The group held 1.5% (2023: 1.5%) of the shares in MC Mining Ltd. MC Mining Ltd is listed on the Australian Stock Exchange, JSE and London Stock Exchange. During the current period, the Group sold its shareholding in MC Mining Ltd for R12 million, resulting in R59 million of the cumulative fair value loss recognised in other reserves being transferred to retained earnings.

Other forward exchange contracts carried at FVTPL

At 31 December 2023, the Group held financial instruments carried at FVTPL represent marked to market gains on foreign exchange contracts (FECs). The fair value was determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

14. Cash, bank balances and restricted cash

In millions of Rands	31 December 2024 Reviewed	31 December 2023 Audited
Unrestricted cash	2 182	2 489
Restricted cash	1 412	996
True sales of receivables (TSR) facility	895	692
Environmental rehabilitation obligation	443	302
Guarantee for payment of foreign obligation	72	-
Litigation	2	2
Total	3 594	3 485

The restricted cash amount relating to the TSR facility are amounts collected on behalf of the TSR provider after the financing of the debtors. These amounts are required to be paid over to the TSR provider.

15. Asset held-for-sale

In millions of Rands	31 December 2024 Reviewed	31 December 2023 Audited
Balance at the beginning of the year	134	80
(Loss)/gain on remeasurement	(57)	9
Transfer to investment properties	(77)	
Transfer from investment properties	126	134
Exchange rate movement	-	10
Proceeds received	-	(99)
Balance at the end of the year	126	134

During the 2023 financial year, a non-binding offer was received for a certain warehouse property (Level 3 in the fair value hierarchy). The property was then classified as asset-held-for-sale. The non-binding offer was withdrawn during the six months ended 30 June 2024 and the property transferred back to investment property. Towards the end of the 2024 financial year the offer was reinstated, and the property transferred from investment property to asset held-for-sale. The sale of this property is in process and is expected to be concluded in the 2025 financial year.

During the 2022 financial year, the decision was taken to sell one of the investment properties in Maputo (Level 3 in the fair value hierarchy), and the property was classified as held-for-sale. The sale agreement was signed with certain conditions precedent. The sale of the property was concluded in October 2023 after all conditions were successfully met.

Refer to note 21 for details on the measurement, valuation techniques and inputs used for this investment property.

ArcelorMittal South Africa Limited

Reviewed condensed consolidated financial statements for the year ended 31 December 2024



NOTES TO THE PRELIMINARY REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 *continued*

16. Borrowings

In millions of Rands	31 December 2024 Reviewed	31 December 2023 Audited
Banks - Borrowing based facility (BBF):		
Balance at the beginning of the year	3 000	2 500
Proceeds from BBF	8 100	3 350
Repayment of BBF	(8 400)	(2 850)
Balance at the end of the year	2 700	3 000
Loan from holding company:		
Balance at the beginning of the year	3 700	3 700
Increase in borrowings – capitalisation of accrued interest and fees	1 355	-
Balance at the end of the year	5 055	3 700
Loan from Industrial Development Corporation (IDC):		
Balance at the beginning of the year	-	-
Proceeds from loan	1 000	-
Repayment of loan	(50)	-
Balance at the end of the year	950	-
Total borrowings	8 705	6 700
Non-current	5 055	2 700
Current	3 650	4 000

The carrying amounts are a reasonable approximation of fair value.

The BBF loan available to the Group with various financial institutions is subject to the following financial covenants:

- The consolidated tangible net worth of the Group on the last day of the relevant period (each quarter of each financial year of the Group) must be not less than R6 000 million; and
- At least R2 700 million of the consolidated tangible net worth of the Group on the last day of that relevant period must consist of subordinated loans from the holding company.
- At all times, the borrowings of the Group (excluding any permitted borrowings, which include subordinated loans from the holding company, environmental guarantees, any bank guarantees in favour of Eskom and the short-term loan from the IDC) must not exceed R2 500 million (or its equivalent in any other currency or currencies).

The Group is in compliance with all covenants as at 31 December 2024 and has been in compliance at the end of each relevant period. The consolidated tangible net worth of the Group is R6 940 million (December 2023: R10 437 million), which is determined as the sum of equity of the Group, the subordinated loan from the holding company of R5 055 million (December 2023: R2 700 million) excluding intangible assets. The borrowings of the Group for the purposes of the applicable BBF covenant, are R1 131 million (December 2023: R1 188 million), determined as the outstanding balance of the loan from the IDC and the lease liabilities.

Eligible inventories and receivables are provided as securities for the BBF loan to the extent of the draw down. At 31 December 2024, the balance of the borrowing base facility was R2 700 million (December 2023: R3 000 million) with R1 800 million (December 2023: R1 500 million) still available.

Bank accounts of R855 million (December 2023: R828 million) were ceded in favour of the BBF loan.

The maturity date of the BBF loan is 7 September 2026. The run-off period will commence on the expiry of the 25th month following 30 September 2025. This facility is managed as part of the entity's working capital requirements. Drawdowns and repayments are made on a weekly or regular basis to manage working capital levels and cash flow. The loan is therefore classified as a current liability. The Group will commence negotiation of the renewal of the BBF loan in order to conclude its renewal ahead of the commencement of the run-off period of the current facility.

ArcelorMittal South Africa Limited

Reviewed condensed consolidated financial statements for the year ended 31 December 2024



NOTES TO THE PRELIMINARY REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 *continued*

16. Borrowings (continued)

During the current year the Group capitalised interest on the loan from the holding company, worth R762 million, and management, research and development fees payable to the holding company, worth R593 million, to the loan from the holding company. The subordinated portion of the loan was also increased from R2 700 million to R5 055 million. The full balance of the loan from the holding company is therefore subordinated at year end.

A secured short-term loan of R1 000 million was received from the IDC in June 2024. The loan is subject to market-related interest and will be repaid within 12 months with the first payment having been made in December 2024 and the final amount payable at the end of June 2025. There are no covenants attached to the loan. The repayment of this loan was restructured after year end, refer to note 25.

17. Provisions

In millions of Rands	31 December 2024 Reviewed	31 December 2023 Audited
Asset retirement obligation and Environmental remediation:		
Balance at the beginning of the year	2 011	2 305
Scope changes	(179)	(318)
Discount rate change	34	(17)
Unwinding of the discount effect	189	212
Utilised during the year	(110)	(171)
Balance at the end of the year	1 945	2 011
Restructuring cost:		
Balance at the beginning of the year	-	-
Increase during the year – Restructuring charge for severance packages	495	-
Utilised during the year	-	-
Balance at the end of the year	495	-
Onerous contracts:		
Balance at the beginning of the year	-	-
Increase during the year – Longs Business wind down charge	244	-
Utilised during the year	-	-
Balance at the end of the year	244	-
Other:		
Balance at the beginning of the year	387	341
Increase during the year	356	149
Utilised during the year	(135)	(103)
Balance at the end of the year	608	387
Total provisions	3 292	2 398
Non-current	1 578	1 474
Current	1 714	924

Restructuring cost

The restructuring cost relates to the section 189 severance packages for employees affected by the wind down of the Longs Business.

Onerous contracts

The onerous contract relates to contract termination costs resulting from the wind down of the Longs Business.

ArcelorMittal South Africa Limited

Reviewed condensed consolidated financial statements for the year ended 31 December 2024



NOTES TO THE PRELIMINARY REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 *continued*

18. Other financial liabilities

In millions of Rands	31 December 2024 Reviewed	31 December 2023 Audited
Competition Commission administrative penalty *		
Balance at the beginning of the year	683	720
Unwinding of the discounting effect	64	63
Repayments	-	(100)
Balance at the end of the year	747	683
Other foreign exchange contracts carried at fair value through profit or loss (FVTPL)	5	-
Total other financial liabilities	752	683
Non-current	703	521
Current	49	162

*The carrying amount is a reasonable approximation of fair value.

Other forward exchange contracts carried at FVTPL

At 31 December 2024, the Group held financial instruments carried at FVTPL representing marked to market losses on foreign exchange contracts (FECs). The fair value was determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

ArcelorMittal South Africa Limited

Reviewed condensed consolidated financial statements for the year ended 31 December 2024



NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 *continued*

19. Cash generated from operations

In millions of Rands	Year ended	
	31 December 2024 Reviewed	31 December 2023 Audited
Loss before tax	(5 834)	(3 875)
Adjusted for:		
Finance income	(82)	(285)
Finance costs	1 454	1 342
Fair value adjustment of investment properties	(37)	(93)
Loss/(gain) on remeasurement of asset held-for-sale	57	(9)
Income after tax from equity-accounted investments	(5)	(17)
Depreciation	807	861
Amortisation of intangible assets	11	17
Impairment of equity-accounted investment	-	19
Impairment of property, plant and equipment and intangible assets	682	2 096
Unrealised profit on sales to joint ventures	6	6
Share-based payment expense	1	39
Non-cash movement in provisions and financial liabilities (Reversal of write down)/write-down of inventory to net realisable value	916	(181)
Adjustment for slow-moving inventory	(154)	301
Write down of inventory – plant spares and consumables	(22)	-
Loss on disposal or scrapping of property, plant and equipment	392	-
Fair value adjustment on investment held by environmental trust	35	17
Realised foreign exchange movements	(49)	(30)
Movement in trade and other receivable allowances	41	130
Other payables raised, released and utilised relating to employees	(37)	-
Changes in financial assets and liabilities	100	8
Utilisation of provisions	(10)	(100)
Operating working capital movements:	(245)	(274)
Decrease/(increase) in inventories	3 002	1 709
Decrease/(increase) in trade and other receivables	2 094	(852)
(Decrease)/increase in trade and other payables	1 374	(98)
	(466)	2 659
Cash generated from operations	1 029	1 681

ArcelorMittal South Africa Limited

Reviewed condensed consolidated financial statements for the year ended 31 December 2024



NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 *continued*

20. Reconciliation of finance costs paid

In millions of Rands	31 December 2024 Reviewed	31 December 2023 Audited
Finance costs per statement of comprehensive income	(1 454)	(1 342)
Adjusted for:		
Non-cash movement on interest expense borrowings and payables:		
- Loan from holding company	415	288
- Other third-party payables	32	28
Discount rate adjustment of provisions	34	-
Unwinding of the discounting effect on provisions and financial liabilities	253	275
- Provisions	189	212
- Other financial liabilities	64	63
Finance costs per statement of cash flow	(720)	(751)

21. Fair value measurements

In millions of Rands	Level 1	Level 2	Level 3	Classification
As at 31 December 2024				
Assets				
Investment properties	-	-	690	FVTPL
Asset held-for-sale	-	-	126	FVTPL
Equity securities	-	-	-	FVTOCI
Investments held by environmental trust	-	486	-	FVTPL
Other financial assets	-	-	-	FVTPL
Other financial liabilities	-	5	-	FVTPL
Newcastle plant CGU	-	-	455	FVTPL
	-	491	1 271	
As at 31 December 2023				
Investment properties	-	-	702	FVTPL
Asset held-for-sale	-	-	134	FVTPL
Equity securities	11	-	-	FVTOCI
Investments held by environmental trust	-	438	-	FVTPL
Other financial assets	-	39	-	FVTPL
Other financial liabilities	-	-	-	FVTPL
Newcastle plant CGU	-	-	-	FVTPL
	11	477	836	

FVTPL – Fair value through profit or loss.

FVTOCI – Fair value through other comprehensive income.

NOTES TO THE PRELIMINARY REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 *continued*

21 Fair value measurements (continued)

Fair value hierarchy	Valuation technique
Level 1: Fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities.	Other financial assets – Equity securities - valued at closing share price. The asset was disposed of in the current year (2023: R1.80, for investment in MC Mining Ltd.)
Level 2: Fair value measurements are those derived from inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).	Other financial assets and liabilities - Forward exchange contracts: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies. Investment in environmental trust: The fair value is derived from the underlying listed share prices.
Level 3: Inputs for the assets or liability that are unobservable.	Investment properties The valuation policy adopted by management is to revalue investment property externally by an independent registered valuer at financial year-end and for interim reporting purposes. The investment properties can be divided between industrial sector valued at R672 million (December 2023: R683 million), residential vacant land sector valued at R2 million (December 2023: R2 million) and farmland valued at R16 million (December 2023: R17 million). The fair value of the property in the industrial sector was determined by adopting the income capitalisation method, the market approach, or the discounted cash flow methodology. The income capitalisation method requires a market-derived projection of economic net annual income for the property, which is then capitalised into perpetuity using a market-related capitalisation rate to determine the market value estimate. Gross market rentals have been applied to the accommodation elements and then normal landlord outgoings were deducted and a management fee to arrive at a net annual income figure. The following key assumptions were applied: Expense ratio 21.72% (December 2023: 21.9%) Vacancy provision 7.5% (December 2023: 7.5%) Capitalisation rate 13.5% (December 2023: 13.5%) A 2.5% increase or decrease in the expense ratio will impact the fair value by R4 million (December 2023: R3 million). A 2.5% increase or decrease in the vacancy provision will impact the fair value by R2 million (December 2023: R2 million). A 1% increase or decrease in the exit capitalisation rate will impact the fair value by R38 million (December 2023: R36 million).

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 *continued*

21 Fair value measurements (continued)

Fair value hierarchy	Valuation technique
<p>Level 3: Inputs for the assets or liability that are unobservable (continued)</p>	<p>The market approach was applied for the land portion of one of the industrial properties. This approach is based on comparing the subject asset with identical or similar assets for which price information is available, such as a comparison with market sales transactions in the same, or closely similar type of assets within an appropriate time horizon.</p> <p>The discounted cash flow methodology was applied to determine the fair values of the leased farmland and some of the industrial properties. In terms of this methodology the estimated gross income is projected for a five (5) year period, based on contractual arrangements and an estimated market rent upon the expiry of leases after the date of valuation. Forecast expenses are then deducted from the estimated gross annual income projections to arrive at the net annual income stream throughout the cash flow period which is discounted and aggregated to determine an estimated net present value of the cash flow.</p> <p>The following key assumptions were applied: Market rental growth 4% Expense inflation 6.5% Vacancy provision 7.5% (December 2023: 7.5%) Capitalisation rate 13.5% (December 2023: 13.5%)</p> <p>The depreciable replacement cost approach is based on the economic theory of substitution, and it involves comparing the asset being valued with another. This approach was applied to the conference facilities on the farmland.</p> <p>The fair value of properties in the residential vacant land sector has been determined by applying the market approach, which is based on comparing the subject assets with identical or similar assets for which price information is available, such as a comparison with market sales transactions in the same, or closely similar, type of asset within an appropriate time horizon.</p> <p>In assessing the value of the farmland, the sales comparison approach was followed, whereby comparable sales were researched together with current asking prices in the surrounding areas. The market value for the improvements on the land was determined by using the depreciated replacement cost method of valuation.</p> <p>Included in the Saldanha properties, is a property for which a non-binding offer to purchase the property for R134 million was received. The sale is expected to be concluded in 2025. The property is carried at fair value less costs to sell, being R8 million, and the value of R126 million is therefore used as the fair value for this property as at 31 December 2024 (December 2023: R134 million).</p> <p>Newcastle CGU The recoverable amount of the CGU represents its fair value less cost to sell of R455 million which has been determined by comparing the plants assets with identical or similar assets for which price information is available, whether as scrap or for sale in the relevant market..</p>

ArcelorMittal South Africa Limited

Reviewed condensed consolidated financial statements for the year ended 31 December 2024



NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 *continued*

22. Wind down of Longs Business

The accounting impact of Longs Business* that are being wind down to a state of care and maintenance are as follows.

Income and expenses

In millions of Rands	Year ended	
	31 December 2024 Unreviewed	31 December 2023 Unreviewed
Revenue	15 952	17 840
Expenses	(16 618)	(18 857)
Loss from operations before impairment and other expenses	(666)	(1 017)
Impairment	(682)	(1 777)
Wind-down cost	(1 131)	-
Loss from operations	(2 479)	(2 794)
Finance income	9	4
Finance costs	(501)	(351)
Loss before taxation	(2 971)	(3 141)
Income taxation expense	-	(45)
Net loss for the year	(2 971)	(3 186)

Assets and liabilities

In millions of Rands	Year ended	
	31 December 2014 Unreviewed	31 December 2023 Unreviewed
Assets	5 194	6 162
Property, plant and equipment	976	1 575
Intangible assets	-	1
Inventories	3 308	3 532
Trade and other receivable	910	1 054
Liabilities	(3 873)	(2 996)
Lease liabilities	(51)	(44)
Provisions	(1 272)	(552)
Trade and other payables	(2 550)	(2 400)

* Longs Business consists of the Newcastle, Vereeniging and AMRAS plants.

23. Commitments

In millions of Rands	Year ended	
	31 December 2024 Reviewed	31 December 2023 Audited
Capital commitments on property, plant and equipment		
Capital commitments authorised and contracted for	754	729
Capital commitments authorised but not contracted for	774	785

Included in the capital commitments above is an amount of R51 million (2023: R581 million) to address emissions at Vanderbijlpark Works over the next year.

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2024** *continued***24. Related party transactions**

The Group is controlled by ArcelorMittal Holdings AG, which effectively owns 69% (December 2023: 69%) of the Group's shares. At 31 December 2024, the outstanding ArcelorMittal Holdings AG loan amounted to R5 055 million (2023: R3 700 million). The interest expense for the year was R415 million (2023: R438 million).

The Group purchased products and services to the value of R280 million (2023: R1 687 million) from and sold goods to the value of R404 million (2023: R193 million) to other companies in the greater ArcelorMittal Group.

The Company and its subsidiaries entered sale and purchase transactions with joint ventures in the ordinary course of business.

25. Subsequent events

Subsequent to year end, the IDC agreed to an extension of the repayment period and a revised repayment profile of the R1 billion Working Capital Facility received in June 2024, refer note 16. According to the amended terms, as confirmed by the IDC on 20 January 2025, the repayment profile is structured over 20 months with the final payment due on 1 September 2026. The original maturity date of the loan was June 2025 and the outstanding balance is therefore classified as current as at 31 December 2024. Following the amendment an amount of R750 million will be reclassified to non-current borrowings.

The Longs Business wind down implementation plan is delayed by approximately one month from end of January to end of February to enable the fulfilment of the higher than anticipated outstanding order book. The extended operations are enabled through funding support of R380 million from the IDC in the form of a shareholder loan. The loan was formally approved by the Board on 4 February 2025. The loan is interest free with no fixed maturity date.

The directors are not aware of any other material matters or circumstances arising since 31 December 2024 to the date of this report that would significantly affect the operations, the results or financial position of the Group.

26. Independent auditor's review report

The auditor, Ernst and Young Inc, has issued their unmodified review report on the reviewed condensed consolidation financial statements for the year ended 31 December 2024. The review was conducted in accordance with ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Equity*.

The auditor's report on the reviewed condensed consolidated financial statements is included on page 30, and a copy of the auditor's report on the reviewed condensed consolidated financial statements is available for inspection at the Company's registered office. The reviewed condensed consolidated financial statements for the year ended 31 December 2024 are available on the Company's website:

<http://www.arcelormittal.com/southafrica/>.

The auditor's report does not necessarily report on all the information contained in the financial results. Shareholders are therefore advised that in order to obtain a full understanding of the review engagement, they should read the auditor's report, together with the accompanying financial information as included in this report.



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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2024

TO THE SHAREHOLDERS OF ARCELORMITTAL SOUTH AFRICA LIMITED

We have reviewed the condensed consolidated financial statements of ArcelorMittal South Africa Limited in the accompanying report on pages 9 to 32, which comprise the condensed consolidated statement of financial position as at 31 December 2024, the condensed consolidated statement of comprehensive income and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the year then ended, and selected explanatory notes.

Directors' Responsibility for the Condensed Consolidated Financial Statements

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with International Financial Reporting Standard, (IAS) 34 *Interim Financial Reporting*, and Financial Pronouncements as issued by the Financial Reporting Standards Council as well as the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud and error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these condensed consolidated financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of condensed consolidated financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial statements of ArcelorMittal South Africa Limited for the year ended 31 December 2024 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, (IAS) 34 *Interim Financial Reporting*, and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

Ernst & Young Inc.

Director - Michiel (Mike) Christoffel Herbst

Registered Auditor

Chartered Accountant (SA)

6 February 2025

ArcelorMittal South Africa Limited

Reviewed condensed consolidated financial statements for the year ended 31 December 2024



FORWARD-LOOKING STATEMENTS

Statements in this announcement that are neither reported financial results nor other historical information, are forward-looking statements, including but not limited to statements that are predictions of or indicate future earnings, savings, synergies, events, trends, plans or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to risks and uncertainties which could cause actual results and Company plans and objectives to differ materially from those expressed or implied in the forward-looking statements (or from past results). Any reference to future financial performance included in this announcement has not been reviewed or reported on by the Group's auditors.

CORPORATE INFORMATION

Registered Office

ArcelorMittal South Africa Limited
Room N3-5, Main Building
Delfos Boulevard, Vanderbijlpark, 1911

Company secretary

FluidRock Co Sec (Pty) Ltd
Registration number: 2016/093836/07
Registered address: Monument Office Park, Suite 5-201,
79 Steenbok Avenue, Monument Park, 0181

Non-executive directors

B Mohale (Chairman)
LC Cele*
B Davey^o
D Earp*
GS Gouws
NP Gosa (resigned 24 May 2024)
R Karol+
NF Nicolau*
A Thebyane* (resigned 24 May 2024)

^o Citizen of Canada

+ Citizen of India

^ Citizen of Zambia

* Independent non-executive

Sponsor

Absa Bank Limited (acting through its Corporate and
Investment Banking division)
15 Alice Lane, Sandton, 2196
Private Bag x10056, Sandton, 2146

Auditor

Ernst and Young Inc
102 Rivonia Road
Sandton

Executive directors

HJ Verster (chief executive officer)

GA Griffiths (chief financial officer) (appointed 1 April 2024)

Release date: 6 February 2025

ArcelorMittal South Africa Limited

Registration number 1989/002164/06

Share code: ACL ISIN: ZAE000134961

("ArcelorMittal South Africa", "the Company" or "the Group")