We Are One AECI, for a Better World

Annual Financial Statements 2024

Contents

Preparation of **financial statements**

The Group consolidated financial statements and the Company financial statements for the year ended 31 December were approved on 25 February 2025. These comprise the Audit Committee's report to stakeholders, the Directors' report, the Declaration by the Group Company Secretary, the External Auditor's Report, the Basis of Reporting and Material Accounting Policies, and the financial statements.

These financial statements have been audited as required by the Companies Act and their preparation was supervised by the Acting Group Chief Financial Officer, Ian Kramer CA (SA).

Directors' responsibility for **financial reporting**

The Directors accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief:

- there are no facts that have been omitted which would make any statement false or misleading;
- based on the going concern assessment, the Board is of the view that the Company has adequate resources to continue in operation for the foreseeable future and accordingly, the annual financial statements have been prepared on a going concern basis;
- the consolidated and separate annual financial statements have been prepared in compliance with the South African Companies Act, No. 71 of 2008 the JSE Limited Listings Requirements (JSE Listing Requirements), the Debt and Specialist Securities Listing Requirements of the JSE (to the extent applicable), the South African Institute of Chartered Accountants ("SAICA") financial reporting guides, and comply with the requirements of IFRS® Accounting Standards ("IFRS"), the Company's Memorandum of Incorporation ("MOI") and all applicable legislation;
- the independent auditing firm Deloitte & Touche was given unrestricted access to all financial records and related data, including minutes of all meetings and have audited the annual financial statements. The Board believes that representations made to the independent auditor during audit were valid and appropriate. The Audit Report from the independent auditors is presented on pages 24 to 30; and
- all reasonable enquiries to ascertain such facts have been made.

The Directors acknowledge that their responsibility includes:

- ensuring that internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error, are appropriately designed, implemented and maintained;
- selecting and applying appropriate accounting policies; and
- making accounting estimates that are reasonable in the circumstances.

The Directors' responsibility also includes ensuring that adequate accounting records and an effective system of risk management are maintained. Accordingly, all key areas of risk across the Company have been identified and management have endeavoured to mitigate the risks by ensuring that appropriate controls, systems, infrastructure and disciplines are applied.

After giving due, careful and proper consideration to these responsibilities, the Directors believe that their obligations under this statement have been met.

Declaration by the Group Company Secretary

in respect of Section 88(2)(E) of the Companies Act, No. 71 of 2008

I, the undersigned, Cheryl Singh, in my capacity as the Group Company Secretary, certify that:

- AECI Limited ("AECI") has lodged with the Registrar of Companies all such returns and notices in respect of the year under review as is required of a public company in terms of the Companies Act; and
- all such returns are, to the best of my knowledge and belief, true, correct and up-to-date.

Cheryl Singh
Group Company Secretary

Woodmead, Sandton

25 February 2025

Responsibility Statement on Internal **Financial Controls**

Group Chief Executive and Acting Group Chief Financial Officer's responsibility statement

The Director and Prescribed Officer, whose names are stated below, hereby confirm that:

a) the annual financial statements set out on pages 31 to 145, fairly present in all material respects the financial position, financial performance and cash flows of AECI in terms of IFRS;

b) 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;

c) internal financial controls have been put in place to ensure that material information relating to AECI and its consolidated subsidiaries have been provided to effectively prepare the financial statements of AECI;

d) 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 Director and Prescribed Officer, respectively, with the primary responsibility for the implementing and execution of controls; and

e) where we are not satisfied, we have disclosed to the Audit Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies.

f) we are not aware of any fraud that involves directors during the past year.

Holger Riemensperger
Group Chief Executive
Executive Director

Ian Kramer
Acting Group Chief Financial Officer
Prescribed Officer

Directors' **report**

The Directors have pleasure in submitting their report along with the consolidated and separate Group and Company financial statements for the year ended 31 December 2024.

NATURE OF BUSINESS

AECI was registered as a Company in South Africa in 1924 and has been listed on the JSE Limited since 1966. Our proud history, spanning over 100 years, is underpinned by our pioneering spirit, resilience, agility, innovation, and commitment to excellence, which define our global business.

We are a diversified Group across services and geographies, with operations in 22 countries on six continents — Africa, Europe, Asia's Southeastern region, North America, South America and Australia.

The products, services, and application know-how we hold serve a broad range of customers, including:

- the global mining sector (AECI Mining);
- the water treatment market in Africa (AECI Water);
- the plant and animal health industry in Europe, North America and Africa (AECI Agri Health); and
- food and beverage, manufacturing and general industrial sectors, mainly in Southern Africa (AECI Chemicals).

In line with the Group's strategy announced in November 2023, our operating businesses have been restructured into four key segments: AECI Mining, AECI Chemicals, AECI Corporate and Property Services, and AECI Managed Business. Accordingly, our reporting segments have been adjusted to reflect the Company's new strategic direction.

STRATEGY REVIEW

Our new strategy, which aims to double our core business profitability by 2026 and attain a global market position of #3 in mining by 2030, is designed to transform our organisation by establishing a high-performance culture, streamlining our portfolio, driving operational and functional excellence, and accelerating global growth.

In the year under review, we made substantial progress in executing our strategy, including:

- the implementation of our new operating model;
- the implementation of our transformation in line with the roll-out of our operating model and the new executive leadership team;
- the rolling out of our leadership compact, culture code and desired behaviours designed to foster a high-performance culture;
- progressing our portfolio optimisation through the signing of sale agreements for AECI Animal Health and AECI Much Asphalt;
- delivering R800 million EBITDA run rate and booking R400 million of the run-rate in profit and loss; and
- delivering on our internationalisation strategy by increasing our global mining explosives sales volumes.

The achievement of these key strategic milestones positions us well to continue driving operational efficiencies, boosting profitability in the short to medium term and laying a solid foundation for sustainable long-term growth.

At the end of the 2024 financial year, our market capitalisation was R9 224.36 million (2023: R11 574.50 million) and we had 6 938 (2023: 7 235) employees.

GROUP FINANCIAL RESULTS

On 4 November 2024, AECI had entered into a Share Purchase Agreement with, *inter alios*, Old Mutual Private Equity, to dispose of 100% of its shareholding in Much Asphalt (Proprietary) Limited (AECI Much Asphalt), for an estimated final consideration of ~R1 100 million (subject to any final adjustments on the locked-box structure). The sale is progressing as expected, with all regulatory approvals now obtained. The remaining condition precedent (finalisation of the locked-box exercise) is expected to be met in the first half of 2025.

Directors' report continued

As a result, in accordance with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations), AECI Much Asphalt has been classified as a discontinued operation, and prior year figures have been restated accordingly.

Revenue from continuing operations was down 4% to R33 598 million (2023: R34 942 million, restated) for the year owing to challenging market conditions, particularly in South Africa, and low ammonia prices.

Earnings before interest, taxation, depreciation and amortisation (EBITDA) from continuing operations of R3 034 million (2023: R3 474 million, restated) was 13% lower than the prior year mainly driven by R860 million once off investments costs. The majority of these costs were primarily geared towards the successful achievement of our 2026 ambition and value unlock.

The Group assesses its Net Asset Value (NAV) in relation to their fair value less costs to sell on an annual basis and assesses fair value adjustments on disposal. This resulted in the recognition of R1 109 million (2023: R20 million) impairment for the year, split as follows:

Rand million	Property, plant and equipment	Right-of-Use Assets	Intangible Assets	Goodwill	Total 2024
AECI Mining	86	2	42	5	**135**
AECI Managed Business	220	-	-	22	**242**
Discontinued operations (AECI Much Asphalt Disposal Group)	14	-	8	710	**732**
Net impairment and derecognition of assets	**320**	**2**	**50**	**737**	**1 109**

Discontinued operations (i.e. AECI Much Asphalt Disposal Group) recorded a loss on R560 million (2023: R73 million earnings, restated) mainly driven by R732 million losses on fair value adjustments in accordance with IFRS 5.

Tax expense, from continuing operations, for the year was R747 million and represents an effective tax rate of 71%, up from 44% in 2023. The elevated effective tax rate resulted from higher non-deductible expenses, impairments at AECI Managed Business, mainly AECI Schirm, and AECI Mining and foreign withholding taxes from improved dividends received from the foreign subsidiaries. The necessary resources have been made available to assist in developing solutions that will reduce the rate into a manageable range.

Basic earnings per share from continuing operations was 263 cents (2023: 1 043 cents, restated) and discontinued operations recorded a basic loss per share of 531 cents (2023: 69 cents earnings, restated). Headline earnings from both continuing and discontinued operations was 716 cents (2023: 1 137 cents).

OPERATING PERFORMANCE

AECI Mining

The businesses in this segment provide a mine-to-mineral solution for the international mining sector. Their offering includes commercial explosives, initiating systems, blasting services, surfactants for explosives manufacture, and chemicals for ore beneficiation and tailings treatment.

AECI Mining's operational performance for the year reduced due to weak market conditions coupled with inefficient global logistics. The businesses' available operating capacity in the first half of the year was impacted by a catch of four planned statutory shutdowns which were deferred from the prior year. These shutdowns resulted in the alternate sourcing of ammonia nitrate at higher prices which fall outside the scope of our rise and fall mechanism with our clients. AECI Mining's operational performance significantly improved in the second half of 2024, particularly in the fourth quarter.

AECI Chemicals

This segment comprises AECI industrial and speciality chemicals, which focus on blended chemical products and bulk chemicals; AECI Agri Health, which focuses on crop protection and plant nutrients; and AECI Water, which focuses on water treatment chemicals, technology equipment and plant.

Directors' report continued

The segment continued to face persistent challenges in the South African manufacturing and industrial sectors, coupled with an oversupply of key products, which exerted pressure on pricing and demand. Despite these headwinds, the business delivered a substantial increase in profit from operations, driven by disciplined cost management and enhanced operational efficiencies.

AECI Corporate and Property services

The activities of AECI Property Services and Corporate relate mainly to property leasing and management in the office, industrial and retail sectors. Corporate covers centralised functions including Treasury and Finance; Human Capital; Environment; Health and Safety, Stakeholder Relationships; Company Secretarial; Legal, Risk and Compliance; Sustainability; Information Technology and Strategy Execution.

The segment's performance was adversely impacted by once-off investment spend primarily geared towards the achievement of our 2026 objectives.

AECI Managed Business

This segment houses businesses earmarked for sale, including AECI Schirm, Animal Health, SANS Fibers and Food and Beverage.

Progress was made in our divestment strategy by signing sale agreements for AECI Much Asphalt and AECI Animal Health, two of the six targeted divestments. These are expected to close in the first half of 2025.

CORPORATE GOVERNANCE

The Group subscribes to the Code of Good Corporate Practices and Conduct contained in King IV Report on Corporate Governance for South Africa, 2016 ("King IV™"). The Board has satisfied itself that the Group has complied with King IV™, the JSE Limited Listings Requirements, and the Debt and Specialist Securities Listings Requirements in all material aspects throughout the year under review. A standalone governance report has been prepared for 2024 and will accompany the 2024 Integrated Report. Both reports will be available on the Group's website at www.aeciworld.com.

INDEPENDENT AUDIT

Deloitte & Touche audited the annual Group and Company annual financial statements for the year ended 31 December 2024 and expressed an unmodified opinion. Mr Moroa Eric Tshabalala was the designated individual audit partner assigned to perform the audit.

The Audit Committee performed the assessments required in terms of paragraphs 3.84 (g) and 7.3(e) of the JSE Listings and Debt and Specialist Securities Listings Requirements, respectively, and Section 90 of the Companies Act and are satisfied with the independence and suitability of both the audit firm and the designated audit partner to be re-appointed as the Company's auditors. The Board agrees with the Audit Committee's recommendations and will propose the re-appointment of the auditors at the Group's annual general meeting (AGM) to be held on 27 May 2025.

REPORTABLE IRREGULARITY

During 2024, the Company identified a material non-disclosure and representation of false information by a senior management member of the Company. The Company immediately sought legal advice and informed the external auditors who raised a reportable irregularity with the Independent Regulatory Board for Auditors in terms of section 45 of the Auditing Profession Act, No. 26 of 2005 ("the Act"). The individual concerned is no longer in the employ of the Company. The Board considered the matter and put preventative measures in place. The external auditors have completed their reporting responsibilities in terms of the Act. The external auditors have confirmed that the reportable irregularity is no longer taking place and have issued an unmodified opinion on the Group's annual financial statements.

INTERESTS OF DIRECTORS, THE GROUP COMPANY SECRETARY AND PRESCRIBED OFFICERS IN ORDINARY SHARES

On 31 December 2024, the Directors and the Prescribed Officers had direct beneficial interests in the Company's ordinary share capital as set out in note 31 to the Group and Company annual financial statements.

None of their associates (as defined in terms of the JSE Listings Requirements) had any interests. There were no changes in the individual's direct beneficial interests between the end of the financial year and the approval of the annual Group and Company annual financial statements on 25 February 2025, and none of them had any interest in the Company's preference shares or debt securities.

Directors' report continued

None of the Non-executive Directors have been granted options or shares. The Executive Directors, the Group Company Secretary and the Prescribed Officers have long-term incentive benefits as disclosed in note 31 to the Group and Company annual financial statements.

The aggregate beneficial holdings of the Directors and Prescribed Officers of the Company in the issued ordinary shares of the Company at 31 December were:

	NUMBER OF SHARES	
	2024 Direct	2023 Direct
EXECUTIVE DIRECTORS		
H Riemensperger	10 000	10 000
	10 000	10 000
PRESCRIBED OFFICERS[1]		
DK Murray	**54 055**	47 524
D Govender	**4 227**	-
I Kramer	**40**	-
	58 322	**47 524**
	68 322	57 524

1 Prescribed Officers are classified in terms of Section 1 of the Companies Act, No. 71 of 2008.

Stuart Miller, Executive Vice President Mining, is a prescribed officer and holds no shares in his direct or indirect capacity.

BORROWING POWERS

In terms of AECI's Memorandum of Incorporation ("MOI"), the Directors may raise or secure the payment or repayment of such monies in such a manner and upon such terms and conditions in all respects as they think fit.

GOING CONCERN

The Group and Company annual financial statements have been prepared using appropriate accounting policies, supported by reasonable and prudent judgements and estimates. The Directors are of the opinion that the Company and its subsidiaries, joint ventures and associates have adequate resources to continue as going concerns in the foreseeable future.

SHARE CAPITAL AND SHARE PREMIUM

The Company's issued share capital comprises 105 517 780 listed ordinary shares of R1 each (2023: 105 517 780 shares), and 3 000 000 listed 5,5% cumulative preference shares of R2 each (2023: 3 000 000 shares).

STRATE

The dematerialisation of the Company's issued shares commenced in July 2001. Shares still in paper form are no longer good for delivery and must be dematerialised before participation in any transaction.

Shareholders may direct any enquiries in this regard to the Company's Transfer Secretaries on telephone number +27 (0) 861 100 950 in South Africa or +44 (0) 870 889 3176 in the United Kingdom.

DIVIDENDS

A final ordinary cash dividend of 219 cents was declared on 25 February 2025 and payable on 14 April 2025.

Preference share dividends were paid on 21 June 2024 and 13 December 2024. Refer to note 26 to the Group and Company annual financial statements for details in this regard.

Directors' report continued

CHANGES TO THE BOARD

Changes that were announced and took effect in the year, as well as those that took effect in 2025, were as follows:

Ms Nombulelo Moholi joined the Board of Directors as an Independent Non-Executive Director effective 1 September 2024.

Ms Rochelle Gabriels stepped down as Chief Financial Officer and Executive Director of AECI on 31 December 2024 on mutually agreed terms. Mr Ian Kramer has been appointed the Acting Group Chief Financial Officer, but not as Executive Director, effective 31 December 2024.

Mr July Ndlovu and Mr Billy Mawasha have been appointed to the Board of Directors as Independent Non-Executive Directors, effective 1 January 2025.

Dr Khotso Mokhele, the Chairman of the Board, has elected to retire as a Director of the company at the upcoming Annual General Meeting. Ms Philisiwe Sibiya has been elected as the new Chairman, effective 25 February 2025.

BOARD COMMITTEE CHANGES

Changes that were announced and took effect during the year were as follows:Ms Rochelle Gabriels resigned as a member of the Risk Committee after she stepped down as the Group Chief Financial Officer on 31 December 2024.

- Ms Nombulelo Moholi, an Independent Non-Executive Director of the Company, was appointed a member of the Investment, Innovation and Technology Committee and the Risk Committee on 1 September 2024.
- Mr Steven Dawson, an independent non-executive director, has been appointed as a member of the Nominations and Directors' Affairs Committee on 25 February 2025;
- Mr July Ndlovu, an independent non-executive director, has been appointed as a member of the Investment, Innovation and Technology Committee on 25 February 2025; and
- Mr Billy Mawasha, an independent non-executive director, has been appointed as a member of the Safety, Health and Environment Committee on 25 February 2025.

DIRECTORATE AND SECRETARY

Details of the Directorate and Secretary of the Company are available at: https://www.aeciworld.com/leadership.

In terms of the Company's MOI Mr Walter Dissinger, Ms Philisiwe Sibiya, Ms Marna Roets and Ms Fikile Dludlu (de Buck) retire by rotation at the forthcoming AGM and, being eligible, offer themselves for re-election.

MAJOR SHAREHOLDERS

Details of the interests of shareholders who hold beneficial interests equal to or in excess of 3% of the Company's ordinary share capital are included on page 17 of the Group and Company annual financial statements.

SPECIAL RESOLUTIONS

The Company passed the following special resolutions at the AGM held on 28 May 2024, save for the special resolution relating to the general authority to repurchase shares:

1. to approve the annual fees payable by the Company to its Non-executive Directors; and
2. financial assistance to a related or inter-related company.

EVENTS AFTER THE REPORTING DATE

There have been no material changes in the financial or trading position of the Company and its subsidiaries between the financial year end and 25 February 2025.

LEGAL AND REGULATORY INTERACTION

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

Directors' report continued

FINANCIAL INTERESTS OF DIRECTORS, THE GROUP COMPANY SECRETARY AND PRESCRIBED OFFICERS

During 2024 no contracts were entered into in which the above individual/s had an interest and which significantly affected the business of the Group. The same individual/s had no interests in any third-party or company responsible for managing any of the business activities of the Group.

REMUNERATION AND EMPLOYEE INCENTIVE PARTICIPATION SCHEMES

Full details regarding the remuneration and participation in the Group's long-term incentive schemes by the Company's Executive Directors, the Director of a major subsidiary, the Group Company Secretary and Prescribed Officers are disclosed in note 31 to the Group and Company annual financial statements.

APPROVAL OF CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

The consolidated and separate annual Group and Company annual financial statements were approved by the Board of Directors on 25 February 2025 for release on 26 February 2025. They will be presented to the shareholders at the AGM to be held on 27 May 2025. The consolidated and separate Group and Company financial statements were signed by:

Khotso Mokhele	**Holger Riemensperger**
Chairman	*Group Chief Executive Office*

Audit Committee's **report to stakeholders**

DEAR STAKEHOLDERS

The AECI Group Audit Committee ("Committee") is pleased to present its report for the 2024 financial year. This report has been prepared based on the requirements of the South African Companies Act, No. 71 of 2008, as amended ("Companies Act"), the King IV Report on Corporate Governance for South Africa, 2016 ("King IV™"), the JSE Limited Listings and Debt and Specialist Securities Listing Requirements and other applicable regulatory requirements.

The Committee carried out its responsibilities, including those relating to the audit and financial reporting obligations of the Group, as set out in its Board-approved charter. The Committee's operation is guided by detailed terms of reference that are informed by the Companies Act and King IV™ Code in South Africa. The terms of reference were reviewed and approved by the AECI Board of Directors (Board) on 27 May 2024.

The Committee's main objective is to support the Board in fulfilling its oversight responsibilities, and in the evaluation of the adequacy and efficiency of accounting policies, internal financial controls and financial and corporate reporting processes. In addition, the Committee assesses the effectiveness and independence of the internal auditors, the independence and effectiveness of the external auditors, and considers and recommends to shareholders the appointment of the external auditors. Furthermore, the Committee has responsibility in terms of overseeing information technology controls, and reviewing whistle-blowing reports as it relates to the internal financial control environment.

This report aims to provide details related to how the Committee satisfied its various statutory obligations during the period, as well as share some of the significant matters that arose, and how the Committee addressed those to assist in ensuring the integrity of AECI's financial reporting.

COMPOSITION AND GOVERNANCE

Members of the Committee satisfy the requirements to serve as members of an Audit Committee, as provided in Section 94 of the Companies Act, and have adequate knowledge and experience to carry out their duties. All members are independent non-executive directors. The composition of the Committee and the attendance of meetings by its members for the 2023 financial year are set out below. Four formal and twelve special meetings were held in the 2024 financial year, aligned with key reporting and regulatory timelines.

Director	22 Feb [1]	23 Feb	6 Apr [2]	10 Apr [3]	24 May	26 Jul	27 Jul[4]	10 Nov[5]	11 Nov [5]	12 Nov[5]	13 Nov[5]	14 Nov[6]	15 Nov	17 Nov[6]	22 Nov[5]	28 Dec[5]
PG Sibiya (Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
FFT De Buck	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
AM Roets	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
RJ Gabriels*#	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
H Riemensperger#	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ian Kramer^#~																✓

[1] Special meeting – Annual Financial Statements page turn meeting

[2] Special meeting – Quality and independence assessment of external and internal auditors

[3] Special meeting – Integrated Report page turn

[4] Special meeting – Interim results

[5] Special meeting – Impairment considerations and discussions

[6] Special meeting – AECI Audit Committee budget meeting

* Resigned effective 31 December 2024

^Appointed as Acting CFO from 31 December 2024

#Members of the executive team attend by invitation

~ Prescribed Officer only – not appointed to Board

Audit Committee's report to stakeholders continued

ABRIDGED BIOGRAPHIES OF THESE DIRECTORS ARE PUBLISHED AT:
HTTPS://INVESTOR.AECIWORLD.COM/GOVERNANCE.PHP#LEADERSHIP.

The Group Chief Executive Officer ("CEO"), the Group Chief Financial Officer ("CFO"), the Group Acting Chief Financial Officer ("Acting CFO"), the external auditor, VP Group Finance, VP Group Treasury, VP Internal Audit, VP Group Risk Management, and VP of Investor Relations attend by invitation, as does the Group Head of Tax and the PwC internal audit co-source engagement partners. Other members of management are invited to attend certain meetings to provide the Committee with greater insight into specific issues or areas in the Group.

The Committee chairperson has regular contact with the AECI management team to discuss relevant matters directly. The VP Internal Audit and the external auditors have direct access to the Committee, including closed sessions excluding management, during the year. These closed sessions address any matters that the participants regard as relevant to the fulfilment of the Committee's responsibilities.

EXECUTION OF FUNCTIONS

The Committee executed its duties and responsibilities in accordance with its terms of reference as they relate to the Group's accounting, internal auditing, internal control, and integrated reporting practices, specifically relating to the financial statements, and pursuant to the provisions of the JSE Listings and Debt and Specialist Securities Listing Requirements. The chairperson of the Committee reported to the Board on the Committee's activities, highlighting key matters discussed, key items requiring action as well as providing recommendations for resolution.

KEY AUDIT MATTERS

The Committee considered the appropriateness of key audit matters reported in the external auditor's report and considered the significant accounting judgements and estimates relating to the annual financial statements. This was addressed by the Committee as follows:

Key audit matters	How the Committee addressed these matters
■ The impairment assessment of Property, Plant and Equipment ("PPE") in Schirm Germany	The Committee considered the performance of Schirm Germany that resulted in the impairment indicator and the methodology adopted by management to determine the value-in-use and the level of impairment determined by management and is satisfied that it was appropriate and is presented suitably in the disclosures in the annual financial statements. The Committee is satisfied that the impairment recognised in the current year was appropriate and is presented suitably in the disclosures in the annual financial statements.
■ The impairment assessment of the goodwill amount that arose on the acquisition of AECI Schirm	The Committee considered management's assessment of the goodwill and is satisfied that no impairment of goodwill was appropriate at this stage.
■ The impairment assessment of the goodwill amount that arose on the acquisition of AECI Much Asphalt	The Committee considered the performance of AECI Much Asphalt and the methodology and assumptions used in assessing the goodwill and is satisfied that it was appropriate and is presented suitably in the disclosures in the annual financial statements.

Audit Committee's report to stakeholders continued

THE EXTERNAL AUDITORS

The Committee is responsible for the appointment, compensation and oversight of the external auditors for the Group, namely Deloitte & Touche. During the period the Committee:

- reviewed and evaluated the effectiveness, independence as well as the internal quality control procedures of the external auditor. This included a review of the following:
  - information related to the outcome of external inspections conducted by the Independent Regulatory Board for Auditors (IRBA);
  - the internal monitoring processes followed by Deloitte & Touche;
  - context in terms of the areas of improvement raised;
  - the impact on the ability of the system of quality control to meet its objectives and the external auditor's ability as an audit firm to meet their obligations in terms of the JSE Listings Requirements;
- obtained the information listed in paragraphs 3.84(g)(iii) and 7.3(e)(iii) of the JSE Listings and Debt and Specialist Securities Listing Requirements in its assessment of the suitability of Deloitte & Touche, as well as Mr Eric Tshabalala, for appointment as external auditor and designated individual audit partner respectively;
- recommended Deloitte & Touche for appointment as auditor for the financial year ended 31 December 2024, and ensured that the appointment was approved by shareholders at the AGM held on 28 May 2024. and complied with all applicable legal and regulatory requirements for the appointment of an auditor;
- approved the external audit engagement letter, the audit plan and related scope of work, and the budgeted audit fees payable to the external auditor, and confirmed the appropriateness of key audit risks identified, as well as obtained an annual written statement from the external auditor that its independence was not impaired;
- applied a policy setting out the categories of non-audit services that the external auditor may or may not provide, split between permitted, permissible and prohibited services;
- considered whether any non-audit services had been undertaken by the external auditor, which specifically required Committee approval per the policy, and determined that there were none;
- confirmed that all new non-audit services performed by the external auditor during 2024 complied with the Company's Non-Audit Services Policy in terms of the type of service provided as well as the quantum thereof. The Committee considered whether any non-audit services had been undertaken by Deloitte & Touche, which specifically required Committee approval according to the Policy threshold and determined that there were none;
- confirmed that all non-audit services performed, below the Policy threshold, were approved by the CFO or Acting CFO. All non-audit services are pre-approved by the External Auditor in accordance with its own independence policy framework;
- confirmed that the auditor does not, except as external auditor or in rendering permitted non-audit services, receive any remuneration or other benefits from the Company (please refer to "Non-Audit Service Fees" below, and the Company's Non-Audit Services Policy, in particular; and
- in respect of the coordination of assurance activities, reviewed the plans and work outputs of the external and internal auditors and concluded that these were adequate to address all significant financial risks facing the business; and
- approved the audit fees of R47m for the Group's annual consolidated and separate financials statements and R5m for other assurance and related services performed under the standard as issued by the International Auditing and Assurances Standards Board (IAASB); and
- considered the Reportable Irregularity that was identified and reported by the external auditor in terms of the Auditing Profession Act, No. 26 of 2005, and ensured that it was reported appropriately and that management has taken remedial action.

The Committee noted:

- that this is Deloitte & Touche's seventh year of appointment as External Auditor;
- that the designated external audit partner has served since September 2021;
- the criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies; and
- the satisfactory outcomes of quality control reviews of the firm (Deloitte & Touche).

The Committee is satisfied with the quality of the external audit as it relates to the audit quality indicators, and that auditor independence, objectivity and effectiveness were maintained during the financial year ended 31 December 2024.

Audit Committee's report to stakeholders continued

ANNUAL FINANCIAL STATEMENTS

In respect to the annual financial statements of the Group, the Committee, among other matters:

- ensured that the financial statements were prepared in accordance with IFRS Financial Pronouncements are issued by the Financial Reporting Standards Council and SAICA Financial Reporting Guides as issued by the Accounting Practice Committee and in compliance with the provisions of the South African Companies Act, No. 71 of 2008, the JSE Limited Listings Requirements and Debt and Specialist Securities Listing Requirements;
- ensured that all comments and recommendations made in JSE Proactive Monitoring reports, were appropriately considered, and addressed in the preparation of the financial statements for the financial year ended 31 December 2024;
- confirmed the going concern as the basis of preparation of the interim and annual financial statements;
- at each meeting reviewed the solvency and liquidity tests performed by management, and reviewed compliance with the financial conditions of loan covenants and determined that the capital of the Company was adequate;
- examined and reviewed the interim and annual financial statements, as well as all financial information disclosed to stakeholders, prior to submission to and approval by the Board;
- ensured that the financial statements fairly presented the financial position of the Company and of the Group as at the end of the financial year, changes in equity, and the results of operations and cash flows for the financial year and considered the basis on which the Company and the Group were determined to be going concerns;
- considered accounting treatments, significant unusual transactions and significant key accounting judgements and estimates;
- considered the appropriateness of the accounting policies adopted and any changes thereto;
- obtained assurances from management that adequate accounting records were being maintained by the Company and its subsidiaries;
- ensured that all entities included in the consolidated Group financial statements have established appropriate financial reporting procedures, that those procedures are operating effectively and that it has access to all the financial information to allow the Company to effectively prepare and report on the financial statements of the Group;
- considered the external auditor's audit report;
- reviewed the representation letter relating to the Group financial statements, which was signed by management;
- considered any significant legal and tax matters that could have a material impact on the financial statements; and
- satisfied itself on the appropriateness of the expertise and experience of the CFO and Acting CFO.

The Committee has reviewed the process implemented with regard to the annual responsibility statement by the CEO and the Acting CFO on internal financial controls, as per the JSE Listings Requirements Section 3.84(k), and was satisfied with the effectiveness of this process.

INTERNAL FINANCIAL CONTROL DEFICIENCIES

The Committee has been made aware by Management, Group Internal Audit, and External Audit of the following significant internal financial control weaknesses, as well as the associated remediation plans:

INFORMATION TECHNOLOGY

- SAP:
  Internal and external audit processes relating to the AECI SAP ECC and GRC environments identified concerns with regards to the usage and monitoring of SAP FireFighter (FF) accounts. It was revealed that the SAP FF logs, which tracks activities performed using these accounts, had not been generated for review in 2024 due to a technical matter in SAP, which has since been resolved. Remedial action has been taken in terms of granting of SAP FF access and SAP FF log generation and review, including reviews of the SAP SM20 logs, which monitors transactional activities, and will be further refined in 2025. The remedial action will include documentation efforts, including user acceptance testing for all proposed changes.

- User Access Reviews:
  Deficiencies relating to inconsistent user access reviews across the Group have been identified. User access reviews form an integral part to confirm the appropriateness of access granted to users and to ensure that sufficient segregation of duties (SODs) have been implemented. User access is also impacted by changes in employees and their roles and responsibilities in scenarios where operating and reporting models are changed, which is currently the case at AECI. Group IT is working closely with business divisions to ensure that they are appropriately supported and able to confirm that user access is appropriate. Additionally, SAP GRC, through an AECI SAP ruleset, is being utilised to actively monitor the access of SAP users so that business management can be informed of any access violations and segregation of duties conflicts before access is granted to individuals. Remedial action in this regard will continue in 2025.

Audit Committee's report to stakeholders continued

FINANCE AND REPORTING

- Impairment models for property, plant and equipment, and goodwill:
  As part of the year-end reporting process, a number of significant deficiencies relating to the Group's impairment models have been identified, including errors arising from amending standardised models and manual formulae overrides; inclusion of inappropriate future cash flows relating to restructuring initiatives; and overly optimistic financial and economic assumptions. As part of the current year financial reporting perspective management will embark on a process to improve the impairment model reporting process and to ensure the use of consistent assumptions and modelling.
- Taxation:
  A significant deficiency with regards to the year-end tax collation, consolidation and reporting processes was identified since a number of tax adjustments were required following the initial recognition and consolidation processes. The deficiency resulted from significant employee turnover in the Group Tax team and role vacancies during the year-end reporting process. Management has partially remediated this deficiency by the introduction of an experienced tax advisor to support the Group Tax team. Other remediation actions are currently being considered and remediation will continue during 2025.

The identified deficiencies did not result in any unadjusted audit differences larger than the materiality for the Group, either in isolation, or in combination with other unadjusted audit differences.

GROUP INTERNAL AUDIT

Group Internal Audit's authority is established through its direct reporting relationship to the Audit Committee, with the VP Internal Audit's functional reporting to the Audit Committee and administrative reporting to the Acting CFO. This structure provides unrestricted access to the Audit Committee, ensures the function has the necessary resources and support to carry out its responsibilities effectively, grants the organisational authority to escalate matters directly to senior management or the Audit Committee without interference, and supports the internal auditors' ability to maintain objectivity.

The VP Internal Audit is positioned at a level in the Group that ensures internal audit services and responsibilities are performed without interference from management, thereby establishing the independence of the function.

Group Internal Audit adheres to the Internal Auditor's (IIA) Global Internal Audit Standards. The new IIA Global Internal Audit Standards came into effect as of 9 January 2025. The VP Internal Audit reports annually to the Audit Committee and senior management regarding conformance with the Standards, which are assessed through a quality assurance and improvement program. This commitment includes ongoing professional development and adherence to emerging best practices.

The Committee reviewed and approved the annual internal audit charter and annual audit plan; and ensured that a risk-based approach was formulated in the audit plan. Group Internal Audit regularly considers the dynamic risk landscape impacting the Group and adjusts the audit plan subject to Committee approval.

The Committee evaluated the independence, effectiveness, and performance of the Group internal audit function in compliance with its charter by having done the following:

- considered the reports of the internal auditors on the Group's systems of internal control, including financial controls, and risk management;
- reviewed significant issues raised by internal audit and the reports on the monitoring of corrective actions taken by management;
- reviewed regular progress reports regarding the implementation of the formal combined assurance model that coordinates activities between respective lines of defence, including external audit;
- ensured that the VP Internal Audit had a direct reporting line to the Committee chairperson; and
- considered the appropriateness of the experience, expertise and the effectiveness of the VP Internal Audit and concluded that his experience, expertise and performance were appropriate.

Based on the above, the Committee is satisfied that the internal audit function was independent and had the necessary resources and standing to execute its duties.

Group Internal Audit provided the Committee with the following written statement regarding the system of internal controls, including internal financial controls, and risk management for the financial year ended 31 December 2024:

"*Nothing has come to our attention to indicate that, in aggregate and in all material respects, a material breakdown in governance has occurred in respect of AECI's system of internal control and risk management. We noted generally, comprehensive control frameworks and processes to be in place, but improvements are needed in respect of a number of key control activities. All control and/or compliance related deficiencies classified "significant" have been reported to Executive Management and the Audit Committee for the purposes of corrective action and the monitoring thereof, respectively.*"

Audit Committee's report to stakeholders continued

The above statement has considered:

- The implementation of the new Enterprise Risk Management (ERM) policies and frameworks;
- The maturity of the governance processes;
- An assessment of the internal control systems, including internal financial controls, in respect of the completion and outcome of internal audits approved by the Audit Committee;
- Deliberations with external audit on the internal financial control systems and related control environment;
- Attendance of the Audit Committee and the Risk Committee during the year; and
- Notwithstanding the limitations of sampling, the efficacy of combined assurance and the expectation that systems of internal control will provide reasonable, but not absolute assurance.

RISK MANAGEMENT

To the extent relevant to its mandate, the Committee undertook the following actions to enhance risk governance and strengthen the overall control environment:

- *Committee Alignment:* To promote full alignment between the Audit Committee and the Risk Committee, the Chairperson of the Audit Committee attended all Risk Committee meetings as a permanent invitee, ensuring cohesive oversight and streamlined governance across both committees.
- *Risk Management Oversight:* Considered the risk assessment process and outcomes in the approval of the internal audit plan. The Committee also considered reports from both Internal Audit and the External Audit, focusing on matters pertinent to risk management that could impact financial controls. It provided oversight of the associated management action plans.
- *Group Risks:* Ensured that group risks were formally reviewed and aligned with the approved risk universe. A revised risk reporting approach was considered, which included comprehensive reporting on risks, controls, mitigating actions, key risk indicators, and the allocation of oversight for Group risks to the respective Board Committees.
  ERM Maturity Roadmap Progress: The Committee assessed progress against the approved ERM maturity roadmap, acknowledging the ongoing impact of GRC strategic initiatives and the strengthening of the organisation's risk management capabilities.

COMBINED ASSURANCE

During the joint meeting of the Audit Committee and the Risk Committee, where integrated assurance matters of mutual interest were addressed, the following areas were considered:

- *Approval of Key Frameworks:* The Committees formally approved the new ERM policy, as well as the Risk Appetite Framework. These approvals mark significant milestones in strengthening AECI's risk governance and assurance environment.
- *Combined Assurance Model and Plan*: The Committee reviewed progress on developing and implementing a formal Combined Assurance Model and plan across the Group. The proposed strategy, management actions, and next steps were endorsed to enhance assurance activities and ensure effective risk mitigation across the Group.

The Audit Committee provided the Board with the following assessment of the state of combined assurance in the Company:

"The Audit Committee is satisfied that the implementation of the new ERM policy and Risk Appetite framework will provide a more solid basis for rolling out the new Combined Assurance Model across the Group. The Audit Committee will continue to closely monitor the implementation of the ERM policy and Risk Appetite framework, and the Combined Assurance Model."

GROUP TREASURY

The Committee considered the following related to Group treasury matters:

- Group short term cash forecast and various stress test scenarios, noting that the Group loan covenants were met throughout, with sufficient headroom and that the Group would continue to be funded with an appropriate mix of tenors and currencies;
- Going concern assessment including the effects of various stress test scenarios, that concluded the Group remains a going concern with adequate NAV, positive cash generation and adequate access to liquidity;
- Dividend solvency and liquidity assessment including any proposed dividends to enable recommendation to the Board; and
- Financial assistance solvency and liquidity related to ongoing capacity for financial assistance to components of the Group, noting the recent Companies Act amendment that excludes South African registered subsidiaries from the ambit of Section 45.

Audit Committee's report to stakeholders continued

INFORMATION TECHNOLOGY (IT)

To the extent that these may have an impact on the financial statements, the Committee:

- considered the reports of internal audit and the external auditor insofar as these were relevant to IT and that could have an impact on financial controls, and ensured that the related management action plans were adequate; and

  noted significant control deficiencies relating to the IT control environment reported by both management and the internal auditors, the remedial plans being implemented by management relating to these and monitored progress on action plans to address these deficiencies in IT general controls and cyber security controls, specifically including Group IT strategy, AECI Mining SAP ECC6 general controls and infrastructure, SAP GRC basis and 'firefighter' access, Mimecast (email security), and the IT disaster recovery process.

Cybersecurity

From a strategic, operational, and reporting perspective, cybersecurity remains a significant focus area for the Group. Group IT continues to implement mitigating controls and remedial solutions relating to cybersecurity vulnerabilities, as and when identified.

LEGAL AND REGULATORY REQUIREMENTS

To the extent that these may have an impact on the financial statements, the Committee:

- monitored concerns and complaints received via the Group's whistle-blowing line, regarding accounting matters, internal audit, internal accounting controls, contents of the financial statements, potential violations of the law and questionable accounting or auditing matters;
- considered the adequacy of whistle-blowing procedures in relation to the receipt, processing and investigation of complaints and made recommendations in respect thereof; and
- considered reports provided by management, internal audit and the external auditor regarding compliance with legal and regulatory requirements.

ANNUAL FINANCIAL STATEMENTS

Following the review by the Committee of the annual financial statements of AECI Limited for the year ended 31 December 2024, the Committee is of the view that in all material respects they comply with the relevant provisions of the South African Companies Act, No. 71 of 2008 and IFRS, Financial Pronouncements issued by the Financial Reporting Standards Council and SAICA Financial Reporting Guides as issued by the Accounting Practice Committee and fairly present the Group and Company financial position at that date and the results of operations and cash flows for the year then ended.

Having met its obligations, the Committee recommended the annual financial statements for the year ended 31 December 2024 for approval to the Board on 25 February 2025.

The Board has approved this report, which will be open for discussion at the forthcoming Annual General Meeting.

Audit Committee's report to stakeholders continued

ADDRESSING KEY FOCUS AREAS FOR 2024 AS LISTED IN THE AUDIT COMMITTEE REPORT FOR THE 2023 FINANCIAL YEAR

In terms of the 2024 key focus areas, the Committee's key focus areas were addressed by them as follows:

Ensured that the Group's internal financial controls are effective and that remedial plans are properly monitored and executed.	Considered internal and external auditors' findings and feedback and ensured management were taking appropriate steps in their remedial action.
Continue to monitor the progress and successful implementation of the SAP One World project.	Assessed the implementation of SAP in two areas of the Group during the year and guided management on process improvements required for implementation of the businesses in future including encouraging a centralised procurement function to be established and broadened to meet the New AECI Strategy.
Monitor progress on actions plans to address control weaknesses regarding IT general controls and cyber security controls.	Interrogated progress on remedial actions and urged management to address the weaknesses identified quickly and effectively.
Support the effectiveness of the investor relations function.	Reviewed communication to assess compliance with disclosure requirements, evaluated accuracy of financial information, and ensured transparency in reporting.
Continue to advocate for appropriate disclosure and guidance to the market regarding key shareholder issues.	Drove a philosophy of broader disclosure to stakeholders on key matters in any communication issued by the Group and recommended key areas to address.
Continued to focus on and enhance the robustness of various governance processes and controls related to the functioning of the committee as well as the Group's whistleblowing line.	Advocated policy development or enhancement on several areas related to governance and controls to ensure higher standards were achieved including promoting the use of suitable external investigators to perform urgent or sensitive investigations and considered the new AECI Whistle-blowing Policy and recommended it to the Board for approval.

Audit Committee's report to stakeholders continued

KEY FOCUS AREAS FOR 2025

In addition to the Committee's normal duties and responsibilities, it will focus on the following areas in 2025:

- monitor the impact of the divestiture strategy – consider the technical accounting, tax and balance sheet impact;
- continue to ensure that the Group's internal financial controls, including IT controls, are effective and that remedial plans are properly implemented and monitored;
- continue to focus on and enhance the robustness of various governance processes and controls related to the functioning of the Committee and the Group's whistle-blowing line;
- continue to monitor the implementation of the integrated combined assurance model;
- monitor the financial impact of controls regarding procurement;
- ensure that management bolster the tax and finance capacity, systems and processes; and
- monitor the financial impact of the AECI Schirm rightsizing plan.

CONCLUSION

The Committee is satisfied that it has complied with all statutory duties as well as other duties given to it by the Board under its terms of reference. The Committee reviewed the Group and the Company annual financial statements for the year ended 31 December 2024 and recommended them for approval to the Board on 25 February 2025.

The Committee would like to convey their sincere thanks to Rochelle Gabriels for being in the CFO role during the year, supporting the Committee and business and for assisting with the transition of Ian Kramer into the Acting CFO role. The Committee is looking forward to supporting the Executive Management team in their execution of the AECI Strategy.

On behalf of the Audit Committee

Philisiwe Sibiya

Audit Committee Chairperson

Woodmead
25 February 2025

Ordinary shareholder analysis

1. Analysis of registered ordinary shareholders and company schemes

Source: Standard Bank

REGISTERED SHAREHOLDER SPREAD

The following table confirms the spread of registered shareholders at 31 December 2024:

Shareholder spread	Number of holders	% of total shareholders	Number of shares	% of issued capital
1 — 1 000 shares	5 304	74.93	1 105 670	1.05
1 001 — 10 000 shares	1 234	17.43	3 916 281	3.71
10 001 — 100 000 shares	394	5.57	12 951 255	12.27
100 001 — 1 000 000 shares	129	1.82	36 317 634	34.42
1 000 001 shares and above	18	0.25	51 226 940	48.55
TOTAL	7 079	100.00	105 517 780	100.00

PUBLIC & NON-PUBLIC SHAREHOLDINGS

Within the shareholder base, we are able to confirm the split between public and non-public shareholdings as being:

Shareholder type	Number of holders	% of total shareholders	Number of shares	% of issued capital
Public	7 075	99.94	105 449 458	99.94
Directors[1]/related holdings	4	0.06	68 322	0.06
TOTAL	7 079	100.00	105 517 780	100.00

[1] Includes Directors, the Group Company Secretary and Prescribed Officers.

Ordinary shareholder analysis continued

2. Substantial investment management and beneficial interests

SUBSTANTIAL INVESTMENT MANAGEMENT & BENEFICIAL INTERESTS ABOVE 3%

Through regular analysis of Strate registered holdings, and pursuant to the provisions of Section 56 of the Companies Act, the following shareholders held directly and indirectly equal to or in excess of 3% of the issued share capital as at 31 December 2024:

Investment manager	Total shareholding (number of shares)	% of issued capital
Public Investment Corporation	24 280 188	23.01
Ninety One	10 143 778	9.61
PSG Asset Management	9 655 912	9.15
Aylett & Co	5 260 131	4.99
Allan Gray	4 686 277	4.44
Vanguard Investment Management	4 085 640	3.87
36One Asset Management	4 033 920	3.82
Dimensional Fund Advisors	3 176 052	3.01
TOTAL	65 321 898	61.90

BENEFICIAL SHAREHOLDINGS

Beneficial shareholdings	Total shareholding (number of shares)	% of issued capital
Government Employees Pension Fund	24 315 617	23.04
PSG Asset Management	9 633 696	9.13
Ninety One	7 007 070	6.64
Vanguard Investment Management	4 085 640	3.87
Aylett & Co	3 438 854	3.26
Allan Gray	3 282 708	3.11
TOTAL	51 763 585	49.05

PREVIOUSLY DISCLOSED HOLDINGS

INVESTMENT MANAGERS NOW HOLDING BELOW 3%

Investment manager	Total shareholding (number of shares)	% of issued capital	Previous %
Bateleur Capital	3 115 020	2.95	3.49
Coronation Fund Managers	2 051 252	1.94	5.01
TOTAL	5 166 272	4.89	8.50

Ordinary shareholder analysis continued

3. Geographic split of shareholders

GEOGRAPHIC SPLIT OF INVESTMENT MANAGERS AND COMPANY RELATED HOLDINGS

Region	Total shareholding (number of shares)	% of issued capital
South Africa	76 105 931	72.13
United States of America and Canada	17 625 423	16.70
United Kingdom	400 458	0.38
Rest of Europe	479 614	0.45
Rest of the World	1 858 751	1.76
Balance of shareholdings with no investment managers	9 047 603	8.58
TOTAL	105 517 780	100.00

GEOGRAPHIC SPLIT OF BENEFICIAL SHAREHOLDERS

Region	Total shareholding (number of shares)	% of issued capital
South Africa	86 592 613	82.06
United States of America and Canada	15 572 897	14.76
United Kingdom	58 974	0.06
Rest of Europe	479 614	0.45
Rest of the World	2 813 682	2.67
TOTAL	105 517 780	100.00

4. Shareholder categories

BENEFICIAL SHAREHOLDER CATEGORIES

An analysis of beneficial shareholdings, supported by the Section 56 enquiry process, confirmed the following beneficial shareholder types:

Category	Total shareholding (number of shares)	% of issued capital
Unit Trusts	47 332 966	44.86
Pension Funds	33 778 915	32.01
Mutual Funds	5 375 684	5.09
Other	7 140 235	6.77
Private Investors	4 909 508	4.65
Hedge Funds	2 910 693	2.76
Insurance Companies	1 770 855	1.68
Black Economic Empowerment	1 169 667	1.11
Trading Positions	1 129 257	1.07
TOTAL	105 517 780	100.00

Preference shareholder analysis

1. Analysis of registered preference shareholders and company schemes

Source: Standard Bank

REGISTERED SHAREHOLDER SPREAD

The following table confirms the spread of registered shareholders at 31 December 2024:

Shareholder spread	Number of holders	% of total shareholders	Number of shares	% of issued capital
1 — 1 000 shares	31	17.82	8 816	0.29
1 001 — 10 000 shares	105	60.34	552 373	18.41
10 001 — 100 000 shares	35	20.11	1 063 085	35.44
100 001 — 1 000 000 shares	3	1.73	1 375 726	45.86
TOTAL	174	100.00	3 000 000	100.00

There are no non-public holders of preference shares.

2. Substantial investment management and beneficial interests

SUBSTANTIAL INVESTMENT MANAGEMENT AND BENEFICIAL INTERESTS ABOVE 3%

Through regular analysis of Strate registered holdings, and pursuant to the provisions of Section 56 of the Companies Act, the following shareholders held directly and indirectly equal to or in excess of 3% of the issued share capital as at 31 December 2024:

Investment manager	Total shareholding (number of shares)	% of issued capital
Sanlam Investment Management	266 432	8.88
Melville Douglas Investment Management	92 491	3.08
TOTAL	358 923	11.96

Preference shareholder analysis continued

BENEFICIAL SHAREHOLDINGS

Beneficial shareholdings	Total shareholding (number of shares)	% of issued capital
Gingko Group	790 884	26.36
Philip Schock Charitable and Educational Trust	330 000	11.00
Mrs PMB Moore	254 842	8.50
Monro Family Trust	92 491	3.08
TOTAL	1 468 217	48.94

PREVIOUSLY DISCLOSED HOLDINGS

INVESTMENT MANAGERS NOW HOLDING BELOW 3%

Investment manager	Total shareholding (number of shares)	% of issued capital	Previous %
Personal Trust International	50 417	1.68	4.34
TOTAL	50 417	1.68	4.34

3. Geographic split of shareholders

GEOGRAPHIC SPLIT OF INVESTMENT MANAGERS AND COMPANY RELATED HOLDINGS

Region	Total shareholding (number of shares)	% of issued capital
South Africa	458 300	15.28
Balance of shareholdings with no investment managers	2 541 700	84.72
TOTAL	3 000 000	100.00

GEOGRAPHIC SPLIT OF BENEFICIAL SHAREHOLDERS

Region	Total shareholding (number of shares)	% of issued capital
South Africa	2 883 822	96.13
United Kingdom	52 658	1.76
Rest of Europe	50 202	1.67
United States of America and Canada	4 620	0.15
Rest of the World	8 698	0.29
TOTAL	3 000 000	100.00

Preference shareholder analysis continued

4. Shareholder categories

BENEFICIAL SHAREHOLDER CATEGORIES

An analysis of beneficial shareholdings, supported by the Section 56 of the Companies Act enquiry process, confirmed the following beneficial shareholder types:

Category	Total shareholding (number of shares)	% of issued capital
Private Investor	2 106 859	70.23
Classified[1]	838 107	27.94
Custodians	55 034	1.83
TOTAL	**3 000 000**	**100.00**

[1] Institutional investors (Foundations and Charitable Funds, Close Corporations and Trusts)

Independent auditor's **report**

To the shareholders of AECI Limited

Report on the audit of the consolidated and separate financial statements

OPINION

We have audited the consolidated and separate financial statements of AECI Limited Group and Company set out on pages 31 to 145, which comprise the consolidated and separate statements of financial position as at 31 December 2024, and the consolidated and separate statements of profit or loss, the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, the consolidated and separate notes to the statements of cash flows, and the notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of AECI Limited and its subsidiaries as at 31 December 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

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 are independent of the Group and Company 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)* (IESBA Code). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final Materiality

We define materiality as the magnitude of misstatement in the consolidated and separate financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the nature and extent of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the consolidated and separate financial statements as a whole as follows:

	Financial Statements - Group	Financial Statements - Company
Overall materiality	R113 million (2023: R139 million)	R110 million (2023: R130 million)
How we determined it	It represents 6.1% of normalised profit before tax.	It represents 1.1% of reported revenue.
Rationale for benchmark applied	A key judgement in determining materiality is the appropriate benchmark to select, based on our perception of the needs of shareholders. We considered which benchmarks and key performance indicators have the greatest bearing on shareholder decisions. The decreases in materiality are attributable to the decrease in the benchmark applied in determining materiality.	
	We determined that profit before tax remained the key benchmark and is generally accepted for listed entities.	We determined that revenue remained the key benchmark for the Company financial statements.

Independent auditors' report continued

Scope of our audit

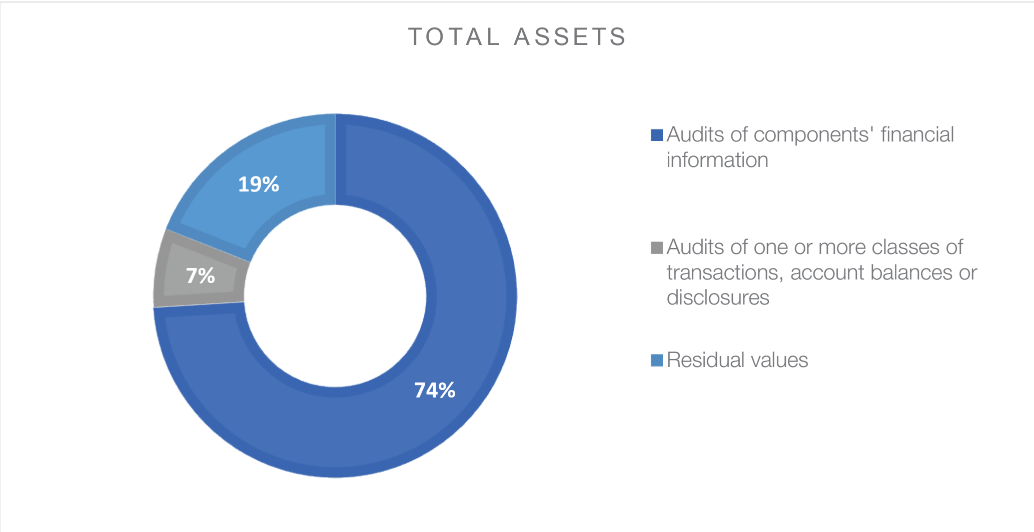
Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the structure and organisation of the Group, and assessing the risks of material misstatement at the Group level.

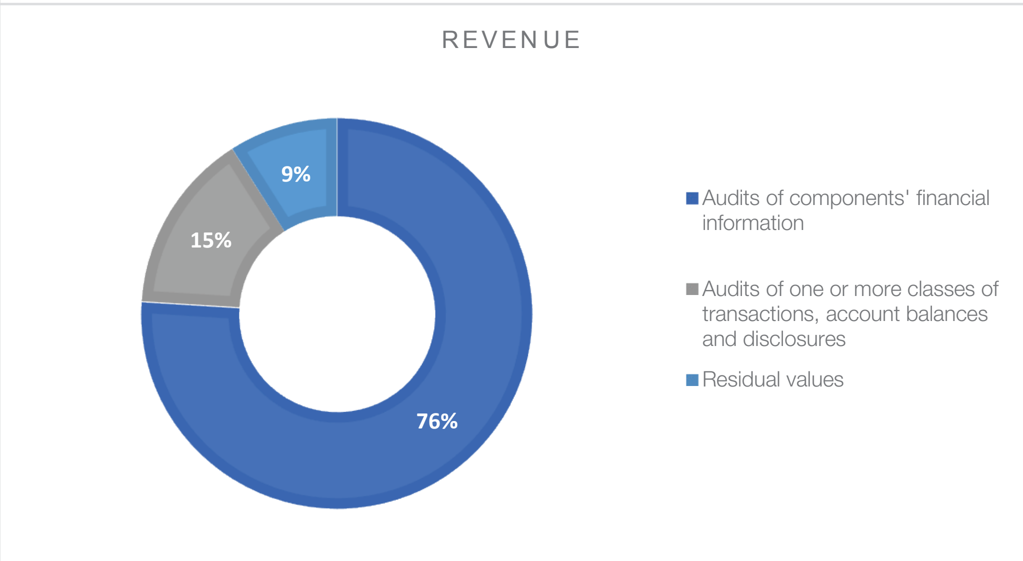
We selected components at which audit work in support of the group audit opinion needed to be performed in order to provide an appropriate basis for undertaking audit work to address the risks of material misstatement. Our selection was informed by taking into account the component's contribution to relevant classes of transactions, account balances or disclosures.

Based on our assessment, we performed work at 26 components. The following audit scoping was applied:

- 16 components were audits of the components' financial information; and
- 10 components were an audit of one or more classes of transactions, account balances or disclosures.

Residual values were addressed by risk assessment and analytical procedures performed at a group level. These 26 components account for 81% of the Group's total assets and 91% of the Group's revenue.





Independent auditors' report continued

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. The key audit matters apply to the consolidated financial statements and there are no key audit matters for the separate financial statements.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

Key Audit Matter	How the matter was addressed in the audit
Impairment assessment of the Property, Plant and Equipment ("PPE") in Schirm Germany	
The directors performed an impairment assessment, at an individual plant level constituting a cash generating unit ("CGU") in Schirm Germany, in accordance with IAS 16: Property, Plant and Equipment ("IAS 16") and IAS 36: Impairment of assets ("IAS 36"). The directors performed the impairment assessment using the discounted cash flow methodology. The calculated value-in-use for each CGU was compared to the net operating assets for each CGU to determine if an impairment is required or not for each CGU. The directors recorded an impairment of R240 million relating to the Property, Plant and Equipment ("PPE") in Schirm Germany in the current year as disclosed in note 1. We considered the impairment assessment of the PPE in Schirm Germany to be a matter of most significance and a key audit matter due to: ■ The significant value of the PPE in Schirm Germany; and ■ Significant judgement applied along with significant estimation uncertainty in determining the value-in-use of the PPE.	Our audit procedures included the following: ■ We performed risk assessment procedures on the PPE balance and we pinpointed the risk of material misstatement to the relevant inputs and assumptions; ■ We evaluated the design and tested the implementation of relevant controls over the impairment assessment of the PPE in Schirm Germany; ■ Engaged our financial advisory specialists to assist with validating the assumptions used to calculate the discount rates and the terminal value growth rates and recalculating these rates; ■ Analysed and robustly challenged the revenue growth rates and trading profit margins with reference to the budgets and the probability of achieving targets in the future; ■ Tested the forecasts with reference to historical performance; and ■ Reviewed the appropriateness of the disclosure in the financial statements. Based on the procedures performed and our assessment of materiality, no material differences in the amounts recorded or disclosures made in the financial statements were identified. We evaluated the disclosures in note 1 to the financial statements and we consider these to be appropriate.

Independent auditors' report continued

Key Audit Matter	How the matter was addressed in the audit
Impairment assessment of goodwill that arose on the acquisition of Schirm GmbH ("Schirm")	
As disclosed in note 5, the Group's goodwill in respect of the acquisition of Schirm is R394 million. IAS 36 – Impairment of assets ("IAS 36") requires assets that are not subject to amortisation, such as goodwill to be assessed for impairment annually, irrespective of whether any impairment indicators exist. The directors performed an impairment assessment over the goodwill by assessing the recoverable amount through the determination of the value-in-use amount and comparing it to the carrying amount. The value-in-use for the Schirm cash generating unit ("CGU") was calculated using the discounted cash flow methodology. Goodwill was not considered to be impaired by the directors in the current year for Schirm. We considered the goodwill for Schirm to be a matter of most significance and a key audit matter due to: ▪ The significant value to the Group's asset value; and ▪ Significant judgement applied along with significant estimation uncertainty in determining the value-in-use of the CGU.	Our audit procedures included the following: ▪ We performed risk assessment procedures on the goodwill balance and we pinpointed the risk of material misstatement to the relevant inputs and assumptions; ▪ We evaluated the design and tested the implementation of relevant controls over the assessment of goodwill for impairment for these CGUs; ▪ Engaged our financial advisory specialists to assist with validating the assumptions used to calculate the discount rates and the terminal value growth rates and recalculating these rates; ▪ Analysed and robustly challenged the revenue growth rates and trading profit margins with reference to the budgets and the probability of achieving targets in the future; ▪ Tested the forecasts with reference to historical performance; and ▪ Reviewed the appropriateness of the disclosure in the financial statements. The assumptions utilised were appropriate and within an acceptable range. We have reviewed the disclosures in note 5 to the financial statements which contain the key assumptions utilised and the sensitivities which could arise should these assumptions vary, and we consider these to be appropriate.

Independent auditors' report continued

Key Audit Matter	How the matter was addressed in the audit
Impairment assessment of goodwill that arose on the acquisition of Much Asphalt (Pty) Ltd ("Much")	
The Group had goodwill relating to the Much CGU of R710 million (after the impairment recorded in 2020 of R821 million). Management performed the impairment assessment as at 30 September 2024. IAS 36: Impairment of assets ("IAS 36") requires assets that are not subject to amortisation, such as goodwill to be assessed for impairment annually, irrespective of whether any impairment indicators exist. At 30 September 2024, the directors performed an impairment assessment over the goodwill by assessing the recoverable amount through the determination of the value-in-use amount and comparing it to the carrying amount. The value-in-use for the Much cash generating unit ("CGU") was calculated using the discounted cash flow methodology. Goodwill was not considered to be impaired by the directors for Much as at 30 September 2024. We considered the goodwill for Much to be a matter of most significance and a key audit matter due to: ■ The significant value to the Group's asset value; and ■ Significant judgement applied along with significant estimation uncertainty in determining the value-in-use of the CGU. We note that Much Asphalt (Pty) Ltd has been classified as a held for sale and discontinued operation as at 31 December 2024, and the disclosures are included in note 35 and note 36. We have concluded that the assessment of the recoverable amount of the disposal group in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations in itself is not a Key Audit Matter.	Our audit procedures included the following: ■ We performed risk assessment procedures on the goodwill balance and we pinpointed the risk of material misstatement to the relevant inputs and assumptions; ■ We evaluated the design and tested the implementation of relevant controls over the assessment of goodwill for impairment for these CGUs; ■ Engaged our financial advisory specialists to assist with validating the assumptions used to calculate the discount rates and the terminal value growth rates and recalculating these rates; ■ Analysed and robustly challenged the revenue growth rates and trading profit margins with reference to the budgets and the probability of achieving targets in the future; ■ Tested the forecasts with reference to historical performance; and ■ Reviewed the appropriateness of the disclosure in the financial statements. The assumptions utilised were appropriate and within an acceptable range. We have reviewed the disclosures in note 5 to the financial statements, and we consider these to be appropriate.

Independent auditors' report continued

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled *"AECI Limited Annual Financial Statements for the year ended 31 December 2024"*, which includes the Directors' Report, the Audit Committee's Report to stakeholders, the Declaration by the Group Company Secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Integrated Report, which is expected to be made available to us after that date. The other information does not include the consolidated and 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 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 obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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's and 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 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.

Independent auditors' report continued

- 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 the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

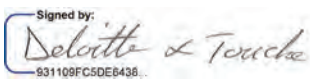
Report on other legal and regulatory requirements

Audit Tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of AECI Limited for seven years.

Reportable Irregularity

In accordance with our responsibilities in terms of sections 44(2) and 44(3) of the Auditing Profession Act, we report that we have identified a reportable irregularity in terms of the Auditing Profession Act. We have reported such matter to the Independent Regulatory Board for Auditors. The matter pertaining to the reportable irregularity has been described in note 39 to the consolidated and separate financial statements.



Deloitte & Touche
Registered Auditor

Per: MLE Tshabalala
Partner

25 February 2025

5 Magwa Crescent, Waterfall City, Waterfall, 2090
South Africa

Statements of financial position

At 31 December 2024

Rand million	Note	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
ASSETS					
NON-CURRENT ASSETS		**9 670**	11 762	**7 918**	10 057
Property, plant and equipment	1	**5 910**	6 699	**662**	667
Right-of-use assets	2	**703**	755	**293**	322
Investment properties	3	**233**	234	**235**	240
Intangible assets	4	**361**	848	**4**	5
Goodwill	5	**1 608**	2 345	**459**	459
Pension fund employer surplus accounts	30	**287**	373	**287**	373
Investments in subsidiaries	6			**5 493**	7 501
Loans to subsidiaries	6			**326**	383
Investment in joint venture	7.1	**66**	42	**–**	–
Investment in joint operation	7.3			**28**	28
Investments in associates	8	**141**	150	**10**	10
Loans to associates	8	**45**	56	**1**	1
Other investments	9	**122**	71	**120**	68
Deferred tax assets	10	**194**	189	**–**	–
CURRENT ASSETS		**16 067**	16 180	**9 894**	8 668
Inventories	11	**5 117**	6 126	**2 262**	2 183
Trade and other receivables	12	**7 616**	7 422	**3 005**	2 915
Other investments	9	**567**	576	**142**	239
Loans to subsidiaries	6			**4 035**	3 228
Taxation receivable		**378**	96	**–**	–
Cash and cash equivalents		**2 389**	1 960	**450**	103
Assets held for sale	35	**1 504**	–	**1 152**	–
TOTAL ASSETS		**27 241**	27 942	**18 964**	18 725
EQUITY AND LIABILITIES					
ORDINARY CAPITAL AND RESERVES		**11 901**	12 244	**587**	2 013
Share capital and share premium	13	**106**	106	**112**	112
Reserves		**1 965**	1 919	**5**	34
Retained earnings		**9 830**	10 219	**470**	1 867
PREFERENCE SHARE CAPITAL	13	**6**	6	**6**	6
SHAREHOLDERS' EQUITY		**11 907**	12 250	**593**	2 019
NON-CONTROLLING INTEREST	34	**163**	161		
TOTAL EQUITY		**12 070**	12 411	**593**	2 019
NON-CURRENT LIABILITIES		**6 028**	6 485	**2 570**	2 625
Deferred tax liabilities	10	**366**	520	**15**	36
Non-current debt	14	**4 465**	4 704	**2 000**	2 000
Lease liabilities	15	**625**	668	**305**	321
Non-current provisions and employee benefits	16	**572**	593	**250**	268
CURRENT LIABILITIES		**8 776**	9 046	**15 786**	14 081
Trade and other payables	17	**7 259**	7 757	**3 480**	3 249
Current debt	18	**850**	731	**850**	585
Lease liabilities	15	**156**	136	**29**	22
Loans from joint venture and joint operation	7.2	**13**	83	**42**	167
Loans from subsidiaries	6			**11 361**	9 978
Taxation payable		**467**	280	**1**	57
Bank overdraft		**31**	59	**23**	23
Liabilities directly associated with assets held for sale	35	**367**	–	**15**	–
TOTAL LIABILITIES		**15 171**	15 531	**18 371**	16 706
TOTAL EQUITY AND LIABILITIES		**27 241**	27 942	**18 964**	18 725

Statements of profit or loss

For the year ended 31 December 2024

		GROUP		COMPANY	
Rand million	Note	**2024**	2023[1]	**2024**	2023
REVENUE	19	**33 598**	34 942	**9 715**	9 783
Net operating costs	20	**(32 054)**	(32 498)	**(10 535)**	(9 117)
PROFIT/(LOSS) FROM OPERATIONS		**1 544**	2 444	**(820)**	666
Share of profit of equity-accounted investees, net of taxation	7, 8	**29**	39	**–**	–
PROFIT / (LOSS) FROM OPERATIONS AND EQUITY-ACCOUNTED INVESTEES		**1 573**	2 483	**(820)**	666
Dividends received	29			**–**	84
Net finance costs		**(521)**	(504)	**(540)**	(524)
Finance costs	22	**(645)**	(625)	**(820)**	(790)
Finance income	23	**124**	121	**280**	266
PROFIT/(LOSS) BEFORE TAX		**1 052**	1 979	**(1 360)**	226
Taxation (expense)/income	24	**(747)**	(872)	**74**	(30)
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		**305**	1 107	**(1 286)**	196
(LOSS)/PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS	36	**(560)**	73		
(LOSS)/PROFIT FOR THE YEAR		**(255)**	1 180	**(1 286)**	196
Attributable to preference shareholders		**(4)**	(4)	**(4)**	(4)
Attributable to AECI minority shareholders		**(24)**	(2)		
ATTRIBUTABLE TO THE AECI GROUP EQUITY SHAREHOLDERS		**(283)**	1 174	**(1 290)**	192
PER ORDINARY SHARE (CENTS):					
Basic (loss/)earnings[2]	25	**(268)**	1 112		
Diluted basic (loss)/earnings[2]	25	**(266)**	1 092		
Basic earnings from continuing operations	25	**263**	1 043		
Diluted basic earnings from continuing operations	25	**261**	1 024		
Ordinary dividends paid	26	**119**	680		
Ordinary dividends declared after the reporting date	26	**219**	119		

[1] Comparative periods have been restated, due to recognition of the AECI Much Disposal Group as a discontinued operation (refer note 35 and 36)

[2] (Loss)/Earnings per Share includes both continuing and discontinued operations

Statements of comprehensive income

For the year ended 31 December 2024

	GROUP		COMPANY	
Rand million	**2024**	2023	**2024**	2023
(LOSS)/PROFIT FOR THE YEAR	**(255)**	1 180	**(1 286)**	196
OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR, NET OF TAXATION:	**67**	93	**(12)**	(123)
Items that may be reclassified subsequently to profit or loss:	**84**	225	**5**	1
– Foreign currency loan translation differences	**13**	28	**–**	–
– Foreign operations translation differences	**66**	195	**–**	–
– Effective portion of cash flow hedges	**5**	2	**5**	1
Taxation effect on items that may be reclassified subsequently to profit or loss:	**(3)**	(8)	**–**	–
– Foreign currency loan translation differences	**(3)**	(8)	**–**	–
Items that may not be reclassified subsequently to profit or loss:	**(11)**	(121)	**(15)**	(121)
– Remeasurement of post-retirement medical aid obligations	**30**	11	**26**	11
– Remeasurement of equity securities at fair value through other comprehensive income (FVOCI)	**(41)**	(132)	**(41)**	(132)
Taxation effects on items that may not be reclassified subsequently to profit or loss:	**(3)**	(3)	**(2)**	(3)
– Remeasurement of post-retirement medical aid obligations	**(3)**	(3)	**(2)**	(3)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR	**(188)**	1 273	**(1 298)**	73
Attributable to preference shareholders	**(4)**	(4)	**(4)**	(4)
Attributable to AECI minority shareholders	**(27)**	(11)		
ATTRIBUTABLE TO THE AECI GROUP EQUITY SHAREHOLDERS	**(219)**	1 258	**(1 302)**	69

Statements of changes in equity

For the year ended 31 December 2024

GROUP

Rand million	Ordinary share capital	**Share capital**	Foreign currency translation reserve	Share-based payment reserve	Change-in-ownership reserve
Balance at 1 January 2023	106	**106**	1 679	270	(23)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			206		
Remeasurement of post-retirement medical aid obligations					
Deferred taxation on remeasurement of post-retirement medical aid obligations					
Cash flow hedge fair value adjustments					
Foreign currency loan translation differences			28		
Deferred taxation on foreign currency loan translation differences			(8)		
Remeasurement of equity securities at FVOCI					
Foreign operations translation differences			186		
Profit for the year					
TRANSACTIONS WITH SHAREHOLDERS	–	**–**	–	(148)	23
Change in ownership percentage		**–**			23
Dividends paid		**–**			
Share-based payment reserve		**–**		51	
Settlement cost of EST shares for deceased beneficiaries	–	**–**		(2)	
Transfers between reserves		**–**		(197)	
BALANCE AT 31 DECEMBER 2023	106	**106**	1 885	122	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			73		
Remeasurement of post-retirement medical aid obligations					
Deferred taxation on remeasurement of post-retirement medical aid obligations					
Cash flow hedge fair value adjustments					
Foreign currency loan translation differences			13		
Deferred taxation on foreign currency loan translation differences			(3)		
Remeasurement of equity securities at FVOCI					
Foreign operations translation differences			63		
Loss for the year					
TRANSACTIONS WITH SHAREHOLDERS	–	**–**	(4)	13	–
Dividends paid					
Share-based payment reserve				38	
Settlement cost of performance shares				(36)	
Transfers between reserves			(4)	11	
BALANCE AT 31 DECEMBER 2024	106	**106**	1 954	135	–

Fair value reserve	Cash flow hedge reserves	**Total other reserves**	Retained earnings	**Total**	Non-controlling interest	Preference share capital	**Total equity**
46	(4)	**1 968**	9 561	**11 635**	181	6	**11 822**
(132)	2	**76**	1 182	**1 258**	11	4	**1 273**
–	–	**–**	11	**11**	–	–	**11**
–	–	**–**	(3)	**(3)**	–	–	**(3)**
–	2	**2**	–	**2**	–	–	**2**
–	–	**28**	–	**28**	–	–	**28**
–	–	**(8)**	–	**(8)**	–	–	**(8)**
(132)	–	**(132)**	–	**(132)**	–	–	**(132)**
–	–	**186**	–	**186**	9	–	**195**
–	–	**–**	1 174	**1 174**	2	4	**1 180**
–		**(125)**	(524)	**(649)**	(31)	(4)	**(684)**
		23	(3)	**20**	(20)		**–**
			(718)	**(718)**	(11)	(4)	**(733)**
		51		**51**			**51**
		(2)		**(2)**			**(2)**
		(197)	197	**–**			**–**
(86)	(2)	**1 919**	10 219	**12 244**	161	6	**12 411**
(41)	5	**37**	(256)	**(219)**	27	4	**(188)**
			30	**30**			**30**
			(3)	**(3)**			**(3)**
	5	**5**		**5**			**5**
		13		**13**			**13**
		(3)		**(3)**			**(3)**
(41)		**(41)**		**(41)**			**(41)**
		63		**63**	3		**66**
			(283)	**(283)**	24	4	**(255)**
–		**9**	(133)	**(124)**	(25)	(4)	**(153)**
			(126)	**(126)**	(25)	(4)	**(155)**
		38		**38**			**38**
		(36)		**(36)**			**(36)**
		7	(7)	**–**			**–**
(127)	3	**1 965**	9 830	**11 901**	163	6	**12 070**

STATEMENTS OF CHANGES IN EQUITY continued

FOR THE YEAR ENDED 31 DECEMBER 2024

FOREIGN CURRENCY TRANSLATION RESERVE

This comprises all the Group's foreign exchange differences from the translation of the financial statements of foreign operations to the presentation currency of AECI, as well as from the translation of monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future.

EQUITY SETTLED SHARE-BASED PAYMENT RESERVE

This comprises the accumulated share-based payments over the vesting periods of the underlying instruments. Once instruments have vested, the reserve is transferred to retained earnings.

CHANGE-IN-OWNERSHIP RESERVE

This reserve was set aside for the buy-out of non-controlling interests. The minority shareholders of the AECI Much Asphalt group of companies exercised the put option and the reserve was settled in the 2023 financial year.

FAIR VALUE RESERVE

Investments in certain equity instruments are designated to be carried at fair value through other comprehensive income. These investments are not held for trading and are strategic long-term investments where the purpose of the investment is not dependent on the fair value. The reserve represents the cumulative fair value adjustment over time and may not be reclassified to profit and loss.

CASH FLOW HEDGE RESERVE

This reserve compromises of the effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated as cash flow hedges is recognised in other comprehensive income and accumulated under reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in finance costs.

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Statements of changes in equity

For the year ended 31 December 2024

COMPANY

Rand million	Ordinary share capital	Share premium	Share capital and share premium
Balance at 1 January 2023	106	6	**112**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	–	–	**–**
Remeasurement of post-retirement medical aid obligations			
Deferred taxation on remeasurement of post-retirement medical aid obligations			
Cash flow hedge fair value adjustments			
Remeasurement of equity securities at FVOCI			
Taxation effects on remeasurement of equity securities at FVOCI			
Profit for the year			
TRANSACTIONS WITH SHAREHOLDERS	–	–	**–**
Dividends paid			
Share-based payment reserve			
Settlement cost of EST shares for deceased beneficiaries			
Transfers between reserves			
BALANCE AT 31 DECEMBER 2023	106	6	**112**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	–	–	**–**
Remeasurement of post-retirement medical aid obligations			
Deferred taxation on remeasurement of post-retirement medical aid obligations			
Cash flow hedge fair value adjustments			
Remeasurement of equity securities at FVOCI			
Taxation effects on remeasurement of equity securities at FVOCI			
Loss for the year			
TRANSACTIONS WITH SHAREHOLDERS	–	–	**–**
Dividends paid			
Share-based payment reserve			
Settlement cost of performance shares			
Transfers between reserves			
BALANCE AT 31 DECEMBER 2024	106	6	**112**

OTHER RESERVES

This reserve includes the reserve for effective cash flow hedges and the foreign currency translation reserve.

FAIR VALUE RESERVE

Investments in certain equity instruments are designated to be carried at fair value through other comprehensive income. These investments are not held for trading and are strategic long-term investments where the purpose of the investment is not dependent on the fair value. The reserve represents the cumulative fair value adjustment over time and may not be reclassified to profit and loss.

Share-based payment reserve	Fair value reserve	Other reserves	**Total other reserves**	Retained earnings	**Total**	Preference share capital	**Total equity**
270	46	3	**319**	2 182	**2 613**	6	**2 619**
–	(132)	1	**(131)**	200	**69**	4	**73**
				11	**11**		**11**
				(3)	**(3)**		**(3)**
		1	**1**		**1**		**1**
	(132)		**(132)**		**(132)**		**(132)**
	–		**–**		**–**		**–**
				192	**192**	4	**196**
(148)	–	(6)	**(154)**	(515)	**(669)**	(4)	**(673)**
				(718)	**(718)**	(4)	**(722)**
51			**51**		**51**		**51**
(2)			**(2)**		**(2)**		**(2)**
(197)	–	(6)	**(203)**	203	**–**		**–**
122	(86)	(2)	**34**	1 867	**2 013**	6	**2 019**
	(41)	5	**(36)**	(1 266)	**(1 302)**	4	**(1 298)**
				26	**26**		**26**
				(2)	**(2)**		**(2)**
		5	**5**		**5**		**5**
	(41)		**(41)**		**(41)**		**(41)**
	–		**–**		**–**		**–**
				(1 290)	**(1 290)**	4	**(1 286)**
13	–	(6)	**7**	(131)	**(124)**	(4)	**(128)**
				(126)	**(126)**	(4)	**(130)**
38			**38**		**38**		**38**
(36)			**(36)**		**(36)**		**(36)**
11	–	(6)	**5**	(5)	**–**		**–**
135	(127)	(3)	**5**	470	**587**	6	**593**

Statements of cash flows

For the year ended 31 December 2024

Continuing and discontinued operations

Rand million	Note	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
CASH GENERATED FROM OPERATIONS	i	**3 345**	4 004	**413**	829
Dividends received		**–**	25	**–**	84
Finance costs paid		**(595)**	(581)	**(800)**	(770)
Finance income received		**127**	124	**280**	266
Taxation paid	ii	**(907)**	(989)	**(3)**	(15)
Changes in working capital	iii	**(74)**	1 037	**93**	336
Cash flows relating to defined-benefit costs		**(15)**	(19)	**(15)**	(15)
Cash flows relating to non-current provisions and employee benefits		**2**	(7)	**–**	(5)
CASH AVAILABLE FROM OPERATING ACTIVITIES		**1 883**	3 594	**(32)**	710
Dividends paid	iv	**(155)**	(733)	**(130)**	(722)
CASH FLOWS GENERATED FROM/(UTILISED BY) OPERATING ACTIVITIES		**1 728**	2 861	**(162)**	(12)
CASH FLOWS FROM INVESTING ACTIVITIES		**(1 035)**	(1 439)	**332**	1 853
Net replacement to maintain operations		**(637)**	(855)	**(46)**	(140)
Replacement of - property, plant and equipment		**(765)**	(869)	**(113)**	(145)
Proceeds from disposal of property, plant and equipment, investment property and intangible assets		**128**	14	**67**	5
Investments to expand operations		**(398)**	(584)	**378**	1 993
Acquisition of - property, plant and equipment		**(208)**	(434)	**(8)**	(31)
- subsidiaries, net of cash acquired		**–**	(42)	**–**	–
- non-controlling interest		**–**	(14)	**–**	–
Investments[1]		**(120)**	(36)	**414**	2 162
Loans to and from - associates and other investments		**–**	–	**97**	(16)
- joint ventures		**(70)**	(58)	**(125)**	(122)
NET CASH GENERATED/(UTILISED) BEFORE FINANCING ACTIVITIES		**693**	1 422	**170**	1 841
CASH FLOWS FROM FINANCING ACTIVITIES		**(217)**	(1 551)	**177**	(1 656)
Capital repayment of lease liabilities		**(205)**	(201)	**(52)**	(46)
Proceeds from debt raised		**578**	4 182	**850**	2 585
Repayment of debt		**(601)**	(5 618)	**(585)**	(4 192)
Loans to and from - associates and other investments		**47**	88	**–**	–
Share based payments		**(36)**	(2)	**(36)**	(3)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**476**	(129)	**347**	185
Cash and cash equivalents at the beginning of the year		**1 901**	1 933	**80**	(105)
Translation gain on cash and cash equivalents		**40**	97		
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR[2]		**2 417**	1 901	**427**	80
Continuing Operations		**2 358**	1 901	**427**	80
Discontinued Operations		**59**	–	**–**	–

1 Investments in the group include movements in money market investments. Investments in the company includes the funding of subsidiaries.

2 Group includes cash of R2 329 million (2023: R2 386 million), restricted cash of R173 million (2023: R73 million) and a bank overdraft of R31 million (2023: R159 million). Company includes cash of R450 million (2023: R103 million) and a bank overdraft of R103 million (2023: R23 million).

3 Restricted cash relating to the AECI Captive Insurance Company Limited.

Notes to the statements of cash flows
For the year ended 31 December 2024

Continuing and discontinued operations	GROUP		COMPANY	
Rand million	**2024**	2023	**2024**	2023
i. CASH GENERATED FROM OPERATIONS				
Profit/ (Loss) from operations:	**1 022**	2 571	**(820)**	666
Continuing operations	**1 544**	2 444	**(820)**	666
Discontinued operations	**(522)**	127		
Adjusted for non-cash movements:				
Employee benefit obligations	**101**	58	**105**	49
Depreciation and amortisation	**1 154**	1 053	**152**	139
Share-based payment expense	**38**	51	**24**	37
Impairment of goodwill	**27**	20	**–**	–
Impairment of property, plant and equipment	**306**	–	**–**	–
Impairment of intangibles	**42**	–	**–**	–
Impairment of right-of-use assets	**2**	–	**–**	–
Impairment loss on discontinued operations	**732**	–	**–**	–
Impairment of investment in subsidiaries			**970**	(65)
Non-current provisions and employee benefits	**12**	34	**6**	5
Movement in the expected credit loss (ECL) for trade receivables and provision for obsolete inventories	**(47)**	209	**18**	(2)
(Surplus)/loss on disposal of property, plant and equipment	**(44)**	8	**(42)**	–
CASH GENERATED FROM OPERATIONS	**3 345**	4 004	**413**	829
ii. TAXATION PAID				
Owing at the beginning of the year	**(184)**	(93)	**(57)**	(51)
Charge for the year	**(807)**	(1 098)	**53**	(21)
Translation differences	**–**	18	**–**	–
Owing at the end of the year	**84**	184	**1**	57
TAXATION PAID	**(907)**	(989)	**(3)**	(15)
iii. CHANGES IN WORKING CAPITAL				
Decrease/(increase) in inventories	**773**	612	**(81)**	358
(Increase)/decrease in accounts receivable	**(562)**	349	**(101)**	115
(Decrease)/increase in accounts payable	**(263)**	(5)	**275**	(137)
	(52)	956	**93**	336
Translation differences	**(22)**	81	**–**	–
CHANGES IN WORKING CAPITAL	**(74)**	1 037	**93**	336
iv. DIVIDENDS PAID (note 26)				
Paid during the year	**(130)**	(722)	**(130)**	(722)
Paid to non-controlling interest	**(25)**	(11)		
	(155)	(733)	**(130)**	(722)

Notes to the **financial statements**

FOR THE YEAR ENDED 31 DECEMBER 2024

ACCOUNTING FRAMEWORK AND CRITICAL JUDGEMENTS

BASIS OF PREPARATION

AECI Limited ("the Company") is a public company domiciled in South Africa. The address of the Company's registered office is the First Floor, AECI Place, 24 The Woodlands, Woodlands Drive, Woodmead, Sandton, 2191. The consolidated financial statements of the Company for the year ended 31 December 2024 comprise of the Company and its subsidiaries (together referred to as the Group and individually as Group entities or business entities) and the Group's interest in associates and joint arrangements. The Group has four operating segments: AECI Mining, AECI Chemicals, AECI Managed Business and AECI Property Services and Corporate. In line with the new strategy, the segment report for the current year and the comparatives has been restated to account for the redefined structure. Refer to note 32 for further details.

The Group financial statements and the Company financial statements have been prepared in South African Rand, which is the Company's functional currency. All the financial information has been rounded to the nearest million Rand, except where otherwise stated.

The Group financial statements and the Company financial statements have been prepared in compliance with IFRS® Accounting Standards ("IFRS"), and interpretations of those Standards as adopted by the International Accounting Standards Board ("IASB"), the South African Institute of Chartered Accountants ("SAICA") Financial Reporting Guides issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Limited Listings Requirements and the JSE Debt and Specialist Securities Listings Requirements ("JSE" and "the JSE Listings Requirements") and in accordance with the requirements of the Companies Act No. 71 of 2008. The financial statements were approved for issue by the Board of Directors on 25 February 2025.

The Group financial statements and the Company financial statements have been prepared using the historical cost convention, except for:

- financial instruments measured at fair value through profit or loss;
- financial instruments measured at fair value through other comprehensive income;
- pension fund employer surplus accounts and post-retirement medical aid obligation liabilities which are measured at fair value; and
- equity-settled share-based payments which are measured at fair value at the grant date.

GOING CONCERN

In determining the appropriate basis of preparation of the Group and Company financial statements, the Directors are required to consider whether the Group and Company can continue to operate for the foreseeable future. The Directors have reviewed the cash flow forecast for the next 12 months and have satisfied themselves that the Group and Company are able to generate positive operating cash flows to meet obligations as they fall due. The Group and Company has access to sufficient debt facilities to meet foreseeable cash requirements related to capital expenditure for replacement or expansion. The Directors conclude that the going concern assumption is an appropriate basis of preparation for these financial statements.

MATERIAL ACCOUNTING POLICIES

The accounting policies applied in the preparation of these Group and Company financial statements are consistent in all material respects with those applied for the year ended 31 December 2023. Unless specifically stated otherwise, the Company also applies all of the Group's accounting policies.

PRESENTATION OF DISCONTINUED OPERATIONS

CONSOLIDATED FINANCIAL STATEMENTS

The results of the discontinued operations is presented in a single line item in the consolidated statement of profit and loss under discontinued operations. The assets to be recovered through sale have been included under "Assets and Liabilities held for sale" on the consolidated statement of financial position.

The statement of comprehensive income, statement of changes in equity and the statement of cash flows are shown in total for continuing and discontinued operations. Further information has been included under the relevant notes.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the consolidated statement of profit and loss relate to continuing operations. Therefore, to cross-reference certain amounts disclosed in the statement of financial position to the statement of profit or loss and to certain amounts in the statement of cash flows, amounts disclosed in Note 36 of the annual financial statements should be taken into consideration.

FOREIGN CURRENCIES

FOREIGN CURRENCY TRANSLATIONS

Transactions in foreign currencies are translated into the functional currencies of each entity in the Group at the rates of exchange ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency of the entity concerned at the rates of exchange ruling at the dates of the transactions. Gains or losses arising on exchange differences are recognised in the statement of profit or loss. Costs associated with forward cover contracts linked to debt are included in financing costs.

FOREIGN OPERATIONS

The financial statements of foreign operations in the Group are translated into South African Rand as follows:

- assets, including goodwill and liabilities at the rates of exchange ruling at the reporting date;
- income, expenditure and cash flow items at the weighted average rate of exchange during the accounting period; and
- equity at historical rates.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, while retaining control, the relevant portion of the cumulative foreign currency translation reserve is recognised in non-controlling interest. Differences arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered part of the net investment in a foreign operation and are recognised in other comprehensive income in the foreign currency translation reserve.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated to determine the extent of the impairment loss. The recoverable amount is the higher of its fair value, less costs to sell, and its value-in-use.

Value-in-use is estimated taking into account future cash flows, forecast market conditions and the expected lives of the assets using an appropriate discount rate. An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit ("CGU") exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss. Subsequent to the recognition of an impairment loss, the depreciation charge for the asset is adjusted to allocate its remaining carrying value, less any residual value, over its remaining useful life.

Impairment losses recognised in respect of a CGU are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amount of the other assets of the CGU. An impairment loss is reversed only to the extent that the carrying amount of the asset or CGU does not exceed the net carrying amount that would have been determined if no impairment loss had been recognised. A reversal of an impairment loss is recognised in the statement of profit or loss.

Goodwill is allocated to CGUs that are expected to benefit from the synergies of the business combination. Goodwill and the CGUs to which it has been allocated are tested for impairment on an annual basis or there is an indicator of impairment. Impairment losses on goodwill are not reversed.

NON-IFRS MEASURES

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

Non-IFRS measures are the responsibility of the Group's Directors. These measures may not be comparable to other similarly titled measures of performance of other companies.

Non-IFRS measures are not an IFRS requirement, nor a JSE Listings Requirement and is a measurement used by the chief operating decision-makers (AECI's Executive Committee) of the Group.

NEW AND AMENDED STANDARDS THAT ARE EFFECTIVE FOR THE CURRENT YEAR

There are a number of standards that have become effective during the current year and these standards and amendments have been adopted for the first time, with no material impact on the Group.

Title	Subject	Brought in use
Amendments to IAS 1	Amendments regarding classification of debt with covenants	January 2024
Amendments to IAS 1	Classification of liabilities as current or non-current	January 2024
Amendments to IAS 1	Classification of liabilities as current or non-current – deferral of effective date	January 2024
Amendment to IFRS 16	Amendments regarding sale and leaseback transactions	January 2024
Amendment to IAS 7 and IFRS 7	Amendments regarding supplier finance arrangements	January 2024

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

There are a number of forthcoming new amendments to standards and interpretations, which have been issued by IASB prior to the publication of these financial statements, but are only effective in future accounting periods, unless early adoption is chosen. We have assessed the impact of the new amendments and we do not anticipate any material impact on the Group with the exception of IFRS 18 and Annual Improvements to IFRS Accounting Standards which will be assessed further in 2025. The following could be applicable to the Group in the near future:

Title	Subject	Effective date per IASB
Amendments to IAS 21	Amendments regarding foreign currencies that are not exchangeable into another currency at a measurement date for a specified purpose.	January 2025
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	The amendments clarify requirements for the timing of recognition and derecognition of some financial assets and liabilities and clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion. It also adds and updates certain disclosure requirements.	January 2026
Annual Improvements to IFRS Accounting Standards	Amendments to: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash flows.	January 2026
IFRS 19 Subsidiaries without Public Accountability: Disclosures	IFRS 19 is a voluntary standard that applies to entities without public accountability, but whose parents prepare consolidated financial statements under IFRS Accounting Standards. For in-scope companies, IFRS 19 simplifies disclosures on various topics, including leases, exchange rates, income taxes, statement of cash flows, etc.	January 2027
IFRS 18 Presentation and Disclosure in Financial Statements	IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes.	January 2027

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

1. Property, plant and equipment

GROUP

Rand million	Property	Plant and equipment	Furniture and fittings	Computer equipment	Motor vehicles	Under construction	Total
2024							
COST	2 775	10 369	242	551	934	470	15 341
At the beginning of the year	2 790	10 171	228	443	888	839	15 359
Additions	10	163	17	4	8	771	973
Disposals	(20)	(143)	(3)	(17)	(21)	(31)	(235)
Transfers to investment property	(4)	–	–	–	–	–	(4)
Transfers	70	763	4	132	89	(1 058)	–
Transfers to assets classified as held for sale	(70)	(605)	(2)	(10)	(21)	(47)	(755)
Translation differences	(1)	20	(2)	(1)	(9)	(4)	3
ACCUMULATED DEPRECIATION AND IMPAIRMENT	1 200	7 025	146	366	694		9 431
At the beginning of the year	1 097	6 470	132	325	636		8 660
Disposals	(7)	(109)	(3)	(17)	(15)		(151)
Transfers to assets classified as held for sale	(1)	(287)	(1)	(7)	(12)		(308)
Impairment/(reversal) for the year[1]	(3)	284	–	2	23		306
Depreciation for the year[2]	115	647	20	63	56		901
Translation differences	(1)	20	(2)	–	6		23
CARRYING AMOUNT	1 575	3 344	96	185	240	470	5 910

1 Impairment charges of R320 million were recorded for the current year (2023: No impairment charges).
2 Includes continuing and discontinued depreciation, details are disclosed in note 32.

In AECI Schirm Germany, the Russia/Ukraine conflict had a negative impact on customer demand, in particular, crop protection products in the agricultural industry in Ukraine. Due to the difficult trading conditions; cost increases, including energy and labour, were not fully recovered from customers and contractual volumes were unfortunately not met.

The unsatisfactory performance together with the detailed review of the operations highlighted impairment indicators in relation to the property, plant and equipment at 31 December 2024.

The impairment assessments were performed for each manufacturing site using the WACC rate of 7.6%. The recoverable amount of each site was estimated based on the value-in-use, and updated forecast using conservative volumes and growth rates. Additional details are disclosed in note 5. The assessment resulted in the carrying amount of plant and equipment exceeding the recoverable amount and an impairment of R240 million was recognised. The impairment loss was allocated to property, plant and equipment, and included in net operating costs.

In AECI Brazil, the changing economic environment, coupled with the loss of two major customers following the revocation of their environmental licenses, was further compounded by aggressive pricing strategies within the market, contributed to a notable reduction in sales volume. As a result, a review of the business strategy was undertaken, focusing on transitioning to a reseller/toll-manufacturer model, which is less capital-intensive. This situation presented indicators of impairment, which were carefully assessed, using the WACC rate of 14.5%, ultimately resulting in an impairment loss of R90 million. The R90 million impairment loss was allocated as outlined below and was included in the net operating cost:

- Goodwill: R5 million
- Intangible Assets: R42 million
- Property, Plant and Equipment: R41 million
- Right of Use Asset: R2 million

Notes to the financial statements continued
FOR THE YEAR ENDED 31 DECEMBER 2024

1. Property, plant and equipment CONTINUED

Breakdown of all impairments recognised through profit and loss shown below:

Rand million	Property, Plant and equipment	Right-of-Use Assets	Intangible Assets	Goodwill	Total 2024	Total 2023
Impairment of Assets	326	2	42	27	397	20
Reversal of Impairment	(20)	–	–	–	(20)	–
Continuing Operations *see note references below*	306	2	42	27	377	20
Discontinued Operations *(note 35)*	14	–	8	710	732	–
Net impairment and derecognition of assets	320	2	50	737	1 109	20
	Note 1	*Note 2*	*Note 4*	*Note 5*		*Note 5*

Rand million	Property	Plant and equipment	Furniture and fittings	Computer equipment	Motor vehicles	Under construction	Total
2023							
COST	2 790	10 171	228	443	888	839	15 359
At the beginning of the year	2 253	9 255	358	421	731	973	13 991
Additions	17	473	10	4	6	793	1 303
Additions through business combinations	–	5	–	–	42	–	47
Disposals	(8)	(400)	(6)	(13)	(31)	(1)	(459)
Transfers to investment property	(12)	–	–	–	–	–	(12)
Reclassification	3	147	(148)	(3)	1	–	–
Transfers	446	431	(4)	25	104	(1 002)	–
Transfers to inventories	–	(24)	–	–	–	–	(24)
Translation differences	91	284	18	9	35	76	513
ACCUMULATED DEPRECIATION AND IMPAIRMENT	1 097	6 470	132	325	636		8 660
At the beginning of the year	969	6 031	136	286	577		7 999
Disposals through sale of business	–	4	–	–	14		18
Disposals	(5)	(384)	(5)	(13)	(30)		(437)
Reclassification	–	21	(20)	(2)	1		–
Depreciation for the year	98	587	17	49	46		797
Translation differences	35	211	4	5	28		283
CARRYING AMOUNT	1 693	3 701	96	118	252	839	6 699

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

1. Property, plant and equipment CONTINUED

COMPANY

Rand million	Property	Plant and equipment	Furniture and fittings	Computer equipment	Motor vehicles	Under construction	Total
2024							
COST	73	1 320	26	102	27	83	1 631
At the beginning of the year	76	1 235	24	42	19	160	1 556
Additions	–	60	1	2	2	56	121
Transfers to investment property	(4)	–	–	–	–		(4)
Disposals	–	(10)	(2)	(29)	(1)	–	(42)
Transfers	1	35	3	87	7	(133)	–
ACCUMULATED DEPRECIATION AND IMPAIRMENT	24	866	18	40	21		969
At the beginning of the year	21	807	15	32	14		889
Disposals	–	(8)	(1)	(7)	(1)		(17)
Transfers	–	(6)	–	–	6		–
Depreciation for the year	3	73	4	15	2		97
CARRYING AMOUNT	49	454	8	62	6	83	662
2023							
COST	76	1 235	24	42	19	160	1 556
At the beginning of the year	81	1 152	18	41	15	118	1 425
Additions	5	61	4	2	3	101	176
Transfers to investment property	(12)	–	–	–	–		(12)
Disposals	(2)	(24)	(1)	(4)	–	(2)	(33)
Transfers	4	46	3	3	1	(57)	–
ACCUMULATED DEPRECIATION AND IMPAIRMENT	21	807	15	32	14		889
At the beginning of the year	19	754	11	32	13		829
Disposals	(2)	(21)	–	(5)	–		(28)
Depreciation for the year	4	74	4	5	1		88
CARRYING AMOUNT	55	428	9	10	5	160	667

ACCOUNTING POLICY

Property, plant and equipment is stated at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management, less accumulated depreciation and any impairment losses. Directly attributable costs include borrowing costs on qualifying assets when borrowings are utilised to fund the qualifying capital expenditure.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

1. Property, plant and equipment CONTINUED

The cost of self-constructed assets includes the cost of materials and direct labour and any other costs directly attributable to bringing the asset into a working condition for its intended use, and borrowing costs attributable to that asset. Subsequent costs are capitalised when the economic benefits from the asset are enhanced or extended.

Critical plant spares are measured at cost and are depreciated over the estimated useful lives of the plants to which they relate. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the use of the part will generate future economic benefits and its cost can be reliably measured. The carrying amount of the replaced part is derecognised. Maintenance costs associated with property, plant and equipment are recognised in the statement of profit or loss.

Depreciation commences when the asset is available for immediate use. Depreciation is provided on property, plant and equipment (other than land) on the straight-line basis over the assets' expected useful lives. Assets under construction are not depreciated until they are available for use. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

The estimated useful lives are as follows:

- **Property**
  - Land — indefinite
  - Buildings — 5 to 50 years
- **Plant and equipment**
  - Plant and equipment — 3 to 30 years
  - Furniture and fittings — 3 to 15 years
  - Computer equipment — 3 to 10 years
  - Motor vehicles — 3 to 12 years

Depreciation is included in profit from operations.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. The recoverable amount is the higher of the fair value less cost of disposal and the value-in-use of the group determined with the reference to a discounted cash flow valuation. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use. Any gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised.

SIGNIFICANT ESTIMATES AND JUDGEMENTS

USEFUL LIFE OF ASSETS AND RESIDUAL VALUES

Items of property, plant and equipment are depreciated over their estimated useful lives taking into account residual values, where appropriate. The useful life and residual values of assets are assessed annually and may vary depending on a number of factors. In reassessing the useful life of assets, factors such as technological innovation, product lifecycles and maintenance programmes are taken into account. Residual value assessments consider issues such as current market conditions, the remaining useful life of an asset and its estimated disposal value.

Impairment calculations require the use of estimates and assumptions. Changes to future cash flow assumptions will impact the recoverable amount calculations and will affect the carrying amount of property, plant and equipment where there is an impairment.

BORROWING COSTS

Borrowing costs of R nil million related to the expansion at Schirm USA has been capitalised during the year (2023: R27 million).

SECURITY

Property, plant and equipment at Schirm USA is encumbered as security for debt of R nil million related to the expansion project completed during the year (2023: R594 million).

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

2. Right-of-use assets

GROUP

Rand million	Property	Plant and equipment	Motor vehicles	Total
2024				
COST	830	175	240	1 245
Balance at the beginning of the year	937	66	288	1 291
Additions	31	139	8	178
Cancellation of leases before end of term	–	(20)	–	(20)
Derecognition of leases at end of term	(120)	(12)	(57)	(189)
Transfers to assets classified as held for sale	(11)	–	–	(11)
Translation differences	(7)	2	1	(4)
ACCUMULATED DEPRECIATION AND IMPAIRMENT	298	63	181	542
Balance at the beginning of the year	310	37	189	536
Cancellation of leases before end of term	–	(5)	–	(5)
Derecognition of leases at end of term	(120)	(12)	(57)	(189)
Transfers to assets classified as held for sale	(4)	–	–	(4)
Impairment for the year	2	–	–	2
Depreciation for the year[1]	101	28	48	177
Translation differences	9	15	1	25
CARRYING AMOUNT AT 31 DECEMBER 2024	532	112	59	703
2023				
COST	937	66	288	1 291
Balance at the beginning of the year	734	35	276	1 045
Additions	236	30	14	280
Derecognition of leases at end of term	(45)	(3)	(7)	(55)
Lease modifications	–	1	–	1
Cancellation of leases before end of term	(16)	–	–	(16)
Translation differences	28	3	5	36
ACCUMULATED DEPRECIATION AND IMPAIRMENT	310	37	189	536
Balance at the beginning of the year	252	24	133	409
Cancellation of leases before end of term	(9)	–		(9)
Derecognition of leases at end of term	(45)	(3)	(7)	(55)
Depreciation for the year	99	17	59	175
Translation differences	13	(1)	4	16
CARRYING AMOUNT AT 31 DECEMBER 2023	627	29	99	755

1 Includes continuing and discontinued depreciation, details are disclosed in note 32.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

2. Right-of-use assets CONTINUED

COMPANY

Rand million	Property	Plant and equipment	Total
2024			
COST	**373**	**5**	**378**
Balance at the beginning of the year	**372**	**5**	**377**
Additions	**16**	**–**	**16**
Derecognition of leases at end of term	**(15)**	**–**	**(15)**
ACCUMULATED DEPRECIATION AND IMPAIRMENT	**83**	**2**	**85**
Balance at the beginning of the year	**55**	**–**	**55**
Derecognition of leases at end of term	**(15)**	**–**	**(15)**
Depreciation for the year	**43**	**2**	**45**
CARRYING AMOUNT AT 31 DECEMBER 2024	**290**	**3**	**293**
2023			
COST	372	5	377
Balance at the beginning of the year	301	1	302
Additions	84	5	89
Derecognition of leases at end of term	(13)	(1)	(14)
ACCUMULATED DEPRECIATION AND IMPAIRMENT	55	–	55
Balance at the beginning of the year	27	1	28
Derecognition of leases at end of term	(13)	(1)	(14)
Depreciation for the year	41	–	41
CARRYING AMOUNT AT 31 DECEMBER 2023	317	5	322

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

2. Right-of-use assets CONTINUED

ACCOUNTING POLICY

The Group leases various properties, plant and equipment. Rental contracts are typically entered into for fixed periods but may have extension options. The extension period has been included in the lease term on contracts where the Group is reasonably certain that it will exercise the extension option. Lease terms are negotiated on an individual basis and contain various terms and conditions. The lease agreements do not impose any covenants on the Group, however, leased assets may not be used as security for debt purposes. The Group recognises a right-of-use asset and a corresponding lease liability at the lease commencement date, being the date at which the leased asset was available for use by the Group.

The right-of-use asset and lease liability is initially recognised at the present value of the minimum lease payments discounted at the rate implicit in the lease or, if not available, the Group's incremental borrowing rate.

A right-of-use asset is subsequently measured at the leased asset value less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements in the lease liability.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Right-of-use assets are assessed for impairment if there is an indicator of impairment.

Leases where the period is for 12 months or less and there are no extension options or no economic incentive to renew the leases, are recognised on a straight-line basis as an expense in profit or loss. Low value right-of-use assets are assets that, when new, have a value of R100 000 or less and are expensed in profit or loss as incurred.

SIGNIFICANT ESTIMATES AND JUDGEMENTS

Extension and termination options are included in a number of leases across the Group. These options allow for maximised operational flexibility in the management of the lease contracts. The majority of extension and termination options available are exercisable only by the Group rather than by the respective lessor.

Management exercises judgement when determining the lease term. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or to not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and is within the control of the Group.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

3. Investment properties

	GROUP		COMPANY	
Rand million	2024	2023	2024	2023
COST	**285**	281	**317**	313
At the beginning of the year	**281**	270	**313**	302
Disposals	**–**	(1)	**–**	(1)
Transfers from property, plant and equipment	**4**	12	**4**	12
ACCUMULATED DEPRECIATION	**52**	47	**82**	73
At the beginning of the year	**47**	44	**73**	65
Disposals	**–**	(1)	**–**	(1)
Depreciation for the year	**5**	4	**9**	9
CARRYING AMOUNT	**233**	234	**235**	240
ADDITIONAL INFORMATION				
Fair value [1, 2]	**1 210**	1 170	**2 493**	2 462
Rental and service income from investment property[2]	**471**	452	**574**	559
Direct operating expenses relating to rental and service income	**(456)**	(472)	**(456)**	(472)

1 The fair value measurement for all of the investment properties has been categorised as a Level 3 fair value, based on the inputs of the valuation techniques used.

2 The fair value and rental and service income in the Group is lower than in the Company because certain properties become owner-occupied on consolidation.

The Company leases property, offices and industrial sites to external customers as well as to its subsidiary companies under operating leases. The lease periods are between one and five years, most leases have a three-year term and annual rental escalations between 5% and 8% (2023: 7% and 8%). At 31 December 2024, the gross lettable area of the office and industrial buildings was 169 729m^2 (2023: 169 729m^2). Revenue from investment properties includes recoveries relating to services and utilities provided, mainly at the Umbogintwini Industrial Complex.

AECI Property Services manages the investment properties (mainly at the Group's two large sites, Modderfontein and Umbogintwini). The costs associated with managing these sites are borne by AECI Property Services. These costs are not allocated to individual lessees. All significant operating expenses support the generation of revenue.

The following table sets out the maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2024	2023
Within 1 year	**91**	99
1 to 2 years	**50**	91
2 to 5 years	**59**	103
More than 5 years	**31**	36
TOTAL	**231**	329

ACCOUNTING POLICY

Investment properties, comprising properties or portions of properties leased to third parties, are measured at cost less accumulated depreciation and accumulated impairment losses. Land is not depreciated. Buildings are depreciated on a straight-line basis over their estimated useful lives of 20 years. Depreciation methods, useful lives and residual values are reviewed at each reporting date. Transfers between investment property and property, plant and equipment are made when there is evidence of a change in use. Transfers are measured at the carrying amount immediately prior to transfer and no changes to the carrying amount are made unless the change in use results in an indication of impairment.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

3. Investment properties CONTINUED

SIGNIFICANT ESTIMATES AND JUDGEMENTS

Investment properties are measured at cost and are depreciated over their estimated useful lives taking into account residual values, where appropriate. The useful life of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product lifecycles and maintenance programmes are considered. Residual value assessments consider issues such as current market conditions, the remaining useful life of an asset and disposal values.

MEASUREMENT OF FAIR VALUES

FAIR VALUE HIERARCHY

The fair values of investment properties are determined by an external independent property valuation expert having appropriate, recognised professional qualifications and experience in the geographic location and category of the property being valued, on a rolling three-year cycle in line with Group policy.

Approximately one-third of the Group's investment properties are valued annually, thereby ensuring that each property is valued at least once in a three-year cycle. For the properties that were not subject to an independent valuation in any given year, an assessment of the key assumptions is performed by management. No significant changes to key assumptions were identified during the current year.

The fair value of the investment property has been split into various components. Fair value measurement has been categorised as a Level 3 fair value using unobservable inputs, based on the valuation techniques used.

UNOBSERVABLE INPUT

A number of valuation techniques were used, depending on the optimal likely use of the property. The following table summarises the valuation techniques used in measuring the fair value of investment property, as well as the significant unobservable inputs considered:

VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS	INTER-RELATIONSHIP BETWEEN KEY UNOBSERVABLE INPUTS AND FAIR VALUE MEASUREMENT
The comparable sales approach was used to value vacant land. The valuation model was based on recent sales of comparable properties in the surrounding area, which were analysed to provide an estimate of the value for the property with adjustments made for differing characteristics. The comparable transactions were analysed in terms of their use and the purchase price adjusted for variances in the quality of the space. This purchase price was then divided by the land size to determine a value rate per square metre which was applied to the land in order to derive a fair value.	Comparable sales for parcels of raw, unserviced or rezoned and fully serviced land. The land valued at Modderfontein and Umbogintwini is zoned for business use and is partially serviced but it is not immediately sub-divisible or suitable for development. Therefore, a fair value per square metre had to be derived with reference to a comparable unzoned and unserviced parcel of land but enhanced by the perceived value of installed services and zoning.	The estimated fair value would increase/(decrease) if: • the fair value rate per square meter is higher/(lower).
The income approach was used to value the buildings. The valuation model was based on discounted cash flows incorporating the lease obligations, including escalations, to termination. At lease expiry, a new lease is assumed and the commencing rental is assumed to be the current gross market rental escalated at an appropriate growth rate. The present value of the future cash flows was added to the present value of the hypothetical exit value, being the hypothetical net annual income capitalised into perpetuity at an appropriate market-related rate. The discount and exit capitalisation rates were determined by reference to comparable sales, appropriate surveys prepared by industry professionals, benchmarking against other comparable valuations, and after consultation with experienced and informed people in the property industry including other valuers, brokers, managers and investors.	• Capitalisation rate: 11% – 13% (2023: 10% – 12%) • Vacancy rate for office space: 3% – 15% (2023: 3% – 15%) • Vacancy rate for industrial space: 1% – 5% (2023: 1% – 9%) • Operating expenses for all buildings: R28.00/m^2 – R34.00/m^2 (2023: R26.00/m^2 – R32.00/m^2)	The estimated fair value would increase/(decrease) if: • the capitalisation rate was lower/(higher); • the vacancy rate for office space was lower/(higher); • the vacancy rate for industrial space was lower/(higher); • the operating expenses for all buildings were lower/(higher).

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

4. Intangible assets

GROUP

Rand million	Customer and marketing relationships	Brands	Technical and licensing agreements	Patents, trademarks and other	Total
2024					
COST	**492**	**99**	**213**	**58**	**862**
At the beginning of the year	**931**	**167**	**231**	**58**	**1 387**
Transfers to assets classified as held for sale	**(423)**	**(64)**	**–**	**–**	**(487)**
Translation differences	**(16)**	**(4)**	**(18)**	**–**	**(38)**
ACCUMULATED AMORTISATION AND IMPAIRMENT	**269**	**–**	**176**	**56**	**501**
At the beginning of the year	**359**	**–**	**130**	**50**	**539**
Impairment	**–**	**–**	**40**	**2**	**42**
Transfers to assets classified as held for sale	**(139)**	**–**	**–**	**–**	**(139)**
Amortisation for the year	**52**	**–**	**8**	**11**	**71**
Translation differences	**(3)**	**–**	**(2)**	**(7)**	**(12)**
CARRYING AMOUNT	**223**	**99**	**37**	**2**	**361**
2023					
COST	931	167	231	58	1 387
At the beginning of the year	883	156	210	58	1 307
Additions	4	–	8	–	12
Translation differences	44	11	13	–	68
ACCUMULATED AMORTISATION AND IMPAIRMENT	359	–	130	50	539
At the beginning of the year	284	–	109	46	439
Amortisation for the year	58	–	16	3	77
Translation differences	17	–	5	1	23
CARRYING AMOUNT	572	167	101	8	848

[1] Includes continuing and discontinued amortisation, details are disclosed in note 32.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

4. Intangible assets CONTINUED

INDEFINITE LIFE INTANGIBLE ASSETS: COMPANY BRANDS

The brands relate to the CGUs below. Brands have an indefinite useful life and are assessed annually for impairment as part of the goodwill impairment assessment (see note 5).

	Rand million
AECI SCHIRM	99

On the 30 January 2018, the Group completed the acquisition of AECI Schirm through a share transaction which included the acquisition of its well-established brand. During that time, AECI Schirm a reputable contract manufacturer in the agrochemicals and fine chemicals industries, had a long-standing tradition and was widely considered as a quality signal in the market, making it a valuable acquisition for the Group.

At acquisition, AECI Schirm's stable market position, characterised by a strong and established customer base, as well as high barriers to entry for competitors, led to the assessment that the company's brand had an indefinite useful life.

COMPANY

Rand million	Patents, trademarks and other
2024	
COST	**27**
At the beginning of the year	27
ACCUMULATED AMORTISATION AND IMPAIRMENT	**23**
At the beginning of the year	22
Amortisation for the year	1
CARRYING AMOUNT	**4**
2023	
COST	27
At the beginning of the year	27
ACCUMULATED AMORTISATION AND IMPAIRMENT	22
At the beginning of the year	20
Amortisation for the year	2
CARRYING AMOUNT	5

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

4. Intangible assets CONTINUED

ACCOUNTING POLICY

Intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are recognised if it is probable that future economic benefits will flow from the intangible assets and their costs can be measured reliably. Subsequent expenditure is capitalised only when it increases the future economic benefits generated by the specific asset to which it relates. All other expenditure is recognised in the statement of profit or loss as incurred.

Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The amortisation methods and estimated remaining useful lives are reviewed at least annually. Intangible assets with indefinite useful lives are not amortised but are tested for impairment at each reporting date.

The estimated useful lives are as follows:

- patents, trademarks and other	3 to 20 years
- customer and marketing relationships	5 to 20 years
- technical and licensing agreements	10 to 17 years
- brands	indefinite

Amortisation has been included in profit from operations. Intangible assets are derecognised on disposal or when no future economic benefits are expected from use. Gains or losses arising from derecognition of an intangible asset are recognised in the statement of profit or loss when the asset is derecognised.

Intangible assets acquired in a business combination, and recognised separately from goodwill, are recognised initially at their fair value at the acquisition date. Subsequently, these intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are assessed for impairment if there is an indicator for impairment.

SIGNIFICANT ESTIMATES AND JUDGEMENTS

ASSET LIVES AND RESIDUAL VALUES

Intangible assets are amortised over their estimated useful lives taking into account residual values, where appropriate. The useful lives of the assets and their residual values are assessed annually and may vary depending on a number of factors which require a significant degree of judgement. In reassessing asset lives, factors such as technological innovation and product lifecycles are taken into account. Residual value assessments consider issues such as current market conditions, the remaining useful life of an asset and its disposal value.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

5. Goodwill

	GROUP		COMPANY	
Rand million	**2024**	2023	**2024**	2023
COST	**1 935**	3 482	**562**	562
At the beginning of the year	**3 482**	3 469	**562**	562
Additions through business combinations	**–**	7	**–**	–
Transfers to assets classified as held for sale	**(1 531)**	–	**–**	–
Translation differences	**(16)**	6	**–**	–
ACCUMULATED IMPAIRMENT LOSSES	**327**	1 137	**103**	103
At the beginning of the year	**1 137**	1 117	**103**	103
Impairment charge for the year	**27**	20	**–**	–
Transfers to assets classified as held for sale	**(821)**	–	**–**	–
Translation differences	**(16)**	–	**–**	–
CARRYING AMOUNT	**1 608**	2 345	**459**	459

Goodwill is allocated to the cash generating unit (CGU) that is expected to benefit from the acquisition and is measured and managed at an operating segment level as follows:

AECI Mining	**468**	473	**–**	–
AECI Chemicals	**709**	694	**448**	448
AECI Managed Business	**431**	1 178	**11**	11
CARRYING AMOUNT	**1 608**	2 345	**459**	459

ACCOUNTING POLICY

Business combinations are accounted for using the acquisition method applied at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; less
- the net recognised amount of the identifiable assets acquired and liabilities assumed.

Goodwill is not amortised. The goodwill of joint ventures and associates is included in the carrying amount of the relevant equity-accounted investee. Goodwill is reviewed for impairment at least annually and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities that the Group incurs related to the business combination, are expensed as incurred.

On disposal of a subsidiary, joint venture or associate, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

5. Goodwill CONTINUED

SIGNIFICANT ESTIMATES AND JUDGEMENTS

IMPAIRMENTS

An asset is impaired when its carrying amount exceeds its recoverable amount. Goodwill is tested annually once the budgeting process is concluded on 30 September each year. The assessments are reviewed by management at each reporting date to determine whether there have been any significant changes to assumptions since the date of assessment. The assessment of recoverable amounts involves the application of judgement relating to the calculation of value-in-use, which is based on cash flow projections, variations in the amount and timing of these cash flows and the discount rate used to determine the present value of those future cash flows. These are assessed for each CGU to which goodwill is attributed or for the CGU or asset where indicators of impairment have been assessed.

IMPAIRMENT OF GOODWILL

Goodwill is tested for impairment by calculating the value-in-use of the CGU or CGUs to which the goodwill is allocated. The goodwill in the reportable segments comprises individual CGUs, each of which has been tested for impairment. The goodwill balances are aggregated per reportable segment due to no single CGU in each operating segment being considered individually significant, other than the CGUs disclosed below.

Value-in-use was determined by discounting the future cash flows expected to be generated from the continuing use of the CGU taking into account market conditions and the expected useful lives of the assets using an appropriate discount rate. The following key assumptions were applied:

- Cash flows were projected based on actual operating results, approved budgets for the next year and thereafter, the business plan for a period of at least four years, and using an average trading margin of between 1% and 33% (2023: 1% and 23%) over the five years;
- A post-tax discount rate between 8% and 30% (2023: 8% and 29%) was applied in determining the recoverable amount of the CGU and the discount rate was estimated based on the Group's weighted average cost of capital, adjusted for the risk profile applicable to each CGU (pre-tax discount rate between 10% and 39%) (2023: 11% and 37%); and
- Terminal value growth rates of between 1.5% and 10.5% (2023: 1.5% and 10.5%) were applied. This was based on sustainable earnings and a conservative growth model.

The tangible and intangible assets in the CGUs are tested for impairment prior to the portfolio CGU being tested for goodwill impairment. Any further impairment losses, arising from the portfolio CGU value-in-use calculation, are applied against goodwill and immediately recognised in the statement of profit or loss.

Other than AECI Schirm, a reasonably possible change in the assumptions used to calculate the value-in-use is not likely to cause the recoverable amount to fall below the carrying value of the remaining CGUs.

IMPAIRMENT TESTING FOR CGUs CONTAINING GOODWILL

Goodwill has been allocated to the Group's CGUs as follows:

	GROUP		COMPANY	
Rand million	**2024**	2023	**2024**	2023
AECI Much Asphalt[1]	**–**	710		
AECI Schirm[2]	**394**	409		
AECI Mining Explosives	**273**	273		
AECI Water Chemical and Monitoring Solutions	**221**	221		
Multiple units with individually insignificant goodwill[3]	**720**	732	**459**	459
CARRYING AMOUNT	**1 608**	2 345	**459**	459

1 Reclassified as assets held for sale. Refer to note 35.
2 The brands, which are intangible assets with indefinite useful lives, have been included in the impairment assessment of these CGUs. Refer to note 4.
3 Included within the units is other goodwill relating to the AECI Water segment amounting to R129 million.

The remainder of the Group's goodwill comprises 13 CGUs. The goodwill of each of these is individually insignificant. A likely change in the assumptions used to calculate the value-in-use is not likely to cause the recoverable amount to fall below the carrying value of the remaining CGUs.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

5. Goodwill CONTINUED

AECI MUCH ASPHALT

The recoverable amount of this CGU was based on the value-in-use, estimated using discounted cash flows.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant market sector and have been based on historical data from both external and internal sources.

	GROUP	
%	**2024**	2023
Post-tax discount rate[1]	**14.4**	15.3
Terminal value growth rate	**4.6**	5.0
Revenue growth rate (average for the next five years)	**6.4**	9.2

[1] Pre-tax discount rate of 18.0% (2023: 19.1%).

Recoverable amount based on value in use

Goodwill to the amount of R821 million was impaired in 2020.

Management's assessment of the goodwill as at 30 September 2024, estimated that the recoverable amount of the CGU exceeds its carrying amount by approximately R70 million (2023: R299 million).

A post-tax discount rate was applied in determining the recoverable amount of the CGU and estimated based on the Group's weighted average cost of capital, adjusted for the risk profile applicable to the CGU, with a possible debt leveraging of 28.2%.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual earnings before interest, taxation, depreciation and amortisation (EBITDA) growth rate, consistent with the assumptions that a market participant would make.

Fair Value less cost to sell following transfer of CGU to held for sale

As at 31 December 2024 AECI Much Asphalt is disclosed as a discontinued operation. The carrying value of the disposal group, which included the goodwill attributable to the CGU was higher than the recoverable amount based on its fair value less cost to sell. Refer to note 35 and 36 for certain disclosures relating to the discontinued operation.

AECI SCHIRM

Due to the strong market headwinds experienced in Europe the Schirm divestment did not materialise in 2024, this necessitated the implementation of a rightsizing plan.

USA

The AECI Schirm business in the USA delivered improved results against the previous financial year. Plants are not fully utilised as expected due to the US supply chain being overstocked in 2023 and experiencing destocking during the 2024 and 2025 growing seasons. The upswing from a low base was seen in the last quarter of 2024 and continuing in the first quarter of 2025 in time for the US Spring 2025 planting season, and the market is expected to return to normalised volumes in preparation for the 2026 season. Returns on the expansion project that was commissioned in the latter part of 2023 are expected to deliver on expectations as the market corrects. No major capital expenditure projects were undertaken during 2024 and none are foreseen in 2025.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

5. Goodwill CONTINUED

GERMANY

While the 2023 turnaround plan delivered substantial savings, the market downturn continued throughout 2024. An unparalleled and unforeseen destocking phase in the customer industries further reduced demand in 2024 over and above the levels anticipated during the closure of the Wolfenbuettel site. As a consequence, Schirm's revenue reduced by 33% in Euro terms compared to 2023. Although it appears the demand has bottomed out and 2025 should see higher volumes, there is uncertainty about recovery time and magnitude. It is expected that markets remain volatile and customers will focus even stronger on working capital management. Schirm Germany is reacting to this market development by focussing the three remaining sites to their core competencies and reducing cost in the non-core competencies as well as eliminating the administrative structure above the sites. Since the rightsizing plan was only implemented at year end, this was not taken into account in the value in use calculation for impairment testing purposes, hence the status at year-end was used as base for a conservative forecast leading to an impairment of property, plant and equipment in Schoenebeck and Baar-Ebenhausen by R240 million (€12.6m).

AECI SCHIRM GOODWILL IMPAIRMENT ASSESSMENT

The AECI Schirm goodwill arose through the acquisition of both the USA and Germany businesses. The USA business consists of a single CGU, while the Germany business consists of three CGUs i.e. Schoenebeck, Baar-Ebernhausen and Lubeck. The goodwill assessment is sensitive to any potential future divestment of individual CGUs within AECI Schirm.

The AECI Schirm goodwill has been allocated to the combined CGUs within AECI Schirm. Following the implementation of a rightsizing plan for various CGUs within Schirm, a re-assessment of the goodwill at 31 December 2024 resulted in the estimated recoverable amount of the CGU exceeding its carrying amount by approximately R1 340 million (2023: R611 million), based on a value in use methodology. The overall carrying amount of AECI Schirm was further reduced by the property, plant and equipment impairment recognised at the Schoenebeck and Baar-Ebernhausen CGUs of R240 million (€12.6m) as disclosed above.

The goodwill assessment is additionally sensitive to changes in certain key assumptions. Management identified that a change in key assumptions could cause the carrying amount to exceed the recoverable amount. The following changes in assumptions, individually, would result in the recoverable amount being equal to the carrying amount:

- An increase in the post-tax discount rate of 5.0%;
- A decrease of 12.9% in the terminal growth rate;
- A decrease of 13.7% in the revenue growth rate from 2024 to 2029; and
- A decrease of 4.7% in the trading margin from 2024 to 2029.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant market sectors and have been based on historical data from both external and internal sources.

	GROUP			
	2024		2023	
%	**Germany**	**USA**	Germany	USA
Post-tax discount rate[1]	**7.6**	**9.5**	8.2	10.2
Terminal value growth rate	**1.5**	**2.5**	2.2	1.5
Revenue growth rate (average for the next five years)	**6.5**	**7.7**	3.5	7.8

1 Pre-tax discount rate in Germany 9.9% (2023: 10.8%) and USA 11.4% (2023: 12.4%).

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

5. Goodwill CONTINUED

The recoverable amount of the CGU was estimated based on the value-in-use and the discounted cash flows of an updated forecast using the most conservative forecast volumes and growth rates for the German operations as well as reasonable forecasts related to the USA operations.

A post-tax discount rate was applied in determining the recoverable amount of the CGU and was estimated based on the Group’s weighted average cost of capital, adjusted for the risk profile applicable to the CGU, with a possible debt leveraging of 25% in both Germany and the USA. The discount rate is influenced by changes in the country risk-free rates, currency default spread and risk premiums which, in turn, are influenced by changes in the macro-economic environment.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management’s estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

AECI MINING EXPLOSIVES

The recoverable amount of this CGU was based on the value-in-use, estimated using discounted cash flows.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management’s assessment of future trends in the relevant market sector and have been based on historical data from both external and internal sources.

	GROUP	
%	**2024**	2023
Post-tax discount rate[1]	**14.0**	13.8
Terminal value growth rate	**4.6**	5.0
Revenue growth rate (average for the next five years)	**8.8**	3.5

1 Pre-tax discount rate of 17.8% (2023: 17.7%).

A post-taxation discount rate was applied in determining the recoverable amount of the CGU and was estimated based on the Group's weighted average cost of capital, adjusted for the risk profile applicable to the CGU, with a possible debt leveraging of 26.9%. The discount rate is influenced by changes in the country risk-free rates, currency default spread and risk premiums which, in-turn, are influenced by changes in the macroeconomic environment.

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately R7 671 million (2023: R3 084 million) and is not sensitive to changes in certain key assumptions. Management concluded that no material change in any assumptions would cause the carrying amount to exceed the recoverable amount.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

5. Goodwill CONTINUED

AECI WATER CHEMICAL AND MONITORING SOLUTIONS AND WATER SEGMENT

The recoverable amount of this CGU was based on the value-in-use, estimated using discounted cash flows.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant market sector and have been based on historical data from both external and internal sources.

	GROUP	
%	**2024**	2023
Post-tax discount rate[1]	**14.2**	14.7
Terminal value growth rate[2]	**4.6**	[2]
Revenue growth rate	**6.1**	6.7

1 Pre-tax discount rate of 18.3% (2023: 22.3%).

2 In 2023, a terminal value was not used in determining the value in use of the CGU due to the Technical Assistance and Licensing Agreement having a determined termination date. The agreement has been extended multiple times resulting in a change to an infinite life being used.

AECI Water showed higher profitability in 2024 in comparison to the prior year.

The recoverable amount for the goodwill impairment testing was determined using the current status of the business, which has resulted in higher headroom owing to the improved profitability as well as the extension of the Technical Assistance Licensing Agreement.

A post-taxation discount rate was applied in determining the recoverable amount of the CGU and was estimated based on the Group's weighted average cost of capital, adjusted for the risk profile applicable to the CGU, with a possible debt leveraging of 26.9%. The discount rate is influenced by changes in the country risk-free rates, currency default spread and risk premiums which, in-turn, are influenced by changes in the macroeconomic environment.

The estimated recoverable amount of the AECI Water Chemical and Monitoring Solutions CGU exceeded its carrying amount by approximately R1 001 million (2023: R55 million) and the estimated recoverable amount of the Water segment CGU exceeded its carrying amount by approximately R1 122 million (2023: R10 million). The significant increase in the headroom from 2023 is a result of a change in the basis of valuation from a finite to an indefinite life. These assessments are not sensitive to changes in certain key assumptions.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

5. Goodwill CONTINUED

AECI ANIMAL HEALTH

AECI Animal Health is a business unit in the AECI Managed Business segment.

On 9 July 2024, the Group signed an agreement with Trouw Nutrition South Africa (Pty) Ltd, a subsidiary of Nutreco International B.V, for the sale of all the shares in its Animal Health business. Due to the suspensive conditions of the transaction, the sale of the business did not meet the criteria of being available for immediate sale in its current condition as at 31 December 2024 and was therefore not classified as a non-current asset held for sale.

The recoverable amount of this CGU was based on the value-in-use, estimated using discounted cash flows.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant market sector and have been based on historical data from both external and internal sources.

	GROUP	
%	**2024**	2023
Post-tax discount rate[1]	**16.5**	17.4
Terminal value growth rate	**4.6**	5.5
Revenue growth rate (average for the next five years)	**7.1**	8.6

1 Pre-tax discount rate of 22.4% (2023: 22.8%).

The value-in-use of the CGU was assessed by discounting its expected future cash flows based on the considerations above, which resulted in the remaining goodwill balance being impaired.

A post-tax discount rate was applied in determining the recoverable amount of the CGU and estimated based on the Group's weighted average cost of capital, adjusted for the risk profile applicable to the CGU, with a possible debt leveraging of 26.9%.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

6. Investments in subsidiaries and loans with subsidiaries

	COMPANY	
Rand million	2024	2023
INVESTMENTS IN SUBSIDIARIES		
Investment in subsidiaries unlisted shares (see note 33)	**5 489**	7 251
At cost	**7 715**	7 721
Transfer to assets classified as held for sale	**(1 821)**	–
Less: impairment losses	**(1 440)**	(470)
Transfer to assets classified as held for sale	**1 035**	–
Loans considered part of net investments	**4**	250
Non-current loans to subsidiaries[1,2]	**250**	250
Transfer to assets classified as held for sale	**(246)**	–
	5 493	7 501
LOANS WITH SUBSIDIARIES[3]		
Interest-bearing non-current loans to subsidiaries[1]	**326**	383
Interest-bearing current loans to subsidiaries[4]	**4 155**	3 228
Transfer to assets classified as held for sale	**(120)**	–
Interest-bearing current loans to subsidiaries[4]	**4 035**	**3 228**
Current loans from subsidiaries	**(11 361)**	(9 978)
Current loans from subsidiaries[5]	**(2 565)**	(2 588)
Interest-bearing current loans from subsidiaries	**(8 796)**	(7 390)

1 Loans provided by the Company which are not expected to be repaid within 12 months and are classified as non-current.
2 These loans with non-operating business entities are considered part of the net investment in those entities and bear no interest.
3 Refer to notes 22 and 23 for the related finance cost and finance income disclosure.
4 Business entities are funded through the central treasury of the Company and such loans are classified as current.
5 Current loans from subsidiaries are repayable on demand and are non-interest bearing.

Net loans with subsidiaries were R6 996 million (2023: R6 117 million) and includes loans considered part of the net investments in certain subsidiaries of R4 million (2023: R250 million). Details of the Company's principal subsidiaries are presented in note 33.

Where loans bear interest at market-related variable rates, are unsecured and have no fixed terms of repayment.

All significant subsidiaries' financial information included in the financial statements is prepared as at the reporting date of the parent.

Impairment assessments on investments in, and loans to, subsidiaries and investments in unlisted shares of dormant entities were made with reference to the net asset value, future business plans and cash flow forecasts of those subsidiaries. Where this resulted in the value of the investment having a recoverable amount lower than the carrying value, the investment was impaired. For all other financial assets, the Group recognises lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition. If there has been no significant increase in credit risk, the loss allowance is measured at an amount equal to the 12-month ECL.

Due to the estimated recoverable amount not exceeding the investment in AECI Much Asphalt in the current year, the investment was impaired to fair value. The current year impairment is R970 million resulting in a cumulative impairment is R1 035 million (2023: reversal of R65 million). The AECI Much Asphalt Disposal Group met the held-for-sale criteria in November 2024. Details are presented in note 35 and 36.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

6. Investments in subsidiaries and loans with subsidiaries CONTINUED

ACCOUNTING POLICY

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are excluded from the consolidation from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated by the Group. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been amended where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost less impairment and include the equity contributions of share-based payments to employees of subsidiaries as well as loans owing from non-operating subsidiaries, in the Company's separate financial statements. Subsidiaries are those entities controlled by the Company. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group financial statements incorporate the financial statements of the Company and its subsidiaries. The results of subsidiaries, including those acquired or disposed of during the year, are included from the dates control commenced and up to the dates control ceased. Intercompany transactions and balances between Group entities, as well as any unrealised income and expenditure arising from such transactions, are eliminated on consolidation. Non-controlling interests in the net assets of subsidiaries are identified separately from the Group’s equity therein.

Loans by the Company to its subsidiaries are measured at amortised cost, using the effective interest method less any impairment losses.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

7. Investment in and loan with joint venture and joint operation

BASIS OF CONSOLIDATION OF JOINT ARRANGEMENTS

Joint arrangements are those entities in respect of which there is a contractual agreement whereby the Group and one or more other parties undertake an economic activity, which is subject to joint control.

Where a Group entity transacts with a joint arrangement of the Group, unrealised profits are eliminated to the extent of the Group's interest in the joint arrangement.

The note has been split into 7.1 - 7.3 to clearly show the different components of the joint venture and the joint operation.

7.1 INVESTMENT IN JOINT VENTURE

A joint venture is an arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Group's participation in joint ventures is accounted for using the equity method. Joint ventures are recognised at cost initially, which includes transaction costs. Subsequent to initial recognition, the Group financial statements include the Group's share of profits or losses and other comprehensive income of the equity-accounted investees, until the date on which joint control ceases.

SPECIALTY MINERALS SOUTH AFRICA (SMSA)

SMSA is a joint venture with Specialty Minerals Incorporated, a wholly-owned subsidiary of Minerals Technologies Incorporated, a global leader in precipitated calcium carbonate technology. Accordingly, SMSA has access to the most up-to-date technology and technical services. The company's products are used as a value-adding filler material in the manufacture of copy grade paper in South Africa. SMSA is equity-accounted in the Group.

The Group has a 50% interest in the net assets of SMSA and thus it is classified as a joint venture. The joint venture is an unlisted entity.

The Group's share of profit of SMSA for the year was R24 million (2023: R26 million). During the year the Group did not receive a dividend from SMSA (2023: R25 million). Summarised financial information for SMSA is as follows:

STATEMENTS OF FINANCIAL POSITION	SMSA	
Rand million	**2024**	2023
OWNERSHIP (%)	**50**	50
Current assets, excluding cash and cash equivalents	**88**	32
Cash and cash equivalents	**68**	71
Non-current assets	**28**	22
TOTAL ASSETS	**184**	125
Trade and other payables	**50**	40
Non-current liabilities	**3**	2
TOTAL LIABILITIES	**53**	42
NET ASSETS	**131**	83
Group's share of net assets	**66**	42
CARRYING AMOUNT	**66**	42

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

7. Investment in and loan with joint venture and joint operation CONTINUED

7.1 INVESTMENT IN JOINT VENTURE continued

STATEMENT OF PROFIT OR LOSS

	SMSA	
Rand million	**2024**	2023
OWNERSHIP (%)	**50**	50
Revenue	**246**	293
Net operating costs excluding depreciation and amortisation	**(178)**	(218)
Depreciation and amortisation	**(6)**	(6)
Interest received	**3**	3
Tax expense	**(17)**	(20)
PROFIT	**48**	52
Group's share of profit	**24**	26

7.2 LOANS FROM JOINT VENTURE AND JOINT OPERATION

	GROUP		COMPANY	
Rand million	**2024**	2023	**2024**	2023
Loans from joint venture and joint operation	**(13)**	(83)	**(42)**	(167)

The loans bears interest at market-related variable rates, is unsecured and have no fixed term of repayment. The loan is measured at amortised cost using the effective interest rate method, less any impairment losses.

Transactions of joint ventures with related parties of the Group and the Company are disclosed in note 29.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

7. Investment in and loan with joint venture and joint operation CONTINUED

7.3 INVESTMENT IN JOINT OPERATION

A joint operation is an arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group's participation in joint operations is accounted for by recognising the Group's share of assets, liabilities, revenue and expenses on a line-by-line basis.

DETNET SOUTH AFRICA PROPRIETARY LIMITED (DETNET)

DetNet is a joint arrangement with Dyno Nobel, a subsidiary of Incitec Pivot Limited. DetNet is represented globally by both AECI Mining Explosives and Dyno Nobel, thus providing global access and support for all its products. The Group bears no rights to the assets nor the obligations related to the liabilities. DetNet is itself a limited liability company. Since all of DetNet's output is provided to the partners, they are essentially the only sources of cash inflows available to DetNet to enable it to settle its liabilities.

As a result of these specific circumstances and certain other terms of the agreement between the partners, DetNet is classified as a joint operation and is consolidated in relation to the Group interest in assets, liabilities, revenue and expenses. On consolidation, the investment in unlisted shares is derecognised and the joint operation's results are consolidated in relation to the Group's interest on a line-by-line basis with those of the group.

	COMPANY	
Rand million	**2024**	2023
Unlisted shares at amortised cost	**28**	28
PERCENTAGE HELD BY AECI OWNERSHIP (%)	**2024**	2023
DetNet South Africa Proprietary Limited	**50**	50
GROUP'S SHARE OF PROFIT OR LOSS		
Revenue	**394**	468
Net operating costs, excluding depreciation and amortisation	**(417)**	(421)
Depreciation and amortisation	**(6)**	(7)
Interest received	**6**	12
Tax expense	**15**	(10)
(LOSS)/PROFIT	**(8)**	42
GROUP'S SHARE OF FINANCIAL POSITION		
Current assets, excluding cash and cash equivalents	**241**	272
Cash and cash equivalents	**25**	26
Non-current assets	**49**	31
TOTAL ASSETS	**315**	329
Trade and other payables, including provisions	**114**	119
Current financial liabilities, excluding trade and other payables and provisions	**3**	2
Non-current financial liabilities excluding trade and other payables and provisions	**1**	3
TOTAL LIABILITIES	**118**	124
NET ASSETS	**197**	205

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

8. Investments in and loans to associates

Investments in and loans to associates include:

PT BLACK BEAR RESOURCES INDONESIA (BBRI)

The Group has a 42.6% interest in BBRI, an Indonesian company that owns an ammonium nitrate plant which supplies ammonium nitrate solution to the region, thereby improving AECI Mining's global supply chain. BBRI is a strategic investment for that segment as it enables local supply to replace imports into this market.

KHULA APP PROPRIETARY LIMITED (KHULA)

The Group has a 26% interest in Khula, a South African technology company serving primarily emerging farmers in South Africa, allowing them to procure their inputs for agricultural purposes and to provide a platform for them to sell their produce to market offtakers. It also serves as an enabler for corporate entities focused on the agricultural sector as part of their Enterprise Supplier Development and Corporate Social Investment programmes. The investment allows AECI Plant Health to participate in the emerging farmer market space, providing synergies to Khula through AECI Plant Health's distribution footprint.

SPECIALISED ROAD TECHNOLOGIES (PROPRIETARY) LIMITED (SRT)

The Group has a 27% interest in SRT, a South African company with a wide range of specialised equipment at its disposal for road surveillance testing. Its laboratories are equipped to meet the latest requirements of asphalt design protocol and performance grade-binder specification testing. SRT is an associate of AECI Much Asphalt and is included in the AECI Managed Business operating segment. Refer to the note 35 and 36 for further detail around the AECI Much Asphalt Disposal Group.

	GROUP		COMPANY[1]	
Rand million	**2024**	2023	**2024**	2023
UNLISTED SHARES AT COST	**285**	285	**10**	10
At the beginning of the year	**285**	285	**10**	10
POST-ACQUISITION ACCUMULATED LOSSES	**(144)**	(135)		
Balance at the beginning of the year	**(135)**	(152)		
Dividends received	**–**	(2)		
Translation differences	**(14)**	6		
Current year's share of net profits of associate companies	**5**	13		
TOTAL INVESTMENTS IN ASSOCIATES	**141**	150	**10**	10

1 The Company's R10 million investment in Khula is recognised at original cost.

GROUP

Rand million	BBRI	Khula	SRT	Total
2024				
OWNERSHIP (%)	42.6	26.0	27.0	
STATEMENTS OF FINANCIAL POSITION				
Current assets	214	99	30	343
Non-current assets	603	–	17	620
Current liabilities	(55)	(14)	(2)	(71)
Non-current liabilities	(159)	–	(4)	(163)
NET ASSETS (100%)	603	85	41	729
CARRYING AMOUNT OF INTEREST IN ASSOCIATES	126	15	11	152
Transfer to assets classified as held for sale			(11)	(11)
CARRYING AMOUNT OF INTEREST IN ASSOCIATES	126	15	–	141

The carrying amount of BBRI is net of impairment.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

8. Investments in and loans to associates CONTINUED

Rand million	BBRI	Khula	SRT	Total
2023				
OWNERSHIP (%)	42.6	26.0	27.0	
STATEMENTS OF FINANCIAL POSITION				
Current assets	220	9	26	255
Non-current assets	508	2	14	524
Current liabilities	(104)	(1)	(2)	(107)
Non-current liabilities	(175)	(13)	–	(188)
NET ASSETS (100%)	449	(3)	38	484
CARRYING AMOUNT OF INTEREST IN ASSOCIATES	129	11	10	150

STATEMENTS OF PROFIT OR LOSS	BBRI	Khula	SRT	Total
2024				
OWNERSHIP (%)	**42.6**	**26.0**	**27.0**	
Revenue	**369**	**79**	**41**	**489**
Net operating costs, excluding depreciation and amortisation	**(283)**	**(59)**	**(32)**	**(374)**
Depreciation and amortisation	**(68)**	**–**	**(3)**	**(71)**
Interest expense	**(12)**	**–**	**–**	**(12)**
Interest received	**2**	**–**	**1**	**3**
Tax expense	**(7)**	**(6)**	**(2)**	**(15)**
PROFIT	**1**	**14**	**5**	**20**
GROUP'S SHARE OF PROFIT	**–**	**4**	**1**	**5**

STATEMENTS OF PROFIT OR LOSS	BBRI	Khula	SRT	Total
2023				
OWNERSHIP (%)	42.6	26.0	27.0	
Revenue	433	21	42	496
Net operating costs, excluding depreciation and amortisation	(323)	(26)	(37)	(386)
Depreciation and amortisation	(63)	–	(3)	(66)
Interest expense	(19)	–	–	(19)
Interest received	3	–	1	4
Tax expense	–	–	(2)	(2)
PROFIT/(LOSS)	31	(5)	1	27
GROUP'S SHARE OF PROFIT/(LOSS)	13	(1)	1	13

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

8. Investments in and loans to associates CONTINUED

LOANS TO ASSOCIATES

	GROUP		COMPANY	
Rand million	**2024**	2023	**2024**	2023
Interest-bearing non-current loan to BBRI	**44**	55	**–**	–
Interest free non-current loan to Khula	**1**	1	**1**	1
LOANS TO ASSOCIATES	**45**	56	**1**	1

US Dollar 600 000 of the loan granted to BBRI was repaid in December 2024. The remaining balance of US Dollar 2.4 million is repayable on 30 June 2026 and bears interest at an effective interest rate of 9.4%.

The loans are measured at amortised cost using the effective interest rate method, less any impairment losses.

BASIS OF CONSOLIDATION OF ASSOCIATES

An associate is an entity in which the Group holds an equity interest, over which the Group has significant influence and is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the associate but is not control or joint control over those policies.

An associate is recognised at cost less any impairment losses in the Company financial statements.

Initially, an associate is recognised at cost in the Group. Post-acquisition results of associate companies are accounted for in the Group financial statements, using the equity method of accounting from the date that significant influence commences until the date that significant influence ceases. An impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in the statements of profit or loss and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. Where a Group entity transacts with an associate of the Group, unrealised profits are eliminated to the extent of the Group's interest in the associate. Dividend income from investments is recognised in the statements of profit or loss when the shareholders' right to receive payment has been established.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued, except to the extent that the Group has an obligation to or has made payments on behalf of the investee.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

9. Other investments

	GROUP		COMPANY	
Rand million	2024	2023	2024	2023
NON-CURRENT INVESTMENTS				
Equity instruments	118	64	116	62
Equity securities at FVOCI	116	62	116	62
Capital contributions	2	2	–	–
Loans and receivables	4	7	4	6
OTHER NON-CURRENT INVESTMENTS	122	71	120	68
CURRENT INVESTMENTS				
Money market investments[1]	389	265	–	–
Employer surplus accounts[2]	142	144	142	144
Loans and receivables[3]	36	167	–	95
OTHER CURRENT INVESTMENTS	567	576	142	239

1 The money market investments include an investment in a collective investment scheme with Ninety One Limited (AECI Captive Insurance Company Limited) and a money market fund with Old Mutual Limited (AECI Mauritius Ltd). The investments are considered to be Level 1 financial assets and their carrying values were the same as their fair values at the reporting date.

2 Employer surplus accounts include the surpluses from the AECI Defined Contribution Pension Fund and the AECI Employees Provident Fund. The funds are invested in a money market account and the investment is thus considered to be a Level 1 financial asset. Its carrying value, therefore, was the same as its fair value at the reporting date. See note 30 for further information in this regard.

3 These loans have varying repayment terms ranging from no fixed repayment terms to a repayment period of less than 12 months. Interest on these loans is charged at fixed rates of between nil and 14% annually, and at floating rates of prime plus 1% and JIBAR plus 5%.

Notes to the financial statements continued
FOR THE YEAR ENDED 31 DECEMBER 2024

9. Other investments CONTINUED

EQUITY SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in these equity instruments are designated to be carried at fair value through other comprehensive income. These investments are not held for trading and are strategic long-term investments where the purpose of the investment is not dependent on the fair value. The cumulative fair value adjustments may not be reclassified to profit or loss. Details are as follows:

GROUP AND COMPANY

Rand million	Fair value as at 31 December 2023	Conversion of Loan to Shares	Fair value adjustment	**Fair value as at 31 December 2024**
Origin Materials Incorporated (Origin)	34	–	19	**53**
AECI Good Chemistry Fund	28	–	–	**28**
Clariter Société Anonyme of Luxemburg	–	95	(60)	**35**
OTHER NON-CURRENT INVESTMENTS	62	95	(41)	**116**

ORIGIN

AECI has invested a total of US Dollar 5.2 million (US Dollar 5.0 million in 2017 and an additional US Dollar 0.2 million in 2021) in Origin, a company based in California, USA, that has pioneered the development of bio-based chemicals. These chemicals can be processed into a large number of products for application in global markets. The fair value of the investment in Origin was categorised as a Level 1 financial asset with listed shares (NASDAQ: ORGN). The shares are valued at the listed entity's share price of US Dollar 1.28 (2023: US Dollar 0.84) at the reporting date.

AECI GOOD CHEMISTRY FUND

This investment enables the Group's Enterprise and Supplier Development programme. The AECI Good Chemistry Fund is considered to be a Level 3 asset in the fair value hierarchy.

CLARITER SOCIÉTÉ ANONYME OF LUXEMBURG

Clariter is a global cleantech company producing green sustainable petrochemicals upcycled from plastic waste.

In July 2024, the principal amount together with accrued interest provided by AECI to Clariter Société Anonyme of Luxemburg (Clariter) was successfully converted into ordinary shares of the company as per the terms of the convertible loan agreement.

The net asset value of Clariter at end of December 2024 was less than expected which necessitated a fair value adjustment of R60 million being processed.

The investment in Clariter is considered to be a Level 3 asset in the fair value hierarchy.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

10. Deferred taxation

	GROUP		COMPANY	
Rand million	**2024**	2023	**2024**	2023
Deferred taxation assets	**194**	189	**–**	–
Deferred taxation liabilities	**(366)**	(520)	**(15)**	(36)
NET DEFERRED TAXATION LIABILITY	**(172)**	(331)	**(15)**	(36)
Net movement in deferred taxation balance:				
At the beginning of the year	**(331)**	(477)	**(36)**	(24)
- current year and prior year charge	**16**	181	**21**	(9)
- taxation rate change	**2**	–	**–**	–
Recognised in other comprehensive income				
- foreign currency loan translation differences	**(3)**	(8)		–
- post-retirement medical aid obligations	**(3)**	(3)	**(2)**	(3)
Transfers to assets classified as held for sale (note 35)	**(5)**	–		
Transfers to liabilities classified as held for sale (note 35)	**137**	–		
Other	**15**	(24)	**2**	–
AT THE END OF THE YEAR	**(172)**	(331)	**(15)**	(36)
Analysis by major temporary differences:				
Property, plant and equipment	**(513)**	(733)	**(68)**	(61)
Right-of-use assets and finance lease liabilities	**31**	29	**18**	13
Intangible assets	**(163)**	(238)	**–**	–
Provisions and deferred income	**577**	730	**157**	207
Prepaid expenses and income received in advance	**(16)**	(30)	**(6)**	(4)
Pension fund employer surplus accounts	**(111)**	(166)	**(116)**	(138)
Deferred foreign exchange differences	**(40)**	26	**–**	(53)
Computed taxation losses[1]	**103**	84	**–**	–
Other	**(40)**	(33)	**–**	–
	(172)	(331)	**(15)**	(36)

[1] Included in the deferred tax asset balance is R103 million (2023: R84 million) relating to tax assessed losses of R403 million (2023: R360 million). The deferred tax asset raised pertains to trading entities and they are expected to make future taxable profits. The deferred tax asset recoverability assessment considers the probability of forecasted future taxable income, which may include future tax planning opportunities. Computed tax losses of R1 639 million (2023: R1 434 million) have not been recognised as deferred tax assets due to limited estimated future profitability for the respective entities. This includes amounts attributable to AECI Schirm GmbH, Germany, of R1 304 million (2023: R1 270 million).

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

10. Deferred taxation CONTINUED

OECD PILLAR TWO

In December 2021, the Organisation for Economic Co-operation and Development (OECD) issued model rules for a new global minimum tax framework (Pillar Two), and various governments around the world have issued, or are in the process of issuing legislation on this framework. The Pillar Two rules apply to multinational enterprises (MNEs) that have a consolidated revenues of €750 million (approximately R15 billion) in at least two of the last four years. The Pillar Two rules will ensure that MNEs may be liable for a minimum effective corporate tax rate of 15% on their income in each jurisdiction where they operate.

Pillar Two Global Anti-Base Erosion (GloBE) rules apply, if a jurisdiction in which the Group operates has adopted the rules in terms of national legislation. There are two GloBE Rules, (i) the Income Inclusion Rule (IIR) which applies from 1 January 2024, and (ii) Undertaxed Payment Rules (UTPR) which will apply from 1 January 2025. The IIR applies on a top-down approach and requires the Ultimate Parent Entity to pay any top-up tax in respect of low-tax subsidiaries. The UTPR will be required to pay top-up in respect of entities in a low-tax jurisdiction by disallowing deductions or other similar mechanisms. A jurisdiction may also apply a Qualified Domestic Top-up Tax (QDMTT) which will essentially supersede the IRR and UTPR in other jurisdiction and collect the top-up in its jurisdiction.

South Africa published the Global Minimum Tax Act, Act 2024 (Pillar Two legislation) in the official Government Gazette, vol. 714 in December 2024, in which Pillar Two legislation was enacted. South Africa has adopted the IIR Rules. The Pillar Two legislation applies retrospectively from 1 January 2024 for years of assessment commencing on or after that date. Consequently, AECI falls within the scope of Pillar Two legislation, and must assess the minimum effective tax rate of 15% in each jurisdiction in which it operates. Where the effective tax rate in a particular country is below the 15% minimum rate, top up tax may have to be paid to SARS.

Following an independent assessment performed in the AECI Group, the Pillar Two rules did not have a material impact on AECI's tax.

INCOME TAX UNCERTAINTIES

We have certain revenue authority disputes over income taxes, within the jurisdictions where the Group operates.

We are of the view that most of these disputes may be resolved to the mutual satisfaction of AECI and the respective revenue authority, that we have used the correct interpretation of the law and that our corporate tax approach was in line with the law prevailing at the time of submission of the returns. Since there could be differing views on tax legislation, including tax court cases and revenue practices, certain tax positions may be open to interpretation. We have taken a prudent approach to the tax treatment of transactions as well as disclosure in our returns.

Notwithstanding our view that the corporate tax treatment, including transfer pricing, is correct, there may be positions where the tax authorities take a different view. Where there are positions of uncertainty, we take a conservative view on the likely outcome and make provision for cash outflows in accordance with IFRS. Any tax provision is re-assessed with reference to court findings, prescription of years of assessment and judgement.

At year end, we had income tax uncertainties, not provided for, of R41 million. This relates to open income tax queries in Mali (R24 million) and Zambia (R17 million). Management is of the view that these queries will be managed and settled within in-country tax legislation requirements and allowable mechanisms with the relevant tax authorities.

ACCOUNTING POLICY

Deferred taxation assets are recognised in respect of temporary differences between the carrying value of assets and liabilities for accounting purposes and their corresponding values for taxation purposes. A deferred taxation asset may be recognised on taxation losses, but only to the extent that it is probable that future taxable profits will be available against which the associated unused taxation losses and deductible temporary differences can be utilised in the foreseeable future. Deferred taxation assets are reviewed at each reporting date.

No deferred taxation is recognised on temporary differences relating to the initial recognition of goodwill, the initial recognition (other than in a business combination) of an asset or a liability to the extent that neither accounting nor taxation profit is affected on acquisition, and differences relating to investments in subsidiaries, joint arrangements and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

10. Deferred taxation CONTINUED

Deferred taxation assets and liabilities are offset if there is a legally enforceable right to offset current taxation liabilities and assets and they relate to income taxation levied by the same taxation authority on the same taxable entity. Deferred taxation assets and liabilities are measured at the taxation rates that are expected to apply in the period when the asset is realised or the liability is settled, based on taxation rates/laws that have been enacted or substantively enacted at the end of the reporting period.

SIGNIFICANT ESTIMATES AND JUDGEMENTS

When a deferred taxation asset is recognised, the Group makes estimates in assessing whether taxable profits will be available in the foreseeable future. Future taxable profits are determined based on forecasts, budgets and business plans for individual group subsidiaries, which include estimates and assumptions regarding economic growth, market conditions and other economic factors. The Group is subject to taxes in numerous jurisdictions. Signififcant judgement is required in determining a worldwide provision for taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due.

11. Inventories

	GROUP		COMPANY	
Rand million	**2024**	2023	**2024**	2023
Raw and packaging materials	**1 885**	2 521	**694**	739
Work in progress	**74**	150	**6**	9
Finished goods and merchandise	**3 095**	3 408	**1 602**	1 477
Consumable stores	**381**	392	**–**	–
Spares and other	**83**	83	**26**	22
Obsolescence provisions	**(401)**	(428)	**(66)**	(64)
TOTAL INVENTORIES	**5 117**	6 126	**2 262**	2 183
Recognised in profit or loss:				
Cost of inventories recognised as an expense	**18 701**	21 819	**6 638**	7 131
Losses and write-down of inventories	**8**	52	**16**	(2)
Inventory adjustments	**109**	200	**19**	2

There are no inventories pledged as security to secure any borrowings of the Group.

ACCOUNTING POLICY

Inventories of raw and packaging materials, products and intermediates, finished goods and merchandise are measured at cost using the first-in first-out method the weighted average or standard cost method, depending on the nature of the inventories or their use to businesses in the Group.

The cost of finished goods and work in progress comprises raw and packaging materials, manufacturing costs, depreciation and an appropriate allocation of production overheads. Costs may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases.

In all cases inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses, taking into account obsolescence.

An obsolescence provision is made against slow-moving, obsolete and damaged inventories. Damaged inventories are identified and written down through the inventory counting procedures conducted by each business.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

12. Trade and other receivables

	GROUP		COMPANY	
Rand million	2024	2023	2024	2023
Trade receivables (net of loss allowances)	6 231	6 196	2 309	2 221
Contracts with customers[1]	6 229	6 194	2 307	2 219
Lease receivables	2	2	2	2
Pre-payments	423	332	46	56
VAT[2]	478	480	60	25
Deposits	214	249	30	24
Other[3]	161	116	67	88
Forward exchange contracts	102	40	47	8
Joint venture and associates	7	9	9	32
Subsidiaries			437	461
TOTAL TRADE AND OTHER RECEIVABLES	7 616	7 422	3 005	2 915

Trade receivables are exposed to credit risk as described in note 28.

1 Group contracts with customers include R144 million (2023: R200 million) of contract assets. Contract assets are balances due from customers in the AECI Chemicals segment that represent the Group's right to consideration when the Group performs the contracted performance obligations over time. Payment is conditional on completion of the performance obligations. The contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

2 The VAT receivable represents VAT credits or refunds owed by revenue authorities in various jurisdictions. The timing of receipt of the refund to each entity in the Group varies and can be delayed by verification processes, local practices and conditions in local economic environments. No refundable amounts are outside prescription periods and there are no indications that the amounts due to the Group are not recoverable from the various revenue authorities.

The VAT receivable includes a R127 million (2023: R155 million) receivable from the Zambia Revenue Authority (ZRA). The ZRA has a statutory obligation to refund taxpayers with a net VAT receivable. Management has considered the classification of the VAT receivable as a current asset.

3 Other receivables include those relating to sundry receivables and loans to employees.

Exposure to credit risk for trade receivables is assessed by geographic region as follows:

	GROUP		COMPANY	
Rand million	2024	2023	2024	2023
South Africa	3 343	3 482	2 160	2 089
Rest of the Africa	1 784	1 591	126	117
Europe	354	470	–	8
North America	174	169	–	–
Australia	462	298	–	–
Other Regions	114	186	23	7
TRADE RECEIVABLES (NET OF LOSS ALLOWANCES)	6 231	6 196	2 309	2 221

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

12. Trade and other receivables CONTINUED

CONCENTRATION OF CREDIT RISK

The following table provides information on the exposure to credit risk and loss allowances for trade receivables by geographic region as at 31 December 2024:

GROUP

Rand million

SOUTH AFRICA	Weighted average loss rate (%)[1]	Gross carrying amount[2]	Specific loss allowances	Lifetime ECL allowances	Total loss allowances[2]	Trade receivables (net of loss allowances)
Current (not yet due)	–	2 668	(1)	(11)	(12)	2 656
1–30 days past due	1	422	(1)	(2)	(3)	419
31–60 days past due	1	157	–	(2)	(2)	155
61–90 days past due	10	114	(3)	(10)	(13)	101
More than 90 days past due	100	103	–	(91)	(91)	12
		3 464	(5)	(116)	(121)	3 343
REST OF THE AFRICA						
Current (not yet due)	–	1 417	–	(3)	(3)	1 414
1–30 days past due	–	169	–	(1)	(1)	168
31–60 days past due	3	58	–	(2)	(2)	56
61–90 days past due	12	132	–	(16)	(16)	116
More than 90 days past due	100	222	–	(192)	(192)	30
		1 998	–	(214)	(214)	1 784
EUROPE						
Current (not yet due)	–	334	–	–	–	334
1–30 days past due	–	16	(4)	–	(4)	12
31–60 days past due	–	3	–	–	–	3
61–90 days past due	–	5	–	–	–	5
More than 90 days past due	100	11	–	(11)	(11)	–
		369	(4)	(11)	(15)	354

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

12. Trade and other receivables CONTINUED

GROUP

Rand million

NORTH AMERICA	Weighted average loss rate (%)[1]	Gross carrying amount[2]	Specific loss allowances	Lifetime ECL allowances	Total loss allowances[2]	Trade receivables (net of loss allowances)
Current (not yet due)	–	153	–	–	–	153
1–30 days past due	–	16	–	–	–	16
31–60 days past due	–	3	–	–	–	3
61–90 days past due	49	4	–	(2)	(2)	2
		176	**–**	**(2)**	**(2)**	**174**
AUSTRALIA						
Current (not yet due)	–	462	–	–	–	462
		462	**–**	**–**	**–**	**462**
OTHER REGIONS[3]						
Current (not yet due)	–	98	–	–	–	98
1–30 days past due	–	16	–	–	–	16
		114	**–**	**–**	**–**	**114**

1 Weighted average loss rate of less than 1% where no figures are presented.
2 The gross carrying amount is inclusive of VAT. Total loss allowances are exclusive of VAT.
3 Other regions include South America and Asia.

Notes to the financial statements continued
FOR THE YEAR ENDED 31 DECEMBER 2024

12. Trade and other receivables CONTINUED

COMPANY

SOUTH AFRICA	Weighted average loss rate (%)[1]	Gross carrying amount[2]	Specific loss allowances	Lifetime ECL allowances	Total loss allowances[2]	Trade receivables (net of loss allowances)
Current (not yet due)	1	1 585	(1)	(11)	(12)	1 573
1–30 days past due	–	342	(1)	(2)	(3)	339
31–60 days past due	–	138	–	–	–	138
61–90 days past due	–	107	(3)	–	(3)	104
More than 90 days past due	100	63	–	(57)	(57)	6
		2 235	**(5)**	**(70)**	**(75)**	**2 160**

REST OF THE AFRICA	Weighted average loss rate (%)[1]	Gross carrying amount[2]	Specific loss allowances	Lifetime ECL allowances	Total loss allowances[2]	Trade receivables (net of loss allowances)
Current (not yet due)	1	44	–	–	–	44
1–30 days past due	2	23	–	(1)	(1)	22
31–60 days past due	12	3	–	–	–	3
61–90 days past due	–	57	–	–	–	57
		127	**–**	**(1)**	**(1)**	**126**
OTHER REGIONS[3]						
Current (not yet due)	–	14	–	–	–	14
1–30 days past due	–	4	–	–	–	4
31–60 days past due	–	–	–	–	–	–
61–90 days past due	–	5	–	–	–	5
		23	**–**	**–**	**–**	**23**

1 Weighted average loss rate of less than 1% where no figures are presented.

2 The gross carrying amount is inclusive of VAT. Total loss allowance are exclusive of VAT.

3 Other regions include receivables from Asia, Australia and Europe.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

12. Trade and other receivables CONTINUED

LOSS ALLOWANCE

The reconciliation of the allowance is as follows:

	GROUP		COMPANY	
Rand million	2024	2023	2024	2023
At the beginning of the year	(396)	(257)	(60)	(70)
Subsidiaries acquired	–	(1)	–	–
Decrease/(increase) in allowance	29	(158)	(23)	4
Receivables written off	15	20	7	6
AT THE END OF THE YEAR	(352)	(396)	(76)	(60)
Contracts with customers	(349)	(396)	(73)	(60)
Lease receivables	(3)	–	(3)	–

ACCOUNTING POLICY

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at the consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. The Group holds trade receivables with the objective of collecting the contractual cash flows and therefore, classifies trade receivables as financial assets at amortised cost using the effective interest method, less any loss allowances.

Contract assets are balances due from customers in the AECI Chemicals segment that represents the Group's right to consideration when the Group performs the contracted performance obligations over time. Payment is conditional on completion of the performance obligations. The contract assets are reclassified to trade receivables when the performance obligation is delivered and it is invoiced to the customer.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

12. Trade and other receivables CONTINUED

IMPAIRMENT

FINANCIAL ASSETS

The Group applies the simplified approach as permitted by IFRS 9 when providing for loss allowances on trade receivables. Under the simplified approach, the loss allowance is calculated over the lifetime of the asset. Trade receivables are disaggregated into major categories based on common credit risk characteristics and focusing on risks specific to each geographic region, and the credit risk is assessed for each category. This is in terms of the provision matrix approach. Credit risk per category is determined using actual credit loss data from past information and experience with debtors as well as expectations of the future recoverability of amounts due from debtors. Factors which are considered when assessing the past and future risk associated with each category include an analysis of debtors' current financial position, adjusted for factors that are specific to each debtor, general economic conditions in which the debtor operates and an assessment of both the current as well as the forecast direction of macro-economic conditions at the reporting date. Loss allowances are reviewed at the end of each reporting period.

Trade and other receivables are written off when there is no reasonable expectation of settlement.

Except for assets at fair value, the Group recognises a loss allowance on financial assets through profit or loss. The amount of the loss allowance is updated at each reporting date to reflect changes in credit risk since the last reporting date.

For all other financial assets, the Group recognises lifetime loss allowances when there has been a significant increase in credit risk since initial recognition. If there has been no significant increase in credit risk, the loss allowance is measured as an amount equal to the 12-month ECLs.

SIGNIFICANT ESTIMATES AND JUDGEMENTS

FINANCIAL INSTRUMENTS

Determining ECLs necessitates assessments of current and future general economic conditions and their impact on the credit risk of financial assets, as well as the use of past-due amounts to indicate expected levels of credit loss. Credit losses may occur at a different time and in a different amount than anticipated.

Notes to the financial statements continued
FOR THE YEAR ENDED 31 DECEMBER 2024

13. Share capital and share premium/Preference share capital

	Number of shares		GROUP		COMPANY	
Rand million	**2024**	2023	**2024**	2023	**2024**	2023
ORDINARY SHARES						
Authorised						
Ordinary shares of R1 each	**180 000 000**	180 000 000	**180**	180	**180**	180
B ordinary shares of no par value	**10 117 951**	10 117 951				
LISTED ORDINARY SHARES AT THE BEGINNING AND END OF THE YEAR						
At the beginning and end of the year						
Group	**105 517 780**	105 517 780	**106**	106		
Company	**105 517 780**	105 517 780			**106**	106
UNLISTED REDEEMABLE CONVERTIBLE B ORDINARY SHARES AT THE BEGINNING AND END OF THE YEAR						
Company	**–**	10 117 951				
Ordinary shares in issue						
Group	**105 517 780**	105 517 780	**106**	106		
Company	**105 517 780**	105 517 780			**106**	106
Share premium less share issue expenses			**–**	–	**6**	6
Total ordinary shares						
Group	**105 517 780**	105 517 780	**106**	106		
Company	**105 517 780**	105 517 780			**112**	112
LISTED PREFERENCE SHARES						
Authorised and issued	**3 000 000**	3 000 000	**6**	6	**6**	6
5.5% cumulative shares of R2 each	**3 000 000**	3 000 000	**6**	6	**6**	6

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

13. Share capital and share premium/Preference share capital CONTINUED

CAPITAL MANAGEMENT

The Board of Directors' policy is to actively manage the capital base so as to maintain investor and market confidence and sustain future development of the business. The Board of Directors monitors the spread of shareholders, the level of dividends to ordinary shareholders and the return on net assets (RONA). RONA is defined as operating profit plus the share of profit of equity-accounted investees, net of tax, as a percentage of average operating assets less average operating liabilities. During 2024, the Capital Allocation Framework was approved which provides guidelines concerning the allocation of its capital resources, including allocations for debt repayments, working capital, investments, capital expenditure, compliance with financial policies, debt agreements, dividends and return of capital to shareholders. The framework empowers the Group to effectively allocate capital to drive value creation by finding and funding the right mix of investments given financial and operational constraints. Key measure monitored include Operating free cash flow (FCF) defined as EBITDA less working capital, maintenance capital, finance cost and taxation and return on invested capital (ROIC) defined as net operating profit after tax as a percentage of the average invested capital. There are no externally-imposed capital requirements.

ACCOUNTING POLICY

ORDINARY SHARE CAPITAL

Share capital comprises ordinary shares and redeemable convertible B ordinary shares. Issued ordinary shares are measured at the fair value of the proceeds received less any directly attributable issue costs. An amount equal to the par value of the shares issued is presented as share capital. The amount by which the fair value exceeds par value is presented as share premium. For no par value shares, the fair value is presented in full as share capital.

PREFERENCE SHARES

In terms of the Company's Memorandum of Incorporation, all payments of dividends associated with the preference shares and all payments to be made in respect of the preference shares in the event of liquidation shall be made in British pound sterling and calculated as though the shares were one British pound sterling each. The capital repayment to preference shareholders in the event of liquidation is limited to 3 150 000 British pound sterling (1.05 British pound sterling per share).

Preference shares are measured at historical cost, are cumulative and are classified as equity unless they are mandatorily redeemable on a specific date, in which case they are classified as liabilities. Dividends paid are disclosed in the statement of changes in equity.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

14. Non-current debt

Rand million (unless otherwise indicated)				GROUP		COMPANY	
Facility	Terms of repayment	Interest rate[1]	Weighted average interest rate (%)	**2024**	2023	**2024**	2023
UNSECURED[4]							
LOCAL							
Loans							
Term loan	Repayable in full on 21 November 2026	JIBAR + 1.28%	9.5	**300**	300	**300**	300
Term loan	Repayable in full on 21 November 2027	JIBAR + 1.37%	9.6	**700**	700	**700**	700
DMTN Programme[2]							
AECI05	Repayable in full on 11 September 2026	JIBAR + 1.39%	9.6	**535**	535	**535**	535
AECI06	Repayable in full on 11 September 2028	JIBAR + 1.50%	9.7	**465**	465	**465**	465
FOREIGN							
Loans – US Dollar							
	Repayable in full on 7 November 2028[3]	SOFR + 1.65%	7.0	**–**	594		
Loans – Euro*							
	Repayable in full on 3 August 2026	EURIBOR + 1.80%	5.8	**391**	410		
	Repayable in full on 17 November 2026	EURIBOR + 1.90%	5.9	**1 741**	1 581		
Loans – Australian Dollar*							
Term loan	Repayable in full on 17 November 2026	BBSW + 1.95%	6.3	**111**	–		
Term loan	Repayable infull on 30 November 2027	BBSW + 1.95%	6.3	**222**	238		
Loans – Brazilian Real*							
Term loan	Repayable in full on 31 August 2027	4.44% pa	4.4	**–**	2		
Term loan	Repayable in full on 31 January 2026	8.64% pa	8.6	**–**	1		
Total debt				**4 465**	4 826	**2 000**	2 000
Current debt (Note 18)				**–**	(122)	**–**	–
NON-CURRENT DEBT				**4 465**	4 704	**2 000**	2 000

1. Interest rates are based on the applicable three-month base rate plus a margin and interest is accrued and repaid at the relevant interval.
2. The Domestic Medium Term Note Programme (DMTN Programme) is registered with the JSE Limited and includes Senior Unsecured Floating Rate Notes are listed on the sustainability segment of the interest rate market of the JSE. It is guaranteed by AECI Mining Limited, Chemical Services Limited and AECI Mauritius Limited.
3. Schirm USA completed construction of the expansion plant in late 2023, and the debt was repaid on 12 December 2024.
4. The AECI Sustainability Linked Financing Framework (SLFF) serves to further evidence the Group's ESG commitments and enables the Group's mix of funding instruments to include both Sustainability Linked Bonds and Sustainability Linked Loans. All 2023 bonds and term loan debt are linked to the SLFF except the Loans marked with a *.

ACCOUNTING POLICY

Debt is recognised initially at the fair value of proceeds received, net of transaction costs incurred, when the Group becomes party to the contractual arrangements. Debt is classified as financial liabilities at amortised cost. The detailed accounting policy for financial liabilities is contained in note 28.

Sustainability Linked Bonds and Loans are linked to sustainability KPI's referencing AECI performance in meeting predefined sustainability performance targets. The Group has elected that any changes in the applicable interest margin will not be recognised as an embedded derivative and will initially be recognised at fair value.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

14. Non-current debt CONTINUED

SUMMARY OF REPAYMENTS

GROUP		Payable				
Rand million	Total owing 2024	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total owing 2023
Debt denominated in South African Rand	2 000	–	835	1 165	–	2 000
Debt denominated in foreign currency	2 465	–	2 243	222	–	2 826
TOTAL DEBT	4 465	–	3 078	1 387	–	4 826
COMPANY						
Debt denominated in South African Rand	2 000	–	835	1 165	–	2 000
TOTAL DEBT	2 000	–	835	1 165	–	2 000

DEBT COVENANTS

	GROUP 2024	GROUP 2023
Non-current debt	4 465	4 704
Current debt (Note 18)	850	731
Cash and cash equivalents	(2 389)	(1 960)
Bank overdraft	31	59
Lease liabilities (Note 15)	781	804
NET DEBT	3 738	4 338

DESCRIPTION	THRESHOLD	GROUP 2024	GROUP 2023
Net debt to EBITDAC[1]	<2.5 times	1.2 times	1.2 times
EBITDAC to net financing cost	≥3.0 times	4.7 times	5.8 times
Consolidated tangible net worth	≥R2 500 million	R10 101 million	R9 223 million

[1] EBITDAC is EBITDA as defined in the Group's loan agreements. The net debt to EBITDAC covenant would be breached if debt increased by R3 805 million or EBITDAC decreased by R1 522 million.

At 31 December 2024, the Group had undrawn bank facilities of R3 136 million available (2023: R3 700 million), in addition to cash on hand. The Group remains well capitalised.

DEBT LEVEL MITIGATIONS

The Group's net debt levels are considered to be conservative, with gearing (net debt as a percentage of equity) at 31% (2023: 35%), within the Group guidance of 20% to 40%.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

15. Lease liabilities

	GROUP		COMPANY	
Rand million	2024	2023	2024	2023
Opening balance	804	664	343	273
Additions	178	280	15	89
Cancellations of lease contracts	(15)	(7)	–	(1)
Lease payments	(205)	(201)	(52)	(46)
Interest on lease liabilities	54	53	28	28
Translation differences	(35)	15	–	–
Total lease liabilities	781	804	334	343
Current lease liabilities	(156)	(136)	(29)	(22)
NON-CURRENT LEASE LIABILITIES	625	668	305	321

Maturity analysis

GROUP		PAYABLE			
Rand million	Total owing 2024	Payable within 1 year	Payable between 1 and 5 years	Payable thereafter	Total owing 2023
Undiscounted amounts	1 001	203	494	304	994
Unearned interest	(220)	(47)	(118)	(55)	(190)
TOTAL LEASE LIABILITIES	781	156	376	249	804
COMPANY					
Undiscounted amounts	474	55	192	227	451
Unearned interest	(140)	(26)	(80)	(34)	(108)
TOTAL LEASE LIABILITIES	334	29	112	193	343

Information on variable lease escalations

	GROUP		COMPANY	
Rand million	2024	2023	2024	2023
Fixed escalation leases	400	726	279	338
Variable escalation leases	381	78	55	5
- linked to South African CPI	278	32	55	5
- linked to foreign CPI	103	46	–	–
TOTAL LEASE LIABILITIES	781	804	334	343

Financial liabilities

Lease liabilities are measured at amortised cost using the effective interest method.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

15. Lease liabilities CONTINUED

ACCOUNTING POLICY

The Group leases various properties, plant and equipment. Rental contracts are typically entered into for fixed periods but may have extension options. Lease terms are negotiated on an individual basis and contain a range of terms and conditions. Although the lease agreements do not impose any covenants, leased assets may not be used as security for debt purposes.

A right-of-use asset and the corresponding lease liability are recognised at the lease commencement date, being the date at which the leased asset was available for use by the Group. Right-of-use assets are measured initially at the present value of the lease payments outstanding at the commencement date, discounted using the rate implicit in the lease or, if not readily determined, the Group's incremental borrowing rate.

Each lease payment is allocated between the liability and finance costs. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Right-of-use assets are assessed for impairment if there is an indicator for impairment.

Leases where the period is for 12 months or less and there are no extension options or no economic incentive to renew the leases, are recognised on a straight-line basis and are expensed in profit or loss. Low value right-of-use assets are assets that, when new, have a value of R100 000 or less and are expensed in profit or loss as incurred.

Significant estimates and judgements

Management exercises judgement when determining the lease term. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

16. Non-current provisions and employee benefits

	GROUP		COMPANY	
Rand million	2024	2023	2024	2023
ENVIRONMENTAL REMEDIATION				
At the beginning of the year	**213**	178	**113**	107
Charged to net operating costs during the year (see note 20)				
- Additional provision made	**11**	37	**4**	9
- Reversal of provision	**–**	(4)	**–**	(4)
Translation differences	**–**	2	**–**	1
AT THE END OF THE YEAR	**224**	213	**117**	113
ACTUARIAL VALUATION OF OBLIGATIONS (see note 30)				
Post-retirement medical aid obligations	**133**	155	**133**	155
Defined-benefit pension obligations	**215**	225	**–**	–
AT THE END OF THE YEAR	**348**	380	**133**	155
TOTAL NON-CURRENT PROVISIONS	**572**	593	**250**	268

ACCOUNTING POLICY

PROVISIONS

A provision is recognised when the Group has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will occur and where a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties associated with the obligation. Non-current provisions are determined by discounting the expected future cash flows to their present value at a pre-tax rate that reflects the current market assessment of the time value of money. The unwinding of the discount is recognised in interest expense.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

ENVIRONMENTAL REMEDIATION

The environmental remediation provision is based on the Group's Safety, Health, Environment and Quality policy, obligations in terms of legislation to remediate land and the most appropriate end-use for the land. The expenditure is expected to be incurred as and when the Group is legally required to do so, depending on end use for the land. The Group's environmental costs could increase significantly depending on the impact of possible changes in legislation and possible changes in practices by environmental authorities.

POST-RETIREMENT BENEFIT OBLIGATIONS

Details of the nature of the post-retirement medical aid obligations provision are presented in note 30. The costs will be incurred over the lifetime of all eligible employees and will vary depending on expected lives, changes to salary inflation, healthcare costs and discount rates.

Assumptions used to determine the obligations are detailed in note 30.

DEFINED-BENEFIT PENSION OBLIGATIONS

Details of the nature of the defined-benefit pension obligations provision are presented in note 30. The costs incurred for all eligible employees and will vary depending on employee turnover, mortality rates, the discount rate, the expected long-term rate of return of retirement plan assets and rates of increases in compensation costs.

Assumptions used to determine the obligations are detailed in note 30.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

16. Non-current provisions and employee benefits CONTINUED

SIGNIFICANT ESTIMATES AND JUDGEMENTS

ENVIRONMENTAL PROVISION

Estimating the future costs of environmental remediation obligations is complex and requires management to make estimates and judgements because most of the obligations will be fulfilled in the future and laws are often not clear regarding what is required. The resulting provisions are influenced further by changing technologies and social, political, environmental, safety, business and statutory considerations.

POST-RETIREMENT BENEFIT OBLIGATIONS

Post-retirement defined benefits are provided for certain existing and former employees. Actuarial valuations are based on assumptions which include employee turnover, mortality rates, the discount rate, the expected long-term rate of return of retirement plan assets and rates of increases in compensation costs.

Notes to the financial statements continued
FOR THE YEAR ENDED 31 DECEMBER 2024

17. Trade and other payables

	GROUP		COMPANY	
Rand million	**2024**	2023	**2024**	2023
Trade payables	**5 385**	5 914	**2 545**	2 444
Payroll-related accruals[1]	**856**	1 067	**371**	395
Other[2]	**183**	74	**95**	10
Provisions	**87**	147	**14**	13
Accruals	**659**	469	**210**	124
Forward exchange contracts (see note 28)	**60**	43	**13**	22
VAT payable	**16**	37	**–**	–
Amounts due to subsidiaries			**232**	236
Amounts due to joint venture and associates	**13**	6	**–**	–
	7 259	7 757	**3 480**	3 244
Current portion of non-current provisions	**–**	–	**–**	5
	7 259	7 757	**3 480**	3 249

1 Payroll-related accruals include incentive bonus, commission and salaries.
2 Other payables include those relating to deposits, royalties, rebates and dividends payable.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Trade payables are classified as financial liabilities at amortised cost using the effective interest method. The detailed accounting policy for financial liabilities is presented in note 28.

PROVISIONS

Provisions include royalties, import taxes and tax services professional fees.

	GROUP		COMPANY	
Rand million	**2024**	2023	**2024**	2023
At the beginning of the year	**147**	140	**13**	24
Paid during the year	**(8)**	(24)	**(9)**	(21)
Charged/(released) to net operating costs during the year	**(48)**	19	**10**	10
Translation differences	**(4)**	12	**–**	–
AT THE END OF THE YEAR	**87**	**147**	**14**	**13**

18. Current debt

	GROUP		COMPANY	
Rand million	**2024**	2023	**2024**	2023
Current portion of non-current debt (see note 14)	**–**	122	**–**	–
Unsecured interest-bearing short-term debt	**850**	609	**850**	585
	850	731	**850**	585

Financial liabilities, including debt, are measured at amortised cost using the effective interest method.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

19. Revenue

DISAGGREGATION OF REVENUE BY NATURE

	GROUP		COMPANY	
Rand million	**2024**	2023 [1]	**2024**	2023
AECI MINING	**19 108**	19 621		
Sale of goods	**17 691**	17 828		
Sale of goods and related product application services	**1 417**	1 793		
AECI CHEMICALS	**9 862**	10 095	**8 540**	8 646
Sale of goods	**7 995**	10 095	**6 673**	8 646
Sale of goods and related product application services	**1 867**	–	**1 867**	–
AECI MANAGED BUSINESS	**4 434**	5 074	**691**	690
Sale of goods	**4 434**	5 074	**691**	690
AECI PROPERTY SERVICES AND CORPORATE	**506**	485	**523**	505
Rental income and related services	**506**	485	**523**	505
DISCONTINUED OPERATIONS	**2 899**	2 558	**–**	–
Sale of goods	**2 899**	2 558	**–**	–
REVENUE RECOGNISED AT A POINT IN TIME	**36 809**	37 833	**9 754**	9 841
AECI PROPERTY SERVICES AND CORPORATE	**126**	126	**124**	124
Lease rental income	**126**	126	**124**	124
Inter-segment	**(438)**	(459)	**(163)**	(182)
TOTAL REVENUE - CONTINUING AND DISCONTINUED OPERATIONS	**36 497**	37 500	**9 715**	9 783
TOTAL REVENUE - CONTINUING OPERATIONS	**33 598**	34 942		

[1] Restatements are a result of a change in operating segments (see note 32).

DISAGGREGATION OF REVENUE BY GEOGRAPHIC END MARKET

	GROUP		COMPANY	
Rand million	**2024**	2023	**2024**	2023
SACU[1]	**20 880**	21 263	**9 002**	9 063
Rest of the African continent	**7 741**	8 271	**297**	322
Rest of the world	**7 876**	7 966	**156**	120
Inter-segment SACU[1]			**260**	278
TOTAL REVENUE - CONTINUING AND DISCONTINUED OPERATIONS	**36 497**	37 500	**9 715**	9 783

Revenue includes foreign and export revenue of R16 934 million (2023: R17 664 million).

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

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

19. Revenue CONTINUED

DISAGGREGATION OF REVENUE BY SEGMENT AND GEOGRAPHIC END MARKET

2024	SACU[1]	Rest of the African continent	Rest of the world	Inter-segment	Total segment revenue
AECI Mining	7 053	6 651	5 306 *	98	19 108
AECI Chemicals	8 690	884	114	174	9 862
AECI Managed Businesses	1 844	129	2 456	5	4 434
AECI Property Services and Corporate	471	–	–	161	632
Inter-segment	–	–	–	(438)	(438)
Continuing Operations	18 058	7 664	7 876	–	33 598
Discontinued Operations	2 822	77	–	–	2 899
TOTAL REVENUE - CONTINUING AND DISCONTINUED OPERATIONS	**20 880**	**7 741**	**7 876**	**–**	**36 497**

* Included in Rest of the world is revenue of 11.8% of the total continuing operations revenue relating to Australia.

2023	SACU[1]	Rest of the African continent	Rest of the world	Inter-segment	Total segment revenue
AECI Mining	7 450	7 196	4 846	129	19 621
AECI Chemicals	8 895	948	87	165	10 095
AECI Managed Businesses	1 908	127	3 033	6	5 074
AECI Property Services and Corporate	452	–	–	159	611
Inter-segment	–	–	–	(459)	(459)
Continuing Operations	18 705	8 271	7 966	–	34 942
Discontinued Operations	2 558	–	–	–	2 558
AECI Property Services and Corporate	21 263	8 271	7 966	–	37 500

1 Southern African Customs Union (SACU) comprising South Africa, Botswana, Eswatini, Lesotho and Namibia.

ACCOUNTING POLICY

REVENUE RECOGNITION

The Group recognises revenue from the following major sources:

- sale of goods in all its operating segments;
- sale of goods and related product application services in AECI Mining and AECI Water operating segments; and
- rental income and related facilities management services in AECI Property Services and Corporate operating segment.

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 delivers a service to a customer. The Group combines goods and services as a combined bundle for certain revenue streams where these comprise a single performance obligation.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

19. Revenue CONTINUED

SALE OF GOODS IN ALL OPERATING SEGMENTS

Revenue from sales of goods to customers is recognised when the goods are delivered and control of the goods has transferred. Following delivery the customer bears all risks and rewards for the goods. At the same time a receivable is recognised by the Group as the right to the consideration becomes unconditional, and only the passage of time is required before payment is due.

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customer as a result of the satisfaction of a performance obligation. Group performance obligations are met both at a single point in time and over time. Revenue recognised reflects the consideration that the Group expects to be entitled to for each distinct performance obligation after deducting indirect taxes, rebates and trade discounts. The Group allocates revenue based on standalone selling prices.

SALE OF GOODS AND RELATED PRODUCT APPLICATION SERVICES

The Group provides product application services to customers. These are performed as and when goods are delivered and relate mainly to:

- blasting services, where explosives are delivered directly to the geographic location of usage and detonated within hours of delivery; and
- dosing of chemicals directly into a customer's manufacturing or water treatment process, where the promise to the customer is a specific outcome to the process regardless of product volumes or service levels required to achieve that outcome.

The goods and services are delivered simultaneously or near-simultaneously allowing the product to be used by the customer at that point in time. As a consequence, revenue is recognised when both the product and related application services are delivered and the right to the consideration becomes unconditional.

RENTAL INCOME AND RELATED FACILITIES MANAGEMENT SERVICES IN THE AECI PROPERTY SERVICES AND CORPORATE OPERATING SEGMENT

IFRS 15 Revenue from Contracts with Customers does not apply to revenue from lease contracts within the scope of IFRS 16 Leases. Consequently, the Group continues to recognise revenue in respect of rentals received on a straight-line basis over the period of the lease, where fixed escalation clauses apply, and when there is a reasonable expectation that recovery of the lease rental is probable. Where no fixed escalation clauses are applicable to a lease, rental income is recognised in the period when it is due.

Facilities management services to lessees comprise rail, environmental and laboratory services, steam generation, effluent treatment, electricity provision and storage and handling services. Revenue from these services is recognised as and when the services are provided since these services are usage-based and are delivered at a point in time.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

20. Net operating costs

Continuing operations	GROUP		COMPANY	
Rand million	**2024**	2023	**2024**	2023
Cost of sales	**22 828**	24 277	**7 813**	8 152
Selling and distribution expenses	**2 432**	2 615	**475**	395
Administrative expenses	**6 794**	5 606	**2 247**	570
NET OPERATING COSTS	**32 054**	32 498	**10 535**	9 117
Net operating costs include:				
Auditor's remuneration	**56**	52	**19**	20
- Audit fees	**51**	46	**16**	15
- Other services	**5**	6	**3**	5
Depreciation and amortisation[1]	**1 084**	972	**152**	140
- Property, plant and equipment	**846**	742	**97**	88
- Right-of-use assets	**173**	170	**45**	41
- Investment property	**5**	4	**9**	9
- Intangible assets	**60**	56	**1**	2
Foreign exchange gains	**(840)**	(493)	**(47)**	(49)
Foreign exchange losses	**851**	530	**49**	2
Impairment of goodwill	**27**	20		
Impairment/(reversal) of investment in AECI Much Asphalt			**970**	(65)
Impairment of property, plant and equipment	**306**	–	**–**	–
Impairment of right-of-use assets	**2**	–	**–**	–
Impairment of intangible assets	**42**	–	**–**	–
Increase in non-current provisions and employee benefits	**11**	34	**4**	5
- Environmental remediation provision (net)	**11**	33	**4**	5
- Earnings-growth incentive scheme	**–**	1	**–**	–
Lease costs	**284**	225	**19**	14
Decrease/(increase) in expected credit loss (ECL) allowance	**29**	(158)	**(23)**	4
Receivables written off	**15**	20	**7**	6
Research and development expenditure	**91**	79	**15**	13
(Surplus)/loss on disposal of property, plant and equipment	**(44)**	8	**(42)**	–
Total salaries and other employee costs	**5 503**	5 720	**1 038**	962
Salaries and other employee costs	**5 465**	5 671	**1 014**	925
Performance share-based payment	**38**	49	**24**	37

[1] Depreciation and amortisation total for continuing and discontinued operations disclosed in note 32.

RESEARCH AND DEVELOPMENT

Research costs are expensed in the statement of profit or loss in the year in which they are incurred. Development costs are reviewed on an ongoing basis and are capitalised if they can be measured reliably, the product or process is technically and commercially feasible, it is probable that the asset will generate future economic benefits and the Group intends, and has sufficient resources, to complete development and to use or sell the asset.

Development costs are expensed in the statement of profit or loss if they do not qualify for capitalisation. If a project is abandoned during the development stage, the total accumulated expenditure is written off in the statement of profit or loss.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

21. Share-based payments

AECI PERFORMANCE SHARES (PS)

	GROUP		COMPANY	
Rand million	2024	2023	2024	2023
Equity-settled share-based payments	38	51	38	51
– Recognised in profit/(loss) from operations	38	51	24	37
– Investment in subsidiaries and joint venture			14	14

	NUMBER OF SHARES	
	2024	2023
SHARE ALLOCATION		
Number of PS allocated at the beginning of the year	3 442 911	3 317 041
Number of PS allocated to beneficiaries during the year	1 624 789	1 477 872
Number of PS exercised during the year	(383 560)	–
Number of PS forfeited during the year	(663 409)	(1 352 002)
TOTAL PS ALLOCATED AS AT 31 DECEMBER	4 020 731	3 442 911

The AECI Long-term Incentive Plan (LTIP) was approved by shareholders in 2012. The purpose of the plan is to attract, retain, motivate and reward Executives and Managers who are able to influence the performance of AECI and its subsidiaries on a basis which aligns their interests with those of the Group.

In terms of the LTIP, annual conditional awards of PS are allocated to Executives and Senior Managers. PS will vest on the third anniversary of their award to the extent that the Company has met specific performance criteria over the intervening period. The value per share that vests is the full value, but the number of shares that will vest will depend on whether the Company's performance over the intervening three-year period has been on target, or an under- or over-performance against the target(s) set at the award date.

The methodology of vesting will target the Company's comparative total shareholder return (TSR) in relation to a peer group of companies, a measure on return on average net assets (RONA), achievement of ESG targets and growth in headline earnings per share (HEPS) over the three-year vesting period. The 2022 allocation and subsequent allocations include a set of ESG targets with a weighting of 25%, adjusting the weighting of the RONA and HEPS targets compared to previous allocations.

A peer group of 15 JSE-listed companies (including AECI) has been used to determine AECI's relative performance for the TSR target. The combined weight calculated for each performance measure will determine the number of awards that will vest at the vesting date. The performance measures and the weightings that are applied to determine the actual vesting results are as follows:

- TSR peer rank weight: 30%
- HEPS weight: 20% (prior to 2022 – 40%)
- RONA weight: 25% (prior to 2022 – 30%)
- ESG weight: 25% (prior to 2022 – nil)

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

21. Share-based payments CONTINUED

The fair value of the PS was determined using a Monte Carlo option pricing approach to simulate the future share price of the Company's listed shares and those of the peer companies, and their correlations to one another. The approach involves a large number of simulations of the share prices using the spot share prices on the grant date, as well as risk-free interest rates and volatilities for the different shares as inputs. As the TSR calculation requires the simulation of a number of correlated random variables, the correlations between the share price returns of AECI and the peer companies are incorporated into the valuation. For each outcome of the AECI and peer companies' share prices, the TSR will be calculated, incorporating the historical TSR indices. A vesting percentage for the PS will be determined in accordance with the pre-defined ranking rules. The product of this vesting percentage and the simulated AECI share price will provide the fair value of the PS for each simulation. The present value of all simulations was averaged to determine the fair value of the PS.

The RONA and HEPS and ESG target performance measures are estimated at each reporting date, based on actual results and latest forecasts for these measures for the Group, to determine the expected number of shares that will vest. The cost recognised in the statements of profit or loss is adjusted accordingly, if required.

The inputs for the model, based on market conditions at the grant date, and fair value determined were as follows:

	2021 ALLOCATION	2022 ALLOCATION	2023 ALLOCATION	2024 ALLOCATION
Market price of the Company's shares at the grant date (South African Rand)	98.23	103.82	92.21	91.83
Risk-free interest rates	South African Rand zero swaps curve			
Prime rate	South African Rand prime curve			
Dividend yield	Based on forecast dividends			
Approval date	April 2021	April 2022	April 2023	April 2024
Grant date	15 April 2021	14 April 2022	13 April 2023	12 April 2024
Vesting date	29 March 2024	29 March 2025	31 March 2026	25 March 2027

The performance period for the 2021 allocation was completed in March 2024 and AECI achieved fifth position in the TSR peer group which resulted in a vesting for this performance measure. Neither the RONA nor the HEPS performance targets was achieved. As such, the 2021 award resulted in a 39% vesting.The number of PS granted to eligible employees was 1 073 120 with 87 635 shares having been forfeited prior to vesting.

At the beginning of the financial year ended 31 December 2024, the number of AECI ordinary shares available for utilisation under the LTIP was 2 327 129. There were no changes to this number during the financial period, and it remained unchanged at year end.

ACCOUNTING POLICY

EQUITY-SETTLED SHARE-BASED PAYMENTS

A share-based payment expense is recognised as an equity-settled share-based payment in profit or loss, with a corresponding credit to a share-based payment reserve, and is recognised over the vesting period of the shares with reference to the fair value of the equity instruments granted.

Equity-settled share-based payments are measured at fair value at the grant date.

Senior employees are awarded performance shares. These awards entitle certain employees to receive ordinary shares after a three-year lock-in period.

The fair value determined at the grant date of the equity-settled share-based payments is charged as an employee cost, with a corresponding increase in equity, on a straight-line basis over the period that the employee becomes unconditionally entitled to the shares, based on management's estimation of the number of shares that will vest and adjusted for effects of non-market based vesting conditions. Once instruments have vested, the reserve is transferred to retained earnings.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

22. Finance costs

Continuing operations	GROUP		COMPANY	
Rand million	**2024**	2023*	**2024**	2023
Non-current debt	**(361)**	(291)	**(199)**	(179)
Current debt	**(227)**	(280)	**(157)**	(249)
Lease liabilities	**(54)**	(53)	**(28)**	(28)
Subsidiary companies			**(427)**	(311)
Joint venture	**(3)**	(1)	**(9)**	(23)
	(645)	(625)	**(820)**	(790)

* Comparative periods have been restated, due to recognition of the AECI Much Disposal Group as a discontinued operation (refer note 35 and 36)

ACCOUNTING POLICY

FINANCE COSTS

Interest expense is recognised during the period in which it is incurred, and is measured using the effective interest rate method.

23. Finance income

Continuing operations	GROUP		COMPANY	
Rand million	**2024**	2023*	**2024**	2023
Subsidiary companies			**230**	217
Loans and receivables	**124**	121	**50**	49
	124	121	**280**	266

* Comparative periods have been restated, due to recognition of the AECI Much Disposal Group as a discontinued operation (refer note 35 and 36)

Interest is received from money market investments in collective investment schemes; employer surplus accounts and loans and receivables.

ACCOUNTING POLICY

INVESTMENT INCOME

Interest income is recognised as it accrues and is measured using the effective interest method.

Dividend income from investments is recognised in the statements of profit or loss when the shareholders' right to receive payment has been established.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

24. Taxation (expense)/income

	GROUP		Continuing Operations		Discontinued Operations		COMPANY	
Rand million	2024	2023	2024	2023	2024	2023	2024	2023
Income taxation expense for the year:								
Current taxation (expense)/income	(807)	(1 098)	(757)	(1 040)	(50)	(58)	53	(21)
South African and foreign normal taxation	(659)	(921)	(609)	(863)	(50)	(58)	53	(30)
Foreign withholding taxes	(128)	(106)	(128)	(106)	–	–	–	(2)
Prior year adjustment	(20)	(71)	(20)	(71)	–	–	–	11
Deferred taxation (expense)/income	18	181	10	168	8	13	21	(9)
South African and foreign deferred taxation	(16)	174	(22)	162	6	12	21	(4)
Derecognition of deferred taxation assets	1	–		–	1		–	–
Prior year adjustment	33	7	32	6	1	1	–	(5)
TOTAL INCOME TAXATION (EXPENSE)/INCOME	(789)	(917)	(747)	(872)	(42)	(45)	74	(30)
The deferred taxation movement is attributable to the following items:								
Property, plant and equipment	80	(17)	74	(25)	6	8	(2)	(6)
Right-of-use assets and finance lease liabilities	–	3	–	3	–	–	(1)	6
Intangible assets	–	24	–	24	–	–	–	–
Provisions and deferred income	(73)	57	(74)	54	1	3	4	(5)
Pension fund employer surplus accounts	24	8	24	8	–	–	24	8
Deferred foreign exchange differences	(53)	42	(53)	42	–	–	(3)	(8)
Computed taxation losses utilised	(12)	56	(13)	54	–	–	–	–
Taxation rate change	–	–	–	–	1	2	–	–
Other[1]	19	1	20	2	(1)	(1)	(1)	1
	(15)	174	(22)	162	7	12	21	(4)
Adjustment for prior years	33	7	32	6	1	1	–	(5)
	18	181	10	168	8	13	21	(9)

1 Other comprises prepayments, income received in advance and other receivables.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

24. Taxation (expense)/income CONTINUED

	GROUP		Continuing Operations		Discontinued Operations		COMPANY	
Rand million	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Reconciliation of taxation rate computed in relation to profit/ (loss) before taxation:	**534**	2 097	**1 052**	1 979	**(518)**	118	(1 360)	226
%								
Effective tax rate on profit before tax[1]	**148.0**	43.7	**71.0**	44.1	**(8.3)**	38.1	**5.4**	13.3
S23N interest limitation	**(8.0)**	(2.4)	**(3.9)**	(4.4)		–	**–**	(22.4)
Goodwill impairment	**(37.0)**	(0.3)	**(0.7)**	–	**37.2**	–	**–**	–
Reversal of/(impairment) of investment	**–**	–	**–**	–	**–**	–	**19.3**	7.7
Effective rate on adjusted profit before taxation	**103.0**	41.0	**66.4**	39.7	**28.9**	38.1	**24.7**	(1.4)
Capital and non-taxable receipts	**6.2**	3.4	**3.1**	1.9	**–**	0.8	**(0.9)**	29.6
Dividends received	**–**	–	**–**	–	**–**	0.5	**–**	10.0
Other capital gains and non-taxable receipts	**6.2**	3.4	**3.1**	1.9	**–**	0.3	**(0.9)**	19.6
Non-deductible expenses	**(41.8)**	(9.4)	**(22.3)**	(8.3)	**(1.7)**	–	**3.4**	(3.5)
Depreciation	**–**	(0.5)	**–**	–	**–**	–	**–**	(1.7)
Unrealised foreign exchange differences	**1.7**	(2.2)	**(0.7)**	–	**(2.8)**	–	**–**	–
Unproductive interest	**–**	(0.7)	**–**	–	**–**	–	**–**	–
Thin capitalisation limitation	**–**	(1.5)	**–**	–	**–**	–	**–**	–
Impairments	**(18.8)**	–	**(9.0)**	–	**1.1**	–	**–**	–
Other non-deductible expenses[2]	**(24.7)**	(4.5)	**(12.6)**	(8.3)	**–**	–	**3.4**	(1.8)
Net equity-accounted income not included as taxable income in income taxation legislation	**–**	0.5	**–**	–	**–**	–	**–**	–
Foreign withholding taxation on dividends received and service fees in foreign jurisdictions (related party transactions)	**(24.0)**	(5.1)	**(12.2)**	(5.4)	**–**	–	**–**	(1.1)
Adjustment to taxation provision following final taxation computation on completion of taxation returns relating to prior years	**0.5**	(3.0)	**–**	–	**–**	–	**–**	2.7
Capital gains	**(1.3)**	–	**(0.7)**	–	**–**	–	**0.5**	–
Taxation rate change	**–**	–	**–**	(0.1)	**–**	–	**–**	–
Prior year adjustment (all taxes and deferred tax)	**2.0**	–	**1.0**	(3.2)	**(0.3)**	–	**–**	–
Effect of taxation rates in foreign jurisdictions that differ from the South African normal taxation	**(4.6)**	1.9	**1.8**	–	**0.0**	–	**–**	–
Special taxation allowances (primarily research and development allowances in South Africa)	**3.8**	0.4	**(1.9)**	–	**–**	–	**–**	0.7
Unutilised and unrecognised assessed losses	**(12.4)**	(3.1)	**(6.2)**	(3.3)	**–**	–	**–**	–
AECI Schirm Germany	**(3.7)**	(3.8)	**(3.7)**	–	**–**	–	**–**	–
Loss making entities where deferred taxation is not recognised	**(8.7)**	0.7	**(2.5)**	(3.3)	**–**	–	**–**	–
Section 9D - attribution of CFC net income	**(4.2)**		**(2.1)**					
Other	**(0.2)**	0.4	**0.1**	2.5	**0.0**	(11.9)	**(0.7)**	–
SOUTH AFRICAN STANDARD RATE	**27.0**	27.0	**27.0**	27.0	**27.0**	27.0	**27.0**	27.0

1 The effective tax rate for the Group is based on a tax expense of R789 million (2023: R917 million) over profit before tax of R534 million (2023: R2 097 million). The effective tax rate for the Continuing Operations is based on a tax expense of R747 million (2023: R872 million) over profit before tax of R1 052 million (2023: R1 979 million). The effective tax rate for the Discontinued Operations is based on a tax expense of R42 million (2023: R45 million) over loss before tax of R518 million (2023: profit before tax of R118 million). The effective tax rate for the Company is based on a tax income of R74 million (2023: tax expense of R30 million) over a loss before tax of R1 360 million (2023: profit before tax of R226 million).

2 Other non deductible expenses includes the capital portion of TMO costs R42 million, a portion of mergers and acquisition expenses R202 million, and non allowable penalties R40 million.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

24. Taxation (expense)/income CONTINUED

ACCOUNTING POLICY

Income taxation comprises current and deferred taxation. Income taxation expense is recognised in the statements of profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current taxation is the expected taxation payable on the taxable income for the year, using taxation rates enacted or substantively enacted at the reporting date and any adjustment to taxation payable in respect of prior years.

SIGNIFICANT ESTIMATES AND JUDGEMENTS

The Group is subject to income taxes in various jurisdictions which apply different taxation legislation. As such Management has applied judgement in assessing the taxation treatment of certain transactions. The Group considers how taxation legislation applies to its transfer pricing arrangements and applies the interpretation to the treatment of uncertain taxes.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

25. (Loss)/Earnings per share

	GROUP	
Rand million	2024	2023
HEADLINE EARNINGS ARE DERIVED FROM:		
(Loss)/profit attributable to the AECI Group equity shareholders	(283)	1 174
Impairment of goodwill	27	20
Impairment arising from held for sale assets (note 35)	732	–
Impairment of property, plant and equipment	282	–
Impairment of property, plant and equipment – gross	306	–
Tax effect of Impairment of property, plant and equipment	(24)	–
Impairment of intangible assets	29	–
Impairment of intangible assets – gross	42	–
Tax effects of impairment of intangible assets	(13)	–
Impairment of right-of-use assets	2	–
(Surplus)/loss on disposal of investment property, property, plant and equipment – net	(34)	6
(Surplus)/loss on disposal of investment property, property, plant and equipment – gross	(44)	8
Tax effects of disposal of investment property, property, plant and equipment	10	(2)
HEADLINE EARNINGS FROM CONTINUING AND DISCONTINUED OPERATIONS	755	1 200

(LOSS)/EARNINGS PER ORDINARY SHARE

	2024	2023
Basic (loss)/earnings(cents)	(268)	1 112
Continuing operations	263	1 043
Discontinued operations (note 36)	(531)	69
Headline earnings(cents)	716	1 137
Weighted average number of ordinary shares in issue	105 517 780	115 635 731
AECI Employees Share Trust cancelled during the year	–	(10 117 951)
Weighted average number of ordinary shares at the end of the year	105 517 780	105 517 780
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES FOR BASIC AND HEADLINE EARNINGS PER SHARE	105 517 780	105 517 780

Basic and headline earnings per share have been calculated on the profit attributable to ordinary shareholders and headline earnings, respectively, for the financial year as shown above and on the weighted average number of ordinary shares in issue of 105 517 780 (2023: 105 517 780).

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

25. (Loss)/Earnings per share CONTINUED

	GROUP	
Cents	**2024**	2023
DILUTED (LOSS)/EARNINGS PER ORDINARY SHARE		
Diluted basic (loss)/earnings(cents)	**(266)**	1 092
Continuing operations	**261**	1 024
Discontinued operations (note 36)	**(527)**	68
Diluted headline earnings (cents)	**710**	1 117

The performance share allocations are potentially dilutive ordinary shares. The dilutive effect is based on the number of ordinary shares that are expected to be issued in future. Taking these dilutive potential ordinary shares into account, diluted earnings per share and diluted headline earnings per share have been calculated on the profit attributable to the AECI Group equity shareholders and headline earnings, respectively, for the financial year as shown above and on a weighted average number of shares of 106 283 784 (2023: 107 462 685). AECI's average share price since the beginning of the financial year, used in the determination of potentially dilutive ordinary shares, was R87.42 (2023: R97.33). The dilutive potential ordinary shares do not have an exercise price.

	GROUP	
	2024	2023
RECONCILIATION OF THE WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES FOR DILUTED (LOSS)/EARNINGS PER SHARE		
Weighted average number of ordinary shares	**105 517 780**	105 517 780
Dilutive adjustment for potential ordinary shares[1]	**766 004**	1 944 905
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES FOR DILUTED EARNINGS PER SHARE	**106 283 784**	107 462 685

1 Relates to performance shares

ACCOUNTING POLICY

EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to the AECI Group equity shareholders by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing the profit attributable to the AECI Group equity shareholders by the weighted average number of ordinary shares in issue, adjusted for the dilutive effect of the performance shares issued as part of the Group's Long-term Incentive Plan (LTIP).

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

26. Dividends paid

	GROUP		COMPANY	
Rand million	**2024**	2023	**2024**	2023
DIVIDENDS PAID ON ORDINARY SHARES				
Final for the prior year: No. 180 of 119 cents (2023: 580 cents) paid on 5 April 2024	**126**	612	**126**	612
Interim for the current year: No interim dividend declared in the 2024 financial year (2023: 100 cents)	**–**	106	**–**	106
Total ordinary dividends paid: 119 cents (2023: 680 cents) Dividend number 181 declared and approved by the Board on 25 February 2025 for the year ended 31 December 2024 of 219 cents (2023: 119 cents) per share is payable on 14 April 2025	**126**	718	**126**	718
DIVIDENDS PAID TO SHAREHOLDERS OF THE AECI GROUP	**126**	718	**126**	718
DIVIDENDS PAID ON PREFERENCE SHARES				
Nos. 172 and 173 paid on 21 June 2024 and 13 December 2024, respectively	**4**	4	**4**	4
DIVIDENDS PAID TO MINORITY SHAREHOLDERS	**25**	11		
TOTAL DIVIDENDS PAID	**155**	733	**130**	722

ACCOUNTING POLICY

DIVIDENDS

Dividends are recognised as a liability when declared and are included in the statement of changes in equity.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

27. Commitments and contingent liabilities

COMMITMENTS

	GROUP		COMPANY	
Rand million	**2024**	2023	**2024**	2023
Capital commitments authorised	**807**	1 135	**40**	64
Contracted for	**87**	318	**24**	39
Not contracted for	**720**	817	**16**	25
Future rentals on short-term and low value assets	**40**	60	**–**	–
Payable within 1 year	**40**	58	**–**	–
Payable between 1 and 5 years	**–**	2	**–**	–

CONTINGENT LIABILITIES

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

ACCOUNTING POLICY

SIGNIFICANT ESTIMATES AND JUDGEMENTS

The Group applies judgement in assessing the potential outcome of uncertain legal and regulatory matters. The Group does not recognise contingent liabilities in the statement of financial position until future events indicate that it is probable that an outflow of resources will occur and a reliable estimate can be made, at which time a provision is recognised.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

28. Financial instruments and financial risk management

CATEGORIES OF FINANCIAL INSTRUMENTS AND FAIR VALUES

GROUP

		CARRYING AMOUNT		FAIR VALUE	
Rand million	Note	**2024**	2023	**2024**	2023
FINANCIAL ASSETS					
At fair value through other comprehensive income – equity instrument[1]	9	**116**	62	**116**	62
Listed shares – Level 1		**53**	34	**53**	34
Unlisted shares – Level 3		**63**	28	**63**	28
At fair value through profit or loss[2]		**633**	449	**633**	449
Forward exchange contracts – Level 2	12	**102**	40	**102**	40
Money market investment in collective investment schemes – Level 1	9	**389**	265	**389**	265
Employer surplus accounts – Level 1	9	**142**	144	**142**	144
Amortised cost		**9 094**	8 775		
Trade and other receivables[3]	12	**6 613**	6 570		
Cash and cash equivalents[4]		**2 389**	1 960		
Loans receivable[3]	12	**7**	15		
Interest-bearing non-current loans to associates[4]	8	**45**	56		
Loans and receivables relating to other investments[4]	9	**40**	174		
		9 843	9 286	**–**	–
FINANCIAL LIABILITIES					
At fair value through profit or loss		**(60)**	(43)	**(60)**	(43)
Forward exchange contracts – Level 2	17	**(60)**	(43)	**(60)**	(43)
Amortised cost		**(10 853)**	(11 614)		
Trade payables[3]	17	**(5 461)**	(5 994)		
Bank overdraft[4]		**(31)**	(59)		
Loans from joint venture and joint operation[4]	7	**(13)**	(83)		
Debt[5]	14, 18	**(5 315)**	(5 435)		
Interest accrued		**(33)**	(43)		
		(10 913)	(11 657)		

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

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

3 The fair values for financial instruments such as short-term receivables and payables have not been disclosed because their carrying amounts are a reasonable approximation of their fair value. Trade and other receivables includes deposits, joint venture, associates, subsidairies and other (note 12). Trade payables includes joint venture and associates.

4 The fair values would not be materially different from the carrying amounts. The 2023 amount included a loan receiveable from Claritier S.A, which was measured at amortised cost. The loan has since been converted to Investment and its now measured at fair value and its level 3.

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

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

28. Financial instruments and financial risk management CONTINUED

COMPANY

Rand million	Notes	CARRYING AMOUNT 2024	CARRYING AMOUNT 2023	FAIR VALUE 2024	FAIR VALUE 2023
FINANCIAL ASSETS					
At fair value through other comprehensive income – equity instruments[1]	9	**116**	62	**116**	62
– Listed shares – Level 1		**53**	34	**53**	34
– Unlisted shares – Level 3		**63**	28	**63**	28
At fair value through profit or loss[2]		**189**	152	**189**	152
– Forward exchange contracts – Level 2	12	**47**	8	**47**	8
Employer surplus accounts – Level 1	9	**142**	144	**142**	144
Amortised cost		**3 513**	6 641		
– Trade and other receivables[3]	12	**2 852**	2 826		
– Cash and cash equivalents[4]		**450**	103		
– Non-current loans to subsidiaries[4]	6	**326**	383		
– Current loans to subsidiaries[4]	6	**(120)**	3 228		
– Interest-bearing non-current loans to associates	8	**1**	–		
– Loans and receivables relating to other investments[4]	9	**4**	101		
		3 818	6 855		
FINANCIAL LIABILITIES					
At fair value through profit or loss		**(13)**	(22)	**(13)**	(22)
– Forward exchange contracts – Level 2	17	**(13)**	(22)	**(13)**	(22)
Amortised cost		**(17 170)**	(15 473)		
– Trade payables[3]	17	**(2 872)**	(2 690)		
– Bank overdraft[4]		**(23)**	(23)		
– Debt[5]	14, 18	**(2 850)**	(2 585)		
– Interest accrued		**(22)**	(30)		
– Loans from joint venture and joint operation[4]	7	**(42)**	(167)		
– Current loans from subsidiaries[4]	6	**(11 361)**	(9 978)		
		(17 183)	(15 495)		

1 These financial assets have been designated at initial recognition to be carried at fair value through other comprehensive income.

2 These financial assets are measured at fair value through profit or loss because they are not measured at amortised cost nor at fair value through other comprehensive income.

3 The fair values for financial instruments such as short-term receivables and payables have not been disclosed because their carrying amounts are a reasonable approximation of their fair value. Trade and other receivables includes deposits, joint venture, associates, subsidairies and other (note 12). Trade payables includes joint venture and associates.

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

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

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

28. Financial instruments and financial risk management CONTINUED

Fair value of financial instruments

The carrying amounts of financial instruments are either at fair value based on methods and assumptions for determining the fair value, or at values which approximate fair value based on the nature or maturity period of the financial instrument.

Fair value measurements are classified into three levels, based on the observability and significance of the inputs used in making the measurement:

– Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
– Level 2: 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)
– Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The fair values for forward exchange contracts are based on quotes from brokers. Similar contracts are traded in an active market and the quotes reflect the actual transactions on similar instruments. The fair values of the money market investment in a collective investment scheme and the employer surplus accounts are based on quoted market prices (see note 9).

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between Levels 1, 2 or 3 of the fair value hierarchy during the year.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the holdings of its financial instruments.

The objective of market risk management is to manage and control exposures within acceptable parameters, while optimising return.

Currency risk

Where possible, the Group's non-South African operations match their assets and liabilities in the same currency to avoid significant currency exposures. However, forward currency markets do not exist in some of the countries in which the Group operates.

Currency risk arises as a result of sale and purchase transactions, cash and debt in currencies other than Rand. The main contributors of currency risk are the Euro and US Dollar.

Currency exposures are managed using appropriate exposure management techniques with oversight by the Group's central treasury function.

The management of each business entity is tasked with managing the foreign currency exposures arising in its own entity in consultation with the centralised treasury. All material purchases and sales in foreign currencies are executed through the Group's central treasury function.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

28. Financial instruments and financial risk management CONTINUED

Currency hedging

For foreign currency commitments, including highly probable forecast sales and purchases, the Group's policy is to hedge the full value of the transaction and, consequently, it designates an item in its entirety as the hedged item in a hedging relationship.

Since the notional amount, life and underlying value of the hedging instruments and their corresponding hedged items are the same, it is expected that the value of the hedging instruments and the value of the corresponding hedged items will change systematically in opposite directions in response to movements in the underlying exchange rates.

Fair value hedges

Fair value hedges have been recognised on the net exposure from trading in foreign currency. Forward exchange contracts have been designated as hedging instruments in respect of amounts denominated in foreign currencies.

	GROUP		COMPANY	
Rand million	**2024**	2023	**2024**	2023
Rand value of the hedging instruments, based on the contract rates	**456**	156	**579**	756
Loss on the hedging instruments recognised in the statement of profit or loss	**(43)**	(42)	**(2)**	(2)

Cash flow hedges

The Group has hedged its foreign currency exposure on imports of raw materials by entering into forward exchange contracts for the purchase commitments.

	GROUP		COMPANY	
Rand million	**2024**	2023	**2024**	2023
Value of hedging instruments, based on the contract rates	**82**	117	**82**	117

Maturing of the hedging instruments and payment related to the corresponding hedged items occur simultaneously. The cash flows relating to the hedging instruments are expected to occur within 12 months from the reporting date and will not affect the statements of profit or loss, as the amount accumulated in equity will be removed from other comprehensive income and recognised in the initial cost of the related items of plant and equipment and inventory.

	GROUP		COMPANY	
Rand million	**2024**	2023	**2024**	2023
Amount recognised directly in other comprehensive income in accordance with hedge accounting principles in respect of the effective portion of cash flow hedges	**(5)**	(2)	**(5)**	–

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

28. Financial instruments and financial risk management CONTINUED

EXPOSURE TO CURRENCY RISK

The Group's exposure to foreign currency risk at 31 December was:

	2024			2023		
Rand million	Euro	US Dollar	Other	Euro	US Dollar	Other
Cash and cash equivalents	40	132	3	(36)	69	21
Trade receivables	36	228	7	50	510	8
Trade payables	(155)	(797)	(71)	(249)	(1 021)	(19)
Gross exposure	(79)	(437)	(61)	(235)	(442)	10
Forward exchange contracts	36	793	(291)	(115)	524	(137)
NET EXPOSURE	(43)	356	(352)	(350)	82	(127)

The Company's exposure to foreign currency risk at 31 December was:

	2024			2023		
Rand million	Euro	US Dollar	Other	Euro	US Dollar	Other
Cash and cash equivalents	14	17	–	1	–	–
Trade receivables	2	55	–	1	52	–
Loans to subsidiaries	–	326	–	–	383	–
Trade payables	(124)	(396)	(5)	(117)	(559)	(4)
Gross exposure	(108)	2	(5)	(115)	(124)	(4)
Forward exchange contracts	145	508	8	209	661	3
NET EXPOSURE	37	510	3	94	537	(1)

The following significant exchange rates applied during the year:

	CLOSING RATE		AVERAGE RATE	
	2024	2023	2024	2023
Euro	19.56	20.31	19.83	19.95
US Dollar	18.90	18.35	18.34	18.45

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

28. Financial instruments and financial risk management CONTINUED

Sensitivity analysis

Based on the Group's net exposure to currency risk, a 10% strengthening of the South African Rand against the exposed currencies at 31 December would have (decreased)/increased equity and profit by the amounts shown below. This analysis assumes that all other variables remain constant and is performed on the same basis as 2023.

	GROUP		COMPANY	
Rand million	**2024**	2023	**2024**	2023
Equity[1]	**(33)**	(58)	**(32)**	(37)
Profit for the year before tax	**(1)**	(21)	**31**	34

[1] The equity impact includes the currency risk of interest-bearing non-current loans to subsidiaries denominated in foreign currencies (see note 6).

Interest rate risk

The Group's income and operations are substantially independent of changes in market interest rates. The Group's interest rate risk arises from debt, in both local and offshore markets, receivables and cash and cash equivalents.

Exposure to interest rate risk on debt and receivables is managed on a proactive basis. Depending on market conditions, the Group makes appropriate use of forward rate agreements, interest rate swaps and interest rate caps and floors to generate the desired interest rate profile and to manage exposure to interest rate fluctuations. No target levels of exposure are maintained.

The interest rate risk profile of financial liabilities at 31 December was:

	TOTAL		FLOATING RATE FINANCIAL LIABILITIES		FIXED RATE FINANCIAL LIABILITIES	
Rand million	**2024**	2023	**2024**	2023	**2024**	2023
GROUP						
South African Rand						
– Current (see note 18)	**850**	609	**850**	609	**–**	–
– Non-current	**2 000**	2 000	**2 000**	2 000	**–**	–
Euro						
– Non-current	**2 132**	1 991	**2 132**	1 991		
US Dollar						
– Current	**–**	122	**–**	122	**–**	–
– Non-current	**–**	472	**–**	472	**–**	–
Australian Dollar						
– Non-current	**333**	238	**333**	238	**–**	–
Brazilian Real						
– Non-current	**–**	3	**–**	–	**–**	3
	5 315	5 435	**5 315**	5 432	**–**	3
Loans from joint venture	**13**	83	**13**	83	**–**	–
TOTAL	**5 328**	5 518	**5 328**	5 515	**–**	3
COMPANY						
South African Rand						
– Current	**850**	585	**850**	585	**–**	–
– Non-current	**2 000**	2 000	**2 000**	2 000	**–**	–
	2 850	2 585	**2 850**	2 585	**–**	–
Loans from joint venture	**42**	167	**42**	167	**–**	–
Loans from subsidiaries	**8 796**	7 390	**8 796**	7 390	**–**	–
TOTAL	**11 688**	10 142	**11 688**	10 142	**–**	–

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

28. Financial instruments and financial risk management CONTINUED

Sensitivity analysis

The Group is mainly exposed to fluctuations in the market interest rates presented below. Changes in market interest rates affect the interest income or expense of floating rate financial instruments.

The Group has estimated the impact on profit or loss of an increase or decrease of 100 basis points (2023: 100 basis points) in market interest rates, from the rate applicable at 31 December, for each class of financial instrument with all other variables remaining constant.

A change in the above market interest rates at the reporting date would have increased/(decreased) profit before tax by the amounts shown below.

The analysis assumes the change occurring at the start of the year and that all other variables, in particular foreign currency rates, remain constant. The analysis was performed on the same basis as 2023.

	2024		2023	
	Increase/(decrease) in profit before tax		Increase/(decrease) in profit before tax	
Rand million	**Downward change in interest rate**	**Upward change in interest rate**	Downward change in interest rate	Upward change in interest rate
3-month JIBAR	**20**	**(20)**	20	(20)
3-month SOFR	**–**	**–**	6	(6)
3-month EURIBOR	**21**	**(21)**	20	(20)
3-month BBSW	**1**	**(1)**	2	(2)

Liquidity risk

Liquidity risk arises when the Group has insufficient funds or marketable assets available to fulfil its future cash flow obligations. The Group's liquidity risk management framework is designed to identify, measure and manage liquidity risk such that sufficient liquid resources are always available to fund operations and commitments. A balance between continuity of funding and flexibility is maintained through the use of debt from a range of institutions, with varying debt maturities. Refer to note 14 and note 38 for further information.

The Group manages liquidity risk by managing working capital and capital expenditure and monitoring forecast cash flows to ensure that adequate unutilised debt facilities are maintained. Appropriate probability factors are applied to cash flow forecasts, when forecasts are not certain. Monthly, quarterly and five-year cash flows are updated in the ordinary course of business.

The undiscounted cash flows of the Group's trade and other payables, debt and non-derivative financial liabilities fall into the maturity profiles that follow.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

28. Financial instruments and financial risk management CONTINUED

(i) MATURITY PROFILE OF FINANCIAL LIABILITIES AT 31 DECEMBER

GROUP

Rand million	Carrying amount	Contractual cash flows	Within 1 year	1 to 2 years	2 to 5 years
2024					
FINANCIAL LIABILITIES					
NON-DERIVATIVE FINANCIAL LIABILITIES					
Unsecured debt	4 498	5 231	328	3 367	1 536
– Capital	4 465	4 465	–	3 078	1 387
– Interest accrued[1]	33	766	328	289	149
Current Debt	850	883	883	–	–
Loans from joint venture	13	13	13	–	–
Trade and other payables	5 461	5 461	5 461	–	–
Bank overdraft	31	31	31	–	–
DERIVATIVE FINANCIAL LIABILITIES					
Forward exchange contracts					
– inflows	–	(2 591)	(2 591)	–	–
– outflows	60	2 053	2 053	–	–
TOTAL FINANCIAL LIABILITIES[2]	10 913	11 081	6 178	3 367	1 536
PERCENTAGE PROFILE (%)		100	56	30	14

[1] Interest is based on the closing rate at 31 December and the repayment dates of the debt.

[2] The maturity profile of lease liabilities is included in note 15.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

28. Financial instruments and financial risk management CONTINUED

(i) MATURITY PROFILE OF FINANCIAL LIABILITIES AT 31 DECEMBER

Rand million	Carrying amount	Contractual cash flows	Within 1 year	1 to 2 years	2 to 5 years
2023					
FINANCIAL LIABILITIES					
NON-DERIVATIVE FINANCIAL LIABILITIES					
Unsecured debt	4 884	5 934	936	327	4 671
– Capital	4 841	4 841	609	–	4 232
– Interest accrued[1]	43	1 093	327	327	439
Secured debt	594	779	164	163	452
– Capital[3]	594	594	122	121	351
– Interest accrued[1]	–	185	42	42	101
Loans from joint venture	83	83	83	–	–
Trade and other payables	5 994	5 994	5 994	–	–
Bank overdraft	59	59	59	–	–
DERIVATIVE FINANCIAL LIABILITIES					
Forward exchange contracts					
– inflows	–	(2 488)	(2 488)	–	–
– outflows	43	2 216	2 216	–	–
TOTAL FINANCIAL LIABILITIES[2]	11 657	12 577	6 964	490	5 123
PERCENTAGE PROFILE (%)		100	55	4	41

[1] Interest is based on the closing rate at 31 December and the repayment dates of the debt.

[2] The maturity profile of lease liabilities is included in note 15.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

28. Financial instruments and financial risk management CONTINUED

(i) MATURITY PROFILE OF FINANCIAL LIABILITIES AT 31 DECEMBER CONTINUED

COMPANY

Rand million	Carrying amount	Contractual cash flows	Within 1 year	1 to 2 years	2 to 5 years
2024					
FINANCIAL LIABILITIES					
NON-DERIVATIVE FINANCIAL LIABILITIES					
Unsecured debt	2 022	2 502	1 027	873	602
– Capital	2 000	2 000	835	700	465
– Interest accrued[1]	22	502	192	173	137
Current Debt	850	883	883	–	–
Loans from joint ventures	42	42	42	–	–
Current loans from subsidiaries	11 361	11 361	11 361	–	–
Trade and other payables	2 872	2 872	2 872	–	–
Bank overdraft	23	23	23	–	–
DERIVATIVE FINANCIAL LIABILITIES					
Forward exchange contracts					
– inflows	–	(833)	(833)	–	–
– outflows	13	173	173	–	–
TOTAL FINANCIAL LIABILITIES[2]	17 183	17 023	15 548	873	602
PERCENTAGE PROFILE (%)		100	91	5	4
2023					
FINANCIAL LIABILITIES					
NON-DERIVATIVE FINANCIAL LIABILITIES					
Unsecured debt	2 615	3 293	781	196	2 316
– Capital	2 585	2 585	585	–	2 000
– Interest accrued[1]	30	708	196	196	316
Loans from joint ventures	167	167	167	–	–
Current loans from subsidiaries	9 978	9 978	9 978	–	–
Trade and other payables	2 690	2 690	2 690	–	–
Bank overdraft	23	23	23	–	–
DERIVATIVE FINANCIAL LIABILITIES					
Forward exchange contracts					
– inflows	–	(1 026)	(1 026)	–	–
– outflows	22	153	153	–	–
TOTAL FINANCIAL LIABILITIES[2]	15 495	15 278	12 766	196	2 316
PERCENTAGE PROFILE (%)		100	84	1	15

[1] Interest is based on the closing rate at 31 December and the repayment dates of the debt.

[2] The maturity profile of lease liabilities is included in note 15.

28. Financial instruments and financial risk management CONTINUED

The Company's liquidity risk is managed through short-term debt facilities from which funding is drawn down as and when required. In addition, the repayment of loans from subsidiaries is controlled by the Company as the loans do not have fixed repayment terms and repayment can be deferred if needed. These loans have no fixed repayment terms and are classified as current.

Capital risk management

The Group finances its operations through a combination of cash generated from operations, bank and other long-term debt. These together with surplus cash may be advanced as a loan internally or contributed to certain subsidiaries as equity. The capital structures of the Group and Company comprise net debt and equity. The Group and Company manage their capital to ensure that entities in the Group will be able to continue as going concerns while maximising return to shareholders. The Group's strategy is to maintain a gearing ratio, debt to equity ratio and interest cover ratio within the covenants prescribed by its lenders.

Further detail relating to the financial covenants contained in some of the Group's loan agreements are contained in note 14.

ACCOUNTING POLICY

FINANCIAL INSTRUMENTS

Financial instruments are recognised initially at fair value. Directly attributable transaction costs are included in the amount recognised only when changes in fair value are not recognised subsequently in the statements of profit or loss. Subsequent to initial recognition, these instruments are measured as set out as follows in respect of derivative and non-derivative financial instruments.

Non-derivative financial instruments comprise of investments in equity securities, the pension fund employer surplus accounts in the defined-contribution plans (ESAs), loans to and from subsidiaries, accounts receivable, cash and cash equivalents, loans and debt, loans from joint venture, contingent consideration, trade and other payables and provisions.

FINANCIAL ASSETS

The Group classifies its financial assets (except derivative financial assets) at amortised cost. The classification depends on the business model and whether the Group's business model is to hold these receivables for collection of contractual cash flows, and the cash flows represent solely payments of principal and interest on this principal amount. Impairment of financial assets is recognised in terms of the expected credit loss model and is disclosed as impairment losses on financial assets in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

The measurement of expected credit losses includes the calculation of probability of default, loss given default and the exposure at default, taking the time value of money into consideration. The assessment of the probability of default and loss given default within the next 12 months is based on historical data adjusted for forward looking information. The exposure at default is the gross carrying amount of the loan and receivable at the reporting date. If there is a significant increase in the risk of default, the probability of default and the loss given default is calculated over the lifetime of the receivable.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

28. Financial instruments and financial risk management CONTINUED

The Group considers a default event as a breach of financial covenants by the counterparty or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full. An impairment gain or loss is recognised for all loans and receivables in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account.

The Group measures the loss allowance for trade receivables and contract assets by applying the simplified approach and calculating the loss allowance on a lifetime basis. Lifetime expected credit losses are estimated using a provision matrix, that uses past default experience of debtors and incorporates forward-looking information and general economic conditions of the industry at the reporting date.

The Group recognises loans and receivables on the date on which they are originated. All other financial instruments are recognised on the date on which the Group becomes a party to the contractual provisions of the instrument.

Investments in unlisted equity securities are classified as financial assets at fair value through other comprehensive income and are measured at fair value with any gains or losses, including foreign exchange, recognised in other comprehensive income, along with the associated deferred tax. When these assets are derecognised, the gain or loss accumulated in other comprehensive income is reclassified to retained income. Dividends on these investments are recognised in the statements of profit or loss as investment income when they are declared and the Group has a right to receive them.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

29. Related party information

Related party transactions constitute the transfer of resources, services or obligations between parties related to the Group. Details of transactions with related parties not disclosed elsewhere in the financial statements are set out below. Transactions with related parties are concluded on terms that are no more and no less favourable than transactions with unrelated external parties.

The significant operating subsidiaries of the Group are identified in note 33, the joint venture in note 7 and associate companies in note 8.

All transactions and balances with these related parties have been eliminated in accordance with and to the extent required by IFRS.

Transactions with Directors are disclosed in note 31.

	COMPANY	
Rand million	**2024**	2023
TRANSACTIONS THAT TOOK PLACE WITH RELATED PARTIES OF THE COMPANY WERE:		
Leasing income and sales by the Company to		
– Subsidiaries	**281**	298
Sales to the Company by		
– Subsidiaries	**122**	148
Dividends received by the Company from		
– Subsidiaries		84
– Associates		2
Interest received by the Company from		
– Subsidiaries	**230**	217
Interest paid by the Company to		
– Subsidiaries	**426**	311
– Joint venture and joint operation	**9**	23
Rental of premises to the Company by		
– Subsidiaries	**31**	35
Secretarial and administration fees paid to the Company by		
– Subsidiaries	**387**	337
OUTSTANDING BALANCES WITH RELATED PARTIES OF THE COMPANY AT 31 DECEMBER WERE: (see notes 6 and 7)		
Loan amounts owing to the Company by		
– Subsidiaries	**206**	3 611
Loan amounts owing by the Company to		
– Subsidiaries	**11 361**	9 978
– Joint venture	**42**	167

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

29. Related party information CONTINUED

	GROUP	
Rand million	**2024**	2023
KEY MANAGEMENT PERSONNEL COMPENSATION[1]:		
– short-term employee benefits	**51**	52
– post-retirement benefits	**3**	3
– other long-term benefits	**–**	1
	54	56

Trade and other receivables from and trade and other payables to related parties of the Group and the Company are disclosed in notes 12 and 17. Loans with the joint venture and dividends received from joint venture are disclosed in note 7. Dividends received from associate companies are disclosed in note 8.

[1] Following the roll out of the new operating model, management has reassessed the key management personnel. For purposes of the financial year ended, 31 December 2024 key management includes:
AECI Executive members which are not Directors or Prescribed Officers, Vice President: Mining Africa; Mining International; Chemicals; Agriculture; Managed Businesses; Operations; Manufacturing; Product Management and Procurement.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

30. Pension fund employer surplus accounts

Retirement benefits

The Group provides retirement benefits for the majority of its permanent employees by means of an independent defined-contribution pension fund and an independent defined-contribution provident fund. The employees of certain acquired companies have separate retirement benefit arrangements. AECI Schirm has statutory arrangements while AECI Much Asphalt makes available membership in umbrella funds which employees may contribute to.

All South African funds are governed by the Pension Fund Act, No. 24 of 1956, as amended (the Act). The Act provides that any actuarial surplus in any fund belongs to the fund and that the only portion of the assets of the funds that may be utilised by or for the benefit of the employer are any credit balances in the employer surplus account (ESA), unless specified otherwise in the fund's rules.

The assets of the funds are under the control of the trustees or the liquidator of the respective funds. Regulation 28 of the Act limits the amount and extent to which the funds may invest in particular classes of assets. The Trustees' investment strategies are aligned with the nature of the funds' liabilities and the achievement of adequate returns to ensure that those obligations can be settled when they fall due. The assets are invested in segregated or pooled investments with a spread of asset classes including bonds, insurance policies and cash.

All funds are actuarially valued every year, unless in liquidation, using the projected unit credit method of valuation by independent firms of consulting actuaries. Statutory valuations are required, by law, every three years.

The Group has four legacy defined-benefit pension funds which have no active members and has no benefit obligations to any former members of these funds. There are no further IAS 19 obligations to be accounted for. Restructuring of the Group's pension funds commenced in 2014 and progress has been reported annually in the annual financial statements.

The liquidation process for the AECI Pension Fund (APF) and the AECI Supplementary Pension Fund (ASPF) continues.

The AECI Employees Pension Fund (AEPF) and the Dulux Employees Pension Fund (DEPF) completed the majority of their restructuring processes in 2019 and 2020. During 2023 both funds made the final distributions to former members with "agterskot" payments and transfers taking place in May and June 2023. On completion of the distribution and remaining administrative matters, the trustees of both funds resolved to appoint liquidators. The appointment of the liquidator for the AEPF was approved by the Financial Sector Conduct Authority (FSCA) on 13 September 2023 and for the DEPF on 11 December 2023. The draft preliminary liquidation accounts for the AEPF were submitted to FSCA on 3 December 2024.

The financial information of the defined-benefit funds has not been disaggregated as the plans have similar risks subsequent to the settlements that took place in prior years. The assets of the remaining two legacy funds have been distributed and no obligations remain for them.

The defined-benefit funds' financial positions at 31 December were:

	GROUP AND COMPANY	
Rand million	**Total 2024**	Total 2023
Fair value of plan assets	**12**	12
Present actuarial value of defined-benefit obligations	**(12)**	(12)
PENSION FUNDS' NET ASSETS	**–**	–
Net assets comprise:		
APF net liability recognised in other payables	**(3)**	(3)
ASPF net asset (ESA)	**3**	3
	–	–

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

30. Pension fund employer surplus accounts CONTINUED

The Group has the following ESAs:

	GROUP AND COMPANY	
Rand million	**2024**	2023
NON-CURRENT	**287**	373
AECI Supplementary Pension Fund (ASPF)	**3**	3
AECI Employees Provident Fund (AEPrF)	**128**	193
AECI Defined Contribution Pension Fund (ADCPF)	**156**	177
CURRENT – CLASSIFIED AS A FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS (see note 9)	**142**	144
AECI Employees Provident Fund (AEPrF)	**88**	85
AECI Defined Contribution Pension Fund (ADCPF)	**54**	59
	429	517

PENSION FUNDS' EMPLOYER SURPLUS ACCOUNT	ASPF	ADCPF	AEPrF	**Total**
Rand million	2024	2024	2024	**2024**
At the beginning of the year	3	236	278	**517**
Contribution holiday	–	(55)	(83)	**(138)**
Unvested retirement benefit equalisation target	–	8	–	**8**
Investment return	–	21	21	**42**
AT THE END OF THE YEAR	3	210	216	**429**

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

30. Pension fund employer surplus accounts CONTINUED

Certain employees of AECI Schirm in Germany are entitled to retirement benefits which are dependent on their seniority, length of service and level of pay. The plans are unfunded. The defined-benefit obligations are valued actuarially every year using the projected unit credit method of valuation by an independent firm of consulting actuaries. The liability is denominated in Euro and the disclosure has been prepared using the year-end ZAR/EURO exchange rate.

	GROUP	
Rand million	**2024**	2023
At the beginning of the year	**(225)**	(186)
Benefits paid	**7**	4
Exchange difference	**8**	(34)
RECOGNISED IN THE STATEMENT OF PROFIT OR LOSS	**(8)**	(9)
Current service cost	**(1)**	(2)
Interest expense	**(7)**	(7)
RECOGNISED IN OTHER COMPREHENSIVE INCOME	**3**	–
Actuarial gain from changes in financial assumptions	**2**	4
Actuarial (loss)/gain on experience	**1**	(4)
PRESENT ACTUARIAL VALUE OF DEFINED-BENEFIT OBLIGATIONS	**(215)**	(225)

Principal actuarial assumptions applied in the valuations at 31 December were:

%	**2024**	2023
Discount rate	**3.17**	3.10
Expected salary increases	**3.25**	2.25
Future pension increases	**2.00**	2.00

The payment-weighted expected duration of the obligation is 13.78 years (2023: 14.23 years)

Defined benefit obligation by participant category		
Active participants	**(7)**	(63)
Deferred participants	**(83)**	(48)
Pensioners	**(125)**	(114)
PRESENT ACTUARIAL VALUE OF DEFINED-BENEFIT OBLIGATIONS	**(215)**	(225)
Maturity profile of future payments:		
Expected within 12 months	**(9)**	(8)
Expected between 12 and 24 months	**(9)**	(9)
Expected between 24 and 36 months	**(10)**	(10)
Expected between 36 and 48 months	**(10)**	(10)
Expected between 48 and 60 months	**(11)**	(11)
Expected between 60 and 120 months	**(56)**	(58)
Expected thereafter	**(110)**	(119)
PRESENT ACTUARIAL VALUE OF DEFINED-BENEFIT OBLIGATIONS	**(215)**	(225)

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

30. Pension fund employer surplus accounts CONTINUED

SENSITIVITY ANALYSIS	31 December 2024	Discount rate	Discount rate
		+1%	-1%
For a change in significant actuarial assumptions:			
Present actuarial value of obligations (South African Rand million)	**215**	189	247
Change in liability (%)		(25.8)	31.7

Post-retirement medical aid (PRMA) benefits

The Group provides medical aid benefits for all its permanent employees domiciled in South Africa, principally via the AECI Medical Aid Society. Historically, qualifying employees were granted a subsidy on their medical aid contributions after retirement. The obligation of the employer to continue to subsidise medical aid contributions after retirement is no longer a condition of employment for new employees and has not been offered since 1 January 2002.

The subsidy is a portion of the required medical aid contributions of participating members in a ratio between 3.0% and 66.7% of the total contribution, depending on each employee's date of employment in the Group. The medical aid fund is liable to pay medical claims in terms of its rules and the risk in respect of the liability relates to the increase in contribution levels required by the medical aid fund. The Group does not have any specific obligation to the medical aid fund.

Based on interim valuations by the actuaries, the funded status of the PRMA obligations at 31 December were:

	GROUP		COMPANY	
Rand million	**2024**	2023	**2024**	2023
Present actuarial value of defined-benefit obligations	**(133)**	(155)	**(133)**	(155)
At the beginning of the year	**(155)**	(162)	**(155)**	(162)
Current service cost	**(1)**	(1)	**(1)**	(1)
Interest cost	**(16)**	(18)	**(16)**	(18)
Benefits paid	**15**	15	**15**	15
Net actuarial gains[1]	**24**	11	**24**	11
NET PRMA LIABILITY	**(133)**	(155)	**(133)**	(155)

[1] The net actuarial gains was mainly impacted by the difference between the actual membership changes (resignations, retirement, mortality, etc.) and that assumed in the previous valuation.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

30. Pension fund employer surplus accounts CONTINUED

Principal actuarial assumptions for the PRMA obligations were:

	GROUP	
%	**2024**	2023
Annual increase in healthcare costs	**7.50**	8.40
Discount rate	**10.70**	11.30

Healthcare cost inflation was estimated based on long-term CPI and adjusted with a risk premium of 2.0% for the expected higher medical inflation. The percentage used in the valuation was 7.5%.

Estimated employer's contributions in respect of PRMA obligations for the coming year for both the Group and the Company are R15 million, representing the subsidies for the remaining eligible pensioner members.

Amounts recognised in the statements of profit or loss in respect of the PRMA obligations were:

	GROUP		COMPANY	
Rand million	**2024**	2023	**2024**	2023
Current service cost	**(1)**	(1)	**(1)**	(1)
Interest cost	**(16)**	(18)	**(16)**	(18)
RECOGNISED IN THE STATEMENT OF PROFIT OR LOSS	**(17)**	(19)	**(17)**	(19)
Remeasurements recognised in other comprehensive income in respect of PRMA obligations:				
Actuarial gain	**24**	11	**24**	11
RECOGNISED IN OTHER COMPREHENSIVE INCOME	**24**	11	**24**	11

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

30. Pension fund employer surplus accounts CONTINUED

SENSITIVITY ANALYSIS

	31 December 2024	Discount rate +1.0%	Discount rate -1.0%	Future inflation +0.5%	Future inflation -0.5%
For a change in significant actuarial assumptions:					
Present actuarial value of obligations (Rand million)	(133)	(123)	(145)	(140)	(128)
Change in liability (%)		(8)	9	5	(4)
Current service cost for 2025 (Rand million)	1	1	1	1	1
Change in current service cost (%)		–	–	–	–
Interest cost for 2025 (Rand million)	16	14	14	14	13
Change in interest cost (%)		–	–	4	(4)

EXPECTED DURATION OF LIABILITY

	GROUP		COMPANY	
Years	**2024**	2023	**2024**	2023
Average term – undiscounted	**22.0**	23.9	**22.0**	23.9
Average duration – discounted	**9.6**	9.8	**9.6**	9.8

The schemes expose the Group to a number of risks:

Interest rate risk: The scheme's liabilities are assessed using market yields on government bonds to discount the liabilities. An increase in the interest rate will decrease the plan liability.

Mortality risk: An increase in the life expectancy of the plan participants will increase the liability.

Inflation risk: An increase in the inflation rate will impact healthcare/retirement costs, which will increase the liability.

The interest rate used to discount the liability less the inflation rate used to estimate the costs gives the real long-term discount rate. A decrease in the real discount rate will increase the liability.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

30. Pension fund employer surplus accounts CONTINUED

ACCOUNTING POLICIES

EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS

The cost of all short-term employee benefits is recognised in the statements of profit or loss during the period in which the employee renders the related service. Accruals for employee entitlements to salaries, performance bonuses and annual leave represent the amount of the Group's present obligation as a result of employees' services provided up to the reporting date. Accruals are calculated at undiscounted amounts based on current salary rates.

RETIREMENT BENEFITS

The Group provides defined-contribution and, historically, defined-benefit funds for its employees, the assets of which are held in separate funds. These funds are financed by payments from employees and the Group, taking account of the recommendations of independent actuaries.

Obligations for contributions to defined-contribution pension plans are recognised in the statements of profit or loss as the related service is provided.

The ESAs in the defined-contribution plans are recognised as financial assets and are measured at fair value, with all changes in fair value being recognised in the statements of profit or loss.

DEFINED-BENEFIT PLANS

A defined-benefit plan is a post-retirement benefit plan other than a defined-contribution plan. The Group's net obligation in respect of defined-benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on suitable corporate bonds that have maturity dates approximating the terms of the Group's obligations. The South African obligations are contained in separate legal entities and are denominated in rand, while the German obligations, at AECI Schirm, are unfunded and are denominated in Euro.

Actuarial valuations are conducted annually by a qualified actuary and the calculation is performed using the projected unit credit method.

In the South African entities, the calculation results in a benefit to the Group. However, the recognised asset is limited to amounts credited to the ESAs in accordance with the Act, where this does not exceed the present value of economic benefits available in the form of reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan or on settlement of the plan liabilities.

The defined-benefit cost recognised in net operating costs in the statements of profit or loss includes the current service cost and the net interest on the net defined-benefit liability/(asset). Net interest expense/(income) is the interest on the net defined-benefit liability/(asset) at the beginning of the year, calculated using the discount rate used in the prior year's actuarial valuation. The interest takes into account changes in the net defined-benefit liability/(asset) during the year as a result of contributions and benefit payments.

The defined-benefit cost relating to actuarial gains and losses, which include the return on plan assets (excluding the interest income recognised in the statements of profit or loss) and the effect of the asset ceiling (excluding the interest cost) and any changes in actuarial assumptions or experience adjustments, are remeasurements and are recognised immediately in other comprehensive income.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

30. Pension fund employer surplus accounts CONTINUED

DEFINED-BENEFIT POST-RETIREMENT MEDICAL AID OBLIGATIONS

The Group provides defined-benefit post-retirement healthcare benefits to certain of its retirees and eligible current employees. The Group's net obligation is calculated by estimating the amount of future benefit that these employees have earned in return for their services in the current and prior periods. That benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on suitable corporate bonds that have maturity dates approximating the terms of the Group's obligations and are denominated in Rand as the benefits are expected to be paid in Rand.

Actuarial valuations are conducted annually by a qualified actuary and the calculation is performed using the projected unit credit method.

The defined-benefit cost recognised in net operating costs in the statements of profit or loss includes the current service cost and the net interest on the net defined-benefit liability. Net interest expense is the interest on the net defined-benefit liability at the beginning of the year, calculated using the discount rate used in the prior year's actuarial valuation. The interest takes into account changes in the net defined-benefit liability during the year as a result of contributions and benefit payments.

The defined-benefit cost relating to actuarial gains and losses, which include any changes in actuarial assumptions or experience adjustments, are remeasurements and are recognised immediately in other comprehensive income.

TERMINATION BENEFITS

Termination benefits are recognised at the earlier of when the Group can no longer withdraw from the offer of those benefits or when the Group recognises costs of restructuring.

OTHER LONG-TERM EMPLOYEE BENEFITS

The Group's obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their services in the current and prior years. That benefit is discounted to determine its present value. Remeasurements are recognised in the statements of profit or loss in the period in which they arise.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

31. Directors' and prescribed officers' remuneration and interests

Interest of Directors and Prescribed Offices in the share capital of the Company

The aggregate beneficial holdings of the Directors and Prescribed Officers of the Company in the issued ordinary shares of the Company at 31 December were:

	NUMBER OF SHARES	
	2024	2023
	Direct	Direct
EXECUTIVE DIRECTORS		
H Riemensperger	**10 000**	10 000
	10 000	10 000
PRESCRIBED OFFICERS[1]		
DK Murray	**54 055**	47 524
D Govender	**4 227**	–
I Kramer	**40**	–
	58 322	47 524
	68 322	57 524

[1] Stuart Miller, Executive Vice President Mining, is a prescribed officer and holds no shares in his direct or indirect capacity.

AECI conduct its annual assessment of prescribed officers in line with the Companies Act requirements. The current prescribed officers differ from those disclosed in the comparative period.

No Director or Prescribed Officer had indirect holdings of ordinary shares of the Company or beneficial holdings in the Company's cumulative preference shares in either of the years presented.

There has been no change in the aggregate beneficial holdings of the Directors and Prescribed Officers of the Company between the reporting date and date of approval of the financial statements by the board.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

31. Directors' and prescribed officers' remuneration and interests CONTINUED

NON-EXECUTIVE DIRECTORS' REMUNERATION

Rand thousands	Directors' fees	Chairman/ Committee fees	Attendance fees	2024 Total	2023 Total
KDK Mokhele	1 544	509	699	2 752	2 919
ST Coetzer	814	611	1 209	2 634	4 329
SA Dawson	814	815	1 230	2 859	2 675
FFT De Buck	357	385	770	1 512	1 396
WH Dissinger	814	815	1 140	2 769	2 787
G Gomwe (Retired on 31 May 2023)	–	–	–	–	514
P Mishic O'Brien	814	611	1 076	2 501	2 483
N Moholi (Appointed 1 September 2024)	122	58	182	362	–
AM Roets	357	385	949	1 691	1 454
PG Sibiya	357	438	952	1 747	1 306
	5 993	4 627	8 207	18 827	19 863

* J Ndlovu and B Mawasha were appointed, effective 1 January 2025.

EXECUTIVE DIRECTORS' REMUNERATION

Rand thousands	H Riemensperger	R Gabriels[2]	MA Dytor	KM Kathan	A Takoordeen	Total
2024						
Basic salary	9 843	5 112	–	–	–	14 955
Bonus and performance-related payments[1]	2 435	666	–	–	–	3 101
Expense allowances, medical aid and insurance contributions	2 737	792	–	–	–	3 529
Payment – mutually agreed terms	–	3 639	–	–	–	3 639
Retirement fund contributions	156	499	–	–	–	655
AGGREGATE REMUNERATION PAID BY THE COMPANY	15 171	10 708	–	–	–	25 879

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

31. Directors' and prescribed officers' remuneration and interests CONTINUED

Rand thousands	H Riemensperger	R Gabriels	MA Dytor	KM Kathan	A Takoordeen	Total
2023						
Basic salary	6 267	–	586	4 478	2 239	13 570
Bonus and performance-related payments	10 625	–	–	–	–	10 625
Expense allowances, medical aid and insurance contributions	2 051	–	4 138	622	769	7 580
Payment – mutually agreed terms	–	–	–	22 037	–	22 037
Retirement fund contributions	220	–	400	437	218	1 275
Total cash-settled share-based payments and other long-term benefits	–	–	351	822	–	1 173
AGGREGATE REMUNERATION PAID BY THE COMPANY	19 163	–	5 475	28 396	3 226	56 260

1 Bonus and performance-related amounts are in respect of the current year's performance but are paid in the following year.

2 R Gabriels appointed 1 January 2024 stepped down, by mutual consent, as Chief Financial Officer and Executive Director with effect from 31 December 2024.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

31. Directors' and prescribed officers' remuneration and interests CONTINUED

PRESCRIBED OFFICERS RUMUNERATION[1]

Rand thousands	DK Murray	D Govender	S Miller[2]	I Kramer[3]	Total
2024					
Basic salary	**3 830**	**3 694**	**2 297**	**441**	**10 262**
Bonus and performance-related payments[4]	**853**	**526**	**11 074**	**–**	**12 453**
Expense allowances, medical aid and insurance contributions	**873**	**941**	**1 003**	**–**	**2 817**
Retirement fund contributions	**374**	**360**	**121**	**–**	**855**
AGGREGATE REMUNERATION PAID BY THE COMPANY	**5 930**	**5 521**	**14 495**	**441**	**26 387**

1 AECI conducts its annual assessment of prescribed officers in line with the Companies Act requirements. The current prescribed officers differ from those disclosed in the comparative period.

2 S Miller was appointed effective 15 September 2024.

3 I Kramer was appointed as a Senior Finance Advisor effective 16 December, and subsequently as the Acting Chief Financial Officer effective 31 December 2024.

4 Bonus and performance-related payments are in respect of the current year's performance but are paid in the following year.

Rand thousands	K Ramoupi	C Singh	DJ Mulqueeny	DK Murray	R Fernandes	Total
2023						
Basic salary	1 250	3 092	3 700	3 624	2 739	14 405
Bonus and performance-related payments	415	989	–	1 162	3 507	6 073
Expense allowances, medical aid and insurance contributions	231	607	736	854	987	3 415
Payment – mutually agreed terms		–	9 650	–		9 650
Retirement fund contributions	122	302	361	353	267	1 405
Total cash-settled share-based payments and other long-term benefits		–	670	–		670
Aggregate remuneration	2 018	4 990	15 117	5 993	7 500	35 618
Aggregate remuneration paid by subsidiaries	–	–	(3 598)	–	–	(3 598)
AGGREGATE REMUNERATION PAID BY THE COMPANY	2 018	4 990	11 519	5 993	7 500	32 020

AGGREGATE REMUNERATION

Rand thousands	2024	2023
Non-executive Directors	**18 827**	19 863
Executive Directors	**25 879**	56 260
Prescribed Officers	**26 387**	35 618
	71 093	111 741

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

31. Directors' and prescribed officers' remuneration and interests CONTINUED

AECI PERFORMANCE SHARES (PS)

Included in PS were the following granted to Directors and Prescribed Officers:

	Grant date	NUMBER OF PS Granted	Vested	Lapsed or forfeited	Outstanding
H Riemensperger	April 2023	93 080	–	–	93 080
	April 2024	120 323	–	–	120 323
R Gabriels[1]	April 2024	69 668	–	–	69 668
K Ramoupi	April 2024	30 387	–	–	30 387
C Singh	April 2022	22 682	–	–	22 682
	April 2023	30 525	–	–	30 525
	April 2024	31 758	–	–	31 758
DK Murray	April 2021	30 745	(11 991)	(18 754)	–
	April 2022	27 112	–	–	27 112
	April 2023	35 677	–	–	35 677
	April 2024	38 103	–	–	38 103
R Fernandes	April 2021	19 521	(7 613)	(11 908)	–
	April 2022	17 414	–	–	17 414
	April 2023	23 401	–	–	23 401
	April 2024	33 603	–	–	33 603
D Govender	April 2021	20 160	(7 862)	(12 298)	–
	April 2022	17 977	–	–	17 977
	April 2023	24 053	–	–	24 053
	April 2024	33 072	–	–	33 072
		719 261	(27 466)	(42 960)	648 835
Changes in defined Prescribed Officers as detailed in footnote 2 of the table below:		(209 291)	7 613	11 908	(189 770)
Resignation		(69 668)	–	–	(69 668)
		440 302	(19 853)	(31 052)	389 397

[1] R Gabriels appointed 1 January 2024 stepped down, by mutual consent, as Chief Financial Officer and Executive Director with effect from 31 December 2024.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

31. Directors' and prescribed officers' remuneration and interests CONTINUED

Movements in the number of PS held by Directors and Prescribed Officers were:

	NUMBER OF PS	
	2024	2023
Outstanding at the beginning of the year	**300 157**	710 470
Lapsed during the year	**(42 960)**	(325 558)
Retirements during the year	**–**	(335 295)
Resignation during the year[1]	**(69 668)**	(159 958)
Granted during the year	**356 914**	373 563
Appointment of Prescribed Officer[2]	**62 190**	–
Change in defined Prescribed Officers[3]	**(189 770)**	–
Appointment of acting CFO[4]	**–**	36 935
Vested during the year	**(27 466)**	–
OUTSTANDING AT THE END OF THE YEAR	**389 397**	300 157

The movement table above represents the movement of the performance shares after taking into account point 1 and 3 described below:

1 R Gabriels appointed 1 January 2024 stepped down, by mutual consent, as Chief Financial Officer and Executive Director with effect from 31 December 2024, but retains her entitlement to the PS as a 'good leaver'.

2 AECI conducts its annual assessment of prescribed officers in line with the Companies Act requirements. The current prescribed officers differ from those disclosed in the comparative period. D Govender is now defined as a Prescribed Officer.

3 AECI conducts its annual assessment of prescribed officers in line with the Companies Act requirements. The current prescribed officers differ from those disclosed in the comparative period. K Ramoupi, C Singh and R Fernandes are no longer defined as Prescribed Officers.

4 R Fernandes was appointed Acting Chief Financial Officer with effect from 27 April 2023 until 31 December 2023.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

32. Operating segments

BASIS OF SEGMENTATION

The Group has four reportable segments, as stated below. Each business division offers different products and services and is managed separately because each requires different technology and marketing strategies.

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

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

The operating segments for the Group have been redefined from 1 January 2024 in line with the new strategy for the Group. Operating segments will be presented in line with this strategy in future periods. In line with the new strategy, the segment report for the comparatives has been restated to account for the redefined structure.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

32. Operating segments CONTINUED

INFORMATION RELATING TO REPORTABLE SEGMENTS

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM has been identified as the AECI's Excecutive Committee. The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on the reports reviewed by the CODM which are used to make strategic decisions.

Information relating to each reportable segment is set out below. Management makes decisions based on management accounting information which reflects revenue plus costs by business division.

Rand million	EXTERNAL REVENUE 2024	EXTERNAL REVENUE 2023	INTER-SEGMENT REVENUE 2024	INTER-SEGMENT REVENUE 2023	TOTAL SEGMENT REVENUE 2024	TOTAL SEGMENT REVENUE 2023
AECI Mining	**19 010**	19 492	**98**	129	**19 108**	19 621
AECI Chemicals	**9 688**	9 930	**174**	165	**9 862**	10 095
AECI Managed Businesses	**4 429**	5 068	**5**	6	**4 434**	5 074
AECI Property Services and Corporate	**471**	452	**161**	159	**632**	611
Inter-segment	**–**	–	**(438)**	(459)	**(438)**	(459)
Continuing Operations	**33 598**	34 942	**–**	–	**33 598**	34 942
Discontinued Operations	**2 899**	2 558	**–**	–	**2 899**	2 558
	36 497	37 500	**–**	–	**36 497**	37 500

Rand million	DEPRECIATION 2024	DEPRECIATION 2023	AMORTISATION 2024	AMORTISATION 2023	IMPAIRMENTS[1] 2024	IMPAIRMENTS[1] 2023
AECI Mining	**589**	536	**9**	9	**135**	–
AECI Chemicals	**107**	105	**14**	14	**–**	–
AECI Managed Businesses	**281**	241	**37**	33	**242**	20
AECI Property Services and Corporate	**61**	48	**–**	–	**970**	(65)
Inter-segment	**(14)**	(14)	**–**	–	**(970)**	65
Continuing Operations	**1 024**	916	**60**	56	**377**	20
Discontinued Operations	**59**	60	**11**	21	**732**	–
	1 083	976	**71**	77	**1 109**	20

Rand million	PROFIT/(LOSS) FROM OPERATIONS 2024	PROFIT/(LOSS) FROM OPERATIONS 2023	EBITDA[2,3] 2024	EBITDA[2,3] 2023	CAPITAL EXPENDITURE 2024	CAPITAL EXPENDITURE 2023
AECI Mining	**1 550**	2 060	**2 284**	2 618	**619**	607
AECI Chemicals	**823**	633	**972**	777	**88**	120
AECI Managed Businesses	**(383)**	(298)	**177**	(4)	**135**	428
AECI Property Services and Corporate	**(1 330)**	106	**(299)**	89	**43**	88
Inter-segment	**884**	(57)	**(100)**	(6)	**–**	–
Continuing Operations	**1 544**	2 444	**3 034**	3 474	**885**	1 243
Discontinued Operations	**(522)**	127	**280**	208	**88**	60
	1 022	2 571	**3 314**	3 682	**973**	1 303

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

32. Operating segments CONTINUED

Rand million	Cost of sales 2024	Cost of sales 2023	Administrative costs 2024	Administrative costs 2023	Salaries and other costs 2024	Salaries and other costs 2023
AECI Mining	**12 115**	12 601	**4 152**	3 527	**2 999**	3 034
AECI Chemicals	**7 642**	8 258	**917**	617	**795**	803
AECI Managed Businesses	**3 180**	3 577	**1 383**	1 490	**1 192**	1 435
AECI Property Services and Corporate	**321**	291	**1 631**	257	**479**	399
Inter-segment	**(429)**	(450)	**(1 289)**	(285)	**–**	–
Continuing Operations	**22 828**	24 277	**6 794**	5 606	**5 465**	5 671
Discontinued Operations	**2 108**	1 905	**534**	467	**256**	230
	24 936	26 182	**7 328**	6 073	**5 721**	5 901

Rand million	Inventory 2024	Inventory 2023	Operating assets[3,4] 2024	Operating assets[3,4] 2023	Operating liabilities[3,4] 2024	Operating liabilities[3,4] 2023
AECI Mining	**2 191**	2 731	**9 786**	10 164	**(3 174)**	(3 684)
AECI Chemicals	**2 195**	2 423	**6 489**	6 575	**(2 804)**	(3 148)
AECI Managed Businesses	**993**	719	**5 610**	6 333	**(699)**	(816)
AECI Property Services and Corporate	**2**	1	**940**	1 304	**(606)**	(437)
Inter-segment	**(1)**	(5)	**(135)**	(630)	**23**	539
Continuing Operations	**5 380**	5 869	**22 690**	23 746	**(7 260)**	(7 546)
Discontinued Operations	**(263)**	257	**1 504**	749	**(367)**	(280)
	5 117	6 126	**24 194**	24 495	**(7 627)**	(7 826)

Rand million	Operating assets[3,4] 2024	Operating assets[3,4] 2023	Operating liabilities[3,4] 2024	Operating liabilities[3,4] 2023
South Africa	**14 255**	14 808	**(3 861)**	(4 340)
Rest of Africa[5]	**4 150**	4 167	**(2 682)**	(1 055)
Rest of World[6]	**4 285**	4 771	**(717)**	(2 151)
	22 690	23 746	**(7 260)**	(7 546)

* Comparative figures previously reported have been restated to reflect the changes to reportable segments as a result of the changes to the Group's strategy for the year ended 31 December 2024.
The segmental information for 2023 has been represented in light of the guidance provided by the IFRS Interpretations Committees (IFRIC) final agenda decision relating to the IFRS 8: Operating Segments on the disclosure of income and expense line items for reportable segments. The group has elected to provide additional disclosure in light of the IFRIC agenda decision.

1 Includes impairment of goodwill, property, plant and equipment, right-of-use assets and losses relating to the Discontinued Operation in 2024.

2 Earnings before interest, taxation, depreciation and amortisation calculated as profit from operations and equity-accounted investees plus depreciation, amortisation and impairments.

3 Non-IFRS measure.

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

5 Rest of Africa includes Zimbabwe, Botswana, Namibia, Mozambique, Democratic Republic of Congo (DRC), Zambia, Tanzania, Egypt, Ghana, Burkina Faso, Senegal, Guinea, Mali, Cote d'Ivoire and Congo.

6 Rest of World includes Chile, Brazil, Mauritius, Indonesia, Australia, Papau New Guinea (PNG) and Germany.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

33. Principal subsidiaries

	ISSUED SHARE CAPITAL	EFFECTIVE SHAREHOLDING		INVESTMENT IN SUBSIDIARIES#		INTEREST OF AECI LIMITED# LOANS TO/(FROM)	
	2024	2024	2023	2024	2023	2024	2023
	Number of shares	%	%	Rand million	Rand million	Rand million	Rand million
INSURANCE							
Directly held							
AECI Captive Insurance Company Limited	810 000	100	100	51	51	(242)	(239)
AECI MINING							
Directly held							
AECI Mining Limited	400 000 000	100	100	4 438	4 438	(1 735)	(1 609)
Indirectly held							
AECI Australia Proprietary Limited	13 700 000	100	100	–	–	–	–
AECI Ghana Limited	1 000 000	100	100	–	–	–	–
AECI Mauritius Limited	866	100	100	–	–	–	–
AECI Mining and Chemical Services Namibia Proprietary Limited	100	100	100	–	–	–	–
AECI Mining and Chemical Services (Chile) Limitada	2	100	100	–	–	–	–
AEL Burkina Société à Responsabilité Limitée[1]	100 000	100	100	–	–	–	–
AEL DRC Société Privée à Responsabilité Limitée[2]	10 000	100	100	–	–	–	–
AEL Mali Société à Responsabilité Limitée	8 659	100	100	–	–	–	–
AECI Mining Explosives Public Listed Corporation[3]	25 508 250	75	75	–	–	–	–
AEL Mining Services Limited	100	100	100	–	–	(447)	(463)
African Explosives (Botswana) Limited	3	100	100	–	–	–	–
African Explosives Holdings Proprietary Limited	4 331 278	100	100	–	–	(1 374)	(1 383)
African Explosives (Tanzania) Limited	26	100	100	–	–	–	–
PT AEL Indonesia	1 150	100	100	–	–	–	–
AECI LATAM Produtos Quimicos Limiteda[4]	65 758 530	100	100	–	–	–	–
AECI Mining Brasil LTDA		100	–	–	–	–	–
Dinaser Industria, Comercio E Servicos LTDA		100	–	–	–	–	–
AECI PNG Limited		100	–	–	–	–	–
AECI Germany	4 000	100	–	–	–	–	–
AECI WATER							
Indirectly held							
ImproChem Proprietary Limited	100 000	100	100	–	–	(1 007)	(667)

Original cost less impairments.

All companies are incorporated in the Republic of South Africa except for those whose country of incorporation is indicated by their registered company name, and those annotated as follows: 1. Burkina Faso 2. Democratic Republic of Congo 3. Zambia 4. Brazil.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

33. Principal subsidiaries CONTINUED

	ISSUED SHARE CAPITAL	EFFECTIVE SHAREHOLDING		INVESTMENT IN SUBSIDIARIES#		INTEREST OF AECI LIMITED# LOANS TO/(FROM)	
	2024	**2024**	2023	**2024**	2023	**2024**	2023
	Number of shares	**%**	%	**Rand million**	Rand million	**Rand million**	Rand million
AECI AGRI HEALTH							
Directly held							
Biocult Proprietary Limited	**5 000**	**100**	100	**23**	23	**(1)**	13
Indirectly held							
Farmers Organisation Limited[5]	**240**	**100**	100	**–**	–	**–**	–
Schirm Gesellschaft mit beschränkter Haftung[6]	**100**	**100**	100	**–**	–	**–**	–
Other				**–**	–	**(111)**	(101)
AECI CHEMICALS							
Directly held							
Chemical Services Limited	**83 127 950**	**100**	100	**818**	818	**(471)**	(476)
SANS Fibers Incorporated[7]	**100**	**100**	100	**–**	–	**326**	383
SANS Fibres Proprietary Limited	**17 979 433**	**100**	100	**8**	8	**(126)**	(126)
Much Asphalt Proprietary Limited*	**100**	**100**	100	**786**	1 756	**366**	356
Indirectly held							
Akulu Marchon Proprietary Limited	**410 000**	**100**	100	**–**	–	**–**	–
Chemfit Proprietary Limited	**4 000**	**100**	100	**–**	–	**(202)**	(192)
Chemfit Fine Chemicals Proprietary Limited	**1 000**	**100**	100	**–**	–	**(32)**	(89)
Other				**–**	–	**(573)**	(529)
AECI PROPERTY SERVICES							
Acacia Real Estate Proprietary Limited	**1 000**	**100**	100	**–**	–	**(317)**	(316)
Paardevlei Properties Proprietary Limited	**1**	**100**	100	**–**	–	**(381)**	(377)
Other	**–**	**–**	–	**3**	3	**(293)**	(290)
OTHER				**148**	154	**(10)**	(12)
				6 275	7 251	**(6 630)**	(6 117)
Transfer to assets classified as held for sale				**(786)**		**(366)**	
				5 489	7 251	**(6 996)**	(6 117)

Original cost less impairments.

* The AECI Much Asphalt Disposal Group is classified as held for sale. Refer to note 35 for additional detail.

All companies are incorporated in the Republic of South Africa except for those whose country of incorporation is indicated by their registered company name, and those annotated as follows: 5. Malawi 6. Germany 7. United States of America.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

34. Non-controlling interest

The following table summarises the information relating to each of the Group's subsidiaries that has material non-controlling interest:

Rand million	AEL Zambia[1]	Other[2]	Total
2024			
Non-controlling interest (%)	25		
STATEMENTS OF FINANCIAL POSITION			
Non-current assets	78		
Current assets	619		
Non-current liabilities	(17)		
Current liabilities	(174)		
NET ASSETS	506		
Carrying amount of non-controlling interest	126	37	163
STATEMENT OF PROFIT OR LOSS			
Revenue	(853)		
Profit	(64)		
PROFIT FOR THE YEAR ALLOCATED TO NON-CONTROLLING INTEREST	(16)	(8)	(24)
STATEMENT OF COMPREHENSIVE INCOME			
Other comprehensive income	(16)	4	(12)
OTHER COMPREHENSIVE INCOME ALLOCATED TO NON-CONTROLLING INTEREST	(4)	2	(2)
TOTAL COMPREHENSIVE INCOME ALLOCATED TO NON-CONTROLLING INTEREST	(20)	(6)	(26)
STATEMENT OF CASH FLOW			
Cash flows from operating activities	79		
Cash flows from investing activities	(3)		
Cash flows from financing activities	(2)		
Increase in cash	74		
Cash at the beginning of the year	27		
CASH AT THE END OF THE YEAR	101		

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

34. Non-controlling interest CONTINUED

Rand million	AEL Zambia[1]	Other[2]	Total
2023			
Non-controlling interest (%)	25		
STATEMENTS OF FINANCIAL POSITION			
Non-current assets	74		
Current assets	504		
Non-current liabilities	(13)		
Current liabilities	(143)		
NET ASSETS	422		
Carrying amount of non-controlling interest	106	55	161
STATEMENTS OF PROFIT OR LOSS			
Revenue	(830)		
Profit	46		
PROFIT FOR THE YEAR ALLOCATED TO NON-CONTROLLING INTEREST	11	(13)	(2)
STATEMENTS OF COMPREHENSIVE INCOME			
Other comprehensive income	(24)	(8)	(32)
OTHER COMPREHENSIVE INCOME ALLOCATED TO NON-CONTROLLING INTEREST	(6)	(4)	(10)
TOTAL COMPREHENSIVE INCOME ALLOCATED TO NON-CONTROLLING INTEREST	5	(17)	(12)
STATEMENTS OF CASH FLOW			
Cash flows from operating activities	(42)		
Cash flows from investing activities	(1)		
Cash flows from financing activities	(4)		
Decrease in cash	(47)		
Cash at the beginning of the year	74		
CASH AT THE END OF THE YEAR	27		

1 AECI Mining Limited holds 75% of AECI Mining Explosive Public Listed Corporation (AEL Zambia), domiciled in Zambia.
2 Other subsidiaries with non-controlling interest are immaterial.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

34. Non-controlling interest CONTINUED

ACCOUNTING POLICY

Where the Group writes a put option over the equity of a subsidiary, a gross obligation (put option liability) is recognised in the consolidated financial statements at an amount equal to the present value of the amount that could be expected to be paid to the counterparty. The corresponding debit is presented separately in equity as a deduction from other reserves to the owners of the Company.

Subsequently, the put option liability is remeasured in line with IFRS 9 Financial Instruments, with changes in the measurement of the financial liability recognised in the profit or loss attributable to the owners of the Company.

Significant judgements made by management and sources of estimation uncertainty

These liabilities arise when acquisitions have contractual obligations enabling non-controlling interest shareholders to sell their shares back to the Group at an agreed price. The initial recognition of these amounts debited directly to equity with the subsequent remeasurements to the liability recognised in profit or loss. In arriving at the liability, future earnings are assessed and discounted back to calculate the present value. This is based on management's best estimate at initial recognition and each subsequent reporting period.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

35. Assets held for sale and liabilities

GROUP

Rand millions	2024	2023
Assets held of sale are made up of:		
NON-CURRENT ASSETS	796	–
Property, plant and equipment	433	–
Right-of-use assets	7	–
Intangible assets	340	–
Investment in associate	11	–
Deferred tax assets	5	–
CURRENT ASSETS	708	–
Inventories	263	–
Trade and other receivables	375	–
Taxation receivable	11	–
Cash and cash equivalents	59	–
TOTAL ASSETS HELD FOR SALE	1 504	–
NON-CURRENT LIABILITIES	144	–
Deferred tax liabilities	137	–
Lease liabilities	7	–
CURRENT LIABILITIES	223	–
Trade and other payables	215	–
Lease liabilities	2	–
Taxation payable	6	–
LIABILITIES DIRECTLY ASSOCIATED WITH THE DISPOSAL GROUP	367	–
NET IDENTIFIABLE ASSETS DIRECTLY ASSOCIATED WITH THE DISPOSAL GROUP	1 137	–

COMPANY

Rand millions	2024	2023
Assets held of sale are made up of:		
NON-CURRENT ASSETS	1 032	–
Investment in subsidiary	786	–
Non-current loan to subsidiary	246	–
CURRENT ASSETS		
Loan to subsidiary	120	–
TOTAL ASSETS HELD FOR SALE	1 152	–
CURRENT LIABILITIES		
Trade and other payables	15	–
LIABILITIES DIRECTLY ASSOCIATED WITH THE DISPOSAL GROUP	15	–
NET IDENTIFIABLE ASSETS DIRECTLY ASSOCIATED WITH THE DISPOSAL GROUP	1 137	–

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

35. Assets held for sale and liabilities CONTINUED

On the 4th of November 2024, AECI entered into a Share Purchase Agreement with Old Mutual Private Equity, to dispose of 100% of its Shareholding in its wholly-owned subsidiary, Much Asphalt (Pty) Ltd and related entities and businesses (AECI Much Asphalt Disposal Group*) for an estimated consideration of R1 137 million (subject to adjustments). The sale is subject to forementioned outstanding conditions being; Competition Commission Approval in South Africa, Mozambique and Namibia, AECI's release of Much Asphalt as a guarantor and the successful restructure of the Mozambican operations.The regulatory approvals have been obtained and the remaining condition precedent is expected to be met in the first half of 2025. Accordingly, the criteria for reclassification as held for sale in terms of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations were met.

* The AECI Much Asphalt Disposal Group consists of the below entities:
- Much Asphalt (Pty) Ltd
- East Coast Asphalt (Pty) Ltd (55%)
- Specialised Road Technologies (Pty) Ltd (27%)
- Much Asphalt Namibia (Pty) Ltd
- SprayPave (Pty) Ltd
- A division of AECI Mozambique Ltda

Breakdown of impairments recognised through profit and loss:

	Property, Plant and equipment	Intangible Assets	Goodwill	Total 2024
Transfer	447	348	710	1 505
Impairment	(14)	(8)	(710)	(732)
Closing balance	433	340	–	773
	Note 1	*Note 4*	*Note 5*	

Breakdown of impairments recognised through profit and loss:

The carrying value of the AECI Much Asphalt Disposal Group is higher than the fair value less cost to sell and therefore the assets and liabilities are measured at fair value, after an impairment loss of R732 million have been recognised.
The R732 million is allocated as per the below and was included in the net operating costs under note 36:

- Goodwill: R710 million
- Intangible Assets: R8 million
- Property, Plant and Equipment: R14 million

The AECI Much Asphalt Disposal Group has been disclosed under the Discontinued Operations reporting segment (note 36).

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

35. Assets held for sale and liabilities CONTINUED

ACCOUNTING POLICY

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell; except for assets such as deferred tax assets, assets arising from employee benefits, financial assets that are carried at fair value and inventory which are specifically exempt from this requirement. An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held-for-sale classification are regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management deal with asset disposals, strategic acquisitions and the restructuring of the Group must be committed to the plan to sell the asset and the sale must be expected to be completed within one year from the date of the classification.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. Associates and joint ventures are no longer equity-accounted once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

If an asset (or disposal group) previously classified as held for sale no longer meets the required criteria, the Group ceases to classify the asset (or disposal group) as held for sale. The Group subsequently measures the asset (or disposal group) at the lower of its carrying amount before classification as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been classified as held for sale and its recoverable amount at the time the change in the plan to sell is made.

Notes to the financial statements continued
FOR THE YEAR ENDED 31 DECEMBER 2024

36. Discontinued operations

GROUP

Rand million	2024	2023
REVENUE	**2 899**	2 558
Net operating costs	**(3 421)**	(2 431)
(LOSS)/PROFIT FROM OPERATIONS	**(522)**	127
Share of profit of equity-accounted investees, net of taxation	**1**	–
(LOSS)/PROFIT FROM OPERATIONS AND EQUITY-ACCOUNTED INVESTEES	**(521)**	127
Net finance (income)/ costs	**3**	(9)
Finance costs	**–**	(12)
Finance income	**3**	3
(LOSS)/PROFIT BEFORE TAX	**(518)**	118
Taxation expense	**(42)**	(45)
(LOSS)/PROFIT FOR THE YEAR FROM DISCONTINUINED OPERATIONS ATTRIBUTABLE TO THE AECI GROUP	**(560)**	73

Cents	2024	2023
(LOSS)/EARNINGS PER ORDINARY SHARE		
Basic (loss)/earnings	**(531)**	69
Dulited basic (loss)/earnings	**(527)**	67

Rand million	2024	2023
NET CASH FLOWS IN RELATION TO DISCONTINUED OPERATIONS:		
Net increase in cash and cash equivalents:	**–**	**20**
Cash flow from operating activities	**80**	80
Cash flow from investing activities	**(76)**	(59)
Cash flow from financing activities	**(4)**	(1)

Net operating costs

Rand million	2024	2023
Cost of Sales	**2 108**	1 905
Selling and distribution expenses	**779**	59
Administrative expenses	**534**	467
NET OPERATING COSTS	**3 421**	2 431
Net operating costs include:		
Depreciation and amortisation	**70**	81
- Property, plant and equipment	**55**	55
- Right-of-use assets	**4**	5
- Intangible assets	**11**	21
Impairment of goodwill	**710**	–
Impairment of property, plant and equipment	**14**	–
Impairment of intangible assets	**8**	–

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

36. Discontinued operations CONTINUED

ACCOUNTING POLICY

A disposal group qualifies as a discontinued operation if it is a component of the Group that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations; and
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss from discontinued operations in the statement of profit or loss. The prior period is also re-presented for all operations that have been discontinued by the end of the reporting period.

SIGNIFICANT JUDGEMENTS

Judgement was applied by management in determining whether a component is a discontinued operation by assessing whether it represents a separate major line of business or geographical area of operations or is part of a single plan to dispose of a separate major line of business or geographical area of operations.

37. Events after the reporting date

No reportable events occurred after the reporting date.

38. Going concern

The Board continues to expect that the Group and the Company has adequate resources to continue in operation for at least the next 12 months from the date of authorisation of these financials and that the going concern basis of accounting remains appropriate. The Group's and Company's assets, at both book and fair values, substantially exceed its liabilities for 2024.

The Group net asset value was R12 070 million at 31 December 2024 and for the year ended 31 December 2024, the Group earned EBITDA of R3 314 million. The Company net asset value was R 593 million at 31 December 2024 and for the year ended 31 December 2024, the Company earned EBITDA of R302 million.

The AECI Group has stress tested multiple solvency and liquidity scenarios and no loan covenants were breached in any of those scenarios.

At 31 December 2024, the Group and Company had undrawn bank facilities of R3 136 million available (2023: R3 700 million), in addition to the cash on hand. This will position AECI to remain well capitalised.

The financial statements have been prepared using appropriate accounting policies, supported by reasonable and prudent judgements and estimates. The Directors are of the opinion that the Group and Company has adequate resources to continue as a going concern in the foreseeable future.

39. Reportable irregularity

During 2024, the Company identified a material non-disclosure and representation of false information by a senior management member of the Company. The Company immediately sought legal advice and informed the external auditors who raised a reportable irregularity with the Independent Regulatory Board for Auditors in terms of section 45 of the Auditing Profession Act, No. 26 of 2005 ("the Act"). The individual concerned is no longer in the employ of the Company. The Board considered the matter and put preventative measures in place. The external auditors have completed their reporting responsibilities in terms of the Act. The external auditors have confirmed that the reportable irregularity is no longer taking place and have issued an unmodified opinion on the Group's annual financial statements.

Corporate **information**

AECI Limited
(Incorporated in the Republic of South Africa)
(Registration No. 1924/002590/06)
Taxation reference No. 9000008608
Share code: AFE ISIN: ZAE000000220
Hybrid code: AFEP ISIN: ZAE000000238
Bond company code: AECI
LEI: 3789008641F1D3D90E85
("AECI" or the "Company" or the "Group")

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and
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External auditor
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Waterfall City, Waterfall
2090
South Africa

Primary transactional and funding banks
Absa Bank Limited
First National Bank of Southern Africa Limited
(A Division of FirstRand Bank Limited)
Investec Bank Limited
Nedbank Limited
Sanlam Life Insurance Limited
(Acting through its Sanlam Specialised Finance Division)
Standard Chartered Bank
The Standard Bank of South Africa Limited

South African equity and debt sponsor

South African JSE equity sponsor
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Illovo
Sandton
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South Africa

South African Debt sponsor
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