AFRIMAT Limited

Annual Financial Statements 2025

CONSISTENTLY DELIVERING

Directors' Responsibility Statement

for the year ended 28 February 2025

The Annual Financial Statements set out on pages 2 to 75 are the responsibility of the directors. The directors are responsible for selecting and adopting sound accounting practices, for maintaining an adequate and effective system of accounting records, for safeguarding assets and for developing and maintaining systems of internal control that, among other things, will ensure the preparation of annual financial statements that achieve fair presentation and have been prepared in accordance with the Companies Act No. 17 of 2008 of South Africa ('Companies Act'), the South African Institute of Chartered Accountants ('SAICA') financial reporting guides as issued by the Accounting Practices Committee, IFRS® Accounting Standards, Financial Pronouncements as issued by the Financial Reporting Standards Council, Listings Requirements of the JSE and interpretations issued by the IFRS Interpretation Committee ('IFRS IC'). They are based on appropriate accounting policies which have been consistently applied, unless otherwise indicated, and which are supported by reasonable and prudent judgements and estimates.

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

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

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

AFRIMAT SIGNED ELECTRONICALLY

Andries J van Heerden
CEO

AFRIMAT SIGNED ELECTRONICALLY

Pieter GS de Wit
CFO

Cape Town
14 May 2025

Chief Executive Officer and Chief Financial Officer responsibility statement:

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

- the annual financial statements set out on pages 2 to 75, fairly present in all material respects the financial position, financial performance and cash flows of the Group in terms of IFRS® Accounting Standards;
- to the best of our knowledge and belief no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its subsidiaries have been provided to effectively prepare the annual financial statements of the Group;
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the Audit & Risk Committee and the external auditors any deficiencies in design and operational effectiveness of the internal financial controls and have remediated the deficiencies; and
- we are not aware of any fraud involving directors.

AFRIMAT SIGNED ELECTRONICALLY

Andries J van Heerden
CEO

AFRIMAT SIGNED ELECTRONICALLY

Pieter GS de Wit
CFO

Cape Town
14 May 2025

Declaration by the Company Secretary

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

AFRIMAT SIGNED ELECTRONICALLY

Catharine Burger
Company Secretary

Cape Town

14 May 2025

Audit & Risk Committee Report

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

Composition

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

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

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

Attendance

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

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

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

Role and responsibilities

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

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

Charter

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

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

Review of Annual Financial Statements

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

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

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

Audit procedures and internal controls

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

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

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

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

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

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

Risk management

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

Audit & Risk Committee Report (continued)

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

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

External auditor

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

- the appointment of an external auditor for approval by shareholders at the AGM;
- the external audit plan; and
- the remuneration of the external auditor for approval to the Board (note 4.3 on page 22).

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

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

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

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

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

Significant financial and reporting matters

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

Impairment of intangible assets (refer note 6.2)

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

Environmental rehabilitation provision (refer note 6.5)

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

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

Revenue recognition (refer note 3)

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

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

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

Inventory valuation (refer note 6.4)

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

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

Contingent liabilities (refer note 17)

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

Tax and deferred tax (refer notes 5 and 6.3)

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

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

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

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

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

Finance function

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

Audit & Risk Committee Report (continued)

Sustainability

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

Election of Committee members

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

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

Statutory duties

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

AFRIMAT
SIGNED ELECTRONICALLY

Derick van der Merwe
Audit & Risk Committee Chairman

14 May 2025

Independent Auditor's Report

to the shareholders of Afrimat Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

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

What we have audited

Afrimat Limited's consolidated and separate financial statements set out on pages 11 to 75 comprise:

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

Basis for opinion

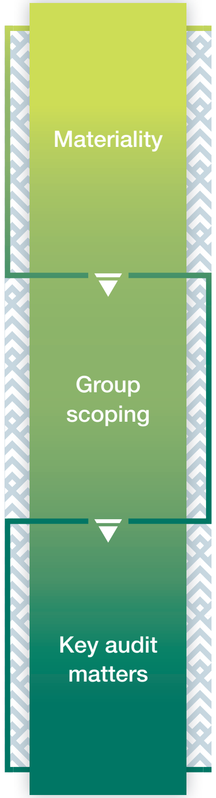
We conducted our audit in accordance with International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

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

Independence

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

Our audit approach



Overview

Final materiality

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

Group audit scope

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

Key audit matters

Consolidated financial statements

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

Separate financial statements

- Impairment assessment of investments in subsidiaries.

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

Independent Auditor's Report (continued)

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

Final materiality

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

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

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

Group audit scope

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

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

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

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

Key audit matters

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

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

Key audit matter	How our audit addressed the key audit matter
Environmental rehabilitation provisions	
This key audit matter relates to the consolidated financial statements only. Given the nature of its operations, the Group incurs obligations to close, restore and rehabilitate its sites. These activities are governed by a combination of legislative requirements and group policy. As at 28 February 2025, the consolidated statement of financial position includes environmental rehabilitation provisions of R231,6 million (2024: R250,8 million) as per note 6.5 of the consolidated financial statements. The Group applies the guidelines issued by the South African Department of Mineral Resources and Energy ('DMRE') to determine the rehabilitation provisions for submission to the DMRE. For IFRS Accounting Standards reporting purposes, it utilises its own internal and external environmental experts to determine the value of the environmental rehabilitation provisions. We considered the environmental rehabilitation provisions to be a matter of significance to the current year audit due to the degree of estimation and significant judgement applied by management in the determination of: ▪ When the rehabilitation of each site will take place, including the life of mine ('LOM'); and ▪ The closure costs and the expected increase in the costs associated with the rehabilitation activities.	We utilised our sustainability and climate change expertise to perform the following procedures: ▪ We obtained management's provision calculations and compared the calculation methodology that was applied by the Group's internal and external environmental experts to the Group's policy. We found it to be consistent with the Group's policy; ▪ We evaluated the Group's policy against the requirements of the DMRE and IFRS Accounting Standards. Based on our evaluation, we accepted the Group's policy and obtained explanations from management for the differences between their quantum calculation of the provision for reporting purposes and the DMRE guidelines for reporting to the DMRE. We assessed evidence in respect of such differences, taking into consideration the Group's specific sites. Based on our evaluation we accepted management's explanations in this regard; ▪ We tested a sample of inputs used by the Group's experts, such as the cost per hectare, by comparing them to industry benchmarks. No material differences were noted; ▪ We tested management's inputs in the valuation of the provision, such as the discount rate and inflation rate, by obtaining our own independent rates and comparing them to management's rates. No material differences were noted; ▪ We tested management's life of mine assessment through evaluation of mineral reserve statements, duration of the mining licence as well as the respective mine plans prepared per site. No material differences were noted; ▪ We assessed the competency, experience and objectivity of the Group's internal and external experts by obtaining evidence relating to their qualifications and professional membership. In doing so we held discussions with the Group's internal and external experts, inspected their curriculum vitae and where applicable, considered whether they were in good standing with relevant professional bodies; and ▪ We tested the mathematical accuracy of management calculations and noted no material differences.

Independent Auditor's Report (continued)

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

Key audit matter	How our audit addressed the key audit matter
Accounting for the acquisition of Lafarge South Africa Holdings Proprietary Limited ('Lafarge)	
This key audit matter relates to the consolidated financial statements only. The Group acquired Lafarge, effective 23 April 2024 for a consideration of R969,4 million. As a result of this acquisition, the Group recognised property, plant and equipment of R1 301,0 million, intangible assets of R53,4 million, and other net liabilities of R360,0 million as disclosed in note 6.1 (Property, plant and equipment), note 6.2 (Intangible assets) and note 12.1 (Acquisition of businesses) to the consolidated financial statements. In accordance with IFRS 3: *Business Combinations*, the accounting for this acquisition requires management to perform a purchase price allocation which requires significant judgement by management to determine the fair value of the identifiable assets and liabilities and the resulting goodwill/bargain purchase. As part of the valuation process, management involved external valuation experts to assist in the determination of the purchase price allocation and valuation of identified assets and liabilities. The initial allocation of the fair value of the assets and liabilities resulted in a bargain purchase. Management re-assessed the identification and measurement of Lafarge's identifiable assets and liabilities using a discounted cash flow for the cement business. This resulted in the original bargain purchase being allocated to the value of the property, plant and equipment and intangible assets. The accounting for the acquisition of Lafarge was a matter of significance due to the judgement and complexity involved in performing the purchase price allocations, specifically the underlying estimates involved in forecasting cash flows and other significant assumptions used in the valuation and subsequent allocation of the bargain purchase.	Using our valuation expertise, we performed, among others, the following procedures: ▪ We agreed transaction details to supporting documentation such as signed purchase agreements and proof of payment and noted no material inconsistencies; ▪ We evaluated the competence, capabilities and objectivity of valuation experts engaged by the Group by assessing their professional qualifications, experience and objectivity of these experts with reference to the profiles of the valuation company and individual experts. No aspects requiring further consideration were noted; ▪ We assessed the appropriateness and completeness of the identifiable intangible assets identified by management and their valuation experts based on our knowledge of the business models of similar businesses as Lafarge and noted no material inconsistencies; ▪ We assessed the methodologies utilised by management and their valuation expert in determining the fair value of the intangible assets against the requirements of IAS 38: *Intangible Assets* and did not note any aspects requiring further consideration; ▪ We independently calculated the discount rate with our own assumptions and publicly available data such as risk-free rates, equity market risk premiums and the betas of comparable companies. We found the discount rates used by management to be within an acceptable range; ▪ We tested the mathematical accuracy of the fair value measurement calculations prepared by management and their valuation experts and no material findings were identified; ▪ We assessed the reasonability of management's forecasted cash flows by reconciling the business valuation with the purchase consideration and noted no material inconsistencies; ▪ We assessed the disclosure against the requirements of IFRS 3 and no material disclosure deficiencies were noted.

Independent Auditor's Report (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of investment in subsidiaries	
This key audit matter relates to the separate financial statements only. The Company holds investments in subsidiaries with a carrying amount of R1 470,0 million (2024: R1 443,2 million) as disclosed in note 13 to the separate financial statements. Investments are tested by management for impairment if impairment indicators exist, using a value-in-use calculation. Management concluded on an impairment loss of R7,5 million on the investment in Fincrete Proprietary Limited during the current financial year. Further disclosure with regards to this matter has been made in note 13 to the separate financial statements. The impairment assessment of investments in subsidiaries was considered to be a matter of most significance to the current year audit due to the estimation involved in determining the growth and discount rates used by management in calculating the recoverable amount of each investment.	Through discussion with management, we obtained an understanding of the process followed by them in their impairment assessment. We obtained management's impairment assessment of the investments in subsidiaries and performed the following procedures: ▪ We compared the Company's carrying value of investments in subsidiaries to the value-in-use calculations used for goodwill impairment assessment by management, which were subject to audit procedures as part of our group audit. No exceptions were noted; ▪ We made use of our valuation expertise to test the reasonableness of the key assumptions underpinning management's value-in-use calculations of the Company's investments, including the selection of growth rates and discount rates, by comparing them to approved business plans and independent market data. Based on the procedures performed, we accepted the assumptions used; and ▪ We reviewed the disclosures regarding the impairment losses and the financial statements and noted no material differences.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled 'Afrimat Limited Annual Financial Statements 2025', which includes the Directors' Report, the Audit & Risk Committee Report and the Declaration by the Company Secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the other sections of the document titled 'Afrimat Limited Integrated Annual Report 2025', which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the Group, as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

Audit tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Afrimat Limited for eight years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: D de Jager
Registered Auditor

Stellenbosch, South Africa

14 May 2025

Directors' Report

for the year ended 28 February 2025

The directors of Afrimat present their report for the Group for the year ended 28 February 2025.

Nature of business

Afrimat is a black-empowered, open-pit, mid-tier mining and materials company that specialises in the supply of beneficiated, processed, and sized materials, as well as contracting services, to the industrial minerals, building, construction, road-building, railroad, and mining sectors. It also supplies bulk commodities to both local and international markets, and phosphates to the agricultural sector. In addition to its mining operations, Afrimat has expanded its offering to include the manufacturing and supply of cement, further strengthening its position in the construction value chain. The Group operates across several provinces in South Africa, including the Western Cape, Eastern Cape, KwaZulu-Natal, Free State, Northern Cape, Gauteng, Limpopo, Mpumalanga, and North West.

Financial results

The annual financial statements and accompanying notes presented on pages 11 to 75 set out fully the Group's financial position, results of operations and cash flows for the year, and in the directors' opinion, require no further comment.

Headline earnings per share decreased by 87,3% from 567,3 cents to 72,3 cents per share.

Operational review

Impacts on and strategy of the operations are reviewed in detail in the CEO's report and operational reviews.

Corporate governance

The directors endorse the principles contained in the King IV™ Report and are committed to applying the principles of transparency, integrity, fairness and accountability in the conduct of its business and affairs. Full details on how these principles are applied, are set out in the supplementary information on the website www.afrimat.co.za. The Board has satisfied itself that appropriate principles of corporate governance were applied throughout the year under review.

Accounting policies

Detailed accounting policies are set out in the relating notes to the annual financial statements.

Dividend

A final dividend of 15,0 cents per share (2024: 154,0 cents per share), was declared for the year on 14 May 2025. This equates to 12,0 cents per share (2024: 123,2 cents per share) for shareholders who are subject to dividend tax. This is in line with the Group's dividend policy of 2,75 times cover.

The total dividend (interim and final) for the year amounts to 25,0 cents per share (2024: 194,0 cents per share).

Taxation

The latest tax assessment of the Company relates to the year ended 29 February 2024. All tax submissions up to and including February 2024 have been submitted. Tax returns for 28 February 2025 will be submitted during the next financial year.

Stated capital

The total authorised ordinary stated capital at year-end consisted of 1 000 000 000 (2024: 1 000 000 000) no par value ordinary shares of which 160 297 456 (2024: 159 690 957) ordinary shares were issued. There was no change to the authorised stated capital during the year.

Directors

The directors of the Company at the date of the annual financial statements are set out below:

- Mr Gert Coffee (independent non-executive director)
- Mr Pieter de Wit (CFO)
- Mr Loyiso Dotwana (non-executive director)
- Mr Nicolaas Kruger (independent non-executive director)
- Mr Francois Louw (independent non-executive Chairman)
- Mr Collin Ramukhubathi (executive director)
- Ms Phuti Tsukudu (independent non-executive director)
- Mr Derick van der Merwe (independent non-executive director and LID)
- Mr Johan van der Merwe (independent non-executive director)
- Mr Andries van Heerden (CEO)
- Mr Gerhard Odendaal (executive director)
- Ms Sisanda Tuku (independent non-executive director)

Mr Derick van der Merwe, Mr Johan van der Merwe and Mr Gert Coffee will retire by rotation at the upcoming AGM. Mr Derick van die Merwe and Mr Johan van der Merwe being eligible, will stand for re-election.

Directors' and officers' interests in contracts

No material contract in which directors have an interest was entered into during the year other than the transactions detailed in note 15 to the annual financial statements.

Directors' emoluments and employment contracts

Details of directors' emoluments are set out in note 20 to the annual financial statements.

Shareholder analysis

An analysis of shareholders together with a list of shareholders beneficially holding, directly or indirectly, in excess of 3% of the ordinary shares of the Company on 28 February 2025, is set out on page 76.

Directors' shareholding on 28 February 2025*

	Number of securities held				
	Direct beneficial	Indirect beneficial	Through associates	Total	% held
Director					
2025					
Gert Coffee	680 084	–	–	680 084	0,42
Loyiso Dotwana	–	1 552 475	–	1 552 475	0,97
Phuti Tsukudu	–	–	–	–	–
Andries van Heerden	4 634 288	853 564	1 198 543	6 686 395	4,17
Derick van der Merwe	30 000	–	–	30 000	0,02
Pieter de Wit	425 372	–	–	425 372	0,27
Johan van der Merwe	–	–	–	–	–
Francois Louw	215 714	–	–	215 714	0,13
Collin Ramukhubathi	199 557	–	–	199 557	0,12
Gerhard Odendaal	411 145	–	–	411 145	0,26
Nicolaas Kruger	17 000	8 000	–	25 000	0,02
Sisanda Tuku	–	–	–	–	–
	6 613 160	2 414 039	1 198 543	10 225 742	6,38

Pledged securities

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

Directors' Report (continued)

for the year ended 28 February 2025

	Number of securities held				
	Direct beneficial	Indirect beneficial	Through associates	Total	% held
Director					
2024					
Gert Coffee	680 084	–	–	680 084	0,43
Loyiso Dotwana	–	1 747 475	–	1 747 475	1,09
Phuti Tsukudu	–	–	–	–	–
Andries van Heerden	4 543 784	853 564	1 198 543	6 595 891	4,13
Derick van der Merwe	30 000	–	–	30 000	0,02
Pieter de Wit	403 554	–	–	403 554	0,25
Johan van der Merwe	–	–	–	–	–
Francois Louw	215 714	–	–	215 714	0,14
Collin Ramukhubathi	162 777	–	–	162 777	0,10
Gerhard Odendaal	336 112	–	–	336 112	0,21
Nicolaas Kruger	–	–	–	–	–
Sisanda Tuku	–	–	–	–	–
	6 372 025	2 601 039	1 198 543	10 171 607	6,37

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

There has been no change in directors' interests since year-end to the date of this report.

Internal control

The directors are accountable for developing and maintaining systems of internal control. No material losses, exposures or financial misstatements and compliance breaches have been reported to the directors during the current financial year.

Going concern

The directors have reviewed the Group's cash flow forecast for the year to 28 February 2026 and in light of this review and the current financial position, they are satisfied that the Group and Company has or had access to adequate resources to continue in operational existence for the foreseeable future. The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern.

Litigation statement

The directors are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or had a material impact on the Group's financial position during the current financial year.

Refer note 17 for information regarding legal or arbitration proceedings currently in progress.

Company Secretary

Catharine Burger is the Company Secretary. Her business and postal addresses, which are also the registered addresses of the Company, are set out on the inside back cover of the annual financial statements.

Auditor

PricewaterhouseCoopers Inc. will continue in office as the external auditor in accordance with section 90 of the Companies Act.

Special resolutions

The following special resolutions were passed by shareholders of the Company during the year (at the AGM of shareholders held on 6 August 2024), and where necessary have been registered by the Companies and Intellectual Property Commission:

- special resolution providing approval for fees payable to non-executive directors for the year ended 28 February 2025;
- special resolution providing authority for the provision of financial assistance to Group inter-related entities (in terms of section 45 of the Companies Act); and
- special resolution providing authority for the financial assistance for subscription of securities (in terms of section 44 of the Companies Act).

Borrowings

In terms of the memorandum of incorporation ('MOI') the directors may exercise all the powers of the Company to borrow money, as they consider appropriate.

Events after the reporting date

Refer note 18 for disclosure of events after the reporting date.

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

Contents of the notes to the Financial Statements

Statements of Profit or Loss and Other Comprehensive Income

for the year ended 28 February 2025

		Group		Company	
	Note	2025 R'000	2024 R'000	2025 R'000	2024 R'000*
Revenue	3	**8 317 766**	6 083 280	**392 531**	913 359
Group companies interest revenue	3	**–**	–	**92 914**	53 812
Cost of sales	4.3	**(6 818 123)**	(4 002 277)	**–**	–
Gross profit		**1 499 643**	2 081 003	**485 445**	967 171
Operating expenses	4.3	**(1 203 374)**	(935 533)	**(108 314)**	(82 294)
Other income	4.1	**46 718**	19 902	**–**	809
Other net gains/(losses)	4.2	**89 022**	1 724	**79**	(1 115)
Profit/(loss) on disposal of subsidiaries	12.3	**36 541**	(11 200)	**11 400**	(97 031)
Movement in expected credit loss allowance		**9 185**	(3 531)	**(22 027)**	(52 127)
Operating profit		**477 735**	1 152 365	**366 583**	735 413
Finance income	4.4	**45 595**	36 173	**29 011**	26 252
Finance costs	4.5	**(221 251)**	(76 959)	**(148 482)**	(43 646)
Share of profit of equity-accounted investments	14	**–**	1 829	**–**	–
Profit before tax		**302 079**	1 113 408	**247 112**	718 019
Income tax expense	5	**(188 569)**	(324 692)	**(3 563)**	2 205
Profit for the year		**113 510**	788 716	**243 549**	720 224

* *In the current year, interest revenue from Group companies has been separately disclosed on the face of the income statement for the Company, in accordance with the presentation requirements of IAS 1. This enhances the relevance and comparability of the financial statements. The prior year has been restated accordingly to reflect this change in presentation. There is no impact on profit for the year or retained earnings.*

		Group		Company	
	Note	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Exchange differences on translation of foreign operations		**(373)**	1 413	**–**	–
Foreign currency translation reserve released to profit or loss on sale of foreign subsidiary	8.3	**–**	32 654	**–**	–
Income tax effect relating to these items		**–**	–	**–**	–
Items that will not be reclassified to profit or loss					
Net change in fair value of equity instruments at fair value through other comprehensive income		**415**	304	**–**	–
Income tax effect relating to these items		**(92)**	(53)	**–**	–
Other comprehensive (loss)/income for the year, net of tax		**(50)**	34 318	**–**	–
Total comprehensive income for the year		**113 460**	823 034	**243 549**	720 224
Profit attributable to:					
Owners of the parent		**95 562**	781 776	**243 549**	720 224
Non-controlling interests	8.4	**17 948**	6 940	**–**	–
		113 510	788 716	**243 549**	720 224
Total comprehensive income attributable to:					
Owners of the parent		**95 512**	816 094	**243 549**	720 224
Non-controlling interests	8.4	**17 948**	6 940	**–**	–
		113 460	823 034	**243 549**	720 224
Earnings per ordinary share (cents)	8.5	**63,0**	520,3	**–**	–
Diluted earnings per ordinary share (cents)	8.5	**62,2**	514,4	**–**	–

Statements of Financial Position

as at 28 February 2025

	Note	Group 2025 R'000	Group 2024 R'000	Company 2025 R'000	Company 2024 R'000
ASSETS					
Non-current assets					
Property, plant and equipment	6.1	**5 665 172**	3 898 037	**–**	–
Intangible assets	6.2	**256 029**	234 728	**–**	–
Loans to subsidiaries	13	**–**	–	**1 678 608**	549 363
Investments in subsidiaries	13	**–**	–	**1 469 601**	1 443 239
Investment in associate	14	**–**	1 837	**–**	–
Other financial assets	7.1 – 7.3.1	**162 965**	146 533	**9 787**	4 593
Deferred tax	6.3	**247 722**	197 910	**3 137**	6 392
Inventories	6.4	**210 141**	215 254	**–**	–
Total non-current assets		**6 542 029**	4 694 299	**3 161 133**	2 003 587
Current assets					
Inventories	6.4	**1 101 387**	614 189	**–**	–
Other financial assets	7.1 – 7.3.1	**–**	150 000	**–**	150 000
Current tax receivable		**12 348**	11 388	**–**	–
Trade and other receivables	7.3.2	**1 169 291**	773 973	**98 881**	17 004
Cash and cash equivalents	7.3.3	**301 329**	504 678	**1 006**	56 934
Loans to subsidiaries	13	**–**	–	**1 232 118**	1 121 095
Total current assets*		**2 584 355**	2 054 228	**1 332 005**	1 345 033
Disposal group assets held for sale	12.4	**76 910**	–	**–**	–
Total assets		**9 203 294**	6 748 527	**4 493 138**	3 348 620
EQUITY AND LIABILITIES					
Equity					
Stated capital	8.1	**857 851**	901 082	**759 751**	793 147
Treasury shares	8.2	**(123 713)**	(143 485)	**–**	–
Net issued stated capital		**734 138**	757 597	**759 751**	793 147
Other reserves	8.3	**(77 000)**	(32 350)	**46 458**	48 676
Retained earnings		**3 698 942**	3 815 802	**2 150 270**	2 156 678
Attributable to equity holders of the parent		**4 356 080**	4 541 049	**2 956 479**	2 998 501
Non-controlling interests	8.4	**32 180**	21 992	**–**	–
Total equity		**4 388 260**	4 563 041	**2 956 479**	2 998 501

	Note	Group 2025 R'000	Group 2024 R'000	Company 2025 R'000	Company 2024 R'000
Liabilities					
Non-current liabilities					
Other financial liabilities	7.3.5	**86 875**	–	**–**	–
Borrowings	7.3.4	**193 852**	210 030	**–**	–
Other liability	19.2	**40 726**	19 979	**14 603**	7 058
Provisions	6.5	**279 746**	279 939	**–**	–
Deferred tax	6.3	**394 382**	363 330	**–**	–
Total non-current liabilities		**995 581**	873 278	**14 603**	7 058
Current liabilities					
Loans from subsidiaries	13	**–**	–	**312 886**	115 461
Other financial liabilities	7.3.5	**421 320**	9 671	**–**	–
Borrowings	7.3.4	**1 665 415**	347 095	**1 100 000**	200 000
Current tax payable		**8 262**	14 665	**624**	–
Trade and other payables	7.3.6	**1 636 569**	940 777	**30 718**	27 600
Bank overdraft	7.3.3	**77 828**	–	**77 828**	–
Total current liabilities*		**3 809 394**	1 312 208	**1 522 056**	343 061
Disposal group liabilities held for sale	12.4	**10 059**	–	**–**	–
Total liabilities		**4 815 034**	2 185 486	**1 536 659**	350 119
Total equity and liabilities		**9 203 294**	6 748 527	**4 493 138**	3 348 620

* *Refer note 23 for the directors assessment of the Group's ability to continue as a going-concern, as the current liabilities exceed current assets.*

Statements of Changes in Equity

for the year ended 28 February 2025

	Stated capital R'000	Treasury shares R'000	Other reserves R'000	Retained earnings R'000	Non-controlling interests R'000	Total equity R'000
Group						
Balance at 1 March 2023	939 435	(289 348)	(64 611)	3 249 771	13 105	3 848 352
Total comprehensive income						
Profit for the year	–	–	–	781 776	6 940	788 716
Other comprehensive income for the year	–	–	34 318	–	–	34 318
Net change in fair value of equity instruments at fair value through other comprehensive income	–	–	304	–	–	304
Income tax effect	–	–	(53)	–	–	(53)
Exchange differences on translation of foreign operations	–	–	1 413	–	–	1 413
Foreign currency translation reserve released to profit or loss on sale of foreign subsidiary	–	–	32 654	–	–	32 654
Total comprehensive income	–	–	34 318	781 776	6 940	823 034
Transactions with owners of the parent						
Contributions and distributions						
Share-based payment expense for the year (refer note 8.3)	–	–	21 091	–	–	21 091
Deferred taxation on share-based payments (refer note 8.3)	–	–	(8 028)	–	–	(8 028)
Purchase of treasury shares (refer note 8.2)	–	(31 578)	–	–	–	(31 578)
Issue of stated capital (refer note 8.1)	154 546	–	–	–	–	154 546
Repurchase of shares (refer note 8.1)	(137 770)	137 770	–	–	–	–
Settlement of employee Share Appreciation Rights exercised, Forfeitable Share Plan vested and reserve transfer, net of tax (refer notes 8.1, 8.2 and 8.3)	(55 129)	39 671	(15 120)	15 120	–	(15 458)
Dividends paid (refer note 8.7)	–	–	–	(227 336)	(1 925)	(229 261)
Total contributions and distributions	(38 353)	145 863	(2 057)	(212 216)	(1 925)	(108 688)
Non-controlling interest disposed of (refer note 12.3):						
– Afrimat Mozambique Limitada	–	–	–	–	585	585
– Afrimat Logistics Limitada	–	–	–	–	236	236
– Stony Lime Proprietary Limited	–	–	–	(3 529)	3 051	(478)
Total changes in ownership interests	–	–	–	(3 529)	3 872	343
Total transactions with owners of the parent	(38 353)	145 863	(2 057)	(215 745)	1 947	(108 345)
Balance at 29 February 2024	901 082	(143 485)	(32 350)	3 815 802	21 992	4 563 041

	Stated capital R'000	**Treasury shares R'000**	**Other reserves R'000**	**Retained earnings R'000**	**Non-controlling interests R'000**	**Total equity R'000**
Balance at 1 March 2024	901 082	(143 485)	(32 350)	3 815 802	21 992	4 563 041
Total comprehensive income						
Profit for the year	–	–	–	95 562	17 948	113 510
Other comprehensive loss for the year	–	–	(50)	–	–	(50)
Net change in fair value of equity instruments at fair value through other comprehensive income	–	–	415	–	–	415
Income tax effect	–	–	(92)	–	–	(92)
Exchange differences on translation of foreign operations	–	–	(373)	–	–	(373)
Total comprehensive income	–	–	(50)	95 562	17 948	113 460
Transactions with owners of the parent						
Contributions and distributions						
Share-based payment expense for the year (refer note 8.3)	–	–	16 803	–	–	16 803
Deferred taxation on share-based payments (refer note 8.3)	–	–	(8 292)	–	–	(8 292)
Purchase of treasury shares (refer note 8.2)	–	(23 021)	–	–	–	(23 021)
Issue of stated capital (refer note 8.1)	40 000	–	–	–	–	40 000
Settlement of employee Share Appreciation Rights exercised, Forfeitable Share Plan vested and reserve transfer, net of tax (refer notes 8.1, 8.2 and 8.3)	(83 231)	42 793	(42 085)	42 085	–	(40 438)
Dividends paid (refer note 8.7)	–	–	–	(254 507)	(3 758)	(258 265)
Total contributions and distributions	(43 231)	19 772	(33 574)	(212 422)	(3 758)	(273 213)
Additional non-controlling interest acquired through acquisition of businesses:						
– Ash Resources Proprietary Limited (refer note 12.1)	–	–	–	–	24 972	24 972
Changes in ownership interests:						
– Ash Resources Proprietary Limited (refer note 8.4)	–	–	(11 026)	–	(28 974)	(40 000)
Total changes in ownership interests	–	–	(11 026)	–	(4 002)	(15 028)
Total transactions with owners of the parent	(43 231)	19 772	(44 600)	(212 422)	(7 760)	(288 241)
Balance at 28 February 2025	857 851	(123 713)	(77 000)	3 698 942	32 180	4 388 260
Note	8.1	8.2	8.3		8.4	

Statements of Changes in Equity (continued)

for the year ended 28 February 2025

	Stated capital R'000	Treasury shares R'000	Other reserves R'000	Retained earnings R'000	Non-controlling interests R'000	Total equity R'000
Company						
Balance at 1 March 2023	851 264	–	50 077	1 668 662	–	2 570 003
Total comprehensive income						
Profit for the year	–	–	–	720 224	–	720 224
Other comprehensive income for the year	–	–	–	–	–	–
Total comprehensive income	–	–	–	720 224	–	720 224
Transactions with Company						
Contributions and distributions						
Issue of stated capital (refer note 8.1)	154 546	–	–	–	–	154 546
Repurchase of shares (refer note 8.1)	(150 000)	–	–	–	–	(150 000)
Share-based payment expense for the year (refer note 8.3)	–	–	5 947	–	–	5 947
Deferred taxation on share-based payments (refer note 8.3)	–	–	(4 098)	–	–	(4 098)
Settlement of employee Share Appreciation Rights exercised, Forfeitable Share Plan vested and reserve transfer, net of tax (refer notes 8.1 and 8.3)	(62 663)	–	(3 250)	7 489	–	(58 424)
Dividends paid (refer note 8.7)	–	–	–	(239 697)	–	(239 697)
Total contributions and distributions	(58 117)	–	(1 401)	(232 208)	–	(291 726)
Total changes	(58 117)	–	(1 401)	488 016	–	428 498
Balance at 29 February 2024	793 147	–	48 676	2 156 678	–	2 998 501
Total comprehensive income						
Profit for the year	**–**	**–**	**–**	**243 549**	**–**	**243 549**
Other comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income	**–**	**–**	**–**	**243 549**	**–**	**243 549**
Transactions with Company						
Contributions and distributions						
Issued of stated capital (refer note 8.1)	**40 000**	**–**	**–**	**–**	**–**	**40 000**
Share-based payment expense for the year (refer note 8.3)	**–**	**–**	**7 505**	**–**	**–**	**7 505**
Deferred taxation on share-based payments (refer note 8.3)	**–**	**–**	**(316)**	**–**	**–**	**(316)**
Settlement of employee Share Appreciation Rights exercised, Forfeitable Share Plan vested and reserve transfer, net of tax (refer notes 8.1 and 8.3)	**(73 396)**	**–**	**(9 407)**	**11 913**	**–**	**(70 890)**
Dividends paid (refer note 8.7)	**–**	**–**	**–**	**(261 870)**	**–**	**(261 870)**
Total contributions and distributions	**(33 396)**	**–**	**(2 218)**	**(249 957)**	**–**	**(285 571)**
Total changes	**(33 396)**	**–**	**(2 218)**	**(6 408)**	**–**	**(42 022)**
Balance at 28 February 2025	**759 751**	**–**	**46 458**	**2 150 270**	**–**	**2 956 479**
Note	8.1		8.3			

Statements of Cash Flows

for the year ended 28 February 2025

	Note	Group 2025 R'000	Group 2024 R'000	Company 2025 R'000	Company 2024 R'000
Cash flows from operating activities					
Cash generated from operations	9.1	**571 591**	1 551 383	**89 597**	29 171
Finance income received	9.2	**45 595**	34 701	**29 011**	26 252
Dividends received	9.8	**1 551**	21	**128 870**	805 333
Finance costs paid	9.3	**(197 214)**	(56 222)	**(148 482)**	(43 646)
Tax paid	9.4	**(181 769)**	(292 878)	**–**	–
Net cash inflow from operating activities		**239 754**	1 237 005	**98 996**	817 110
Cash flows from investing activities					
Acquisition of property, plant and equipment	9.6	**(593 215)**	(694 837)	**–**	–
Proceeds on disposal of property, plant and equipment	9.5	**55 282**	32 396	**–**	–
Acquisition of businesses	12.1	**(380 808)**	(7 314)	**(113 880)**	(7 514)
Acquisition of assets	12.2	**(148 845)**	–	**(3 000)**	–
Proceeds on disposal of businesses	9.9	**44 280**	36 449	**44 000**	36 533
Advances of loans to subsidiaries	13	**–**	–	**(3 047 575)**	(3 818 811)
Proceeds of loans to subsidiaries	13	**–**	–	**1 898 262**	3 240 487
Purchase of other financial assets		**(74 420)**	(59 296)	**(3 413)**	(4 593)
Repayments from other financial assets		**83 467**	46 954	**–**	–
Net cash outflow from investing activities		**(1 014 259)**	(645 648)	**(1 225 606)**	(553 898)
Cash flows from financing activities					
Repurchase of Afrimat shares	8.2	**(23 021)**	(31 578)	**–**	–
Proceeds from borrowings	7.3.4	**1 100 000**	200 000	**1 100 000**	200 000
Repayment of borrowings	7.3.4	**(387 598)**	(177 251)	**(200 000)**	–
Capital elements of lease payments	9.7	**(24 207)**	(5 505)	**–**	–
Withdrawn funds in overdraft	7.3.4	**1 083 813**	–	**–**	–
Repayment of bank overdraft	7.3.4	**(981 409)**	–	**–**	–
Proceeds from other financial liabilities		**–**	803	**–**	–
Repayments from other financial liabilities		**(15 985)**	(123 126)	**–**	–
Repayments of loans from subsidiaries	13	**–**	–	**(2 285 428)**	(282 393)
Proceeds of loans from subsidiaries	13	**–**	–	**2 640 152**	41 642
Dividends paid	8.7	**(258 265)**	(229 261)	**(261 870)**	(239 697)
Net cash inflow/(outflow) from financing activities		**493 328**	(365 918)	**992 854**	(280 448)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		**(281 177)**	225 439	**(133 756)**	(17 236)
Cash, cash equivalents and bank overdrafts at the beginning of the year	7.3.3	**504 678**	279 239	**56 934**	74 170
Cash, cash equivalents and bank overdrafts at the end of the year	7.3.3	**223 501**	504 678	**(76 822)**	56 934

Notes to the Annual Financial Statements

for the year ended 28 February 2025

Accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are included in the specific notes to which they relate and are indicated with a grey background.

Significant accounting judgements and estimates
The preparation of annual financial statements in conformity with IFRS® Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these annual financial statements, are included in the specific notes to which they relate and are indicated with a maroon border.

1. Material accounting policies

These policies have been consistently applied with the previous year.

1.1 Statement of compliance

The annual financial statements are prepared on a going concern basis in compliance with the Companies Act, the South African Institute of Chartered Accountants ('SAICA') financial reporting guides as issued by the Accounting Practices Committee, IFRS® Accounting Standards, Financial Pronouncements as issued by the Financial Reporting Standards Council, Listings Requirements of the JSE and interpretations issued by the IFRS Interpretation Committee ('IFRS IC').

1.2 Basis of preparation

The annual financial statements have been prepared under the historical cost convention, modified by the revaluation of certain financial assets and liabilities, as well as the application of the equity method of accounting for investments in associated companies and joint ventures. Refer note 21 for fair value estimation disclosure.

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 1 March 2025 or later periods:

- IAS 21: Lack of Exchangeability for foreign operations/transactions
- IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments
- IFRS 18: Presentation and Disclosure in Financial Statements
- IFRS 19: Subsidiaries without Public Accountability

Refer note 22 for details of new and amended standards issued but not yet effective in the current year.

The annual financial statements are expressed in South African Rand (ZAR or R), rounded to the nearest thousand, unless otherwise stated.

1.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the annual financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated annual financial statements are presented in South African Rand (ZAR or R), which is the Group's presentation currency.

1. Material accounting policies (continued)

1.3 Foreign currency translation (continued)

(b) Transactions and balances

Foreign currency transactions and balances are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured, respectively. Foreign exchange gains and losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income within 'other net gains and losses' (refer note 4.2).

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position;

(ii) income and expenses for each Statement of Profit or Loss and Other Comprehensive Income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting exchange differences are recognised in equity through other comprehensive income.

1.4 Impairment of non-financial assets

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the individual asset. Irrespective of whether there is any indication of impairment, the Group also tests goodwill acquired in a business combination for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed annually at the end of the reporting period.

If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the CGU to which the asset belongs is determined. The recoverable amount of an asset or CGU is the higher of its fair value less costs of disposal and its value-in-use.

1.5 Significant accounting judgements and estimates

The preparation of the Group's annual financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying value of the asset or liability affected in the future.

The Group continues to develop its assessment of the potential impacts of climate change and the transition to a low carbon economy. The potential financial impacts on the Group of climate change and the transition to a low carbon economy have been considered in the assessment of indicators of impairment.

1. Material accounting policies (continued)

1.5 Significant accounting judgements and estimates (continued)

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are highlighted below with more detail provided in the specific notes to which they relate:

(a) Estimates

- Trade and other receivables – refer note 7.3.2
- Deferred tax assets – refer note 6.3
- Dismantling and rehabilitation provisions – refer note 6.5
- Impairment of mining assets and goodwill – refer notes 6.1 and 6.2
- Share-based payment expense calculation – refer notes 19.1 and 19.2
- Provision for stock obsolescence – refer note 6.4
- Measurement of stockpile quantities – refer note 6.4
- Provisional pricing arrangements – refer note 3
- Acquisitions of businesses – refer note 12.1

(b) Judgements

- Consolidation of Afrimat BEE Trust and its subsidiary Afrimat Empowerment Investments Proprietary Limited ('AEI') – refer note 13
- Consolidation of Infrasors Environmental Rehabilitation Trust and Infrasors Empowerment Trust – refer note 13
- Extension and termination options in determining the lease term – refer note 6.1
- Impairment of mining assets and goodwill – refer notes 6.1 and 6.2
- Contingent liabilities – refer note 17
- Acquisitions of businesses – refer note 12.1

How numbers are calculated

2. Segment information

The segments of the Group have been identified by business segment. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors. Aggregation of segments has been determined on the basis of product outputs with similar attributes; by considering the nature of products and services, production processes and the type of class of customer for the products and services.

There are five main operational segments based on the market use of products.

Construction Materials comprises two distinct product segments: Aggregates and Cement. **Aggregates** include the sale of sand, gravel, crushed stone, and concrete-based products. Concrete-based products are produced using rock, sand, water, cement, and readymix concrete are typically used in various construction applications. The segment also includes the processing and sale of fly ash, a by-product used to enhance concrete performance. **Cement** is a newly introduced product segment and includes the manufacturing and supply of cement. These products require a more extensive manufacturing process compared to aggregates but are closely aligned in terms of end-use within the construction sector. Although the manufacturing processes differ, the classification of these segments is based on how the market consumes the products. Demand across aggregates and cement is driven by construction activity and typically increases or decreases in tandem.

Industrial Minerals consist mainly of the sale of limestone, dolomite and industrial sand. Although the manufacturing process and customers are similar to those in Construction Materials, the Industrial Minerals products contain unique metallurgic and high quality properties which widens the customer base and serves a different market to Construction Materials.

Bulk Commodities includes iron ore and anthracite. Iron ore and anthracite have minimal manufacturing time and are sold in high volumes. Iron ore products are manufactured in terms of the Platts Iron Ore Index ('IODEX') 62% grade of export. High quality hematite origin of iron ore is beneficiated up to 65% Fe. High quality anthracite nuts and duff products are produced and sold internationally and locally.

Future Materials and Metals comprises phosphate. The phosphates are graded according to high, medium or low. Currently the Group produces high-grade ('HG') phosphate which is also known as an organic fertiliser. The HG phosphate needs minimal manufacturing time and serves a different market to the existing operational segments.

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

The chief operating decision-maker monitors the operating results of the business segments separately for the purposes of making decisions about resources to be allocated and of assessing performance. They primarily assess the performance of the operating segments based upon a measure of operating profit.

Inter-segment pricing is determined on an arm's length basis in a manner similar to transactions with third parties.

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

2. Segment information (continued)

	Construction Materials			Industrial Minerals	Bulk Commodities			Future Materials and Metals	Services	Unallocated	Total
	Aggregates R'000	Cement R'000	Total R'000	R'000	Iron ore R'000	Anthracite R'000	Total R'000	R'000	R'000	R'000	R'000
For the year ended 28 February 2025											
Segmental revenue	3 658 347	1 014 895	4 673 242	583 035	1 995 991	829 080	2 825 071	68 054	974 250	–	9 123 652
Inter-segmental revenue	(117 339)	(3 236)	(120 575)	(7 886)	–	–	–	–	(677 425)	–	(805 886)
Revenue	3 541 008	1 011 659	4 552 667	575 149	1 995 991	829 080	2 825 071	68 054	296 825	–	8 317 766
Depreciation and amortisation	110 669	58 226	168 895	36 560	158 957	143 294	302 251	30 731	76 794	–	615 231
Impairments	–	–	–	–	–	3 028	3 028	–	66 401	–	69 429
Repairs and maintenance	379 714	184 998	564 712	54 251	49 719	60 730	110 449	9 532	101 986	–	840 930
Cement	248 303	11 770	260 073	–	–	3	3	897	–	–	260 973
Fuel and diesel	195 389	41 937	237 326	33 093	124 867	103 394	228 261	1 834	67 697	–	568 211
External transport	442 964	182 608	625 572	70 356	49 291	46 470	95 761	10 729	252 592	–	1 055 010
Railage	–	–	–	–	187 610	–	187 610	–	–	–	187 610
Employee costs	623 878	186 174	810 052	96 641	144 643	141 509	286 152	31 292	397 050	–	1 621 187
Electricity	126 526	239 119	365 645	44 447	18 466	16 645	35 111	5 098	712	–	451 013
Lease charges	156 480	24 641	181 121	17 117	270 982	216 197	487 179	3 584	80 436	–	769 437
Royalties	48 224	–	48 224	2 872	4 509	4 145	8 654	–	–	–	59 750
Drilling and blasting	16 593	–	16 593	1 211	–	–	–	–	173 057	–	190 861
Loading and handling	153 878	1 061	154 939	101	58 655	33 872	92 527	1	–	–	247 568
Raw materials	–	557 497	557 497	–	–	–	–	–	–	–	557 497
Operating profit/(loss)	383 458	(285 428)	98 030	58 759	238 092	48 574	286 666	(34 980)	69 260	–	477 735
Operating profit margin on external revenue	10,8%	(28,2%)	2,2%	10,2%	11,9%	5,9%	10,1%	(51,4%)	23,3%	–	5,7%

	Construction Materials			Industrial Minerals	Bulk Commodities			Future Materials and Metals	Services	Unallocated	Total
	Aggregates R'000	Cement R'000	Total R'000	R'000	Iron ore R'000	Anthracite R'000	Total R'000	R'000	R'000	R'000	R'000
Assets*	1 905 514	1 364 946	3 270 460	474 768	1 653 627	1 582 682	3 236 309	843 995	250 570	1 127 192	9 203 294
Liabilities**	768 819	393 911	1 162 730	114 336	209 424	183 351	392 775	12 683	183 828	2 948 682	4 815 034
Capital expenditure***	172 457	50 201	222 658	19 778	272 947	259 654	532 601	24 801	71 634	41 913	913 385

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

2. Segment information (continued)

	Construction Materials^	Industrial Minerals^	Bulk Commodities^			Future Materials and Metals	Services^	Unallocated	Total^
			Iron ore	Anthracite	Total				
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
For the year ended 29 February 2024									
Segmental revenue	2 230 112	561 324	2 211 166	746 650	2 957 816	31 266	875 824	–	6 656 342
Inter-segmental revenue	(17 352)	(6 778)	–	–	–	–	(548 932)	–	(573 062)
Revenue	2 212 760	554 546	2 211 166	746 650	2 957 816	31 266	326 892	–	6 083 280
Depreciation and amortisation	83 665	32 696	108 503	65 908	174 411	11 150	67 507	–	369 429
Impairments	–	–	–	9 360	9 360	–	22 919	–	32 279
Repairs and maintenance	218 128	55 974	68 620	48 916	117 536	3 097	94 658	–	489 393
Cement	194 400	209	–	5	5	3 253	–	–	197 867
Fuel and diesel	194 839	38 403	126 434	79 716	206 150	2 038	47 881	–	489 311
External transport	306 294	91 386	37 142	8 517	45 659	1 916	298 229	–	743 484
Railage	–	–	177 431	–	177 431	–	–	–	177 431
Employee costs	410 678	116 091	134 129	104 794	238 923	11 405	308 032	–	1 085 129
Electricity	65 607	39 227	13 204	9 137	22 341	1 297	585	–	129 057
Lease charges	52 210	48 081	251 861	152 710	404 571	1 215	39 279	–	545 356
Royalites^	29 778	4 016	24 866	3 823	28 689	–	–	–	62 483
Drilling and blasting^	15 446	971	–	4 994	4 994	–	84 367	–	105 778
Loading and handling^	–	187	46 400	35 580	81 980	–	–	–	82 167
Operating profit/(loss)	273 448	13 803	789 048	168 727	957 775	(12 851)	(79 810)	–	1 152 365
Operating profit margin on external revenue	12,4%	2,5%	35,7%	22,6%	32,4%	(41,1%)	(24,4%)	–	18,9%

	Construction Materials	Industrial Minerals	Bulk Commodities			Future Materials and Metals	Services	Unallocated	Total
			Iron ore	Anthracite	Total				
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Assets*	1 224 344	535 636	1 509 309	1 341 427	2 850 736	521 592	267 503	1 348 716	6 748 527
Liabilities**	434 635	148 072	224 066	161 582	385 648	12 356	218 257	986 518	2 185 486
Capital expenditure***	96 192	37 685	162 610	377 929	540 539	165 394	51 281	38 391	929 482

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

2. Segment information (continued)

	2025 R'000	2024 R'000
* The following assets have not been allocated to segments:		
Goodwill	**203 315**	225 625
Other financial assets	**162 965**	296 533
Deferred tax	**247 722**	197 910
Current tax receivable	**12 348**	11 388
Cash and cash equivalents	**301 329**	504 678
Other assets	**199 513**	112 582
	1 127 192	1 348 716
** The following liabilities have not been allocated to segments:		
Provisions	**279 746**	279 939
Deferred tax	**394 382**	363 330
Current tax payable	**8 262**	14 665
Bank overdraft	**449 765**	–
Other liabilities	**1 816 527**	328 584
	2 948 682	986 518

*** *Excludes property, plant and equipment acquired through business combinations, refer notes 12.1 and 12.2.*

^ *In the current year, the Group expanded the disclosure of expenses by nature to provide more detailed information, which led to the expanded disclosure of the segment expenses. This enhances the relevance and comparability of the financial statements. The prior year has been restated accordingly to reflect this change in presentation. There is no impact on the total expenses, profit for the year or retained earnings.*

There is significant exposure and dependency on Kumba International Trading Limited, ArcelorMittal South Africa Limited and Glencore Operations South Africa Proprietary Limited, with revenues of approximately R1 161,1 million (2024: R1 300,0 million), R963,4 million (2024: R879,3 million) and R649,9 million (2024: R546,8 million), respectively, major customers of Afrimat Iron Ore Proprietary Limited, Nkomati Anthracite Proprietary Limited, within the Bulk Commodities segment. This risk has been mitigated by Afrimat's diversification strategy, which focuses on expanding the customer base across different sectors and geographic regions. By targeting a broader range of customers and reducing reliance on any one client, the Group aims to improve revenue stability and reduce the financial impact associated with changes in demand or commercial terms from a single customer.

Segment revenue reflects both sales to external parties and inter-group transactions across segments.

Segment operating assets and liabilities are only those items that can be specifically identified within a particular segment.

The Group views the entire southern African region as a single geographical area.

3. Revenue

Group financial statements

The Group recognises revenue from contracts with customers as defined in IFRS 15: *Revenue from contracts with customers* from the following major sources:

- Sale of Construction Materials: Comprises sand, gravel, crushed stone, fly ash, cement and concrete made from rock, sand, water and cement;
- Sale of Industrial Minerals: Comprises limestone, dolomite and agricultural lime;
- Sale of Bulk Commodities: Comprises iron ore, anthracite and manganese;
- Sale of Future Materials and Metals: Comprises phosphate; and
- Rendering of Services: Includes mobile crushing, screening, drilling and blasting and external logistical and contract mining services.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Revenue from the sale of Construction Materials (including Cement), Industrial Minerals, Bulk Commodities (excluding manganese) and Future Materials and Metals are recognised when control of the products has transferred to the buyer, which occurs at a point in time. Control transfers when products are delivered to the buyer and there is no unfulfilled obligation that could affect the buyer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the buyer, and either the buyer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. Revenue is measured at the invoiced amount net of value added tax, trade discounts, returns, volume rebates and amounts collected on behalf of third parties. Shipping and handling is included in sale of goods as one component of revenue due to risks and rewards over goods only passing to the customer on delivery to site.

Revenue from the sale of manganese is recognised when control of the product has transferred to the customer, which occurs upon delivery in accordance with the terms of the contract. Payment terms consist of a fixed component (90%) and a variable component (10%) subject to final quality assessment. The Group recognises revenue when the initial payment of 90% is received, as this reflects the transfer of control and fulfilment of performance obligations. The remaining 10%, which is dependent on quality adjustments, is considered variable consideration and is recognised only when the final product quality has been confirmed and it is highly probable that no significant reversal of revenue will occur.

3. Revenue (continued)

In terms of the agreement with Kumba International Trading Limited, commodity prices used in the calculation of the bulk commodity debtor are based on the average daily prices with reference to the IODEX during the month prior to the relevant month of delivery. The amount of revenue recognised at the designated point of delivery ('FOB') is based on the best estimate of the amount expected to be received. Provisional pricing arrangements introduce an element of market variability into the sales contract. The final price is based on the average market price of the third month following revenue recognition (shipping date). These changes are out of the scope of IFRS 15: *Revenue from contacts with customers*. As a result, the changes in the commodity prices and foreign currency fluctuations are reflected as 'other revenue' within the revenue note to the annual financial statements and not revenue from contracts with customers.

Aggregates, Cement and Industrial Minerals are occasionally sold with retrospective volume discounts. Revenue from these sales are recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is recognised when it is highly probable that it will not be reversed, taking into account trade discounts and volume discounts. No element of financing is deemed present as the sales are made with credit terms largely ranging between 30 days and 60 days depending on the specific terms agreed to with the customer concerned, which is consistent with market practice. Generally, cement and readymix concrete are not returned as a customer will only accept these products once they have passed a stringent quality check at delivery point.

Revenue arising from the rendering of services such as drilling, blasting and mining services are performed and recognised over time. This leads to the revenue being recognised (based on an output method) in the accounting period in which the services are rendered, because the customer receives and uses the benefits simultaneously. Whereas revenue arising from external logistical services are performed and recognised at a point in time. Revenue is recognised based on standalone selling prices per type of service rendered. Revenue is measured at the fair value of the consideration received or receivable, which is represented by the invoiced amount net of value added tax, trade discounts and amounts collected on behalf of third parties.

Company financial statements

Finance income comprises interest revenue and dividend revenue. Interest revenue is recognised in profit or loss using the effective interest method. Dividend revenue is recognised when received or receivable.

Revenue arising from the rendering of services, i.e. management fee income earned are performed over time and, therefore, is recognised as the performance obligations identified are satisfied.

3. Revenue (continued)

	Group		Company	
	2025 R'000	2024 R'000	**2025 R'000**	2024 R'000
Revenue from contracts with customers:				
Sale of Construction Materials	**3 886 224**	1 843 369	**–**	–
Sale of Industrial Minerals	**500 640**	457 946	**–**	–
Sale of Bulk Commodities	**2 808 916**	3 024 588	**–**	–
Sale of Future Materials and Metals	**60 541**	29 999	**–**	–
Rendering of Services^	**1 045 290**	794 150	**110 173**	43 422
Revenue from contracts with customers	**8 301 611**	6 150 052	**110 173**	43 422
Timing of revenue recognition				
At a point in time	**8 158 339**	6 077 491	**–**	–
Over time	**143 272**	72 561	**110 173**	43 422
	8 301 611	6 150 052	**110 173**	43 422
Revenue other than from contracts with customers:				
Group companies interest revenue	**–**	–	**92 914**	53 812
Group companies dividend revenue	**–**	–	**282 358**	869 937
Revenue other than from contracts with customers	**–**	–	**375 272**	923 749
Other revenue*	**16 155**	(66 772)	**–**	–
Total	**8 317 766**	6 083 280	**485 445**	967 171

* *Provisional pricing arrangements, within the Bulk Commodities segment, introduces an element of market variability into the sales contract. These changes are outside of the scope of IFRS 15 and as a result, the changes in the commodity prices are reflected as 'other revenue'.*

^ *Included in 'Rendering of services' is revenue from transport services of R748,5 million (2024: R467,3 million), which is recognised at a point in time when the service has been rendered and control has transferred to the customer.*

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

4. Other income and expense items

4.1 Other income

	Group		Company	
	2025 R'000	2024 R'000	**2025 R'000**	2024 R'000
Recoveries	**11 298**	4 681	**–**	–
Rental income	**13 593**	5 714	**–**	–
Scrap sales	**2 412**	2 924	**–**	–
Training centre*	**5 620**	–	**–**	–
Other	**13 795**	6 583	**–**	809
Total	**46 718**	19 902	**–**	809

4.2 Other net gains and losses

	Group		Company	
	2025 R'000	2024 R'000	**2025 R'000**	2024 R'000
Gains – financial assets at fair value through profit or loss	**13 255**	9 369	**–**	–
Gains – contingent consideration payable at fair value through profit or loss**	**48 786**	–	**–**	–
Foreign exchange gains	**24 066**	20 130	**79**	–
Foreign exchange losses	**(7 357)**	(3 338)	**–**	(1 115)
Foreign currency translation reserve released to profit or loss on sale of foreign subsidiary	**–**	(32 654)	**–**	–
Remeasurement gain on lease liabilities	**1 424**	3 955	**–**	–
Loss on disposal of associate	**(1 557)**	–	**–**	–
Profit on disposal of property, plant and equipment	**10 405**	4 262	**–**	–
Total	**89 022**	1 724	**79**	(1 115)

* *Training centre is located in Lichtenburg and is used for external on-the-go job training.*

** *As part of the Agreement of Fincrete, there is an 'agterskot' period which may trigger an 'agterskot' payment, which is a period commencing at the end of the initial production period (18 months after the CPs have been met), for a period of three years. This 'agterskot' payment also known as a contingent consideration had a downward fair value adjustment during the current year, following a reassessment of the contingent liability.*

4. Other income and expense items (continued)

4.3 Expenses by nature

Leases

Payments associated with short-term leases, low-value assets and variable payments are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. Variable payments are determinable on a percentage of revenue recognised in profit or loss. It is the Group's policy to lease yellow equipment for certain projects as the need arises.

Some property leases contain variable payment terms that are linked to sales generated from the extract of certain minerals and aggregates from the quarries. The variable lease payments are determined on the basis of either a fixed rand/per tonne of stone extracted and sold from the quarry or as a fixed percentage of revenue generated from the sale of such product. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occur. A 100,0% increase in sales across all quarries in the Group with such variable lease contracts would increase total lease payments by approximately R68,8 thousand (2024: R81,4 thousand).

Short-term employee benefits

The cost of short-term employee benefits (those expected to be wholly settled within 12 months after the end of the period in which the employees render the related service, such as sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the related service is rendered and are not discounted.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Bonus plans

The Group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the operating profit after adjustments for non-operational activities, i.e. profit or loss on disposal of businesses, impairment of property, plant and equipment and impairment of goodwill, etc. The Group recognises an accrual where contractually obliged or where there is a past practice that has created a constructive obligation.

4. Other income and expense items (continued)

4.3 Expenses by nature (continued)

	Group						Company	
	2025			2024			2025	2024
	Cost of sales R'000	Operating expenses R'000	Total^ R'000	Cost of sales* R'000	Operating expenses R'000	Total* R'000	Operating expenses R'000	Operating expenses R'000
Lease charges (short-term, low-value and variable lease payments not included in lease liabilities)	762 046	7 391	769 437	538 078	7 278	545 356	–	–
Premises								
Short-term	19 706	1 189	20 895	15 721	1 803	17 524	–	–
Variable lease payments	–	688	688	–	814	814	–	–
Equipment								
Short-term	741 054	385	741 439	521 703	211	521 914	–	–
Lease rentals – other								
Short-term	1 081	2 008	3 089	462	2 582	3 044	–	–
Low-value	205	3 121	3 326	192	1 868	2 060	–	–
Amortisation of intangible assets	1 206	8 583	9 789	1 205	660	1 865	–	–
Depreciation of property, plant and equipment	549 602	55 840	605 442	313 767	53 797	367 564	–	–
Impairment of goodwill (refer note 6.2)	–	22 310	22 310	–	22 919	22 919	–	–
Impairment of property, plant and equipment (refer note 6.1)	47 119	–	47 119	9 360	–	9 360	–	–
Impairment/(reversal) of impairment of investment in subsidiary (refer note 13)	–	–	–	–	–	–	7 514	(14)
Write-off's	–	–	–	–	–	–	15 645	–
Increase in inventory provision for impairment	–	38 416	38 416	–	4 510	4 510	–	–
Inventory write-off to net realisable value	10 310	–	10 310	1 750	–	1 750	–	–
Repairs and maintenance	835 114	5 816	840 930	484 210	5 183	489 393	–	–
Royalties	59 750	–	59 750	62 483	–	62 483	–	–
Drilling and blasting*	190 861	–	190 861	105 778	–	105 778	–	–
Cement	260 973	–	260 973	197 867	–	197 867	–	–
Fuel and diesel	567 546	665	568 211	488 340	971	489 311	–	–
External transport	1 055 010	–	1 055 010	743 484	–	743 484	–	–
Railage	187 610	–	187 610	177 431	–	177 431	–	–
Electricity	444 041	6 972	451 013	125 606	3 451	129 057	–	–
Audit fees	–	12 691	12 691	–	9 553	9 553	6 909	5 073
Audit**	–	12 401	12 401	–	9 112	9 112	6 811	4 732
Other	–	290	290	–	441	441	98	341
Employee costs	1 059 073	562 114	1 621 187	624 830	460 299	1 085 129	58 061	53 616
Defined contribution plan contributions	65 847	39 634	105 481	37 329	30 915	68 244	2 025	2 081
Share-based payment expense	714	36 836	37 550	725	35 252	35 977	15 050	11 210
Short-term employee expenses	992 512	485 644	1 478 156	586 776	394 132	980 908	40 986	40 325
Consulting and legal fees	29 787	76 083	105 870	19 818	64 254	84 072	6 449	11 124
Access control	–	91 865	91 865	–	53 777	53 777	–	–
Insurance	11 472	20 095	31 567	2 323	21 100	23 423	37	218
Training	–	23 502	23 502	–	21 267	21 267	–	140
Rehabilitation expense/(reversal)	(88 593)	–	(88 593)	(35 651)	–	(35 651)	–	–
Travel and accommodation	–	67 042	67 042	–	46 241	46 241	1 857	1 462
Loading and handling*	247 568	–	247 568	82 167	–	82 167	–	–
Raw materials	557 497	–	557 497	–	–	–	–	–
Other costs*	30 131	203 989	234 120	59 431	160 273	219 704	11 842	10 675
Total	**6 818 123**	**1 203 374**	**8 021 497**	4 002 277	935 533	4 937 810	**108 314**	82 294

* *In the current year, the Group expanded the disclosure of expenses by nature to provide more detailed information. This enhances the relevance and comparability of the financial statements. The prior year has been restated accordingly to reflect this change in presentation. There is no impact on the total expenses, profit for the year or retained earnings.*

** *Included in 'Audit fees' are fees for Afrimat Offshore and Afrimat Mining & Aggregates Zambia Limited for audits performed by RSM (Mauritius) LLP and RSM Zambia Chartered Accountants, respectively, amounting to R45,1 thousand and R19,3 thousand, respectively.*

^ *The significant increase in cost of sales and operating expenses during the year is primarily attributable to the acquisition of Lafarge by the Group. The acquisition resulted in the consolidation of additional operations, leading to higher input costs, production volumes, and associated overheads. Refer note 12.1 for further details on the acquisition.*

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

4. Other income and expense items (continued)

4.4 Finance income

Finance income is recognised in profit or loss using the effective interest method.

	Group		Company	
	2025 R'000	2024 R'000	**2025 R'000**	2024 R'000
Bank	**43 859**	33 309	**29 011**	26 252
Other interest	**1 736**	2 864	**–**	–
Total	**45 595**	36 173	**29 011**	26 252

4.5 Finance costs

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

	Group		Company	
	2025 R'000	2024 R'000	**2025 R'000**	2024 R'000
Instalment sale agreements	**28 110**	25 467	**–**	–
Lease liabilities	**8 267**	5 815	**–**	–
Bank	**155 162**	22 275	**126 082**	21 825
South African Revenue Service	**3**	1 222	**–**	–
Group companies loans	**–**	–	**22 400**	21 821
Environmental rehabilitation and dismantling	**24 037**	20 737	**–**	–
Other interest paid	**5 672**	1 443	**–**	–
Total	**221 251**	76 959	**148 482**	43 646

5. Income tax expense

The income tax expense for the period comprises current and deferred income tax. Income tax is recognised in the Statement of Profit or Loss and Other Comprehensive Income, except to the extent that it relates to items recognised directly in equity, in which case it will also be recognised directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the Statement of Financial Position date in the countries where the Group operates and generates taxable income.

5. Income tax expense (continued)

	Group		Company	
	2025 R'000	2024 R'000	**2025 R'000**	2024 R'000
Major components of the tax expense				
Current				
Local income tax				
Current year	**166 916**	291 990	**624**	–
Prior year overprovision	**(68)**	(1 942)	**–**	–
	166 848	290 048	**624**	–
Deferred				
Deferred income tax				
Current year	**21 721**	34 644	**2 939**	(2 205)
	21 721	34 644	**2 939**	(2 205)
Total	**188 569**	324 692	**3 563**	(2 205)
Tax rate reconciliation				
Standard tax rate (%)	**27,0**	27,0	**27,0**	27,0
Permanent differences (%)	**35,4**	2,2	**(25,6)**	(27,3)
Non-deductible expenses (%)*	**3,5**	3,3	**5,6**	7,4
Share Appreciation Right Scheme expense realised (%)	**1,8**	(1,1)	**0,9**	(0,7)
Deferred tax not recognised in prior year utilised (%)	**0,9**	(0,8)	**–**	–
Exempt income (%)**	**(2,9)**	(0,3)	**(32,1)**	(34,0)
Deferred tax not recognised on tax losses (%)	**32,4**	1,6	**–**	–
Tax credit (%)***	**(0,3)**	(0,3)	**–**	–
Overprovision of taxation expense (%)	**–**	(0,2)	**–**	–
Effective rate (%)	**62,4**	29,2	**1,4**	(0,3)

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

** *Exempt income in the Group relates to profit on disposal of subsidiary and in the Company relates to dividends received from subsidiaries.*

*** *The tax credit relates to a reduction in the amount of tax owed as a result of tax incentives granted to Glen Douglas Dolomite Proprietary Limited in term of section 12BA for energy efficiency savings (in the prior year) and Afrimat Shared Services Proprietary Limited and Afrimat Phosphates Proprietary Limited in terms of section 11D for approved research and development projects.*

For details on deferred tax, refer note 6.3.

6. Non-financial assets and liabilities

6.1 Property, plant and equipment

Property, plant and equipment is initially recognised at cost. The cost of an item of property, plant and equipment includes the initial estimate of the cost of dismantling and removing the asset and restoring the site on which it is located. When this initial estimate of costs is included in the cost of the item of property, plant and equipment, a corresponding provision is created for the obligation. The initial estimate of the expenditure required to settle the present obligation is determined using a current market-based discount rate, refer note 6.5.

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

At inception of the lease, that falls within the scope IFRS 16: *Leases*, the Right-of-Use ('RoU') assets are initially measured at cost comprising the following: the amount of the initial measurement of the lease liability, any initial direct costs incurred by the Group, estimate of costs to be incurred upon the dismantling and removal of an asset and the cost of purchasing the asset at the end of the lease term if it is reasonably certain. RoU assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment and RoU assets will be tested for impairment when there is an indication of impairment, in terms of IAS 36: *Impairments of Assets.*

For new leases the RoU asset will be the sum of: the amount of the initial measurement of the liability, any initial direct costs incurred by the Group, estimate of costs to be incurred upon the dismantling and removal of an asset and the cost of purchasing the asset at the end of the lease term if it is reasonably certain.

Depreciation is provided on all property, plant and equipment other than freehold land, to write down the cost, less residual value, on the straight-line basis over their estimated useful lives or, in the case of RoU assets the lease term if shorter, as follows:

Land	Indefinite life
Buildings	10 to 20 years
Leasehold property	1 to 20 years
Plant and machinery	5 to 20 years
Motor vehicles	3 to 15 years
Office and computer equipment	3 to 5 years
Dismantling costs	2 to 30 years
Mining assets	7 to 30 years
Stripping assets	Units of Production ('UoP')

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment, is included in profit or loss and is calculated as the difference between the net disposal proceeds, if any, and the carrying amount of the item at the date of derecognition.

The cost of an item of property, plant and equipment comprises any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. During the ramp-up phase, all costs that are directly attributable to developing the mine are capitalised up to the date when the commercial production indicators are met. The development of a mine to gain access to the resource as well as ramps, access roads and surface rights are components necessary for the mine to be capable of operating in the manner intended by management. Capitalisation of costs to the carrying amount of mining assets ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Mining assets:
Mining assets represent the future benefits in respect of acquiring mineral reserves and resources, and therefore classifies it as a tangible asset under property, plant and equipment. These are acquired through business combinations and are initially valued at the fair value of the resources obtained. When the Group is able to mine, the undeveloped mining resources are depreciated as above.

The useful life of the mining assets equals the estimated useful life of the mine. Depreciation of the capitalised costs of mining assets start at the time when the mining activities commence on the acquired mining assets.

Stripping assets:
Stripping assets are initially recognised at cost and subsequently measured at cost less accumulated depreciation and impairment losses. These assets derive as a result of the removal of overburden or waste material which is required to obtain access to the ore body and therefore realise future economic benefit.

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

6. Non-financial assets and liabilities (continued)

6.1 Property, plant and equipment (continued)

Mining costs associated with the removal of overburden are deferred to the extent that the actual stripping ratio of a component is higher than the expected average reserve life stripping ratio for that component. These assets are depreciated using the units-of-production method over the expected run of mine ('ROM') that becomes more accessible as a result of the stripping activity and are charged to 'cost of sales' in profit or loss. The average reserve life stripping ratio is calculated as the total cubes of waste material expected to be removed over the reserve life per tonne of ore extracted. A component has been identified as a geographically distinct ore body within a pit to which the stripping activities being undertaken within that component could be allocated. Where the pit profile is such that the actual stripping ratio is below the average reserve life stripping ratio no deferral takes place as this would result in recognition of a liability for which there is no obligation. Instead, this position is monitored and when the cumulative calculation reflects a debit balance deferral commences. The stripping ratios for each component are reassessed annually at the end of each reporting period. Any changes in such accounting estimates are adjusted in the year of reassessment and applied prospectively.

Other:
When a transaction involving the acquisition of assets does not constitute a business as defined in IFRS 3: *Business Combinations*, the Group shall account for the transaction as an asset acquisition within IAS 16: *Property, Plant and Equipment*. Therefore a mining asset relating to the mineral reserves and resources will be accounted for at cost.

Extension and termination options in determining the lease term
In determining the lease period, management considers all facts and circumstances pertaining to the lease such as: the non-cancellable period and any periods covered by an option to extend or terminate. Extension or termination options are only included in the lease period if the lease is reasonably certain to be extended or terminated.

The following factors are indicative that extension is most probable:
- Where mining rights and permits are awarded and the business is profitable, the Group is typically reasonably certain to extend the lease term; and
- Otherwise, the Group considers other factors including historical lease durations and business disruption required to replace the leased assets.

6. Non-financial assets and liabilities (continued)

6.1 Property, plant and equipment (continued)

Impairment of property, plant and equipment
In management's assessment the following factors were considered in determining whether an indication of impairment exist:
- The current condition of the individual assets;
- Operational efficiencies;
- The operating relevance of the individual asset;
- Residual value of the individual assets; and
- Economic environment in which the assets operate in.

Useful lives of property, plant and equipment
Property, plant and equipment are depreciated over their useful lives taking into account, where appropriate, residual values.

Assessment of useful lives and residual values are performed annually, taking into account factors such as technological innovation, maintenance programmes, periodic studies of actual asset lives and intended use for those assets could result in the actual useful lives or residual values differing from initial estimates.

Consideration is given to whether subsequent expenditure is to be treated as maintenance or to be capitalised.

6. Non-financial assets and liabilities (continued)

6.1 Property, plant and equipment (continued)

	Cost 2025 R'000	Accumulated depreciation/ impairment 2025 R'000	Carrying value 2025 R'000	Cost 2024 R'000	Accumulated depreciation/ impairment 2024 R'000	Carrying value 2024 R'000
Group						
Land and buildings	314 840	(57 329)	257 511	174 073	(46 134)	127 939
Leasehold property	24 370	(12 519)	11 851	34 163	(24 197)	9 966
Plant and machinery	3 702 757	(1 393 783)	2 308 974	2 149 882	(902 211)	1 247 671
Motor vehicles	1 309 825	(677 248)	632 577	1 214 314	(586 653)	627 661
Office and computer equipment	109 668	(75 484)	34 184	83 370	(60 627)	22 743
Dismantling costs	46 574	(18 117)	28 457	29 770	(17 429)	12 341
Mining assets	2 529 802	(602 473)	1 927 329	1 935 722	(384 183)	1 551 539
Stripping assets	626 928	(222 312)	404 616	403 683	(149 166)	254 517
RoU assets	125 267	(65 594)	59 673	78 735	(35 075)	43 660
Total	8 790 031	(3 124 859)	5 665 172	6 103 712	(2 205 675)	3 898 037

Analysis of movements in carrying value:

	Opening carrying value R'000	Additions R'000	Additions/ (disposals) of subsidiaries (refer notes 12.1 – 12.3) R'000	Reclassification R'000	Reclassified as held for sale (refer note 12.4) R'000	Disposals R'000	Depreciation R'000	Impairment R'000	Closing carrying value R'000
Group									
2025									
Land and buildings	127 939	17 394	115 721	9 170	(3 035)	(4 003)	(5 675)	–	257 511
Leasehold property	9 966	3 771	–	–	(480)	(2)	(1 404)	–	11 851
Plant and machinery	1 247 671	235 450	1 102 877	(13 607)	(46 930)	(18 136)	(198 351)	–	2 308 974
Motor vehicles	627 661	123 765	14 814	4 437	(3 039)	(23 882)	(111 179)	–	632 577
Office and computer equipment	22 743	27 282	929	–	(21)	(585)	(16 164)	–	34 184
Dismantling costs	12 341	2 430	19 760	–	–	(4 722)	(1 352)	–	28 457
Mining assets	1 551 539	270 644	323 435	–	–	–	(174 198)	(44 091)	1 927 329
Stripping assets	254 517	223 244	–	–	–	–	(70 117)	(3 028)	404 616
RoU assets	43 660	9 405	34 760	–	–	(1 150)	(27 002)	–	59 673
Total	3 898 037	913 385	1 612 296	–	(53 505)	(52 480)	(605 442)	(47 119)	5 665 172
Group									
2024									
Land and buildings	126 442	7 132	–	–	–	(1 272)	(4 363)	–	127 939
Leasehold property	12 145	1 567	–	–	–	–	(3 746)	–	9 966
Plant and machinery	1 088 404	301 290	46	–	–	(15 548)	(126 521)	–	1 247 671
Motor vehicles	571 340	165 850	(24)	–	–	(11 254)	(98 251)	–	627 661
Office and computer equipment	15 638	17 528	–	–	–	(60)	(10 363)	–	22 743
Dismantling costs	15 103	4 656	–	–	–	(7 970)	552	–	12 341
Mining assets	1 458 597	141 513	48 100	–	–	–	(96 671)	–	1 551 539
Stripping assets	15 128	268 839	–	–	–	–	(20 090)	(9 360)	254 517
RoU assets	34 533	21 107	2 416	–	–	(6 285)	(8 111)	–	43 660
Total	3 337 330	929 482	50 538	–	–	(42 389)	(367 564)	(9 360)	3 898 037

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

6. Non-financial assets and liabilities (continued)

6.1 Property, plant and equipment (continued)

Certain property, plant and equipment has been encumbered as security for interest-bearing borrowings (refer note 7.3.4).

	Group	
	2025 R'000	2024 R'000
Carrying value of assets pledged as security:		
Plant and machinery	**112 341**	86 467
Motor vehicles	**314 067**	271 222
Total	**426 408**	357 689

Included in additions are plant, equipment and motor vehicles with a total cost of R175,1 million (2024: R205,4 million), which were financed and recognised as instalment sale agreements in borrowings (refer note 7.3.4).

Included in disposals are plant and equipment with a cost of R15,4 million (2024: R2,1 million) and accumulated depreciation of R14,0 million (2024: R1,4 million), which had no further economic value and have been removed from the register.

Included in additions under 'mining assets' is an amount of R232,2 million, consisting of R100,0 million initial cash payment and R132,2 million which relates to the present value of the deferred consideration recognised as an other financial liability, refer note 7.3.5, for an iron ore mining resource purchased during the year.

During the year, an impairment loss of R3,0 million (2024: R9,4 million) was recognised for the stripping asset of the Nkomati mine. The updated LOM plan, as well as the expected average reserve life stripping ratio was reassessed which subsequently resulted in the impairment loss recorded.

During the year, an impairment indicator was identified for the mining asset of Fincrete Proprietary Limited, following the impairment of goodwill allocated to the CGU, refer note 6.2. As a result, the Group performed an impairment assessment, which led to the recognition of an impairment loss on the mining asset. The recoverable amount of the asset was determined based on its value-in-use, using discounted cash flow projections. An impairment of R44,1 million has been recognised in profit or loss. Refer note 6.2 for assumptions used.

The Group assessed indicators of impairment for its Cement and Future Materials and Metals segments, both of which reported losses for the year and hold material non-financial asset balances. Although both segments incurred losses during the year, management has not recognised any impairment losses. This is based on detailed impairment assessments which concluded that the recoverable amounts of the CGUs, determined using value-in-use models, exceeded their respective carrying amounts. The value-in-use calculations were based on approved cash flow projections, which reflect management's expectations of future market recovery, efficiency improvements, and strategic initiatives to restore profitability. Accordingly, no impairment losses have been recognised in respect of the Cement and Future Materials and Metals segments as at year-end. See below for assumptions used.

6. Non-financial assets and liabilities (continued)

6.1 Property, plant and equipment (continued)

Assumptions used in discounted cash flow methodology: Aggregates: Cement and Future Materials and Metals segments

Financial budgets approved by management are used to calculate the cash flow projections for a five-year period.

Assumption	Approach used to determine values
Sales volume	An annual average growth rate extended over the five-year forecast period is used; this is based on past performance and management's expectations of market development, which is between the range of 4,0% to 10,0%.
Other operating costs	These costs are forecasted by management adjusted for inflationary increases, non-cash flow items and once-off isolated expenses. These costs will generally reflect the fixed costs which are not expected to vary significantly with sales volumes or prices, which is between the range of 4,0% to 6,0%.
Annual capital expenditure	Expected capital expenditure approved by the Board of directors for planned refurbishment. This is determined based on historical experience and expectations set by management, which is between the range of 4,0% to 6,0%.
Long-term growth rate	This is the weighted average growth rate, used to extrapolate the cash flows over the budgeted period, of 4,6%.
Discount rate	This is a discount rate determined by the Group that best reflects the specific risks relating to the CGUs against an adjusted market estimate of the weighted average target cost of capital structure of the Group. A rate of 14,8% has been applied.

Depreciation expense of R549,6 million (2024: R313,8 million) has been charged in 'cost of sales' and R55,8 million (2024: R53,8 million) in 'operating expenses'.

6. Non-financial assets and liabilities (continued)

6.1 Property, plant and equipment (continued)

Leases:

	2025 R'000	2024 R'000
Carrying value of RoU assets:		
Land and buildings	**59 451**	43 660
Equipment	**222**	–
Total	**59 673**	43 660

	2025 R'000	2024 R'000
Depreciation charge of RoU assets:		
Land and buildings	**7 816**	7 839
Equipment	**19 186**	272
Total	**27 002**	8 111

	2025 R'000	2024 R'000
Additions/reassessment of RoU assets:		
Land and buildings	**42 451**	17 238
Equipment	**564**	–
Total	**43 015**	17 238

For additional disclosures on the lease expense, interest expense and lease liability refer notes 4.3, 4.5 and 7.3.4, respectively.

6.2 Intangible assets

Goodwill is carried at cost less any accumulated impairment.

At the acquisition dates, goodwill is allocated to each of the CGUs expected to benefit from a business combination. An impairment is determined by assessing the recoverable amount of the CGU to which goodwill relates. The recoverable amount is either determined as the value-in-use of each CGU or fair value less cost to sell. Value-in-use is calculated by estimating the expected future cash flows in each unit and choosing a suitable discount rate in order to calculate the present value of those cash flows.

Where the recoverable amount of the CGU is less than the carrying amount of the unit, an impairment loss is recognised in profit or loss beginning with the write-off of the goodwill allocated to such CGU. Where the goodwill is insufficient to cover the amount of the impairment adjustment, the remaining assets in the CGU are impaired on a *pro rata* basis.

Irrespective of whether there is any indication of impairment, the Group also tests goodwill acquired in a business combination for impairment annually by comparing the CGUs carrying amount with its recoverable amount. This impairment test is performed annually at the end of the reporting period.

In assessing value-in-use the estimated cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset or to the CGU.

Other intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

For mining rights, amortisation is provided to write down the cost of the mining rights, less their residual values, on the straight-line basis over their useful lives as follows:

Mining rights	20 to 30 years
Surface right	5 years
Customer contracts and brands	5 to 8 years

The amortisation charge is recognised as an expense in profit or loss. The amortisation period and amortisation method applied to an intangible asset with a finite useful life is reviewed, and adjusted if necessary, on an annual basis. These charges are accounted for as a change in estimate.

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

6. Non-financial assets and liabilities (continued)

6.2 Intangible assets (continued)

Impairment of goodwill

Goodwill was allocated to CGUs. The carrying value of the CGUs was assessed for impairment using a discounted cash flow methodology based on forecasts including assumptions on operating profit, depreciation, working capital movements and capital expenditure.

	Group					
	Cost 2025 R'000	**Accumulated amortisation/ impairment 2025 R'000**	**Carrying value 2025 R'000**	Cost 2024 R'000	Accumulated amortisation/ impairment 2024 R'000	Carrying value 2024 R'000
Goodwill	**287 119**	**(83 804)**	**203 315**	287 119	(61 494)	225 625
Mining rights	**21 474**	**(16 289)**	**5 185**	22 831	(16 810)	6 021
Surface right	**5 226**	**(3 173)**	**2 053**	5 226	(2 144)	3 082
Customer contracts and brands	**53 400**	**(7 924)**	**45 476**	–	–	–
Total	**367 219**	**(111 190)**	**256 029**	315 176	(80 448)	234 728

6. Non-financial assets and liabilities (continued)

6.2 Intangible assets (continued)

Analysis of movements in carrying value:

	Group					
	Opening carrying value R'000	**Additions through business combinations (refer note 12.1) R'000**	**Additions R'000**	**Disposals R'000**	**Amortisation/ impairments R'000**	**Closing carrying value R'000**
2025						
Goodwill	**225 625**	**–**	**–**	**–**	**(22 310)**	**203 315**
Mining rights	**6 021**	**–**	**–**	**–**	**(836)**	**5 185**
Surface right	**3 082**	**–**	**–**	**–**	**(1 029)**	**2 053**
Customer contracts and brands	**–**	**53 400**	**–**	**–**	**(7 924)**	**45 476**
Total	**234 728**	**53 400**	**–**	**–**	**(32 099)**	**256 029**
2024						
Goodwill	243 417	–	22 310	(17 183)	(22 919)	225 625
Mining rights	6 857	–	–	–	(836)	6 021
Surface right	4 111	–	–	–	(1 029)	3 082
Total	254 385	–	22 310	(17 183)	(24 784)	234 728

None of the mining rights included in intangible assets have indefinite lives. Remaining amortisation periods vary between three and 13 years (2024: four and 14 years). An amortisation expense of R1,2 million (2024: R1,2 million) has been charged to 'cost of sales' and R0,7 million (2024: R0,7 million) has been charged to 'operating expenses'.

The customer contracts and brands were acquired as part of a business combination (see note 12.1 for details). They are recognised at their fair values at the date of acquisition and are subsequently amortised on a straight-line basis, based on the timing of projected cash flows of the contracts over their estimated remaining terms. Remaining amortisation periods varies between five and eight years. An amortisation expense of R7,9 million has been charged to 'operating expenses'.

6. Non-financial assets and liabilities (continued)

6.2 Intangible assets (continued)

Goodwill acquired through business combinations has been allocated to CGUs as follows:

	Group	
	2025 R'000	2024 R'000
Afrimat Aggregates (KZN) Proprietary Limited	**16 878**	16 878
Rodag Holdings Proprietary Limited	**1 058**	1 058
Afrimat CM Western Cape Proprietary Limited (previously know as Afrimat Aggregates (Operations) Proprietary Limited)	**10 955**	10 955
Afrimat Aggregates (Eastern Cape) Proprietary Limited	**39 267**	39 267
Clinker Supplies Proprietary Limited	**26 105**	26 105
Sunshine Crushers Proprietary Limited	**5 723**	5 723
Glen Douglas Dolomite Proprietary Limited	**801**	801
Afrimat Lyttelton Proprietary Limited	**1 787**	1 787
Cape Lime Proprietary Limited	**57 456**	57 456
Afrimat Iron Ore Proprietary Limited	**40 472**	40 472
Eckraal Quarries Proprietary Limited	**2 813**	2 813
Fincrete Proprietary Limited	**–**	22 310
	203 315	225 625

During the process of performing the annual goodwill impairment test, it was identified that the carrying value of the Fincrete CGU exceeded its recoverable amount. This was mainly due to the shortfall in the anticipated market share of the resource, which resulted in the company not meeting its budget. As a result of the aforementioned a goodwill impairment of R22,3 million was recorded. Fincrete is included in the Industrial Minerals segment.

6. Non-financial assets and liabilities (continued)

6.2 Intangible assets (continued)

The recoverable amount was determined using value-in-use calculations using a discounted cash flow methodology. These cash flows were based on forecasts which included assumptions as disclosed in the table below.

Assumptions used in discounted cash flow methodology

Financial budgets approved by management are used to calculate the cash flow projections for a five-year period.

Assumption	**Approach used to determine values**
Sales volume	An annual average growth rate extended over the five-year forecast period is used; this is based on past performance and management's expectations of market development, which is between the range of 4,0% to 6,0% (2024: 4,0% to 6,0%).
Budgeted gross margin	Based on past performance and management's expectations for the future, which is between the range of 4,0% to 6,0% (2024: 4,0% to 6,0%).
Other operating costs	These costs are forecasted by management adjusted for inflationary increases, non-cash flow items and once-off isolated expenses. These costs will generally reflect the fixed costs which are not expected to vary significantly with sales volumes or prices, which is between the range of 4,0% to 6,0% (2024: 4,0% to 6,0%).
Annual capital expenditure	Expected capital expenditure approved by the Board of directors for planned refurbishment. This is determined based on historical experience and expectations set by management, which is between the range of 4,0% to 6,0% (2024: 4,0% to 6,0%).
Medium-term growth rate	This is the weighted average growth rate, used to extrapolate the cash flows over the budgeted period, of 4,6% (2024: 4,6%).
Long-term growth rate	This is the weighted average growth rate, used to extrapolate the cash flows over the budgeted period, of 4,6% (2024: 4,6%).
Discount rate	This is a discount rate determined by the Group that best reflects the specific risks relating to the CGUs against an adjusted market estimate of the weighted average target cost of capital structure of the Group. A rate of 14,8% (2024: 15,4%) has been applied.

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

6. Non-financial assets and liabilities (continued)

6.2 Intangible assets (continued)

Based on management's assessment no other impairments were identified during the current year.

Significant estimate: impact on possible changes in key assumptions

A sensitivity analysis on assumptions used in the discounted cash flow has been done and management has not identified any instances that could cause the carrying amount of the CGUs to exceed its recoverable amount, therefore no impairment has been recorded.

6.3 Deferred tax

Deferred income tax is recognised, using the liability method, for calculated income tax losses and temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the Statement of Financial Position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Management applies judgement to determine whether sufficient future taxable profit will be available after considering, amongst others, factors such as profit histories, forecasted cash flows and budgets.

6. Non-financial assets and liabilities (continued)

6.3 Deferred tax (continued)

Deferred tax assets

Deferred tax assets are only recognised on tax losses which are expected to be offset against future taxable income in the foreseeable future.

	Group		Company	
	2025 R'000	2024 R'000	**2025 R'000**	2024 R'000
Accelerated capital allowances for tax purposes	**(481 346)**	(358 243)	**–**	–
Accruals	**76 637**	54 734	**2 134**	3 122
Provisions	**75 321**	75 531	**–**	–
Tax losses available for set-off against future taxable income	**315 244**	208 867	**–**	1 883
Share-based payments	**3 892**	17 948	**1 003**	2 737
Fair value adjustments	**(8 046)**	(5 173)	**–**	–
Mining assets	**(143 184)**	(178 208)	**–**	–
Other	**(1 204)**	3 212	**–**	(1 350)
Lease liabilities	**16 026**	15 912	**–**	–
	(146 660)	(165 420)	**3 137**	6 392

6. Non-financial assets and liabilities (continued)

6.3 Deferred tax (continued)

Analysis of movement in deferred tax balance:

	Group								
	February 2024						February 2025		
	Assets R'000	Liabilities R'000	Total R'000	Recognised in profit or loss R'000	Recognised directly in equity R'000	Business combinations (refer note 12.1 – 12.3) R'000	**Assets R'000**	**Liabilities R'000**	**Total R'000**
Accelerated capital allowances for tax purposes	(52 361)	(305 882)	(358 243)	(60 071)	–	(63 032)	**(149 765)**	**(331 581)**	**(481 346)**
Accruals	21 295	33 439	54 734	(1 284)	–	23 187	**42 848**	**33 789**	**76 637**
Provisions	29 115	46 416	75 531	(19 060)	–	18 850	**34 963**	**40 358**	**75 321**
Tax losses available for set-off against future taxable income	201 449	7 418	208 867	36 696	–	69 681	**312 169**	**3 075**	**315 244**
Share-based payments	7 961	9 987	17 948	(5 764)	(8 292)	–	**2 286**	**1 606**	**3 892**
Fair value adjustments	(2 014)	(3 159)	(5 173)	(2 781)	(92)	–	**(1 150)**	**(6 896)**	**(8 046)**
Mining assets	(10 806)	(167 402)	(178 208)	35 024	–	–	**3 604**	**(146 788)**	**(143 184)**
Other	(2 047)	5 259	3 212	(4 416)	–	–	**31**	**(1 235)**	**(1 204)**
Lease liabilities	5 318	10 594	15 912	(65)	–	179	**2 736**	**13 290**	**16 026**
Total	197 910	(363 330)	(165 420)	(21 721)	(8 384)	48 865	**247 722**	**(394 382)**	**(146 660)**

	Company							
	February 2024					February 2025		
	Assets R'000	Liabilities R'000	Total R'000	Recognised in profit or loss R'000	Recognised directly in equity R'000	**Assets R'000**	**Liabilities R'000**	**Total R'000**
Accruals	3 122	–	3 122	(988)	–	**2 134**	**–**	**2 134**
Tax losses available for set-off against future taxable income	1 883	–	1 883	(1 883)	–	**–**	**–**	**–**
Other	(1 350)	–	(1 350)	1 350	–	**–**	**–**	**–**
Share-based payments	2 737	–	2 737	(1 418)	(316)	**1 003**	**–**	**1 003**
Total	6 392	–	6 392	(2 939)	(316)	**3 137**	**–**	**3 137**

The Group has estimated income tax losses and capital tax losses available of R5,1 billion (2024: R1,0 billion) and R52,6 million (2024: R52,6 million), respectively.

Included in the assessed tax losses were R3,9 billion (2024: R242,9 million) and R52,6 million (2024: R52,6 million) relating to income and capital tax losses, respectively, which are available for set-off against future taxable income, but due to the improbability of the realisation of related tax benefits, these assets were not raised. R3,5 billion of this balance relates to Afrimat Industries South Africa Proprietary Limited.

The deferred tax asset includes an asset of R315,2 million (2024: R208,9 million) relating to assessed tax losses carried forward. The Group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plan and budgets.

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

6. Non-financial assets and liabilities (continued)

6.4 Inventories

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

The cost of inventories for Cement comprises all costs of purchase, costs of manufacturing and other costs incurred in bringing the inventories to their present location and condition.

In general for Cement, the bases of determining cost are weighted average cost method. The values of finished goods and work in progress include direct costs and directly attributable overhead expenditure based on normal operating capacity.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Provision for stock obsolescence

The Group recognises a provision for stock obsolescence based on the determination of excess stock on hand as well as damaged and unusable items.

A provision for stock obsolescence is calculated as follows:

Construction materials	100% if older than 24 months
Cement and concrete manufactured products	100% if older than 12 months
Commodities	100% if older than 24 months
Industrial minerals	100% if older than 12 months
Production supplies	100% if older than 36 months
Raw materials	100% if older than 12 months

Measurement of stockpile quantities

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile. This is determined using assumptions such as densities and sizes which are based on studies, historical data and industry norms. Stockpile tonnages are verified by periodic surveys of which year-end surveys are performed by external service providers.

6. Non-financial assets and liabilities (continued)

6.4 Inventories (continued)

	Group		Company	
	2025 R'000	2024 R'000	**2025 R'000**	2024 R'000
Amounts attributable to the different categories are as follows:				
Raw materials, components	**229 650**	245 200	**–**	–
Finished goods	**817 861**	519 872	**–**	–
Production supplies	**350 001**	88 534	**–**	–
Inventories held for sale (refer note 12.4)	**(23 405)**	–	**–**	–
Total	**1 374 107**	853 606	**–**	–
Allowance for inventory obsolescence:	**(62 579)**	(24 163)	**–**	–
Finished goods	**(26 808)**	(20 642)	**–**	–
Production supplies	**(35 771)**	(3 521)	**–**	–
Total^	**1 311 528**	829 443	**–**	–
Non-current assets*	**210 141**	215 254	**–**	–
Current assets	**1 101 387**	614 189	**–**	–
Total	**1 311 528**	829 443	**–**	–

* *Inventories classified as 'non-current assets' relate to the 'raw materials: phosphate stockpiles' purchased by Afrimat Phosphates Proprietary Limited from Glenover Phosphate Proprietary Limited. The company is in the process of ramping up its operation for the processing of these stockpiles and therefore this has been classified as non-current.*

^ *The significant increase in inventories during the year is primarily attributable to the acquisition of Lafarge by the Group. Refer note 12.1 for further details on the acquisition.*

Inventory write-off to net realisable value amounted to R10,3 million (2024: R1,8 million) and included in 'cost of sales' in the Statement of Profit or Loss and Other Comprehensive Income.

The total amount of inventory recognised as an expense is R4 784,3 million (2024: R2 229,1 million) and was recognised in 'cost of sales'.

6. Non-financial assets and liabilities (continued)

6.5 Provisions

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Group policy is that environmental rehabilitation and dismantling estimates will be reviewed annually and be reassessed by independent consultants every three years.

Group companies are required to restore quarry and manufacturing sites at the end of their productive lives to a condition acceptable to the relevant authorities.

Annual estimates are made in determining the present obligation of decommissioning and quarry rehabilitation provisions, which include the actual estimate, the discount rate used and the expected date of closure of mining activities in determining the present value of decommissioning and quarry rehabilitation provisions. Estimates are based on costs that are regularly reviewed, by internal and external experts, and adjusted as appropriate for new circumstances.

The expected increase or decrease in the cost of any rehabilitation programme, discounted to its net present value, is charged as an expense in the year in which the increase or decrease occur and is included in 'cost of sales'. The increase or decrease in the net present value of the expected cost is included in 'finance costs'.

Where a closure and environmental obligation arises from mine development activities, the costs are capitalised as part of the cost of the item of property, plant and equipment.

Key assumptions used by management in valuation of rehabilitation and dismantling provisions:

	2025	**2024**
Assumptions	LOM	LOM
Values	7 to 30 years	7 to 30 years
Medium-term growth	4,5%	6,5%
Pre-tax discount rate	8,3%	7,3%

Quantifying the future costs of these obligations is complex and requires various estimates to be made, as well as interpretations of and decisions regarding regulatory requirements, particularly with respect to the degree of rehabilitation required, with reference to the sensitivity of the environmental area surrounding the sites.

The carrying value of the rehabilitation and dismantling provision is sensitive to assumptions and estimates used in its calculation. If the discount rate of 8,3% (2024: 7,3%) had been 0,8% higher than management's estimate, the Group would have decreased the provisions by R22,5 million (2024: R23,4 million). However, if the discount rate had been 0,8% lower than management's estimate, the Group would have increased the provisions by R26,1 million (2024: R27,0 million).

6. Non-financial assets and liabilities (continued)

6.5 Provisions (continued)

	Group		
	Environmental rehabilitation R'000	Dismantling R'000	Total provisions R'000
Balance at 1 March 2023	265 490	33 084	298 574
Acquired through business combination (refer note 12.1)	193	–	193
Discount unwinding	20 737	–	20 737
Reversed during year	(54 857)	(8 570)	(63 427)
Additions	19 206	4 656	23 862
Total changes	(14 721)	(3 914)	(18 635)
Balance at 1 March 2024	**250 769**	**29 170**	**279 939**
Acquired through business combination (refer notes 12.1 and 12.2)	**61 777**	**21 240**	**83 017**
Discount unwinding	**24 037**	**–**	**24 037**
Reversed during year	**(95 097)**	**(4 716)**	**(99 813)**
Additions	**195**	**2 430**	**2 625**
Provisions held for sale (refer note 12.4)	**(10 059)**	**–**	**(10 059)**
Total changes	**(19 147)**	**18 954**	**(193)**
Balance at 28 February 2025	**231 622**	**48 124**	**279 746**

The Group appointed Site Plan Consulting Proprietary Limited ('SPC') as its independent expert for determining closure cost. SPC has applied an 'individual disturbance, unit-based' calculation, based on measurement of actual ('ground-truthed') disturbances, as an alternative quantum calculation to the DMRE Guideline for Evaluation of the Quantum of Closure-related Financial Provision Provided by a Mine (2005) for IFRS reporting purposes. The DMRE guideline is used when calculating the liability for submission to the DMRE.

Key assumptions used by SPC:

Rehabilitation of access roads	R8,41/m^2 (2024: R8,41/m^2)
Buttress blasting	R1 170/linear metre (2024: R1 170/linear metre)
Rehabilitation of overburden and spoils	R154 400/hectare ('ha') (2024: R154 400/ha)
General surface rehabilitation	R86 676/ha (2024: R86 676/ha)
Two to three years of maintenance and aftercare	R7 474/ha (2024: R7 474/ha)
Discount rate	8,0% (2024: 8,0%)

These assumptions were unchanged and consistent with those used for the prior year.

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

6. Non-financial assets and liabilities (continued)

6.5 Provisions (continued)

The Financial Provisioning Regulations, 2015 as amended by Government Notice No. 1314, Government Gazette No. 40371 of 26 October 2016, Government Notice No. R452, Government Gazette No. 41584 of 20 April 2018, Government Notice No. 991, Government Gazette No. 42956 of 17 January 2020 and Government Notice No. 495, Government Gazette No. 44698 of 11 June 2021 have been repealed and replaced with the Proposed Financial Provisioning Regulations, 2022.

All environmental rehabilitation and dismantling provisions at year-end have been reviewed by management and adjusted as appropriate for changes in legislation, technology and other circumstances. The expected timing of any outflows of these provisions will be on the closure of the respective mines. Estimates are based on costs that are reviewed regularly and adjusted as appropriate for new circumstances. Future cash flows are appropriately discounted. A discount rate of 8,3% (2024: 7,3%) was used. The Company appointed SPC to conduct an Independent Specialist Update of the quarry and mining site rehabilitation quantums during FY2024.

The decommissioning and rehabilitation provisions are secured by guarantees issued to the DMRE to the amount of R613,3 million (2024: R429,6 million) (refer note 17). Funds to the amount of R105,6 million (2024: R92,8 million) have been invested in environmental insurance policies, R4,3 million (2024: R3,9 million) in a Green Horizons Environmental Rehabilitation Trust Fund, R4,8 million (2024: R4,4 million) in a Momentum Rehabilitation Trust Fund and R2,5 million (2024: R1,9 million) in an Old Mutual Rehabilitation Trust Fund (refer note 7.1).

7. Financial assets and liabilities

	Group		Company	
	2025 R'000	2024 R'000	**2025 R'000**	2024 R'000
Other financial assets				
Non-current assets				
Financial assets at fair value through other comprehensive income (refer note 7.1)	**21 757**	10 212	**–**	–
Financial assets at fair value through profit or loss (refer note 7.2)	**106 226**	93 438	**–**	–
Financial assets at amortised cost (refer note 7.3.1)	**34 982**	42 883	**9 787**	4 593
	162 965	146 533	**9 787**	4 593
Current assets				
Financial assets at amortised cost (refer note 7.3.1)	**–**	150 000	**–**	150 000
	–	150 000	**–**	150 000
Total other financial assets	**162 965**	296 533	**9 787**	154 593

The Group classifies its financial assets in categories dependent on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

7. Financial assets and liabilities (continued)

7.1 Financial assets at fair value through other comprehensive income

Investments in equity instruments measured at fair value through other comprehensive income ('FVOCI') are recognised when the Group becomes a party to the contractual provisions of the instrument. The investments are measured at initial recognition at fair value. Transaction costs are added to the initial carrying amount for those investments. Investments in equity instruments are subsequently measured at FVOCI.

The gains or losses which accumulated in equity in the 'fair value reserve' for equity investments at FVOCI are not reclassified to profit or loss on derecognition. Instead, the cumulative amount is transferred directly to retained earnings.

Financial assets at FVOCI comprise equity securities not held for trading and which the Group irrevocably elected on initial recognition, to designate as at fair value through other comprehensive income.

	Group		Company	
	2025 R'000	2024 R'000	**2025 R'000**	2024 R'000
Non-current assets				
Listed shares at fair value				
Old Mutual PLC shares	**81**	69	**–**	–
Business Partners Limited	**10 047**	–	**–**	–
Environmental funds at fair value				
Green Horizons Environmental Rehabilitation Trust Fund	**4 284**	3 869	**–**	–
Old Mutual Rehabilitation Trust Fund	**2 538**	1 924	**–**	–
Momentum Rehabilitation Trust Fund	**4 807**	4 350	**–**	–
Total financial assets at fair value through other comprehensive income	**21 757**	10 212	**–**	–

Environmental funds were established to fund the cost of rehabilitation on closure of certain of the Group's mines.

The Momentum and Old Mutual policies relate to investment funds for the purpose of the rehabilitation of the Eckraal quarry. The contributions to these policies are paid by Eckraal Quarries Proprietary Limited on behalf of Eckraal Rehabilitation Trust.

Refer note 21 for details of fair value estimation.

7. Financial assets and liabilities (continued)

7.2 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss ('FVPL') comprise:
- Equity investments held for trading; and
- Equity investments for which the entity has not elected to recognise fair value gains and losses through other comprehensive income.

Investments in equity instruments measured at FVPL are recognised when the Group becomes a party to the contractual provisions of the instrument. The investments are measured at initial recognition at fair value. Transaction costs are recognised through profit or loss. Investments in equity instruments are subsequently measured at FVPL.

Changes in the fair value of financial assets at FVPL are recognised in profit or loss and presented net within 'other net gains and losses'.

	Group		Company	
	2025 R'000	2024 R'000	**2025 R'000**	2024 R'000
Non-current assets				
Cadiz Asset Management Proprietary Limited Enterprise Development Investment	**605**	607	**–**	–
Centriq Insurance Company Limited Mining Rehabilitation Guarantee Insurance Policy	**105 621**	92 831	**–**	–
Total financial assets at fair value through profit or loss	**106 226**	93 438	**–**	–

The Group invested an amount in a Centriq Mining Rehabilitation Guarantee Insurance Policy to rehabilitate the environment after mining operations are completed at various mining sites throughout the Group (refer note 6.5).

The Cadiz Enterprise Development Investment is an upfront investment which counts towards the Group's enterprise development score. This investment was acquired as part of the Cape Lime acquisition.

The fair value of all equity securities is based on their current bid prices in an active market. A change in fair value of R13,3 million (2024: R9,4 million) was allocated to 'other net gains and losses' in profit or loss, refer note 4.2.

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

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost

7.3.1 Other financial assets at amortised cost

Financial assets at amortised cost comprise assets held for collection of contractual cash flow comprising solely payments of principal and interest.

Loans receivable are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus direct transaction costs, if any.

Interest on these financial assets is calculated using the effective interest method and recognised in the Statement of Profit or Loss and Other Comprehensive Income as part of 'finance income'.

The Group recognises a loss allowance for expected credit losses ('ECL') on all loans receivable measured at amortised cost. The amount of ECL is updated at each reporting date to reflect the changes in credit risk since initial recognition of the respective loans.

The Group measures the loss allowance at an amount equal to lifetime expected credit losses ('lifetime ECL') when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, the loss allowance for that loan is measured at 12-month expected credit losses ('12-month ECL').

	Group		Company	
	2025 R'000	2024 R'000	**2025 R'000**	2024 R'000
Non-current assets				
Enterprise and supplier development loans	**23 731**	38 290	**–**	–
Other	**11 251**	4 593	**9 787**	4 593
Current assets				
Glenover Phosphates Proprietary Limited*	**–**	150 000	**–**	150 000
Total other financial assets at amortised cost	**34 982**	192 883	**9 787**	154 593

* *This relates to the purchase of the Sale Claims from Glenover Phosphates Proprietary Limited 'Glenover' of R150,0 million, refer note 8.1.*

As part of Afrimat's commitment to achieve sustainable growth and having an impact on the communities we operate in, the Group provides local enterprise and supplier development loans to local qualifying enterprises. The majority of these loans have been provided by Afrimat Iron Ore Proprietary Limited to local qualifying enterprises. These loans bear no interest and are repayable between 10 and 48 monthly instalments.

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.1 Other financial assets at amortised cost (continued)

It is management's view that these counterparties have a low risk of default as there are no amounts past due. For supplier development loans sufficient security is provided. The expected credit loss has been determined over a 12-month period, resulting in expected credit loss identified being immaterial.

The fair values of other financial assets at amortised cost are considered to be approximate to the carrying value due to their short-term nature.

7.3.2 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. They are subsequently measured at amortised costs using the effective interest method, because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on trade and other receivables.

The Group applies the IFRS 9: *Financial Instruments* simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade receivables. The Group makes use of a provision matrix as a practical expedient to the determination of ECL on trade and other receivables. Trade receivables have been grouped with relation to the credit quality of the customers. The expected loss rate is based on the historical payment of sales, as well as credit losses experienced during a 12-month period before reporting date. The historical loss rate is adjusted to reflect current and forward-looking information on macroeconomic factors that may affect the ability of customers to settle the debt outstanding. The Group has identified the gross domestic product ('GDP') of South Africa to be the most relevant factor and accordingly adjusted the historical loss rate based on expected changes in the GDP. When there is no expectation to recover additional cash, the receivable is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'other income' in the Statement of Profit or Loss and Other Comprehensive Income.

A significant increase in credit risk is indicated when:
(1) the debtor has missed at least one payment (i.e. 30/60 days past due); and
(2) any other economic indicators (i.e. national/global occurrences).

The quantitative criterion of credit impairment is when receivables are more than 90 days past due on their contractual payments which is a rebuttable presumption in IFRS 9.

ECL allowance is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The ECL is included in 'other operating expenses' in profit or loss as a movement in credit loss allowance.

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.2 Trade and other receivables (continued)

The Group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Provisionally priced receivables included within the trade receivables of Afrimat Iron Ore Proprietary Limited are exposed to future IODEX price movements. A financial asset host that is within the scope of IFRS 9 is not assessed for embedded derivatives, because the solely payments of principal and interest ('SPPI') criterion is applied to the entire hybrid contract to determine the appropriate measurement category. The exposure of provisionally priced trade receivables to future IODEX price fluctuations will fail the SPPI criteria and are therefore measured at fair value through profit or loss from the date of recognition up until date of settlement.

When assessing the loss allowance for inter-group loans, other financial assets and net investment in leases, the Group applies the General Model by firstly assessing which stage of the three-stage model the financial asset falls into, and secondly calculating this loss taking into account the exposure, probability and expected loss accordingly. The stages applied are:
(1) A performing asset – a 12-month expected credit loss is calculated;
(2) Increased credit risk – lifetime expected credit loss is calculated; or
(3) Credit impaired – lifetime expected credit loss is calculated.

Trade and other receivables
ECL of trade and other receivables requires the consideration of historical default rates and forward-looking information. The Group applies the practical expedient in using the provision matrix and a forward-looking factor.

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.2 Trade and other receivables (continued)

	Group		Company	
	2025 R'000	2024 R'000	**2025 R'000**	2024 R'000
Trade receivables at amortised cost	**845 360**	632 842	**40 239**	9 856
Less: Allowances for credit losses	**(11 934)**	(11 604)	**–**	–
Trade and other receivables at fair value through profit or loss*	**132 658**	77 191	**–**	–
Trade receivables – net	**966 084**	698 429	**40 239**	9 856
Loans to related parties	**–**	412	**–**	–
Other receivables**	**107 369**	20 808	**58 642**	416
Trade and other receivables – financial assets (refer note 10)	**1 073 453**	719 649	**98 881**	10 272
Prepayments and value-added taxation	**95 838**	54 324	**–**	6 732
Total trade and other receivables	**1 169 291**	773 973	**98 881**	17 004

* *Trade receivables at fair value through profit or loss relate to the customer, Kumba International Trading Limited, refer note 21 for further details on fair value methodology.*

** *Other receivables include an amount of R50,5 million relating to the Lafarge acquisition where the contract included a provision allowing for an adjustment to the consideration payable through a leakage adjustment within six months following the closing date. Refer note 12.1.*

The other receivables comprising deposits, are assessed on an individual basis and considered to be low risk of default, with no amount past due as well as the parties having sufficient access to high liquid assets at year-end. The ECL has been determined over a 12-month period, resulting in an ECL identified being immaterial.

Loans to related parties and other trade receivables are assessed on an individual basis and considered to be low risk of default, due to parties having sufficient access to high liquid assets at year-end. The expected credit loss has been determined over a 12-month period, and the identified credit loss was immaterial.

Trade receivables for the Company relates to inter-company balances. These balances have been assessed for ECL over a 12-month period, resulting in an ECL identified being immaterial, due to the balances not being past due.

Exposure to credit risk

Trade receivables inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if customers fail to make payments as they fall due.

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.2 Trade and other receivables (continued)

In order to mitigate the risk of financial loss from defaults, the Group only deals with reputable customers with consistent payment histories. The collateral in place includes an insurance policy covering credit losses greater than R5,0 million. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Statistical credit scoring models are used to analyse customers. These models make use of information submitted by the customers as well as external bureau data (where available). Customer credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of customers are continuously monitored.

Three of the Group's largest customers, Kumba International Trading Limited, ArcelorMittal South Africa Limited and Glencore Operations South Africa Proprietary Limited accounted for approximately 14,0%, 11,6% and 7,8% of net sales (2024: 21,4%, 19,7% and 9,2%) which represents 12,8%, 17,5% and 3,1% of the trade and other receivables balance outstanding (2024: 17,3%, 30,0% and 3,3%), respectively. There are no other significant concentration of customer credit risk.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

The Group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

	Group			
	Estimated gross carrying amount at default 2025 R'000	**Loss allowance (lifetime expected credit loss) 2025 R'000**	Estimated gross carrying amount at default 2024 R'000	Loss allowance (lifetime expected credit loss) 2024 R'000
Expected credit loss rate:				
Not past due: 0,1% (2024: 0,4%)	**688 460**	**(809)**	587 911	(2 271)
Less than 30 days past due: 0,5% (2024: 10,7%)	**83 614**	**(389)**	13 792	(1 472)
31 – 60 days past due: 1,0% (2024: 13,8%)	**25 665**	**(259)**	5 523	(760)
61 – 90 days past due: 11,2% (2024: 10,0%)	**6 420**	**(719)**	1 759	(176)
More than 90 days past due: 23,7% (2024: 29,0%)	**41 201**	**(9 758)**	23 857	(6 925)
Total	**845 360**	**(11 934)**	632 842	(11 604)

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.2 Trade and other receivables (continued)

The following table shows the movement in the loss allowance (lifetime ECL) for trade and other receivables:

	Group	
	2025 R'000	2024 R'000
Opening balance	**11 604**	17 572
Acquired through business combination	**6 981**	–
Disposal of subsidiary	**(1 228)**	(3 309)
Provision raised on new trade receivables	**6 495**	7 027
Provisions reversed on settled trade receivables	**(11 918)**	(9 686)
Closing balance	**11 934**	11 604

The ECL rates have improved during the current financial year, primarily due to the recovery of previously provided trade receivables, which were successfully collected during this period.

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

	Group		Company	
	2025 R'000	2024 R'000	**2025 R'000**	2024 R'000
Rand	**1 033 175**	644 621	**98 881**	17 004
US Dollar	**136 116**	129 352	**–**	–
	1 169 291	773 973	**98 881**	17 004

The fair values of 'trade and other receivables at amortised cost' are considered to be equal to the carrying value due to their short-term nature. Refer note 21 for details of fair value estimation on 'trade and other receivables at fair value through profit or loss'.

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.3 Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk in change in value; these are classified as financial assets measured at amortised cost.

For purposes of the cash flow statements, cash and cash equivalents comprise cash and cash equivalents defined above, net of outstanding bank overdrafts.

Bank overdrafts are classified as financial liabilities at amortised cost.

	Group		Company	
	2025 R'000	2024 R'000	**2025 R'000**	2024 R'000
Cash and cash equivalents consist of:				
Cash on hand	**513**	483	**–**	–
Bank balances	**238 324**	377 764	**1 006**	56 934
Short-term bank deposits	**62 492**	126 431	**–**	–
Bank overdraft	**(77 828)**	–	**(77 828)**	–
	223 501	504 678	**(76 822)**	56 934
Current assets	**301 329**	504 678	**1 006**	56 934
Current liabilities	**(77 828)**	–	**(77 828)**	–
	223 501	504 678	**(76 822)**	56 934

Unlimited and R700 million omnibus securityships between Group companies were provided to Standard Bank of South Africa Limited ('SBSA') and FirstRand Bank Limited, respectively, for the Group banking facilities.

The overdraft bears interest on a negotiated rate based on prime and payable on demand. Refer note 7.3.4 for the Group's undrawn facilities.

Refer note 10 for details on the credit quality of cash and cash equivalents.

The fair values of cash and cash equivalents are considered to be equal to the carrying value due to their short-term nature.

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.4 Borrowings

Borrowings are classified as financial liabilities subsequently measured at amortised cost. The liabilities are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Leases are recognised as a RoU asset and a corresponding liability at the date at which the leased asset is available for use by the Group. The Group leases various land and buildings, equipment and vehicles. Rental contracts are typically made for fixed periods of one year to 10 years, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leased assets may not be used as security for borrowing purposes.

Lease liabilities are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments less any lease incentives receivable;
- exclude variable lease payments;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the RoU asset in a similar economic environment with similar terms, security and conditions.

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.4 Borrowings (continued)

The Group remeasures the lease liability, when applicable, in accordance with the following table:

Lease liability remeasurement scenario	Lease liability remeasurement methodology
Change to the lease term.	▪ discounting the revised lease payments using a revised discount rate.
Change in the assessment of whether the Group will exercise a purchase, termination or extension option.	▪ discounting the revised lease payments using a revised discount rate.
Change to the lease payments as a result of a change in an index or a rate.	▪ discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
Change in expected payment under a residual value guarantee.	▪ discounting the revised lease payments using the initial discount rate.
Lease contract has been modified and the lease modification is not accounted for as a separate lease.	▪ discounting the revised lease payments using a revised discount rate.

Identifying a lease

The Group assesses whether a contract is, or contains a lease, at inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determines whether the asset under consideration is 'identified', which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.4 Borrowings (continued)

	Group		Company	
	2025 R'000	2024 R'000	**2025 R'000**	2024 R'000
Non-current liabilities				
Instalment sale agreements	**143 325**	157 104	**–**	–
Lease liabilities	**50 527**	52 926	**–**	–
	193 852	210 030	**–**	–
Current liabilities				
Bank overdraft	**371 937**	–	**–**	–
Medium-term loans	**1 100 000**	200 000	**1 100 000**	200 000
Instalment sale agreements	**167 936**	140 823	**–**	–
Lease liabilities	**25 542**	6 272	**–**	–
	1 665 415	347 095	**1 100 000**	200 000
Total borrowings	**1 859 267**	557 125	**1 100 000**	200 000
Bank overdraft				
Capital reconciliation of bank overdraft was as follows:				
Opening balance	**–**	–	**–**	–
Additions through business combinations (refer note 12.1)	**269 533**	–	**–**	–
Funds drawn	**1 083 813**	–	**–**	–
Repayments	**(981 409)**	–	**–**	–
Closing balance	**371 937**	–	**–**	–
Medium-term loans				
Capital reconciliation of medium-term loans was as follows:				
Opening balance	**200 000**	20 266	**200 000**	–
Borrowings raised	**1 100 000**	200 000	**1 100 000**	200 000
Repayments	**(200 000)**	(20 266)	**(200 000)**	–
Closing balance	**1 100 000**	200 000	**1 100 000**	200 000
Instalment sale agreements				
Capital reconciliation of instalment sale agreements was as follows:				
Opening balance	**297 927**	249 519	**–**	–
Additions through business combinations (refer note 12.1)	**25 820**	–	**–**	–
Borrowings raised	**175 112**	205 393	**–**	–
Repayments	**(187 598)**	(156 985)	**–**	–
Closing balance	**311 261**	297 927	**–**	–

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.4 Borrowings (continued)

	Group		Company	
	2025 R'000	2024 R'000	**2025 R'000**	2024 R'000
Lease liabilities				
Capital reconciliation of lease liabilities was as follows:				
Opening balance	**59 198**	51 374	**–**	–
Additions through business combinations (refer note 12.1)	**34 955**	2 451	**–**	–
Additions	**6 123**	10 878	**–**	–
Finance cost	**8 267**	5 815	**–**	–
Lease payments (refer note 9.7)	**(32 474)**	(11 320)	**–**	–
Closing balance	**76 069**	59 198	**–**	–
Total borrowings	**1 859 267**	557 125	**1 100 000**	200 000
Minimum payments due on instalment sale agreements and lease liabilities are as follows:				
Within one year	**218 522**	175 196	**–**	–
In second to fifth year inclusive	**194 817**	215 279	**–**	–
More than five years	**26 541**	33 583	**–**	–
	439 880	424 058	**–**	–
Future finance charges	**(52 550)**	(66 933)	**–**	–
Present value of minimum payments	**387 330**	357 125	**–**	–
Analysis of present value of minimum payments due:				
Within one year	**193 478**	147 095	**–**	–
In second to fifth year inclusive	**173 723**	184 949	**–**	–
More than five years	**20 129**	25 081	**–**	–
	387 330	357 125	**–**	–

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.4 Borrowings (continued)

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Analysis as per Statement of Cash Flows:				
Total opening balance borrowings	557 125	321 159	200 000	–
Borrowings raised	1 100 000	200 000	1 100 000	200 000
Withdrawn funds in overdraft	1 083 813	–	–	–
Borrowings raised – non-cash	511 543	218 722	–	–
Instalment sale agreements (refer note 6.1)	175 112	205 393	–	–
Additions through business combinations (refer note 12.1)	330 308	2 451	–	–
Lease liabilities	6 123	10 878	–	–
Repayments	(1 393 214)	(182 756)	(200 000)	–
Bank overdraft	(981 409)	–	–	–
Instalment sale agreements and medium-term loans	(387 598)	(177 251)	(200 000)	–
Capital elements of lease payments	(24 207)	(5 505)	–	–
Total closing balance borrowings	1 859 267	557 125	1 100 000	200 000

The following covenants are applicable to the medium-term loans, instalment sale agreements and the general banking facilities
The Group shall ensure that the following financial covenants will be met:

	Targets	Achieved
– Net debt to earnings before interest, taxation, depreciation and amortisation ('EBITDA') ratio shall not exceed target;	2,25	2,04
– EBITDA to finance charges ratio shall at all times exceed target;	3,5	5,6
– Debt service cover ratio shall at all times exceed target;	1,2	1,9
– Guarantor EBITDA ratio shall at all times exceed target; and	90,0%	98,9%
– Guarantor total assets ratio shall at all times exceed target.	90,0%	117,2%

The Group is required, by means of covenants provided to financiers, to maintain certain solvency and profitability ratios (as disclosed above) which are monitored monthly via management accounts and cash flow forecasts. None of the covenants were breached during the year ended 28 February 2025, neither in the preceding year.

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.4 Borrowings (continued)

During the prior year, the Group acquired a R0,9 billion revolving credit facility ('RCF') with SBSA, that was increased to R1,1 billion in the current year. The facility was fully utilised as at 28 February 2025 (29 February 2024: R200,0 million). The facility bears interest at the three-month Jibar overnight deposit rate plus 1,6%, payable quarterly in arrears. The facility is repayable quarterly instalments with the final repayment date of 11 August 2026.

On 16 January 2023, the Group acquired a US$5,0 million RCF with ABSA Bank (Mauritius) Limited. The utilised portion of the facility was US$Nil as at 28 February 2025 (29 February 2024: US$Nil). The facility bears interest at the daily Secured Overnight Financing Rate ('SOFR'), compounded monthly, plus a margin of 2,5%.

The lease liabilities are measured at the present value of remaining lease payments, discounted using the lessee's incremental borrowing rate.

Total cash outflow for leases during the year was R793,9 million (2024: R556,7 million).

It is Group policy to purchase certain property, plant and equipment under instalment sale agreements. The instalment sale agreements and lease liabilities are repayable in monthly instalments of R16,1 million (2024: R16,6 million) including interest and capital. Interest rates are linked to the prime overdraft rate and varied between 9,0% and 12,0% (2024: 6,4% and 13,0%) during the year. The instalment sale agreements are secured by various items of property, plant and equipment as indicated in note 6.1.

The exposure of the Group's borrowings to interest rate changes and to contractual repricing dates at the reporting dates are as follows:

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Medium-term loan: at floating rates based on the three-month Jibar overnight deposit rate plus 1,6%	1 100 000	200 000	1 100 000	200 000
Bank overdraft: at floating rates based on a rate between 9,0% – 12,0%	371 937	–	–	–
Instalment sale agreements: at floating rates based on a rate between 9,0% – 12,0%	311 261	297 927	–	–
Lease liabilities: at floating rates based on a rate between 9,0% – 12,0%	76 069	59 198	–	–
	1 859 267	557 125	1 100 000	200 000

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.4 Borrowings (continued)

The Group has the following undrawn borrowing facilities with First National Bank of South Africa ('FNB'), SBSA and ABSA:

	Group		Company	
	2025 R'000	2024 R'000	**2025 R'000**	2024 R'000
Floating rate:				
– Expiring within one year	**1 296 925**	1 242 794	**647 543**	835 828

The fair value of borrowings equals their carrying amount. The carrying amounts of the Group's borrowings are all denominated in South African Rand.

The MOI of Afrimat Limited and its subsidiary companies provides no limitation on the borrowing powers of the directors, accordingly the borrowings set out above comply with the MOI of the respective companies.

Transition from JIBAR to ZARONIA

The South African Reserve Bank ('SARB') has announced its intention to transition away from the Johannesburg Interbank Average Rate ('JIBAR') as a reference rate and to adopt the South African Rand Overnight Index Average ('ZARONIA') as the preferred alternative reference rate. ZARONIA is a near risk-free rate based on overnight unsecured lending transactions and is designed to enhance transparency and align with global benchmark reform initiatives. The Group has exposure to funding arrangements that currently reference JIBAR. While the transition is still in progress, the Group is actively monitoring developments and engaging with counterparties to assess the potential impact of the change. At the reporting date, no funding arrangements have yet transitioned from JIBAR to ZARONIA, and the Group does not expect any immediate impact on the measurement or classification of the medium-term loan. The Group will continue to evaluate the impact of the transition and provide updated disclosures in future reporting periods as more information becomes available.

7.3.5 Other financial liabilities

Other financial liabilities are initially recognised at fair value, net of transaction costs incurred. Other financial liabilities are subsequently measured at amortised cost.

The Group has entered into an arrangement for the acquisition of a mining resource, which includes an initial payment and a deferred payment structure over a period of 60 months. The deferred payment is contractually linked to the volume of material extracted from the resource and is determined based on a formula referencing external market variables, including the iron ore price ('Platts index') and the USD/ZAR exchange rate.

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.5 Other financial liabilities (continued)

The deferred payment is classified as a financial liability at fair value through profit or loss as it contains one or more embedded derivatives that significantly modify the cash flows of the contract.

The liability is measured at initial recognition at fair value. Subsequent to initial recognition, the liability is remeasured at fair value at each reporting date, with any changes in the fair value of the financial liability at FVPL is recognised in profit or loss and presented net within 'other net gains and losses'.

	Group		Company	
	2025 R'000	2024 R'000	**2025 R'000**	2024 R'000
Non-current liabilities				
Financial liabilities at fair value through profit or loss	**86 875**	–	**–**	–
Current liabilities				
Caricement B.V. (refer note 12.1)	**382 314**	–	**–**	–
Net capital proceeds owing to Afrimat BEE Trust participants	**6 559**	6 301	**–**	–
Other financial liabilities	**2 836**	1 987	**–**	–
Acquired through business combination (refer note 12.1)	**–**	1 383	**–**	–
Financial liabilities at fair value through profit or loss	**29 611**	–	**–**	–
Total other financial liabilities	**508 195**	9 671	**–**	–

As part of the purchase consideration, the Company has agreed to repay or procure the loan amounts owing by Lafarge to Holcim Group subsidiary, Caricement B.V. ('seller') equating to R900,0 million. The Company paid R500,0 million in cash to the seller, on 15 April 2024, and the outstanding R400,0 million will be interest free and will be repaid by no later than 12 months after the closing date, be converted into euro. This liability was settled on 30 April 2025. Refer to note 12.1 and 18 for further details on the Lafarge acquisition.

Financial liabilities at fair value through profit or loss, relates to a deferred consideration for the acquisition of an iron ore mining resource purchased during the year, refer note 6.1. It represents the present value of future payments determined in accordance with a formula linked to the volume of iron ore extracted, Platts index, and the USD/ZAR exchange rate.

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

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.6 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade and other payables are initially recognised at fair value and are subsequently measured at amortised cost.

	Group		Company	
	2025 R'000	2024 R'000	**2025 R'000**	2024 R'000
Trade payables^	**1 126 669**	547 404	**14 129**	11 442
Accrued expenses	**237 286**	138 878	**279**	279
Other payables	**62 179**	69 323	**–**	–
Trade and other payables – financial liabilities (refer note 10)	**1 426 134**	755 605	**14 408**	11 721
Taxes and other statutory liabilities	**69 709**	57 275	**2 703**	–
Employee-related accruals*	**140 726**	127 897	**13 607**	15 879
Total trade and other payables	**1 636 569**	940 777	**30 718**	27 600

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

^ *The significant increase in trade payables during the year is primarily attributable to the acquisition of Lafarge by the Group. Refer note 12.1 for further details on the acquisition.*

Trade and other payables consist of purchases from suppliers at normal trade terms. Interest is paid on overdue accounts at an interest rate linked to the prime bank rate.

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

	Group		Company	
	2025 R'000	2024 R'000	**2025 R'000**	2024 R'000
Rand	**1 635 421**	940 170	**28 209**	24 983
US Dollar	**1 148**	607	**2 509**	2 617
	1 636 569	940 777	**30 718**	27 600

The fair values of trade and other payables are considered to be equal to the carrying value due to their short-term nature.

8. Equity – including earnings per share

8.1 Stated capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

	Group		Company	
	2025 R'000	2024 R'000	**2025 R'000**	2024 R'000
Authorised				
1 000 000 000 (2024: 1 000 000 000) ordinary shares with no par value	**–**	–	**–**	–
Issued				
160 297 456 (2024: 159 690 957) ordinary shares with no par value				
Opening balance	**901 082**	939 435	**793 147**	851 264
606 499 (2024: 2 800 818) shares issued during the year	**40 000**	154 546	**40 000**	154 546
Nil (2024: 2 828 790) shares repurchased during the year	**–**	(137 770)	**–**	(150 000)
Net effect of settlement of employee share options	**(83 231)**	(55 129)	**(73 396)**	(62 663)
Stated capital	**857 851**	901 082	**759 751**	793 147

During the current year, the Company issued 606 499 shares at a price of R65,95, being the volume weighted average market price for the Afrimat shares as quoted on the JSE measured over the 30 day period immediately preceding the effective date (29 November 2024), equating to R40,0 million, to Peotona Ash Resources Proprietary Limited for the acquisition of the minority share holding of 25,0% in Ash Resources Proprietary Limited.

During the prior year, the Company repurchased 2 828 790 ordinary shares for a price of R53,03 per repurchase share. Subsequently, 2 682 884 shares were issued at a price of R55,91, equating to R150,0 million, to the Glenover Shareholders for the first tranche payment settlement in respect of the Sale Claims, refer note 12.2.

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

8. Equity – including earnings per share (continued)

8.1 Stated capital (continued)

On or about 9 November 2020, Afrimat acquired the issued share capital of Unicorn Capital Partners Proprietary Limited ('UCP') by way of a scheme of arrangement in terms of section 114 of the Companies Act, which was implemented on 14 December 2020 ('scheme'). In terms of the scheme, scheme participants were entitled to receive 1 Afrimat share for every 280 UCP shares held on the record date of the scheme. Pursuant to the scheme, certain dissenting UCP shareholders ('Dissenting Shareholders') exercised their appraisal rights in terms of section 164 of the Companies Act and accordingly their right to participate in the scheme was suspended pending the outcome of the appraisal rights process. During the prior year, the Dissenting Shareholders have withdrawn their demand in terms of section 164 of the Companies Act and have now become scheme participants and are entitled to receive the scheme consideration shares. The Company therefore issued 117 934 shares at a price of R38,55, equating to R4,5 million.

The net effect of settlement of employee share options refer to the total shares issued to employees in terms of the Share Appreciation Rights Scheme including the shares 'surrendered' by employees in order to raise cash to pay the taxation owing.

All shares issued by the Company were fully paid.

8.2 Treasury shares

Shares in Afrimat Limited held by wholly owned subsidiaries are classified as treasury shares. Where any Group company purchases the Company's ordinary shares (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders under 'treasury shares' until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders under 'treasury shares'. Dividends received on treasury shares are eliminated on consolidation. No gains or losses are recognised in the Group profit or loss on the purchase, sale, issue or cancellation of treasury shares.

	Group	
	2025 R'000	2024 R'000
Opening balance	**(143 485)**	(289 348)
Utilised for settlement of employee Share Appreciation Rights exercised	**32 955**	28 001
Utilised for settlement of employee Forfeitable Share Plan shares vested	**9 838**	11 670
Purchased during the year	**(23 021)**	(31 578)
AEI	**(1 285)**	(1 876)
Afrimat Management Services Proprietary Limited ('AMS')	**(21 736)**	(29 702)
Repurchase of shares*	**–**	137 770
	(123 713)	(143 485)

* *During the prior year, the Group repurchased 2 828 790 ordinary shares for a price of R53,03 per repurchase share. Subsequently, 2 682 884 shares were issued at a price of R55,91, equating to R150,0 million, to the Glenover shareholders for the first tranche payment settlement in respect of the sale claims, refer note 12.2.*

8. Equity – including earnings per share (continued)

8.2 Treasury shares (continued)

	Group	
	2025 '000	2024 '000
Analysis of movement in number of treasury shares:		
Opening balance	**8 509**	11 670
Utilised for settlement of employee Share Appreciation Rights exercised	**(521)**	(574)
Utilised for settlement of employee Forfeitable Share Plan shares vested/forfeited	**(252)**	(320)
Purchased during the year	**332**	562
AEI	**20**	32
AMS	**312**	530
Repurchase of shares*	**–**	(2 829)
Closing balance	**8 068**	8 509

* *During the prior year, the Group repurchased 2 828 790 ordinary shares for a price of R53,03 per repurchase share. Subsequently, 2 682 884 shares were issued at a price of R55,91, equating to R150,0 million, to the Glenover shareholders for the first tranche payment settlement in respect of the sale claims, refer note 12.2.*

The Group acquired 311 500 and 19 610 (2024: 530 210 and 32 300) of its own shares, by way of general authority to repurchase shares, through purchases on the JSE Limited via AMS and AEI, respectively. The total amount paid to acquire the shares was R23,0 million (2024: R31,6 million) and has been deducted from shareholders' equity. The related weighted average share price at the time of purchase was R69,11 (2024: R55,80). During the year, 520 555 (2024: 574 181) shares were utilised in terms of the Share Appreciation Rights ('SAR') Scheme, for an amount of R33,0 million (2024: R28,0 million). The related weighted average share price at the time of exercise was R67,61 (2024: R53,70). During the year, 446 950 shares (2024: 124 350 shares) vested under the Forfeitable Share Plan ('FSP'). The related weighted average share price at the time of exercise was R60,10 (2024: R56,00).

The Afrimat BEE Trust (indirectly through AEI) holds, on an unencumbered basis, 6 882 804 (2024: 6 863 194) shares amounting to R71,3 million (2024: R70,0 million) representing 4,3% (2024: 4,3%) of the issued share capital of the Company.

AMS shareholding is as follows:

- 1 175 598 (2024: 1 035 939) shares, as nominee for the absolute benefit of the participants of the Company's FSP amounting to R51,8 million (2024: R18,6 million); and
- 9 932 (2024: 610 387) shares held in AMS are held for the purposes of the Company's SAR amounting to R0,7 million (2024: R54,9 million).

8. Equity – including earnings per share (continued)

8.3 Other reserves

Other reserves comprise mainly of accumulated amounts related to equity-settled share-based payment schemes, and also accumulated amounts related to re-measurements of financial assets at FVOCI and currency translation differences. The Group transfer amounts from the fair value reserve to retained earnings when relevant equity securities are derecognised.

	Fair value reserve R'000	Share-based payment reserve R'000	Trans-lation reserve R'000	Reverse acqui-sition reserve R'000	Total other reserves R'000
Group					
Balance at 1 March 2023	1 496	68 953	(29 272)	(105 788)	(64 611)
Share-based payment expense for the year	–	21 091	–	–	21 091
Settlement of employee SAR exercised, FSP vested, net of tax	–	(15 120)	–	–	(15 120)
Deferred taxation on share-based payments	–	(8 028)	–	–	(8 028)
Net change in fair value of equity instruments at fair value through other comprehensive income, net of tax	251	–	–	–	251
Exchange differences on translation of foreign operations	–	–	1 413	–	1 413
Foreign currency translation reserve released to profit or loss on sale of foreign subsidiary	–	–	32 654	–	32 654
Total changes	251	(2 057)	34 067	–	32 261
Balance at 29 February 2024	**1 747**	**66 896**	**4 795**	**(105 788)**	**(32 350)**
Share-based payment expense for the year	**–**	**16 803**	**–**	**–**	**16 803**
Settlement of employee SAR exercised, FSP vested, net of tax	**–**	**(42 085)**	**–**	**–**	**(42 085)**
Deferred taxation on share-based payments	**–**	**(8 292)**	**–**	**–**	**(8 292)**
Net change in fair value of equity instruments at fair value through other comprehensive income, net of tax	**323**	**–**	**–**	**–**	**323**
Exchange differences on translation of foreign operations	**–**	**–**	**(373)**	**–**	**(373)**
Changes in ownership: Ash Resources Proprietary Limited	**–**	**–**	**–**	**(11 026)**	**(11 026)**
Total changes	**323**	**(33 574)**	**(373)**	**(11 026)**	**(44 650)**
Balance at 28 February 2025	**2 070**	**33 322**	**4 422**	**(116 814)**	**(77 000)**

8. Equity – including earnings per share (continued)

8.3 Other reserves (continued)

	Fair value reserve R'000	Share-based payment reserve R'000	Trans-lation reserve R'000	Reverse acqui-sition reserve R'000	Total other reserves R'000
Company					
Balance at 1 March 2023	–	50 077	–	–	50 077
Share-based payment expense for the year	–	5 947	–	–	5 947
Deferred taxation on share-based payments	–	(4 098)	–	–	(4 098)
Settlement of employee SAR exercised, FSP vested, net of tax	–	(3 250)	–	–	(3 250)
Total changes	–	(1 401)	–	–	(1 401)
Balance at 29 February 2024	**–**	**48 676**	**–**	**–**	**48 676**
Share-based payment expense for the year	**–**	**7 505**	**–**	**–**	**7 505**
Deferred taxation on share-based payments	**–**	**(316)**	**–**	**–**	**(316)**
Settlement of employee SAR exercised, FSP vested, net of tax	**–**	**(9 407)**	**–**	**–**	**(9 407)**
Total changes	**–**	**(2 218)**	**–**	**–**	**(2 218)**
Balance at 28 February 2025	**–**	**46 458**	**–**	**–**	**46 458**

Nature and purpose of reserves

(a) *Fair value reserve*

This reserve records the changes in fair value of equity instruments at FVOCI.

(b) *Share-based payment reserve*

This reserve records the fair value of the vested and unvested portion of share options (determined at grant date) granted in terms of the Group's share-based payment schemes.

Refer note 19 for further details on the relevant schemes.

(c) *Translation reserve*

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

(d) *Reverse acquisition reserve*

The Group financial statements are issued in the name of Afrimat Limited but are, in fact, prepared as a continuation of the Group financial statements of Prima Klipbrekers Proprietary Limited as a result of a reverse acquisition in 2007. This has resulted in a reverse acquisition reserve in the Group of R105,8 million in terms of IFRS 3. During the current year the Group purchased the remainder of the 25,0% interest in Ash Resources Proprietary Limited, resulting in an equity adjustment of R11,0 million.

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

8. Equity – including earnings per share (continued)

8.4 Non-controlling interest

	Other individually immaterial subsidiaries	
	2025 R'000	2024 R'000
Carrying amount of non-controlling interest	**32 180**	21 992
Total non-controlling interest	**32 180**	21 992
Summarised financial information:		
Non-current assets	**65 520**	62 986
Current assets	**161 666**	153 798
Non-current liabilities	**(25 409)**	(32 850)
Current liabilities	**(170 030)**	(171 385)
Net assets	**31 747**	12 549
Revenue	**705 611**	633 103
Profit after taxation included in results		
Reported by subsidiaries	**42 833**	78 652
Other comprehensive income	**–**	–
Total comprehensive income	**42 833**	78 652
Profit after taxation, allocated to non-controlling interest	**17 948**	6 940
Other comprehensive income, allocated to non-controlling interest	**–**	–

During the year, Afrimat acquired the remaining shares from the minority shareholder of Ash Resources Proprietary Limited. The purchase consideration was settled by way of an issue of shares to the value of R40,0 million, refer note 8.1.

8.5 Earnings per share

(a) Basic and headline earnings per share

Basic earnings and headline earnings per share is calculated by dividing the net profit attributable to owners of the Group and headline earnings, respectively, by the weighted average number of ordinary shares in issue during the year, excluding the ordinary shares held by the Group as treasury shares. Headline earnings are calculated in accordance with Circular 1/2023 issued by the SAICA as required by the JSE Listings Requirements.

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all ordinary shares with dilutive potential. For this purpose the share options are assumed to have been converted into ordinary shares. The share options have no effect on net profit and therefore no adjustment is made in this respect.

8. Equity – including earnings per share (continued)

8.5 Earnings per share (continued)

	Group	
	2025 '000	2024 '000
Number of shares in issue		
Total shares in issue	**160 297**	159 691
Treasury shares	**(8 068)**	(8 509)
Net shares in issue	**152 229**	151 182
Weighted average number of net shares in issue	**151 698**	150 243
Adjusted for effect of future share-based compensation payments	**1 823**	1 746
Diluted weighted average number of shares	**153 521**	151 989
Profit attributable to ordinary shareholders (rand)	**95 562**	781 776
Earnings per ordinary share (cents)	**63,0**	520,3
Diluted earnings per ordinary share (cents)	**62,2**	514,4

	Group			
	Gross 2025 R'000	**Net of tax 2025 R'000**	Gross 2024 R'000	Net of tax 2024 R'000
Reconciliation of headline earnings				
Profit attributable to ordinary shareholders	**–**	**95 562**	–	781 776
Profit on disposal of property, plant and equipment attributable to owners of the parent	**(10 405)**	**(7 596)**	(4 262)	(3 111)
(Profit)/loss on disposal of subsidiaries*	**(36 541)**	**(36 541)**	11 200	11 200
Loss on disposal of associate	**1 557**	**1 557**	–	–
Foreign currency translation reserve released to profit or loss on sale of foreign subsidiary	**–**	**–**	32 654	32 654
Impairments (refer note 4.3)	**69 429**	**56 707**	32 279	29 752
Headline earnings		**109 689**		852 271
Headline earnings per share ('HEPS') (cents)		**72,3**		567,3
Diluted HEPS (cents)		**71,4**		560,7

* *(Profit)/loss on disposal of subsidiaries, in the current year, relates to the profit on the sale of SA Block Proprietary Limited, and in the prior year, cumulatively consists of a loss on the sale of Afrimat Mozambique Limitada and Afrimat Logistics Limitada amounting to R30,4 million and R405 thousand, respectively, and a profit on the sale of Stony Lime Proprietary Limited amounting to R19,6 million, refer note 12.3.*

8. Equity – including earnings per share (continued)

8.6 Net asset value ('NAV') per share

	Group	
	2025 '000	2024 '000
Number of shares in issue		
Total shares in issue	160 297	159 691
Treasury shares	(8 068)	(8 509)
Net shares in issue	152 229	151 182
Shareholders' funds attributable to owners of the parent (rand)	4 356 080	4 541 049
Total NAV per share (cents)	2 862	3 004
Tangible net asset value ('TNAV') per share		
Shareholders' funds attributable to owners of the parent (rand)	4 356 080	4 541 049
Intangible assets and goodwill	(256 029)	(234 728)
TNAV (rand)	4 100 051	4 306 321
Total TNAV per share (cents)	2 693	2 848

8.7 Dividends paid

Dividends declared to the Group's shareholders are recognised in the Group's financial statements in the period in which dividends are approved by the Group's directors.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Current year interim dividend paid	17 875	63 876	15 967	63 876
Previous year final dividend paid	245 903	175 691	245 903	175 821
Dividends received on treasury shares	(9 271)	(12 231)	–	–
Dividends paid by subsidiaries to non-controlling interest shareholders	3 758	1 925	–	–
	258 265	229 261	261 870	239 697
The Company has declared the following cash distributions to shareholders:				
Interim dividend paid (cents)			10,0	40,0
Final dividend declared/paid (cents)			15,0	154,0
Distributions declared/paid (cents)			25,0	194,0

9. Cash flow information

9.1 Cash generated from operations

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Profit before tax	302 079	1 113 408	247 112	718 019
Adjustments for:				
Depreciation and amortisation	615 231	369 429	–	–
Impairment of property, plant and equipment	47 119	9 360	–	–
Remeasurement gain on lease liabilities	(1 424)	(3 955)	–	–
Impairment of goodwill	22 310	22 919	–	–
Expected credit losses from related parties	–	–	23 927	48 518
Expected credit losses from other financial assets	(1 900)	6 189	(1 900)	3 609
Impairment/(reversal) of impairment of investment in subsidiary	–	–	7 514	(14)
(Profit)/loss on disposal of subsidiaries	(36 541)	11 200	(11 400)	97 031
Share of profit of associate	–	(1 829)	–	–
Profit on sale of property, plant and equipment	(10 405)	(4 262)	–	–
Loss on sale of associate	1 557	–	–	–
Inventory write-off to net realisable value	10 310	1 750	–	–
Write-off's	–	–	15 645	–
(Gains)/loss – financial assets at fair value through profit or loss	(13 111)	(12 131)	(79)	1 115
Gains – contingent consideration payable at fair value through profit or loss	(48 786)	–	–	–
Foreign exchange differences	(18 059)	1 420	–	–
Dividend revenue	(1 551)	(21)	(282 358)	(869 937)
Interest revenue	(45 595)	(36 173)	(29 011)	(26 252)
Finance costs	221 251	76 959	148 482	43 646
Net effect of settlement of employee SAR exercised, FSP vested	(40 438)	(15 458)	(18 314)	(28 447)
Movements in provisions	(94 902)	(35 651)	–	–
Share-based payment expense	37 550	35 977	15 050	11 210
Items subsequently reclassified to profit or loss	–	32 654	–	–
Changes in working capital:				
Increase in inventories	(198 474)	(175 613)	–	–
(Increase)/decrease in trade and other receivables	(43 857)	(54 580)	(28 189)	22 408
Increase/(decrease) in trade and other payables	(130 773)	209 791	3 118	8 265
	571 591	1 551 383	89 597	29 171

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

9. Cash flow information (continued)

	Group 2025 R'000	Group 2024 R'000	Company 2025 R'000	Company 2024 R'000
9.2 Finance income received				
Finance income (refer note 4.4)	45 595	36 173	29 011	26 252
Adjustments for:				
Other financial assets interest	–	(1 472)	–	–
	45 595	34 701	29 011	26 252
9.3 Finance costs paid				
Finance costs (refer note 4.5)	221 251	76 959	148 482	43 646
Adjustments for:				
Environmental rehabilitation and dismantling (refer note 4.5)	(24 037)	(20 737)	–	–
	197 214	56 222	148 482	43 646
9.4 Tax paid				
Opening balance as per Statement of Financial Position	(3 277)	(5 958)	–	–
Current tax for the year recognised in Statement of Profit or Loss and Other Comprehensive Income (refer note 5)	(166 848)	(290 048)	(624)	–
Additions/disposals of subsidiaries (refer note 12)	(7 558)	(149)	–	–
Closing balance as per Statement of Financial Position	(4 086)	3 277	624	–
	(181 769)	(292 878)	–	–
9.5 Proceeds on disposal of property, plant and equipment				
Disposals (refer note 6.1)	52 480	42 389	–	–
Adjustments for:				
Disposal of dismantling costs (refer note 6.1)	(4 722)	(7 970)	–	–
Profit on sale of property, plant and equipment (refer note 4.2)	10 405	4 262	–	–
Disposal of RoU assets	(2 881)	(6 285)	–	–
	55 282	32 396	–	–

9. Cash flow information (continued)

	Group 2025 R'000	Group 2024 R'000	Company 2025 R'000	Company 2024 R'000
9.6 Acquisition of property, plant and equipment				
Additions (refer note 6.1)	913 385	929 482	–	–
Adjustments for:				
Acquisition of property, plant and equipment by means of instalment sale agreements (refer note 7.3.4)	(175 112)	(205 393)	–	–
Additions of dismantling costs (refer note 6.1)	(2 430)	(4 656)	–	–
Additions of RoU assets	(10 427)	(21 107)	–	–
Reclassification from other financial assets	–	(3 489)	–	–
Additions of mining asset (refer note 6.1)	(132 201)	–	–	–
	593 215	694 837	–	–
9.7 Capital elements of lease payments				
Repayment of lease liability (refer note 7.3.4)	32 474	11 320	–	–
Interest expense on lease liability (refer note 7.3.4)	(8 267)	(5 815)	–	–
	24 207	5 505	–	–
9.8 Dividend revenue				
Dividend revenue	1 551	21	282 358	869 937
Adjustments for:				
Dividend received in specie	–	–	(153 488)	(64 604)
	1 551	21	128 870	805 333
9.9 Proceeds on disposal of businesses				
Proceeds on disposal of subsidiaries (refer note 12.3)	44 000	36 449	44 000	36 449
Proceeds on disposal of associate	280	–	–	–
	44 280	36 449	44 000	36 449

Risk

10. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board. Group treasury identifies and evaluates financial risks, when beneficial, with prior approval from the Board. The Board provides guidance on overall risk management, as well as on written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. The Audit and Risk Committee oversees how management monitors compliance with these risks and control policies.

There has been no change in the Group's objectives, policies and processes for managing its financial risks or the methods to measure them.

Financial instruments by category

	Group		Company	
	2025 R'000	2024 R'000	**2025 R'000**	2024 R'000
Assets as per Statement of Financial Position:				
Financial assets at FVOCI (refer note 7.1)	**21 757**	10 212	**–**	–
Financial assets at FVPL (refer note 7.2)	**106 226**	93 438	**–**	–
Trade and other receivables at FVPL (refer note 7.3.2)	**132 658**	77 191	**–**	–
Financial assets at amortised cost:				
Other financial assets (refer note 7.3.1)	**34 982**	192 883	**9 787**	154 593
Trade and other receivables (refer note 7.3.2)	**940 795**	642 458	**98 881**	10 272
Cash and cash equivalents (refer note 7.3.3)	**301 329**	504 678	**1 006**	56 934
Loans to subsidiaries (refer note 13)	**–**	–	**2 910 726**	1 670 458
Total financial assets	**1 537 747**	1 520 860	**3 020 400**	1 892 257
Liabilities as per Statement of Financial Position:				
Financial liabilities at FVPL:				
Other liability	**40 726**	19 979	**14 603**	7 058
Other financial liabilities (refer note 7.3.5)	**116 486**	–	**–**	–
Financial liabilities at amortised cost:				
Medium-term loans (refer note 7.3.4)	**1 100 000**	200 000	**1 100 000**	200 000
Instalment sale agreements (refer note 7.3.4)	**311 261**	297 927	**–**	–
Bank overdraft (refer note 7.3.4)	**371 937**	–	**–**	–
Lease liabilities (refer note 7.3.4)	**76 069**	59 198	**–**	–
Other financial liabilities (refer note 7.3.5)	**391 709**	9 671	**–**	–
Loans from subsidiaries (refer note 13)	**–**	–	**312 886**	115 461
Trade and other payables (refer note 7.3.6)	**1 426 134**	755 605	**14 408**	11 721
Bank overdraft (refer note 7.3.3)	**77 828**	–	**77 828**	–
Total financial liabilities	**3 912 150**	1 342 380	**1 519 725**	334 240

10. Financial risk management (continued)

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of market prices. Market risk comprises equity price risk, interest rate risk, foreign exchange risk and commodity price risk. Financial instruments affected by market risk include other financial assets, trade and other receivables, cash and cash equivalents and borrowings.

Hedging is conducted in very limited circumstances.

(i) Equity price risk

The Group is exposed to equity price risk in respect of the investments held in the environmental rehabilitation trusts, Old Mutual PLC shares and Business Partners Limited. Refer note 7.1 and 7.2.

Sensitivity analysis

The Group measures sensitivity of the equity price risk as the effect of a change in the JSE shareholder weighted Top 40 Index performance for the year. The Group regards a 500 basis points (2024: 500 basis points) change in the aforementioned index as being reasonably possible at the end of the reporting periods.

	Statements of Financial Position	Statement of Profit or Loss and Other Comprehensive Income	
	R'000	Movement in basis points	Effect on other comprehensive income after tax R'000
Group			
2025			
Financial assets at FVOCI (refer note 7.1)	**21 757**	**+500 -500**	**635 (635)**
Total		**+500 -500**	**635 (635)**
Group			
2024			
Financial assets at FVOCI (refer note 7.1)	10 212	+500 -500	298 (298)
Total		+500 -500	298 (298)

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

10. Financial risk management (continued)

(a) Market risk (continued)

(i) Equity price risk (continued)

	Statements of Financial Position	Statement of Profit or Loss and Other Comprehensive Income	
	R'000	Movement in basis points	Effect on profit after tax R'000
Group			
2025			
Financial assets at FVPL (refer note 7.2)	106 226	+500 -500	3 877 (3 877)
Total		+500 -500	3 877 (3 877)
Group			
2024			
Financial assets at FVPL (refer note 7.2)	93 438	+500 -500	3 410 (3 410)
Total		+500 -500	3 410 (3 410)

(ii) Interest rate risk

The Group's interest rate risk arises from other financial assets, cash and cash equivalents and borrowings as set out in notes 7.3.1, 7.3.3 and 7.3.4. Cash and cash equivalents invested and borrowings obtained at variable interest rates expose the Group to cash flow interest rate risk.

The Group's policy is to invest cash and cash equivalents and to obtain borrowings at variable interest rates and not to make use of any interest rate derivatives, which expose the Group to cash flow interest rate risk.

Sensitivity analysis

Interest rate risks are presented by way of sensitivity analysis in accordance with IFRS 7: *Financial Instruments: Disclosure*. These show the effects of changes in market interest rates on interest payments, interest income and expense, other income components and, if appropriate, shareholders' equity.

The Group measures sensitivity to interest rates as the effect of a change in the South African Reserve Bank ('SARB') repo rate on the profit after tax based on the Group's exposure at reporting date. The Group regards a 200 basis points (2024: 200 basis points) change in the SARB repo rate as being reasonably possible at the end of the reporting periods.

10. Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

	Statements of Financial Position	Statement of Profit or Loss and Other Comprehensive Income	
	R'000	Movement in basis points	Effect on profit after tax R'000
Group			
2025			
Other financial assets	34 982	+200 -200	511 (511)
Cash and cash equivalents	300 816	+200 -200	4 392 (4 392)
Borrowings	(1 859 267)	+200 -200	(27 145) 27 145
Other financial liabilities	(119 322)	+200 -200	(1 742) 1 742
Bank overdraft	(77 828)	+200 -200	(1 136) 1 136
Total		+200 -200	(25 120) 25 120

	Statements of Financial Position	Statement of Profit or Loss and Other Comprehensive Income	
	R'000	Movement in basis points	Effect on profit after tax R'000
Company			
2025			
Other financial assets	9 787	+200 -200	143 (143)
Cash and cash equivalents	1 006	+200 -200	15 (15)
Borrowings	(1 100 000)	+200 -200	(16 060) 16 060
Loans to subsidiaries	2 910 726	+200 -200	42 497 (42 497)
Loans from subsidiaries	(312 886)	+200 -200	(4 568) 4 568
Bank overdraft	(77 828)	+200 -200	(1 136) 1 136
Total		+200 -200	20 891 (20 891)

10. Financial risk management (continued)
(a) Market risk (continued)
(ii) Interest rate risk (continued)

	Statements of Financial Position	Statement of Profit or Loss and Other Comprehensive Income	
	R'000	Movement in basis points	Effect on profit after tax R'000
Group			
2024			
Other financial assets	192 883	+200	2 816
		-200	(2 816)
Cash and cash equivalents	504 195	+200	7 361
		-200	(7 361)
Borrowings	(557 125)	+200	(8 134)
		-200	8 134
Other financial liabilities	(3 370)	+200	(49)
		-200	49
Total		+200	1 994
		-200	(1 994)
Company			
2024			
Other financial assets	154 593	+200	2 257
		-200	(2 257)
Cash and cash equivalents	56 934	+200	831
		-200	(831)
Borrowings	(200 000)	+200	(2 920)
		-200	2 920
Loans to subsidiaries	1 670 458	+200	24 389
		-200	(24 389)
Loans from subsidiaries	(115 461)	+200	(1 686)
		-200	1 686
Total		+200	22 871
		-200	(22 871)

10. Financial risk management (continued)
(a) Market risk (continued)
(iii) Foreign exchange risk

The Group's earnings are exposed to movements in exchange rates. Afrimat Iron Ore Proprietary Limited ('AIO') export prices are determined in US Dollars and the company negotiates iron ore prices in that currency with customers. Currency movements of the US Dollar against the Rand therefore could have a significant effect on the financial position and results of AIO. The Group's functional currency for the preparation of financial accounts is South African Rand and is therefore exposed to foreign exchange risk in respect of non-rand cash flows for revenues. Hedging may only take place in exceptional circumstances which would require approval by the Iron Ore Executive Committee. It is the Group's policy to be fully exposed to revenue currency risk, i.e. not to hedge foreign currency revenues.

The Group's foreign exchange risk arises from certain trade and other receivables, cash and cash equivalents, other financial liabilities and trade and other payables as set out in notes 7.3.2, 7.3.3, 7.3.5 and 7.3.6. Currency movements of the US Dollar against the Rand therefore could have an effect on the financial position. The Group's functional currency for the preparation of financial accounts is South African Rand and is therefore exposed to foreign exchange risk in respect of non-rand cash flows for these balances and transactions. The US Dollar:Rand exchange rate as at 28 February 2025 was R18,50 (29 February 2024: R19,25).

Sensitivity analysis

A movement in exchange rate of 10,0% (2024: 10,0%), with all other variables held constant, against the US Dollar would have increased/(decreased) profit or loss and financial position by the amounts shown below.

This analysis considers the impact of changes in foreign exchange rates on profit or loss, excluding foreign exchange translation differences resulting from the translation of Group entities that have a functional currency different from the presentation currency, into the Group's presentation currency (and recognised in the foreign currency translation reserve).

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

10. Financial risk management (continued)

(a) Market risk (continued)

(iii) Foreign exchange risk (continued)

	Statements of Profit or Loss and Other Comprehensive Income/Statements of Financial Position	Statement of Profit or Loss and Other Comprehensive Income	
	R'000	Movement in basis points	Effect on profit after tax R'000
Group			
2025			
Revenue subject to exchange rate fluctuations	1 236 560	+1 000	90 269
		-1 000	(90 269)
Trade receivables subject to exchange rate fluctuations	136 116	+1 000	9 936
		-1 000	(9 936)
Cash and cash equivalents subject to exchange rate fluctuations	3 630	+1 000	265
		-1 000	(265)
Other financial liabilities subject to exchange rate fluctuations	(498 800)	+1000	(36 412)
		-1 000	36 412
Trade payables subject to exchange rate fluctuations	(1 148)	+1 000	(84)
		-1 000	84
Total		+1 000	63 974
		-1 000	(63 974)
2024			
Revenue subject to exchange rate fluctuations	1 480 506	+1 000	108 077
		-1 000	(108 077)
Trade receivables subject to exchange rate fluctuations	129 394	+1 000	9 446
		-1 000	(9 446)
Cash and cash equivalents subject to exchange rate fluctuations	4 960	+1 000	362
		-1 000	(362)
Trade payables subject to exchange rate fluctuations	(754)	+1 000	(55)
		-1 000	55
Total		+1 000	117 830
		-1 000	(117 830)

10. Financial risk management (continued)

(a) Market risk (continued)

(iv) Commodity price risk

The Group's earnings are exposed to movements in the prices of iron ore that it produces. As a commodity producer the Group wishes to remain exposed to individual commodity prices for the ultimate benefit of its shareholders. It is the Group's policy not to hedge commodity price risks. Certain of the Group's sales are provisionally priced, meaning that the selling price is determined normally 30 to 90 days after delivery to the customer, based on quoted market prices stipulated in the contract, and as a result are susceptible to future price movements. As at 28 February 2025, R132,7 million (2024: R77,2 million) of the trade receivables balance are subject to price movements.

The other financial liability (deferred consideration) exposes the Group to commodity price risk, as the liability is linked to fluctuations in the prices of iron ore, which reflects global commodity prices. An increase in the iron ore price will result in a higher obligation under the deferred payment formula, thereby increasing the fair value of the liability and impacting profit or loss accordingly.

Sensitivity analysis

A movement in commodity prices of 10,0% (2024: 10,0%), with all other variables held constant, on the Group's sales exposed to this risk would have increased/(decreased) profit or loss by the amounts shown below.

	Statements of Financial Position	Statement of Profit or Loss and Other Comprehensive Income	
	R'000	Movement in basis points	Effect on profit after tax R'000
Group			
2025			
Trade receivables subject to price fluctuations	132 658	+1 000	9 684
		-1 000	(9 684)
Other financial liabilities subject to price fluctuations	(116 486)	+1 000	(8 503)
		-1 000	8 503
Total		+1 000	1 181
		-1 000	(1 181)
Group			
2024			
Trade receivables subject to price fluctuations	77 191	+1 000	5 635
		-1 000	(5 635)
Total		+1 000	5 635
		-1 000	(5 635)

10. Financial risk management (continued)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risks from its operating activities. Credit risk arises principally from accounts receivable and, to a lesser extent, from other third-party contractual financial obligations such as other financial assets and short-term bank deposits in note 7.3.1 to 7.3.3.

The Group did not consider there to be any significant credit risk exposure which has not been adequately provided for.

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

	2025			2024		
	Gross carrying amount R'000	**Credit loss allowance R'000**	**Amortised cost/fair value R'000**	Gross Carrying amount R'000	Credit loss allowance R'000	Amortised cost/fair value R'000
Group						
Other financial assets at amortised cost	42 691	(7 709)	34 982	199 072	(6 189)	192 883
Trade and other receivables	1 085 387	(11 934)	1 073 453	731 253	(11 604)	719 649
Cash and cash equivalents	300 816	–	300 816	504 195	–	504 195
Total	1 428 894	(19 643)	1 409 251	1 434 520	(17 793)	1 416 727

The Group's concentration of credit risk is limited to South Africa.

	2025			2024		
	Gross carrying amount R'000	**Credit loss allowance R'000**	**Amortised cost/fair value R'000**	Gross Carrying amount R'000	Credit loss allowance R'000	Amortised cost/fair value R'000
Company						
Other financial assets at amortised cost	17 496	(7 709)	9 787	158 202	(3 609)	154 593
Loans to subsidiaries	3 235 531	(324 805)	2 910 726	1 971 336	(300 878)	1 670 458
Trade and other receivables	98 881	–	98 881	10 272	–	10 272
Cash and cash equivalents	1 006	–	1 006	56 934	–	56 934
Total	3 352 914	(332 514)	3 020 400	2 196 744	(304 487)	1 892 257

10. Financial risk management (continued)

(b) Credit risk (continued)

(i) Trade receivables

For exposure to credit risk identified by the Group, refer note 7.3.2 for further details disclosed.

(ii) Cash and cash equivalents

The Group limits its counterparty exposure arising from bank accounts/call deposits by only dealing with well-established financial institutions of high credit standing. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Board annually.

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

	Credit rating		Amount	
	2025 R'000	2024 R'000	**2025 R'000**	2024 R'000
Group				
Financial institution:				
ABSA	P-3	NP	7 255	21 086
FNB	P-3	NP	17 060	4 419
SBSA	P-3	NP	265 990	417 279
Other	N/A	N/A	10 511	61 411
			300 816	504 195

(iii) Other financial assets

Refer note 7.3.1 for details.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities, when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its cash flow requirements through monthly cash forecasts which includes the servicing of financial obligations, but excludes the potential impact of extreme circumstances that cannot reasonably be predicted. To assist, strict credit control and debt monitoring processes are applied.

Surplus cash over and above the balance required for working capital management, is transferred to the Group treasury. Group treasury invests surplus cash in interest-bearing current accounts and call deposits to provide sufficient headroom as determined by the abovementioned forecasts. At the reporting period, the Group held call deposits of R62,5 million (2024: R126,4 million) that are expected to readily assist in generating cash inflows for managing liquidity risks.

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

10. Financial risk management (continued)

(c) Liquidity risk (continued)

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The following table details the Group's undiscounted contractual maturities for its financial liabilities:

	Carrying values R'000	Total cash flows R'000	Less than 1 year R'000	Between 2 and 5 years R'000	More than 5 years R'000
Group					
At 28 February 2025					
Other liability	**40 726**	**40 726**	**–**	**40 726**	**–**
Medium-term loans	**1 100 000**	**1 100 000**	**1 100 000**	**–**	**–**
Bank overdraft	**371 937**	**371 937**	**371 937**	**–**	**–**
Other financial liabilities	**508 195**	**508 195**	**421 320**	**86 875**	**–**
Lease liabilities	**76 069**	**94 720**	**25 542**	**42 637**	**26 541**
Instalment sale agreements	**311 261**	**320 116**	**167 936**	**152 180**	**–**
Trade and other payables	**1 426 134**	**1 426 134**	**1 426 134**	**–**	**–**
Bank overdraft	**77 828**	**77 828**	**77 828**	**–**	**–**
	3 912 150	**3 939 656**	**3 590 697**	**322 418**	**26 541**
At 29 February 2024					
Other liability	19 979	19 979	–	19 979	–
Medium-term loans	200 000	200 000	200 000	–	–
Other financial liabilities	9 671	9 671	9 671	–	–
Lease liabilities	59 198	81 769	6 272	41 914	33 583
Instalment sale agreements	297 927	314 188	140 823	173 365	–
Trade and other payables	755 605	755 605	755 605	–	–
	1 342 380	1 381 212	1 112 371	235 258	33 583
Company					
At 28 February 2025					
Medium-term loans	**1 100 000**	**1 100 000**	**1 100 000**	**–**	**–**
Other liability	**14 603**	**14 603**	**–**	**14 603**	**–**
Loans from subsidiaries	**312 886**	**312 886**	**312 886**	**–**	**–**
Trade and other payables	**14 408**	**14 408**	**14 408**	**–**	**–**
Bank overdraft	**77 828**	**77 828**	**77 828**	**–**	**–**
	1 519 725	**1 519 725**	**1 505 122**	**14 603**	**–**
At 29 February 2024					
Medium-term loans	200 000	200 000	200 000	–	–
Other liability	7 058	7 058	–	7 058	–
Loans from subsidiaries	115 461	115 461	115 461	–	–
Trade and other payables	11 721	11 721	11 721	–	–
	334 240	334 240	327 182	7 058	–

11. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The directors meet regularly to review the capital structure. As part of this review the directors consider the availability of funding within the Group to fund the Group's capital requirements. The directors also consider the cost of capital and the risks associated with each class of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, buy back its own shares or reduce debt.

The Group is required, by means of covenants provided to financiers, to maintain certain solvency and profitability ratios which are monitored monthly via management accounts and cash flow forecasts. The Group monitors capital on the basis of the net debt:equity ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings, other financial liabilities and loans from subsidiaries less cash and cash equivalents, net of bank overdraft as shown in the Statement of Financial Position.

The Group's strategy is to maintain the net debt:equity ratio to below 25% in the long term. The net debt:equity ratios at reporting date were as follows:

	Group		Company	
	2025 R'000	2024 R'000	**2025 R'000**	2024 R'000
Total borrowings, other financial liabilities and loans from subsidiaries	**2 367 462**	566 796	**1 412 886**	315 461
Overdraft less cash and cash equivalents/(surplus cash)	**(223 501)**	(504 678)	**76 822**	(56 934)
Net debt	**2 143 961**	62 118	**1 489 708**	258 527
Total equity	**4 388 260**	4 563 041	**2 956 479**	2 998 501
Total capital	**6 532 221**	4 625 159	**4 446 187**	3 257 028
Net debt:equity ratio (%)	**48,9**	1,4	**50,4**	8,6

The Group's and Company's net debt:equity ratio temporarily exceeds its strategic target of 25% due to funding obtained for a significant acquisition during the year. The Board is satisfied that the Group will meet its obligations as they fall due, supported by sufficient undrawn financing facilities. The Group remains committed to its long-term capital structure strategy and intends to reduce gearing levels over time to align with its target ratio.

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

Group structure

12. Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

If the initial accounting for business combination is incomplete by the end of the reporting period in which the combination occurs the Group reports provisional amounts for the item for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

When the Group acquires a set of assets and liabilities that does not constitute a business as defined in IFRS 3, the transaction is accounted for as an asset acquisition. In such cases, no goodwill is recognised. The cost of the acquisition is allocated to the individual identifiable assets and liabilities on a relative fair value basis at the acquisition date. Transaction costs incurred in an asset acquisition are capitalised as part of the cost of the assets acquired. The assessment of whether an acquisition is a business or an asset is based on the substance of the transaction and considers whether the acquired set includes inputs and processes capable of producing outputs, as outlined in IFRS 3 and the accompanying application guidance.

Non-current assets and liabilities are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

12. Business combinations (continued)

Identification of a business combination

Management assesses whether an acquisition meets the definition of a business under IFRS 3, which requires judgement, particularly when acquiring a set of activities and assets that may not constitute a business.

Determination of the acquisition date

The Group determines the acquisition date based on the point in time when control is transferred to the Group, which may involve judgement where there are conditions precedent or complex transaction structures.

Fair value of consideration transferred

The consideration transferred, including contingent or deferred elements, is measured at fair value at the acquisition date. Estimating the fair value of contingent consideration requires judgement regarding future financial and operational performance, discount rates, and probabilities of outcomes.

Fair value of identifiable assets acquired and liabilities assumed

The Group engages valuation experts to assist in determining the fair value of tangible and intangible assets acquired, which involves significant judgement in selecting valuation techniques, assumptions (e.g. discount rates, royalty rates, useful lives), and market-based data.

Recognition of intangible assets

Management evaluates whether identifiable intangible assets such as customer relationships, brands, or technology should be recognised separately from goodwill. This involves judgement in assessing control, separability, and future economic benefits

Allocation of goodwill

Goodwill is allocated to the CGUs that are expected to benefit from the combination. This allocation requires judgement about the integration plans, synergies, and future cash flow expectations.

Measurement period adjustments

If new information arises within the measurement period (not exceeding 12 months) that affects the provisional amounts recognised, retrospective adjustments may be made. Management uses judgement to determine whether such information existed at the acquisition date.

12.1 Acquisition of businesses

Lafarge South Africa Holdings Proprietary Limited ('Lafarge')

As per the SENS announcement on 20 June 2023, in terms of which Afrimat announced that it entered into a share purchase agreement, in terms of which the Company will acquire 100,0% of the issued share capital of Lafarge and, as a consequence, all of Lafarge's subsidiaries (collectively 'Lafarge Group') from the Holcim Group subsidiary, Caricement B.V. ('seller').

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

12. Business combinations (continued)

12.1 Acquisition of businesses (continued)

Lafarge South Africa Holdings Proprietary Limited ('Lafarge') (continued)

The Lafarge Group is a leading provider of construction materials in South Africa, offering a wide range of products to the construction industry, including aggregates, concrete, cement and fly ash that meet the industry's need for products with reliable quality and high performance. In addition, a key focus of the Afrimat Group is its operational efficiency initiatives, which are aimed at expanding volumes, reducing costs and developing the required skill levels across all staffing categories. Consequently, the Acquisition is in line with the Afrimat Group's strategy to expand the current national footprint and products and to drive efficiencies within the construction materials segment.

The Construction Materials segment of the Afrimat Group supplies a wide variety of aggregates and concrete-based products to the market, and the Group, in response to customer demand, continues to focus on market and product development within this segment.

All conditions precedent were met to acquire 100,0% of the shares in Lafarge on 10 April 2024 and the acquisition became effective from 23 April 2024.

The purchase consideration was structured as follows:
- $6,0 million less any amounts categorised as leakage under the share purchase agreement ('Sale Price'). The Sale Price was paid on 17 April 2024; and
- Loan amounts owing by Lafarge to the seller, equating to R900,0 million. The Company will pay the seller an amount of R500,0 million in cash, this was paid on 15 April 2024 and the R400,0 million will be interest free and will be repaid by no later than 12 months after the closing date, be converted into euro, this was paid on 30 April 2025, refer note 18.

Details of the purchase consideration are as follows:

	Total 2025 R'000
Cash paid ($6,0 million)	113 880
Cash paid (loan)	500 000
Consideration payable (loan)	400 000
Cash paid (minority)*	6 000
Leakage claim**	(50 466)
Total purchase consideration	**969 414**

* *Additional consideration of R6,0 million for the acquisition of the minority shareholding of Afrimat Industries South Africa Proprietary Limited and Afrimat Quarrying South Africa Proprietary Limited (previously known as Lafarge Industries South Africa Proprietary Limited and Lafarge Mining South Africa Proprietary Limited, respectively), this was paid on 5 September 2024.*

** *The contract included a provision allowing for an adjustment to the consideration payable through a leakage adjustment within six months following the Closing Date. An amount of R50,5 million was received on 30 April 2025.*

12. Business combinations (continued)

12.1 Acquisition of businesses (continued)

Lafarge South Africa Holdings Proprietary Limited ('Lafarge') (continued)

Details of the acquisition are as follows:

	Total 2025 R'000
Carrying amount/fair value of net assets acquired – Lafarge	
Property, plant and equipment[1]	1 301 000
Intangible assets[2]	53 400
Inventories[3]	320 901
Trade and other receivables[4]	305 923
Other financial assets	10 047
Deferred tax asset	48 464
Cash and cash equivalents	239 072
Borrowings	(330 308)
Provisions	(72 395)
Trade and other payables	(875 251)
Current tax payable	(6 467)
Net assets – Lafarge	**994 386**
Less: Non-controlling interests	(24 972)
Goodwill/(gain on bargain purchase)	–
Total purchase consideration	**969 414**

	Total 2025 R'000
Total revenue assuming the business combination for the full year	2 479 688
Total loss after tax assuming the business combination for the full year	(95 973)
Revenue included in results	2 030 733
Loss after tax included in results	(148 219)
Acquisition cost included in 'operating expenses' for the FY2024/FY2025 year	7 985
Analysis as per Statement of Cash Flows:	
Total consideration (fair value)	(969 414)
Leakage claim receivable	(50 466)
Consideration payable	400 000
Cash and cash equivalents	239 072
Cash outflow	**(380 808)**

[1] *The fair value of the Cement Plant was determined by applying an income approach using a discounted cash flow ('DCF') model and taking into account 100% of the attributable cash flows and a discount rate of 18,1%, long-term growth rate of 4,6% and sale volumes growth rate of between 3,0% and 5,1%. For other property, plant and equipment, a combination of depreciated replacement cost ('DRC') valuation method and market value was used.*

[2] *Intangible assets consist of R15,9 million for the DuraPozz brand and R37,5 million for the customer relationships of the Ash business. The fair value of the DuraPozz brand was calculated by applying the determined royalty rate to the forecasted revenues and discounting the after tax royalties at the calculated cost of equity. For the customer relationships a variation of the income method, namely the multi-period excess earnings method ('MEEM',) was applied to determine the fair value.*

[3] *The fair value of inventories was based on an assessment of net realisable value, taking into account the quantity of tonnes included in the various inventory categories (raw materials, finished goods and production supplies).*

[4] *Trade receivables comprise gross contractual amounts due of R251,3 million. An expected credit loss allowance of R7,0 million was raised at the date of acquisition.*

12. Business combinations (continued)

12.1 Acquisition of businesses (continued)

Lafarge South Africa Holdings Proprietary Limited ('Lafarge') (continued)

At the acquisition date, a bargain purchase gain was provisionally recognised, primarily due to the acquired company being loss-making, which resulted in the fair value of the identifiable net assets acquired exceeding the consideration transferred. Subsequent to the provisional recognition, and within the measurement period as permitted under IFRS 3, the Group performed a reassessment of the fair values of the identifiable net assets acquired. This reassessment resulted in a downward adjustment to the fair value of certain assets, reflecting updated information about conditions that existed at the acquisition date. As a result of this fair value adjustment, the previously recognised bargain purchase gain was derecognised, and the final purchase price allocation no longer resulted in a gain on bargain purchase.

Fincrete Proprietary Limited and Rondawel Kaolien Proprietary Limited

In the prior year, Afrimat entered into a Sale of Shares Agreement ('Agreement') to acquire 100,0% of the shares in Fincrete Proprietary Limited ('Fincrete'), a company that supplies kaolin clay to the local ceramic industry for a consideration of R5,2 million. The opencast mine is situated close to the town of Garies in the Northern Cape.

In addition to the acquisition of Fincrete, the Group also entered into an agreement to acquire 100,0% of Rondawel Kaolien Proprietary Limited ('Rondawel') for R4,0 million. Rondawel owns the mining right to mine the kaolin.

The acquisition of the shares in Rondawel is subject to the fulfilment of the following outstanding conditions precedent ('CP'):

- Approval in terms of section 11 of the Mineral and Petroleum Resources Development Act No. 28 of 2002.

For the interim period the Group entered into a contractors agreement with Rondawel, allowing the Group to undertake all activities in conducting the operations of Rondawel, including but not limited to mining, processing, logistics, marketing and selling. Effective management and control of the operations through its appointment as contractor in terms of the agreement was obtained by the Group effectively from 1 July 2023.

Details of the purchase consideration are as follows:

	Total 2024 R'000
Cash paid	7 514
Other financial liabilities assumed*	1 700
Contingent consideration**	48 786
Total purchase consideration	**58 000**

* *Other financial liabilities assumed consist of two loans of R850 000 each. A loan at Nedbank Limited of R850 000, repayable monthly over a three-year period with an interest rate of prime plus 5,0% and a loan at Capitec Business Bank of R850 000, repayable monthly over a three-year period with an interest rate of prime plus 1,0%.*

** *As part of the Agreement for Fincrete, there is an 'agterskot' period which may trigger an 'agterskot' payment, which is a period commencing at the end of the initial production period (18 months after the CPs have been met), for a period of three years. This 'agterskot' payment also known as a contingent consideration will be payable if the earnings of Fincrete reach a certain level based on a formula determined in the Agreement.*

12. Business combinations (continued)

12.1 Acquisition of businesses (continued)

Fincrete Proprietary Limited and Rondawel Kaolien Proprietary Limited (continued)

Details of the acquisition are as follows:

	Total 2024 R'000
Carrying amount/fair value of net assets acquired – Fincrete/Rondawel	
Property, plant and equipment	50 562
Inventories	221
Trade and other receivables	426
Cash and cash equivalents	200
Borrowings	(2 451)
Provisions	(193)
Trade and other payables	(98)
Deferred tax liability	(12 977)
Net assets – Fincrete/Rondawel	35 690
Goodwill	22 310
Total purchase consideration	58 000
Total revenue assuming the business combination for the full year	2 826
Total loss after tax assuming the business combination for the full year	(249)
Revenue included in results	1 703
Loss after tax included in results	(455)
Acquisition cost included in 'operating expenses' for the year	–
Analysis as per Statement of Cash Flows:	
Total consideration (fair value)	(58 000)
Other financial liabilities assumed	1 700
Contingent consideration	48 786
Cash and cash equivalents	200
Cash outflow	(7 314)

The goodwill acquired in Fincrete and Rondawel is attributable to the quality of the mining resource, which produces a high quality product with a wide range of potential uses once beneficiated. The transaction will expand the Group's current product portfolio within the Industrial Minerals segment.

12.2 Acquisition of assets

Glenover Phosphates Proprietary Limited ('Glenover')

The Glenover acquisition includes phosphate stockpiles (purchased in FY2022 for R215,1 million) and a rare earth, phosphate and vermiculite bearing mining right (subordinate Vermiculite Mining Right purchased in FY2023 for R34,9 million), which positions the Group to enter new commodities aligned with global trends relating to food security and the advancement of technology. The implementation of the initial phases of this acquisition have progressed well with the Group selling high-grade phosphate into the organic phosphate market.

This acquisition did not include any workforce or processes and therefore does not constitute a business as defined in IFRS 3.

On 9 December 2021, Afrimat announced that it had purchased an option, for R5,0 million, to acquire 100,0% of the shares ('Sale Shares') in Glenover. Subsequently this option was exercised on 19 October 2022.

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

12. Business combinations (continued)

12.2 Acquisition of assets (continued)

Glenover Phosphates Proprietary Limited ('Glenover') (continued)

On 30 April 2024, all conditions precedent were fulfilled and the acquisition became effective.

The purchase consideration of Sale Shares and Sale Claims of R300,0 million was settled as follows:

- A first tranche payment of R150,0 million in respect of the Sale Claims payable through an issue of Afrimat Limited shares equivalent to R150,0 million, calculated on a 30-day volume weighted average price ('VWAP') on the first tranche payment date being 15 business days after signature of the Addendum;
- A second tranche payment of R147,0 million in respect of the Sale Claims payable in cash on 30 April 2024; and
- A cash consideration of R3,0 million payable in respect of the Sale Shares, on fulfilment of the suspensive conditions.

The purchase consideration in respect of the Sale Shares was settled in full.

Details of the purchase consideration are as follows:

	Total 2025 R'000
Cash paid	155 000
Afrimat Limited shares issued	150 000
Total purchase consideration	**305 000**

Details of the acquisition are as follows:

	Total 2025 R'000
Carrying amount/fair value of net assets acquired – Glenover	
Property, plant and equipment	315 508
Trade and other receivables	71
Deferred tax asset	73
Cash and cash equivalents	1 155
Provisions	(10 622)
Trade and other payables	(94)
Current tax payable	(1 091)
Net assets – Glenover	**305 000**
Analysis as per Statement of Cash Flows:	
Total consideration (fair value)	(305 000)
Shares issued	150 000
Cash paid: Option (FY2023)	5 000
Cash and cash equivalents	1 155
Cash outflow	**(148 845)**

12. Business combinations (continued)

12.3 Disposal of businesses

SA Block Proprietary Limited

During the current year, the Group entered into an agreement to dispose of its total shareholding in SA Block Proprietary Limited ('SAB') for a total purchase consideration of R44,0 million. The Group subsequently lost effective control over SAB on 1 February 2025. The company was previously included in the Construction Materials segment.

Details of the disposal are as follows:

	Total 2025 R'000
Carrying amount/fair value of net assets over which control was lost	
Property, plant and equipment	4 212
Inventories	3 575
Deferred tax liability	(328)
Net assets disposed of	**7 459**
Profit on disposal of subsidiary	
Consideration	44 000
Net assets disposed of	(7 459)
Profit on disposal	**36 541**
Analysis as per Statement of Cash Flows:	
Total cash flow on disposal of subsidiary	44 000
Cash inflow	**44 000**

12. Business combinations (continued)

12.3 Disposal of businesses

Afrimat Mozambique Limitada

During the prior year, the Group entered into an agreement to dispose of its total shareholding in Afrimat Mozambique Limitada ('AML'), consisting of 99,0% to ELM Mauritius Limited for a total purchase consideration of R18,6 million. The Group subsequently lost effective control over AML on 1 June 2023. The company was previously included in the Construction Materials segment.

Details of the disposal are as follows:

	Total 2024 R'000
Carrying amount/fair value of net assets over which control was lost	
Inventories	16 143
Trade and other receivables	32 424
Trade and other payables	(192)
Non-controlling interest	585
Net assets disposed of	48 960
Loss on disposal of subsidiary	
Consideration	
– Cash	15 854
– Receivable	2 721
Net assets disposed of	(48 960)
Loss on disposal	(30 385)
Analysis as per Statement of Cash Flows:	
Total cash flow on disposal of subsidiary	15 854
Less: Cash received in FY2022	(12 821)
Less: Cash and cash equivalents disposed of	–
Cash inflow	3 033

12. Business combinations (continued)

12.3 Disposal of businesses

Afrimat Logistics Limitada

During the prior year, the Group entered into an agreement to dispose of its total shareholding in Afrimat Logistics Limitada ('ALL'), consisting of 51,0% to an external third party for a total purchase consideration of USD 1. The Group subsequently lost effective control over ALL on 1 November 2023. The company was previously included in the Construction Materials segment.

Details of the disposal are as follows:

	Total 2024 R'000
Carrying amount/fair value of net assets over which control was lost	
Trade and other receivables	169
Non-controlling interest	236
Net assets disposed of	405
Loss on disposal of subsidiary	
Consideration*	–
Net assets disposed of	(405)
Loss on disposal	(405)
Analysis as per Statement of Cash Flows:	
Total cash flow on disposal of subsidiary	–
Less: Cash and cash equivalents disposed of	–
Cash inflow	–

* *The purchase price payable by the purchaser for the sale of shares shall be a nominal consideration of USD 1, on the basis that the assets and liabilities of the company have a net zero value. For the purposes of the agreement, the seller waives the right to receive payment of the nominal purchase price.*

Stony Lime Proprietary Limited

On 12 November 2021, Afrimat entered into an agreement to acquire 100,0% of the shares in Agri Lime Proprietary Limited and 74,0% of the shares in Stony Lime Proprietary Limited (collectively 'Agri Lime') for a purchase consideration of R38,0 million. In addition, the Group entered into a contract mining agreement with Kalaka Mining Proprietary Limited (holder of the mining right), allowing the Group to undertake mining operations under the mining area in respect of which the mining right has been granted. Effective management and control of the mining operations (Stony Lime Proprietary Limited) through its appointment as mining contractor in terms of the contract mining agreement and asset lease agreement was obtained by the Group effectively from 13 May 2022.

During the prior year, the Group terminated the contract mining agreement with Kalaka Mining Proprietary Limited which resulted in the Group losing effective control over Stony on 30 November 2023. Furthermore, due to the non-fulfilment of the outstanding CP, being ministerial consent obtained in writing, the Group did not purchase 74,0% of the shares in Stony. Therefore, the consideration previously paid into an escrow account of R33,5 million was transferred back to the Company. The company was previously included in the Industrial Minerals segment.

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

12. Business combinations (continued)

12.3 Disposal of businesses (continued)

Stony Lime Proprietary Limited (continued)

Details of the disposal are as follows:

	Total 2024 R'000
Carrying amount/fair value of net assets over which control was lost	
Property, plant and equipment	24
Trade and other receivables	103
Cash and cash equivalents	84
Trade and other payables	(320)
Other financial liabilities	(2 686)
Non-controlling interest	(478)
Goodwill	17 183
Net assets disposed of	13 910
Profit on disposal of subsidiary	
Consideration	
– Cash	33 500
Net assets disposed of	(13 910)
Profit on disposal	19 590
Analysis as per Statement of Cash Flows:	
Total cash flow on disposal of subsidiary	33 500
Less: Cash and cash equivalents disposed of	(84)
Cash inflow	33 416

12. Business combinations (continued)

12.4 Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were reclassified as held for sale:

	Total 2025 R'000
Assets classified as held for sale	
Property, plant and equipment	**53 505**
Inventories	**23 405**
Total assets of disposal group held for sale	**76 910**
Liabilities directly associated with assets classified as held for sale	
Provisions	**(10 059)**
Total liabilities of disposal group held for sale	**(10 059)**
	66 851

As part of the acquisition of the Lafarge business combination during the financial year, the Group was required by the Competition Commission to dispose of certain operations in order for the transaction to proceed. The condition was a prerequisite for regulatory approval and stipulates that the specified operations must be sold within a 12-month period.

In line with this requirement, the Group has committed to a plan to sell the relevant operations and has actively commenced the sale process. A potential buyer has been identified, and negotiations are at an advanced stage. As such, the criteria in IFRS 5: *Non-current Assets Held for Sale and Discontinued Operations* have been met. The disposal group is included in the Construction Materials segment.

Accordingly, the assets and liabilities of these operations have been classified as a disposal group held for sale.

The sale is expected to be finalised within the prescribed 12-month period.

13. Investment in subsidiaries

(a) Basis of consolidation

Group financial statements

Subsidiaries are all entities (including structured entities) over which the Group has control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group recognises that control is the single basis for consolidation for all types of entities in accordance with IFRS 10: *Consolidated Financial Statements*. The consolidated financial information includes the financial statements of the Company, its subsidiaries, interest in joint ventures and structured entities. Where the Group has no control over an entity, that entity is not consolidated.

The Group, regardless of the nature of its involvement with an entity, shall determine whether it is a parent by assessing whether it controls the investee. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power to direct the activities of the entity.

Company financial statements

Investments in subsidiaries are initially recognised at cost.

Investments in subsidiaries are subsequently measured at cost less any accumulated impairment.

(b) Changes in ownership interests in subsidiaries without change of control

IFRS 3: *Business Combinations* excludes from its scope business combinations between entities under common control. Depending on the specific facts and circumstances surrounding a particular business combination under common control, management selects an appropriate accounting policy, and it applies that policy consistently from period to period to all business combinations under common control that are considered similar in nature. The Group accounted for the common control transaction by applying the predecessor method, that is the assets and liabilities of the acquired entities are stated at their predecessor carrying amounts, being the net book value of these assets and liabilities in the financial statements.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions at cost. The difference between the share acquired of the carrying value of net assets of the subsidiary and the purchase consideration is recorded in retained earnings within equity.

Gains or losses on disposals of ownership interests to non-controlling interests, whilst still holding a controlling interest after the disposal, are also recorded in retained earnings within equity.

(c) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

13. Investment in subsidiaries (continued)

(d) Share trusts

Afrimat BEE Trust is a structured entity that is consolidated by the Group.

(e) Loans to/from subsidiaries

Loans to/from subsidiaries are classified as financial assets/liabilities subsequently measured at amortised cost.

Loans receivable/payable are recognised when the Company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

The loans are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Consolidation of Afrimat BEE Trust and its subsidiary AEI

Afrimat BEE Trust and its subsidiary AEI were established with the objective of holding and funding shares on behalf of qualifying employees. The Group is exposed to variable returns from the trust in the form of staff performance and incentives associated with BEE and the DTI Codes of Good Practice. Furthermore, the Group is also exposed to changes in the trust's net asset value. Management therefore concluded that the Group controls the trust and its subsidiary.

Consolidation of Infrasors Environmental Rehabilitation Trust

The Group consolidated the Infrasors Environmental Rehabilitation Trust due to the Group having rights to variable returns from its involvement with the trust and has the ability to affect those returns through its control over the trust.

Consolidation of Infrasors Empowerment Trust

Due to the Group having the right to appoint the trustees, providing all loan funding and the fact that the Group is exposed to variable returns from the trust, management has concluded that the Group controls the trust.

Consolidation of Labonte 3 Proprietary Limited ('Labonte')

The Group owns 50,0% of the shareholding in Labonte. Due to the effective management in place, the Group has the power to direct the relevant activities, are exposed to variable returns from its involvement and has the ability to use its power to affect those returns, of Labonte. Therefore, the Group consolidates Labonte.

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

13. Investment in subsidiaries (continued)

Name of entity	Nature of business	Principal place of business	% holding 2025	% holding 2024
Afrimat Aggregates (Eastern Cape) Proprietary Limited#	Aggregates	Eastern Cape	100,0	100,0
Afrimat Aggregates (KZN) Proprietary Limited	Aggregates	KwaZulu-Natal	100,0	100,0
Afrimat CM Western Cape Proprietary Limited (previously known as Afrimat Aggregates (Operations) Proprietary Limited)#	Aggregates	Western Cape	100,0	100,0
Afrimat Aggregates (Trading) Proprietary Limited#	Aggregates	Western Cape	100,0	100,0
Afrimat Aggregates East Proprietary Limited	Concrete-based products	Western Cape	100,0	100,0
Afrimat BEE Trust	Investment	Western Cape	–	–
Afrimat Bulk Commodities Proprietary Limited*#	Bulk commodities	Northern Cape	100,0	100,0
Afrimat CM Eastern Cape Proprietary Limited (previously known as Afrimat Concrete Products Proprietary Limited)	Aggregates	KwaZulu-Natal	100,0	100,0
Afrimat Central Services Proprietary Limited (previously known as Community Quarries Proprietary Limited)#	Services	Western Cape	100,0	100,0
Afrimat Construction Materials Holdings Proprietary Limited (previously known as Lafarge South Africa Holdings Proprietary Limited)**	Aggregates, Cement	Gauteng	100,0	–
Afrimat Contracting International Proprietary Limited#	Aggregates	Gauteng	100,0	100,0
Afrimat Empowerment Investments Proprietary Limited	Investment	Western Cape	–	–
Afrimat Foundation Trust	Community	Western Cape	–	–
Afrimat Group Services Proprietary Limited#	Services	Western Cape	100,0	100,0
Afrimat Hemp Proprietary Limited#	Future materials and metals	Western Cape	55,0	55,0
Afrimat Lime Company Proprietary Limited	Industrial minerals	Gauteng	100,0	100,0
Afrimat Logistics Proprietary Limited	Services	Gauteng	51,0	51,0
Afrimat Lyttelton Proprietary Limited	Aggregates	Gauteng	100,0	100,0
Afrimat Management Services Proprietary Limited	Services	Western Cape	100,0	100,0
Afrimat Marble Hall Proprietary Limited#	Industrial minerals	Gauteng	100,0	100,0
Afrimat Mining Services Proprietary Limited	Contracting	Gauteng	100,0	100,0
Afrimat Offshore***	Investment	Mauritius	100,0	100,0
Afrimat Phosphates Proprietary Limited#	Future materials and metals	Limpopo	100,0	100,0
Afrimat Readymix (Cape) Proprietary Limited	Concrete-based products	Western Cape	100,0	100,0
Afrimat Readymix Inland Proprietary Limited	Concrete-based products	Mpumalanga	75,0	75,0
Afrimat Shared Services Proprietary Limited	Services	Western Cape	100,0	100,0
Afrimat Silica Proprietary Limited#	Aggregates	Gauteng	100,0	100,0
Agri Lime Proprietary Limited#	Industrial minerals	Limpopo	100,0	100,0
Cape Lime Proprietary Limited#	Industrial minerals	Western Cape	100,0	100,0
Capmat Proprietary Limited#	Aggregates	Western Cape	100,0	100,0
Clinker Supplies Proprietary Limited#	Aggregates	Gauteng	100,0	100,0
Delf Silica Coastal Proprietary Limited#	Industrial minerals	Gauteng	100,0	100,0
Eckraal Quarries Proprietary Limited****	Aggregates	Gauteng	–	–
Fincrete Proprietary Limited#	Industrial minerals	Western Cape	100,0	100,0
Glen Douglas Dolomite Proprietary Limited	Aggregates	Gauteng	100,0	100,0
Glenover Phosphates Proprietary Limited#	Future materials and metals	Limpopo	100,0	–
Infrasors Empowerment Trust	Investment	Gauteng	–	–
Infrasors Environmental Rehabilitation Trust	Investment	Gauteng	–	–
Labonte 3 Proprietary Limited	Property	Eastern Cape	50,0	50,0
Maritzburg Quarries Proprietary Limited	Aggregates	KwaZulu-Natal	100,0	100,0
Meepo Ya Mmu Resources Proprietary Limited	Aggregates	Mpumalanga	54,0	54,0
Olympic Sand Proprietary Limited	Aggregates	Western Cape	100,0	100,0
Pienaarspoort Ontwikkeling Proprietary Limited	Industrial minerals	Gauteng	100,0	100,0
Afrimat Namibia Proprietary Limited (previously known as Prima Quarries Namibia Proprietary Limited)	Aggregates	Namibia	100,0	100,0
Rodag Holdings Proprietary Limited	Property	KwaZulu-Natal	100,0	100,0
SA Block Proprietary Limited	Concrete-based products	Gauteng	–	100,0
Rondawel Kaolien Proprietary Limited	Industrial minerals	Western Cape	–	–
Scottburgh Quarries Proprietary Limited	Aggregates	KwaZulu-Natal	100,0	100,0
Sunshine Crushers Proprietary Limited	Aggregates	KwaZulu-Natal	100,0	100,0

13. Investment in subsidiaries (continued)

	Carrying amount shares 2025 R'000	Carrying amount shares 2024 R'000	Carrying amount indebtedness 2025 R'000	Carrying amount indebtedness 2024 R'000
Analysis of assets and liabilities:				
Non-current assets				
Loans to subsidiaries	**–**	–	**2 003 413**	850 241
Less: Allowances for credit losses	**–**	–	**(324 805)**	(300 878)
Investments in subsidiaries	**1 469 601**	1 443 239	**–**	–
Current assets				
Loans to subsidiaries	**–**	–	**1 232 118**	1 121 095
Current liabilities				
Loans from subsidiaries	**–**	–	**(312 886)**	(115 461)
	1 469 601	1 443 239	**2 597 840**	1 554 997

* *Indirectly held subsidiaries include Afrimat Iron Ore Proprietary Limited, Afrimat Manganese Proprietary Limited, Nkomati Anthracite Proprietary Limited, Coza Mining Proprietary Limited and Benicon Coal Proprietary Limited.*

** *Indirectly held subsidiaries include Ash Resources Proprietary Limited, Afrimat Industries Proprietary Limited, Afrimat Quarrying South Africa Proprietary Limited, Afrigen Proprietary Limited and Sinako Proprietary Limited.*

*** *Indirectly held subsidiary include Afrimat Mining and Aggregates Zambia Limited.*

**** *Indirectly held subsidiary include Eckraal Bricks and Ready-Mix Proprietary Limited.*

\# *Management performed further impairment assessments on the Company's investments in subsidiaries where the net asset value of the Company did not exceed its cost of investment.*

The loans have no fixed terms of repayment and the majority bear interest at prime (2024: prime). The subsidiaries are incorporated in the Republic of South Africa except for Afrimat Namibia Proprietary Limited, Afrimat Offshore and Afrimat Mining and Aggregates Zambia Limited that are incorporated in Namibia, Mauritius and Zambia, respectively.

The Group has no contractual, other commitments or intentions to provide financial assistance to, or to buy assets from the Afrimat BEE Trust and its subsidiary AEI, Infrasors Environmental Rehabilitation Trust and Infrasors Empowerment Trust.

The investment in subsidiaries was assessed for impairment. The recoverable amount was determined by means of value-in-use calculations using a discounted cash flow methodology with the same assumptions as disclosed in note 6.2. It was identified that the carrying value of the Fincrete CGU exceeded its recoverable amount. This was mainly due to the shortfall in the anticipated market share of the resource, which resulted in the company not meeting its budget. As a result of the aforementioned an investment impairment of R7,5 million was recorded.

13. Investment in subsidiaries (continued)

The ECL calculated on loans to subsidiaries is based on the probability of default, the loss given default and the exposure at the default. The Group considers the probability of default upon initial recognition of these loans and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of default occurring on the financial asset as at the reporting date with the risk of default as at the date of initial recognition. The Group considers this to be when there is existing or forecast deterioration, i.e. insufficient cash balances or highly liquid assets available, in the counterparty's ability to meet its debt obligations.

The ECL's recognised on loans to subsidiaries are made up as follows: Nkomati Anthracite Proprietary Limited R128,1 million (2024: R128,1 million); Afrimat Management Services Proprietary Limited R2,4 million (2024: R2,4 million); Afrimat CM Eastern Cape Proprietary Limited RNil (2024: R24,0 million); Afrimat Silica Proprietary Limited R10,7 million (2024: RNil); Afrimat Manganese Proprietary Limited R34,5 million (2024: R30,2 million); Agri Lime Proprietary Limited R32,2 million (2024: R33,1 million); Afrimat Phosphates Proprietary Limited R51,9 million (2024: R51,9 million); Afrimat Hemp Proprietary Limited R8,6 million (2024: R8,6 million); Eckraal Quarries Proprietary Limited R43,5 million (2024: R19,6 million); Fincrete Proprietary Limited R2,2 million (2024: R2,9 million); Afrimat Aggregates (Trading) Proprietary Limited R0,8 million (2024: RNil) and Afrimat Group Services Proprietary Limited R9,8 million (2024: RNil).

During the year the Group disposed of the following subsidiaries, SA Block Proprietary Limited (2024: Afrimat Mozambique Limitada, Afrimat Logistics Limitada and Stony Lime Proprietary Limited), refer note 12.3 for further disclosures.

The Group acquired 100,0% of the issued shares of Afrimat Construction Materials Holdings Proprietary Limited (2024: Fincrete Proprietary Limited), refer note 12.1 for further disclosures.

14. Investment in associate

Group financial statements

The Group's associate is accounted for using the equity method, after initially being recognised at cost in the consolidated Statement of Financial Position.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss.

During the prior year, Afrimat Offshore acquired 50,0% of the share capital of Hislop International ('Hislop'). The primary role of Hislop is to both identify and pursue market opportunities for the Group. These services provided constitutes its core function and therefore profits earned from this associate is included in the Services segment.

	Group		Company	
	2025 R'000	2024 R'000	**2025 R'000**	2024 R'000
Hislop International Nil% (2024: 50,0%)	**–**	1 837	**–**	–
Total	**–**	1 837	**–**	–

Notes to the Annual Financial Statements (continued)

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14. Investment in associate (continued)

Hislop International

The Group's share of the results of its associate, which is unlisted, and the Group's share of its aggregated assets and liabilities, are as follows:

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
At 28 February 2025				
Assets	–	6 287	–	–
Liabilities	–	(4 409)	–	–
Revenues	–	18 746	–	–
Profit	–	1 829	–	–

During the current year, the investment in Hislop International was disposed of. Refer to note 4.2 for the loss on disposal of associate.

15. Related parties

Subsidiaries, associates and related trusts

During the year under review, the Company and its subsidiaries, in the ordinary course of business, entered into various sale and purchase transactions with related parties. For a list of the Group's subsidiaries and related trusts, refer note 13.

		Group	
		2025 R'000	2024 R'000
Share of net profit after tax	Associate	–	1 829

		Company	
		2025 R'000	2024 R'000
Net loan balances	Subsidiaries	2 597 840	1 554 997
Loan balances owing (to)	Subsidiaries	(312 886)	(115 461)
Loan balances owing by	Subsidiaries	2 910 726	1 670 458
Trade and other payables	Subsidiaries	(185)	(10 191)
Trade and other receivables	Subsidiaries	40 239	9 856
Sales of goods to – gross values	Subsidiaries	110 173	43 422
Dividends received from	Subsidiaries	282 358	869 937
Interest paid to	Subsidiaries	(22 400)	(21 821)
Interest received from	Subsidiaries	92 914	53 812

15. Related parties (continued)

The Company has provided unlimited and R700 thousand omnibus securityships to SBSA and FirstRand Bank Limited, respectively, in respect of funding provided by the bank to its subsidiaries.

Directors

Remuneration

Details relating to executive, prescribed officer and non-executive directors' remuneration are disclosed in note 20. The only key employees identified are the executive directors and prescribed officer of Afrimat Limited.

Share options

Share options have been granted to certain executive directors and prescribed officer of Afrimat Limited and employees of its subsidiaries. These are fully disclosed in note 19.

Shareholding

Refer to the analysis of shareholders on page 76 for a list of shareholders with a beneficial interest of 3,0% or more in the Company.

Associate

Details regarding the Group's associates are set out in note 14. Transactions with the associate is entered into at the prevailing market rates. Refer note 7.3.2 for loan terms and conditions.

Joint venture

During FY2020, the Group impaired the investment in the joint venture. No transactions were entered into with the joint venture during the year under review.

Treasury shares

The Group acquired 331 110 (2024: 562 510) of its own shares through purchases on the JSE Limited, refer to note 8.2 for further disclosure. Furthermore, Afrimat BEE Trust holds (indirectly through AEI) on an unencumbered basis, 6 882 804 (2024: 6 863 194) shares representing 4,3% (2024: 4,3%) of the issued share capital of the Company.

Unrecognised items

16. Commitments

	Group	
	2025 R'000	2024 R'000
Authorised capital expenditure		
Contracted after year-end, but not provided for		
Property, plant and equipment	**7 479**	1 427
Not yet contracted for		
Property, plant and equipment	**292 521**	299 275
Total authorised capital expenditure	**300 000**	300 702

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

17. Contingencies

Guarantees

Guarantees to the value of R516,6 million (2024: R60,2 million) were supplied by SBSA to various parties, including the DMRE and Eskom. The increase in guarantees from SBSA relates to an amount of €19,7 million for Holderfin B.V. (sole shareholder of Caricement – previous shareholder of Lafarge), for the consideration payable, refer note 12.1.

Guarantees to the value of R73,8 million (2024: R68,8 million) were supplied by FNB to various parties, including the DMRE and Eskom.

Guarantees to the value of R0,9 million (2024: R0,9 million) by ABSA, R460,5 million (2024: R368,3 million) by Centriq Insurance Innovation and R5,4 million (2024: R2,7 million) by SIG Guarantee Acceptances Proprietary Limited were supplied to various parties, including the DMRE, Eskom and Chevron South Africa Proprietary Limited. The value of Centriq guarantees has increased due to the proportionate increase in quantum calculations affected by National Environmental Management Act ('NEMA') requirements.

The majority of these guarantees are in respect of environmental rehabilitation costs and will only be payable in the event of default by the Group.

Other

A contingent liability exists due to the uncertain timing of cash flows with regards to future local economic development ('LED') commitments made to the DMRE in respect of companies with mining rights. These commitments are dependent on the realisation of the future agreed upon LED projects. Future commitments amount to R44,9 million (2024: R16,3 million). An accrual has been raised in respect of commitments made up to the end of the year.

17. Contingencies (continued)

The Company received notice on 31 March 2017 from the Competition Commissioner that it had referred a complaint to the Competition Tribunal, alleging that the Company, through its wholly owned subsidiary, Clinker Supplies Proprietary Limited ('Clinker'), had engaged in an abuse of dominance by allegedly charging excessive prices. After taking legal advice and considering the complaint, the Company is of the opinion that there is no merit to the complaint and will therefore vigorously defend itself before the Competition Tribunal. The Competition Commission is ordering an administrative penalty equal to 10% of affected turnover for F2016 which equates to R16,3 million. The Company still awaits a final hearing date to be set by the Tribunal.

During 20 to 24 February 2023, Labour Court Proceedings took place in terms of which the Association of Mineworkers and Construction Union ('AMCU'), claims unfair dismissal of a number of Nkomati employees. Judgement in this matter was handed down on 11 October 2024. The court found in favour of AMCU and ordered that all dismissed employees be reinstated and that Nkomati should reimburse employees from whom moneys were deducted, on the basis that these deductions were unlawful. Nkomati was also ordered to pay AMCU's legal costs. Nkomati is appealing the judgement. The appeal has suspended the operation of the judgement. Management estimates that the total legal fees and disbursements and pay-out to AMCU will be in order of R8,0 million.

18. Events after the reporting period

Dividend

A final gross dividend, No. 36 of 15,0 cents per share, in respect of the year ended 28 February 2025, was declared on 14 May 2025. There are 160 297 456 shares in issue at the reporting date, of which 8 068 334 are held in treasury. The total dividend payable is R24,0 million. The Board has confirmed that the solvency and liquidity test as contemplated by the Companies Act, has been duly considered, applied and satisfied. The net dividend payable to shareholders who are subject to dividend tax and shareholders who are exempt from dividend tax is 12,0 cents and 15,0 cents per share, respectively. 6 June 2025 and 9 June 2025 being the record and payable date, respectively.

Lafarge

Subsequent to year-end, on 30 April 2025, the Group finalised and settled the loan claims related to the acquisition of Lafarge. An amount of R416,3 million was paid in settlement of these claims, following conversion from euro at the exchange rate applicable on the date of settlement. An amount of R50,5 million was received on 30 April 2025, for a leakage adjustment to purchase consideration as provided by the contract.

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

Employee benefits and costs

19. Share-based payments

The Group operates an equity-settled Share Appreciation Rights Scheme and cash-settled Forfeitable Share Plan, under which the Group receives services from employees as consideration for ordinary shares of Afrimat Limited.

The employee services received is recognised at the fair value of the shares granted and is expensed over the vesting period. The corresponding credit entry is recognised as an increase in equity in 'other reserves'.

When the reward is vested, the Group utilises treasury shares. The market value of rewards exercised, net of any directly attributable transaction costs, is debited to 'stated capital'. The share-based payment reserve related to rewards previously provided is transferred directly to 'retained earnings' as the rewards expire or are exercised.

Grants issued under the Forfeitable Share Plan are recognised as cash-settled. At initial recognition, the employee services received is recognised at the fair value of the shares granted and is expensed over the vesting period. The corresponding credit entry is recognised in the balance sheet as an 'other liability'. The 'other liability' is subsequently remeasured at the fair value of the shares granted at each reporting period. The fair value remeasured is allocated to 'employee costs' in profit or loss.

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

19. Share-based payments (continued)

Share-based payment expense calculation

The Group uses the American valuation model (2024: Black Scholes valuation model) to determine the fair value of the appreciation rights/shares granted.

Share appreciation rights are granted to executive directors and to selected employees in the form of a Share Appreciation Rights Scheme. The exercise price of the granted appreciation rights is equal to the 30-day average volume weighted average price for the Afrimat Limited shares on the date when the appreciation right is exercised. Appreciation rights are conditional on the employee completing three years' service (the vesting period). The appreciation rights are exercisable starting three years from the grant date and have a contractual term of four years after vesting. The Group has no legal or constructive obligation to repurchase or settle the appreciation rights in cash. When the appreciation rights are exercised the participants will receive shares equal in value to the number of appreciation rights exercised multiplied by the difference between the exercise price and the grant price.

Additionally the Group has an Afrimat Forfeitable Share Plan ('FSP'). The plan allows certain senior employees to earn a long-term incentive to assist with the retention and reward of selected employees. Shares are granted to employees for no consideration. These shares participates in dividends and shareholder rights from grant date. Awards are based on their performance conditional on the employee completing three years' service (the vesting period). The shares are recognised at the closing share price on the grant date as an issue of treasury shares.

During the FY2022 an amendment to the FSP was approved by shareholders, whereby shares allocated to FSP participant may be settled in cash or shares at the discretion of the Board. The Group has a legal or constructive obligation to repurchase or settle the shares in cash, therefore these shares are cash-settled share-based payments.

19. Share-based payments (continued)

19.1 Share Appreciation Rights Scheme ('SAR')

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

	Average grant price in cents per share 2025	Number of options '000 2025	Average grant price in cents per share 2024	Number of options '000 2024
Opening balance	4 825	6 015	3 946	6 070
Granted	6 246	2 120	5 196	1 955
Exercised	3 420	(2 310)	2 519	(1 860)
Forfeited	–	–	2 674	(150)
Closing balance	5 898	5 825	4 825	6 015

Out of the 5 825 000 outstanding appreciation rights (2024: 6 015 000), 225 000 appreciation rights (2024: 885 000) were exercisable. Appreciation rights exercised, resulted in 120 000, 180 000, 560 000 and 1 450 000 shares (2024: 50 000, 80 000 and 1 730 000) being issued at a weighted price of R26,79, R30,21, R25,01 and R48,00 each, respectively (2024: R29,00, R26,79 and R25,01 each, respectively). The related weighted average share price at the time of exercise was R67,61 (2024: R53,19) per share.

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

	Grant price Cents	Number of options 2025 '000	Number of options 2024 '000
2025	2 679	–	120
2026	3 021	–	180
2027	2 501	25	585
2028	4 800	200	1 650
2029	6 514	1 525	1 525
2030	5 196	1 955	1 955
2031	6 246	2 120	–
		5 825	6 015

19. Share-based payments (continued)

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

The remaining number of shares, as at year-end, that may be utilised for the purpose of share appreciation rights are:

	Number of shares 2025 '000	Number of shares 2024 '000
Opening balance	21 031	20 976
Exercised	2 310	1 860
Forfeited	–	150
Utilised	(2 120)	(1 955)
Closing balance	21 221	21 031

Number of share appreciation rights held by executive directors and prescribed officer:

	Opening balance '000	Granted/ transferred in '000	Average grant price in cents per share '000	Expiry dates '000	Exercised/ expired '000	Closing balance '000
2025						
Andries J van Heerden	765	260	6 246	2031	(260)	765
Pieter GS de Wit	325	115	6 246	2031	(110)	330
Collin Ramukhubathi	315	115	6 246	2031	(100)	330
Marthinus G Odendaal	475	115	6 246	2031	(160)	430
André Smith*	80	50	6 246	2031	(30)	100
	1 960	655			(660)	1 955
2024						
Andries J van Heerden	940	295	5 196	2030	(470)	765
Pieter GS de Wit	402	125	5 196	2030	(202)	325
Collin Ramukhubathi	363	125	5 196	2030	(173)	315
Marthinus G Odendaal	430	125	5 196	2030	(80)	475
André Smith*	–	105	4 755	2030	(25)	80
	2 135	775			(950)	1 960

* *André Smith was appointed as prescribed officer effective from 31 August 2023 to 31 December 2024.*

The fair value of appreciation rights granted during the year using the American valuation model (2024: Black Scholes valuation model), was R54,9 million (2024: R25,8 million), and will be expensed over a three-year vesting period. The option expense for the year, in respect of current year and previous years' appreciation rights granted, was R16,8 million (2024: R16,0 million), of which R5,0 million (2024: R5,6 million) is attributed to the executive directors and the prescribed officer.

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

19. Share-based payments (continued)

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

Analysis of movement in remaining options:

Grant date	5 Nov 2018 '000	22 May 2019 '000	20 May 2020 '000	26 May 2021 '000	18 May 2022 '000	17 May 2023 '000	15 May 2024 '000	**Total '000**
Originally granted	1 520	1 603	2 465	1 690	1 570	1 955	2 120	**12 923**
Forfeited	(170)	(110)	(150)	(40)	(45)	–	–	**(515)**
Exercised	(1 350)	(1 493)	(2 290)	(1 450)	–	–	–	**(6 583)**
Net outstanding	–	–	25	200	1 525	1 955	2 120	**5 825**
Grant price (cents)	2 679	3 021	2 501	4 800	6 514	5 196	6 246	
Fair value of option (cents)	676	853	655	1 541	1 879	1 322	2 589	

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

Grant date	5 Nov 2018	22 May 2019	20 May 2020	26 May 2021	18 May 2022	17 May 2023	15 May 2024
Grant price (cents)	2 679	3 021	2 501	4 800	6 514	5 196	6 246
Expected option life	3 years	3 years	3 years	3 years	3 years	3 years	3 years
Expected volatility	30,90%	37,59%	41,22%	40,32%	36,71%	29,22%	32,29%
Expected likelihood	100,00%	100,00%	100,00%	100,00%	50,00%	50,00%	50,00%
Expected employee attrition	5,00%	5,00%	5,00%	5,00%	5,00%	5,00%	5,00%
Expected risk free rates	7,08%	7,07%	6,75%	9,23%	8,37%	8,93%	8,56%
Expected dividend yields	2,31%	2,68%	4,68%	3,01%	2,86%	2,89%	2,84%

The share price volatility is measured at the standard deviation of expected share price returns based on the statistical analysis of monthly share prices over the current year.

19. Share-based payments (continued)

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

Shares issued under the plan are at the discretion of the Board, and no offer may be made unless employment conditions were met. The FSP is considered a long-term retention plan and shares are only awarded to certain key individuals based on their performance. Shares issued under the plan may not be sold, ceded, transferred, encumbered, pledged or otherwise alienated until the award has vested. In all other respects the shares rank equally with other fully-paid ordinary shares in issue.

	Group	
	2025 R'000	2024 R'000
Other liability*		
Opening balance	**19 979**	5 094
Share-based payment expense for the year	**20 747**	14 885
Vested	**–**	–
Closing balance	**40 726**	19 979

** Other liability relates to the cash-settled FSP. During the current year, no FSP's that are recognised on the cash-settled basis vested.*

	Number of shares	
	2025 '000	2024 '000
Opening balance	**1 231**	912
Issued to participating employees	**391**	444
Forfeited	**–**	–
Vested	**(447)**	(125)
Closing balance	**1 175**	1 231

During the year, 391 400 (2024: 443 850) shares were issued to participants at an average market value of R62,46 (2024: R51,96).

In terms of IFRS 2, the transaction is measured at fair value of the equity instruments at the grant date. The fair value takes into account that the employees are entitled to the dividends from grant date. The fair value of the cash-settled shares subject to non-market conditions is the closing share price at reporting date.

During the year 446 950 shares (2024: 124 350 shares) vested, the related weighted average share price at the time of exercise was R60,10 (2024: R56,00) per share. The shares vested relate to the last FSP's that were accounted for as equity-settled, refer note 8.3.

The share-based payment expense for the year, in respect of current and previous years' shares granted, was R20,0 million (2024: R15,7 million), of which R11,1 million (2024: R9,9 million) is attributed to the executive directors.

19. Share-based payments (continued)

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

Number of forfeitable shares held by directors:

	Opening balance '000	Issued '000	Average grant price in cents per share	Vesting dates	Vested '000	Closing balance '000
2025						
Andries J van Heerden	**262**	**80**	**6 246**	**2027**	**(95)**	**247**
Pieter GS de Wit	**173**	**52**	**6 246**	**2027**	**(63)**	**162**
Collin Ramukhubathi	**173**	**52**	**6 246**	**2027**	**(63)**	**162**
Marthinus G Odendaal	**173**	**52**	**6 246**	**2027**	**(63)**	**162**
André Smith*	**–**	**20**	**6 246**	**2027**	**–**	**20**
	781	**256**			**(284)**	**753**
2024						
Andries J van Heerden	292	95	5 196	2026	(125)	262
Pieter GS de Wit	110	63	5 196	2026	–	173
Collin Ramukhubathi	110	63	5 196	2026	–	173
Marthinus G Odendaal	110	63	5 196	2026	–	173
	622	284			(125)	781

** André Smith was appointed as prescribed officer effective from 31 August 2023 to 31 December 2024.*

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

Grant date	22 February 2021	18 May 2022	17 May 2023	15 May 2024
Grant price (cents)	4 390	6 514	5 196	6 246
Fair value of grants (cents)	3 443	5 455	4 027	5 300
Expected volatility	42,67%	36,71%	29,22%	27,07%
Expected risk free rates	6,75%	8,37%	8,93%	2,40%
Expected dividend yields	4,68%	2,86%	2,89%	2,89%
Vesting dates	22 February 2024	18 May 2025	17 May 2026	15 May 2027

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

20. Directors' and prescribed officer emoluments

Directors and prescribed officer basic salary and allowances

	Short-term benefits			Post-employment benefits	Other	
	Basic salary R'000	**Travel allowance R'000**	**Medical aid R'000**	**Pension R'000**	**Other allowances R'000**	**Total R'000**
2025						
Paid by Company						
Executive directors and prescribed officer						
Andries J van Heerden	7 436	183	50	–	–	7 669
Pieter GS de Wit	4 045	96	106	396	–	4 643
Collin Ramukhubathi	3 933	146	104	385	–	4 568
Marthinus G Odendaal	3 754	154	106	594	–	4 608
André Smith*	2 097	19	62	252	380	2 810
	21 265	598	428	1 627	380	24 298
Non-executive directors						
Loyiso Dotwana	729	–	–	–	–	729
Jacobus F van der Merwe	831	–	–	–	–	831
Phuti RE Tsukudu	576	–	–	–	–	576
Johannes HP van der Merwe	555	–	–	–	–	555
Francois M Louw	1 572	–	–	–	–	1 572
Sisanda Tuku	613	–	–	–	–	613
Gert J Coffee	480	–	–	–	–	480
Nicolaas AS Kruger	791	–	–	–	–	791
	6 147	–	–	–	–	6 147
Total	27 412	598	428	1 627	380	30 445

20. Directors' and prescribed officer emoluments (continued)

	Short-term benefits			Post-employment benefits	Other	
	Basic salary R'000	Travel allowance R'000	Medical aid R'000	Pension R'000	Other allowances R'000	Total R'000
2024						
Paid by Company						
Executive directors and prescribed officer						
Andries J van Heerden	7 044	171	51	–	–	7 266
Pieter GS de Wit	3 779	102	99	370	–	4 350
Collin Ramukhubathi	3 647	169	90	358	–	4 264
Marthinus G Odendaal	3 481	162	102	524	–	4 269
André Smith*	1 813	19	55	218	207	2 312
	19 764	623	397	1 470	207	22 461
Non-executive directors						
Loyiso Dotwana	662	–	–	–	–	662
Jacobus F van der Merwe	751	–	–	–	–	751
Phuti RE Tsukudu	523	–	–	–	–	523
Johannes HP van der Merwe	504	–	–	–	–	504
Francois M Louw	1 428	–	–	–	–	1 428
Sisanda Tuku	557	–	–	–	–	557
Gert J Coffee	436	–	–	–	–	436
Nicolaas AS Kruger	675	–	–	–	–	675
	5 536	–	–	–	–	5 536
Total	25 300	623	397	1 470	207	27 997

* *André Smith was appointed as prescribed officer effective from 31 August 2023 to 31 December 2024.*

Executive directors' and prescribed officer contracts

No executive director and prescribed officer has a notice period of more than three months. No executive director and prescribed officer's service contract includes predetermined compensation as a result of termination exceeding one year's salary and benefits.

Andries J van Heerden, Pieter GS de Wit, Collin Ramukhubathi, Marthinus G Odendaal and André Smith have indefinite employment contracts. There are no other service contracts between the Company, executive directors and the prescribed officer.

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

20. Directors' and prescribed officer emoluments (continued)

Executive directors' and prescribed officer participation in share schemes

Share options are granted to executive directors and prescribed officer in the format of a SAR Scheme (refer note 19.1):

	Number of SARs initially allocated	Date awarded	Strike price (cents)	Number of SARs exercised	Number of SARs terminated	Share price at date of redemption (cents)	Value increase from strike price to price at redemption* R'000	Number of SARs not redeemed (outstanding)	Indicative expected value of number of SARs not redeemed**
2025									
Andries J van Heerden	260 000	26 May 2021	4 800	260 000	–	6 553	4 558	–	–
	210 000	18 May 2022	6 514	–	–	–	–	210 000	–
	295 000	17 May 2023	5 196	–	–	–	–	295 000	2 387
	260 000	14 May 2024	6 246	–	–	–	–	260 000	–
				260 000	–		4 558	765 000	2 387
Pieter GS de Wit	110 000	26 May 2021	4 800	110 000	–	6 805	2 206	–	–
	90 000	18 May 2022	6 514	–	–	–	–	90 000	–
	125 000	17 May 2023	5 196	–	–	–	–	125 000	1 011
	115 000	14 May 2024	6 246	–	–	–	–	115 000	–
				110 000	–		2 206	330 000	1 011
Collin Ramukhubathi	100 000	26 May 2021	4 800	100 000	–	6 805	2 005	–	–
	90 000	18 May 2022	6 514	–	–	–	–	90 000	–
	125 000	17 May 2023	5 196	–	–	–	–	125 000	1 011
	115 000	14 May 2024	6 246	–	–	–	–	115 000	–
				100 000	–		2 005	330 000	1 011
Marthinus G Odendaal	160 000	20 May 2020	2 501	160 000	–	6 805	6 886	–	–
	100 000	26 May 2021	4 800	–	–	–	–	100 000	1 205
	90 000	18 May 2022	6 514	–	–	–	–	90 000	–
	125 000	17 May 2023	5 196	–	–	–	–	125 000	1 011
	115 000	14 May 2024	6 246	–	–	–	–	115 000	–
				160 000	–		6 886	430 000	2 216
André Smith	30 000	26 May 2021	4 800	30 000	–	6 805	602	–	–
	25 000	18 May 2022	6 514	–	–	–	–	25 000	–
	25 000	17 May 2023	5 196	–	–	–	–	25 000	202
	50 000	14 May 2024	6 246	–	–	–	–	50 000	–
				30 000	–		602	100 000	202

* *The cash realisation value depicts the number of SARs exercised multiplied by the growth in share price (i.e. share price on exercise less strike price).*

** *Number of SARs not redeemed at financial year-end (outstanding) multiplied by the applicable year-end Afrimat Limited share price (R60,05), less the strike price of these instruments.*

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

20. Directors' and prescribed officer emoluments (continued)

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

In terms of the SAR Scheme: Grant 16 (2024: Grant 15), the rights have vested after the three-year vesting period, as the performance criteria have been met.

Forfeitable shares awarded to executive directors, in the format of a FSP (refer note 19.2):

	Number of shares initially allocated	Date awarded	Market value on grant date
2025			
Andries J van Heerden	**80 000**	**14 May 2024**	**62,46**
Pieter GS de Wit	**52 100**	**14 May 2024**	**62,46**
Collin Ramukhubathi	**52 100**	**14 May 2024**	**62,46**
Marthinus G Odendaal	**52 100**	**14 May 2024**	**62,46**
André Smith	**20 000**	**14 May 2024**	**62,46**
2024			
Andries J van Heerden	95 000	17 May 2023	51,96
Pieter GS de Wit	62 500	17 May 2023	51,96
Collin Ramukhubathi	62 500	17 May 2023	51,96
Marthinus G Odendaal	62 500	17 May 2023	51,96

Incentive bonuses paid to executive directors and prescribed officer:

	Group	
	2025 R'000	2024 R'000
Executive directors and prescribed officer		
Andries J van Heerden	**1 385**	6 925
Pieter GS de Wit	**675**	3 375
Collin Ramukhubathi	**664**	3 320
Marthinus G Odendaal	**662**	3 310
André Smith*	**200**	750
	3 586	17 680

* *André Smith was appointed as prescribed officer effective from 31 August 2023 to 31 December 2024.*

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

Directors' shareholding

Please refer to page 9 for further disclosure regarding the directors' respective shareholding in the Company.

Other

21. Fair value estimation

Items measured at fair value on the Statement of Financial Position are classified according to a fair value hierarchy. The fair value hierarchy is identified in levels as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the financial assets and liabilities that are measured at fair value:

	Group			
	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total balance R'000
At 28 February 2025				
Assets				
At fair value through other comprehensive income				
Equity securities*	10 128	–	–	10 128
Environmental funds**	–	11 629	–	11 629
At fair value through profit or loss				
Unit trusts**	–	106 226	–	106 226
Trade receivables***	–	132 658	–	132 658
Total assets	**10 128**	**250 513**	**–**	**260 641**
Liabilities				
Other liability*#	(40 726)	–	–	(40 726)
Other financial liabilities****	–	–	(116 486)	(116 486)
Total liabilities	**(40 726)**	**–**	**(116 486)**	**(157 212)**

	Company			
	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total balance R'000
At 28 February 2025				
Liabilities				
Other liability*#	(14 603)	–	–	(14 603)
Total liabilities	**(14 603)**	**–**	**–**	**(14 603)**

21. Fair value estimation (continued)

	Group			
	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total balance R'000
At 29 February 2024				
Assets				
At fair value through other comprehensive income				
Equity securities*	69	–	–	69
Environmental funds**	–	10 143	–	10 143
At fair value through profit or loss				
Unit trusts**	–	93 438	–	93 438
Trade receivables***	–	77 191	–	77 191
Total assets	69	180 772	–	180 841
Liabilities				
Other liability*#	(19 979)	–	–	(19 979)
Total liabilities	(19 979)	–	–	(19 979)

	Company			
	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total balance R'000
At 29 February 2024				
Liabilities				
Other liability*#	(7 058)	–	–	(7 058)
Total liabilities	(7 058)	–	–	(7 058)

Other liability relates to the cash-settled Forfeitable Share Plan of the Group.

* *This fair value is based on quoted market prices at the end of the reporting period.*

** *The fair value was derived using the adjusted net asset method. The adjusted net asset method determines the fair value of the investment by reference to the fair value of the individual assets and liabilities recognised in the unit trust's/environmental fund's Statement of Financial Position.*

*** *Trade receivables measured at fair value relates to Afrimat Iron Ore Proprietary Limited. The fair value was determined using the three-month forward-looking iron ore prices and foreign exchange rates as at the end of the reporting period.*

**** *The fair value of the other financial liability (deferred payment liability) was determined using a Level 3 discounted cash flow model, incorporating unobservable inputs including forecast Platts index pricing and USD/ZAR exchange rates over the remaining term of the liability. The model discounts expected future cash outflows using a market-related discount rate reflective of the Group's credit risk.*

21. Fair value estimation (continued)

The Group's equity securities are traded in active markets. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

Environmental funds and environmental insurance policies consist of equity investments quoted in an active market. Their fair values are indirectly derived from prices quoted in Level 1, and therefore included in Level 2.

Unit trusts are investments held in trust to be used to rehabilitate the environment after mining operations are completed at various mining sites throughout the Group (refer note 6.5). The significant inputs to the adjusted net asset method are the fair values of the individual assets and liabilities whose fair value is derived from quoted market prices in active markets. The fair values are indirectly derived from prices quoted in Level 1, and therefore included in Level 2 of the fair value hierarchy.

Provisionally priced receivables related to the sale of bulk commodities were measured at FVPL from the date of recognition up until date of settlement, as it fails the amortised cost requirement of cash flows representing solely payment of principal and interest.

The deferred payment liability relates to the acquisition of a mining resource and represents future payments contractually linked to the volume of tonnes extracted over a 60-month period, with amounts determined based on a formula referencing the Platts index and the USD/ZAR exchange rate.

The initial recognition of the mining resource in the current year was R132,2 million, with fair value adjustments of (R15,7 million). This resulted in a closing balance of R116,5 million for the other financial liabilities at fair value through profit or loss.

(a) Transfers

The Group recognises transfers between level of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. There were no transfers within the fair value hierarchy during the period ended 28 February 2025 or the prior year.

Notes to the Annual Financial Statements (continued)

for the year ended 28 February 2025

22. New and amended standards

New standards and interpretations not yet effective

There are no standards that are not yet effective that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

The Group has not early adopted the following new standards and amendments:

Standard	Subject	Key Requirements	Impact
IAS 21 (effective 1 January 2025)	Lack of Exchangeability for foreign operations/ transactions	In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when exchangeability is not available.	Impact of the amendment was not material.
IFRS 9 and IFRS 7 (effective 1 January 2026)	Classification and Measurement of Financial Instruments	These amendments: ■ clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; ■ clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ('SPPI') criterion; ■ add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and ■ update the disclosures for equity instruments designated at fair value through other comprehensive income ('FVOCI').	Impact of the amendment was not material.

22. New and amended standards (continued)

New standards and interpretations not yet effective (continued)

Standard	Subject	Key Requirements	Impact
IFRS 18 (effective 1 January 2027)	Presentation and Disclosure in Financial Statements	Issued in April 2024, the new standard on presentation and disclosure in financial statements, with a focus on updates to the profit or loss to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. The key new concepts introduce in IFRS 18 relate to: ■ the structure of the statement of profit or loss; ■ require disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures within the financial statements and notes in general).	Impact of the amendment was not material.
IFRS 19 (effective 1 January 2027)	Subsidiaries without Public Accountability	Issued in May 2024, IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements.	No impact expected.

23. Going concern

The directors have assessed the Group's ability to continue as a going-concern, as the current liabilities exceed current assets. The directors believe that the Group has adequate cash flow resources to meet its short term obligations. The RCF is included in current liabilities as the facility is repayable quarterly. The facility is available to the Company until 11 August 2026, with the option to extend by 12 to 24 months on the request of the borrower. Additionally the Group has access to undrawn financing facilities of R1,3 billion. Based on these factors, the directors is satisfied that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

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

Transnet

The poor and deteriorating performance from the national rail carrier Transnet is not only impacting Afrimat, but all mining operations across South Africa. Exports continue to be impacted by the challenges on the rail line and overall volumes remain under 16,5% below Afrimat's rail allocation. To counter this impact, particularly on the export of iron ore, Afrimat executives dedicate time in the Ore User Forum ('OUF') to assist as part of a public/private collaborative effort. This is being closely monitored by Afrimat's management and is currently not impacting the Group's ability to continue as a going concern.

Analysis of Shareholders

as at 28 February 2025

	Number of shareholders	%	Number of shares	%
Shareholding				
1 – 1 000 shares	12 036	74,75	2 393 503	1,49
1 001 – 10 000 shares	3 285	20,40	10 551 674	6,58
10 001 – 100 000 shares	619	3,84	18 958 359	11,83
100 001 – 1 000 000 shares	136	0,85	38 239 395	23,86
1 000 000 shares and over	25	0,16	90 154 525	56,24
	16 101	100,00	160 297 456	100,00
Analysis of holdings				
Non-public shareholding				
Directors and their associates	9	0,05	10 232 085	6,38
Treasury shares – Afrimat Management Services Proprietary Limited	1	0,01	1 185 530	0,75
Treasury shares – Afrimat Empowerment Investments Proprietary Limited/Afrimat BEE Trust	1	0,01	6 882 804	4,29
	11	0,07	18 300 419	11,42
Public shareholding	16 090	99,93	141 997 037	88,58
	16 101	100,00	160 297 456	100,00

	Number of shares	%	Number of BEE shares	%
Major, founder and BEE shareholders				
Founder shareholders – related parties				
Andries J van Heerden (CEO)	4 634 288	2,89	–	–
Maryke E van Heerden	1 198 543	0,75	–	–
Amala Familie Trust (CEO)	853 564	0,53	–	–
Founder shareholders – not related parties				
Korum Trust (TCB Jordaan)	8 930 000	5,57	–	–
Forecast Investments Proprietary Limited (Laurie P Korsten)	400 000	0,25	–	–
Frans du Toit Trust	17 009 800	10,61	–	–
Other major shareholders				
Government Employees Pension Fund	20 024 549	12,49	–	–
BEE shareholders*				
Mega Oils Proprietary Limited (Loyiso Dotwana, non-executive director)	1 552 475	0,97	1 552 475	0,97
Afrimat Empowerment Investments Proprietary Limited/Afrimat BEE Trust	6 882 804	4,29	6 882 804	4,29
Collin Ramukhubathi	361 757	0,23	361 757	0,23
Joe Kalo Investments Proprietary Limited	55 000	0,03	55 000	0,03
Ikapa Quarries Proprietary Limited	15 650	0,01	15 650	0,01
Johannes M Kalo	45 090	0,03	45 090	0,03
Goolam Ballim	227 009	0,14	227 009	0,14
Mandated investments	68 278 684	42,60	6 274 811	3,92
Previously recognised interest**	–	–	–	20,80
	130 469 213	81,39	15 414 596	30,42
Other	29 828 243	18,61	–	–
	160 297 456	100,00	15 414 596	30,42

* *During the current year the Flow Through Principal method was used to calculate the BEE ownership of the Group.*

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

Definitions

'AEI'	Afrimat Empowerment Investments Proprietary Limited
'Afrimat' or 'Company'	Afrimat Limited (Registration number 2006/022534/06), listed on the Main Board of the JSE Limited in the 'General Mining' sector
'AGM'	Annual general meeting
'AMSA'	ArcelorMittal South Africa Limited
'ASPASA'	Aggregate and Sand Producers Association of South Africa
'B-BBEE'	Broad-Based Black Economic Empowerment
'BEE'	Black Economic Empowerment
'Board'	The Board of Directors of Afrimat, as set out on page 9
'CAE'	Chief Audit Executive of Afrimat Limited, Piet van Zyl
'CEO'	Chief Executive Officer of Afrimat, Andries van Heerden
'CFO'	Chief Financial Officer of Afrimat, Pieter de Wit
'COBIT'	Control objectives for information and related technologies
'Codes'	Department of Trade and Industry's B-BBEE Codes of Good Practice
'COLTO'	Committee of Land Transport Officials
'Companies Act'	Companies Act No. 71 of 2008, as amended
'COO'	Chief Operating Officer of Afrimat (Mining), Gerhard Odendaal
'CSI'	Corporate Social Investment
'DMRE'	Department of Mineral Resources and Energy
'EMP'	Environmental Management Plan
'ESG'	Environmental, Social and Governance
'Executive Director: People & Sustainability'	Executive Director, Collin Ramukhubathi
'the Group'	Afrimat Limited, its subsidiaries and associate companies
'GHG'	Greenhouse gas
'Glenover'	Glenover Phosphate Proprietary Limited
'GRI'	Global Reporting Initiative, a best practice benchmark in reporting
'H&S'	Health and Safety
'HIRA'	Hazard Identification and Risk Assessment
'IAR'	Integrated Annual Report
'IEEE'	Institute of Electrical and Electronics Engineers
'IoT'	Internet of Things
'IRBA'	Independent Regulatory Board of Auditors
'IRC South Africa'	The Integrated Reporting Committee of South Africa
'IRMSA'	The Institute of Risk Management South Africa
'ISHE'	Integrated Safety, Health and Environment Management
'ISO'	International Organisation for Standardisation
'IT'	Information Technology
'ITBS'	Information Technology Business Systems
'JSE'	JSE Limited incorporating the JSE Securities Exchange, the main board in South Africa
'King IV™ Report'	King Report on Governance for South Africa 2016
'KPA'	Key Performance Area
'Lafarge'	Afrimat Construction Materials Holdings Proprietary Limited (previously known as Lafarge South Africa Holdings Proprietary Limited)
'LOM'	Life of mine
'LTIFR'	Lost Time Injury Frequency Rate
'LUPO'	Land Use Planning Ordinance
'MD'	Managing Director
'NEMA'	National Environmental Management Act, 1998
'Nkomati'	Nkomati Anthracite Proprietary Limited or Nkomati Anthracite Mine
'NOSA'	National Occupational Safety Association (South Africa)
'previous/prior year' or 'FY2024'	Year ended 29 February 2024
'QAQC'	Quality assurance/Quality control
'SARB'	South African Bureau of Standards
'SAR'	Share Appreciation Right
'SARMA'	South African Readymix Association
'SARS'	South African Revenue Service
'SENS'	Securities Exchange News Service, the regulatory information dissemination platform for the JSE
'SHE'	Safety, Health and Environment
'SHEQ'	Safety, Health, Environment and Quality
'SLP'	Social and Labour Plan
'SPLUMA'	Spatial Planning and Land Use Management Act
'TCFD'	Task Force on Climate-Related Financial Disclosures
'year' or 'year under review' or 'FY2025'	Year ended 28 February 2025
'WUL'	Water use licence

Financial definitions

'CAGR'	Compound annual growth rate
'EBITDA'	Earnings before interest, taxes, depreciation and amortisation
'FY'	Financial year ending February
'IFRS'	International Financial Reporting Standards
'HEPS'	Headline earnings per share
'NAV'	Net asset value
'PAT'	Profit after tax
'PBIT'	Profit before interest and tax
'ROE'	Return on equity
'ROI'	Return on investment
'RONA'	Return on net operating assets
'TNAV'	Tangible net asset value