

# Audited Annual Financial Statements

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for the year ended 31 December 2024



**HULAMIN**

Think future. Think aluminium.

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## Directors' statement of responsibility and approval of the Annual Financial Statements

The Board of Directors ("Board" or "the directors") is responsible for the preparation, integrity and fair presentation of the Annual Financial Statements for the year ended 31 December 2024 of Hulamin Limited and its subsidiaries and the related financial information included in this report.

The Board considers that in preparing the Annual Financial Statements it has used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all IFRS<sup>®</sup> Accounting Standards ("IFRS Accounting Standards") issued by the International Accounting Standards Board (the "IASB"), including IFRIC<sup>®</sup> interpretations ("IFRIC interpretations") issued by the IFRS Interpretations Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the South African Institute of Chartered Accountants ("SAICA") Financial Reporting Guides as issued by the Accounting Practices Committee have been followed. The Board is satisfied that the information contained in the Annual Financial Statements fairly presents the results of operations for the year and the financial position of the Company and the Group at year-end. The directors further acknowledge that they are responsible for the content of the Integrated Report and its supplementary documents, as well as its consistency with the Annual Financial Statements.

The Board has the responsibility of ensuring that accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the Group to enable the directors to ensure that the Annual Financial Statements comply with the relevant legislation.

The preparation of the Annual Financial Statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Annual Financial Statements and the reported expenses during the reporting period. Actual results could differ from those estimates.

The Company and its subsidiaries operate in a well-established control environment, which is documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute, assurance that assets are safeguarded and the risks facing the business are being controlled. Following a formal review of Hulamin's system of internal controls and risk management by the internal audit function, together with information provided by management and feedback from the independent auditors on their statutory audit, no matters other than those disclosed in the Chief Executive Officer and Chief Financial Officer statement have come to the attention of the directors to indicate that the internal controls and risk management are ineffective or that the financial controls are not a sound basis for preparing reliable Annual Financial Statements. The opinion of the directors is supported by the Group's Audit Committee.

The going concern basis has been adopted in preparing the Annual Financial Statements. The Board has no reason to believe that the Group or any company within the Group will not continue on the going concern basis in the foreseeable future, based on forecasts, available cash resources and facilities. These Annual Financial Statements support the viability of the Company and the Group.

The Annual Financial Statements have been audited by the independent auditing firm, Ernst & Young Inc., which was given unrestricted access to all financial records and related data, including minutes of all meetings of the shareholders, the Board and sub-committees of the Board. The directors believe that all representations made to the independent auditors during the audit were valid and appropriate. The unqualified audit report appears on pages 7 to 9.

The Annual Financial Statements of the Group and Company set out on pages 10 to 71, which have been prepared on the going-concern basis by K Meghoo CA(SA), under the supervision of our Group Chief Financial Officer, Pravashni Nirghin (CA)SA were approved by the Board on 12 March 2025 and were signed on its behalf by:

**Thabo Patrick Leeuw**  
Chairman

Pietermaritzburg, KwaZulu-Natal  
14 March 2025

**Meganathan Gounder**  
Chief Executive Officer

Pietermaritzburg, KwaZulu-Natal  
14 March 2025

**Meganathan Gounder**  
Chief Executive Officer

Pietermaritzburg, KwaZulu-Natal  
14 March 2025

**Pravashni Nirghin**  
Chief Financial Officer

Pietermaritzburg, KwaZulu-Natal  
14 March 2025

## Certificate by the Company Secretary

In my capacity as the Company Secretary, I hereby confirm, in terms of the Companies Act, that for the year ended 31 December 2024, the Company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of this Act, and that all such returns are, to the best of my knowledge and belief true, correct and up to date.

**Lerato Manaka on behalf of Luvivi (Pty) Ltd**  
Company Secretary

Pietermaritzburg, KwaZulu-Natal  
14 March 2025

## The CEO's and CFO's responsibility statement

In terms of section 3.84(k) of the JSE Limited Listings Requirements, the directors, whose names are stated below, hereby confirm that:

- The Annual Financial Statements set out on pages 10 to 71, fairly present in all material respects the financial position, financial performance and cash flows of the issuer 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 consolidated subsidiaries has been provided to effectively prepare the Annual Financial Statements of the issuer.
- 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 Committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies.
- To the best of our knowledge and belief we are not aware of any fraud involving directors.

# Directors' statutory report

## Dear shareholder

The directors have pleasure in presenting their report for the year ended 31 December 2024.

## Nature of business

Hulamin Limited ("Hulamin" or "the Company") and its subsidiaries ("the Group") is a leading, focused, mid-stream aluminium semi-fabricator. It purchases primary aluminium and supplies its range of high-value, niche rolled products and complex extrusions to manufacturers of finished products in South Africa and over 50 countries around the world. Hulamin's largest activity is aluminium rolling which contributes more than 80% to its revenue, with the balance comprising extruded products and other downstream products. More than 58% of revenue is sold locally, while the remaining capacity is allocated towards the export market.

## Financial results

The financial results of the Group are set out on pages 10 to 63 and of the Company on pages 64 to 71 of the 2024 Annual Financial Statements. The segmental analysis is included on page 22. Pertinent extracts of these results are as follows:

- The net profit attributable to shareholders of the Group amounted to R246 million (2023: net profit of R272 million).
- Earnings per share amounted to 80 cents (2023: earnings per share of 88 cents).
- Headline earnings per share of 64 cents (2023: headline earnings per share of 88 cents).
- Metal price lag ("MPL") profit of R93 million (refer note 2.1(b)) (2023: profit of R47 million).

## Solvency and liquidity

The Group's net borrowings were R1 328 million (2023: R804 million) and net debt was R1 349.5 million (2023: R867.7 million) as at 31 December 2024. This represents a net debt-to-equity ratio of 36% (2023: 25%).

The Annual Financial Statements presented on pages 10 to 71 set out fully the financial position, results of operations and cash flows for the year.

## Dividends

No dividends were declared for the year ended 31 December 2024 (2023: NIL).

## Share capital

There were no changes in the authorised and issued share capital during the year under review.

Details of the authorised, issued and unissued ordinary shares, and the Group's share incentive schemes are set out in notes 3.4 and 8.1 of the Group Annual Financial Statements.

## Subsidiaries

Details of Hulamin Limited's interest in its subsidiaries are set out in note 6 (a) of the Group Annual Financial Statements.

## Directorate and Secretary

The following changes in the directorate and secretary occurred during the year under review:

- Ms Pravashni Nirghin, previously the Interim Group Chief Financial Officer, was appointed as the Group Chief Financial Officer with effect from 1 July 2024.
- Ms Z Monnagotla was appointed as an independent non-executive director with effect from 1 December 2024.
- Dr A Tostmann was appointed as an independent non-executive director with effect from 1 December 2024.
- Mr L Yanta was appointed as an independent non-executive director with effect from 1 December 2024.
- Mr N Maharajh resigned as an independent non-executive director with effect from 31 December 2024.
- Mr RL Larson resigned as an independent non-executive director with effect from 24 May 2024.

The Company Secretary's business and postal address appear in the corporate information section.

Brief *curricula vitae* of the directors are listed on the company's website. Details of directors' remuneration are reflected in note 8.3.1 of the Group Annual Financial Statements.



## Directors' statutory report continued

### Directors' and prescribed officer's shareholdings

At 31 December 2024, the present directors and prescribed officer of the Company beneficially held a total of 656 833 ordinary no par value shares, equivalent to 0.20 percent, in the Company (2023: 307 763 ordinary no par value shares, equivalent to 0.10 percent, were held by directors).

Their associates held no ordinary par value shares in the Company. Details of the directors' and prescribed officer's shareholdings and interests in the share incentive schemes are set out in notes 8.3.2 and 8.3.3 of the Group Financial Statements.

There has been no change in the directors' and prescribed officer's shareholdings between 31 December 2024 and 14 March 2025.

### Holding company

Hulamin Limited is the ultimate holding company at 31 December 2024.

### Auditors

Ernst & Young Inc. continued as auditors of Hulamin Limited and its subsidiaries during the current financial year.

### Going concern

The Consolidated Annual Financial Statements have been prepared using appropriate accounting policies, supported by reasonable judgements and estimates. The directors believe that the Group has adequate resources to continue as a going concern for the foreseeable future.

The directors believe that cash generated by Hulamin's operations, identified cash preservation activities, Hulamin's committed unutilised debt facilities as well as additional funding opportunities will enable the Group to continue meeting its obligations as they fall due. The Consolidated Annual Financial Statements for the year ended 31 December 2024, have therefore been prepared on the going concern basis.

Considerations used in making this assessment are set out in note 1.11 of the Group Annual Financial Statements.

### Approval

The Annual Financial Statements of the Group and Company set out on pages 10 to 71 have been approved by the Board. Signed on behalf of the Board by:



**Thabo Patrick Leeuw**  
Chairman

Pietermaritzburg, KwaZulu-Natal  
14 March 2025



**Meganathan Gounder**  
Chief Executive Officer

Pietermaritzburg, KwaZulu-Natal  
14 March 2025

# Report of the Audit Committee

The Hulamin Group Audit Committee (“the Committee” or “Audit Committee”) presents its report in terms of section 94(7)(f) of the Companies Act, No 71 of 2008, as amended (“Companies Act”), and as recommended by King IV code on Corporate Governance (“King IV”), for the financial year ended 31 December 2024.

The Audit Committee is an independent statutory committee appointed by the shareholders. Further duties are delegated to the Committee by the Board of the Company.

The table below reflects a summary of the activities undertaken by the Audit Committee during the year under review, in terms of its terms of reference and in support of the Board, with the resulting material outcomes from these activities:

Activities	Outcome
<b>Engagement with the Group’s external auditor</b>	<ul style="list-style-type: none"> <li>Ernst &amp; Young Inc. (“EY”) recommended for reappointment as auditor, and Farouk Ebrahim as the designated auditor, having satisfied itself of the capacity and independence of this firm and the designated auditor;</li> <li>Ensured that there were no scope limitations in respect of audit work performed by EY and that there were no factors that impacted the independence of EY as the external auditors;</li> <li>Determined the fees (note 2.4.5 of the financial statements) to be paid to the auditor and the auditor’s terms of engagement;</li> <li>Ensured that the appointment of the auditor complies with the Companies Act, the applicable JSE Listings Requirements, and any other legislation relating to the appointment of the auditor;</li> <li>Determined the nature and extent of any non-audit services that the auditor may provide to the Group, which in terms of our policy should not exceed 25% of the annual audit fee without specific Audit Committee approval;</li> <li>Pre-approved any proposed agreement with the auditor for the provision of non-audit services to the Group, which are of a material nature as provided for in the Group’s non-audit services policy in respect of the provision of non-audit services: for the year ended 31 December 2024, and for the year ended 31 December 2023; EY was engaged to assist with energy and incentives related projects for which the total cost of the project did not exceed R250 000;</li> <li>Met separately with EY, without presence of management, once during the year;</li> <li>Called for the necessary reports and letters issued by the Independent Regulatory Board of Auditors (“IRBA”) of South Africa, a summary of the firm’s monitoring processes and the outcome of any legal or disciplinary proceedings which may have been instituted against the firm or designated auditor by the IRBA and satisfied itself that there were no areas of concern in respect of the reports, letters and summaries considered; and</li> <li>Noted that the external auditor had expressed an unqualified opinion on the Annual Financial Statements for the year ended 31 December 2024.</li> </ul>
<b>Compliance with Companies Act requirements</b>	<ul style="list-style-type: none"> <li>Prepared this report in compliance with section 94(7)(f) of the Companies Act. The full mandate, roles and responsibilities of the Committee, as per its formally adopted terms of reference, may be accessed within the Governance Report;</li> <li>Stands ready to receive and deal with any concerns or complaints relating to the accounting practices and internal audit of the Company and the Group, the content or auditing of the Annual Financial Statements, the internal financial controls of the Company and the Group or any related matter; and</li> <li>Made submissions to the Board on matters concerning the Company’s and the Group’s accounting policies, financial controls, records and reporting.</li> </ul>

Activities	Outcome
<b>Internal financial controls, internal audit and combined assurance</b>	<ul style="list-style-type: none"> <li>Confirmed that, based on the results of the formal documented review of the design, implementation and effectiveness of the Group’s systems of internal financial controls conducted by Group internal audit, approved outsourced internal audit service providers during the 2024 financial year and, in addition, considering information and explanations given by management and discussions with the external auditor on the results of their audits, other than reported further in this document, no material breakdowns in the functioning of the internal financial controls were noted during the year under review;</li> <li>Confirmed that the results of the audit tests conducted indicate that the internal financial controls provide a sound basis for the preparation of financial statements;</li> <li>Considered and confirmed its satisfaction with the effectiveness, competency, capacity and independence of the outsourced internal audit function;</li> <li>Met separately with internal audit (without presence of management) once this year; and</li> <li>Ensured that a comprehensive combined assurance model was applied to the Group’s key risks so as to provide a coordinated approach to all assurance activities and confirmed that there were no significant areas of overlap or assurance gaps, and the levels of assurance were considered appropriate.</li> </ul>
<b>Oversight of risk governance and risk management</b>	<ul style="list-style-type: none"> <li>Reviewed and considered the report by internal audit on the effectiveness of the Group’s risk management processes; and</li> <li>Reviewed and considered the status of financial reporting risk, information technology, fraud and compliance risk as they relate to financial reporting and internal controls for the year under review, as reported on by the Group’s internal and external auditors.</li> <li>The Audit Committee is further supported by the Risk Committee, who oversees the enterprise-wide risk and effective risk management governance thereof.</li> </ul>
<b>Integrated reporting</b>	<ul style="list-style-type: none"> <li>Will review the Group’s Integrated Report and the sustainability information as disclosed therein to evaluate the integrity of reported information and for consistency with the Annual Financial Statements, prior to its release in due course; and</li> <li>Considered financial-related tip-off reports and management actions to address these.</li> </ul>
<b>Assurance in respect of financial expertise of the Financial Director and finance function</b>	<p>Confirmed the expertise and experience of the:</p> <ul style="list-style-type: none"> <li>Chief Financial Officer, who performs the duties of the Company’s Financial Director; and</li> <li>Group’s finance function and the senior members of management responsible for the Group’s finance function.</li> </ul>
<b>Information &amp; Technology (“I&amp;T”) Governance</b>	<ul style="list-style-type: none"> <li>The Committee oversees the governance of technology and information by setting the direction on how technology and information should be approached and addressed;</li> <li>The Committee reviewed the governance structure, key risks, internal controls and activities of the technology and information function during the year. The key matters which are being attended to relate to a cybersecurity control and resilience improvement programme, and an updated IT strategy, which includes the modernisation of Hulamin’s application environment and a digitalisation programme;</li> <li>Performed a critical evaluation of the Group’s I&amp;T governance framework to better evaluate, direct and monitor Hulamin’s I&amp;T assets, as well as to align I&amp;T services with the Group’s current and future business needs; and</li> <li>Monitored the programme to mitigate infrastructure technology security risks and maturity being coordinated centrally and maintained oversight of the mitigation plans introduced to address the risk of material operational and disruptive incidents.</li> </ul>

## Report of the Audit Committee continued

### Committee members and attendance at meetings

The Committee comprises three independent non-executive directors. All members of the Committee have the requisite financial knowledge, commercial skills and experience to contribute effectively to Committee deliberations. The members were appointed by shareholders at the 2024 Annual General Meeting of the Company in terms of section 94(2) of the Companies Act. The following table of attendance at Audit Committee meetings reflects the Committee's meetings held during the year and the attendance of these meetings by its members during the year:

Audit Committee	28 February 2024	04 April 2024	14 August 2024	17 October 2024	02 December 2024
N Maharajh* (Chairman)	✓	✓	✓	✓	✓
CA Boles	✓	✓	✓	✓	✓
Dr B Mehlomakulu	✓	✓	✓	✓	✓
Mr L Yanta <sup>#</sup>	N/A	N/A	N/A	N/A	✓

\* Mr N Maharajh resigned as a member and chairman of the Audit Committee and as a non-executive director with effect from 31 December 2024.

<sup>#</sup> Mr L Yanta was appointed as a member of the Audit Committee with effect from 1 December 2024 and as incoming chair with effect from 31 December 2024.

N/A – Not a member of the Audit Committee.

The overall average attendance for the Audit Committee meetings held during the year was 100%.

### Annual Financial Statements for the 2024 financial year

The Committee has reviewed the Annual Financial Statements as well as trading statements, preliminary results announcements and interim financial information of the Company and the Group for the year under review and is satisfied that they comply with IFRS<sup>®</sup> Accounting Standards. The Committee also considered the JSE's report titled "Report on proactive monitoring of financial statements in 2024", dated 7 November 2024, and received management's confirmation that the necessary and appropriate actions were taken to ensure the findings and recommendations of this report are implemented and adopted within the Group as appropriate.

### Internal controls confirmation

The Committee has overseen a process guided by principle 15 of the King Code, by which Hulamin management and internal audit performed a written assessment of the effectiveness of the Company's system of internal control, risk management and governance processes, including internal financial controls. This process enabled the Committee to ensure that Hulamin's internal assurance services and functions enable an effective control environment, and that these services and functions support the integrity of information for both Hulamin's internal decision-making and for Hulamin's external reports.

The CEO, CFO and the Group Financial Controller, reviewed the controls over financial reporting, and presented their findings to the Audit Committee. During the current financial year management has not identified any significant deficiencies in internal control over financial reporting controls tested throughout the year.

The Committee satisfied itself that the significant deficiencies have been resolved and have no material effect for the purposes of the preparation and presentation of the financial statements for the year under review and believe that Hulamin's internal controls can be relied upon as a reasonable basis for the preparation of the Annual Financial Statements.

The Committee has received assurance from the Group Financial Controller on the work performed in the financial year under review to support the Chief Executive Officer and Chief Financial Officer sign off on internal controls, as

required by section 3.84(k) of the JSE Listings Requirements. This section requires a statement by the Chief Executive Officer and Chief Financial Officer, confirming that internal financial controls are in place to ensure that material information has been provided to effectively prepare the financial statements. Furthermore, confirmation is to be given that the internal financial controls are adequate, effective, and can be relied upon in compiling the Annual Financial Statements, and if not, that the deficiencies in the design and operational effectiveness of the internal financial controls have been disclosed to the Committee and the external auditors, and that the necessary remedial action has been taken.

The Committee is of the view, based on the representations made by the Chief Executive Officer and the Chief Financial Officer, as well as the other related processes mentioned that the internal financial controls in place for the Group were adequate and effective during the period under review.

### Key audit matter

There were no key audit matters that were identified in the current year.

### Group scoping for external audit purposes

The scope of EY's audit for the financial year under review took into consideration the structure of the Group, the respective accounting processes and controls and the industry in which Hulamin operates. The assessment included consideration of financially significant components, based on indicators such as their contribution to Group assets, revenue and profit before tax.

The Audit Committee has reviewed the audit scoping by EY and satisfied itself that the scope provides the reasonable assurance required that all material components of the Group were subjected to external audit inspection.

### Going concern

The Committee has, for the year under review, considered the documented assessment by management of the going concern premise of the Group and has, following this consideration and the combined assurance obtained, recommended to the Board that the Group is a going concern and will remain so for the foreseeable future. As part of this going concern assessment, the Board considered the potential implications of the impact of an increasing LME price in order to determine that it will not have a significant adverse effect on Hulamin's business. This and other potential implications as outlined in note 1.11 of the financial statements will be assessed on a continuing basis.

### Recommendation of the Annual Financial Statements for approval by the Board

At its meeting held on 10 March 2025, the Audit Committee reviewed and recommended the Annual Financial Statements for approval by the Board.

The Audit Committee is satisfied that, for the year under review, it has complied with its statutory responsibilities and the responsibilities assigned to it by the Board.

**Linda Yanta**  
Chairman of the Audit Committee

Pietermaritzburg, KwaZulu-Natal  
10 March 2025

# Independent Auditor's Report

To the shareholders of Hulamin Limited

Report on the Audit of the Consolidated and Separate Financial Statements

## Opinion

We have audited the consolidated and separate financial statements of Hulamin Limited and its subsidiaries ('the Group') and company set out on pages 10 to 71 which comprise of the consolidated and separate statements of financial position as at 31 December 2024 and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

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

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements of the Group and Company and 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 of the Group and Company and 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). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 (EAR Rule) we report:

## Final Materiality

The ISAs recognise that:

- misstatements, including omissions, are considered to be material if the misstatements, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements;
- judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and
- judgements about matters that are material to users of the financial statements consider users as a group rather than as specific individual users, whose needs may vary greatly.
- The amount we set as materiality represents a quantitative threshold used to evaluate the effect of misstatements to the financial statements as a whole based on our professional judgment. Qualitative factors are also considered in making final determinations regarding what is material to the financial statements.

## Group Final Materiality:

We determined final materiality for the Group to be R27 600 000, which is based on 5% of Earnings before Interest and Taxation (EBIT). We have identified Earnings before Interest and Tax as the most appropriate basis as we typically believe that "profit companies" are evaluated by users on their ability to generate earnings. Our review of information provided to users by the entity confirms our view.

## Company Final Materiality:

We determined final materiality for the standalone company to be R13 000 000, which is based on 0.5% of Assets. We have identified that a capital-based measure is most appropriate because as the purpose of the company is to hold investments. Our review of information provided to users by the entity confirms our view.



## Independent Auditor's Report continued

### Group Audit Scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each component within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account the size and risk profile of the components in the Group. In addition, we further consider the organisation of the Group and effectiveness of Group wide controls, changes in the business environment, and other factors such as our experience in prior years and recent internal audit results when assessing the level of work to be performed at each component of the Group. Our process focuses on identifying and assessing the risk of material misstatements of the Group financial statements as a whole including, with respect to the consolidation process.

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors under our instruction.

In selecting components, we perform risk assessment activities across the Group and its components to identify risks of material misstatement. We then identify how the nature and size of the account balances at the components contribute to those risks and thus determine which account balances require an audit response. We then consider for each component the degree of risk identified (whether pervasive or not) and the number of accounts requiring audit responses to assign either a full or specific scope (including specified procedures) to each component.

In our assessment of the residual account balances not covered by the audit procedures, we considered whether these could give rise to a risk of material misstatement of the Group financial statements. This assessment included performing overall analytical procedures at Group level.

Of the five components we:

- Performed an audit of the complete financial information of one component ("full scope components") which was selected based on its size and/or risk characteristics.
- Performed audit procedures on specific accounts of four components ("specific scope components") that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

At a Group level we also tested the consolidated process and the controls over key Information Technology systems.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the Key Audit Matters.

We have determined that there are no key audit matters to communicate in our report.

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the 73-page document titled "Hulamin Audited Annual Financial Statements for the year ended 31 December 2024", which includes the CEO and CFO Responsibility statement, the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, and the 140-page document titled "Hulamin Integrated Annual Report 2024". 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 express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

## Independent Auditor's Report continued

### 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 and 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 and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the Group, as a basis for forming an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

### Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst & Young Inc. has been the auditor of Hulamin Limited for 7 years.

*Ernst & Young Inc.*

Ernst & Young Inc.  
Director: Farouk Ebrahim  
Registered Auditor  
Chartered Accountant (SA)

14 March 2025  
1 Pencarrow Crescent  
La Lucia Ridge Office Park  
Durban  
4000

A member firm of Ernst & Young Global Limited.  
A full list of Directors is available at [http://www.ey.com/za/en/home/contact-us\\_sa-directors](http://www.ey.com/za/en/home/contact-us_sa-directors)  
Chief Executive: Ajen Sita

# Consolidated statement of financial position

as at 31 December 2024

	Notes	2024 R'000	2023 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5.1(b)	1 860 273	1 250 384
Right-of-use assets	5.2	20 088	56 625
Intangible assets	5.3	66 972	77 550
Goodwill	5.3	1 414	–
Retirement benefit assets	8.2 (c)	58 464	55 063
Deferred tax asset	9.2	16 499	72 186
Investment in insurance arrangement	5.4 (b)	5 155	5 504
Other long-term assets	5.4 (a)	5 639	6 618
Investments accounted for using the equity method	6 (b)	–	71 556
		<b>2 034 504</b>	1 595 486
<b>Current assets</b>			
Inventories	4.2	3 788 877	3 129 772
Trade and other receivables	4.3 (b)	1 413 995	1 282 279
Derivative financial assets	7.1 (d)	–	18 532
Cash and cash equivalents	4.1	21 804	189 855
Other short-term assets	5.4 (a)	–	31 515
		<b>5 224 676</b>	4 651 953
Assets held for sale	10	31 919	–
		<b>5 256 595</b>	4 651 953
<b>Total assets</b>		<b>7 291 099</b>	6 247 439
<b>EQUITY</b>			
Stated capital and consolidated shares	3.4(b)	1 817 627	1 817 627
Treasury shares		(35 863)	(35 863)
BEE reserve	8.1(d)	40 319	36 395
Employee share-based payment reserve	8.1(c)	49 816	46 808
Hedging reserve	7.5	(4 753)	8 042
Retained earnings		1 920 369	1 665 565
<b>Total equity</b>		<b>3 787 515</b>	3 538 574
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities	3.2	12 986	51 875
Retirement benefit obligations	8.2	216 189	204 326
		<b>229 175</b>	256 201
<b>Current liabilities</b>			
Trade and other payables	4.4	1 886 371	1 446 832
Current borrowings	3.1	1 277 177	994 014
Bank overdraft	3.1	72 262	–
Lease liabilities	3.2	8 885	11 640
Income tax liability	9.3.2	22 362	178
Derivative financial liabilities	7.1(d)	7 352	–
		<b>3 274 409</b>	2 452 664
<b>Total liabilities</b>		<b>3 503 584</b>	2 708 865
<b>Total equity and liabilities</b>		<b>7 291 099</b>	6 247 439

# Consolidated statement of profit or loss

for the year ended 31 December 2024

	Notes	2024 R'000	2023 R'000
<b>Revenue from contracts with customers</b>	2.3 (b)	<b>13 635 089</b>	13 795 628
Cost of goods sold	2.4.1	(11 981 080)	(11 816 174)
Cost of services provided	2.4.1	(86 558)	(95 634)
<b>Gross profit</b>		<b>1 567 451</b>	1 883 820
Selling, marketing and distribution expenses	2.4.1	(452 469)	(738 335)
Administrative and other expenses	2.4.1; 2.4.5	(756 474)	(643 477)
Net (impairment)/reversal on financial assets	4.3 (c); 2.4.1	(3 238)	1 901
Gains/(losses) on financial instruments related to trading activities	2.4.2	7 843	(1 646)
Other gains/(losses)	2.4.3	177 268	29 756
<b>Operating profit</b>		<b>540 381</b>	532 019
Interest income	9.1	3 181	13 359
Interest expense	9.1	(172 361)	(160 703)
<b>Profit before share of joint venture (losses)/profits</b>		<b>371 201</b>	384 675
Share of net (losses) of joint ventures accounted for using the equity method	6(b)	(665)	(4 046)
<b>Profit before tax</b>		<b>370 536</b>	380 629
Taxation	9.3.1	(124 192)	(108 828)
<b>Net profit for the year attributable to equity holders of the Company</b>		<b>246 344</b>	271 801
Basic earnings per share	(cents) 2.2	<b>80</b>	88
Diluted earnings per share	(cents) 2.2	<b>73</b>	83

# Consolidated statement of comprehensive income

for the year ended 31 December 2024

	Notes	2024 R'000	2023 R'000
<b>Net profit for the year attributable to equity holders of the Company</b>		<b>246 344</b>	271 801
<b>Other comprehensive income</b>			
<i>Other comprehensive income that may be reclassified to profit or (loss):</i>			
<b>Net other comprehensive (loss)/profit that may be reclassified to profit or loss</b>		<b>(12 795)</b>	8 042
Cash flow hedges transferred to the statement of profit or (loss)	7.5 (iii)	–	8 513
Cash flow hedges remeasured	7.5 (iii)	<b>(17 528)</b>	2 503
Income tax relating to these items		<b>4 733</b>	(2 974)
<i>Other comprehensive income that will not be reclassified to profit or (loss):</i>			
<b>Net other comprehensive (loss)/profit that will not be reclassified to profit or loss</b>		<b>(2 345)</b>	11 576
Remeasurements of retirement benefit obligations	8.2(c), (d), (e)	<b>(3 212)</b>	15 858
Income tax relating to these items		<b>867</b>	(4 282)
<b>Other comprehensive (loss)/profit for the year, net of tax</b>		<b>(15 140)</b>	19 618
<b>Total comprehensive profit for the year attributable to equity holders of the Company</b>		<b>231 204</b>	291 419

# Consolidated statement of cash flows

for the year ended 31 December 2024

	Notes	2024 R'000	2023 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	A	<b>290 401</b>	685 907
Interest paid		<b>(185 689)</b>	(159 372)
Interest received		<b>3 181</b>	4 431
Income taxes paid	9.3.2	<b>(62 455)</b>	(167 712)
Net cash inflow from operating activities		<b>45 438</b>	363 254
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment		<b>(630 167)</b>	(253 179)
Additions to intangible assets		<b>(8 860)</b>	(58 418)
Proceeds on disposal of property, plant and equipment		–	909
Insurance proceeds received for property, plant and equipment		<b>69 958</b>	–
Proceeds from insurance cell arrangement	5.4(b)	<b>773</b>	478
Proceeds from long term deposit		<b>31 003</b>	–
Additional loan granted to investment accounted for using equity method		<b>(2 400)</b>	–
Repayment of loan granted to investment accounted for using equity method		–	1 105
Acquisition of a subsidiary, net of cash acquired	6(c)	<b>(18 001)</b>	–
Net cash (outflow) from investing activities		<b>(557 694)</b>	(309 105)
Cash flows before financing activities ("free cash flow")		<b>(512 256)</b>	54 148
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from current borrowings	3.3	<b>283 163</b>	77 175
Payment of principal portion of lease liabilities	3.2	<b>(10 757)</b>	(16 714)
Net cash inflow from financing activities		<b>272 406</b>	60 461
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(239 850)</b>	114 609
Cash and cash equivalents at beginning of year	4.1	<b>189 855</b>	81 294
Effects of exchange rate changes on cash and cash equivalents	2.4.2	<b>(463)</b>	(6 048)
Cash and cash equivalents at end of year	4.1	<b>(50 458)</b>	189 855

# Notes to the consolidated statement of cash flows

for the year ended 31 December 2024

	Notes	2024 R'000	2023 R'000
<b>A</b>			
<b>Cash generated from operations</b>			
Profit before tax		<b>370 536</b>	380 629
Net interest cost	9.1	<b>169 180</b>	147 344
<b>Profit before tax after interest</b>		<b>539 716</b>	527 973
Adjusted for non-cash flow items:			
Depreciation of property, plant and equipment	2.4.1	<b>133 832</b>	104 625
Depreciation of right-of-use assets	2.4.1	<b>11 266</b>	16 046
Amortisation of intangible assets	2.4.1	<b>19 864</b>	14 119
Impairment raised/(reversed) of financial assets		<b>3 238</b>	(1 901)
(Profit)/Loss on disposal of property, plant and equipment	2.4.3	<b>(50 989)</b>	741
Share of net losses of joint ventures accounted for using the equity method	6(b)	<b>665</b>	4 046
Net movement in retirement benefit asset and obligations		<b>5 250</b>	7 530
Value of employee services received under share schemes	2.4.1(a)	<b>27 959</b>	15 638
Foreign exchange losses on cash and cash equivalents	2.4.2	<b>463</b>	6 048
Currency exchange translation on foreign debtors and creditors		<b>8 020</b>	6 820
Fair value adjustment on investment in insurance arrangement	5.4(b)	<b>(424)</b>	(181)
(Gain) on remeasurement on investment previously held		<b>(17 536)</b>	–
Other non-cash items		<b>468</b>	(2 157)
<b>Cash generated before working capital changes</b>		<b>681 792</b>	699 347
Changes in working capital	B	<b>(391 391)</b>	(13 440)
<b>Cash generated from operations</b>		<b>290 401</b>	685 907
<b>B</b>			
<b>Changes in working capital</b>			
(Increase)/Decrease in inventories		<b>(682 388)</b>	279 590
(Increase)/Decrease in trade and other receivables		<b>(174 714)</b>	131 426
Decrease/(Increase) in derivatives		<b>11 180</b>	(14 988)
Increase/(Decrease) in trade and other payables		<b>454 531</b>	(409 468)
		<b>(391 391)</b>	(13 440)



# Consolidated statement of changes in equity

for the year ended 31 December 2024

	Note	Stated capital and consolidated shares	Treasury shares	Hedging reserve	Employee share-based payment reserve	BEE reserve	Retained earnings	Total equity
		A	B	C	D	E	F	
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Balance as at 31 December 2022</b>		1 817 627	(35 863)	–	38 598	32 471	1 380 228	3 233 061
Net profit for the year		–	–	–	–	–	271 801	271 801
Other comprehensive income net of tax:								
– cash flow hedges		–	–	8 042	–	–	–	8 042
– retirement benefit assets and obligations		–	–	–	–	–	11 576	11 576
<b>Total comprehensive income for the period</b>		–	–	<b>8 042</b>	–	–	<b>283 377</b>	<b>291 419</b>
Equity-settled share-based payment schemes:								
– Value of employee services	2.4.1(a)	–	–	–	11 714	3 924	–	15 638
– Settlement and forfeiture of employee share incentives		–	–	–	(3 504)	–	1 960	(1 544)
<b>Balance as at 31 December 2023</b>		<b>1 817 627</b>	<b>(35 863)</b>	<b>8 042</b>	<b>46 808</b>	<b>36 395</b>	<b>1 665 565</b>	<b>3 538 574</b>
Net profit for the year		–	–	–	–	–	<b>246 344</b>	<b>246 344</b>
Other comprehensive income net of tax:								
– cash flow hedges		–	–	<b>(12 795)</b>	–	–	–	<b>(12 795)</b>
– retirement benefit assets and obligations		–	–	–	–	–	<b>(2 345)</b>	<b>(2 345)</b>
<b>Total comprehensive income for the period</b>		–	–	<b>(12 795)</b>	–	–	<b>243 999</b>	<b>231 204</b>
Equity-settled share-based payment schemes:								
– Value of employee services	2.4.1(a)	–	–	–	<b>24 035</b>	<b>3 924</b>	–	<b>27 959</b>
– Settlement and forfeiture of employee share incentives		–	–	–	<b>(21 027)</b>	–	<b>10 805</b>	<b>(10 222)</b>
<b>Balance as at 31 December 2024</b>		<b>1 817 627</b>	<b>(35 863)</b>	<b>(4 753)</b>	<b>49 816</b>	<b>40 319</b>	<b>1 920 369</b>	<b>3 787 515</b>

# Notes to the statement of changes in equity

for the year ended 31 December 2024

## A. Stated capital and consolidation shares

Stated capital represents the Group's issued share capital held by outside shareholders. Consolidation shares represent shares held under various BEE transactions. Further information of the Group's stated capital and consolidation shares is presented in note 3.4.

## B. Treasury shares

Shares in the Company held by wholly owned Group companies are classified as treasury shares. These shares are treated as a deduction from the issued and weighted average number of shares and the cost of the shares is deducted from Group equity. Dividends received on treasury shares are eliminated on consolidation. No gains and losses are recognised in the Group statement of profit or loss or the statement of comprehensive income on the purchase, sale, issue or cancellation of treasury shares. During the year the Group did not purchase any shares (2023: Nil shares).

## C. Hedging reserve

The hedging reserve includes the cash flow hedge reserve and the costs of hedging reserve. The cash flow hedge reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges. Amounts are subsequently transferred to revenue as part of the hedging relationship or reclassified to profit or loss as appropriate. The Group defers the changes in the forward element of forward contracts and the time value of option contracts in the costs of hedging reserve. Further analysis of the reserve is presented in note 7.5.

## D. Employee share-based payments reserve

The share-based payments reserve is used to recognise the grant date fair value of options issued to employees. On settlement, the value of the reserve is transferred to retained earnings. A deferred tax asset on outstanding grants is recognised where the grants are in-the-money, with the deferred tax on the portion above the fair value of the option being recognised directly in retained earnings. Further details of share options outstanding are provided in notes 8.1(c) and 8.1(d)(ii).

## E. BEE reserve

The BEE reserve is used to recognise the grant date fair value of options issued to identified BEE participants. Further details of these transactions are provided in notes 8.1(d)(i) and 8.1(d)(ii).

## F. Retained earnings

The retained earnings represent the cumulative historic profit and loss reinvested in the Group. No restrictions exist on the use of the retained income.

# Notes to the consolidated financial statements

for the year ended 31 December 2024

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## Notes to the consolidated financial statements continued

### 1. Material accounting policies

#### 1.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance to IFRS® Accounting Standards (“IFRS Accounting Standards”) issued by the International Accounting Standards Board (the “IASB”), including IFRIC® interpretations (“IFRIC interpretations”) issued by the IFRS Interpretations Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the South African Institute of Chartered Accountants (“SAICA”) Financial Reporting Guides as issued by the Accounting Practices Committee, the requirements of the Companies Act, No 71 of 2008, as amended, and the Listing Requirements of the JSE Limited.

The basis of preparation is consistent with the prior year, except for new and revised standards and interpretations adopted per note 1.5 to the financial statements.

The Consolidated Annual Financial Statements are prepared using the historical cost basis except for certain items as set out in the accounting policies which follow (see the accounting policies relating to derivative financial instruments, share-based payments, retirement benefit assets and obligations, non-current assets held for sale and investment in insurance arrangement). The consolidated financial statements are presented in South African Rands, and all values are rounded to the nearest thousand (R'000), except when otherwise indicated.

The Consolidated Annual Financial Statements are prepared on the going concern basis using accrual accounting (refer to note 1.11).

Assets and liabilities and income and expenses are not offset unless specifically permitted by an accounting standard. Financial assets and financial liabilities are offset, and the net amount reported only when a legally enforceable right to offset exists and the intention is either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Accounting policies (as shown throughout this report) are the specific principles, bases, conventions, rules and practices applied in preparing and presenting financial statements. Changes in accounting policies resulting from the initial application of a standard or an interpretation are accounted for in accordance with the transitional provisions in the accounting standard. If no such guidance is given, they are applied retrospectively.

#### 1.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting rights

#### 1.3 Investment in joint ventures

The Group applies IFRS 11, “Joint Arrangements” to all joint arrangements. Investments in joint arrangements are classified as either joint operations or joint ventures, depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangement and determined it to be a joint venture. Joint ventures are accounted for applying the equity method.

Under the equity method of accounting, interest in joint ventures is initially recognised at cost and adjusted thereafter to recognise the Group’s share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group’s share of losses in a joint venture equal or exceeds its interest in the joint venture (which includes any long-term interest that, in substance, forms part of the Group’s net investment in joint venture), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of joint ventures.

Unrealised gains/losses on transactions between the Group and its joint ventures are eliminated to the extent of the Group’s interest in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred.

#### 1.4 Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

## Notes to the consolidated financial statements continued

### 1.5 New accounting standards

#### (a) New and revised standards and interpretations in issue and not yet effective which are applicable to the Group. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Pronouncement	Effective date	Impact
<i>Lack of exchangeability – Amendments to IAS 21</i>	Effective date is 1 January 2025	Amendments to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.  Hulamin does not expect the amendment to have a material impact on the Group Financial Statements.
<i>Presentation and disclosure in financial statements – IFRS 18</i>	Effective date is 1 January 2027	IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures and includes new requirements for the location, aggregation and disaggregation of financial information.  An entity will be required to classify all income and expenses with its statements of profit or loss into one of five categories: operating, investing, financing, income taxes and all discontinued operations. IFRS 18 requires an entity to present subtotals and totals for “operating profit or loss”, “profit or loss before financing and income taxes” and “profit or loss”.  Hulamin is currently assessing the impact that the amendment will have on the Group Financial Statements.
<i>Classification and measurement of financial instruments – Amendments to IFRS 9 and IFRS 7</i>	Effective date is 1 January 2026	Amendments to IFRS 9 and IFRS 7 “Classification and measurement of financial instruments” specifies the below: <ul style="list-style-type: none"> <li>Clarifies that a financial liability is derecognised on “settlement date”, i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition.</li> <li>Clarifies how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (“ESG”) linked features and other similar contingent features.</li> <li>Clarifies the treatment of non-recourse assets and contractually linked instruments.</li> <li>Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event and equity instruments classified at fair value through other comprehensive income.</li> </ul> <p>Hulamin does not expect the amendment to have a material impact on the Group Financial Statements.</p>

Pronouncement	Effective date	Impact
<i>Subsidiaries without Public Accountability: Disclosures – IFRS 19</i>	Effective date is 1 January 2027	IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards.  Hulamin does not expect the amendment to have a material impact on the Group Financial Statements
<i>Power Purchase Agreements – Amendments to IFRS 9 and IFRS 7</i>	Effective date is 1 January 2026	Amendments to IFRS 9 and IFRS 9 provide the clarifications regarding the “own use” requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application.  Hulamin does not expect this to have a material impact to the Group Financial Statements
<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28</i>	Refer to Note 1	Amendment clarifies that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors’ interests in the associate or joint venture.  Hulamin does not expect the amendments to have a material impact on the Group Financial Statements.
<i>Annual improvements to IFRS Accounting Standards – Volume 11</i>	Effective date is 1 January 2026	Amendments to IFRS 1, “First-time adoption of International Financial Reporting Standards” – are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.  Amendments to IFRS 7, “Financial Instruments: Disclosures” – The amendments on guidance implementing and wording consistency.  Amendments to IFRS 9, “Financial Instruments” – is to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 (lessee derecognition of lease liabilities) and recognise any resulting gain or loss in profit or loss.

Note 1: In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting

## Notes to the consolidated financial statements continued

### 1. Material accounting policies continued

#### 1.5 New accounting standards continued

##### (a) New and revised standards and interpretations in issue and not yet effective which are applicable to the Group. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. continued

Pronouncement	Effective date	Impact
<i>Annual improvements to IFRS Accounting Standards – Volume 11</i>	Effective date is 1 January 2026	<p>Amendments to IFRS 9, “Financial Instruments” – is replace the reference to “transaction price as defined by IFRS 15 Revenue from Contracts with Customers” with “the amount determined by applying IFRS 15”.</p> <p>Amendments to IFRS 10, “Consolidated Financial Statements” – clarify that the determination of a “De Facto Agent” relationship is just one example of various relationships that might exist between the investor and other parties acting as <i>de facto</i> agents of the investor.</p> <p>Amendments to IAS 7, “Statement of Cash flows” – to replace the term “cost method” with “at cost”, following the prior deletion of the definition of “cost method”.</p> <p>Hulamin does not expect the amendments to have a material impact on the Group Financial Statements.</p>

##### (b) New and revised standards and interpretations in issue and effective which are applicable to the Group

Pronouncement	Effective date	Impact
<i>Classification of liabilities as Current or Non-current – Amendments to IAS 1</i>	Effective date is 1 January 2024	<p>Amendments to IAS 1 “Presentation of Financial Statements” to specify the requirements for classifying liabilities, subject to covenants, as current or non-current. The amendments clarify:</p> <ul style="list-style-type: none"> <li>• What is meant by a right to defer settlement.</li> <li>• That a right to defer must exist at the end of the reporting period contingent on compliance with future covenants within 12 months.</li> <li>• That classification is unaffected by the likelihood that an entity will exercise its deferral right.</li> <li>• That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.</li> <li>• Disclosures requirements for liabilities arising from loan agreements that are classified as non-current.</li> </ul> <p>The amendment did not have a material impact on the Hulamin Group Financial Statements.</p>

Pronouncement	Effective date	Impact
<i>Lease Liability in a Sale and Leaseback – Amendments to IFRS 16</i>	Effective date is 1 January 2024	<p>Amendments to IFRS 16, “Leases” specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right-of-use it retains.</p> <p>The amendment did not have a material impact on the Hulamin Group Financial Statements.</p>
<i>Disclosures: Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7</i>	Effective date is 1 January 2024	<p>Amendments to specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk.</p> <p>The amendment did not have a material impact on the Hulamin Group Financial Statements.</p>

#### 1.6 Fair value measurement

The Group measures financial instruments such as derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1** – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2** – Valuation techniques for which the lowest level input that is significant to the fair value measurement are inputs other than quoted prices within level 1 that are directly or indirectly observable;
- Level 3** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

External valuers are involved for valuation of significant assets. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.



## Notes to the consolidated financial statements continued

### 1. Material accounting policies continued

#### 1.6 Fair value measurement continued

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Fair value-related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- Impairment of non-financial assets (note 2.4.4).
- Investment in insurance arrangement (note 5.4(b)).
- Derivative assets and liabilities (note 7.1).

#### 1.7 Accounting for assets and liabilities

##### (i) Derecognition

Financial assets, or parts thereof, are derecognised when the contractual rights to receive the cash flows have expired, been transferred and/or control has passed.

All other assets are derecognised on disposal or when they no longer meet the definition of an “asset” as prescribed by the Framework. Financial liabilities are derecognised when the relevant obligation has either been discharged, cancelled or has expired.

#### 1.8 Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### (i) Financial assets

###### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (“OCI”) and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in note 2.3 Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are “solely payments of principal and interest (‘SPPI’)” on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

###### Subsequent measurement

Financial assets at amortised cost are subsequently measured using the effective interest (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group’s financial assets at amortised cost includes trade receivables, long-term deposit and cash and cash equivalents.

Financial assets at fair value through profit or loss are subsequently measured fair values at valuation and the associated gains and losses are taken to profit or loss. Financial assets at fair value through OCI are subsequent measured fair values at valuation and the associated gains and losses are taken to OCI.

###### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e., removed from the Group’s consolidated statement of financial position) when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

###### Impairment

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience and if applicable, adjusted with forward-looking macroeconomic factors.

##### (ii) Financial liabilities

###### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost, financial liabilities at fair value through profit or loss, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of current borrowings and payables, net of directly attributable transaction costs.

The Group’s financial liabilities include trade and other payables, current borrowings and derivative financial instruments.

## Notes to the consolidated financial statements continued

### 1. Material accounting policies continued

#### 1.8 Financial instruments – initial recognition and subsequent measurement continued

##### (ii) Financial assets continued

##### Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss; or
- Financial liabilities at amortised cost (current borrowings, payables and overdrafts).

Financial liabilities at amortised cost (current borrowings, payables and overdrafts) is the category most relevant to the Group. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

##### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

The accounting policy on derivatives is detailed in note 7.5.

#### 1.9 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

##### (i) Methods of depreciation, useful lives and residual values of assets

Items of property, plant and equipment are depreciated over their useful lives taking into account residual values. The estimated useful lives and residual values are assessed annually, taking into account technological innovation, product life cycles, maintenance programmes and projected disposal values. Refer note 5.1 and 5.3.

##### (ii) Post-retirement benefit obligations

Actuarial valuations of post-retirement benefit obligations are based on assumptions which include employee turnover, mortality rates, discount rate, expected long-term rate of return on retirement plan assets, health care costs, inflation rates and salary increments.

Management experts are used to assist with valuations of post-employment benefit obligations. Refer note 8.2.

##### (iii) Share-based payment transactions

The critical estimates and assumptions used in the IFRS 2 calculations are disclosed in note 8.1 of the Group Financial Statements. External experts are used to determine the grant date fair value of options granted. Management assesses the likelihood of achieving non-market performance measures based on approved budgets and the five-year business plan.

##### (iv) Impairment of non-financial assets

The critical estimates and assumptions used in the recoverable amount calculations in respect of the assets of the Group are disclosed in note 2.4.4 of the Group Annual Financial Statements. Forward-looking financial information is based on Board-approved business plans.

##### (v) Determining the lease term of contracts with renewal and termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

The Group included the renewal period as part of the lease term for leases of buildings. The Group typically exercises its option to renew for these leases because these buildings are required for staff occupation. For more details on leases refer notes 3.2 and 5.2.

##### (vi) Taxes

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available against which these can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Further details on the recognised and unrecognised portion of the deferred tax is disclosed in note 9.2.

## Notes to the consolidated financial statements continued

### 1. Material accounting policies continued

#### 1.9 Significant accounting judgements, estimates and assumptions continued

##### (vii) Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group has used its incremental borrowing rate with reference to the revolving loan facility. Refer note 3.2.

##### (viii) Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group’s historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. When forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year this can lead to an increased number of defaults in the manufacturing sector, and the historical default rates will be adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of customer’s actual default in the future. Refer note 4.3(c).

##### (ix) Revenue recognition – Estimating variable consideration for returns and volume rebates

The Group estimates variable considerations to be included in the transaction price for the sale of goods with volume rebates. Refer to note 2.3.

#### 1.10 Foreign currencies

The functional currency of each entity within the Group is determined based on the currency of the primary economic environment in which that entity operates. Transactions in currencies other than the entity’s functional currency are recognised at the exchange rate ruling on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of these transactions and from translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss in the period in which they arise, except when deferred in equity as qualifying cash flow hedges. The Company and Group’s functional currency and presentation currency respectively is the South African Rand.

#### 1.11 Going concern

The Annual Financial Statements for the year ended 31 December 2024 have been prepared on the going concern basis.

The Group is of the opinion that it has adequate resources to continue in operation for the foreseeable future based the following factors considered in reaching the conclusion:

- 2024 financial performance and position as documented in detail throughout these financial statements.
- Trading conditions in 2025 and outlook.
- Liquidity and access to funding facilities.
- Indicators of uncertainty.
- Scenarios and forecasts.
- Litigation and claims.

#### (a) 2024 financial performance and position

The Group’s performance and position has been summarised in the table below:

		2024	2023
<b>Earnings</b>			
Operating profit before interest and tax	R’000	<b>540 381</b>	532 019
Net profit	R’000	<b>246 344</b>	271 801
Earnings per share (Basic)	cents	<b>80</b>	88
Headline earnings per share (Basic)	cents	<b>64</b>	88
Normalised EBITDA	R’000	<b>543 885</b>	620 466
<b>Cash flow and financial position</b>			
Cash flow from operating activities	R’000	<b>45 438</b>	363 254
Cash flow before financing activities (“free cash flow”)	R’000	<b>(512 256)</b>	54 148
Net debt	R’000	<b>1 349 506</b>	867 674
Equity	R’000	<b>3 787 515</b>	3 538 574
Net debt/equity ratio	%	<b>35.6</b>	24.5
Net current assets	R’000	<b>1 950 267</b>	2 199 289
Current ratio	times	<b>1.6</b>	1.9

#### Profit and earnings performance

##### Hulamin Operations

Hulamin entered 2024 with positive market conditions, particularly in export segments, driven by recovering demand. While this created opportunities, pricing pressures in certain product streams, such as export can stock and standards, persisted. Locally, demand for can stock remained robust, with strong momentum sustained throughout the year.

Operational challenges during the year, including a fire outbreak at the plant that disrupted can body stock output, impacted overall production and constrained performance in the third quarter. Despite these setbacks, Hulamin delivered resilient operational and financial results, underscoring the ability to adapt to challenges while focusing on long-term value creation.

## Notes to the consolidated financial statements continued

### 1. Material accounting policies continued

#### 1.11 Going concern continued

##### (a) 2024 financial performance and position continued

To meet growing market demands and align with sustainability trends, Hulamin has embarked on strategic investments, including upgrades to wide can body capabilities and a focus on green aluminium production. These initiatives position Hulamin to effectively serve both local and European markets, ensuring the ability to adapt to evolving market conditions and maintain a going concern status.

##### *Hulamin Extrusions*

The first half of 2024 was notably affected by operational disruptions, leading to lost volumes and increased costs. This situation was further exacerbated by overstocking at a key customer. Additionally, a reduction in load shedding and the phasing out of solar rebates led to lower demand in the solar sector.

These challenging market conditions persisted into the second half of the year, with the added impact of the national elections and uncertainty surrounding the Government of National Unity. However, in the second half of 2024, the negative impact was mitigated by improvements in efficiency and various cost-saving initiatives. These continue into future years.

##### (b) Trading conditions in 2025 and outlook

The trading conditions in 2025 and outlook are as follows:

##### **Domestic market**

The robust local demand for aluminium rolled products has persisted throughout 2024, especially within the Can sheet sector. Looking ahead to 2025, demand is anticipated to remain stable across various product categories, while the aluminium beverage can market is exhibiting indications of growth, supported by the installation of additional production capacity to satisfy this demand.

##### **International market**

Global demand for aluminium rolled products stabilised during 2024, with continued strong demand observed in the Can sheet and plate sectors. The outlook for 2025 remains positive; however, several uncertainties could influence market conditions.

##### **Impact of US import tariffs**

Hulamin exports approximately 11% of its rolled products volumes to the United States, where imports have historically been subject to various duties, including a base duty, Section 232 (“s232”) duties, and anti-dumping duties. In February 2025, the US government announced an increase in the s232 duty from 10% to 25% for all aluminium imports, removing exemptions that previously applied to competitors from certain countries.

This change is expected to have no material impact on Hulamin’s competitive position, as all suppliers to the US market will now be subject to the same tariff structure. As a result, the company expects its export volumes and margins in the US market to remain stable. However, given the dynamic nature of US trade policies, any future adjustments to the tariff regime could influence this outlook.

Hulamin continues to monitor developments in global trade policies while maintaining its focus on operational efficiency, strategic investment, and financial sustainability. These initiatives, alongside our ongoing market positioning, support our ability to continue as a going concern.

##### (c) Liquidity and funding

As at 31 December 2024, the banking facilities of R2.15 billion (2023: R2.1 billion) comprise a committed working capital facility of R1.5 billion (2023: R1.5 billion) and a general banking facility (“GBF”) of R650 million (2023: R600 million). The GBF is comprised of direct facilities of R500 million (2023: R400 million) and indirect facilities (letters of credit and guarantee) of R150 million (2023: R200 million). The maturity date of the committed working capital facility matures at the end of December 2025. An internal target date of June 2025 has been set to extend the working capital facility for another three years.

The Group’s net borrowings were R1 328 million (2023: R804 million) and net debt was R1 349.5 million (2023: R867.7 million) at 31 December 2024. This represents a net debt-to-equity ratio of 36% (2023: 25%). The current ratio was 1.60 times (2023: 1.9 times) while the debt-to-equity bank covenant as defined was 0.40 times (2023: 0.34 times).

The utilisation of the working capital facility may be restricted by the underlying eligible inventory and receivables.

Despite the increase in debt, Hulamin’s gearing and liquidity ratios remain well within acceptable levels and the balance sheet remains strong.

Hulamin has the following measures in place to safeguard the Group’s liquidity position:

- Direct borrowing facilities of R2 billion.
- Committed working capital borrowing facility of R1.5 billion.
- Number of participating banks is four.
- Actual debt-to-equity ratio substantially below the financial covenant of less than 0.60 times.
- The required level of the current ratio is >1.25 times.

##### (d) Indicators of uncertainty

Looking ahead to 2025, the outlook is positive, although there are some key factors that may influence market dynamics. Key factors include:

- The resolution of geopolitical conflicts in Ukraine and the Middle East.
- Potential changes to Chinese export incentives.
- Trade policy decisions by the Trump administration, particularly regarding tariffs.
- The pace of recovery in Northern European markets, notably Germany.

These developments are expected to impact market positioning, product demand, and pricing strategies, requiring ongoing evaluation and adaptability.

The Group continuously manages its liquidity by ongoing modelling of scenarios and their implications for net debt relative to borrowing facilities and loan covenants. This is combined with regular engagement with funders, to ensure adequate facilities are available, and with suppliers and customers to ensure that payment terms and credit limits are appropriate.

##### (e) Scenarios and forecasts

Management considered various scenarios through to the end of 2024, which assessed the impact of a moving aluminium price and moving ZAR/USD exchange rate on Hulamin’s liquidity.

##### (f) Litigation and claims

The Group is not engaged in any material legal action nor has it any contingent liabilities which could have bearing on the ability to continue operations in the forecast period. For further litigation and claims, refer to note 9.5.

## Notes to the consolidated financial statements continued

### 1. Material accounting policies continued

#### 1.12 Events after the reporting period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Management has considered the relevant events during this period and concluded that there are no events other than the event noted below:

##### (a) Binding offer agreement

The Company has entered into a binding offer agreement with a black industrialist buyer for the disposal of specific assets owned by Hulamin Containers (Pty) Ltd and Hulamin Operations (Pty) Ltd. The completion of the transaction remains subject to the fulfilment of certain conditions as set out in the agreement. For further details refer to note 10.

### 2. Performance: measures used to assess performance

#### 2.1 Reportable segment analysis

##### (a) Accounting policies and significant judgements

###### Description of segments and principal activities

The Group's reportable segments have been determined in accordance with how the Hulamin Executive Committee, which is the Group's most senior operating decision-making body, allocates resources and evaluates performance and are predominantly based on business segment hierarchy which is representative of the internal reporting used for management purposes. The segment performance is evaluated on normalised earnings before interest and tax and is measured consistently with normalised earnings before interest and tax in the consolidated financial statements.

The Group is organised into two major operating divisions, namely Hulamin Rolled Products and Hulamin Extrusions.

The Hulamin Rolled Products segment, which comprises the Hulamin Rolled Products, Isizinda Aluminium and Hulamin Containers businesses, manufactures and supplies fabricated and rolled semi-finished aluminium products as well as aluminium foil containers and related products.

The Hulamin Extrusions segment manufactures and supplies extruded aluminium products.

All segment revenue and expenses are directly attributable to the segments. Segment assets include all operating assets used by a segment, as well as current assets. Segment liabilities include all operating liabilities. These assets and liabilities are all directly attributable to the segments. Transactions between segments are carried out at arm's-length and are eliminated on consolidation. Transactions which represent the sale of a particular segment's finished goods to another segment do not occur and as such no inter-segment revenue is earned.

Finance costs, finance income, other income, and fair value gains and losses on financial assets are allocated to individual segments.

Current taxes, deferred taxes and certain financial assets and liabilities are allocated to individual segments.

Capital expenditure consists of additions of property, plant and equipment and intangible assets.

### (b) Segmental revenue, earnings and other disclosures

	2024			2023		
	Hulamin Rolled Products R'000	Hulamin Extrusions R'000	Group R'000	Hulamin Rolled Products R'000	Hulamin Extrusions R'000	Group R'000
<b>Revenue from contracts with customers: External</b>	<b>12 818 612</b>	<b>816 477</b>	<b>13 635 089</b>	12 916 441	879 187	13 795 628
<b>Revenue by product market</b>						
Automotive and transport	950 813	197 969	1 148 782	1 019 685	204 161	1 223 846
Building and construction	61 341	83 455	144 796	71 417	63 586	135 003
General engineering	4 090 059	500 922	4 590 981	4 317 724	611 440	4 929 164
Packaging	7 715 842	–	7 715 842	7 497 417	–	7 497 417
Other	557	34 131	34 688	10 198	–	10 198
<b>Expenses*</b>						
Aluminium and other expenses	(8 205 872)	(547 781)	(8 753 653)	(8 319 913)	(577 367)	(8 897 280)
Employment costs	(1 441 666)	(138 425)	(1 580 091)	(1 323 801)	(148 649)	(1 472 450)
Utilities and other direct manufacturing costs	(989 253)	(58 765)	(1 048 018)	(843 629)	(59 928)	(903 557)
Other operating expenses	(1 465 280)	(82 704)	(1 547 984)	(1 763 489)	(92 043)	(1 855 532)
Depreciation and amortisation	(142 278)	(22 684)	(164 962)	(117 134)	(17 656)	(134 790)
<b>Operating profit/(loss)</b>	<b>574 263</b>	<b>(33 882)</b>	<b>540 381</b>	548 475	(16 456)	532 019
Interest income	3 181	–	3 181	13 359	–	13 359
Interest expense	(172 306)	(55)	(172 361)	(160 656)	(47)	(160 703)
<b>Profit/(loss) before share of joint ventures</b>	<b>405 138</b>	<b>(33 937)</b>	<b>371 201</b>	401 178	(16 503)	384 675
Share of net profit/(loss) of joint ventures	(665)	–	(665)	(4 046)	–	(4 046)
<b>Profit/(loss) before tax</b>	<b>404 473</b>	<b>(33 937)</b>	<b>370 536</b>	397 132	(16 503)	380 629
Taxation	(116 607)	(7 585)	(124 192)	(109 065)	237	(108 828)
<b>Net profit/(loss) for the year</b>	<b>287 866</b>	<b>(41 522)</b>	<b>246 344</b>	288 067	(16 266)	271 801
<b>Reconciliation of net profit/(loss) to headline earnings/(loss)</b>						
Net profit/(loss) for the year	287 866	(41 522)	246 344	288 067	(16 266)	271 801
(Profit)/loss on disposal of property, plant and equipment	(2 248)	–	(2 248)	1 118	(377)	741
Impairment loss on property, plant and equipment	21 217	–	21 217	–	–	–
Insurance proceeds received for property, plant and equipment	(69 958)	–	(69 958)	–	–	–
Tax effect	13 767	–	13 767	(302)	102	(200)
Remeasurement (gain) on investment previously held	(17 536)	–	(17 536)	–	–	–
Tax effect	4 735	–	4 735	–	–	–
Loss/(profit) of control of subsidiary	18	–	18	–	–	–
Tax effect	(5)	–	(5)	–	–	–
<b>Headline earnings/(loss) for the year</b>	<b>237 856</b>	<b>(41 522)</b>	<b>196 334</b>	288 883	(16 541)	272 342

\* During the June 2024 meeting, the IFRS Interpretations Committee finalised the agenda decision: Disclosure of revenues and expenses for reportable segments (IFRS 8). The group has considered this development and in order to further enhance the disclosure on the reportable segmental analysis note, aluminium and other expenses, employment costs, utilities and other direct manufacturing costs and other operating expenses have been disclosed per segment for the current year and the comparative period. The EBITDA per segment has been removed to align with the additional expenses' disclosed.



## Notes to the consolidated financial statements continued

### 2. Performance: measures used to assess performance continued

#### 2.1 Reportable segment analysis continued

	2024			2023		
	Hulamin Rolled Products R'000	Hulamin Extrusions R'000	Group R'000	Hulamin Rolled Products R'000	Hulamin Extrusions R'000	Group R'000
<b>Reconciliation of headline earnings/(loss) to normalised EBITDA**</b>						
Headline earnings/(loss) for the year	237 856	(41 522)	196 334	288 883	(16 541)	272 342
Metal price lag	(92 946)	–	(92 946)	(47 084)	–	(47 084)
Tax effect	25 095	–	25 095	12 713	–	12 713
<b>Normalised headline earnings/(loss) (Note A)</b>	<b>170 005</b>	<b>(41 522)</b>	<b>128 483</b>	254 512	(16 541)	237 971
Share of net (profit)/loss of joint ventures	665	–	665	4 046	–	4 046
Interest expense	172 306	55	172 361	160 656	47	160 703
Interest income	(3 181)	–	(3 181)	(13 359)	–	(13 359)
Taxation	73 010	7 585	80 595	96 654	(339)	96 315
<b>Normalised EBIT* (Note A)</b>	<b>412 805</b>	<b>(33 882)</b>	<b>378 923</b>	502 509	(16 833)	485 676
Depreciation and amortisation	142 278	22 684	164 962	117 134	17 656	134 790
<b>Normalised EBITDA (Note A)</b>	<b>555 083</b>	<b>(11 198)</b>	<b>543 885</b>	619 643	823	620 466
<b>Total assets</b>	<b>7 014 802</b>	<b>276 297</b>	<b>7 291 099</b>	5 943 910	303 529	6 247 439
<b>Total liabilities</b>	<b>3 308 483</b>	<b>195 101</b>	<b>3 503 584</b>	2 525 759	183 106	2 708 865

\* Earnings before interest and taxation.

\*\* Earnings before interest, taxation, depreciation and amortisation and impairment of property, plant and equipment and intangible assets.

	2024			2023		
	Hulamin Rolled Products R'000	Hulamin Extrusions R'000	Group R'000	Hulamin Rolled Products R'000	Hulamin Extrusions R'000	Group R'000
<b>Other disclosures</b>						
Additions to property, plant and equipment and intangible assets	627 191	22 805	649 996	409 855	22 321	432 176
Investment in joint ventures accounted for by the use of equity method	–	–	–	71 556	–	71 556
<b>Currency conversion:</b>						
Rand/US dollar average			18.33			18.46
Rand/US dollar closing			18.80			18.54

All non-current assets of the Group are located in, or are attributable to, operations in South Africa.

Revenue from transactions with external customers which contributes 10% or more of the entity's total revenue amounts to R4.9 billion (2023: R3.1 billion). This revenue from transactions with external customers relates to the Hulamin Rolled Products segment. Note 2.3 provides the geographic breakdown of the Group's revenue.

#### Note A: Normalised EBIT, normalised EBITDA, headline earnings and normalised headline earnings

Headline earnings per share is calculated using the weighted average number of ordinary shares in issue during the year and is based on the earnings attributable to ordinary shareholders, after excluding those items as required by Circular 1/2023 issued by the South African Institute of Chartered Accountants ("SAICA").

Normalised EBIT, normalised EBITDA and normalised headline earnings per share are measures which the Hulamin Executive Committee uses in assessing financial performance. These are calculated in a consistent manner as per the 2023 Annual Financial Statements.

Normalised headline earnings per share is calculated by dividing normalised headline earnings by the weighted average number of ordinary shares in issue during the year. Normalised headline earnings is defined as headline earnings excluding:

- metal price lag; and
- material non-trading expense or income items which, due to their irregular occurrence, are adjusted for in order to better present earnings attributable to the ongoing activities of the Group. Normalised EBIT and EBITDA are similarly derived.

The presentation of normalised EBIT, normalised EBITDA, headline earnings per share and normalised headline earnings per share is not an IFRS Accounting Standard requirement and these may not be directly comparable with the same or similar measures disclosed by other companies.

## Notes to the consolidated financial statements continued

### 2. Performance: measures used to assess performance continued

#### 2.2 Earnings per share

##### Earnings per share, headline earnings per share and normalised headline earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Potential ordinary shares are treated as dilutive when their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

##### Weighted average number of shares

The weighted average number of shares used in the calculation of basic and diluted earnings per share, headline earnings per share and normalised earnings per share is as follows:

	2024 Number of shares	2023 Number of shares
Weighted average number of shares used for basic EPS*	308 496 091	308 496 091
Bonus shares	7 882 986	4 606 916
Share options	19 129 733	15 155 398
Weighted average number of shares used for diluted EPS**	335 508 810	328 258 405

\* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the year.

\*\* In 2024: 27 012 719 potential ordinary shares were dilutive (2023: 19 762 314 potential ordinary shares were dilutive).

##### Reconciliation of net profit/(loss) (used in calculating earnings per share) for the year to headline earnings/(loss)

	2024		2023	
	Gross R'000	Net of tax R'000	Gross R'000	Net of tax R'000
Net profit/(loss) for the year	–	246 344	–	271 801
Adjustments	(68 507)	(50 010)	741	526
–(Profit)/Loss on disposal of property, plant and equipment	(2 248)	(1 641)	741	526
Impairment loss on property, plant and equipment	21 217	15 488	–	–
Insurance proceeds received for property, plant and equipment	(69 958)	(51 069)	–	–
Remeasurement (gain) in investment previously held	(17 536)	(12 801)	–	–
Loss/profit in control of subsidiary	18	13	–	–
Headline earnings		196 334		272 327
<b>Earnings per share</b>				
Basic (cents)		80		88
Diluted (cents)		73		83
<b>Headline earnings per share</b>				
Basic (cents)		64		88
Diluted (cents)		59		83
<b>Normalised headline earnings per share</b>				
Basic (cents)		42		77
Diluted (cents)		38		72

##### Information concerning the classification of securities

###### (i) Options

Options granted to employees under the various Hulamin Group schemes as presented in note 8.1 are considered to be potential ordinary shares. They have been included in the determination of diluted earnings per share if the required performance condition would have been met based on the company's performance up to the reporting date, and to the extent that they are dilutive. The options have not been included in the determination of basic earnings per share. 35 773 733 (2023: 55 069 194) options were not included in the calculation of diluted earnings per share because they were anti-dilutive for the year ended 31 December 2024. These options could potentially dilute basic earnings per share in the future.

###### (ii) Bonus shares

Rights to deferred shares granted to senior management under the Group's short-term incentive scheme are included in the calculation of diluted earnings per share assuming all outstanding rights will vest. The rights are not included in the determination of basic earnings per share. The total Bonus shares options included as being dilutive amounted to 7 850 856 (2023: 4 450 821).

## Notes to the consolidated financial statements continued

### 2. Performance: measures used to assess performance continued

#### 2.3 Revenue from contracts with customers

##### (a) Accounting policies and significant judgements

###### (i) Sale of goods

Revenue from contracts with customers of the Group comprises revenue from the sale of fabricated and semi-fabricated aluminium products.

Sales are recognised when control of the products has transferred to the buyer. The delivery of products and the transfer of risks are determined by the terms of sale, and specifically by the guidance provided under International Chamber of Commerce Terms of Trade, where applicable. This is typically when the goods are handed to the carrier nominated by Hulamin.

As assessment of the concept of “control” as defined in IFRS15 and “risk” as defined in the INCO terms was performed and the point at which “risk” passes from Hulamin is the same point at which “control” is transferred.

Products are often sold with retrospective volume discounts, rebates and early-settlement terms. These rights give rise to a variable consideration. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts, rebates and early-settlement discounts. Note 1.6(ix) provides insights into variable considerations included in revenue.

If the consideration in a contract or sale of goods includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract.

###### (ii) Transportation services

Certain International Chamber of Commerce Terms of Trade used include multiple deliverables such as the sale of goods and the provision of transportation services. For some of these specific terms, control of the goods sold passes before the transportation service has been provided. The revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total service to be provided, because the customer receives and uses the benefit simultaneously. This is determined based on the actual shipping days incurred relative to the standard time to ship to the specified destination. Where revenue is earned on multiple performance obligations the transaction price is allocated to each performance obligation based on the stand-alone selling prices.

###### (iii) Time value of money

The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Consequently, the Group has applied the practical expedient provided in IFRS 15.63 and does not adjust any of the transaction prices for the time value of money.

##### (b) Disaggregation of revenue from contracts with customers

Revenue has been disaggregated into categories that depict how the nature, timing and uncertainty of revenue and cash flows are affected by economic factors. The Group presented disaggregated revenue based on the type of goods or services provided to customers and the geographical region.

	2024 R'000	2023 R'000
<b>Analysis of revenue by product market:</b>		
Automotive and transport	1 148 782	1 223 846
Building and construction	144 796	135 003
General engineering	4 590 981	4 929 164
Packaging	7 715 842	7 497 417
Other	34 688	10 198
	<b>13 635 089</b>	13 795 628
<b>Geographical analysis of revenue:</b>		
South Africa	7 865 894	7 135 045
North America	1 689 811	2 489 086
Europe	3 096 486	3 101 763
Asia	263 491	(13 635)
Middle East	50 111	203 576
Australasia	258 138	464 476
South America	405 358	414 020
Rest of Africa	5 800	1 297
	<b>13 635 089</b>	13 795 628

##### (c) Disaggregation on timing of revenue recognition

	2024 R'000	2023 R'000
<b>Timing of revenue recognition:</b>		
At a point in time	13 548 531	13 699 994
Over time	86 558	95 634
<b>Total</b>	<b>13 635 089</b>	13 795 628

##### (d) Transportation services

There are contracts with customers which require that the Group provides transportation services as a separate performance obligation. The Group acts as a principal in these transactions.

## Notes to the consolidated financial statements continued

### 2. Performance: measures used to assess performance continued

#### 2.3 Revenue from contracts with customers continued

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2024 are as follows:

	2024 R'000	2023 R'000
Within one year	7 784	3 781

#### 2.4 Material profit or loss items

The Group has identified several items which are material due to the significance of their nature and/or amount. These are listed separately here to provide a better understanding of the financial performance of the Group.

##### 2.4.1 Expenses by nature

	2024 R'000	2023 R'000
Aluminium and other material costs	8 753 653	8 897 280
Utilities and other direct manufacturing costs	1 048 018	903 557
Employment costs	1 580 091	1 472 450
Depreciation on property, plant and equipment	133 832	104 625
Depreciation on right-of-use assets	11 266	16 046
Amortisation of intangible assets	19 864	14 119
Repairs and maintenance	424 997	358 248
Freight and commissions	396 919	765 518
Other operating expenses	911 179	759 876
	<b>13 279 819</b>	13 291 719
<b>Classified as:</b>		
Cost of sales of goods	11 981 080	11 816 174
Cost of providing services	86 558	95 634
Selling, marketing and distribution expenses	452 469	738 335
Administrative and other expenses	756 474	643 477
Net impairment losses on financial assets	3 238	(1 901)
	<b>13 279 819</b>	13 291 719

The note and comparatives figures have been enhanced to provide more specific disclosure in relation to nature of expenses.

##### (a) Employee benefit costs

The cost of short-term employee benefits is recognised in the statement of profit or loss in the period in which the service is rendered and is not discounted.

The expected cost of profit-sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as service cost, net interest expense or income and remeasurement.

The Group presents service cost and net interest expense or income in profit or loss. Curtailment gains and losses are accounted for as past service costs.

	2024 R'000	2023 R'000
<b>Employment costs</b>		
Salaries and wages	1 431 243	1 347 728
Retirement benefit costs:	93 637	82 128
Defined contribution schemes	97 820	85 448
Defined benefit scheme (note 8.2(c))	(4 183)	(3 320)
Post-retirement medical aid costs (note 8.2(d))	21 612	21 667
Retirement gratuities (note 8.2(e))	5 640	5 289
Share incentive costs	27 959	15 638
	<b>1 580 091</b>	1 472 450

##### 2.4.2 Gains and losses on financial instruments related to trading activities

The Group is exposed to fluctuations in exchange rates and hedges these risks with derivative financial instruments.

Other gains and losses include, *inter alia*, the fair value adjustments arising from fair value hedges, non-hedge accounted derivative financial instruments, non-derivative financial instruments and forward point gains.

	2024 R'000	2023 R'000
Foreign exchange (losses)/gains on debtors and creditors balances	(5 316)	17 507
Foreign currency denominated cash balances	(463)	(6 048)
<b>Valuation adjustments on non-derivative items</b>	<b>(5 779)</b>	11 459
Valuation adjustments on derivative items	13 622	(13 105)
<b>Gains/(losses) on financial instruments related to trading activities</b>	<b>7 843</b>	(1 646)

## Notes to the consolidated financial statements continued

### 2. Performance: measures used to assess performance continued

#### 2.4 Material profit or loss items continued

##### 2.4.3 Other gains and losses

	2024 R'000	2023 R'000
Profit/(loss) on disposal of property, plant and equipment	2 248	(741)
Impairment loss on property, plant and equipment (note 2.4.4 (b))	(21 217)	–
Remeasurement gain on investment previously held	17 536	–
Proceeds from insurance claims*	149 527	24 335
Utility costs recovered	18 033	–
Other**	11 141	6 162
	<b>177 268</b>	29 756

\* Proceeds from insurance claim relates to assets damaged and the business interruption caused by a fire outbreak on 24 June 2024 at the Coil Coating Line, mainly affecting the export can end and tab market. Included is an amount of R58 million that is receivable from the insurer as at 31 December 2024.

\*\* Included in Other is an R5 million related to the reclassification of the property leased by Hulamin Operations (Pty) Ltd from Isizinda Aluminium (Pty) Ltd, which was previously treated as a right-of-use asset. Following the change in ownership resulting in Hulamin Operations (Pty) Ltd acquiring 100% shareholding in Isizinda Aluminium (Pty) Ltd, the property is now classified as property, plant and equipment for Hulamin Group, as Hulamin Operations (Pty) Ltd occupies a significant portion of the property.

##### 2.4.4 Impairment of non-financial assets

At each reporting date, the carrying amount of the tangible and intangible assets are assessed to determine whether there is any indication that those assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated.

The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to the higher of its recoverable amount and zero. Impairment losses are recognised in the statement of profit or loss. After the recognition of an impairment loss, the depreciation or amortisation charge for the asset is adjusted to allocate its remaining carrying value, less any residual value, over its remaining useful life.

##### (a) Impairment assessment – Cash-generating unit

The Group's shares continued to trade on the Johannesburg Stock Exchange at a discount to underlying net asset value during the year under review. In the circumstances, and as required by IAS 36, management has assessed the recoverable amounts of the assets (or cash-generating units to which they belong) net of liabilities at the period end. The recoverable amount was determined to be the value-in-use. The assessment compared the estimated value-in-use based on forecast future cash flows to the carrying amount.

##### (i) Hulamin Operations – Cash-generating unit

The key economic and business assumptions used in the value-in-use calculation are consistent with those used in the budget and the five-year business plan approved by the Board of Directors.

Key assumptions include:

		2024	2023
<b>Comparison of key assumptions</b>			
Weighted average cost of capital			
– before tax	%	20.0	21.4
– after tax	%	14.6	15.6

	In year five		Compound annual growth rate	
	2024	2023	2024	2023
Annual average exchange rate (ZAR/USD)	18.99	18.93	0.8%	0.5%
Sales volume (tons)	211 706	209 975	4.2%	4.5%
Rolling margins (USD/ton)	2 141	1 883	7.7%	1.9%
Total manufacturing costs (RM)	4 741	3 826	8.7%	6.6%
Working capital investment (USDM)	159	160	(1.0%)	1.8%

A pre-tax discount rate of 20.0% (post-tax 14.6%) was used in the calculation and this rate has decreased from the pre-tax 21.4% (post-tax 15.6%) used in 2023. The movement in the discount rate is impacted by:

- Decrease in the market interest rate as well as the risk-free rate; and
- In addition the company's risk premium has decreased due to consistent financial performance, strategic operational focus and market resilience.

Currency exchange rates are based on the median of forecasts by major financial and other institutions to 2029 with the ZAR: USD rate rising from an annual average of R18.93 in 2024 to R18.99 in 2029.

Sales volumes are forecast to be slightly higher than volumes achieved in 2024 and will grow at a reasonable increase due to a change in sales mix capitalising on the higher demand for can stock.

Rolling margin forecasts include anticipated changes in both market conditions and the product mix. As a composite of margins and the aluminium commodity price, selling prices are expected to increase with the increase in the price of aluminium.

Overall logistics will reduce in line with change in mix of sales. Scrap utilisation increases over the period of the plan reducing the cost base. The cash flows beyond the five-year period are extrapolated using 6.5% (2023: 6.5%) which is marginally higher than forecast inflation.

Demand is expected to remain robust for the targeted product streams in 2024. The 15% import duty on aluminium imports into RSA effective from 2021, is expected to support further improvement in domestic sales volumes in 2025.

The total carrying amount of goodwill (2024: R1.4 million) has been allocated to the Hulamin Operations CGU. There is headroom of R456 million within the Hulamin Operations CGU and management did not identify an impairment.

## Notes to the consolidated financial statements continued

### 2. Performance: measures used to assess performance continued

#### 2.4 Material profit or loss items continued

##### 2.4.4 Impairment of non-financial assets continued

##### (a) Impairment assessment – Cash-generating unit continued

###### Sensitivity analysis

The determination of the value-in-use for Hulamin Operations, and any resulting impairment, is particularly sensitive to:

Sensitivities	2024		2023	
	Impact* Rm	Headroom/ (Impairment) Rm	Impact* Rm	Headroom/ (Impairment) Rm
Discount rate – 1% increase	(595)	(139)	(490)	65
Rolling margins – average reduction of 5%	(3 516)	(3 060)	(2 741)	(2 186)
Exchange rate – R1 strengthening in ZAR/USD	(2 288)	(1 832)	(1 787)	(1 232)

\*Impact is the resultant movement on the computed value in use amount based on change in assumptions

If the assumptions used in the impairment review were changed to a greater extent than presented in the following table, the changes would, in isolation, lead to an impairment loss being recognised for the year ended 31 December 2024:

Sensitivities	Changes required for carrying value to equal recoverable amount
Discount rate	0.7%
Rolling margins	(0.9%)
Exchange rate	(19.0%)

##### (ii) Extrusions – Cash-generating unit

The first half of 2024 was notably affected by operational disruptions, leading to lost volumes and increased costs. This situation was further exacerbated by overstocking at a key customer. Additionally, a reduction in load shedding and the phasing out of solar rebates led to lower demand in the solar sector. These challenging market conditions persisted into the second half of the year, with the added impact of the national elections and uncertainty surrounding the Government of National Unity. However, the negative impact was mitigated by improvements in efficiency and various cost-saving initiatives.

The five-year plan is cautious, accounting for lower sales volumes, and reflects an increased business risk through a higher discount rate.

As required by IAS 36, management has assessed the recoverable amounts of the assets (or cash-generating units to which they belong) net of liabilities at the period end. The recoverable amount was determined to be the value-in-use. The assessment compared the estimated value-in-use based on forecast future cash flows to the carrying amount.

There is headroom of R1.4 million within the Hulamin Extrusions CGU and management did not identify an impairment.

Key assumptions include:

		2024	2023
<b>Comparison of key assumptions</b>			
Weighted average cost of capital			
– before tax	%	23.7	22.8
– after tax	%	17.3	16.6
Annual average exchange rate	(ZAR/USD)	18.39	18.59
Sales volume	(tons)	11 448	12 886
Sales volume growth rate	(%)	1	1
EBIT	(RM)	8	37
Total manufacturing costs growth rate	(%)	7	7

###### Sensitivity analysis

The determination of the value-in-use for Extrusions, and any resulting impairment, is particularly sensitive to:

Sensitivities	2024		2023	
	Impact* Rm	Headroom/ (Impairment) Rm	Impact* Rm	Headroom/ (Impairment) Rm
Discount rate – 1% increase	(7)	(6)	(15)	17
EBIT – average reduction of 5%	(4)	(3)	(9)	23
Exchange rate – R1 strengthening in ZAR/USD	34	35	41	73

\*Impact is the resultant movement on the computed value in use amount based on change in assumptions



## Notes to the consolidated financial statements continued

### 2. Performance: measures used to assess performance continued

#### 2.4 Material profit or loss items continued

##### 2.4.4 Impairment of non-financial assets continued

##### (b) Impairment assessment – Individual assets

If the assumptions used in the impairment review were changed to a greater extent than presented in the following table, the changes would, in isolation, lead to an impairment loss being recognised for the year ended 31 December 2024:

Sensitivities	Changes required for carrying value to equal recoverable amount
Discount rate	0.2%
EBIT	(1.8%)
Exchange rate	(0.2%)

#### Hulamin Operations property, plant and equipment

On the 24 June 2024, Hulamin Operations (Pty) Ltd had a fire outbreak in the Coil Coating Line which resulted in plant and machinery being damaged and written off. This served as an impairment indicator, an impairment loss amounting to R21 million was recognised and is included in the Statement of profit or loss. The full impairment was allocated to the Rolled Product segment (refer to 2.1 (b)). The Company was compensated for the impairment loss incurred by the insurer (refer to note 2.4.3).

#### 2.4.5 Administrative and other expenses

The following items are included in administrative and other expenses:

	2024 R'000	2023 R'000
<b>External auditors' remuneration</b>		
Audit fees	11 202	10 569
Non-audit services fees*	25	150
	<b>11 227</b>	10 719

\* Non-audit services relate to tax advisory services

### 3. Debt/equity: measures to assess Group leverage

#### 3.1 Current borrowings

	2024 R'000	2023 R'000
Revolving working capital facility	1 277 177	994 014
Bank overdraft	72 262	–
<b>Current borrowings</b>	<b>1 349 439</b>	994 014
Effective interest rates are as follows:		
Revolving working capital facility (%)	10.58	11.16

Current borrowings comprise gross revolving working capital facility and bank overdraft of R1 349 million (2023: R994 million). Per the agreement there are no restrictions on credit balances in bank accounts.

The revolving working capital facility and general banking facilities are secured against inventories, trade receivables, bank balances, moveable items of property, plant and equipment and also against credit insurance on trade receivables and against insurance on fixed assets.

The terms of the revolving working capital facility require prior notification for the following specified events:

- Encumbering any assets to secure financial indebtedness in excess of R20 million;
- Making loans or guarantees in excess of R20 million;
- Disposing of assets for which the higher of market value or sales price thereof exceeds R20 million;
- Entering into a merger or corporate restructuring;
- Amendments to the aluminium price and exchange rate hedging strategy; and/or
- Pre-approval is required when incurring additional financial indebtedness in excess of R50 million.

The revolving working capital facility requires that the Group comply with the following financial covenants:

	2024	2023
Current ratio	Greater than 1.25	Greater than 1.25
Debt-to-equity ratio*	Less than 0.60	Less than 0.60

\* As defined in the contractual agreements.

The Group has complied with the financial covenants of its borrowing facilities during the 2024 reporting period. The current ratio for the year is 1.6 (2023: 1.9). The debt-to-equity ratio for the year is 0.36 (2023: 0.25). The obligations of the revolving working capital facility have been guaranteed by each of Hulamin Limited, Hulamin Extrusions Proprietary Limited and Hulamin Containers Proprietary Limited. The debt package is held through Hulamin Operations Proprietary Limited.

## Notes to the consolidated financial statements continued

### 3. Debt/equity: measures to assess Group leverage continued

#### 3.1 Current borrowings continued

Bank balances with a carrying value of R4.3 million (2023: R167 million) were pledged as security for borrowing facilities. For further information on the credit quality of cash, refer to the Financial Risk Management section (note 7).

The fair values of the current borrowings approximate their carrying value based on the short-term nature of these borrowings. The fair value of the borrowings is classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

Hulamin does not have any restrictive funding arrangements in terms of JSE LR 8.63(p).

#### 3.2 Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments and variable lease payments that depend on an index or a rate. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group leases various buildings, forklifts and IT-equipment. Rental contracts typically extend for fixed periods of one to five years, but may have further extension options. Rental periods vary between monthly and quarterly.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

The maturity analysis of lease liabilities is disclosed in note 7.3.

	2024 R'000	2023 R'000
Balance as at 1 January 2024	63 515	62 094
Additions	1 513	12 975
Reclassification of lease*	(31 518)	–
Lease remeasurement	(882)	5 160
Repayment of principal and interest	(13 695)	(21 994)
Interest	2 938	5 280
<b>Balance as at 31 December 2024</b>	<b>21 871</b>	<b>63 515</b>
Current	8 885	11 640
Non-current	12 986	51 875

\* The property leased by Hulamin Operations (Pty) Ltd from Isizinda Aluminium (Pty) Ltd, which was previously treated as a right-of-use asset. Following the change in ownership resulting in Hulamin Operations (Pty) Ltd acquiring 100% shareholding in Isizinda Aluminium (Pty) Ltd, the property is now classified as property, plant and equipment for Hulamin Group, as Hulamin Operations (Pty) Ltd occupies a significant portion of the property.

The following are the amounts recognised in profit or loss:

	2024 R'000	2023 R'000
Depreciation expense on right-of-use assets (note 2.4.1)	11 266	16 046
Interest expense on lease liabilities	2 938	5 274
Expenses relating to short-term leases (included in cost of sales)	10 186	6 334
Expenses relating to leases of low-value assets	2 054	2 399
<b>Total amount recognised in profit or loss</b>	<b>26 444</b>	<b>30 053</b>

The Group had total cash outflows for leases of R25.9 million in 2024 (R16.7 million in 2023). The future cash outflows relating to leases that have not yet commenced are disclosed in note 3.3.

## Notes to the consolidated financial statements continued

### 3. Debt/equity: measures to assess Group leverage continued

#### 3.3 Net debt reconciliation

This section sets out an analysis of net debt and movements in net debt for the year ended 31 December 2024.

	2024 R'000	2023 R'000
Net debt comprises:		
Cash and cash equivalents (note 4.1)	21 804	189 855
Bank overdraft (note 4.1)	(72 262)	–
Current borrowings (note 3.1)	(1 277 177)	(994 014)
Lease liabilities (note 3.2)	(21 871)	(63 515)
Net debt (note 7.4)	<b>(1 349 506)</b>	(867 674)
Cash and cash equivalents (note 4.1)	21 804	189 855
Bank overdraft (note 4.1)	(72 262)	–
Gross debt – variable interest rates	<b>(1 299 048)</b>	(1 057 529)
Net debt	<b>(1 349 506)</b>	(867 674)

The categories of net debt are reconciled as per the table below:

	Assets		Liabilities from financing activities			Total
	Cash and cash equivalents	Overdraft	Lease liabilities – due within one year	Lease liabilities – due after one year	Borrowings – due within one year	
<b>Opening balance as at 1 January 2023</b>	81 294	–	(15 379)	(46 715)	(916 839)	(897 639)
Cash flows	114 609	–	12 851	9 143	(77 175)	59 428
Increase in lease liabilities*	–	–	(9 112)	(14 303)	–	(23 415)
Foreign exchange adjustments	(6 048)	–	–	–	–	(6 048)
<b>Closing balance as at 31 December 2023</b>	189 855	–	(11 640)	(51 875)	(994 014)	(867 674)
Cash flows	<b>(167 588)</b>	<b>(72 262)</b>	<b>6 015</b>	<b>7 680</b>	<b>(283 163)</b>	<b>(509 318)</b>
Increase in lease liabilities*	–	–	<b>(3 260)</b>	<b>(309)</b>	–	<b>(3 569)</b>
Reclassification of lease liabilities	–	–	–	<b>31 518</b>	–	<b>31 518</b>
Foreign exchange adjustments	<b>(463)</b>	–	–	–	–	<b>(463)</b>
<b>Closing balance as at 31 December 2024</b>	<b>21 804</b>	<b>(72 262)</b>	<b>(8 885)</b>	<b>(12 986)</b>	<b>(1 277 177)</b>	<b>(1 349 506)</b>

\* Refer to note 3.2 for reconciliation of leases.

## Notes to the consolidated financial statements continued

### 3. Debt/equity: measures to assess Group leverage continued

#### 3.4 Stated capital, consolidation shares and treasury shares

Transactions relating to the acquisition and sale of shares in the Company, together with their associated incremental direct costs, are accounted for in equity. Other transactions are accounted for directly in equity only if permitted by IFRS Accounting Standards.

Consolidated shares represent the A and B class ordinary shares issued to the BEE investor company and the ESOP Trust. Accordingly, the subscription value of these shares is deducted from equity attributable to the equity holders of the Company until the shares are cancelled, disposed of or reissued.

##### (a) Authorised

800 000 000 ordinary shares of no par value (2023: 800 000 000 ordinary shares)

31 477 333 A ordinary shares of no par value (2023: 31 477 333 A ordinary shares)

36 072 000 B ordinary shares of no par value (2023: 36 072 000 B ordinary shares)

The A ordinary shares consist of 26 755 733 A2 shares and 4 721 600 A3 shares.

The B ordinary shares consist of 9 018 000 B1 shares, 9 018 000 B2 shares and 18 036 000 B3 shares.

##### (b) Issued

	2024 R'000	2023 R'000
<b>Ordinary shares</b>		
Closing balance: 324 318 436 shares of no par value (fully paid up) 2023: 324 318 436 shares (fully paid up)	1 817 627	1 817 627
<b>A ordinary shares</b>		
Closing balance: 26 755 733 A2 shares and 4 721 600 A3 ordinary shares (fully paid up) 2023: 26 755 733 A2 shares and 4 721 600 A3 ordinary shares (fully paid up)	59 656	59 656
<b>B ordinary shares</b>		
Closing balance: 9 018 000 B1, 9 018 000 B2, 18 036 000 B3 (fully paid up) 2023: 9 018 000 B1, 9 018 000 B2, 18 036 000 B3 (fully paid up)	361	361
Total issued stated capital	1 877 644	1 877 644
Consolidated A and B ordinary shares	(60 017)	(60 017)
Stated capital	1 817 627	1 817 627

#### Issued shares movement schedule

	2024 Number of shares	2023 Number of shares
<b>Ordinary shares</b>		
Opening and closing balance	324 318 436	324 318 436
<b>A ordinary shares</b>		
Opening and closing balance	31 477 333	31 477 333
<b>B ordinary shares</b>		
Opening and closing balance	36 072 000	36 072 000

##### (c) A and B ordinary shares

All A ordinary shares and B ordinary shares have voting rights which rank *pari passu* with ordinary shares.

A3 ordinary shares are entitled to dividends, while all A2 and B ordinary shares have no entitlement to dividends.

##### (d) Unissued

###### (i) Under option to employees:

Details of the employee share incentive schemes, including the share options outstanding at the end of the year, the range of exercise prices and the weighted average contractual lives related thereto, are set out in note 8.1.

###### (ii) Under the control of the Directors:

At 31 December 2024, 6 801 529 unissued ordinary shares (2023: 6 801 529) were under the control of the Directors, for the purpose, *inter alia*, of existing employee share incentive schemes. Shares under the control of the Directors are approved annually at the Annual General Meeting.

## Notes to the consolidated financial statements continued

### 4. Working capital: measures used to assess liquidity

#### 4.1 Cash and cash equivalents

Cash and cash equivalents are initially measured at fair value and subsequently carried at amortised cost. Cash and cash equivalents comprise bank balances, cash on hand and deposits held with local banks with original maturities of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of bank balances, cash on hand and deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

	2024 R'000	2023 R'000
Bank balances	21 781	189 831
Cash on hand	23	24
<b>Total before bank overdraft</b>	<b>21 804</b>	189 855
Bank overdraft	(72 262)	–
<b>Total cash and cash equivalent</b>	<b>(50 458)</b>	189 855

The Group has sufficient liquidity available through its direct borrowing facilities. Committed undrawn facilities available at year-end are further detailed in note 7.3. There is no element of significant discount on cash.

Included in bank balances and bank overdrafts are the following foreign currency denominated accounts:

	2024 R'000	2023 R'000
Euro	547	17 790
Pound Sterling	(1 404)	1 170
US Dollar	4 465	149 821
<b>Total</b>	<b>3 608</b>	168 781

#### 4.2 Inventories

The Group recognises inventories initially at cost when it has control of the inventories, expects it to provide future economic benefits and the cost can be measured reliably. Cost includes expenditure incurred in acquiring, manufacturing and transporting the inventory to its present location. Inventories are subsequently measured at the lower of cost and net realisable value.

The cost is determined on the following basis:

Consumable stores: Weighted average.

Raw materials, work in progress and finished goods: First-in-first-out.

The inventory balance consists of:

	2024 R'000	2023 R'000
Raw materials	968 429	680 948
Work in progress	1 302 301	612 663
Finished goods	984 853	1 176 951
Consumable stores	533 294	659 210
	<b>3 788 877</b>	3 129 772

Inventories with a carrying value of R3.6 billion (2023: R2.9 billion) are encumbered as security for borrowing facilities.

Certain items of inventory were written down to net realisable value. These were recognised as an expense and included in cost of sale of goods in the statement of profit or loss as follows:

	2024 R'000	2023 R'000
Inventory net realisable value adjustment	(1 258)	(10 872)

## Notes to the consolidated financial statements continued

### 4. Working capital: measures used to assess liquidity continued

#### 4.3 Trade and other receivables

##### (a) Accounting policies and significant judgements

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 60 days and therefore are all classified as current. Trade receivables are recognised initially at the transaction price. Details of the Group's impairment policies are provided in section (c) below.

Due to the short-term nature of the current receivables, the carrying amount approximates their fair value.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of an overdue debtor to engage in a repayment plan within the Group, and a failure to make contractual payments for a period greater than 120 days past due.

Sundry receivables generally arise from transactions outside of the usual trading activities of the Group.

##### (b) Financial and non-financial assets

	2024 R'000	2023 R'000
<b>Financial assets</b>	<b>1 144 478</b>	1 154 074
Trade receivables	<b>1 135 198</b>	1 106 521
Less: Loss allowance	<b>(6 129)</b>	(2 891)
Trade receivables less allowances	<b>1 129 069</b>	1 103 630
Less: Settlement discounts, customer claims, rebates and other	<b>(80 036)</b>	(47 621)
Net trade receivables	<b>1 049 033</b>	1 056 009
Sundry receivables	<b>95 445</b>	98 065
<b>Non-financial assets</b>	<b>269 517</b>	128 205
Prepayments	<b>110 418</b>	119 526
Value-added taxation receivable	<b>159 099</b>	8 679
	<b>1 413 995</b>	1 282 279

Included in sundry receivables is a specific ECL provision amounting to R153k (2023: R145k). The provision is determined in line with the Group's accounting policy for expected credit losses.

##### (c) Impairment of trade receivables

The Group applies IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and days past due. The Group has trade receivables for sales of inventory and the provision of services. The sale of goods and provision of services have substantially the same risk characteristics for the same type of customer. The Group has therefore concluded that the expected loss rate relating to sale of goods are a reasonable approximation of the loss rate for the provision of services. The Group also covers all trade receivables through the Credit Guarantee Insurance Company ("CGIC") and cover is subject to an uninsured portion of 10% for Hulamin Operations (2023: 15%), 20% for both Hulamin Extrusions and Hulamin Containers (2023: 20%) and a franchise loss applicable to the Extrusions business. The CGIC cover is taken out at the inception of the sale and is integral to the enactment of the sale. Therefore, the CGIC cover is included in the calculation of the loss allowance. A default event is when the contractual payments are 90 days past due date and the Company is unlikely to receive the outstanding balance in full before considering any credit enhancements held by the Group. 90 days past due is considered to be an appropriate indicator of default based on the Group's extensive past experience with overdue payments.

The trade receivables are written off when there is no reasonable expectation of recovering the contractual cash flows. Trade receivables written off are not subject to enforcement activity.

The Group performs an assessment at the end of each reporting period of the change in credit risk from when the trade receivables were recognised. This includes an assessment of default by assessing amounts past due from customers, claims received and processed and defaulting customers. As the trade receivables are insured, as detailed above, historical assessment indicates a low risk of default.

The expected credit loss rates are based on the annual sales over the last 60-month period between January 2020 to December 2024 and historical bad debts experienced within this period. Historical bad debts written off plus any potential bad debts that are older than 12 months for each year are divided by the sales for the year to get the percentage of the potential bad debts to sales. The five-year average of the potential bad debt ratio to sales is then multiplied by the current year's sales to calculate the expected credit loss. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customer to settle the receivables. Current forward-looking information considered by the Hulamin Credit Risk Committee includes regional and global growth, interest rates, currency movements and political stability. If forecast economic conditions are expected to deteriorate over the next year, which can lead to an increased number of defaults, affected trade receivables are specifically provided for.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses requires judgement. The amount of the expected credit loss is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast economic conditions may also not be representative of the customer's actual default in the future. The expected credit loss has been calculated based on the uninsured portion of the debtor's balance.



## Notes to the consolidated financial statements continued

### 4. Working capital: measures used to assess liquidity continued

#### 4.3 Trade and other receivables continued

##### (c) Impairment of trade receivables continued

On that basis, the loss allowance as at 31 December 2024 was determined as follows for trade receivables:

		Current	30 days	60 days	90 days	120 days	More than 120 days	Total
<b>Export debtors at 31 December 2024</b>								
Expected loss rate	(%)	–	–	–	–	–	–	–
Gross carrying amount	(R'000)	<b>263 536</b>	<b>65 733</b>	<b>7 957</b>	<b>3 402</b>	<b>224</b>	–	<b>340 852</b>
Loss allowance	(R'000)	–	–	–	–	–	–	–
<b>Local debtors at 31 December 2024</b>								
Expected loss rate	(%)	–	–	<b>7.88</b>	<b>1.58</b>	<b>95.47</b>	<b>18.71</b>	–
Gross carrying amount	(R'000)	<b>666 654</b>	<b>102 727</b>	<b>13 230</b>	<b>2 915</b>	<b>4 416</b>	<b>4 404</b>	<b>794 346</b>
Loss allowance	(R'000)	–	–	<b>1 043</b>	<b>46</b>	<b>4 216</b>	<b>824</b>	<b>6 129</b>

The loss allowance as at 31 December 2023 was determined as follows for trade receivables:

<b>Export debtors at 31 December 2023</b>								
Expected loss rate	(%)	–	–	–	–	–	–	–
Gross carrying amount	(R'000)	264 809	74 332	6 723	11	12 833	18 607	377 315
Loss allowance	(R'000)	–	–	–	–	–	–	–
<b>Local debtors at 31 December 2023</b>								
Expected loss rate	(%)	–	–	–	71.59	–	74.52	–
Gross carrying amount	(R'000)	620 090	87 406	2 078	2 527	10 192	1 452	723 745
Loss allowance amount	(R'000)	–	–	–	1 809	–	1 082	2 891

The closing loss allowance for trade receivables as at 31 December 2024 reconciles to the opening loss allowance as follows:

	2024 R'000	2023 R'000
<b>Opening balance</b>	<b>2 891</b>	4 792
Increase/(decrease) of loss allowance recognised in profit or loss during the year	<b>3 238</b>	(1 901)
<b>Closing balance</b>	<b>6 129</b>	2 891

The increase in the current years ECL provision is attributable to debtors that were specifically not subject to CGIC cover.

## Notes to the consolidated financial statements continued

### 4. Working capital: measures used to assess liquidity continued

#### 4.3 Trade and other receivables continued

##### (d) Credit risk of trade receivables

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to customers are generally covered by letters of credit or credit insurance. The Group's credit risk exposure to customers is mainly influenced by individual customer characteristics and there is no significant concentration of risk related to industry segments. Credit exposures to both local and overseas customers are detailed below. The establishment and subsequent maintenance of credit limits is, in the majority of cases, based on the specific amount of credit insurance that can be secured for each new customer. The percentage of all trade receivables covered by insurance is detailed below.

As at 31 December 2024, the ageing analysis of trade receivables, which constitute financial assets, is as follows:

	2024 R'000	2023 R'000
Receivables that are not overdue and remain within credit limits	974 431	1 032 631
Receivables which have exceeded credit terms and are:	154 638	70 999
Overdue by less than 60 days	128 357	57 242
Overdue by more than 60 days	26 281	13 757
Trade receivables, net of provision for credit losses	<b>1 129 069</b>	1 103 630
	2024 R'000	2023 R'000
Local trade receivables	771 435	699 679
– Balance subject to credit insurance (%)	100	97
Export trade receivables	340 188	272 482
– Balance subject to credit insurance (%)	100	100
	<b>1 111 623</b>	972 161

At 31 December 2024, the Group had 17 debtors that accounted for approximately 75% of all receivables outstanding (the prior year included 15 debtors that accounted for approximately 80% of all receivables outstanding). There is no other significant concentration of risk related to a particular customer or industry segments.

Individual trade receivables covered by credit insurance are subject to between 10% and 20% excess on local and export debtors.

Trade and other receivables with a carrying value of R1 039 million (2023: R980 million) have been ceded as security for borrowing facilities (note 3.1).

#### 4.4 Trade and other payables

	2024 R'000	2023 R'000
<b>Financial liabilities</b>		
Trade payables	<b>1 470 489</b>	953 091
Sundry accruals and other payables**	<b>355 340</b>	400 075
<b>Non-financial liabilities</b>		
Bonus accrual	<b>15 028</b>	56 111
Leave pay*	<b>45 514</b>	37 555
Current leave obligations expected to be settled within 12 months	<b>45 514</b>	37 555
	<b>1 886 371</b>	1 446 832

\* The entire amount of the leave pay accrual is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

\*\* Sundry accruals and other payables include accruals, employee benefit obligations and accrued interest and is due to be settled within 12 months.

Due to the short-term nature of the current payables, the carrying amount approximates their fair value.

## Notes to the consolidated financial statements continued

### 5. Long-term assets: utilisation of fixed and intangible assets

#### 5.1 Property, plant and equipment

##### (a) Accounting policies and significant judgements

Capital works under construction is stated at cost, net of accumulated impairment losses. Plant and equipment is initially recognised at cost and subsequently measured at cost net of depreciation and impairments. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects.

##### (i) Useful lives and residual values

Depreciation is calculated using the straight-line method to allocate their cost over their estimated useful lives, as follows:

Buildings	1 to 99 years
Plant and machinery	1 to 64 years
Vehicles	1 to 35 years
Equipment	1 to 35 years
Furniture	1 to 35 years

Depreciation commences when the assets are ready for their intended use. Where significant parts of an item have different useful lives to the item itself, these parts are depreciated over their estimated useful lives. The methods of depreciation, useful lives and residual values are reviewed annually. During the current year, the useful lives and residual values were assessed by the asset management team who have appropriate skills and expertise to make such assessments. No adjustments have been made to these.

##### (ii) Derecognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

##### (iii) Borrowing costs

Borrowing costs include interest and other costs incurred in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowings during the year. The amount of borrowing costs capitalised during the year ended 31 December 2024 was R13.7 million (2023: R3.8 million). The weighted average interest rate used for borrowing costs capitalised is 11.01% (2023: 10.7%).

##### (iv) Strategic spares

Strategic spare parts are consumed in a production process and held for longer than a year. Depreciation commences when the part is installed and put into use.

##### (b) Property, plant and equipment movement schedule

	Total R'000	Land and buildings R'000	Plant and machinery R'000	Vehicles, equipment and other R'000	Capital works under construction R'000
<b>2024</b>					
<b>At cost</b>					
Balance at beginning of year	8 645 509	1 071 378	7 167 374	231 692	175 065
Additions	640 710	6 939	85 077	5 635	543 059
Borrowing costs capitalised	13 675	–	–	–	13 675
Capitalised from capital works under construction	–	10 626	108 947	1 735	(121 308)
Transfers to intangible assets	(6 903)	–	–	–	(6 903)
Acquisition of subsidiary (note 6(c))	124 184	110 000	3 180	11 004	–
Transfer to assets held for sale (note 10)	(11 602)	(1 966)	(7 586)	(124)	(1 926)
Disposals	(322 744)	(374)	(315 626)	(6 744)	–
Balance at end of year	9 082 829	1 196 603	7 041 366	243 198	601 662
<b>Accumulated depreciation and impairment</b>					
Balance at beginning of year	7 394 636	890 163	6 274 814	200 518	29 141
Charge for the year (note 2.4.1)	133 832	12 390	115 708	5 734	–
Transfer to assets held for sale (note 10)	(5 674)	(1 467)	(4 146)	(61)	–
Impairment for the year (Note 2.4.4 (b))	21 217	–	21 217	–	–
Disposals	(321 455)	(374)	(314 337)	(6 744)	–
Balance at end of year	7 222 556	900 712	6 093 256	199 447	29 141
<b>Carrying value as at 31 December 2024</b>	<b>1 860 273</b>	<b>295 891</b>	<b>948 110</b>	<b>43 751</b>	<b>572 521</b>

## Notes to the consolidated financial statements continued

### 5. Long-term assets: utilisation of fixed and intangible assets continued

#### 5.1 Property, plant and equipment continued

##### (b) Property, plant and equipment movement schedule continued

	Total R'000	Land and buildings R'000	Plant and machinery R'000	Vehicles, equipment and other R'000	Capital works under construction R'000
<b>2023</b>					
<b>At cost</b>					
Balance at beginning of year	8 394 816	1 037 168	7 033 432	222 650	101 566
Additions	373 758	5 593	20 374	6	347 785
Borrowing costs capitalised	3 862	–	–	–	3 862
Capitalised from capital works under construction	–	28 885	181 567	9 278	(219 730)
Transfers to intangible assets	(58 418)	–	–	–	(58 418)
Disposals	(68 509)	(268)	(67 999)	(242)	–
Balance at end of year	8 645 509	1 071 378	7 167 374	231 692	175 065
<b>Accumulated depreciation and impairment</b>					
Balance at beginning of year	7 358 215	884 413	6 247 263	196 909	29 630
Charge for the year (note 2.4.1)	104 625	5 985	94 789	3 851	–
Disposals	(67 715)	(235)	(67 238)	(242)	–
Balance at end of year	7 395 125	890 163	6 274 814	200 518	29 630
<b>Carrying value as at 31 December 2023</b>	<b>1 250 384</b>	<b>181 215</b>	<b>892 560</b>	<b>31 174</b>	<b>145 435</b>

In 2024, the Group received proceeds from an insurance claim amounting to R69 million that relates to assets damaged with a total net carrying amount of R21 million. The net gains on these disposals were recognised as part of other gains and losses in the consolidated statement of profit or loss.

A register of land and buildings is available for inspection at the company's registered office.

Moveable items with a carrying value of R11.1 million (2023: R11.3 million) are encumbered as security for borrowing facilities.

The total depreciation charge is included in cost of sales, R19.6 million (2023: R19.1 million), and inventory, R115.8 million (2023: R85.9 million).

#### 5.2 Right-of-use assets

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land and buildings	5 to 20 years
Vehicles, equipment and other	5 to 10 years

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low-value assets' recognition exemption to leases that are considered to be low value, which would generally include rental of printers, etc. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The lease liabilities relating to the right-of-use assets are disclosed in note 3.2.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Total R'000	Land and buildings R'000	Vehicles, equipment and other R'000
<b>1 January 2023</b>	51 864	29 636	22 228
Additions	12 975	404	12 571
Lease remeasurement	7 832	–	7 832
Depreciation expense (note 2.4.1)	(16 046)	(1 877)	(14 169)
<b>31 December 2023</b>	<b>56 625</b>	<b>28 163</b>	<b>28 462</b>
Additions	<b>1 562</b>	<b>764</b>	<b>798</b>
Lease remeasurement	<b>(882)</b>	<b>–</b>	<b>(882)</b>
Reclassification of lease*	<b>(25 951)</b>	<b>(25 951)</b>	<b>–</b>
Depreciation expense (note 2.4.1)	<b>(11 266)</b>	<b>(2 976)</b>	<b>(8 290)</b>
<b>31 December 2024</b>	<b>20 088</b>	<b>–</b>	<b>20 088</b>

\* The property leased by Hulamin Operations (Pty) Ltd from Isizinda Aluminium (Pty) Ltd, which was previously treated as a right-of-use asset. Following the change in ownership resulting in Hulamin Operations (Pty) Ltd acquiring 100% shareholding in Isizinda Aluminium (Pty) Ltd, the property is now classified as property, plant and equipment for Hulamin Group, as Hulamin Operations (Pty) Ltd occupies a significant portion of the property.

## Notes to the consolidated financial statements continued

### 5. Long-term assets: utilisation of fixed and intangible assets continued

#### 5.3 Intangible assets

##### (a) Accounting policies and significant judgements

The Group's only intangible asset is computer software and goodwill. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring into use the specific software.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. These costs are amortised over their estimated useful lives, as follows:

Internally generated	1 to 15 years
Other external	2 to 15 years
Goodwill	indefinite years

Maintenance costs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when technical and commercial feasibility of the asset for use has been established and all the asset recognition criteria are met. Directly attributable costs that are capitalised as part of the software product comprise mainly software development employee costs.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Computer software costs recognised as assets are amortised over their estimated useful lives. Total amortisation is included in cost of sales in the statement of profit or loss.

The weighted average interest rate used for borrowing costs capitalised is 11.01% (2023: 10.7%).

Capital work in progress ("CWIP") included within the total software cost below is R6.9 million (2023: R58.4 million). Once the asset is commissioned, the amortisation of an asset will commence when the asset is available for use.

	Total R'000	Software costs – internally generated R'000	Software costs – purchased R'000	Goodwill R'000
<b>2024</b>				
<b>At cost</b>				
Balance at beginning of year	292 338	129 368	162 970	–
Additions	2 383	–	2 383	–
Acquisition of a subsidiary (Note 6(c))	1 414	–	–	1 414
Disposals	(84 372)	(30 405)	(53 967)	–
Transfer from capital work in progress	6 903	–	6 903	–
Balance at end of year	218 666	98 963	118 289	1 414
<b>Accumulated amortisation</b>				
Balance at beginning of year	214 788	98 865	115 923	–
Charge for the year	19 864	10 765	9 099	–
Disposals	(84 372)	(30 405)	(53 967)	–
Balance at end of year	150 280	79 225	71 055	–
<b>Carrying value as at 31 December 2024</b>	<b>68 386</b>	<b>19 738</b>	<b>47 234</b>	<b>1 414</b>
<b>2023</b>				
<b>At cost</b>				
Balance at beginning of year	233 920	119 984	113 936	–
Additions	58 418	9 384	49 034	–
Balance at end of year	292 338	129 368	162 970	–
<b>Accumulated amortisation</b>				
Balance at beginning of year	200 669	88 074	112 595	–
Charge for the year	14 119	10 791	3 328	–
Balance at end of year	214 788	98 865	115 923	–
<b>Carrying value as at 31 December 2023</b>	<b>77 550</b>	<b>30 503</b>	<b>47 047</b>	<b>–</b>

Borrowing costs of R92 951 (2023: R136 822) has been capitalised through completion of projects.

## Notes to the consolidated financial statements continued

### 5. Long-term assets: utilisation of fixed and intangible assets continued

#### 5.4 Other assets

##### (a) Long-term deposit

A R32.1 million (USD 2 million) deposit was made in 2021 with an insurance company to secure a customs bond in relation to US exports. In 2023, a portion of the long-term assets was reclassified to current assets and disclosed as “other short-term assets”. During 2024, the short-term deposit was repaid to Hulamin.

The deposit is carried at amortised costs and its carrying value reflects fair value. The carrying amount as at 31 December 2024 is R5.6 million (2023: R38 million).

	2024 R'000	2023 R'000
<b>Non-current asset</b>		
Opening balance	6 618	33 926
Transferred to current assets	–	(28 327)
Foreign currency translation difference	(979)	1 019
<b>Total</b>	<b>5 639</b>	6 618
<b>Current asset</b>		
Opening balance	31 515	–
Transferred from non-current assets	–	28 327
Payment received from long-term deposit	(31 003)	–
Foreign currency translation difference	(512)	3 188
<b>Total</b>	<b>–</b>	31 515

##### (b) Investment in insurance arrangement

	2024 R'000	2023 R'000
Opening balance	5 504	5 802
Change in shareholding payment received	(773)	(479)
Fair value recognised through profit or (loss)	424	181
<b>Closing balance</b>	<b>5 155</b>	5 504

During the 2022 financial period, Hulamin entered into an insurance arrangement with Mutual Risk Group (“MRG”) whereby Hulamin became a shareholder of the MRG arrangement thus, classifying such the investment as a financial asset in terms of IFRS 9.

In March 2024, there was a reduction in shareholding of Hulamin’s share of equity of these vehicles from 5.75% to 5%. This resulted in the Group being paid for the reduction in shareholding.

As at 31 December 2024 the investment at fair value amounted to R5.2 million. The investment is held at fair value through profit and loss using level 3 fair value hierarchy. The gain from the investment fair value is recognised in other gains and losses in the statement of profit and loss.

#### 5.5 Capital expenditure commitments

Capital commitments include all projects for which specific Board approval has been obtained up to the reporting date. Capital expenditure will be funded by a combination of external borrowings and cash flows from operations. Significant capital expenditure contracted for at the end of the reporting period, but not recognised as liabilities is as follows:

	2024 R'000	2023 R'000
Property, plant and equipment	329 866	25 073



## Notes to the consolidated financial statements continued

## 6. Details of investments in subsidiaries and joint venture

## (a) The consolidated financial statements of the Group include:

	Country of incorporation	Percentage equity interest 2024	Percentage equity interest 2023	Principal activities
<b>Subsidiaries</b>				
Hulamin Rolled Products (Pty) Ltd*	South Africa	100	100	Dormant
Hulamin Containers (Pty) Ltd*	South Africa	100	100	Container fabricator
Hulamin Operations (Pty) Ltd	South Africa	100	100	Semi-fabrication and fabrication of rolled aluminium products
Hulamin Extrusions (Pty) Ltd*	South Africa	100	100	Semi-fabrication of extruded aluminium products
Isizinda Aluminium (Pty) Ltd (note 6(b))*^	South Africa	100	38.7	Property rental company

^ Isizinda ceased to be a joint venture from 1 March 2024 as Hulamin Operations acquired 100% shareholding. Please refer to note 6 (c) business combination.

\* Subsidiaries of Hulamin Operations (Pty) Ltd.

**Structured entities**

The following structured entities have been consolidated into the Hulamin Group:

## a. Imbewu SPV 14 (Pty) Ltd (note 8.1(d)(i))

The following structured entities have been consolidated into Hulamin Operations and to the ultimate holding company (Hulamin Limited).

## b. The 2015 Hulamin Employee Share Ownership Trust (note 8.1(d)(ii))

Structured entities have no material individual assets or liabilities. All transactions with structured entities eliminate on consolidation. No financial guarantees are provided on behalf of structured entities.

**Loss of control in subsidiary-Hulamin North America LLC**

Hulamin North America LLC ceased operations on 1 July 2024 and was legally deregistered thus resulting in the Hulamin Group losing control in subsidiary. The loss in derecognising Hulamin North America amounts to R18 472 which is included in other gains and losses in the statement of profit or loss.

## (b) Interests in joint ventures

**Investment in Isizinda Aluminium Proprietary Limited ("Isizinda")**

The Group had a 38.7% investment in joint venture, Isizinda. Isizinda is a separate entity incorporated and operating in South Africa. The primary activity of Isizinda is the rental of properties, including the maintenance thereof, and determining the terms for lease agreements.

On 1 March 2024, Hulamin Operations (Pty) Ltd acquired the equity interest previously held by Bingelela Capital (Pty) Ltd resulting in Hulamin Operations owning a 100% shareholding in Isizinda. This transaction resulted in a business combination. Refer to note 6(c).

The summary of financial information in relation to the joint venture as presented below is disclosed at Hulamin Operations' proportional shareholding of 38.7%. The summarised information of Hulamin's interest in the joint venture is detailed in the table below:

	2024 Proportional shareholding 38.7% R'000	2024 Balance 100% R'000	2023 Proportional shareholding 38.70% R'000	2023 Balance 100% R'000
<b>Summarised financial information in relation to the Group's share of the joint venture is presented below:</b>				
<b>Summarised statement of financial position</b>				
Current assets				
Cash and cash equivalents			32	82
Other current assets			1 445	3 733
Total current asset			1 477	3 815
Non-current assets				
Investment property			23 794	61 482
Property, plant and equipment			5 532	14 295
Total non-current asset			29 326	75 777
Total non-current liabilities			3 252	8 403
Financial liabilities (excluding trade payables)			30 162	77 938
Total current liabilities			35 967	92 938
Net assets			(8 416)	(21 749)
<b>Summarised statement of comprehensive income</b>				
Rental income	1 038	2 682	2 897	7 487
Depreciation and amortisation	(123)	(317)	2 300	5 943
Finance costs	(609)	(1 573)	(3 440)	(8 890)
Finance income	–	1	7	17
Loss before tax	(665)	(1 718)	(5 404)	(13 965)
Income tax expense	–	–	1 357	3 507
Loss after tax	(665)	(1 718)	(4 046)	(10 458)
Total comprehensive loss	(665)	(1 718)	(4 046)	(10 458)
<b>Reconciliation of summarised financial information presented to the carrying amount of the joint venture</b>				
Opening net assets on 1 January 2024	(6 382)		(2 336)	
Adjusted total comprehensive loss for the period 1 Jan 2024–29 Feb 2024	(665)		(4 046)	
Loan balance attributable to joint ventures*	79 256		77 938	
Derecognition of investment in joint venture	(72 209)		–	
Carrying value	–		71 556	
Interest in joint venture %	38.7		38.7	

\* Isizinda is a subsidiary of the Hulamin Group, as at 31 December 2024. The loan is eliminated at consolidation and not disclosed in this note.

## Notes to the consolidated financial statements continued

### 6. Details of investments in subsidiaries and joint venture continued

#### (c) Business combinations

##### Acquisition of Isizinda Aluminium (Pty) Ltd

On 1 March 2024, Hulamin Operations (Pty) Ltd acquired 58.7% of the equity interest of Isizinda Aluminium (Pty) Ltd for a consideration of R18 million which was previously held by Bingelela Capital (Pty) Ltd, as part of a strategic business decision. This resulted in Hulamin Operations owning a 100% shareholding in Isizinda Aluminium (Pty) Ltd. Isizinda Aluminium (Pty) Ltd is based in Richards Bay, KwaZulu-Natal and is a property-owning company which derives its revenue from rental income. Isizinda Aluminium (Pty) Ltd was accounted for in 2023 as a joint venture (Note 6(b)).

##### Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Isizinda Aluminium (Pty) Ltd as at date of acquisition were:

	Fair value recognised on acquisition 1 March 2024 R'000
<b>Assets</b>	
Property, plant, and equipment	124 184
Trade and other receivables	3 573
Cash and cash equivalents	30
<b>Total</b>	<b>127 787</b>
<b>Liabilities</b>	
Trade and other payables	133
Deferred tax liabilities	(21 557)
Shareholders loan	(79 255)
<b>Total</b>	<b>(100 679)</b>
<b>Total identifiable net assets</b>	<b>27 108</b>
Goodwill arising on acquisition	1 414
Previously held interest	(10 491)
<b>Purchase consideration transferred</b>	<b>18 031</b>

The acquisition date fair value of the trade receivables amounts to R3.6 million which is the gross trade receivables. It is expected that the full contractual amount can be collected.

Isizinda's business combination was achieved in stages, at acquisition date the fair value of the previously held interest amounted to R10.5 million. The remeasurement gain of R17 million was recognised in other gains and losses in the statement of comprehensive income.

The net asset value was used to calculate the fair value for the previously held investment, and certain adjustments were made in order to arrive at an appropriate fair value of the investment.

The goodwill of R1.4 million comprises the value of expected synergies arising from the acquisition. None of the goodwill recognised is expected to be deductible for income tax purposes.

Independent valuations of the property, plant and equipment were performed by external and qualified valuers in order to arrive at their respective fair values. These valuations represent level 3 fair value measurements. The land and building were valued using the income capitalisation method, taking into account comparable market transactions, reduced by remedial works required to the property for best use. Key unobservable inputs related to market rentals, comparable transactions and the capitalisation rate applied.

##### Description of valuation techniques used and key inputs to valuation of property, plant and equipment:

	Valuation technique	Significant unobservable inputs	Range (weighted average)
Industrial properties	<b>Market comparable approach companies</b>	<b>Estimated rental value per sqm per month</b>	<b>R53-R75 (R61)</b>
		<b>Capitalisation rate per annum</b>	<b>8%– 13% (10.1%)</b>

##### Revenue and profit recognition

From the date of acquisition, Isizinda Aluminium (Pty) Ltd has contributed R4.6 million of revenue and a loss of R9.4 million to profit before tax of the Group. If the business combination had taken place at the beginning of the year, the Group's revenue would have been R14 billion and the Group's net profit before tax for the period would have been R369million.

##### Analysis of cash flow on acquisition

	Cash flow on acquisition R'000
Net cash flow acquired with subsidiary	30
Consideration paid	(18 031)
<b>Acquisition of a subsidiary, net of cash acquired</b>	<b>(18 001)</b>

### 7. Financial risk management: measures to mitigate risk

#### Financial risk factors

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance.

The Group's risk management is predominantly controlled by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. Treasury Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and use of derivative financial instruments.

## Notes to the consolidated financial statements continued

### 7. Financial risk management: measures to mitigate risk continued

#### 7.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

##### (a) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the Group's functional currency, which is South African Rand. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and the Euro. The Group's risk management policy is to hedge its currency exposure related to import and export transactions, foreign currency assets and liabilities.

The Group uses foreign exchange contracts and currency options, transacted with commercial banks, to manage these risks.

##### Foreign exchange sensitivity

The sensitivity of profits to changes in exchange rates is a result of foreign exchange gains or losses on translation of foreign currency denominated trade receivables and payables and financial assets and liabilities at fair value through profit or loss that are not offset by equivalent gains or losses in forward exchange contracts.

The following tables demonstrate the sensitivity to a reasonable change in US dollar (USD), Euro (EUR) and GB pound sterling (GBP) exchange rates, with other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including derivatives. The impact on the Group's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges.

The Group's exposure to foreign currency changes is per the below:

	2024 % Change	2024 Effect on profit before tax	2023 % Change	2023 Effect on profit before tax
<b>USD</b>				
Rand strengthens	13	19 978	18	15 724
Rand weakens	(13)	(19 978)	(18)	(15 724)
<b>EUR</b>				
Rand strengthens	13	16 153	19	29 108
Rand weakens	(13)	(16 153)	(19)	(29 108)
<b>GBP</b>				
Rand strengthens	9	1 035	21	3 550
Rand weakens	(9)	(1 035)	(21)	(3 550)

There were no forward exchange contracts designated as currency cash flow hedges at the end of 2024.

##### (b) Commodity price risk

The Group purchases and sells aluminium at prices that fluctuate with movements on the London Metal Exchange and as a result the Group is exposed to commodity price risk from the time the aluminium is purchased to when it is sold to a customer (Metal Price Lag). Currently the Group does not enter into any hedges to manage this commodity risk.

##### Commodity price sensitivity

The following table demonstrates the sensitivity of the Metal Price Lag to a reasonable change in the price of aluminium.

	2024 % Change	2024 Effect on profit before tax	2023 % Change	2023 Effect on profit before tax
Aluminium	8%	161 856	5%	87 247
	(8%)	(161 856)	(5%)	(87 247)

##### (c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has no significant interest-bearing assets and interest rate risk is solely related to borrowings. The Group's borrowings bear interest at variable rates and the Group has not fixed the interest rate on any of its borrowings. Consequently, every 0,5-percentage point increase or decrease in fixed interest rate at 31 December 2024 would have no fair value effect on after-tax profit (2023: Nil) and no effect on equity (2023: Nil).

The Group is also exposed to future cash flow risks on borrowings. Had interest rates for the year been 0.5 percentage points higher or lower and been applied to the period end net debt, the interest expense for the year would have been higher or lower by R8 million (2023: R5 million).



## Notes to the consolidated financial statements continued

### 7. Financial risk management: measures to mitigate risk continued

#### 7.2 Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. All deposits are held with major South African banks and all foreign exchange hedging transactions are undertaken with local banks.

Quantitative data on credit risk is disclosed in the notes to the Annual Financial Statements on derivative financial instruments (under the hedging section of this note) and trade and other receivables (note 4.3).

#### 7.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, flexibility in funding is maintained through ensuring availability under committed credit lines. Management monitors rolling forecasts of the Group's liquidity reserve, being the excess of available facilities over forecast net borrowings and available cash balances.

The Group's facility utilisation (including cash reserves) at the period end was:

	2024 R'000	2023 R'000
Revolving working capital facility	1 500 000	1 500 000
General short-term facility	650 000	600 000
Current facilities	2 150 000	2 100 000
Total borrowing facilities	2 150 000	2 100 000
Less: indirect facilities allocated to letters of credit	(150 000)	(200 000)
	2 000 000	1 900 000
Utilised by:		
Current borrowings (note 3.1)	(1 277 177)	(994 014)
Cash and cash equivalents (note 4.1)	21 804	189 855
Bank overdraft (note 3.1)	(72 262)	–
Committed undrawn direct facilities and cash	672 365	1 095 841

Hulamin's borrowing facilities include a general short-term facility of R650 million (2023: R600 million), of which R150 million has been allocated to letter of credits. The revolving working capital facility of R1 500 million (2023: R1 500 million) is a committed facility that matures in December 2025. The total banking facilities is R2 150 million (2023: R2 100 million).

Financial liabilities with maturity dates within the next 12 months comprise current borrowings, trade and other payables, sundry accruals and derivative liabilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	Less than one year R'000	One to three years R'000	Three to four years R'000	Greater than four years R'000	Total R'000
<b>2023</b>					
Current borrowings*	994 014	–	–	–	994 014
Trade and other payables (excluding employee benefit payables)	1 353 166	–	–	–	1 353 166
Lease liabilities	18 806	34 516	18 062	44 616	116 000
	2 365 986	34 516	18 062	44 616	2 463 180
<b>2024</b>					
Current borrowings*	1 277 177	–	–	–	1 277 177
Bank overdraft	72 262	–	–	–	72 262
Trade and other payables (excluding employee benefit payables)	1 825 829	–	–	–	1 825 829
Lease liabilities	8 197	14 957	1 167	–	24 321
	3 183 465	14 957	1 167	–	3 199 589

\* Borrowing facilities incur interest at variable rates. As fixed contractual terms are not known in future periods, management has estimated interest charges using a best estimate of the forecast rate and applied this to the average balance for the year.

Included in the above amounts payable within a period of less than one year, are borrowings under the revolving working capital facility and bank overdraft in the amount of R1 349 million (2023: R994 million) which are payable within a period of three months (the facility is committed up to December 2025).

#### 7.4 Capital risk management

For the purpose of the Group's capital management, capital includes issued capital, preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value and to safeguard its ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost 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, issue new shares or sell assets to reduce debt.

These objectives result in varying capital ratios, with current and future borrowings being evaluated against the Group's expected operating cash flows and capital investment needs. Capital adequacy and liquidity are managed by monitoring gearing ratios, interest cover and debt service ratios.

## Notes to the consolidated financial statements continued

### 7. Financial risk management: measures to mitigate risk continued

#### 7.4 Capital risk management continued

The Group's gearing ratio at the period end was as follows:

		2024 R'000	2023 R'000
Current borrowings	3.1	1 277 177	994 014
Lease liabilities (current and non-current)	3.2	21 871	63 515
Bank overdraft	3.1	72 262	–
Total borrowings		1 371 310	1 057 529
Less: Cash and cash equivalents	4.1	(21 804)	(189 855)
Net debt		1 349 506	867 674
Total equity		3 787 515	3 538 575
Total capital		5 137 021	4 406 249
Gearing ratio percentage (net debt over total capital)		26.3	19.7

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period. The Group's cash flow forecasts also do not indicate a breach of covenants in the foreseeable future.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2023. The gearing ratio increased to 26.3% (2023: 19.7%) at 31 December 2024. The targeted gearing ratio is below 30%.

#### 7.5 Hedge accounting

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument.

There will be an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange and commodity forward contracts match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Group established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange and commodity forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group used the hypothetical derivative method and compared the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The Group uses forward exchange contracts and currency options to hedge its exposure to foreign currency. When hedge accounting is applied, the Group only designates the spot component of foreign currency forwards in hedge relationships. The spot component is determined with reference to relevant spot exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points. The changes in the forward element of the foreign currency forwards that relate to hedged items is recorded in profit or loss.

#### (i) Classification of derivatives

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting requirements, they are classified as "fair value through profit or loss". They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

The fair value of derivative assets and derivative liabilities are calculated as the difference between the contracted value and the value to maturity at the year-end date. The value to maturity of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date.

#### (ii) Derivatives and hedging activities

As part of its risk management strategy, the Group has identified a series of risk categories with corresponding hedging strategies using derivatives.

Hedge accounting is adopted when all the IFRS Accounting Standards requirements are fulfilled, which includes documenting at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. In addition, the Group documents the assessment, both at hedge inception and on an ongoing basis, of the hedge effectiveness. Transactions that are entered into in accordance with the Group's hedging objectives, but which do not qualify for hedge accounting, are referred to in these financial statements as economic hedge relationships.

A cash flow hedge is the hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with an asset or a liability that could affect profit or loss or a highly probable forecast transaction that could affect profit or loss. If a cash flow hedge meets the conditions for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in the statement of comprehensive income and accumulated in equity and the ineffective portion is recognised in profit or loss. A hedge of the foreign currency risk of a firm commitment is designated and accounted for as a cash flow hedge.

If an effective hedge of a forecast transaction subsequently results in the recognition of a financial asset or financial liability, the associated gains or losses accumulated in equity are transferred to income in the same period in which the asset or liability affects profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or financial liability, the associated gains or losses accumulated in equity are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability.

The hedging reserve accumulates all movement in the fair value of financial instruments designated as hedges of transactions that have yet to be recognised on the balance sheet. When the underlying transaction is recognised, the related accumulated hedging reserve is released to the income statement and reflected in revenue. The release of the hedge reserve follows the hedged item represented by probable forecast sales transactions.



## Notes to the consolidated financial statements continued

### 7. Financial risk management: measures to mitigate risk continued

#### 7.5 Hedge accounting continued

##### (ii) Derivatives and hedging activities continued

A summary of the fair value of the Group's financial instruments used to mitigate foreign exchange and commodity price risk is shown below:

	2024 R'000	2023 R'000
Foreign currency management – probable forecast sales	(6 512)	11 016
Foreign currency management – firm commitments, trade debtors, creditors and import orders	(840)	7 516
	<b>(7 352)</b>	18 532
Grouped as:		
Financial assets	–	18 532
Financial liabilities	<b>(7 352)</b>	–
	<b>(7 352)</b>	18 532

The credit quality of all derivative financial assets is sound and there have been no defaults in past years. None are overdue nor impaired and the Group does not hold collateral on derivatives. The Group's maximum exposure to counterparty credit risk on derivative assets at 31 December 2024 is nil (2023: R18.5 million).

The fair value measurement classification of the above financial instruments is level 2 (observable inputs) in accordance with the fair value hierarchy prescribed by IFRS 13. Key inputs used in the determination of fair value relate to London Metal Exchange aluminium prices and currency exchange rates.

##### (iii) Impact of hedging on equity

Set out below is the reconciliation of each component of equity and the analysis of other comprehensive income:

	Spot component of LME futures R'000	Currency collars R'000	Total hedge reserve R'000
<b>Opening balance January 2023</b>	–	–	–
Add: Change in fair value of hedging instrument recognised in OCI	(8 513)	11 016	2 503
Less: Reclassified to profit or loss – on hedge maturity	8 513	–	8 513
Add: Deferred tax	–	(2 974)	(2 974)
Closing balance December 2023	–	8 042	8 042
<b>Opening balance January 2024</b>	–	<b>8 042</b>	<b>8 042</b>
Add: Change in fair value of hedging instrument recognised in OCI	–	<b>(17 528)</b>	<b>(17 528)</b>
Add: Deferred tax	–	<b>4 733</b>	<b>4 733</b>
<b>Closing balance December 2024</b>	–	<b>(4 753)</b>	<b>(4 753)</b>

##### (iv) Amount recognised in profit/(loss)

During the year the following amounts were recognised in profit/(loss) in relation to derivative instruments that were hedge accounted for:

	2024 R'000	2023 R'000
Cash flow hedges included in revenue	–	8 513
	–	8 513

##### (v) Hedge ineffectiveness

Expected causes of hedge ineffectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument.

Hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments.
- If actual sales in a particular month are less than the designated hedges.
- The counterparties' credit risk differently impacting the fair value movements of the hedging.

## Notes to the consolidated financial statements continued

### 8. Benefits and remuneration: our investment in our people

#### 8.1 Share-based payments

##### (a) Employee schemes

The Group's employee share incentive schemes are accounted for as equity-settled share-based payments. Equity-settled share-based payments are measured at fair value at the date of grant and recognised in profit or loss on the straight-line basis over the vesting period, based on the estimated number of shares that will eventually vest and adjusted for the effect of non-market vesting conditions.

Fair value is measured using the Monte Carlo Simulation, Black-Scholes and binomial tree valuation models.

##### (b) BEE transactions

BEE transactions where the Group receives or acquires goods or services as consideration for the issue of equity instruments of the Group are treated as share-based payment transactions.

BEE transactions where employees are involved are measured and accounted for on the same basis as share-based payments, as disclosed above.

Transactions in which share-based payments are made to parties other than employees are measured by reference to the fair value of equity instruments granted if no specific goods or services are received. Vesting of the equity instrument occurs immediately and an expense and related increase in equity is recognised on the date that the instrument is granted. No further measurement or adjustments are required as it is presumed that the BEE credentials are received upfront. Incremental costs that are directly associated with the BEE transaction are expensed immediately in the determination of profit or loss.

##### (c) Information relating to employee share scheme grants

###### (i) Equity-settled Conditional Share Plan (Bonus shares)

Under the Equity-settled Conditional Share Plan (Bonus shares), participating employees are granted conditional awards. The vesting of the award is conditional on the employee continuing employment with the Company or any other employer company until the vesting date.

Grant price	Estimated weighted average fair value per right	Expiring three years from	Number of conditional awards at December 2023	Conditional awards granted in 2024	Conditional awards vested in 2024	Conditional awards forfeited/lapsed in 2024	Number of conditional awards at December 2024	Conditional time constrained
Nil	3.10	14 Dec 2022	2 123 645	–	10 344	52 549	2 060 752	2 060 752
Nil	3.00	24 Mar 2023	2 327 176	–	7 955	106 792	2 212 429	2 212 429
Nil	2.99	5 Apr 2024	–	3 598 005	–	20 330	3 577 675	3 577 675
			4 450 821	3 598 005	18 299	179 671	7 850 856	7 850 856

The volume-weighted average share price during the year for Hulamin shares was R3.66 (2023: R2.94).

The volume-weighted average share price for Bonus shares traded during the year was R4.08 (2023: N/A).

The estimated fair value costing of these conditional share awards at the grant date was based on the following significant inputs:

		2022	2023	2024
Share price at grant date	(R)	3.10	3.00	2.99
Risk-free interest rate	(%)	7.77	7.47	8.14
Expected volatility	(%)	N/A	N/A	N/A
Expected dividends	(%)	1.50	1.50	1.50
Expected remaining life (months)	(months)	12	15	27
Contractual life (months)	(months)	36	36	36

Vesting conditions:

- Time Three years
- Non-market None
- Market None

###### (ii) Equity-settled Conditional Share Plan (Performance shares)

Under the Equity-settled Conditional Share Plan (Performance shares), participating employees are granted conditional awards. These awards are converted into shares in Hulamin on the achievement of Return on Capital Employed ("ROCE") and Total Shareholders' Return ("TSR") performance conditions over a three-year period.

Grant price	Estimated weighted average fair value per right	Expiring three years from	Number of conditional awards at December 2023	Conditional awards granted in 2024	Conditional awards vested in 2024	Conditional awards forfeited/lapsed in 2024	Number of conditional awards at December 2024	Conditional time constrained
Nil	1.83	26 May 2021	4 944 364	–	3 053 701	1 890 663	–	–
Nil	2.96	14 Dec 2022	3 142 248	–	–	120 296	3 021 952	3 021 952
Nil	2.87	24 Mar 2023	5 201 510	–	–	153 460	5 048 050	5 048 050
Nil	2.85	5 Apr 2024	–	4 110 049	–	–	4 110 049	4 110 049
			13 288 122	4 110 049	3 053 701	2 164 419	12 180 051	12 180 051

The volume-weighted average share price during the year for Hulamin shares was R3.66 (2023: R2.94).

The volume-weighted average share price for Performance shares traded during the year was R3.86 (2023: N/A).

## Notes to the consolidated financial statements continued

### 8. Benefits and remuneration: our investment in our people continued

#### 8.1 Share-based payments continued

##### (c) Information relating to employee share scheme grants continued

##### (ii) Equity-settled Conditional Share Plan (Performance shares) continued

The estimated fair value costing of these conditional share awards at the grant date was based on the following significant inputs:

		2021	2022	2023	2024
Share price at grant date	(R)	2.24	3.10	3.00	<b>2.99</b>
Weighted average exercise price	(R)	3.86	N/A	N/A	<b>N/A</b>
Risk-free interest rate	(%)	4.95	7.77	7.47	<b>8.14</b>
Expected volatility	(%)	65.68	N/A	N/A	<b>N/A</b>
Expected dividends	(%)	2.12	1.50	1.50	<b>1.50</b>
Expected remaining life	(months)	0	12	15	<b>27</b>
Contractual life	(months)	36	36	36	<b>36</b>

Vesting conditions:

- Time Three years
- Non-market ROCE weighted 100% (67% for pre-2022 schemes)
- Market TSR weighted 0% (33% for pre-2022 schemes)

##### (iii) Equity-settled Conditional Share Plan (Retention shares)

Under the Equity-settled Conditional Share Plan (Retention shares), participating employees are granted conditional awards. The vesting of the award is conditional on the employee continuing employment with the Company or any other employer company until the vesting date.

Grant price	Estimated weighted average fair value per right	Expiring three years from	Number of conditional awards at December 2023	Conditional awards granted in 2024	Conditional awards vested in 2024	Conditional awards forfeited/lapsed in 2024	Conditional time constrained	Number of conditional awards at December 2024
Nil	3.93	2 Dec 2022	131 587	–	–	–	<b>131 587</b>	<b>131 587</b>
Nil	2.76	30 Nov 2023	189 832	–	–	–	<b>189 832</b>	<b>189 832</b>
			321 419	–	–	–	<b>321 419</b>	<b>321 419</b>

The volume-weighted average share price during the year for Hulamin shares was R3.66 (2023: R2.94).

The estimated fair value costing of these conditional share awards at the grant date was based on the following significant inputs:

		2023	2024
Share price at grant date	(R)	2.90	<b>2.99</b>
Risk-free interest rate	(%)	7.65	<b>8.14</b>
Expected volatility	(%)	N/A	<b>N/A</b>
Expected dividends	(%)	1.63	<b>1.50</b>
Expected remaining life	(months)	23	<b>11</b>
Contractual life	(months)	36	<b>36</b>

Vesting conditions:

- Time Three years
- Non-market None
- Market None

##### (iv) Amounts recognised in the statement of financial position are as follows:

	2024 R'000	2023 R'000
<b>Employee share-based payment reserve</b>		
Balance at beginning of the year	<b>46 808</b>	38 598
Value of employee services	<b>24 035</b>	11 713
Settlement and forfeiture of employee share incentives	<b>(21 027)</b>	(3 503)
<b>Balance at end of year</b>	<b>49 816</b>	46 808

## Notes to the consolidated financial statements continued

### 8. Benefits and remuneration: our investment in our people continued

#### 8.1 Share-based payments continued

##### (d) BEE equity transactions

###### (i) Strategic Partners

Hulamin concluded agreements with BEE partners in December 2020 to extend the original BEE transaction used to facilitate the acquisition of an equity interest in Hulamin. The BEE partners consist of eligible employees and long-standing Strategic Partners.

The fair value of the transaction was determined using a Black-Scholes valuation model using the following significant inputs:

	BEE transaction	BEE extension transaction
Share price at grant date	R5.49	R1.76
Expected option life	Five years	Five years and two months
Lock in period	Three years	N/A
Risk-free rate	8.58%	5.00%
Expected volatility	43.15%	54.90%
Expected dividends	0.50%	Nil
Expected remaining life	0 months	14 months
Contractual life	60 months	62 months

Vesting conditions:

- Time Five years
- Non-market None
- Market Share price

###### (ii) Hulamin Employee Share Ownership Plan (ESOP):

The ESOP Trust subscribed for an additional 4 721 600 A3 shares in December 2020 and together with the existing 26 755 733 A2 ordinary shares forms part of the BEE transaction. Under the scheme, participating employees are granted conditional awards. The vesting of the award is conditional on the employee continuing employment with the Company until the vesting date.

The estimated fair value costing of these conditional share awards at the grant date was based on the following significant inputs:

	BEE transaction	BEE extension transaction
Share price at grant date	R5.49	R1.76
Risk-free rate	8.58%	5%
Expected volatility	43.15%	54.90%
Expected dividends	0.50%	Nil
Expected remaining life	0 months	14 months
Contractual life	60 months	62 months

Note 3.4 (b) details the number of A ordinary shares issued and converted to listed ordinary shares as part of the BEE Transaction. Vesting conditions:

- Time Five years and two months
- Non-market None
- Market Share price

###### (iii) Amounts recognised in the statement of financial position are as follows:

	2024 R'000	2023 R'000
<b>BEE reserve</b>		
Balance at beginning of the year	36 395	32 471
Value of employee service	3 924	3 924
<b>Balance at end of year</b>	<b>40 319</b>	36 395

## Notes to the consolidated financial statements continued

### 8. Benefits and remuneration: our investment in our people continued

#### 8.2 Retirement benefits

##### (a) Accounting policies and significant judgements

###### (i) Pension obligations

The Group provides retirement benefits to employees in the form of both defined contribution plans and defined benefit plans. The assets of all retirement schemes are held separately from those of the Group and are administered and controlled by trustees.

Contributions to defined contribution schemes are charged to profit or loss when incurred.

The cost of providing benefits to the Group's defined benefit plan are determined and provided using the projected unit credit actuarial valuation method. Remeasurements, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

The retirement benefit obligation recognised in the Group statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. The plan remains in a sound financial position and is governed by the Pension Funds Act, 1956 (Act No. 24 of 1956).

###### (ii) Post-retirement medical aid benefits and retirement gratuities

Provisions for post-retirement medical aid benefits and gratuities payable on retirement are calculated on an actuarial basis. Actuarial gains or losses are recognised in the same manner as those of pension obligations.

###### (iii) Retirement benefit schemes

The Group contributes towards retirement benefits for substantially all permanent employees who are required to be a member of one of the retirement benefit plans, either pension fund or provident fund, elected by the Group. These schemes are governed by the relevant fund legislation. Their assets consist primarily of listed shares, fixed income securities, property investments and money market instruments and are held separately from those of the Group. The scheme assets are administered by trustees, each of which includes elected representatives.

##### (b) Provident fund

The Group's contributions to the Metal Industries Provident Fund scheme, a defined contribution plan, amounted to R27.9 million (2023: R23.7 million) and were expensed during the year.

##### (c) Hulamin Pension Fund

During 2012, members and pensioners accepted an offer made by the fund to convert the benefits of all in-service members from defined benefit to defined contribution and to transfer the liabilities for the payment of pensions to an insurer. The Group has no further exposure to actuarial or investment risk relating to the defined contribution section of the fund.

In addition to an enhancement of benefits granted by the fund to members and pensioners on conversion, the fund also provided certain qualifying members with a further benefit (the "retirement benefit equalisation value") which targeted equivalent benefits on retirement in terms of the defined contribution basis as would have been obtained had the member remained on the defined benefit basis.

Assets relating to the surplus apportionment to the Company are held in the employer surplus account.

The Company provides no guarantee in terms of the investment returns that are earned on members' retirement benefit equalisation values. The retirement benefit equalisation value benefit accrues with service and is therefore accounted for as a defined benefit plan in terms of IAS 19 (revised). The Group holds no actuarial or investment risk relating to the retirement benefit equalisation value benefit.

An actuarial valuation of the Group's defined benefit obligation (in relation to the retirement benefit equalisation value) and assets in the employer surplus account was performed in accordance with IAS 19 (revised) at 31 December 2024. The next valuation will be performed at 31 December 2025.

	2024 R'000	2023 R'000
<i>(i) Amounts recognised in the statement of financial position are as follows:</i>		
Fair value of plan assets (represents amounts held in employer surplus account)	<b>90 010</b>	81 586
Present value of funded obligations	<b>(31 546)</b>	(26 523)
	<b>58 464</b>	55 063
<i>(ii) Movement in the defined benefit obligation is as follows:</i>		
Defined benefit obligation at beginning of year	<b>26 523</b>	24 099
Current service cost	<b>2 306</b>	2 282
Interest cost	<b>3 450</b>	3 049
Remeasurements:		
Actuarial losses/(gains) arising from changes in financial assumptions	<b>347</b>	(1 901)
Actuarial losses arising from experience adjustments	<b>481</b>	519
Benefits paid	<b>(1 561)</b>	(1 525)
Defined benefit obligation at end of year	<b>31 546</b>	26 523

## Notes to the consolidated financial statements continued

## 8. Benefits and remuneration: our investment in our people continued

## 8.2 Retirement benefits continued

## (c) Hulamin Pension Fund continued

	2024 R'000	2023 R'000
<i>(iii) Movement in the fair value of plan assets (amounts held in employer surplus account) is as follows:</i>		
Fair value of plan assets at beginning of year	81 586	73 464
Interest income	9 939	8 651
Remeasurements:		
(Losses)/profit on plan assets, excluding amounts included in interest income	46	996
Benefits paid	(1 561)	(1 525)
Fair value of plan assets at end of year	90 010	81 586
The fair value of plan assets comprises the employer surplus account		
Quoted market price in an active market:		
Market risk portfolio	75 540	72 142
Conservative portfolio	2 832	1 270
Money market and cash	11 638	–
	90 010	73 412
Balances in respect of the retirement benefit equalisation value	78 403	67 747
<i>(iv) The amounts recognised in the statement of profit or loss are as follows:</i>		
Defined benefit plan (retirement benefit equalisation value)	(4 183)	(3 320)
Current service cost	2 306	2 282
Net interest income	(6 489)	(5 602)
Defined contribution plan	1 561	1 525
Employer cash contribution	1 561	1 525
	(2 622)	(1 795)

	2024 R'000	2023 R'000
<i>(v) Amounts recognised in other comprehensive income are as follows:</i>		
Actuarial losses/(gains) arising from changes in financial assumptions	347	(1 901)
Actuarial losses arising from experience adjustments	481	519
(Gains)/losses on plan assets, excluding amounts included in interest income	(46)	996
	782	(386)
The average duration of the benefit obligation at 31 December 2024 is 15.5 years (2023: 16.5 years).		
<i>(vi) Principal actuarial assumptions at the end of the reporting period</i>		
Discount rate (%)	10.80	12.30
Future inflation rate (%)	4.80	6.20
Sensitivity of discount rate:		
1% increase in discount rate – effect on current service cost	(302)	(292)
1% increase in discount rate – effect on the obligation	(3 772)	(3 356)
1% decrease in discount rate – effect on current service cost	354	345
1% decrease in discount rate – effect on the obligation	4 430	3 964

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant.

The average duration of the benefit obligation at 31 December 2024 is 14.1 years (2023: 15.5 years).

In practice this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity, the same method has been applied as when calculating the liability recognised within the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

**(d) Post-retirement medical aid benefits**

The Group has undertaken to contribute to the medical aid costs after retirement of employees engaged prior to 30 June 1996. The obligation is unfunded.

## Notes to the consolidated financial statements continued

### 8. Benefits and remuneration: our investment in our people continued

#### 8.2 Retirement benefits continued

##### (d) Post-retirement medical aid benefits continued

	2024 R'000	2023 R'000
<i>(i) Amounts recognised in the statement of financial position are as follows:</i>		
Present value of unfunded obligations	184 674	174 825
Liability in the balance sheet	184 674	174 825
<i>(ii) The liability can be reconciled as follows:</i>		
Balance at beginning of year	174 825	179 811
Total expense accrued	21 612	21 667
Remeasurements:		
Actuarial losses/(gains) arising from changes in financial assumptions	1 765	(7 968)
Actuarial losses/(gains) arising from experience adjustments	2 273	(3 714)
Benefit payments	(15 801)	(14 971)
Balance at end of year	184 674	174 825
<i>(iii) Amounts recognised in the statement of profit or loss are as follows:</i>		
Interest costs	20 639	20 599
Current service costs	973	1 068
	21 612	21 667
<i>(iv) Amounts recognised in other comprehensive income are as follows:</i>		
Remeasurements:		
Actuarial losses/(gains) arising from changes in financial assumptions	1 765	(7 968)
Actuarial losses/(gains) arising from experience adjustments	2 273	(3 714)
	4 038	(11 682)

#### Principal risks

Through its post-retirement medical aid subsidy benefit, the Group is exposed to several risks, principally changes in:

#### Financial assumptions:

- Discount rate, which is set having regard to the market yield on suitable government bonds considering the estimated duration of the liability.
- Long-term price inflation rate, which is measured by the relationship between the yields of conventional and inflation-linked government bonds, considering the estimated duration of the liability.
- Medical inflation rate (medical subsidy rate).

#### Demographic assumptions:

- Withdrawal, pre-retirement mortality and ill-health retirement rates.
- Post-retirement mortality.
- Family statistics.

The demographic assumptions used in the valuation of the liability are consistent with those of the prior year. Principal actuarial assumptions at the end of the reporting period are as follows:

		2024 R'000	2023 R'000
Discount rate	(%)	10.80	12.30
Future Company subsidy rate – in service	(%)	4.80	6.20
Future Company medical subsidy increase – pensioners	(%)	6.55	7.95
Sensitivity of future Company subsidy rate:			
1% increase in future Company subsidy rate			
– effect on the aggregate of the service and interest costs		1 843	2 026
1% increase in future Company subsidy rate – effect on the obligation		15 658	15 145
1% decrease in future Company subsidy rate			
– effect on the aggregate of the service and interest costs		(1 610)	(1 768)
1% decrease in future Company subsidy rate – effect on the obligation		(13 720)	(13 241)
Sensitivity of discount rate:			
1% increase in discount rate – effect on current service cost		9	(230)
1% increase in discount rate – effect on the obligation		(13 837)	(13 328)
1% decrease in discount rate – effect on current service cost		(51)	228
1% decrease in discount rate – effect on the obligation		16 006	15 181



## Notes to the consolidated financial statements continued

### 8. Benefits and remuneration: our investment in our people continued

#### 8.2 Retirement benefits continued

##### (d) Post-retirement medical aid benefits continued

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity, the same method has been applied as when calculating the liability recognised within the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

The average duration of the benefit obligation at 31 December 2024 is 8.7 years (2023: 9.0 years). This number is analysed as follows:

- Active members 14.1 years (2023: 14.7 years)
- Retired members 7.4 years (2023: 7.5 years)

	2024 R'000	2023 R'000
Estimated benefits payable by the Group in the next financial year	17 316	15 991

##### (e) Retirement gratuities

The Group has in the past made discretionary payments, on retirement, to eligible employees who have remained in service until retirement age and have completed a minimum service period. This constructive obligation is unfunded.

	2024 R'000	2023 R'000
<i>(i) Amounts recognised in the statement of financial position are as follows:</i>		
Present value of unfunded obligations	33 566	31 553
Liability in the balance sheet	33 566	31 553
<i>(ii) The liability can be reconciled as follows:</i>		
Balance at beginning of year	31 553	29 196
Total expense accrued	5 640	5 289
Remeasurements:		
Actuarial losses/(gains) arising from changes in financial assumptions	51	(1 337)
Actuarial (gains) arising from experience adjustments	(1 659)	(461)
Gratuity payments	(2 019)	(1 134)
Balance at end of year	33 566	31 553

	2024 R'000	2023 R'000
<i>(iii) Amounts recognised in the statement of profit or loss are as follows:</i>		
Interest costs	3 922	3 601
Service costs	1 718	1 688
	5 640	5 289
<i>(iv) Amounts recognised in other comprehensive income are as follows:</i>		
Actuarial losses/(gains) arising from changes in financial assumptions	51	(1 337)
Actuarial (gains) arising from experience adjustments	(1 659)	(461)
	(1 608)	(1 798)

##### (i) Principal risks

Through its retirement gratuity benefit, the Group is exposed to several risks, principally changes in:

##### Financial assumptions:

- Discount rate, which is set having regard to the market yield on suitable government bonds considering the estimated duration of the liability.
- Long-term price inflation rate, which is measured by the relationship between the yields of conventional and inflation-linked government bonds, considering the estimated duration of the liability.
- Salary inflation in excess of price inflation.

##### Demographic assumptions:

- Withdrawal, pre-retirement mortality and ill-health mortality rates.
- Post-retirement mortality.
- Family statistics.

The demographic assumptions used in the valuation of the liability are consistent with those of the prior year.

Changes in the principal financial assumptions are detailed below.

## Notes to the consolidated financial statements continued

### 8. Benefits and remuneration: our investment in our people continued

#### 8.2 Retirement benefits continued

Principal actuarial assumptions at the end of the reporting period are as follows:

		2024 R'000	2023 R'000
Discount rate	(%)	10.80	12.30
Future salary inflation rate	(%)	4.80	6.20
Sensitivity of future salary inflation rate:			
1% increase in future salary inflation rate			
– effect on the aggregate of the service and interest costs		532	560
1% increase in future salary inflation rate – effect on the obligation		3 019	2 873
1% decrease in future salary inflation rate			
– effect on the aggregate of the service and interest costs		(475)	(497)
1% decrease in future salary inflation rate – effect on the obligation		(2 696)	(2 559)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant.

In practice this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity, the same method has been applied as when calculating the liability recognised within the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

The average duration of the benefit obligation at 31 December 2024 is 8.9 years (2023: 9.1 years).

Estimated retirement gratuities, payable by the Group during the next financial year are R3.2 million (2023: R2.8 million).

### 8.3 Directors' remuneration and interest

#### 8.3.1 Directors' remuneration

(i) *Non-executive Directors' remuneration during the 2024 financial year*

Director	Retainer fees Rand	Attendance fees Rand	Bonus payments Rand	Total Rand
TP Leeuw	653 450	483 500		1 136 950
VN Khumalo (note 1)	306 900	305 317		612 167
SP Ngwenya	260 876	136 300		397 176
GH Watson (note 2)	683 604	479 537	1 673 090	2 836 231
N Maharajh (note 3)	464 234	329 500		793 734
CA Boles	392 584	304 400		696 984
B Mehloimakulu	448 459	346 300		794 759
L Yanta (note 4)	29 867	47 400		77 267
Z Monnkgotla (note 4)	27 300	18 100		45 400
A Tostmann (note 4)	58 224	8 300		66 524
RL Larson (note 5)	316 430	130 767		447 197
	<b>3 641 928</b>	<b>2 589 421</b>	<b>1 673 090</b>	<b>7 904 439</b>

Note 1 Directors' fees due to a shareholder nominee on the Hulamin Board are paid to the employer organisation and not to the nominee.

Note 2 GH Watson served as Interim CEO during 2022 and 2023, and was paid an incentive of R5 752 490 based on certain short-term and long-term performance metrics. R4 079 400 of the incentive was disclosed in the 2023 AFS. A portion of the incentive was finalised and paid after the release of the 2023 AFS and is disclosed above.

Note 3 N Maharajh retired from the Board with effect from 31 December 2024.

Note 4 L Yanta, Z Monnkgotla, A Tostmann were appointed to the Board with effect from 1 December 2024.

Note 5 RL Larson retired from the Board with effect from 24 May 2024.

## Notes to the consolidated financial statements continued

### 8. Benefits and remuneration: our investment in our people continued

#### 8.3 Directors' remuneration and interest continued

##### 8.3.1 Directors' remuneration continued

##### (ii) Executive Directors' and prescribed officer's remuneration during the 2024 financial year

	Guaranteed pay			Short-term incentives (Note 1) Rand	Value of options granted (Note 2) Rand	Total remuneration Rand	Gains on exercise of share options Rand
	Cash package Rand	Benefits Rand	Total guaranteed pay Rand				
M Gounder	4 896 600	844 821	5 741 421	1 185 890	1 932 995	8 860 306	1 256 652
P Nirghin (note 3)	2 544 480	399 929	2 944 409	542 217	456 943	3 943 569	–
Executive Committee (note 4)	21 623 160	3 907 930	25 531 090	3 349 812	6 371 275	35 252 177	4 400 036
	<b>29 064 240</b>	<b>5 152 680</b>	<b>34 216 920</b>	<b>5 077 919</b>	<b>8 761 213</b>	<b>48 056 052</b>	<b>5 656 688</b>

Note 1 The short-term incentive payments reflected above are in relation to the 2024 financial year, paid in 2024/2025.

Note 2 The value of the equity-settled options granted is the annual expense determined in accordance with IFRS 2, "Share-based Payments".

Note 3 P Nirghin was Interim CFO for six months before being appointed with effect from 1 July 2024. 12 months' remuneration is disclosed above.

Note 4 Executive Committee excluding Executive Directors.

##### (iii) Non-executive Directors' remuneration during the 2023 financial year

Director	Retainer fees Rand	Attendance fees Rand	Total Rand
TP Leeuw	634 682	344 760	979 442
VN Khumalo (note 1)	289 489	248 050	537 539
SP Ngwenya	229 445	113 010	342 455
GH Watson (note 2)	57 133	117 202	174 335
N Maharajh	438 008	281 590	719 598
CA Boles	370 348	220 460	590 808
B Mehlomakulu	423 075	280 110	703 185
RL Larson	650 846	265 744	916 590
	<b>3 093 026</b>	<b>1 870 926</b>	<b>4 963 952</b>

Note 1 Directors' fees due to a shareholder nominee on the Hulamin Board are paid to the employer organisation and not to the nominee.

Note 2 Mr GH Watson retired as Interim CEO with effect from 30 November 2023 and was reappointed to the Board as a Non-executive Director with effect from 1 December 2023.

## Notes to the consolidated financial statements continued

### 8. Benefits and remuneration: our investment in our people continued

#### 8.3 Directors' remuneration and interest continued

##### 8.3.1 Directors' remuneration continued

(iv) Executive Directors' and prescribed officer's remuneration during the 2023 financial year

	Guaranteed pay						Gains on exercise of share options Rand
	Cash package Rand	Benefits (Note 1) Rand	Total guaranteed pay Rand	Short-term incentives (Note 2) Rand	Value of options granted (Note 3) Rand	Total remuneration Rand	
GH Watson (note 4)	6 214 780	145 801	6 360 581	4 079 400	–	10 439 981	–
M Gounder (Note 5)	3 480 340	658 312	4 138 652	2 236 163	1 388 648	7 763 463	–
Executive Committee (note 6)	22 694 520	4 086 215	26 780 735	9 076 953	6 942 974	42 800 661	–
	32 389 640	4 890 328	37 279 968	15 392 516	8 331 622	61 004 105	–

Note 1 Benefits paid include retirement, healthcare and related benefits.

Note 2 The short-term incentive payments reflected above are in relation to the 2023 financial year, paid in 2024.

Note 3 The value of the equity-settled options granted is the annual expense determined in accordance with IFRS 2, "Share-based Payments".

Note 4 Mr GH Watson retired as Interim CEO with effect from 30 November 2023 and was reappointed to the Board as a Non-executive Director with effect from 1 December 2023.

Note 5 Mr M Gounder was CFO to 30 November 2023, and was appointed as CEO with effect from 1 December 2023.

Note 6 Executive Committee excluding Executive Directors.

##### 8.3.2 Interest of Director's and prescribed officers in share-based instruments

(i) Employee Conditional Share Plan (Bonus share)

	Number of conditional awards granted in 2021	Number of conditional awards granted in 2022	Number of conditional awards granted in 2023	Number of conditional awards at December 2023	Number of conditional awards granted in 2024	Number of conditional awards exercised in 2024	Number of conditional awards lapsed in 2024	Number of conditional awards at December 2024	Conditional awards time constrained
<b>Executive directors</b>									
M Gounder	–	135 976	82 357	218 333	207 587	–	–	425 920	425 920
P Nirghin	–	–	24 843	24 843	58 708	–	–	83 551	83 551
	–	135 976	107 200	243 176	266 295	–	–	509 471	509 471
Grant price	R2.24	R3.10	R3.00		R2.99				
Grant date	26 May 2021	14 Dec 2022	24 Mar 2023		5 Apr 2024				

## Notes to the consolidated financial statements continued

### 8. Benefits and remuneration: our investment in our people continued

#### 8.3 Directors' remuneration and interest continued

##### (ii) Employee Conditional Share Plan (Performance shares)

	Number of conditional awards granted in 2021	Number of conditional awards granted in 2022	Number of conditional awards granted in 2023	Number of conditional awards at December 2023	Number of conditional exercised granted at 2024	Number of conditional exercised awards at 2024	Number of conditional awards lapsed at 2024	Number of conditional awards at December 2024	Conditional awards time constrained
<b>Executive directors</b>									
M Gounder	523 606	265 714	397 762	1 187 082	<b>460 460</b>	<b>349 070</b>	<b>174 536</b>	<b>1 123 936</b>	<b>1 123 936</b>
P Nirghin	–	89 828	130 723	220 551	<b>98 739</b>	–	–	<b>319 290</b>	<b>319 290</b>
	523 606	355 542	528 485	1 407 633	<b>559 199</b>	<b>349 070</b>	<b>174 536</b>	<b>1 443 226</b>	<b>1 443 226</b>
Grant price	R2.24	R3.10	R3.00		R2.99				
Grant date	26 May 2021	14 Dec 2022	24 Mar 2023		5 Apr 2024				

#### 8.3.3 Interest of Directors and prescribed officers' of the Company in share capital

The aggregate holdings as at 31 December 2024 of those Directors of the Company holding issued ordinary shares of the Company are detailed below:

As at 31 December 2024	Direct beneficial shares	Indirect beneficial shares	Shares total
<b>Executive</b>			
M Gounder	<b>349 070</b>	–	<b>349 070</b>
	<b>349 070</b>	–	<b>349 070</b>
<b>Non-executive</b>			
CA Boles	<b>60 000</b>	–	<b>60 000</b>
TP Leeuw	–	<b>70 000</b>	<b>70 000</b>
GHM Watson	–	<b>177 763</b>	<b>177 763</b>
	<b>60 000</b>	<b>247 763</b>	<b>307 763</b>
<b>Total</b>	<b>409 070</b>	<b>247 763</b>	<b>656 833</b>

As at 31 December 2023	Direct beneficial shares	Indirect beneficial shares	Shares total
<b>Executive</b>			
GHM Watson	–	177 763	177 763
	–	177 763	177 763
<b>Non-executive</b>			
CA Boles	60 000	–	60 000
TP Leeuw	–	70 000	70 000
	60 000	70 000	130 000
<b>Total</b>	<b>60 000</b>	<b>247 763</b>	<b>307 763</b>

## Notes to the consolidated financial statements continued

### 9. Other: detailed disclosure requirements

#### 9.1 Net finance costs

	2024 R'000	2023 R'000
Interest expense	172 361	160 703
Current borrowings interest	183 097	159 285
Interest on lease liabilities	2 938	5 280
Interest capitalised	(13 674)	(3 862)
Interest income	(3 181)	(13 359)
Net finance costs	169 180	147 344

#### 9.2 Deferred tax

Deferred tax is provided on temporary differences arising between tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The deferred tax assets and liabilities have been computed at the tax rate of 27%.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities, and the deferred taxes relate to the same taxable entity and the same taxation authority.

	2024 R'000	2023 R'000
<b>Deferred tax asset</b>		
At beginning of year	72 186	106 109
Statement of profit or loss:		
Current year (charge)	(39 729)	(23 350)
Prior year (charge)	–	(1 843)
Consolidation of Isizinda	(21 557)	–
Deferred tax credit/(charge) in other comprehensive income	5 599	(7 256)
Balance transferred from deferred tax liabilities	–	(1 474)
At end of year	16 499	72 186
Comprising:		
Fixed assets	(86 453)	(41 758)
Retirement benefit obligations and other provisions	57 275	57 196
Provisions and leave accrual	23 127	45 236
Lease liabilities	13 828	17 841
Right-of-use asset	(11 864)	(16 025)
Share schemes	3 351	2 236
Assessed loss	23 989	20 897
Other	(6 754)	(13 437)
	16 499	72 186

For the year ended 31 December 2024, the Group had a net deferred tax asset of R16.4m (2023: R72.1m deferred tax asset). The total year-on-year deferred tax movement is mainly attributable to temporary difference movements relating to consolidation transactions (R21.6m), reversal of deferred tax assets previously raised on assessed losses (R15.5m) and other temporary differences movements.

## Notes to the consolidated financial statements continued

## 9. Other: detailed disclosure requirements continued

## 9.2 Deferred tax continued

The Group's unrecognised deferred tax asset assessed loss as at 31 December 2024 is R66.8 million (2023: R42.4 million)

	2024 R'000	2023 R'000
<b>Deferred tax liability</b>		
At beginning of year	–	1 474
Statement of profit or loss:		
Current year credit/(charge)	–	(1 474)
At end of year	–	–

## 9.3 Taxation

## 9.3.1 Income tax expense

The charge for current taxation is based on the results for the year as adjusted for income that is exempt and expenses that are not deductible using tax rates that are applicable to taxable income. Deferred taxation is recognised in profit or loss except when it relates to items credited or charged directly to equity, in which case it is also recognised in equity.

Non-deductible expenses for the current and comparative year comprise of legal and professional expenses incurred in respect of capital projects.

	2024 R'000	2023 R'000
South African normal taxation:		
<b>Current</b>		
Current year charge	84 235	91 968
Prior year under/(over) provision	–	(8 179)
<b>Deferred</b>		
Current year (credit)/charge	39 960	23 296
Prior year (over)/under provision	(3)	1 743
	<b>124 192</b>	108 828

	2024 R'000	2023 R'000
South African income tax is levied on the Company and its subsidiaries and not the Group		
<b>Tax rate reconciliation</b>		
Normal rate of taxation	27.0	27.0
Adjusted for:		
Allowances not included in the statement of profit and loss	(0.2)	(0.3)
Prior year over/(under) provision	–	(1.9)
Expenses not deductible for tax purposes	1.5	1.4
Other permanent differences	0.1	–
Deferred tax asset not recognised	5.1	2.4
Effective rate of taxation	<b>33.5</b>	28.60

## 9.3.2 Income tax liability

	2024 R'000	2023 R'000
Balance at the beginning of the year	178	84 122
Current tax raised for the year	84 235	91 967
Tax (paid)/refunded	(62 455)	(167 713)
Prior year adjustment	404	(8 198)
Balance at end of the year	<b>22 362</b>	178



## Notes to the consolidated financial statements continued

### 9. Other: detailed disclosure requirements continued

#### 9.4 Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Further details of such transactions and balances can be found in the Company Annual Financial Statements. Details of transactions between the Group and the pension fund are disclosed below:

	2024 R'000	2023 R'000
Lease rental expense paid to joint venture	716	4 061
Utilities and services charge paid to joint venture	1 880	11 571
Loan to Isizinda*	–	77 938
Interest income from Isizinda	1 573	8 892

\* Isizinda is a subsidiary of the Hulamin Group, as at 31 December 2024. The loan is eliminated at consolidation and not disclosed in this note.

Transactions with key management personnel, which comprises Directors (Executive and Non-executive), prescribed officers and members of the Executive Committee, are detailed in note 8.3. There are no contracts with key management personnel except as detailed in note 8.3.

#### 9.5 Commitments and contingencies

##### Legal claim contingent liability

A legal claim has been initiated by a customer relating to a product supplied. At this stage, the timing of any potential payment cannot be determined and based on legal advice, the likelihood of the claim succeeding is considered possible but not probable. The potential financial impact is estimated at R23.5 million. Consequently, no provision has been recognised in these financial statements.

## Notes to the consolidated financial statements continued

### 9. Other: detailed disclosure requirements continued

#### 9.6 Financial assets and financial liabilities

	Financial instruments at amortised cost R'000	Financial instruments at fair value through profit or loss R'000	Derivatives applied under hedge accounting R'000	Total R'000
<b>2024</b>				
<b>Current assets</b>				
Trade and other receivables	1 413 995	–	–	1 413 995
Derivative financial assets	–	–	–	–
Other short-term assets	–	–	–	–
Cash and cash equivalents	21 804	–	–	21 804
	<b>1 435 799</b>	<b>–</b>	<b>–</b>	<b>1 435 799</b>
<b>Non-current assets</b>				
Investment in insurance arrangement	–	5 155	–	5 155
Other long-term assets	5 639	–	–	5 639
	<b>5 639</b>	<b>5 155</b>	<b>–</b>	<b>10 794</b>
<b>Current liabilities</b>				
Trade and other payables	1 886 371	–	–	1 886 371
Borrowings	1 277 177	–	–	1 277 177
Bank overdrafts	72 262	–	–	72 262
Derivative financial instruments	–	7 352	–	7 352
	<b>3 235 810</b>	<b>7 352</b>	<b>–</b>	<b>3 243 162</b>

Lease liabilities have been excluded as they are not within the scope of IFRS 9 and are thus not measured at amortised cost.

The Group's exposure to various risks associated with the financial instruments is discussed in note 7. The associated inputs to the fair value calculation, where applicable, is provided in note 7. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above. All other non-financial assets and liabilities are disclosed in their respective notes.

	Financial instruments at amortised cost R'000	Financial instruments at fair value through profit or loss R'000	Derivatives applied under hedge accounting R'000	Total R'000
<b>2023</b>				
<b>Current assets</b>				
Trade and other receivables	1 282 278	–	–	1 282 278
Derivative financial assets	–	18 532	–	18 532
Other short-term assets	31 515	–	–	31 515
Cash and cash equivalents	189 855	–	–	189 855
	<b>1 503 648</b>	<b>18 532</b>	<b>–</b>	<b>1 522 180</b>
<b>Non-current assets</b>				
Investment in insurance arrangement	–	5 504	–	5 504
Other long-term assets	6 618	–	–	6 618
	<b>6 618</b>	<b>5 504</b>	<b>–</b>	<b>12 122</b>
<b>Current liabilities</b>				
Trade and other payables	1 446 832	–	–	1 446 832
Borrowings	994 014	–	–	994 014
Bank overdrafts	–	–	–	–
Derivative financial instruments	–	–	–	–
	<b>2 440 846</b>	<b>–</b>	<b>–</b>	<b>2 440 846</b>

## Notes to the consolidated financial statements continued

### 10. Assets held for sale

#### Accounting policy

An asset or disposal group (a business grouping of assets and their related liabilities) is designated as held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The classification as held for sale of an asset or disposal group occurs when it is available for immediate sale in its present condition and the sale is highly probable. A sale is considered highly probable if management is committed to a plan to sell the asset or disposal group, an active divestiture programme has been initiated, the asset or disposal group is marketed at a price reasonable to its fair value and the disposal will be completed within one year from classification.

Before classification of an asset or disposal group as held for sale, it is reviewed for impairment. The impairment loss charged to the income statement is the excess of the carrying amount of the non-current asset over its expected fair value less costs to sell.

No depreciation or amortization is provided on non-current assets from the date they are classified as held for sale.

#### Assets held for sale

The Board of the Company resolved and approved the final sale of specific assets owned by Hulamin Containers (Pty) Ltd and Hulamin Operations (Pty) Ltd respectively on 5 December 2024.

The assets held for sale is expected to qualify as a completed sale within a year from the classification date. At 31 December 2024, therefore the assets were classified as a disposal group held for sale. The Binding Offer Agreement was signed on 19 February 2025. This has been identified as an event after reporting period and is disclosed in note 1.12(a).

The carrying amount of the assets held for sale amounts to R 31.9 million and the fair value less costs to sell amounts to R51.5 million..

The major classes of assets and liabilities of classified as held for sale as at 31 December 2024 are as follows:

	2024 R'000	2023 R'000
<b>Assets</b>		
Property, plant, and equipment	5 928	–
Inventories	25 991	–
Assets classified as held for sale	31 919	–
Net assets directly associated with disposal group	31 919	–

# Company statement of financial position

as at 31 December 2024

	Notes	2024 R'000	2023 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in subsidiaries	4.1	2 599 047	2 607 640
Deferred tax asset	6.1	12 585	12 052
		<b>2 611 632</b>	2 619 692
<b>Current assets</b>			
Trade and other receivables	6.4	–	18
		–	18
<b>Total assets</b>		<b>2 611 632</b>	2 619 710
<b>EQUITY</b>			
Share capital	3.1	1 877 644	1 877 644
BEE reserve		45 935	42 011
Employee share-based payment reserve		18 115	30 051
Retained earnings		622 627	625 301
<b>Total equity</b>		<b>2 564 321</b>	2 575 007
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Post-retirement medical aid benefits	5.1	46 615	44 642
		46 615	44 642
<b>Current liabilities</b>			
Trade and other payables	6.4	696	61
		696	61
<b>Total liabilities</b>		<b>47 311</b>	44 703
<b>Total equity and liabilities</b>		<b>2 611 632</b>	2 619 710

# Company statement of profit or loss and other comprehensive income

for the year ended 31 December 2024

	Notes	2024 R'000	2023 R'000
<b>Revenue</b>			
Administrative and other expenses	2.2	(15 151)	14 029
		(15 151)	(14 029)
<b>Operating profit/(loss) before taxation</b>			
Taxation	6.2	(333)	(214)
		–	–
<b>Net profit/(loss) for the year attributable to equity holders of the Company</b>		<b>(333)</b>	(214)
<b>Other comprehensive income for the year</b>			
Items that will not be reclassified to profit or loss		(2 341)	1 694
Remeasurements of post-retirement benefit obligation	5.1	(3 207)	2 320
Income tax effect		866	(626)
<b>Total comprehensive (loss)/profit for the year attributable to equity holders of Company</b>		<b>(2 674)</b>	1 480

# Company statement of changes in equity

for the year ended 31 December 2024

	Share capital R'000	Employee share-based payment reserve R'000	BEE reserve R'000	Retained earnings R'000	Total equity R'000
<b>Balance as at 31 December 2022</b>	1 877 644	31 871	38 087	623 821	2 571 423
Net loss for the year	–	–	–	(214)	(214)
Other total comprehensive income for the year after tax:	–	–	–	1 694	1 694
<b>Total comprehensive income for the period</b>	–	–	–	1 480	1 480
Value of employee services of subsidiaries – net of forfeiture	–	(1 820)	3 924	–	2 104
<b>Balance as at 31 December 2023</b>	<b>1 877 644</b>	<b>30 051</b>	<b>42 011</b>	<b>625 301</b>	<b>2 575 007</b>
Net loss for the year	–	–	–	(333)	(333)
Other total comprehensive income for the year after tax:	–	–	–	(2 341)	(2 341)
<b>Total comprehensive income for the period</b>	–	–	–	<b>(2 674)</b>	<b>(2674)</b>
Value of employee services of subsidiaries – net of forfeiture	–	(11 936)	3 924	–	(8 012)
<b>Balance as at 31 December 2024</b>	<b>1 877 644</b>	<b>18 115</b>	<b>45 935</b>	<b>622 627</b>	<b>2 564 321</b>

# Company statement of cash flow

for the year ended 31 December 2024

	Notes	2024 R'000	2023 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash (utilised)/generated before working capital changes</b>	A	<b>(2 275)</b>	7 562
Post-retirement medical aid benefits paid		<b>(6 318)</b>	(6 077)
Net cash (outflow)/inflow from operating activities		<b>(8 593)</b>	1 485
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Decrease in loan to subsidiaries	4.1	<b>12 517</b>	2 439
(Increase) in investment in subsidiaries	4.1	<b>(3 924)</b>	(3 924)
Cash flows inflow/(outflow) before investing activities		<b>8 593</b>	(1 485)
<b>Net (decrease)/increase in cash and cash equivalents</b>		–	–
Cash and cash equivalents at beginning of year		–	–
Cash and cash equivalents at end of year		–	–
<b>A: CASH GENERATED/(UTILISED) BEFORE WORKING CAPITAL CHANGES</b>			
<b>Operating loss before taxation</b>		–	–
Adjusted for:			
Post-retirement medical aid actual expense	5.1	<b>5 084</b>	5 283
Value of employee services received under share schemes		<b>(8 012)</b>	2 104
<b>Cash generated before working capital changes</b>		<b>(2 928)</b>	7 387
<b>Changes in working capital</b>		<b>653</b>	175
<b>Cash (utilised)/generated from operations</b>		<b>(2 275)</b>	7 562
<b>B: CHANGES IN WORKING CAPITAL</b>			
Decrease in trade and other receivables		<b>18</b>	114
Increase in trade and other payables		<b>635</b>	61
		<b>653</b>	175

Cash flow movements above represents expenditure settled on behalf of Hulamin Limited by subsidiary, Hulamin Operations (Pty) Ltd.

# Notes to the company financial statements

for the year ended 31 December 2024

## 1. Material accounting policies

### 1.1 Basis of preparation

The Company's Annual Financial Statements have been prepared in accordance to IFRS<sup>®</sup> Accounting Standards ("IFRS Accounting Standards") issued by the International Accounting Standards Board (the "IASB"), including IFRIC<sup>®</sup> interpretations ("IFRIC interpretations") issued by the IFRS Interpretations Committee the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the South African Institute of Chartered Accountants ("SAICA") Financial Reporting Guides as issued by the Accounting Practices Committee, the requirements of the Companies Act, No 71 of 2008, as amended, and the Listing Requirements of the JSE Limited.

The basis of preparation is consistent with the prior year, except for new and revised standards and interpretations adopted per note 1.5 to the Group Annual Financial Statements all of which had no material impact on the Company's reported results or financial position.

The separate financial statements are prepared using the historical cost basis except as set out in the accounting policies which follow (see the accounting policy relating to share-based payments).

The financial statements are prepared on the going concern basis using accrual accounting (refer to note 1.11 of the Group Annual Financial Statements for reference to the going-concern assessment).

Assets and liabilities and income and expenses are not offset unless specifically permitted by an accounting standard. Financial assets and financial liabilities are offset, and the net amount reported only when a legally enforceable right to set off the amounts exists, and the intention is either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Accounting policies are the specific principles, bases, conventions, rules and practices applied in preparing and presenting financial statements. Changes in accounting policies resulting from the initial application of a standard or an interpretation are accounted for in accordance with the transitional provisions in the accounting standard. If no such guidance is given, they are applied retrospectively.

### 1.2 Accounting for assets and liabilities

#### Recognition of assets and liabilities

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognised based on trade dates.

#### Derecognition of assets and liabilities

Financial assets or parts thereof are derecognised when the contractual rights to receive the cash flows have expired, been transferred and or control has passed.

All other assets are derecognised on disposal, or they no longer meet the definition of an "asset" as prescribed by the Framework. Financial liabilities are derecognised when the relevant obligation has either been discharged, cancelled or has expired.

### 1.3 Judgements made by management

The key judgements, assumptions and sources of estimation uncertainty at the statement of financial position date that could have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year are:

#### 1.3.1 Post-employment benefit obligations

Actuarial valuations of post-employment benefit obligations are based on assumptions which include employee turnover, mortality rates, discount rate, expected long-term rate of return on retirement plan assets, healthcare costs, family statistics, inflation rates and salary increments. Management experts are used to assist with valuations of post-employment benefit obligations. Refer note 5.1.

#### 1.3.2 Share-based payment transactions

The critical estimates and assumptions used in the IFRS 2 calculations are disclosed in note 8.1 of the Group Annual Financial Statements. Management experts are used to determine the grant date fair value of options granted. Management assesses the likelihood of achieving non-market performance measures based on approved budgets and business plan.

#### 1.3.3 Provision for expected credit losses of intercompany loans

The Company determines the maximum period over which expected impairment losses should be measured as the longest contractual period where an entity is exposed to credit risk. In the case of loans repayable on demand, the contractual period is the very short period needed to transfer cash once demanded.

In a scenario where the subsidiaries have sufficient highly available liquid assets to repay the loan, the credit losses are likely to be very close to zero. Judgement is required to determine whether a borrower has available facilities at reporting dates to determine the magnitude of the allowance which should be raised.

If the subsidiaries are unable to immediately repay the loan if demanded by Hulamin, Hulamin might expect that it would maximise recovery of the loan by allowing the subsidiary time to pay, instead of forcing the borrower to liquidate or sell some or all of its assets to repay the loan immediately.

The expected credit loss rates are based on the expectation of a default occurring in the 12 months and the net asset value of the Company. The net asset value or the value-in-use is used to determine the amount to be raised as a credit loss on the loan.

There is a rebuttable presumption that a significant increase in credit risk (SICR) has occurred if an amount is 30 days past the demand date.

A default event is when the contractual payments are 90 days past due date and the company is unlikely to receive the outstanding balance in full before considering any credit enhancements held by the Company. 90 days past due is considered to be an appropriate indicator of default based on the Group's extensive past experience with overdue payments.

The intercompany loans are written off when there is no reasonable expectation of recovering the contractual cash flows and if it is past the due date of more than one year and the debtor is not subject to enforcement activity.

## Notes to the company financial statements continued

### 1. Material accounting policies continued

#### 1.3 Judgements made by management continued

##### 1.3.3 Provision for expected credit losses of intercompany loans continued

If the subsidiary at reporting date does not have sufficient liquid assets available, Hulamin will need to determine what its recovery scenarios are to determine the exposure at default. Management has considered that they will not require a “fire sale” of the assets, but would allow the subsidiary time to settle the debt based on the free cash flows generated from the latest business plan for the entity.

Management will adopt a “repay over time” strategy. Management will utilise future cash flow forecasts to determine the necessary time required to repay the loan and as such, the loss given default would be limited to the effect of discounting the amount due on the loan.

#### 1.4 Events after the reporting period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Management has considered the relevant events during this period and concluded that there are no events after reporting period.

### 2. Performance

#### 2.1 Measures used to assess performance

##### 2.1.1 Revenue

Revenue of the Company comprises management fees and agency fees earned from related companies within the Group. Management and agency fees are earned from Hulamin Operations Proprietary Limited.

Management fees are earned on expenditure incurred such as consulting fees, directors’ fees, etc. Revenue is measured at the transaction price.

Management and agency fees are recognised as the services are performed and this is a monthly charge.

##### 2.1.2 Interest income

Interest income comprises interest earned on loan to subsidiary. Interest income is accrued on a time basis using the effective interest rate method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

### 2.2 Expenses by nature

	2024 R'000	2023 R'000
Post-employment medical aid costs	4 422	4 702
JSE listing costs	1 023	1 021
Directors’ travel costs	1 481	1 333
Other costs*	1 964	1 955
	<b>8 890</b>	9 011
<b>Directors’ emoluments</b>		
Non-executives’ fees	6 261	5 018
	<b>6 261</b>	5 018
	<b>15 151</b>	14 029

\*Included in other costs are secretarial fees of R1.2 million.

### 3. Debt/equity: measures to assess Group leverage

#### 3.1 Share capital and share premium

Transactions relating to the acquisition and sale of shares in the Company, together with their associated incremental direct costs, are accounted for in equity. Other transactions are accounted for directly in equity only if permitted by the standards.

##### Authorised

800 000 000 ordinary shares of no par value (2023: 800 000 000 ordinary shares of no par value).

31 477 333 A ordinary shares of no par value (2023: 31 477 333 ordinary shares of no par value).

36 072 000 B ordinary shares of no par value (2023: 36 072 000 ordinary shares of no par value).

The A ordinary shares consist of 26 755 733 A2 shares and 4 721 600 A3 shares.

The B ordinary shares consist of 9 018 000 B1 shares, 9 018 000 B2 shares and 18 036 000 B3 shares.



## Notes to the company financial statements continued

## 3. Debt/equity: Measures to assess Group leverage continued

## 3.1 Share capital and share premium continued

	2024 R'000	2023 R'000
<b>Ordinary shares</b>		
Opening and closing balance: 324 318 436 ordinary shares of no par value (2023: 324 318 436 ordinary shares of no par value)	1 817 627	1 817 627
<b>A ordinary shares</b>		
Opening and closing balance: 26 755 733 A2 shares and 4 721 600 A3 shares of no par value	59 656	59 656
<b>B ordinary shares</b>		
Opening and closing balance: 9 018 000 B1, 9 018 000 B2 and 18 036 000 B3 shares of no par value (2023: 9 018 000 B1, 9 018 000 B2 and 18 036 000 B3 shares of no par value)	361	361
	<b>1 877 644</b>	1 877 644

**A and B ordinary shares**

All A ordinary shares and B ordinary shares have voting rights which rank *pari passu* with ordinary shares.

A3 ordinary shares are entitled to dividends while all A2 and B ordinary shares have no entitlement to dividends.

**Unissued***Under option to employees:*

Details of the employee share incentive schemes including the share options outstanding at the end of the year, the range of exercise prices and the weighted average contractual lives related thereto, are set out in note 8.1 of the Group Financial Statements.

*Under the control of the Directors:*

At 31 December 2024, 6 801 529 unissued ordinary shares (2023: 6 801 529) were under the control of the Directors, for the purpose, *inter alia*, of existing employee share incentive schemes.

**Issued shares movement schedule**

	2024 Number of shares	2023 Number of shares
<b>Ordinary shares</b>		
Opening and closing balance	324 318 436	324 318 436
<b>A ordinary shares</b>		
Opening and closing balance	31 477 333	31 477 333
<b>B ordinary shares</b>		
Opening and closing balance	36 072 000	36 072 000

## 4. Investments: Investments in subsidiaries and joint venture

## 4.1 Investment in subsidiaries

Subsidiaries are all entities over which the Group has control, generally accompanying a shareholding of more than one half of the voting rights.

The Company financial statements recognise interests in subsidiaries, which include loans granted to subsidiaries by the Company, at cost, except in the case of certain limited Group reorganisations where net assets are disposed. In these instances, interests in subsidiaries will be based on the carrying amount of the net assets disposed.

The Company applied the expected credit loss model in considering the loss allowance required at the respective year-end. The maximum period over which expected loss allowances should be measured is the longest contractual period over which the Company is exposed to credit risk. As the loan is repayable on demand, the exposure to credit risk is the period between an assumed demand at the financial year-end and the period it would take the subsidiary to settle the outstanding balance.

	2024 R'000	2023 R'000
Investment in shares in subsidiaries	1 655 548	1 651 624
Loan to subsidiary	943 499	956 016
	<b>2 599 047</b>	2 607 640

Included in the investment in shares in subsidiaries is an investment in cumulative redeemable preference shares issued by Hulamin Operations Proprietary Limited.

No impairment (2023: Nil) was recognised on the loan to subsidiary in the current year as the carrying amount of the investee's assets exceeded the carrying amount of the investment. The carrying value of the loan approximates fair value. The current ratio of the subsidiary is greater than one and there were no significant external borrowings during the year.

The effective interest rate on the loan to subsidiary for the year was 0% variable interest (2023: 0%). No repayment terms have been set, and consequently no portion of the loan is considered past due.

## Notes to the company financial statements continued

### 4. Investments: Investments in subsidiaries and joint venture continued

#### 4.1 Investment in subsidiaries continued

The loan to subsidiary is subordinated in favour of Nedbank as security for Group borrowings. The Company holds the following direct and indirect investments:

	Country of incorporation	Percentage equity interest 2024	Percentage equity interest 2023	Principal activities
<b>Subsidiaries</b>				
Hulamin Rolled Products (Pty) Ltd*	South Africa	100	100	Dormant
Hulamin Containers (Pty) Ltd*	South Africa	100	100	Container fabricator
Hulamin Operations (Pty) Ltd	South Africa	100	100	Semi-fabrication and fabrication of rolled aluminium products
Hulamin Extrusions (Pty) Ltd*	South Africa	100	100	Semi-fabrication of extruded aluminium products
Isizinda Aluminium (Pty) Ltd (note6(b) of Group Financial Statements)*^	South Africa	100	38.7	Property rental company

^ Isizinda ceased to be a joint venture from 1 March 2024 and Hulamin Operations acquired 100% shareholding. Please refer to note 6(c) business combination of the Group Financial Statements.

\* Subsidiaries of Hulamin Operations (Pty) Ltd.

#### Structured entities

The following structured entities have been consolidated into the Hulamin Limited:

- (a) Imbewu SPV 14 (Pty) Ltd (note 8.1(d)(i) of Group Annual Financial Statements)
- The following structured entities have been consolidated into the Hulamin Operations and to the ultimate parent holding company (Hulamin Limited).
- (b) The 2015 Hulamin Employee Share Ownership Trust (note 8.1(d)(ii) of Group Annual Financial Statements)
- Structured entities have no material individual assets or liabilities. All transactions with structured entities eliminate on consolidation. No financial guarantees are provided on behalf of structured entities.

#### Loss of control in subsidiary-Hulamin North America LLC

Hulamin North America LLC ceased operations on the 1 July 2024 and was legally deregistered thus resulting Hulamin Group losing control in subsidiary. The loss in derecognising Hulamin North America amounts to R18 472 which is included in other gains and losses in the Group statement of profit and losses.

### 5. Benefits and remuneration: Our investment in employees

#### 5.1 Post-retirement medical aid benefits

The Company has undertaken to contribute to the medical aid costs after retirement of employees engaged prior to 30 June 1996. The obligation is unfunded.

	2024 R'000	2023 R'000
Amounts recognised in the statement of financial position are as follows:		
Present value of unfunded obligations	46 615	44 642
Liability in the statement of financial position	46 615	44 642
The liability can be reconciled as follows:		
Balance at beginning of year	44 642	47 756
Total expense accrued	5 084	5 283
Remeasurements:		
Actuarial losses/(gains) arising from changes in financial assumptions	414	(1 265)
Actuarial losses/(gains) arising from experience adjustments	2 793	(1 055)
Benefit payments	(6 318)	(6 077)
Balance at end of year	46 615	44 642
Amounts recognised in the statement of profit or loss are as follows:		
Interest costs	5 084	5 283
	5 084	5 283
Amounts recognised in other comprehensive income are as follows:		
Remeasurements:		
Actuarial losses/(gains) arising from changes in financial assumptions	414	(1 265)
Actuarial losses/(gains) arising from experience adjustments	2 793	(1 055)

#### Principal risks

Through its post-retirement medical aid subsidy benefit, the Group is exposed to several risks, principally changes in:

#### Financial assumptions

- Discount rate, which is set having regard to the market yield on suitable government bonds, taking into account the estimated duration of the liability.
- Long-term price inflation rate, which is measured by the relationship between the yields of conventional and inflation-linked government bonds, taking into account the estimated duration of the liability.
- Medical inflation rate (Company subsidy rate).

#### Demographic assumptions

- Post-retirement mortality.
- Family statistics.

## Notes to the company financial statements continued

## 5. Benefits and remuneration: Our investment in employees continued

## 5.1 Post-retirement medical aid benefits continued

The demographic assumptions used in the valuation of the liability are consistent with those of the prior year. Changes in the principal financial assumptions are detailed below.

## Principal financial assumptions:

	2024 R'000	2023 R'000
Discount rate	11	12
Future Company subsidy rate – in service	5	6
Future Company subsidy rate – pensioners	7	8

## Sensitivity of future medical inflation rate

	2024 R'000	2023 R'000
1% increase in future medical inflation rate – effect on the aggregate of the service and interest costs	278	307
1% increase in future medical inflation rate – effect on the obligation	2 578	2 496
1% decrease in future medical inflation rate – effect on the aggregate of the service and interest costs	(253)	(279)
1% decrease in future medical inflation rate – effect on the obligation	(2 343)	(2 267)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity, the same method has been applied as when calculating the liability recognized within the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year. The average duration of the benefit obligation at 31 December 2024 is 5.9 years (2023: 6 years)

Estimated benefits payable by the Company in the next financial year	7 034	6 614
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## 6. Other: Other detailed disclosure requirements

## 6.1 Deferred tax

Deferred tax is provided on temporary differences arising between tax bases of the assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on the tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities, and the deferred taxes relate to the same taxable entity and the same taxation authority.

During the 31 December 2024 period, based on an assessment of future cash flows and taxable profits, management is of the view that there are sufficient future taxable profits and taxable temporary differences to utilise a portion of the deferred tax asset and, as a result, the Group has recognised 12.5 million (2023: R12.1 million) deferred tax assets.

The Company's unrecognised assessed loss as at 31 December 2024 is R2.3 million (2023: R1.9 million).

	2024 R'000	2023 R'000
<b>Deferred tax asset</b>		
At beginning of year	12 052	12 892
Deferred tax in the statement of profit or loss:		
Current year charge	(333)	(214)
Deferred tax charge in other comprehensive items	866	(626)
<b>At end of year</b>	<b>12 585</b>	12 052
Comprising:		
Post-retirement medical aid provisions	12 585	12 052
	12 585	12 052
Deferred tax asset to be recovered after more than 12 months	12 585	12 052
Deferred tax asset to be recovered within 12 months	–	–
	12 585	12 052

## Notes to the company financial statements continued

### 6. Other: Other detailed disclosure requirements continued

#### 6.2 Taxation

The charge for current taxation is based on the results for the year as adjusted for income that is exempt and expenses that are not deductible using tax rates that are applicable to taxable income. Deferred taxation is recognised in profit or loss except when it relates to items credited or charged directly to equity, in which case it is also recognised in equity.

		2024 R'000	2023 R'000
South African normal taxation:			
<b>Deferred</b>			
Current year		333	214
		333	214
<b>Tax rate reconciliation</b>			
Normal rate of taxation	%	27	27
Effective rate of taxation	%	27	27

#### 6.3 Related party transactions

The related parties to the Company include all transactions between the Company and its subsidiary Hulamin Operations (Pty) Ltd.

The nature of the related party transactions with Hulamin Operations (Pty) Ltd, in the ordinary course of business, are reflected below:

		2024 R'000	2023 R'000
Loan balance owing by subsidiary		943 498	956 016
Management fees received from subsidiary		15 151	14 029

### 6.4 Financial assets and financial liabilities

During the year the Company, in the ordinary course of business had the following financial assets and liabilities. This primarily consists of sundry creditors in the form of accrued VAT payable and sundry debtors in the form of prepayments. Refer to disclosure below:

#### Financial and non-financial assets

	2024 R'000	2023 R'000
<b>Financial assets</b>		
Sundry receivables	–	18
	–	18
<b>Financial liabilities</b>		
Sundry payables	696	61
	696	61

### 7. Financial risk management

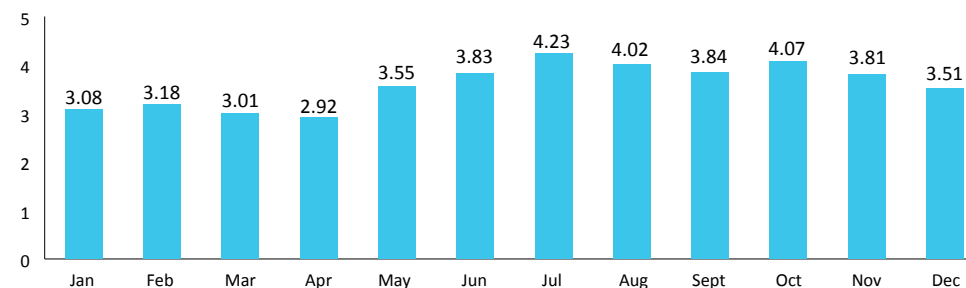
The company's risk management is incorporated in the Group's risk management process and is predominantly controlled by a central treasury department (Group Treasury) under policies approved by the Board. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and use of derivative financial instruments. Further detail can be obtained in Note 7 of the Consolidated Annual Financial Statements.

## Analysis of shareholders

	Number of ordinary shareholders	Percentage of total	Number of shares	Percentage of issued shares
<b>Ordinary shareholders</b>				
1–1 000	6 873	76.32	868 956	0.27
1 001–10 000	1 351	15.00	5 282 206	1.63
10 001–100 000	628	6.97	21 351 642	6.58
100 001–1 000 000	112	1.25	32 542 659	10.03
Over 1 000 000 shares	41	0.46	264 272 973	81.49
	<b>9 005</b>	<b>100.0</b>	<b>324 318 436</b>	<b>100.0</b>
<b>Public/non-public shareholders</b>				
Non-public shareholders	4	0.04	110 568 062	34.09
Directors of the Company	2	0.02	157 763	0.05
Extended family of Directors	0	n/a	–	n/a
Strategic holding (more than 10%)	1	0.01	94 587 954	29.16
Treasury Stock	1	0.01	15 822 345	4.88
Public shareholders	9 001	99.96	213 750 374	65.91
Total listed shareholders	9 005	100.00	324 318 436	100.00
<b>Beneficial shareholders holding more than 3% of share capital</b>				
Industrial Development Corporation			94 587 954	29.17
Schutte, V			26 572 954	8.19
Biccard, JL			16 556 622	5.11
Ninety One			13 689 030	4.22
Hulamin Operations (Pty) Ltd			15 822 345	4.88
Total			167 228 905	51.57
<b>A and B ordinary shareholders (refer to note 3.1 in the Annual Financial Statements)</b>				
<b>Hulamin ESOP</b>				
A2 ordinary (voting and beneficial)			26 755 733	39.61
A3 ordinary (voting and beneficial)			4 721 600	6.99
<b>BEE strategic partners</b>				
B1 ordinary (voting and beneficial)			9 018 000	13.35
B2 ordinary (voting and beneficial)			9 018 000	13.35
B3 ordinary (voting only)			18 036 000	26.70
Total non-listed A and B ordinary shareholders			67 549 333	100.00

## Share price

HULAMIN VOLUME-WEIGHTED AVERAGE SHARE PRICE BY MONTH DURING 2024 (cents per share)



## Shareholders' diary

	Diary 2025	Diary 2024
Financial year-end	<b>31 December</b>	31 December
Annual general meeting	<b>22 May</b>	25 May
Financial reports	Interim results	19 August
	Annual results	4 March
	Annual Financial Statements	4 March

# Corporate information

## Hulamin Limited

(Incorporated in the Republic of South Africa)  
 Registration number: 1940/013924/06  
 Share code: HLM  
 ISIN: ZAE000096210  
 Founded: 1940  
 Listed: 2007  
 Sector: Industrial Metals and Mining

## Business and postal address

Moses Mabhida Road  
 Pietermaritzburg  
 3200

PO Box 74  
 Pietermaritzburg  
 3200

## Contact details

Telephone: +27 33 395 6911  
 Website: [www.hulamin.co.za](http://www.hulamin.co.za)  
 Email: [hulamin@hulamin.co.za](mailto:hulamin@hulamin.co.za)

## Securities exchange listing

South Africa (Primary) JSE Limited

## Transfer secretaries

Computershare Investor Services Proprietary Limited Rosebank Towers  
 15 Biermann Avenue  
 Rosebank, 2196  
 Private Bag X9000  
 Saxonwold  
 2132

## Sponsor

Questco Corporate Advisory Proprietary Limited  
 Ground Floor, Block C  
 Investment Plaza  
 10th Road  
 Hyde Park  
 2196

## Directorate

### Non-executive directors

CA Boles\*  
 VN Khumalo  
 RL Larson\*<sup>®</sup>  
 TP Leeuw, Chairman\*  
 N Maharajh\*\*  
 Dr B Mehlomakulu\*  
 SP Ngwenya  
 GC Zondi (Alternate)  
 GH Watson  
 Z Monnakgotla\*<sup>^</sup>  
 A Tostmann\*<sup>^</sup>  
 L Yanta\*<sup>^</sup>

### Executive directors

M Gounder, Chief Executive Officer  
 P Nirghin, Chief Financial Officer<sup>#</sup>

<sup>^</sup> Appointed as an independent non-executive director on 1 December 2024.

<sup>\*</sup> Independent non-executive directors

<sup>#</sup> Appointed as Chief Financial Officer on 1 July 2024

<sup>\*\*</sup> Resigned as an independent non-executive director 31 December 2024

<sup>®</sup> Resigned as an independent non-executive director on 24 May 2024

## Company secretary

Luvivi (Pty) Limited  
 Email: [secretarial@hulamin.co.za](mailto:secretarial@hulamin.co.za)

## Corporate information and investor relations

BA Mngadi  
 Email: [hulamin@hulamin.co.za](mailto:hulamin@hulamin.co.za)

## Date of SENS release

17 March 2025

## Auditors

Ernst & Young Inc.  
 1 Pencarrow Crescent, La Lucia Ridge Office Park, Durban, 4000  
 PO Box 859, Durban, 4000  
 Telephone: +27 31 576 8000  
 Website: <http://www.ey.com>



**HULAMIN**  
 Think future. Think aluminium.