Audited consolidated and separate annual financial statements

2025

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Our annual reporting suite

The full 2025 audited consolidated and separate annual financial statements provide comprehensive insight into the financial position and performance of the Group and Company for the year

These are available at https://www.arcelormittalsa.com/InvestorRelations/AnnualFinancialStatements.aspx

Our integrated report is available online at https://www.arcelormittalsa.com/InvestorRelations/IntegratedAnnualReports.aspx

Directors' responsibility and approval of the Group and Company's audited consolidated and separate annual financial statements

for the year ended 31 December 2025

To the shareholders of ArcelorMittal South Africa Limited

The board of directors (directors) is required to maintain adequate accounting records and is responsible for the content and integrity of the consolidated (Group) and separate (Company) annual financial statements (annual financial statements) and related financial information included in this report. It is their responsibility to ensure that the annual financial statements, comprising the statements of financial position as at 31 December 2025, the statements of comprehensive income, cash flows, changes in equity for the year then ended, and the notes to the annual financial statements, which include a summary of material accounting policies and other explanatory notes, are prepared in accordance with International Financial Reporting Standards (IFRS® Accounting Standards), audited in accordance with International Standards on Auditing, the requirements of the Companies Act No 71 of 2008, as amended (Companies Act) and the JSE Listings Requirements (JSE). The annual financial statements have been prepared under the supervision by GA Griffiths CA(SA), the Group's chief financial officer.

In order for the directors to discharge their responsibilities, management has developed and continues to maintain a system of internal control aimed at reducing the risk of error or loss in a cost-effective manner. The directors, primarily through the audit and risk committee, which consists of independent non-executive directors, meet periodically with the external and internal auditors, as well as executive management to evaluate matters concerning accounting policies, internal control, auditing and financial reporting. The Group's internal auditors independently evaluate the internal controls. The external auditors are responsible for reporting on the financial statements. The external and internal auditors have unrestricted access to all records, property and personnel, as well as to the audit and risk committee. The directors are not aware of any material breakdown in the functioning of these controls and systems during the period under review.

The directors are of the opinion, based on the information and explanations given by management and the internal auditors, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Group and Company annual financial statements.

The independent external auditors are responsible for reporting on whether the Group and Company financial statements are fairly presented in accordance with the applicable financial reporting framework. The independent auditor's report to the shareholders of the Group and Company is set out on pages 12 to 17 of this report. Having considered the Group's major risks, legal, insurance and taxation issues, an assessment of the solvency and liquidity taking into account the current financial position and existing borrowing facilities, along with the Group and Company's financial budgets with their underlying business plans, the directors have evaluated the Group and Company's ability to continue as a going concern. These evaluations indicate the existence of several key risks that give rise to a material uncertainty related to going concern and as a result the group and company may be unable to realise it assets or discharge liabilities in the ordinary course of business.

The directors and management have considered the viability of their reasonable plans as noted above and believe that the Group has viable plans and therefore sufficient liquidity to pay the Group and Company's debts as they become due over the next 12 months and as a result have prepared the Group and Company's financial statements on a going concern basis. Refer to note 42 for further details.

The directors of the Company accept responsibility for the annual financial statements which were approved by the board of directors on 30 April 2026 and are signed on its behalf by:

HJ Verster
Chief executive officer

GA Griffiths
Chief financial officer

Chief executive officer and chief financial officer's internal financial control responsibility statement

In accordance with paragraph 3.84(k) of the JSE, each of the directors, whose names are stated below, hereby confirm that:

(a) the annual financial statements set out on pages 1 to 107, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of International Financial Reporting Standards (IFRS) accounting standards;

b) To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading.

c) Internal financial controls have been put in place to ensure that material information relating to the issuer, and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer.

d) The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls.

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

f) We are not aware of any fraud involving directors.

HJ Verster
Chief executive officer

30 April 2026

GA Griffiths
Chief financial officer

30 April 2026

Certificate by the company secretary

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

FluidRock Co Sec Proprietary Limited
Company secretary

30 April 2026

Directors' report

for the year ended 31 December 2025

The directors submit their report for the year ended 31 December 2025.

Nature of business

ArcelorMittal South Africa Limited (ArcelorMittal South Africa or Company) and its subsidiaries (together, the Group) manufacture and sell long and flat steel products and beneficiated by-products. During the year, the Longs Business was placed under care and maintenance and going forward the Group will mainly produce and sell flat steel products.
The Group's operations are primarily concentrated in South Africa with a sales focus domestically and internationally, with specific emphasis on sub-Saharan Africa.

The Company is a public Company incorporated and domiciled in South Africa. The address of the registered office is detailed on the inside of the back cover of this report.

The Company is listed on the main board of the JSE Ltd in Johannesburg, South Africa, and is a subsidiary of ArcelorMittal Holdings AG, which is part of the ArcelorMittal Group. The functional and reporting currency is the South African rand (ZAR).

Financial results and activities

The contents of the annual financial statements adequately reflect the financial performance of the Group for the financial year ended 31 December 2025.

Further detailed reports on the activities and performance of the Group and the various segments of the Group are contained in the integrated report.

The Group realised an attributable loss of 270 cents per share for the year ended 31 December 2025 (2024: loss of 524 cents per share) and realised a headline loss of 301 cents per share (2024: headline loss of 458 cents per share). Refer to note 14. The Group generated free cash outflow of R1 203 million in the current year (2024: cash outflow of R559 million), with the net borrowings for the year increasing to R6 763 million at 31 December 2025 (2024: R5 111 million.)

Dividends

Consistent with the Group's dividend policy, payment of dividends is subject to the discretion of the board of directors. No dividends were declared for the 2025 financial year (2024: Rnil).

Property, plant and equipment

Details of capital expenditure are provided in note 16.

Authorised and issued share capital

Details of the authorised and issued share capital are set out in note 28.

Shareholders

ArcelorMittal Holdings AG, as controlling shareholder, holds 53.1% (2024: 53.1%) of the ordinary shares in issue and an effective shareholding of 69.2% (2024: 69.2%). Details of beneficial shareholders equal to or exceeding 5% as at 31 December 2025 are disclosed in note 28.

Directors' interests

The details of the beneficial direct and indirect interests of executive directors in the shares of the Company are set out in note 38 of the annual financial statements.

Details of the direct and indirect interests of non-executive directors, including their associates, in the shares of the Company are set out below:

	2025			2024		
Director	**Direct**	**Indirect**	**Total**	Direct	Indirect	Total
NF Nicolau	**100 000**	**–**	**100 000**	100 000	–	100 000
GS Gouws	**–**	**292**	**292**	–	292	292
Total	**100 000**	**292**	**100 292**	100 000	292	100 292

There have been no changes to the directors' interests since the financial year ended 31 December 2025 and the date of this report.

Directors' report continued

for the year ended 31 December 2025

Borrowing powers

In terms of clause 35 of the Memorandum of Incorporation (MoI), the directors have the power to borrow for purposes of the Company and secure payment or repayment of such sums subject to the aggregate sum (if any) authorised to be borrowed at that time.

Directorate

M Maasdorp was appointed as non-executive director with effect from 1 March 2025.

The names and details of the directors who presently hold office and served on the various committees of the board are set out in the integrated report (IR).

Retirement by rotation

Directors are appointed in line with the MoI and in terms thereof a third shall retire at each annual general meeting (AGM), subject to being eligible for re-election.

Going concern

Based on the going concern assessment noted in note 42, although several key risk were noted which give rise to material uncertainty relating to going concern, the Board is of the view that, based on reasonable plans the Group and Company have adequate resources to continue in operations for the foreseeable future and accordingly, the annual financial statements have been prepared on a going concern basis.

Subsequent events

Note 41 provides details of the events that occurred subsequent to 31 December 2025.

Independent auditor

Ernst & Young Inc (EY) were appointed as the independent auditors of the Group with effect from the date of the AGM, 23 May 2025.

The financial statements of the Group and the Company have been audited by independent auditors EY.

The board has endorsed the recommendation of the audit and risk committee to shareholders that EY be appointed as the independent auditors of the Group for the ensuing year with effect from the date of the AGM to be held on 26 June 2026.

The committee has confirmed that EY is independent of the Company as required by Section 90 of the Companies Act. The board agrees with the committee's assessment.

Company secretary

The company secretary of ArcelorMittal South Africa is FluidRock Co Sec Proprietary Limited. Their business and postal addresses appear on the inside back cover.

Audit and risk committee report

The committee submits its report for the year ended 31 December 2025 to the shareholders as required by section 94(7)(f) of the Companies Act 71 of 2008 (as amended) (Companies Act). The committee confirms that it has executed the responsibilities set out in section 3.84(g) of the JSE Listings requirements and the King Report on Corporate Governance for South Africa 2016 (King IV™ Report).

Membership of the committee, evaluation of members and attendance at meetings

In compliance with the Companies Act, the following committee members were elected by shareholders at the annual general meeting (AGM) of the Company held in 2025 to serve until the next AGM to be held on 26 June 2026:

- LC Cele (independent non-executive director)
- D Earp (independent non-executive director and chairperson)
- NF Nicolau (independent non-executive director)

The committee comprises only independent non-executive directors who are all financially literate and have the adequate, relevant skills and experience to execute their duties and responsibilities effectively.

The experience and qualifications of the members and the details of the committee meetings attended by each of the members is set out on pages 27 and 28 respectively of the IR. The committee was found to be effective and to have served as critical support structure of the board after its last evaluation and the review of its terms of reference during the year.

The committee held five meetings during the financial year. The chief executive officer (CEO) and chief financial officer (CFO) attended the committee meetings by invitation. The chairperson reports to the board on key matters arising after each of these meetings.

Statutory duties

The committee is a statutory committee of the board in terms of the Companies Act and has an independent role. The committee aids the board in carrying out its oversight duties and responsibilities and has terms of reference in place which regulate both its statutory duties and responsibilities and those duties delegated to it by the board. The terms of reference were reviewed and updated in 2023. The committee's scope extends to all activities of the Group and Company.

Executing on the statutory duties and other areas of responsibilities

The committee evaluates the quality and integrity of the financial statements and integrated report

The committee carried out the following duties in overseeing the quality and integrity of the Company's interim results, its condensed consolidated financial statements, its annual financial statements and its integrated report:

- Considered the appropriateness of the accounting policies adopted and changes thereto, accounting treatments, significant unusual transactions and accounting judgements and considered whether any concerns and/or risks were identified regarding significant tax, legal and other matters that could have a material bearing on the financial statements
- Reviewed the JSE's reports on its proactive monitoring of financial statements in 2025 and the limited scope thematic review on cash flow, designed remedial actions, where necessary, and improved upon certain disclosures and presentations, where required. Where applicable, the actions to implement the recommendations made by the JSE are monitored by the committee
- Considered the adequacy and effectiveness of the internal financial controls relied upon by management in compiling the annual financial statements in order to discharge their obligations in terms of section 3.84(k) of the JSE Listings Requirements
- Reviewed the interim financial results and oversaw the preparation of the condensed consolidated financial statements and the annual financial statements and is satisfied that they fairly present the consolidated and separate results of the operations, cash flows and financial position of the Group and Company for the year ended 31 December 2025 and comply, in all material respects with the Companies Act, the International Financial Reporting Standards (IFRS) Accounting Standards and the Financial Pronouncements as issued by the Financial Reporting Standards Council and applicable legislation

- Reviewed the change statement notice following the adjustments made between the condensed consolidated financial statement issued on 5 February 2026 and the audited financial statements. The changes relate to the balance sheet whereas cash, cash equivalents and restricted cash was reduced by R315 million that had to be disclosed as non-current assets. The loan repayable to the IDC is immediately repayable due to the default triggered by the default on the BBF agreement due to total liabilities exceeding total assets, the impairment of a plant disclosed as property, plant and equipment of R112 million, and the reclassification of R37 million from finance cost to other operating expenses. These had no impact on headline earnings per share, but basic loss per share increased from 260 cents per share to 270 cents per share.
- Reviewed reports to shareholders and other announcements on the Group's 2025 financial results and is satisfied that they comply in all material respects with IFRS Accounting Standards and other appropriate standards as required by the JSE
- Confirmed that it is satisfied with the quality and integrity of the integrated report and the annual financial statements and wish to highlight the following key audit matters and significant areas of judgement taken under consideration during the year.

The committee reviewed the critical judgements and assumptions made by management together with the sensitivity analyses performed and the conclusions on the key financial statement reporting issues during the year. The key issues are:

- **Impairment of property, plant and equipment**

  The committee concurs with management's decision that, the Coke and Chemicals Business unit, previously assessed as a separate CGU, is included in the Vanderbijlpark CGU following restructuring initiatives caused by changing market conditions and the wind down of the Longs Business into care and maintenance.

  The impairment of a plant currently recognised as an asset under construction was considered and concluded that based on the current circumstances, the technical design and utilisation of the plant will have to be reconsidered.

  The committee supported management's recommendation that the plant under construction should be partially impaired. No impairment should be recognised for the Vanderbijlpark CGU.

- **Reversal of impairment of property, plant and equipment**

  The committee concurs with management's impairment assessment resulting in the reversal of impairment on the Vereeniging, AMRAS, Saldanha and Newcastle plant on the basis that these plants' recoverable amounts exceed the respective carrying amounts at year-end.

- **Prior period error**

  The committee reviewed and assessed management's correction and presentation of a prior year error for the reversal of impairment on the Saldanha plant, following the impairment assessment on the Group as a whole triggering a re-assessment of the plant previously impaired to Rnil in 2020.

- **Environmental remediation provision and asset retirement obligation**

  The committee reviewed the key assumptions and the discount rate used together with the movement in the provisions.

- **Revaluation of investment property**

  The committee reviewed the key assumptions and judgements applied in the revaluation of the Group's investment property.

- **Property, plant and equipment transferred to investment property**

  The committee supports management's decision that, following the revision of business strategy relating to non-core property of the Group triggering a change in use from owner-occupied property to investment property, the property be transferred to investment property and be measured at fair value in accordance with the Group's accounting policy.

- **Going concern assumption**

  The committee considered the going concern assumptions by reviewing the assessment on solvency and liquidity, compliance with the conditions of loan covenants and arrangements held with financial institutions and testing the robustness of the deleveraging plans.

  Though these evaluations indicate the existence of a material uncertainty related to going concern, the committee have considered the viability of management's reasonable plans and believe that the Group has viable plans and therefore sufficient liquidity to pay the Group and Company's debts as they become due over the next 12 months and as a result support the preparation of the Group and Company's financial statements on a going concern basis.

Audit and risk committee report continued

The committee reviewed compliance with legal and regulatory requirements to the extent that these might have an impact on the annual financial statements

The committee considered the views of internal and/or external counsel and management in considering legal and ethics matters that could have a material impact on the Group.

The committee reviewed reports on the Group's tax position, status of tax litigation claims and the status of the Group's tax compliance.

The committee reviewed the adequacy and effectiveness of the Group's procedures to ensure compliance with financial, legal and regulatory responsibilities.

The committee assessed the suitability of the appointment of the external auditor and designated individual partner

The committee nominated EY to serve as external auditor of the Group, and the nomination was approved by the shareholders on 23 May 2025. EY will serve as external auditor, with PD Grobbelaar as designated audit partner, until the AGM to be held on 26 June 2026. The committee reviewed a presentation by EY and, after conducting its own review, is satisfied with the independence and objectivity of EY as external auditor. The committee is satisfied that the auditor has at all times acted with unimpaired independence. The committee is satisfied that EY is compliant with the relevant external audit partner's JSE qualification and the rotation rules.

The committee approved the external audit plan, which was based on the principles of ISA600, the terms of the engagement and the audit fee.

Taking into consideration the criteria specified for independence by the Independent Regulatory Board for Auditors, EY confirmed in an annual written statement that their independence has not been impaired.

All non-audit services were approved by the committee in accordance with the approved policy on non-audit services performed by the external auditor.

The committee meets with the auditor independently of senior management. The committee agendas provide for confidential meetings between committee members and the internal and external auditors.

The committee assessed the adequacy of the performance of the internal audit function and the adequacy of the available internal audit resources

The committee is responsible for ensuring that the Group's internal audit function is independent and has the necessary resources, standing and authority in the organisation to discharge its duties. The committee oversees cooperation between internal and external auditors and serves as a link between the board of directors and these functions. The head of internal audit reports administratively to the CEO and functionally to the chairman of the committee and head of Group internal audit of the holding Company, ArcelorMittal Holdings AG.

The committee reviewed the assurance services charter in 2025 and approved the risk-based integrated internal audit plan. The committee evaluated the independence, effectiveness, skills and experience and performance of the internal audit function and compliance with its charter and concluded these to be satisfactory.

The committee is satisfied with the effectiveness of the head of internal audit.

The committee assists the board in carrying out its information and information technology responsibilities to ensure ethical and responsible use and compliance

The committee monitored the ethical and responsible use of technology and information and compliance with relevant laws in order to assist the board in carrying out its information and information technology responsibilities.

The committee reviewed the appropriateness of the control environment in respect of the management of material information and communication technology risks.

The committee assessed the internal controls over financial reporting as of 31 December 2025

The committee has oversight of the Group and Company system of internal financial control.

The review of controls by the CEO and CFO comprised the identification and classification of risks, as well as the determination of materiality, testing of the design, and determining control implementation. The process was supported by utilisation of the internal audit function to test the operating effectiveness of controls.

Audit and risk committee report continued

The committee, the CEO and the CFO rely on the assurance provided by the internal audit function of the Group on the system of internal financial controls. Management provides quarterly feedback on the status of the effectiveness of internal controls together with remediation action plans. The committee has discussed the impact of the internal control deficiencies together with compensating controls, including financial statement review controls with internal and external auditors as well as management.

The committee assessed the risk management process

The committee has oversight over the enterprise risk management processes, development and has recommended the review of a policy and plan for risk management to the board. The committee has reviewed the integrity of the overall risk exposure and the risk control systems, as well as the key risks and responses from management that the Group had faced, and the committee is satisfied with risk mitigation measures that are in place. The committee receives and reviews key risks faced by the Group on a quarterly basis. These risks include the top strategic risks (including credit risk, liquidity risk, market risk, human resources risks and compliance risks), the operation risks and the information technology (IT) risks.

The committee assessed the appropriateness of the combined assurance model and its effectiveness

The committee is responsible for monitoring the appropriateness of the Group and Company's combined assurance model and ensuring that significant risks facing the Company are adequately addressed as well as monitoring the relationship between the external assurance providers and the Company. The committee further ensured that the combined assurance provided by the internal and external assurance providers and management are sufficient to satisfy the committee that significant risk areas within the Company have been adequately addressed and suitable controls exist to mitigate and reduce these risks.

The committee assessed the finance function and the CFO

The committee assessed the competency, skills and resourcing of the Group's finance function, and was satisfied as to the overall adequacy and appropriateness of the finance function, and further ensured that the Company had established appropriate financial reporting procedures and that these procedures are performed with due care.

The committee has satisfied itself that the CFO, GA Griffiths CA(SA), has the appropriate expertise and experience to carry out his duties.

Based on an assessment performed annually, the committee is of the opinion that the finance function, as well as the CFO, is experienced and operate effectively.

The committee assessed the company secretary

The committee assessed the expertise and experience of the company secretary, FluidRock Co Sec Proprietary Limited. The committee was satisfied that FluidRock Co Sec Proprietary Limited has the appropriate competence and experience to serve as company secretary of the Company.

Discharge of responsibilities

The Company continues to prepare Group accounts that comply with IFRS, the statutory requirements of the Companies Act, the JSE and King IV Report, and these responsibilities are discharged within an acceptable timeframe.

The committee has decision-making authority with regard to its statutory duties and is accountable in this regard to both the board and the shareholders. On all responsibilities delegated to it by the board, apart from the statutory duties, the committee makes recommendations for approval by the board.

The committee determined that, during the financial year under review, it had discharged its legal and other responsibilities as outlined in its terms of reference, details of which are included in the IR.

The chairperson of the committee attends the AGM and is available to answer any questions in relation to matters pertaining to the committee.

D Earp
Chairperson

30 April 2026

Shareholders' analysis

ArcelorMittal South Africa Limited

Analysis of ordinary shareholders as at 31 December 2025

Shareholder spread	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
1 – 1 000	39 943	87.82	4 264 180	0.37
1 001 – 10 000	4 063	8.93	13 164 264	1.16
10 001 – 100 000	1 159	2.55	39 976 843	3.51
100 001 – 1 000 000	273	0.60	78 014 749	6.86
Over 1 000 000	43	0.10	1 002 639 789	88.10
Total	**45 481**	**100.00**	**1 138 059 825**	**100.00**

Distribution of shareholders	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Assurance and insurance companies	1	0.00	366 281	0.03
Collective investment schemes and hedge funds	2	0.00	322 500	0.03
Corporate holdings	3	0.01	771 535 624	67.79
Custodians, brokers and nominees	24	0.05	36 389 073	3.20
Other managed funds	8	0.02	93 517 195	8.22
Retail shareholders, trusts and private companies	1 547	3.40	219 600 708	19.30
Unclassified holders (less than 10 000 shares)	43 896	96.52	16 328 444	1.43
Total	**45 481**	**100.00**	**1 138 059 825**	**100.00**

Shareholder type	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Public shareholders	45 475	99.99	366 423 585	32.20
Non-public shareholders	6	0.01	771 636 240	67.80
Directors and associates	2	0.00	100 292	0.01
GS Gouws	1	0.00	292	0.00
NF Nicolau	1	0.00	100 000	0.01
ArcelorMittal SA Limited	2	0.00	46 548	0.00
ArcelorMittal Holdings AG	2	0.00	771 489 400	67.79
Total	**45 481**	**100.00**	**1 138 059 825**	**100.00**

Fund managers with a holding in 5% or more of the issued shares	Number of shares	% of issued capital
None		

Shareholders' analysis continued

Beneficial shareholders with a holding in 5% or more of ordinary shares issued	Number of shares	% of issued capital
ArcelorMittal Holdings AG	771 489 400	67.79
Industrial Development Corporation (IDC)	93 044 068	8.18
Total	**864 533 468**	**75.97**

Beneficial shareholders in the A1 and A2 register	A1 shares	A2 shares
Amandla we Nsimbi Proprietary Limited	243 240 276	–
The Isabelo Employee Share Trust	–	72 972 083
Total	**243 240 276**	**72 972 083**

Geographical holding by owner	Number of shareholdings	% of total shareholdings	Number of shares	% of shares in issue
Switzerland	10	0.02	779 799 794	68.52
South Africa	45 103	99.17	346 289 299	30.43
United States	22	0.05	2 339 348	0.21
United Kingdom	34	0.07	1 007 466	0.09
Liechtenstein	1	0.00	4 706 834	0.41
Luxembourg	5	0.01	1 892 429	0.17
Germany	4	0.01	943 117	0.08
Balance	302	0.66	1 081 538	0.10
Total	**45 481**	**100.00**	**1 138 059 825**	**100.00**

Share price performance	
Opening price 2 January 2025	R1.35
Closing price 31 December 2025	R1.27
Closing high for period	R1.74
Closing low for period	R0.67
Number of shares in issue	1 138 059 825
Volume traded during period	259 270 516
Ratio of volume traded to shares issued (%)	22.78
Rand value traded during the period	R297 647 365
Price/earnings ratio as at 31 December 2025	(0.28)
Earnings yield as at 31 December 2025 (%)	(353.54)
Dividend yield as at 31 December 2025 (%)	0.00
Market capitalisation at 31 December 2025	R1 445 335 978

Independent auditor's report

To the Shareholders of ArcelorMittal South Africa Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of ArcelorMittal South Africa Limited and its subsidiaries ("the Group") and Company set out on pages 18 to 107, which comprise of the consolidated and separate statements of financial position as at 31 December 2025, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, 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 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) as applicable to audits of financial statements of public interest entities, 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
- judgments 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 R155 000 000, which is based on 0,5% of Revenue. We have identified Revenue as the most appropriate basis for determining materiality given its prominence in the communications with the users of the financial statements as well as its use in industry benchmarks, we have concluded that the focus of the main users of the financial statements will be on Revenue, at least for the immediate future. Our review of information provided to users by the Group confirms our view.

Company final materiality

We determined final materiality for the standalone company to be R153 000 000, which is based on 0,5% of Revenue. As the main operation we have identified Revenue as the most appropriate basis for determining materiality given its prominence in the communications with the users of the financial statements as well as its use in industry benchmarks, we have concluded that the focus of the main users of the financial statements will be on Revenue, at least for the immediate future. Our review of information provided to users by the Group confirms our view.

Group and Company 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 and Company. Taken together, this enables us to form an opinion on the consolidated and separate financial statements. We take into account the size and risk profile of the components in the Group and Company. In addition, we further consider the organisation of the Group and Company 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 and Company. Our process focuses on identifying and assessing the risk of material misstatements of the consolidated and separate financial statements as a whole including, with respect to the consolidation process.

In establishing our overall approach to the Group and Company 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.

In selecting components, we perform risk assessment activities across the Group and Company and their 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 consolidated and separate financial statements. This assessment included performing overall analytical procedures at Group level.

Of the eleven components in Group (six in Company) selected, we identified:
- Three components in Group (Two in Company) ("full scope components") which were selected based on the pervasiveness of risk in those components and for which we therefore performed procedures on what we considered to be the entire financial information of the component.
- Eight components in Group (Four in Company) ("specific scope components") where our procedures were more focused or limited to specific accounts which we considered had the potential for the greatest impact on the significant accounts in the financial statements given the specific risks identified.

At Group level, we also tested the consolidation process.

Material uncertainty related to going concern

We draw attention to Note 42, which indicates that there remains material uncertainty regarding a number of matters in the short to medium term which may impact the Group and Company's liquidity, the most prominent of which is the ongoing discussions with the IDC relating to loan funding and capital restructuring. The Group's forecasted liquidity and longer-term profitability is further dependent on the uncertain outcome of various management plans and uncontrollable factors included within the forecast which are discussed in Note 42. As stated in that note, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on ArcelorMittal South Africa Limited's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

In terms of the EAR Rule, we have evaluated management's assessment of the Group and Company's ability to continue as a going concern as follows:
- Confirmed our understanding of management's going concern assessment process in conjunction with our walkthroughs of the financial statement close and impairment processes;
- Obtained the going concern cash flow forecasts prepared by management including the base case and various risk adjusted scenarios. Additionally we:
  - Obtained an understanding of and challenged the key assumptions included in the models in conjunction with our impairment process and actual results subsequent to year end. Specifically we inspected that management adjusted impairment model cash flows for relevant subsequent events information and that cash flows reflected all matters known to them and us prior to sign off.
  - Identified all possible payment events in the next 12-18 months relating to loans, creditors and facilities and inspected how these were considered as assumptions in the forecasts.
  - Identified all major assumptions and uncertainties in both the cashflow and profitability forecasts which would require management plans and/or disclosure in the financial statements.
- Requested management and the board to provide specific views on their plans related to the uncertainties identified by us and them as well as their conclusions on solvency, liquidity and compliance with the Companies Act. In reading those responses we performed the following additional procedures:
  - Obtained an understanding of the various plans and interventions to generate cash and the uncertainties inherent in those plans by inspecting draft agreements, draft term sheets, offers or communications with various levels of certainty, executability and quantification of value as shared by management as part of their plans and interventions
  - Obtained an understanding of the potential IDC loan funding and capital restructuring process and progress through both enquiries and inspection of available correspondence.
  - Inspected loan waivers and deferrals provided by borrowing-based facility (BBF) lenders.
  - Inspected agreements for shareholder funding after yearend and vouched receipts of amounts provided.
- We evaluated the adequacy of the going concern disclosure in the financial statements to ensure it reflects our views on the uncertainties relating to going concern as well as management's plans.

Key audit matters

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

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

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

The key audit matters apply equally to the audit of the consolidated and separate financial statements.

Key audit mater description	How the matter was addressed in the audit
Valuation of property, plant and equipment As at 31 December 2025, the Group and Company reported property, plant and equipment of R7.72 billion (2024: R7.71 billion) and R7.14 billion (R7.15 billion) respectively. The Group and Company identified the following Cash Generating Units (CGU) for the purposes of the impairment assessment required by IAS 36: Vanderbijlpark (Flat Steel) (including Coke and Chemicals) (VDB), ArcelorMittal Rail and Structures (AMRAS), Newcastle (NC), Vereeniging (VRN) and Saldanha (SALD). As disclosed in note 16 *Property, plant and equipment*, the recoverable amounts for the VDB and AMRAS CGU's were determined using VIU models. The recoverable amounts for NC, VRN and SALD were determined using FVLCTS. **VDB and AMRAS – VIU models** There is inherent uncertainty in forecasting and discounting future cash flows, which forms the basis of the VDB and AMRAS recoverable amount calculations. This is amplified by continued uncertainty in the local and international markets with respect to both forecasted prices and demand resulting in additional work in assessing the impairment models. As disclosed in note 3.3 *Significant assumptions and areas of estimation uncertainty* and note 16 *Property, plant and equipment* the VIU models were based on the following key assumptions: • Future steel sales prices; • Future steel sales volumes; • Future exchange rates; • Discount rates (consisting of weighted average cost of capital (WACC) and company specific premium (CSP); and • Growth rate.	As part of our procedures, among others, we: • Obtained an understanding, evaluated the design, and tested the operating effectiveness of key controls over the preparation and review of the cash flow forecasts used in the VIU models. • Performed a comparative analysis of the current year business projections against prior year forecasts to assess whether there were indicators of improvement or deterioration in expected future performance. • Assessed management's forecasting accuracy by analysing the actual performance of VDB and AMRAS CGU's in the 2025 financial year to the prior year budgets. **For CGUs using VIU with the support of our internal valuation specialists, we performed the following procedures:** • Assessed the appropriateness of macro assumptions (including steel prices, exchange rates etc) that are used in Management's VIU calculations by comparing them to available market data. • Reviewed the discount rates (WACC & Client Specific Premiums (CSP)) and methodology for reasonableness by comparing to industry benchmarks and publicly available market data for comparable companies within a given range. • Assessed the growth rate used in VIU models by comparing to available market data. • Assessed the appropriateness of Management's terminal value calculations within the VIU models. • Checked the arithmetic accuracy of the discounting formulae applied to present value the free cash flows in Management's VIU models.

Key audit mater description	How the matter was addressed in the audit
Valuation of property, plant and equipment continued **NC, VRN and SALD – FVLCTS** Using the FVLCTS to determine the recoverable amount includes inherent uncertainty since in most circumstances there are no signed contracts, commitments or prices for assets of similar nature, age or condition, hence requiring management judgment. As disclosed in note 3.3 *Significant assumptions and areas of estimation uncertainty* and note 16 Property, *plant and equipment* the FVLCTS were based on the following key assumptions/estimates: • Scrap values; • Estimated cost to sell; and • Similar individual second hand assets prices. Changes in the assumptions, used in the VIU and FVLCTS models, could have a significant impact on the recoverable amounts of the CGUs and, consequently, the valuation of property, plant and equipment. The determination of these assumptions and estimates involves significant management judgment. Auditing the valuation of property, plant, and equipment, particularly the recoverable amounts of the relevant CGUs, proved to be complex and necessitated a high degree of auditor judgment, including the engagement of valuation specialists. The high degree of uncertainty and sensitivity of the calculations further increased the need for audit attention. It is for these reasons, the audit work on the impairment of property, plant and equipment was considered a key audit matter.	• Scenario analysis was utilised to determine a reasonable valuation range – the scenarios included adjustments to management VIU models for: – specific risk premiums – assumptions, including sales volume growth, steel sales prices, exchange rates using market available data – distressed asset discounts • Assessed Management's calculation of the CGU's carrying value applied in the impairment model for appropriateness using the accounting records. **For the FVLCTS CGU's, with the assistance of our internal valuation specialists we performed the following procedures to assess the recoverable amount:** • Obtained the quantum of scrap which included various plant specific documentation including building plans, plant diagrams and survey drawings, and evaluated the appropriateness thereof. • Evaluated the scrap price and demolition and transport costs elements applied to the quantum of scrap against market prices and quotations obtained for these relevant elements for reasonability. • Assessed the values allocated to individual assets where supportable second-hand sales prices are available for reasonability. We evaluated the adequacy of the disclosures in the notes to the consolidated and separate financial statements to the requirements of IAS 36: *Impairment of Assets*.
Key observations – valuation of property, plant and equipment Based on the procedures performed over the Valuation of Property, Plant and Equipment, we identified areas of discussions with management and after resolution we were able to conclude on our procedures.	
Valuation of Investment properties As at 31 December 2025, the Group and Company reported Investment Properties of R1.09 billion (2024: R0.69 billion) and R1.08 billion (2024: R0.67 billion) respectively. As disclosed in note 18 *Investment properties* to the consolidated and separate financial statements, the Group and Company carries investment properties at fair value in accordance with IAS 40 – *Investment Property*, with changes in fair value recognised in profit or loss. During the year, as disclosed in note 16 *Property, plant and equipment*, certain non-core properties located in the Saldanha area were reclassified from property, plant and equipment to investment properties following a change in the intended use of these assets – on transfer, the revaluation from cost to fair value of these properties were recognised in other comprehensive income. The fair values of the investment properties were determined using a combination of valuation techniques including income capitalisation and comparable sales by both external valuators and by management.	As part of our procedures, among others, we: • Evaluated the competence, capabilities and objectivity of the external valuers. • Obtained and assessed management's accounting treatment and memorandum relating to investment properties and the transfers from property, plant and equipment to investment properties against the requirements of IAS 40 and our understanding of the business. For a sample of investment properties, with the support of our internal valuation specialists, we assessed the methodology, judgements and assumptions applied in determining the fair value by management and management's external valuers. We performed the following: • Assessed whether the valuation methodologies applied are appropriate for the nature and location of the properties using the experience of our internal valuation specialists and common practice.

Independent auditor's report continued

Key audit mater description	How the matter was addressed in the audit
Valuation of Investment properties continued The specific areas of judgement and key assumptions requiring significant auditor's attention and the involvement of our internal valuation specialists included: • Market based gross rentals; • Vacancy provision; • Expense ratio; • Capitalisation rate; • Comparable sales values; and • Offers received. The valuation of investment properties requires significant judgement due to the inherent subjectivity and highly sensitive nature of the valuations - small changes in the judgments and assumptions could result in a material change in the fair value recognised. As such, valuation of investment properties was identified as a key audit matter. The disclosure associated with the valuation of investment properties are set out in note 18 *Investment properties*, note 16 *Property, plant and equipment* and note 3.3 *Significant assumptions and areas of estimation uncertainty.*	• Assessed the reasonableness of management's assumptions relating to market based gross rentals, vacancy provisions and expense ratio, by comparing these against historical income data, external property industry reports and market available data. • Compared the capitalisation rates applied in the valuations to ranges as determined by internal valuation specialists using market available data with risk adjustments. • Evaluated the reasonableness of the range of comparable sales used by management against market related data. • Considered offers received on certain properties by doing risk adjusting scenarios. • Assessed the reasonability of the fair values of the investment properties at year end by performing corroborative recalculations using market data and sensitivity adjustments and comparing the outcomes to the values determined by management. • Evaluated the adequacy of the disclosure of investment properties and the fair value thereof against the requirements of IFRS 13 – *Fair value measurement* and IAS 40 – *Investment property.*

Key observations – Valuation of Investment property

Based on the procedures performed over Valuation of Investment properties, we identified areas of discussion with management and after resolution, we were able to conclude on our procedures.

Other information

The directors are responsible for the other information. The other information comprises the information included in the 108-page document titled "ArcelorMittal South Africa Limited Audited Consolidated and Separate Annual Financial Statements for the year ended 31 December 2025", which includes the Directors' report, the Audit and risk committee report and the Certificate by the company secretary as required by the Companies Act of South Africa. 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.

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

Audit Tenure

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 ArcelorMittal South Africa Limited for four years.

Ernst & Young Inc
Director – Philippus Dawid Grobbelaar
Registered Auditor
Chartered Accountant (SA)

102 Rivonia Road
Sandton
Johannesburg
2146

30 April 2026

Group and Company statements of comprehensive income

for the year ended 31 December 2025

		Group		Company	
	Notes	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Revenue	4	32 291	38 596	30 601	36 678
Other income	6	1 921	–	1 699	–
Raw materials and consumables used		(17 353)	(22 296)	(16 868)	(22 042)
Employee costs		(3 592)	(4 329)	(3 469)	(4 205)
Energy		(6 073)	(5 892)	(5 876)	(5 709)
Movement in inventories of finished goods and work-in-progress		(2 135)	(1 737)	(1 179)	(455)
Depreciation		(1 024)	(807)	(958)	(783)
Amortisation of intangible assets		(15)	(11)	(15)	(11)
Impairment loss and movement in expected credit losses of trade and other receivables		(11)	(10)	(12)	(8)
Impairment of equity-accounted investments and subsidiaries	8	(2)	–	(4)	(7)
Impairment of property, plant and equipment	9	(112)	(682)	(112)	(682)
Reversal of impairment of property, plant and equipment and intangible assets	9	245	–	186	–
Other operating expenses		(6 183)	(7 279)	(5 858)	(7 031)
Loss from operations	10	(2 043)	(4 447)	(1 865)	(4 255)
Finance and investment income	11	230	82	288	108
Finance costs	12	(1 430)	(1 454)	(1 287)	(1 285)
Fair value adjustment of investment properties	18	198	37	198	(10)
Gain/(loss) on remeasurement of assets held-for-sale	27	8	(57)	–	–
Gain on bargain purchase	8	1	–	–	–
Income after tax from equity-accounted investments	19	16	5	–	–
Loss before taxation		(3 020)	(5 834)	(2 666)	(5 442)
Income taxation credit/(expense)	13	8	(5)	–	–
Loss for the year attributable to owners of the Company		(3 012)	(5 839)	(2 666)	(5 442)
Other comprehensive income/(loss)					
Items that will not be reclassified to income or loss (net of tax):					
Fair value adjustment of equity instruments		–	1	–	1
Revaluation of property, plant and equipment	16	272	–	272	–
Items that may be reclassified subsequently to income or loss (net of tax):					
Exchange differences on translation of foreign operations		(13)	1	–	–
Share of other comprehensive income of equity-accounted investments	19	(1)	–	–	–
Other comprehensive income for the year		258	2	272	1
Total comprehensive loss for the year attributable to owners of the Company		(2 754)	(5 837)	(2 394)	(5 441)
Basic/diluted loss per share (cents) attributable to owners of the Company	14	(270)	(524)	–	–

Group and Company statements of financial position

as at 31 December 2025

	Notes	Group 2025 Rm	Group Restated[1] 2024 Rm	Group Restated[1] 1 January 2024 Rm	Company 2025 Rm	Company 2024 Rm
ASSETS						
Non-current assets						
Property, plant and equipment[1]	16	**7 717**	7 708	8 309	**7 142**	7 152
Intangible assets	17	**60**	58	62	**60**	58
Investment properties	18	**1 090**	690	702	**1 075**	674
Equity-accounted investments	19	**217**	243	245	**30**	32
Investments in subsidiaries	20	**–**	–	–	**2 677**	2 321
Investment held by environmental trust	21	**576**	486	438	**–**	–
Other receivables	24	**3**	12	27	**2**	11
Other financial assets	22	**315**	–	11	**315**	–
Investment in sub-lease	25	**–**	–	–	**–**	35
Total non-current assets		**9 978**	9 197	9 794	**11 301**	10 283
Current assets						
Inventories	23	**6 682**	10 113	12 441	**6 366**	9 975
Trade and other receivables	24	**1 921**	2 246	3 552	**1 781**	2 109
Other financial assets	22	**–**	–	39	**–**	–
Investment in sub-lease	25	**–**	–	–	**34**	26
Cash, bank balances and restricted cash	26	**2 363**	3 594	3 485	**2 278**	3 504
Total current assets		**10 966**	15 953	19 517	**10 459**	15 614
Asset held-for-sale	27	**70**	126	134	**70**	**–**
Total assets		**21 014**	25 276	29 445	**21 830**	25 897
EQUITY AND LIABILITIES						
Equity						
Stated capital	28	**4 537**	4 537	4 537	**4 537**	4 537
Reserves		**(3 147)**	(3 448)	(3 515)	**1 691**	1 392
Retained (loss)/income[1]		**(1 819)**	1 209	7 112	**(4 833)**	(2 167)
Total equity		**(429)**	2 298	8 134	**1 395**	3 762
Non-current liabilities						
Borrowings	29	**5 476**	5 055	2 700	**5 476**	5 055
Lease liabilities	30	**194**	142	156	**192**	142
Provisions	31	**1 560**	1 578	1 474	**1 023**	1 155
Trade and other payables	32	**209**	228	210	**183**	227
Other financial liabilities	33	**783**	703	521	**783**	703
Total non-current liabilities		**8 222**	7 706	5 061	**7 657**	7 282
Current liabilities						
Borrowings	29	**3 650**	3 650	4 000	**3 650**	3 650
Lease liabilities	30	**52**	39	32	**52**	39
Provisions	31	**803**	1 714	924	**587**	1 494
Trade and other payables	32	**8 515**	9 708	11 020	**8 400**	9 621
Other financial liabilities	33	**89**	49	162	**89**	49
Taxation		**112**	112	112	**–**	–
Total current liabilities		**13 221**	15 272	16 250	**12 778**	14 853
Total equity and liabilities		**21 014**	25 276	29 445	**21 830**	25 897

[1] *Refer note 7 for detail of restatement.*

Group and Company statements of cash flows

for the year ended 31 December 2025

		Group		Company	
	Notes	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Cash flows (utilised in)/from operating activities					
Cash generated from operations	34.1	561	1 029	1 222	1 286
Finance income	34.2	90	80	113	107
Finance costs	34.3	(682)	(720)	(594)	(624)
Income taxation received/(paid)	34.4	8	(5)	–	–
Cash flows (utilised in)/from operating activities		(23)	384	741	769
Cash flows from investing activities					
Investment to maintain and expand operations	34.5	(1 004)	(938)	(956)	(907)
Proceeds from disposal of property, plant and equipment		14	11	–	11
Proceeds from disposal of asset held-for-sale		134	–	–	–
Investment in other financial assets	22	(315)	–	(315)	–
Proceeds from disposal of other financial assets		–	12	–	12
Receipt of dividends from equity-account investments		32	–	32	–
Loans advanced to subsidiaries		–	–	(669)	(409)
Net cash utilised by investing activities		(1 139)	(915)	(1 908)	(1 293)
Cash flows from financing activities					
Borrowings: Borrowing-based facility raised		4 700	8 100	4 700	8 100
Borrowings: Borrowing-based facility repaid		(4 500)	(8 400)	(4 500)	(8 400)
Borrowings: Loan from Industrial Development Corporation raised		–	1 000	–	1 000
Borrowings: Loan from Industrial Development Corporation repaid		(200)	(50)	(200)	(50)
Repayment of principal lease liabilities		(40)	(28)	(40)	(28)
Cash flows (utilised in)/from financing activities		(40)	622	(40)	622
Net (decrease)/increase in cash, cash equivalents and restricted cash		(1 202)	91	(1 207)	98
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash		(29)	18	(19)	17
Cash, cash equivalents and restricted cash at the beginning of the year		3 594	3 485	3 504	3 389
Cash, cash equivalents and restricted cash at the end of the year		2 363	3 594	2 278	3 504

Group and Company statements of changes in equity

for the year ended 31 December 2025

	Stated capital Rm	Restated[1] Retained income Rm	Treasury share equity reserve[2] Rm	Management share trust reserve[3] Rm	Share-based payment reserve Rm	Attributable reserves of equity-accounted investments Rm	Vested treasury shares[4] Rm	Deemed equity reserve[5] Rm	Translation reserve Rm	Other reserves[6] Rm	Total equity Rm
Group											
Year ended 31 December 2023											
Balance at 31 December 2022 – Restated[1]	4 537	11 049	(2 065)	(302)	1 228	(748)	(1 854)	398	(232)	(1)	12 010
As previously reported	4 537	10 714	(2 065)	(302)	1 228	(748)	(1 854)	398	(232)	(1)	11 675
Prior period error – Reversal of impairment	–	335	–	–	–	–	–	–	–	–	335
Total comprehensive income for the year	–	(3 920)	–	–	–	2	–	–	9	(6)	(3 915)
Loss for the year	–	(3 920)	–	–	–	–	–	–	–	–	(3 920)
Other comprehensive income	–	–	–	–	–	2	–	–	9	(6)	5
Share-based payment expense	–	–	–	–	39	–	–	–	–	–	39
Transfer between reserves	–	(17)	–	–	–	17	–	–	–	–	–
Balance at 31 December 2023 – Restated[1]	4 537	7 112	(2 065)	(302)	1 267	(729)	(1 854)	398	(223)	(7)	8 134
Year ended 31 December 2024											
Balance at 1 January 2024 – Restated[1]	4 537	7 112	(2 065)	(302)	1 267	(729)	(1 854)	398	(223)	(7)	8 134
Total comprehensive income for the year	–	(5 839)	–	–	–	–	–	–	1	1	(5 837)
Loss for the year	–	(5 839)	–	–	–	–	–	–	–	–	(5 839)
Other comprehensive income	–	–	–	–	–	–	–	–	1	1	2
Share-based payment expense	–	–	–	–	1	–	–	–	–	–	1
Transfer between reserves	–	(64)	–	–	–	5	–	–	–	59	–
Balance at 31 December 2024 – Restated[1]	4 537	1 209	(2 065)	(302)	1 268	(724)	(1 854)	398	(222)	53	2 298
Year ended 31 December 2025											
Balance at 1 January 2025	**4 537**	**1 209**	**(2 065)**	**(302)**	**1 268**	**(724)**	**(1 854)**	**398**	**(222)**	**53**	**2 298**
Total comprehensive income for the year	**–**	**(3 012)**	**–**	**–**	**–**	**(1)**	**–**	**–**	**(13)**	**272**	**(2 754)**
Loss for the year	**–**	**(3 012)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(3 012)**
Other comprehensive income	**–**	**–**	**–**	**–**	**–**	**(1)**	**–**	**–**	**(13)**	**272**	**258**
Share-based payment expense	**–**	**–**	**–**	**–**	**27**	**–**	**–**	**–**	**–**	**–**	**27**
Transfer between reserves	**–**	**(16)**	**–**	**–**	**–**	**16**	**–**	**–**	**–**	**–**	**–**
Balance at 31 December 2025	**4 537**	**(1 819)**	**(2 065)**	**(302)**	**1 295**	**(709)**	**(1 854)**	**398**	**(235)**	**325**	**(429)**

[1] *Refer note 7 for detail of restatement.*

Group and Company statements of changes in equity

continued

for the year ended 31 December 2025

	Stated capital Rm	Retained income/ (accumulated loss) Rm	Treasury share equity reserve Rm	Management share trust reserve[3] Rm	Share-based payment reserve Rm	Deemed equity reserve[5] Rm	Other reserves[6] Rm	Total equity Rm
Company								
Year ended 31 December 2024								
Balance at 1 January 2024	4 537	3 334	–	(302)	1 267	398	(32)	9 202
Total comprehensive income for the year	–	(5 442)	–	–	–	–	1	(5 441)
Loss for the year	–	(5 442)	–	–	–	–	–	(5 442)
Other comprehensive income	–	–	–	–	–	–	1	1
Share-based payment expense	–	–	–	–	1	–	–	1
Transfer between reserves	–	(59)	–	–	–	–	59	–
Balance at 31 December 2024	4 537	(2 167)	–	(302)	1 268	398	28	3 762
Year ended 31 December 2025								
Balance at 1 January 2025	4 537	(2 167)	–	(302)	1 268	398	28	3 762
Total comprehensive income for the year	–	(2 666)	–	–	–	–	272	(2 394)
Loss for the year	–	(2 666)	–	–	–	–	–	(2 666)
Other comprehensive income	–	–	–	–	–	–	272	272
Share-based payment expense	–	–	–	–	27	–	–	27
Transfer between reserves	–	–	–	–	–	–	–	–
Balance at 31 December 2025	4 537	(4 833)	–	(302)	1 295	398	300	1 395

[1] *Refer note 7 for detail of restatement.*

[2] ***Treasury share equity reserve***
In 2009, the Company implemented a share buyback arrangement, acquiring a number of its own shares from each shareholder. In September 2020, some of these shares were utilised as part of the employee share ownership plan and were transferred to other reserves, this amounted to R1 854 million.

[3] ***Management share trust reserve***
The management share trust reserve represents the net outflow from the purchase of treasury shares in order to meet obligations in terms of the ArcelorMittal South Africa equity-settled share option plan that were housed in the management share trust. The trust has been deregistered.

[4] ***Vested treasury shares***
The vested treasury shares of (R1 854) million (2024: (R1 854) million) for the Group were transferred from treasury share equity reserve during the 2020 financial year.

[5] ***Deemed equity***
Deemed equity reserve of R398 million (2024: R398 million) for the Group and Company. The reserve relates to the measurement of the interest-free portion of the loan from holding Company at amortised cost.

[6] ***Other reserves***
Other reserves consist of the following:
Capital redemption reserve of R24 million (2024: R24 million) for the Group and Company. The capital redemption reserve was created following the redemption of shares during the year ended 30 June 2000, out of profits that would otherwise be available for distribution to ordinary shareholders.

Equity instruments carried at fair value through other comprehensive income (FTVOCI) reserve of (R8) million (2024: (R8) million) for the Group and (R5) million (2024: (R5) million) for the Company. This reserve relates to the unrealised fair value gains/(losses) relating to the Group's investment in Hwange Colliery Company Ltd. During 2024, the Company sold its shareholding in MC Mining Ltd, resulting in R59 million of the cumulative fair value loss recognised in other reserves being transferred to retained earnings, refer to note 22.

The remaining other reserves relate mainly to revaluation of property, plant and equipment of R309 million (2024: R37 million) for the Group and R281 million (2024: R9 million) for the Company, following the transfer of properties from property, plant and equipment to investment properties.

Notes to the Group and Company audited consolidated and separate annual financial statements

for the year ended 31 December 2025

1. General information

ArcelorMittal South Africa (the Company) and its subsidiaries consolidated in these annual financial statements, to reflect "the Group", is one of the largest steel producers on the African continent. The Company is domiciled in South Africa and it is a public limited Company listed on the JSE.

2. Application of new and revised IFRSs

2.1. Changes in material accounting policies due to new IFRS Accounting Standards

In the current year, a number of amendments to IFRS and Interpretations issued by the International Accounting Standard Board (IASB) became effective for the annual period that begins on or after 1 January 2025. These have been early adopted by the Group and Company and applied in the previous financial year. Their adoption has not had any material impact on the disclosures or on the amounts reported in these annual financial statements.

Lack of exchangeability (Amendments to IAS 21)

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not and requires disclosure of additional information when not exchangeable.

2.2 Standards and interpretations not yet effective for December 2025

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2026, and earlier application is permitted. Those which may be relevant to the Group and Company are set out below and are not expected to have a material impact on the Group and Company's financial statements, unless indicated otherwise:

Classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7) – effective 1 January 2026

On 30 May 2024, the IASB published Amendments to the Classification and Measurement of Financial Instruments. The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 *Financial Instruments*.

These amendments have not been early adopted by the Group in the 2025 financial year and are not expected to have a material impact on the Group and Company's financial statements.

Annual Improvements – Volume 11 (Amendments to IFRS 1, 7, 9, 10 & IAS 7) – effective 1 January 2026

The IASB issued amendments to IFRS Accounting Standards as part of its annual improvements process. These annual improvements are minor or narrow in scope and the amendments are unrelated. Annual improvements are limited to changes that either clarify the wording in an IFRS Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements of the standards.

These amendments have not been early adopted by the Group in the 2025 financial year and are not expected to have a material impact on the Group and Company's financial statements.

Amendments regarding power purchase agreements (Amendments to IFRS 9 and IFRS 7) – effective 1 January 2026

On 18 December 2024, the IASB published Amendments to IFRS 9 and IFRS 7, including clarifying the application of the "own-use" requirements; permitting hedge accounting of contracts used as hedging instruments; and adding new disclosure requirements to enable investors to understand the effect of these contracts on a Company's financial performance and cash flows, enabling entities to include information in their financial statements that more faithfully represents contracts referencing nature-dependent electricity.

These amendments have not been early adopted by the Group in the 2025 financial year and are not expected to have a material impact on the Group and Company's financial statements.

IFRS 18 *Presentation and Disclosures in Financial Statements* – effective 1 January 2027

IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements. It replaces IAS 1 *Presentation of financial statements*, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

2. Application of new and revised IFRSs continued

2.2 Standards and interpretations not yet effective for December 2025 continued

IFRS 18 *Presentation and Disclosures in Financial Statements* – effective 1 January 2027 continued

IFRS 18 will have material impact on the presentation and disclosure of the financial statements, through newly specified categories and defined subtotals in the statement of comprehensive income, required disclosures on management-defined performance measures (MPMs) in the notes of the financial statements and enhanced principles of aggregation and disaggregation. However, the standard will not result in a change for recognition and measurement in terms of the Group's accounting policies and has not been early adopted by the Group in the 2025 financial year.

3. Material accounting policy information

The principal accounting policies applied in the preparation of the Group and Company annual financial statements are set out below.

These policies have been consistently applied from the comparative year presented, except for the Group's policy on accounting for government grants, which have been implemented for the first time in the current year – refer to note 6.

3.1 Statement of compliance

The annual financial statements are prepared in compliance with the IFRS accounting standards as issued by the IASB, the Companies Act 71 of 2008, the Financial Pronouncements as issued by the Financial Reporting Standards Council and SAICA Financial Reporting Guides as issued by the Accounting Practices Committee relevant to its operations.

3.2 Basis of preparation

The annual financial statements have been prepared under the historical cost convention, except for certain equity instruments which are at fair value through other comprehensive income (FVTOCI), certain equity instruments and derivatives at fair value through profit or loss (FVTPL) and investment properties at fair value. The consolidated and separate annual financial statements are presented in rand and all values are rounded to the nearest million (R000 000), except when indicated otherwise.

The Group and Company have prepared the consolidated and separate annual financial statements on the basis that it will continue to operate as a going concern – refer to note 42.

3.3 Significant assumptions and areas of estimation uncertainty

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

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

- Valuation of investment properties – a level 3 fair value utilising significant unobservable inputs, specifically the capitalisation rate, vacancy provision, expense ratio, market-based gross rental, comparable sales and offers received – refer to note 18
- Expected credit loss assessment on trade receivables – specifically the forward-looking adjustment – refer to note 24
- The residual value and useful life of property, plant and equipment were reassessed as required by IAS 16 *Property, Plant and Equipment* – refer to note 16
- Impairment assessment of property, plant and equipment, including recoverability of assets under construction as applicable – Value in use calculations: The discount rate, future exchange rates, future sales prices, future sales volumes and growth rate; Fair value less costs to sell: Observable market prices adjusted using significant unobservable inputs – refer to note 16
- Investment in subsidiaries - Value in use calculations: The discount rate, future exchange rates, future sales prices and future sales volumes – refer to note 20
- Environmental remediation provision and asset retirement obligation – specifically the expectation of future cost and the discount rate – refer to note 31
- Going concern basis – refer to note 42.

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

3. Material accounting policy information continued

3.4 Investments in subsidiaries, joint ventures and associates by the Company

The Company accounts for all investments in subsidiaries, jointly controlled entities and associates at cost less impairment.

Dividends received from subsidiaries, jointly controlled entities and associates are recognised in profit or loss when the Company has the right to receive the dividend.

3.5 Basis of consolidation

The Group's annual financial statements incorporate the financial statements of the Company and its subsidiaries.

Subsidiaries are all investees over which the Group has control. The Group controls an investee when it is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated.

3.6 Interest in equity-accounted investees

A joint venture is a contractual arrangement whereby the parties that have joint control over the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement that exists only when the decision about the relevant activities requires the unanimous consent of the parties sharing control.

Joint venture arrangements that involve the establishment of a separate entity in which each venture has an interest are referred to as jointly controlled entities.

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

The assets and liabilities of jointly controlled entities and associates are incorporated into the Group's annual financial statements using the equity method of accounting, except when the investment is classified as held-for-sale, in which case it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Under the equity method, investments in joint ventures and associates are carried in the consolidated statement of financial position at cost and adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture and associate, less any impairment in the value of individual investments.

The Group's share of its jointly controlled entities' post-acquisition profits or losses and other comprehensive income is recognised in the statement of comprehensive income and its share of post-acquisition movements in reserves is recognised as reserves of the Group. The cumulative post-acquisition movements are adjusted against the carrying amounts of the investment.

Losses of a jointly controlled entity and associate in excess of the Group's interest in that entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity and associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the jointly controlled entity and associate.

Where a Group entity transacts with a jointly controlled entity and associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant jointly controlled entity and associate.

3.7 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive committee of the Group.

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

3. Material accounting policy information continued

3.8 Foreign currency translation

Functional and presentation currency items included in the annual financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements are presented in ZAR, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised as gains or losses in the statement of comprehensive income, except when deferred in equity as qualifying cash flow hedges.

For fair value through other comprehensive income assets, changes in the fair value of such monetary securities denominated in foreign currency are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences are recognised in the statement of comprehensive income.

Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency of the Group as follows:

- Assets and liabilities for each reporting date presented are translated at the closing rate at the date of the statement of financial position
- Income and expenses for each reporting period are translated at average exchange rates for the reporting period
- All resulting exchange differences are recognised as a separate component of equity within the translation of foreign operations reserve

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are disclosed in the statement of comprehensive income and are taken to shareholders' equity.

3.9 Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and impairment. Cost includes professional fees and, for assets constructed by the Group and Company, any related works to the extent that these are directly attributable to the acquisition or construction of the asset.

Property, plant and equipment, except land, are depreciated using the straight-line method over the useful lives of the related assets. Depreciation, gains and losses on disposal and impairment losses are recognised in the statement of comprehensive income when incurred.

Major improvements, which are expected to generate future economic benefits over more than one reporting period, are capitalised, while repairs and maintenance are charged as an expense when incurred. Where a tangible fixed asset comprises major components having different useful lives, these components are accounted for as separate items. The estimated residual values and expected useful lives of assets are reviewed annually.

Property, plant and equipment under construction are recorded as assets under construction until they are ready for their intended use; thereafter they are transferred to the related category of property, plant and equipment and depreciated over their estimated useful lives. Gains and losses on retirement or disposal of assets are reflected in the statement of comprehensive income.

Property, plant and equipment is derecognised upon disposal or when the property, plant and equipment is permanently withdrawn from use and no future economic benefits are expected from the disposal.

3.10 Investment properties

Investment properties are properties held to earn rental income and/or for capital appreciation (including property under development for such purposes).

Investment property is initially recognised at cost including transaction costs. Cost includes initial costs, costs incurred subsequently to extend or refurbish investment property and the cost of any development rights.

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

3. Material accounting policy information continued

3.10 Investment properties continued

Investment property is subsequently measured at fair value as determined on an annual basis by an independent registered valuer, with values being adjusted for internal information when applicable. Gains or losses arising from changes in fair value, after deducting the straight-line rental income accrual, are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the property. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognised.

The gain or loss is calculated as the difference between the net disposal proceeds and the carrying amount of the asset.

Realised gains or losses arising on the disposal of investment properties are recognised in profit or loss for the year.

3.11 Leases

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. The Group and Company assess whether a contract is, or contains a lease at inception of the contract.

3.11.1 Accounting for leases as lessee

The Group and Company recognise a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less), and leases of low-value assets. For these leases, the Group and Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and Company use its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments).

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group and Company remeasure the lease liability (and make a corresponding adjustment to the related right-of-use asset) whenever:
- The lease term has changed; in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group and Company expect to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as part of the property, plant and equipment line in the consolidated statement of financial position.

3. Material accounting policy information continued

3.11 Leases continued

3.11.1 Accounting for leases as lessee continued

The Group and Company apply IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the property, plant and equipment policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group and Company have not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocated the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components.

3.11.2 Accounting for leases as lessor

The Group determines at the inception of the agreement whether each agreement is a finance lease or an operating lease. The Group assesses whether the agreement transfers substantially all the risk and rewards incidental to ownership of the underlying lease assets to the lessee and classifies it as a finance lease. If not the case, the agreement is classified as an operating lease. If the arrangement contains lease and non-lease components, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices.

Assets leased out under operating leases are included under investment properties. The Group recognises rental income, net of any incentives given to the lessee, on a straight-line basis over the lease term.

3.12 Impairment of tangible and intangible non-financial assets

At each statement of financial position date, the Group and Company review the carrying amounts of tangible and intangible non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). In order to ensure completeness of the impairment assessment of individual assets, all tangible assets and intangible assets are allocated to the cash-generating unit (CGU) to which they belong. An impairment assessment is then undertaken on the individual CGU.

In assessing value in use, the estimated future pre-tax 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 (or CGU).

Where an impairment loss subsequently reverses, the carrying amount of the asset (CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (CGU) in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income.

3.13 Financial assets

Financial assets are recognised on the trade date where the purchase or sale of the asset is under a contract whose terms require delivery within the timeframe established by the market concerned. These assets are initially measured at fair value, net of transaction costs except for those financial assets classified as FVTPL, which are initially measured at fair value.

Financial assets are classified into the following specified categories:
- Amortised cost
- FVTOCI
- FVTPL

3. Material accounting policy information continued

3.13 Financial assets continued

3.13.1 Measured at amortised cost

Trade receivables and other receivables held to collect contractual cash flows that are solely payments of principal and interest on specified dates are classified as measured at amortised cost. These assets are subsequently measured at amortised cost using the effective interest method. The gross carrying amount is reduced by impairment losses, expected credit loss and other allowances.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

3.13.2 FVTOCI financial assets

Certain listed shares and similar securities held by the Group and Company that are traded in an active market are classified as being FVTOCI and are subsequently measured at fair value.

The entity has elected to measure certain listed shares at FVTOCI because these are seen as long-term investments and are not speculative.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income (OCI) and are never reclassified to profit or loss.

3.13.3 FVTPL financial assets

All other financial assets that are neither classified as measured at amortised cost nor FVTOCI are classified as FVTPL.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

3.13.4 Impairment of financial assets

The Group and Company recognise a loss allowance for expected credit losses on financial assets measured at amortised cost. The Group and Company measure loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured at twelve-month expected credit losses:

- Debt securities that are determined to have low credit risk at the reporting date
- Other debt securities and bank balances for which credit risk (ie the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Twelve-month expected credit losses are the portion of expected credit losses that result from default events that are possible within twelve months after the reporting date.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the credit losses that result from all probable default events over the expected life of a financial asset.

A trade receivable is in default when contractual payments are past due the standard credit terms, which are 30 days to 60 days. 92% (2024: 90%) of trade customers have payment terms of 30 days or less. This is considered to be an appropriate indicator of default when considered against the Group's customer base, the trading terms for which are predominantly 30 days. This is also informed by the Group's extensive experience with its customer base.

Trade receivables are covered by the credit insurance provider. An outstanding trade receivable amount that is claimed from the insurer is written off upon the conclusion of an insurance claim when applicable. For outstanding amounts not recovered via the claim process, once all internal measures to collect contractual cash flows have been exhausted, the matter is referred for legal action in an attempt to secure recoveries. Contractual amounts outstanding, still subject to enforcement activity, are not written off. Such amounts are provided for and only impaired upon settlement of action.

Every case is assessed on its own merit before a decision to write off is finalised. The timing of this decision is uncertain and will depend on the facts and merits of the collection efforts and is based on the cost versus benefit of continuing the collection effort.

3. Material accounting policy information continued

3.13 Financial assets continued

3.13.5 Derecognition of financial assets

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss
but is transferred to retained earnings.

3.14 Financial liabilities and equity instruments issued by the Group and Company

3.14.1 Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

3.14.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

3.14.3 Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or measured at amortised cost. A financial liability is classified as FVTPL if it is held-for-trading, a derivative or it is designated as such on initial recognition.

3.14.4 Measured at amortised cost

Borrowings

Borrowings are recognised initially at cost, which typically reflects the fair value of the funding transaction.

Borrowings are subsequently measured at amortised cost.

Borrowings are classified as current liabilities unless the Group and Company have an unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. Subsequently, these are measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.14.5 FVTPL financial liabilities

Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

3.15 Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

The Group and Company do not apply hedge accounting.

3. Material accounting policy information continued

3.16 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. Work-in-progress and finished goods include the purchase costs of raw materials and conversion costs such as direct labour and an allocation of fixed and variable production overheads. Raw materials, qualifying spare parts and consumables are valued at cost inclusive of freight, shipping and handling costs.

Net realisable value represents the estimated selling price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

Costs incurred when production levels are abnormally low are capitalised as inventories based on normal capacity with the remaining costs incurred recorded as a component of cost of sales in the consolidated statements of operations.

3.17 Assets held-for-sale

Non-current assets and disposal groups are classified as held-for-sale when:
- They are available for immediate sale
- Management is committed to a plan to sell
- It is unlikely that significant changes to the plan will be made or that the plan will be withdrawn
- An active programme to locate a buyer has been initiated
- The asset or disposal Group is being marketed at a reasonable price in relation to its fair value
- A sale is expected to be completed within 12 months from the date of classification.

Non-current assets and disposal groups classified as held-for-sale are measured at the lower of:
- Their carrying amount immediately prior to being classified as held-for-sale in accordance with the Group's accounting policy
- Fair value less costs of disposal.

Following their classification as held-for-sale, non-current assets (including those in a disposal Group) are not depreciated and equity accounting of interests in equity-accounted investees ceases.

3.18 Cash, cash equivalents and restricted cash

Cash and cash equivalents include cash on hand, deposits held on call with banks, and other short-term highly liquid investments with original maturities of three months or less, which are subject to an insignificant risk of changes in value.

Restricted cash includes cash held in ceded bank accounts relating to environmental obligations and the true sale of receivables (TSR) programme. The restricted cash related to the TSR programme is cash proceeds subsequently received from TSR debtors by the Company that is collected on behalf of the TSR programme provider and will be paid over to them.

The TSR programme is the sale of receivables balances by the Group with no recourse to third parties. At the date of sale, the Group retains substantially all risks, primarily credit risk and rewards, being the right to receive cash normally associated with ownership of these receivables. These trade receivables are therefore not derecognised from the statement of financial position as financial assets at the date of sale to third parties. The debtors will settle the balance due to the Group, at which point the balance receivable is derecognised, and thereafter the Group is obligated to transfer those amounts to the third parties. Once transferred, the Group derecognises the liability towards the TSR programme provider.

3. Material accounting policy information continued

3.19 Stated capital

Equity instruments issued by the Group and Company are classified according to the substance of the contractual arrangements entered into and the definition of an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group and Company after deducting all liabilities.

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or portions are shown in equity as a deduction, net of tax effects, from the proceeds.

Where any group or company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is recognised in an equity reserve attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received (net of any directly attributable incremental transaction costs and the related income tax effects) is included in equity attributable to the Company's equity holders.

3.20 Employee benefits

3.20.1 Short-term employee benefits

Services rendered by employees during a reporting period are recognised as the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as a liability, after deducting any amount already paid; and as an expense, unless included in the cost of inventory or property, plant and equipment. The cost of all short-term employee benefits, such as salaries, bonuses, housing allowances, medical and other contributions, is recognised during the period in which the employee renders the related service.

3.20.2 Short-term compensated absences (leave pay benefits)

The expected cost of short-term employee benefits in the form of compensated absences is recognised (i) in the case of accumulating compensated absences, when the employees render service that increase their entitlement to future compensated absences; and (ii) in the case of non-accumulating compensated absence, when the absence occurs. The leave pay benefits of the Group and Company are accumulative in nature.

3.20.3 Retirement benefits

Contributions are paid in return for services rendered by the employees during the period. Such payments are expensed as they are incurred in line with the treatment of short-term employee benefits. No provisions are established in respect of defined contribution plans as they do not generate future commitments.

3.20.4 Medical benefits

No contributions are made to the medical aid of retired employees, except for a closed group of early retirees in respect of whom contributions are made. The present value of the post-retirement medical aid obligation for such early retirements is actuarially determined annually on the projected unit credit method and any deficit or surplus is immediately recognised in profit or loss.

3.20.5 Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The Group and Company recognise termination benefits when demonstrably committed to either:

- Terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal
- Provide termination benefits as a result of an accepted offer made to encourage voluntary redundancy in exchange for these benefits.

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

3. Material accounting policy information continued

3.21 Provisions

Provisions for asset retirement obligations, environmental remediation obligations, onerous contracts, restructuring costs, legal claims and similar obligations are recognised when:

- A present legal or constructive obligation exists as a result of past events
- It is probable that an outflow of resources will be required to settle the obligation
- The amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

The increase in provisions due to the passage of time is recognised as accretion expenses within finance costs. Changes in the discount rate are recognised as finance costs or finance income.

The Group, as part of their normal business, is involved in legal and contractual disputes. These disputes are managed by internal legal with the support of external legal counsel. At year end, only matters where there is a present obligation, probability of outflow and a reliable estimate of the loss can be made was provided.

3.22 Revenue recognition

The Group and Company generate revenue primarily from the sale of long and flat steel products, as well as beneficiated by-products in the ordinary course of the Group and Company's activities.

Revenue is measured based on the consideration specified in a contract with a customer. Revenue is recognised at a point in time and to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Revenue is presented net of value added tax, returns, rebates and discounts. The Group and Company base such estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. All amounts invoiced to a customer in a sale transaction related to distribution and handling costs are classified as revenue, at a point in time with the costs related thereto shown as distribution and handling costs within other operating expenses.

For contracts that permit the customer to return an item, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the most likely outcome (which is determined using historical data). In these circumstances, a refund liability and a right to recover returned goods asset are recognised. The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The refund liability is included in other payables and the right to recover returned goods is included in inventory.

The Group and Company review its estimate of expected returns at each reporting date and update the amounts of the asset and liability accordingly.

When a customer pays consideration before the transfer of goods to the customer, a contract liability is recognised which represent the Group or Company's obligation to transfer the goods to the customer for which the entity has received the consideration. The contract liability is included in trade payables.

The Group and Company recognise revenue when it transfers control over goods to a customer. Sales of goods are recognised based on the relevant delivery terms at which point the performance obligations are met and control of goods has been transferred to the customer. Control of goods transfers either when the customer has accepted the products in accordance with the sales contract or the Group and Company have objective evidence that all criteria for acceptance have been satisfied.

For sales of goods under bill-and-hold arrangements, revenue is recognised when the relevant recognition criteria for bill-and-hold transactions in accordance with IFRS 15, *Revenue from contracts with customers*, are met.

The standard payment terms range between 0 and 30 days from month-end statement date.

The Group has taken advantage of the practical exemptions:

- Not to account for significant financing components where the time difference between receiving consideration and transferring control of goods (or services) to its customer is one year or less
- Expense the incremental costs of obtaining a contract when the amortisation period of the asset otherwise recognised would have been one year or less.

3. Material accounting policy information continued

3.23 Share-based payments

3.23.1 Equity-settled share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

Fair value determination of equity-settled share-based transactions is measured using the share price as a reference point.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group and Company's estimate of the number of equity instruments that will eventually vest. At each statement of financial position date, the Group and Company revise their estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the share-based payment reserve.

3.23.2 Vesting conditions

Vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. Features of a share-based payment that are not vesting conditions are included in the grant date fair value of the share-based payment. The fair value also includes market-related vesting conditions.

3.24 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.24.1 Current tax

The current tax is based on taxable income or loss for the year. Taxable income or loss differs from income or loss as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the date of the statement of financial position.

3.24.2 Deferred income tax

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Group and Company annual financial statements. Deductible temporary differences are only recognised to the extent that taxable temporary differences exist or it is probable that future taxable profit will flow to the entity.

3.25 Grants

Government grants are initially recognised as deferred income. It is subsequently recognised in profit or loss on a systematic basis over the period in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

4. Revenue

The Group and Company generate revenue primarily from the sale of steel products as well as beneficiated by-products in the ordinary course of the Group and Company's activities.

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Revenue from major products				
Steel operations				
Coated	**6 689**	7 203	**6 689**	7 203
Heavy sections/rails	**4 279**	1 887	**2 682**	–
Hot rolled	**9 704**	10 622	**9 704**	10 622
Merchant bars	**2 124**	7 169	**2 124**	7 163
Pool iron	**1 098**	1 436	**1 098**	1 436
Seamless tubular products	**801**	813	**801**	813
Uncoated	**4 508**	5 426	**4 508**	5 426
Wire rod	**1 834**	2 707	**1 834**	2 707
	31 037[1]	37 263	**29 440**	35 370
Non-steel operations				
Coke and tar	**583**	1 111	**583**	1 111
Other[2]	**671**	222	**578**	197
	1 254	1 333	**1 161**	1 308
Total	**32 291**	38 596	**30 601**	36 678
Revenue to external customers				
Local	**25 881**	30 500	**24 361**	28 728
Export	**6 410**	8 096	**6 240**	7 950
Rest of Africa	**3 366**	5 184	**3 196**	5 038
America	**555**	25	**555**	25
Asia	**596**	909	**596**	909
Europe	**1 893**	1 669	**1 893**	1 669
Middle East	**–**	305	**–**	305
Other	**–**	4	**–**	4
Total	**32 291**	38 596	**30 601**	36 678

1 *Current year revenue include revenue of R613 million generated through sales under bill-and-hold arrangements not yet delivered at year-end.*

2 *Other revenue mainly consist of sales of by-products to third-parties and raw materials (R380 million) to related parties (with the latter having only occurred in the 2025 financial year).*

5. Segment report

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

The Group's reportable segments are:

- Steel Operations consisting of Vanderbijlpark plant, Newcastle plant, Vereeniging plant and ArcelorMittal Rail and Structures
- Non-Steel Operations consisting of Coke and Chemicals undertaking the processing and marketing of by-products and the production and marketing of commercial grade coal, Thabazimbi Iron Ore Mine and Collect-a-Can[1] and the decommissioned Saldanha plant, Maputo plant and Pretoria plant
- Corporate and other, consisting of commercial functions, procurement and logistics activities, shared services, investments and the results of the non-trading consolidated subsidiaries and consolidated structured entities

[1] *The Group obtained control of Collect-a-Can during the current period and included it in the non-steel segment. The entity was previously reported as part of the corporate segment as an equity-accounted investment.*

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

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

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

Assets not allocated to operating segments:

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

Liabilities not allocated to operating segments:

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

Transactions between segments follow the Group's accounting policies and are at cost plus margin.

5. Segment report continued

	Steel operations Rm	Non-steel operations Rm	Corporate and other Rm	Adjustments and eliminations Rm	Total reconciling to the consolidated amounts Rm
For the year ended 31 December 2025					
Revenue					
External customers	31 037	1 254	–	–	32 291
Internal customers	–	234	–	(234)	–
Total revenue	31 037	1 488	–	(234)	32 291
Revenue to external customers distributed as:					
Local	25 007	1 108	–	(234)	25 881
Export	6 030	380	–	–	6 410
Rest of Africa	3 366	–	–	–	3 366
America	555	–	–	–	555
Asia	596	–	–	–	596
Europe	1 513	380	–	–	1 893
Total	31 037	1 488	–	(234)	32 291
Other income	1 809	112	–	–	1 921
Expenses					
Raw materials and consumables used	(17 147)	(206)	–	–	(17 353)
Employee cost	(3 516)	(76)	–	–	(3 592)
Energy	(5 975)	(98)	–	–	(6 073)
Movement in inventories of finished goods and work-in-progress	(1 514)	(823)	–	202	(2 135)
Impairment reversal/(loss) and movement in expected credit losses of trade and other receivables	1	(12)	–	–	(11)
Other operating expenses	(6 034)	(149)	–	–	(6 183)
EBITDA	(1 339)	236	–	(32)	(1 135)
Impairment of equity-accounted investment	–	–	(9)	7	(2)
Impairment of property, plant and equipment	(112)	–	–	–	(112)
Reversal of impairment of property, plant and equipment and intangible assets	245	–	–	–	245
Depreciation and amortisation	(980)	(43)	(16)	–	(1 039)
(Loss)/profit from operations	(2 186)	193	(25)	(25)	(2 043)
Finance and investment income	117	13	123	(23)	230
Finance costs	(421)	(189)	(843)	23	(1 430)
Fair value adjustment of investment properties	47	88	63	–	198
Gain on remeasurement of asset held-for-sale	–	8	–	–	8
Gain on bargain purchase	–	–	–	1	1
Income after tax from equity-accounted investments	–	–	16	–	16
(Loss)/profit before taxation	(2 443)	113	(666)	(24)	(3 020)
Income taxation expense	8	–	–	–	8
(Loss)/profit for the year	(2 435)	113	(666)	(24)	(3 012)
Segment assets (excluding investments in equity-accounted entities)	15 293	2 800	2 769	(65)	20 797
Investments in equity-accounted entities	–	–	217	–	217
Segment liabilities	(8 030)	(1 705)	(11 761)	53	(21 443)
Cash generated from/(utilised in) operations	338	93	156	(26)	561
Capital expenditure	(968)	(8)	(28)	–	(1 004)
Number of employees at the end of the year (own)	3 963	191	626	–	4 780

5. Segment report continued

	Steel operations Rm	Non-steel operations Rm	Corporate and other Rm	Adjustments and eliminations Rm	Total reconciling to the consolidated amounts Rm
For the year ended 31 December 2024					
Revenue					
External customers	37 263	1 333	–	–	38 596
Internal customers	–	293	–	(293)	–
Total revenue	37 263	1 626	–	(293)	38 596
Revenue to external customers distributed as:					
Local	29 167	1 626	–	(293)	30 500
Export	8 096	–	–	–	8 096
Rest of Africa	5 184	–	–	–	5 184
America	25	–	–	–	25
Asia	909	–	–	–	909
Europe	1 669	–	–	–	1 669
Middle East	305	–	–	–	305
Other	4	–	–	–	4
Total	37 263	1 626	–	(293)	38 596
Expenses					
Raw materials and consumables used	(22 161)	(209)	(238)	312	(22 296)
Employee cost	(3 758)	(76)	–	–	(3 834)
Energy	(5 807)	(85)	–	–	(5 892)
Movement in inventories of finished goods and work-in-progress	(937)	(800)	–	–	(1 737)
Impairment loss and movement in expected credit losses of trade and other receivables	(2)	(8)	–	–	(10)
Other operating expenses	(7 650)	(124)	–	–	(7 774)
EBITDA	(3 052)	324	(238)	19	(2 947)
Impairment of property, plant and equipment and intangible assets	(682)	–	–	–	(682)
Depreciation and amortisation	(759)	(43)	(16)	–	(818)
(Loss)/profit from operations	(4 493)	281	(254)	19	(4 447)
Finance and investment income	(10)	1	119	(28)	82
Finance costs	(621)	(141)	(720)	28	(1 454)
Fair value adjustment of investment properties	–	37	–	–	37
Loss on remeasurement of asset held-for-sale	–	(57)	–	–	(57)
Income after tax from equity-accounted investments	–	–	5	–	5
(Loss)/profit before taxation	(5 124)	121	(850)	19	(5 834)
Income taxation expense	–	(5)	–	–	(5)
(Loss)/profit for the year	(5 124)	116	(850)	19	(5 839)
Segment assets (excluding investments in equity-accounted entities)	18 358	2 358	4 153	(171)	24 698
Investments in equity-accounted entities	–	–	243	–	243
Segment liabilities	9 268	1 740	12 146	(176)	22 978
Cash generated from/(utilised in) operations	524	96	432	(23)	1 029
Capital expenditure	915	5	18	–	938
Number of employees at the end of the year (own)	5 165	156	676	–	5 997

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

5. Segment report continued

5.1 Geographical information

The Group operates primarily in South Africa. Export sales are primarily sold into sub-Saharan Africa, Asia, Europe and America.

5.2 Information about major customers

	2025		2024	
	Steel operations Rm	% of Group revenue	Steel operations Rm	% of Group revenue
Revenue of major customers				
Customer 1	3 836	11.9	4 695	12.2
Customer 2	5 064	15.7	–	–

6. Other income

		Group		Company	
	Notes	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Funding utilised – IDC		1 809	–	1 629	–
Rental income		112	–	70	–
Total		1 921	–	1 699	–

The Group received funding of R380 million from the IDC in February 2025 for the deferral of the Longs Business closure by a month. The Group then received additional funding of R1 683 million from the IDC for the purpose of being applied towards the continued operation of the Longs Business for a deferral period ending in September 2025. In terms of the agreement, for both amounts received, the funds received would be repayable with interest to the IDC, should both parties agree, in the event that the Longs Business is financially solvent and liquid, realise positive EBITDA and has positive cash flow.

The funding has been received for the operational costs, as presented within other income above, finance costs and capital expenditure of the Longs Business over the deferral period.

The facility has been initially recognised as deferred income and subsequently recognised in profit or loss as the expenses to which it relates have been incurred over the deferral period and, for the portion of the funding received for capital expenditure, within depreciation and amortisation expense on a straight-line basis over the expected useful lives of the related assets once these assets are brought into use.

		Group		Company	
	Notes	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Carrying amount at the beginning of the year		–	–	–	–
Funding received – IDC		2 063	–	2 063	–
Funding allocated to ArcelorMittal Rail and Structures (Proprietary) Limited (AMRAS)		-	-	(230)	-
Other income		-	-	(180)	-
Finance cost		-	-	(30)	-
Transfer to property, plant and equipment		-	-	(20)	-
Income recognised for the period					
Other income		(1 809)	–	(1 629)	–
Finance cost	12	(182)	–	(152)	–
Transfer to property, plant and equipment	16	(72)	–	(52)	–
Carrying amount at the end of the year		–	–	–	–

As at 31 December 2025, management has performed an assessment to determine whether the funding could be repayable to the IDC.

6. Other income continued

In considering the results of the Longs Business, the assessment is based on the assumption that the ArcelorMittal Rail and Structures (Proprietary) Limited (AMRAS) plant will continue to operate at normal levels of production for the period considered and going forward. The Vereeniging plant has been placed in care and maintenance as of November 2025 but will resume partial operations for the 2026 year after which it is planned to again be placed in care and maintenance from 2027. The Newcastle plant has been placed in care and maintenance from October 2025 and is not planned to restart operations for the period considered and going forward. The period considered is therefore up to 31 December 2025 consisting of actual results for the year and the forecast results for the 2026 and 2027 financial year.

Management has determined the following based on the results assessed for the Longs Business:

- **Liquidity (Current assets in comparison with current liabilities)**
  At year-end 31 December 2025, current liabilities exceed current assets by R2 129 million, with the deficit forecast to increase to R2 227 million for 2026 and R2 454 million for 2027.
- **Solvency (Total assets in comparison with total liabilities)**
  At year-end 31 December 2025, total liabilities exceed total assets by R1 229 million, with this deficit forecast to increase to R1 249 million and R1 425 million in 2026 and 2027, respectively. The Longs Business will not be solvent.
- **EBITDA**
  EBITDA, determined in terms of the definition of EBITDA as set out in the agreement with the IDC, for the year ended 31 December 2025 is a negative R316 million, including the effect of funding received from the IDC, and forecast at a positive R190 million and R68 million for the years ending 31 December 2026 and 2027.
- **Free cash flow**
  The free cash flow of the Longs Business by year-end 31 December 2025 is R973 million positive, mainly resulting from the IDC funding received. For 2026 and 2027, it is forecast to generate negative cash movements of R707 million and R995 million for the years ending 31 December 2026 and 2027, respectively, which is then funded by the Group resulting in an increase in the loan accounts.

The Group will not repay the funding to the IDC in the foreseeable future based on the Longs Business remaining in a negative net asset position with negative EBITDA in the current year, and no free cash flow available to repay the facility as forecast for 2026 and 2027.

	Vereeniging 2026	AMRAS 2026 – 2027
Major assumptions[1]		
Exchange rate range (R/USD)	17.50	17.50 – 17.87
Sales price range (average USD/t)[2]	1 175 – 3 159	731 – 1 147
Sales volume (kt)	47	155 and 128

[1] *Other major assumptions include inflation rates ranging from 4.2% to 4.4% per annum (p.a.) for SA CPI, 4.7% to 4.3% p.a. for SA Producer Price Index and 2.5% to 2.3% p.a. for USA CPI, as well as a range of different escalation rates applied for different inputs of material and services, among others.*

[2] *Lowest to highest range of sales prices for the period of 2026 to 2027 across all products sold.*

7. Prior period error

Management performed its annual impairment indicator assessment, in line with IAS 36 *Impairment of Assets*, during quarter 4 of the 2025 financial year. Generally, management determines the recoverable amount as the value in use of the Group's cash-generating units, however, in the current year the Group has placed two plants in care and maintenance and no value in use was applicable given that operations at these plants are not currently planned to continue. Instead, management determined the recoverable amount for these plants based on fair value less costs to sell. All plants in care and maintenance were included in the determination of recoverable amount based on fair value less costs to sell, with the result that the determined recoverable amount exceeded the carrying amount for the plants in question.

This assessment triggered the re-assessment of one of the plants, placed in care and maintenance in 2019. In 2020, the recoverable amount was determined based on value in use only. The Saldanha plant was therefore impaired to Rnil in the 2020 financial year. In performing a detailed analysis of the recoverable amount, whereby the fair value less costs to sell represents the scrap value that would be obtained from dismantling the plant and disposing as scrap, it has come to the attention of management that the information used to derive the scrap value was available at the stage that the plant was impaired to Rnil. Management incorrectly used only the value in use model instead of the higher of the value in use model and fair value less costs to sell to determine the possible recoverable amount, even though the information to determine the fair value less costs to sell was available when the assessment was performed in 2020. The scrap value of the Saldanha plant has been determined as R335 million. The plant was therefore incorrectly impaired to a value of Rnil in the 2020 financial year, instead of being impaired to the fair value less costs to sell, representing scrap value, which at that stage exceeded the plant's carrying amount.

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for the year ended 31 December 2025

7. Prior period error continued

In light of the above, the Group has corrected this error, originating from 2020, in the financial statements. The impact of the restatement on the consolidated financial statements for the Group is shown in the table below. The correction has no impact on the consolidated statement of comprehensive income and consolidated statement of cash flows.

	Group					
	2024			2023		
	Audited Rm	Impact Rm	Restated Rm	Audited Rm	Impact Rm	Restated Rm
Consolidated statement of financial position						
Non-current assets	8 862	335	9 197	9 459	335	9 794
Property, plant and equipment	7 373	335	7 708	7 974	335	8 309
Total assets	24 941	335	25 276	29 110	335	29 445
Shareholder's equity	1 963	335	2 298	7 799	335	8 134
Retained earnings	874	335	1 209	6 777	335	7 112
Total equity and liabilities	24 941	335	25 276	29 110	335	29 445
Consolidated statement of changes in equity						
Balance as at:						
31 December 2022 – Retained earnings	10 714	335	11 049	10 714	335	11 049
Total	11 675	335	12 010	11 675	335	12 010
31 December 2023 – Retained earnings	6 777	335	7 112	6 777	335	7 112
Total	7 799	335	8 134	7 799	335	8 134
31 December 2024 – Retained earnings	874	335	1 209	–	–	–
Total	1 963	335	2 298	–	–	–

8. Impairment of equity-accounted investments and subsidiaries

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Impairment of equity-accounted investments	**(2)**	–	**(2)**	–
Impairment of investment in subsidiary	**–**	–	**(2)**	(7)
Total	**(2)**	–	**(4)**	(7)

Impairment of equity-accounted investment

Group

In March 2025, the Group acquired control of Collect-a-Can, previously an equity-accounted investment of the Group, resulting in a business combination accounted for as a step-acquisition. The existing investment was revalued based on the purchase price of the 40%, which is considered to be representative of the fair value of the investment, resulting in an impairment of R2.4 million and a gain on bargain purchase of R1 million. At acquisition, assets and liabilities of Collect-a-Can were R17 million assets, including R14 million current assets, and R15 million liabilities, including R14 million current liabilities, respectively.

Company

In March 2025, the Company acquired the remaining 40% shares of Collect-a-Can. The existing investment was revalued based on the purchase price of the 40% resulting in an impairment of R2.4 million.

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

8. Impairment of equity-accounted investments and subsidiaries continued

Impairment of investment in subsidiary

Company

An impairment of R2 million (2024: R7 million) relates to the investment in Vicva Investments and Trading Nine Proprietary Limited. Vicva Investments and Trading Nine Proprietary Limited is a beneficial shareholder of ArcelorMittal South Africa and holds 1.6% (2024: 1.6%) of the issued shares, representing the only investment held by the subsidiary. The recoverable amount, R29 million (2024: R31 million) is based on fair value less costs to sell. The fair value is based on the share price of ArcelorMittal South Africa and is therefore a level 1 fair value.

9. Reversal of impairment/(impairment) of property, plant and equipment and intangible assets

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Reversal of impairment of property, plant and equipment and intangible assets – Long Steel Products	245	–	186	–
Newcastle plant	59	–	59	–
Vereeniging plant	127	–	127	–
ArcelorMittal Rail and Structures	59	–	–	–
Total reversal of impairment	245	–	186	–
Impairment of property, plant and equipment and intangible assets	(112)	(682)	(112)	(682)
Newcastle plant	–	(682)	–	(682)
Vanderbijlpark plant	(112)	–	(112)	–
Total impairment	(112)	(682)	(112)	(682)

Reversal of impairment

During 2025, management has decided to wind down the majority of the Longs Business into care and maintenance, following the cessation of IDC funding and continued financial losses. The fixed assets of the Newcastle plant were previously impaired based on scrap values, representing fair value less costs to sell. R59 million of this impairment is now reversed, due to further detailed analysis, refinement and updates by management of the recoverable amount indicating a higher scrap value for the plant than was determined in 2024. The scrap value for the current year has been determined as R562 million (31 December 2024: R455 million).

The Vereeniging plant was placed into care and maintenance in November 2025. Management plans to restart portions of this plant in 2026 for it to operate for an additional year. Based on this strategy and a subsequent increase in the value, a portion of the existing impairment is reversed. The Vereeniging plant is expected to be recovered through use; however, the recoverable amount has been determined as the scrap value, being R172 million, resulting in a reversal of R127 million of the prior year impairment.

The AMRAS plant is still operational. The AMRAS plant is expected to be recovered through use and the recoverable amount of R621 million has been determined by means of calculating the value in use of the plant. An amount of R59 million of the impairment previously recorded is reversed in the current year due to an increase in the value in use of the plant, mainly driven by increased expected sales volumes, lower expected input costs and higher forecast steel sales prices evidencing a higher service potential for the plant when compared to the prior year.

9. Reversal of impairment/(impairment) of property, plant and equipment and intangible assets continued

Impairment

During 2025, management performed an assessment of a project for the construction of a gas treatment plant, which is required to reduce the environmental impact of the Group and Company's coke making operations. The project commenced in 2019, when the Group was informed of the new regulatory requirement, and various costs have been incurred since commencement of the project, all of which have been capitalised to assets under construction, presented in property, plant and equipment, refer to note 16. Construction of the plant have not been completed and the costs remain presented as assets under construction.

The Group and Company have, however, recently shutdown all but one of its coke batteries which resulted in managements' reassessment of the footprint that would need to be addressed by the gas treatment plant. Given the reduction on coke making operations the Group and Company have determined that certain elements of the capitalised costs to date may not be recoverable and have therefore impaired the capitalised cost by R112 million to its recoverable amount of R728 million, based on its value in use which is represented by its use in a modified gas treatment plant, considered by management as its highest and best use.

The main classes of assets affected by the reversal of impairment/(impairment) are as follows:

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Property, plant and equipment:				
Buildings and infrastructure	**66**	(44)	**38**	(44)
Newcastle plant	**28**	(44)	**28**	(44)
Vereeniging plant	**10**	–	**10**	–
ArcelorMittal Rail and Structures	**28**	–	**–**	–
Machinery, plant and equipment	**178**	(495)	**147**	(495)
Newcastle plant	**30**	(495)	**30**	(495)
Vereeniging plant	**117**	–	**117**	–
ArcelorMittal Rail and Structures	**31**	–	**–**	–
Right-of-use assets	**–**	(20)	**–**	(20)
Assets under construction	**–**	(122)	**–**	(122)
Intangible assets:				
Non-integrated software	**1**	(1)	**1**	(1)
Newcastle plant	**1**	(1)	**1**	(1)
Total	**245**	(682)	**186**	(682)

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for the year ended 31 December 2025

10. Loss from operations

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Loss from operations	**(2 043)**	(4 447)	**(1 865)**	(4 255)
Loss from operations have been arrived at after charging:				
Amortisation	**(15)**	(11)	**(15)**	(11)
Depreciation	**(1 024)**	(807)	**(958)**	(783)
Employee costs				
Salaries and wages	**(3 288)**	(3 384)	**(3 170)**	(3 266)
Termination benefits	**144**	(495)	**143**	(495)
Pension and medical costs	**(421)**	(440)	**(415)**	(434)
Share-based payment expense	**(27)**	(10)	**(27)**	(10)
Profit/(loss) on sale or disposal of property, plant and equipment	**5**	(35)	**(9)**	(35)
Railage and transport	**(1 314)**	(1 668)	**(1 237)**	(1 583)
Repairs and maintenance	**(2 614)**	(2 713)	**(2 569)**	(2 689)
Research and development	**(164)**	(134)	**(163)**	(134)
Reversal of write down of inventory to net realisable value	**236**	154	**241**	135
Auditor's remuneration				
Audit fees	**(27)**	(26)	**(25)**	(26)
Other services and expenses	**(1)**	(3)	**(1)**	(3)
Impairment loss and allowance for expected credit losses recognised on trade and other receivables	**(11)**	(10)	**(12)**	(8)
Decrease in other allowances on trade receivables	**140**	79	**140**	83

11. Finance and investment income

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Finance income				
Bank deposits and other interest income	**90**	80	**113**	107
Net foreign exchange profit and net gains from foreign exchange contracts	**140**	2	**143**	1
Investment income				
Dividends	**–**	–	**32**	–
Total	**230**	82	**288**	108

12. Finance costs

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Interest expense on loans and payables	**(1 226)**	(1 149)	**(1 139)**	(1 051)
Interest expense on lease liabilities[1]	**(20)**	(18)	**(20)**	(18)
Discount rate adjustment of provisions	**(79)**	(34)	**(51)**	(28)
Unwinding of discounting effect on other financial liabilities and provisions:	**(287)**	(253)	**(229)**	(188)
Provisions[1]	**(162)**	(189)	**(104)**	(124)
Other financial liabilities[1]	**(125)**	(64)	**(125)**	(64)
Funding utilised – IDC	**182**	–	**152**	–
Total	**(1 430)**	(1 454)	**(1 287)**	(1 285)

[1] *These amounts have been calculated using the effective interest method.*

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

13. Income taxation credit/(expense)

13.1 Income tax recognised in profit or loss

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Current taxation				
Adjustments for current tax of prior periods	8	(5)	–	–
Total	8	(5)	–	–
Effective tax rate	0.3%	0.1%	0.0%	0.0%

The total charge for the year can be reconciled to the accounting loss as follows:

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Loss before taxation	(3 020)	(5 834)	(2 666)	(5 442)
Income tax calculated at 27% (2024: 27%)	(815)	(1 575)	(720)	(1 469)
Non-temporary differences				
Effect of deductible special allowances – learnerships	(8)	(5)	(8)	(5)
Effect of non-taxable income	(30)	(16)	(10)	(2)
Revaluation of environmental rehabilitation investments	(24)	(13)	–	–
Equity-accounted investments income	(5)	(1)	–	–
Employee tax incentive	(1)	(2)	(1)	(2)
Exempt local dividends received from joint venture	–	–	(9)	–
Effect of non-deductible expenses	45	33	78	29
Impairment of investment in subsidiaries	–	–	32	2
Fair value adjustment of investment properties	–	7	–	7
Revaluation of right of recovery	–	–	4	–
Unwinding of discount effect on loan from holding Company and Competition Commission	34	17	34	17
Expenditure incurred not in the production of income	10	8	8	3
SARS penalties and interest	1	–	–	–
Capital losses and other expenses	–	1	–	–
Effect of timing differences not recognised in the current year	800	1 558	660	1 447
Total income tax (credit)/expense	(8)	5	–	–

13. Income taxation credit/(expense) continued

13.1 Income tax recognised in profit or loss continued

Tax on each component of other comprehensive (loss)/income is as follows:

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Items that will not be reclassified to profit or loss:				
None[1]				

[1] *The deferred tax liability on the revaluation surplus recognized on the Saldanha property transferred to Investment property has been offset by the unrecognised tax losses.*

13.2 Deferred income tax asset/(liability)

The following is the analysis of deferred tax assets/(liabilities) presented in the statement of financial position:

	Property, plant, equipment and intangible assets Rm	Investment properties Rm	Employee costs Rm	Provisions Rm	Doubtful debts Rm	Lease obligations Rm	Other Rm	Closing balance Rm
Group								
2025								
Temporary differences								
At the beginning of the year	**(518)**	**(165)**	**291**	**1 009**	**34**	**49**	**333**	**1 033**
(Credit)/charged to profit or loss	**(371)**	**(27)**	**(57)**	**(215)**	**(3)**	**(11)**	**191**	**(493)**
At the end of the year	**(889)**	**(192)**	**234**	**794**	**31**	**38**	**524**	**540**
Unrecognised portion								**(540)**
Recognised deferred tax asset/(liability)								**–**
2024								
Temporary differences								
At the beginning of the year	(627)	(163)	123	932	41	51	(122)	235
Charged/(credit) to profit or loss	109	(2)	168	77	(7)	(2)	455	798
At the end of the year	(518)	(165)	291	1 009	34	49	333	1 033
Unrecognised portion								(1 033)
Recognised deferred tax asset/(liability)								–

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

13. Income taxation credit/(expense) continued

13.2 Deferred income tax asset/(liability) continued

	Property, plant, equipment and intangible assets Rm	Investment properties Rm	Employee costs Rm	Provisions Rm	Doubtful debts Rm	Lease obligations Rm	Other Rm	Closing balance Rm
Company								
2025								
Temporary differences								
At the beginning of the year	**(494)**	**(127)**	**229**	**794**	**33**	**40**	**443**	**918**
Charged/(credit) to profit or loss	**(70)**	**(61)**	**(65)**	**(244)**	**(3)**	**(4)**	**(26)**	**(473)**
At the end of the year	**(564)**	**(188)**	**164**	**550**	**30**	**36**	**417**	**445**
Unrecognised portion								**(445)**
Recognised deferred tax asset/(liability)								**–**
2024								
Temporary differences								
At the beginning of the year	(628)	(122)	96	853	41	28	(147)	121
Charged/(credit) to profit or loss	134	(5)	133	(59)	(8)	12	590	797
At the end of the year	(494)	(127)	229	794	33	40	443	918
Unrecognised portion								(918)
Recognised deferred tax asset/(liability)								–

13.3 Unrecognised deductible temporary differences, unused tax losses and unused tax credits

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Unrecognised tax losses	**20 634**	17 615	**15 864**	13 269
Unrecognised deferred tax asset at the end of the year	**6 111**	5 789	**4 728**	4 492
Tax losses	**5 571**	4 756	**4 283**	3 583
Deductible temporary differences	**540**	1 033	**445**	909

Although management has taken decisive steps by placing its Longs Business in care and maintenance, there still appears some uncertainty around the timing as to when ArcelorMittal South Africa will return to sustainable profitability and so therefore no deferred tax assets have been recognised.

14. Loss per share attributable to owners of the Company

Loss per share is calculated by dividing (loss)/profit attributable to the owners of the Company by the weighted average number of ordinary shares, after taking the effects of the vesting of the treasury shares to the employee share ownership plan into account. Where appropriate, adjustments are made in calculating diluted (loss)/profit, headline and diluted headline loss per share.

	Group	
	2025	2024
Weighted average number of shares	1 114 612 789	1 114 612 789
Weighted average number of diluted shares	1 114 612 789	1 114 612 789
Weighted average number of diluted shares are calculated by adjusting the weighted average number of ordinary shares with additional ordinary shares held by third parties that would have been outstanding assuming the conversion of all outstanding share options representing dilutive potential ordinary shares. Based on the current share price of ArcelorMittal South Africa, the B-BBEE transaction does not have a dilutive impact on the shareholding. The Group's long-term incentive plan does not have a dilutive impact as it will be settled from market purchases. No other outstanding shares had a dilutive impact.		
Loss attributable to the owners of the Company per share		
Basic		
Loss attributable to owners of the Company (Rm)	(3 012)	(5 839)
Weighted average number of shares	1 114 612 789	1 114 612 789
Loss per share (cents)	(270)	(524)
Diluted		
Loss attributable to owners of the Company (Rm)	(3 012)	(5 839)
Weighted average number of diluted shares	1 114 612 789	1 114 612 789
Diluted loss per share (cents)	(270)	(524)

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

14. Loss per share attributable to owners of the Company continued

	Group	
	2025	2024
Headline loss per share		
The calculation for headline loss per share is based on the earnings per share calculation, reconciled as follows:		
Gross		
Loss before tax (Rm)	**(3 020)**	(5 834)
Less: Fair value adjustment of investment properties (Rm)	**(198)**	(37)
(Less)/Add: (Gain)/loss on remeasurement of asset held-for-sale (Rm)	**(8)**	57
Add: Impairment of property, plant and equipment and intangible assets (Rm)	**112**	682
(Less): Reversal of impairment of property, plant and equipment and intangible assets (Rm)	**(245)**	–
Add: Impairment of equity-accounted investment (Rm)	**2**	–
(Less)/Add: (Gain)/loss on disposal or scrapping of property, plant and equipment (Rm)	**(5)**	35
Less: Gain on bargain purchase	**(1)**	–
Headline loss before tax (Rm)	**(3 363)**	(5 097)
Net of tax		
Loss attributable to owners of the Company (Rm)	**(3 012)**	(5 839)
Less: Fair value adjustment of Investment Properties (Rm)	**(198)**	(37)
(Less)/Add: (Gain)/loss on remeasurement of asset held-for-sale (Rm)	**(8)**	57
Add: Impairment of property, plant and equipment and intangible assets (Rm)	**112**	682
(Less): Reversal of impairment of property, plant and equipment and intangible assets (Rm)	**(245)**	–
Add: Impairment of equity-accounted investment (Rm)	**2**	–
(Less)/Add: (Gain)/loss on disposal or scrapping of property, plant and equipment (Rm)	**(5)**	35
Less: Gain on bargain purchase	**(1)**	–
Headline loss net of tax (Rm)	**(3 355)**	(5 102)
Basic		
Headline loss (Rm)	**(3 355)**	(5 102)
Weighted average number of shares	**1 114 612 789**	1 114 612 789
Basic headline loss per share (cents)	**(301)**	(458)
Diluted		
Headline loss (Rm)	**(3 355)**	(5 102)
Weighted average number of diluted shares	**1 114 612 789**	1 114 612 789
Diluted headline loss per share (cents)	**(301)**	(458)

15. Dividend per share

Consistent with the Group's dividend policy, payment of any dividends is subject to the discretion of the board. It will depend on the earnings, financial condition, cash availability and any capital requirements necessary to sustain the business and support future growth. No dividends were declared for the 2025 and 2024 financial years.

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

16. Property, plant and equipment

	Land Rm	Buildings and infra-structure Rm	Machinery, plant and equipment Rm	Site pre-paration Rm	Asset retirement obligation Rm	Right-of-use assets – machinery, plant and equipment Rm	Con-struction in progress Rm	Total Rm
Group								
For the year ended 31 December 2025								
Carrying amount at the beginning of the year – restated[1]	**27**	**218**	**5 703**	**4**	**–**	**156**	**1 600**	**7 708[1]**
Additions	**–**	**6**	**461**	**–**	**–**	**105**	**382**	**954**
Disposals	**–**	**–**	**(10)**	**–**	**–**	**–**	**–**	**(10)**
Depreciation[2]	**–**	**(9)**	**(987)**	**–**	**–**	**(28)**	**–**	**(1 024)**
Impairment	**–**	**–**	**–**	**–**	**–**	**–**	**(112)**	**(112)**
Reversal of impairment	**–**	**66**	**178**	**–**	**–**	**–**	**–**	**244**
Revaluation gain through other comprehensive[3]	**272**	**–**	**–**	**–**	**–**	**–**	**–**	**272**
Transfers to investment properties[3]	**(273)**	**–**	**–**	**–**	**–**	**–**	**–**	**(273)**
Transfer from inventories	**–**	**–**	**29**	**–**	**–**	**–**	**–**	**29**
Funding applied – IDC	**–**	**–**	**–**	**–**	**–**	**–**	**(72)**	**(72)**
Other movements	**–**	**38**	**513**	**–**	**–**	**–**	**(550)**	**1**
Carrying amount at the end of the year	**26**	**319**	**5 887**	**4**	**–**	**233**	**1 248**	**7 717**
At 31 December 2025								
Cost	**59**	**2 501**	**39 637**	**89**	**233**	**1 262**	**1 531**	**45 312**
Accumulated depreciation and impairment	**(33)**	**(2 182)**	**(33 750)**	**(85)**	**(233)**	**(1 029)**	**(283)**	**(37 595)**
Net carrying amount	**26**	**319**	**5 887**	**4**	**–**	**233**	**1 248**	**7 717**
For the year ended 31 December 2024								
Carrying amount at the beginning of the year – restated[1]	27	276	6 077	4	–	183	1 742	8 309[1]
Additions	–	2	465	–	–	62	427	956
Disposals	–	–	(46)	–	–	–	–	(46)
Depreciation[2]	–	(16)	(762)	–	–	(29)	–	(807)
Impairment	–	(44)	(495)	–	–	(20)	(122)	(681)
Other movements	–	–	447	–	–	(40)	(447)	(40)
Transfer from inventories	–	–	17	–	–	–	–	17
Carrying amount at the end of the year	27	218	5 703	4	–	156	1 600	7 708
At 31 December 2024								
Cost	59	2 457	38 928	89	233	1 157	1 772	44 695
Accumulated depreciation and impairment	(32)	(2 239)	(33 225)	(85)	(233)	(1 001)	(172)	(36 987)
Net carrying amount	27	218	5 703	4	–	156	1 600	7 708

[1] Refer note 7 for details of restatement.

[2] During the year, the Company reassessed the estimated useful lives of property, plant and equipment across all asset categories. As a result, the Company revised its depreciation estimates, which resulted in an increased depreciation charge for the current year.

[3] The Group's non-core properties located in Saldanha was revalued to a carrying value of R273 million in the current year before being transferred to investment properties (2024: R1 million, carried at cost), refer to note 18.

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

16. Property, plant and equipment continued

	Land Rm	Buildings and infra-structure Rm	Machinery, plant and equipment Rm	Site pre-paration Rm	Asset retirement obligation Rm	Right-of-use assets – machinery, plant and equipment Rm	Con-struction in progress Rm	Total Rm
Group								
For the year ended 31 December 2023								
Carrying amount at the beginning of the year – restated[1]	27	264	6 856	6	–	212	2 540	9 905[1]
Additions	–	95	632	–	–	6	560	1 293
Disposals	–	–	(17)	–	–	–	–	(17)
Depreciation	–	(33)	(797)	(2)	–	(29)	–	(861)
Impairment	–	(133)	(1 962)	–	–	–	–	(2 095)
Revaluation gain through other comprehensive	6	–	–	–	–	–	–	6
Transfers to investment properties	(6)	–	–	–	–	–	–	(6)
Transfer from inventories	–	–	84	–	–	–	–	84
Other movements	–	83	1 281	–	–	(6)	(1 358)	–
Carrying amount at the end of the year	27	276	6 077	4	–	183	1 742	8 309
At 31 December 2023								
Cost	59	2 457	38 316	89	233	1 135	1 792	44 081
Accumulated depreciation and impairment	(32)	(2 181)	(32 239)	(85)	(233)	(952)	(50)	(35 772)
Net carrying amount	27	276	6 077	4	–	183	1 742	8 309

[1] *Refer note 7 for details of restatement.*

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

16. Property, plant and equipment continued

	Land Rm	Buildings and infra-structure Rm	Machinery, plant and equipment Rm	Site pre-paration Rm	Asset retirement obligation Rm	Right-of-use assets – machinery, plant and equipment Rm	Con-struction in progress Rm	Total Rm
Company								
For the year ended 31 December 2025								
Carrying amount at the beginning of the year	26	189	5 300	4	–	90	1 543	7 152
Additions	–	6	456	–	–	103	344	909
Disposals	–	–	(10)	–	–	–	–	(10)
Depreciation[2]	–	(8)	(938)	–	–	(12)	–	(958)
Impairment	–	–	–	–	–	–	(112)	(112)
Reversal of impairment	–	38	147	–	–	–	–	185
Revaluation gain through other comprehensive[3]	272	–	–	–	–	–	–	272
Transfers to investment properties[3]	(273)	–	–	–	–	–	–	(273)
Transfer from inventories	–	–	29	–	–	–	–	29
Funding applied – IDC	–	–	–	–	–	–	(52)	(52)
Other movements	–	39	419	–	–	–	(458)	–
Carrying amount at the end of the year	25	264	5 403	4	–	181	1 265	7 142
At 31 December 2025								
Cost	48	2 066	28 521	89	198	1 160	1 499	33 581
Accumulated depreciation and impairment	(23)	(1 802)	(23 118)	(85)	(198)	(979)	(234)	(26 439)
Net carrying amount	25	264	5 403	4	–	181	1 265	7 142
For the year ended 31 December 2024								
Carrying amount at the beginning of the year	26	246	5 677	4	–	96	1 706	7 755
Additions	–	2	462	–	–	62	401	927
Disposals	–	–	(46)	–	–	–	–	(46)
Depreciation	–	(15)	(757)	–	–	(11)	–	(783)
Impairment	–	(44)	(495)	–	–	(20)	(122)	(681)
Other movements	–	–	442	–	–	(37)	(442)	(37)
Transfer from inventories	–	–	17	–	–	–	–	17
Carrying amount at the end of the year	26	189	5 300	4	–	90	1 543	7 152
At 31 December 2024								
Cost	49	2 021	27 914	89	198	1 057	1 665	32 993
Accumulated depreciation and impairment	(23)	(1 832)	(22 614)	(85)	(198)	(967)	(122)	(25 841)
Net carrying amount	26	189	5 300	4	–	90	1 543	7 152

[2] *During the year, the Company reassessed the estimated useful lives of property, plant and equipment across all asset categories. As a result, the Company revised its depreciation estimates, which resulted in an increased depreciation charge for the current year.*

[3] *The Group's non-core properties located in Saldanha was revalued to a carrying value of R273 million in the current year before being transferred to investment properties (2024: R1 million, carried at cost), refer to note 18.*

16. Property, plant and equipment continued

The Group's non-core properties located in Saldanha are pledged as security for the loan received from the IDC. The property in question was revalued to a carrying value of R273 million in the current year before being transferred to investment properties (2024: R1 million, carried at cost), refer to note 18. The borrowing based facility lenders registered a general notarial bond over movable assets. No other property, plant and equipment have been pledged as security by the Group and Company.

Revaluation

The Group performed a review of its non-core property at Saldanha, included in property, plant and equipment, in the current year. A change in use of the property resulted in these properties being transferred to investment property, refer to note 18. Given that the Group and Company measure property, plant and equipment at cost, these properties have been revalued to fair value through other comprehensive income prior to being transferred to investment property, as required by the IFRS. Details of the fair value measurement of the Group and Company's investment property is disclosed in note 18.

Asset retirement obligation

Asset retirement obligation assets are either fully impaired or fully depreciated.

Useful lives and residual values of property, plant and equipment

The useful lives of the classes of plant, machinery and equipment reflect the current estimated life over which the Group and Company have the ability and intention to use such assets.

Land	Not depreciated
Buildings and infrastructure	5 to 55 years
Machinery, plant and equipment	2 to 50 years
Site preparation	10 to 30 years
Right-of-use assets, machinery, plant and equipment	5 to 10 years

These useful lives represent management's current best estimates.

Impairment of assets

In accordance with IAS 36 *Impairment of Assets*, an impairment test was performed on all CGUs. An asset is impaired if the carrying amount of the asset is greater than the recoverable amount of the asset.

An impairment assessment was completed for the year ended 31 December 2025 using a discounted cash flow model with an explicit forecast period for five years for the Vanderbijlpark CGU, including Coke and Chemicals, and the AMRAS CGU. These cash flows are USD-based. To determine the terminal value, the Gordon growth model is used, where year five free cash flow is recognised in perpetuity. The value in use for the Vanderbijlpark CGU, including Coke and Chemicals, and the AMRAS CGU, exceeded their carrying amounts. No impairment model was performed for the Vereeniging and Newcastle plants, being placed in care and maintenance in the current year, nor the Saldanha plant which has been in care and maintenance as of 2020, rather the recoverable amounts of these plants have been determined at fair value less cost to sell on the assumption of the plants being dismantled and disposed as scrap.

In 2024, Coke and Chemicals was assessed as a separate CGU. In the current year, given the restructuring initiatives brought on by changes in market conditions together with the wind down of the Longs Business, management has merged the Coke and Chemicals CGU with the Vanderbijlpark (Flat Business) CGU for the purposes of performing the impairment assessment.

Management also performed an assessment of a project for the construction of a gas treatment plant, which is required to reduce the environmental impact of the Group and Company's coke making operations. The project, which commenced in 2019, has not been completed to date and given that the Group and Company have recently shutdown four of its five coke batteries management reassessed the recoverability of the costs incurred for the gas treatment plant. Given the reduction in coke making operations the Group and Company have determined that certain elements of the capitalised costs to date may not be recoverable and have therefore impaired the capitalised cost by R112 million to its recoverable amount of R728 million, based on its value in use which is represented by its use in a modified gas treatment plant, considered by management as its highest and best use, refer to note 9.

Management has considered the sensitivity of the impairment calculations to various key inputs and assumptions and concluded that reasonable adjustments to these key inputs and assumptions applied would not result in any additional impairment loss.

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

16. Property, plant and equipment continued

The major assumptions applied in the value in use calculations in arriving at the present value of future cash lows are:

	Vanderbijlpark		Coke and Chemicals	AMRAS	
	2025	2024	2024	**2025**	2024
Major assumptions					
Total Pre-tax WACC/discount rate (% USD-based)[1]	**17.71**	17.71	17.07	**17.79**	20.38
Total Post-tax WACC/discount rate (% USD-based)[1]	**13.52**	13.62	12.78	**12.22**	14.54
Company specific premium (%USD-based)[1]	**3.20**	1.60	0.80	**1.45**	3.00
Growth rate (%USD-based)	**2.00**	2.00	2.00	**2.00**	2.00
Exchange rate range (R/USD)[2]	**17.50 – 18.50**	17.93 – 19.41	17.93 – 19.41	**17.50 – 18.50**	17.93 – 19.41
Steel sales price range (average USD/t)[2]	**796 – 843**	771 – 818	67 – 153[3]	**829 – 873**	699 – 793
Sales volume range (kt)[2]	**1 545 – 1 960**	1 881 – 2 063	840 – 1 555	**128**	123 – 136

[1] *Decarbonisation risk is incorporated in Company-specific premium.*
[2] *Lowest to highest range over period of 2026 to 2029 (2024: 2025 to 2029).*
[3] *Commercial coke sales price range (average USD/t).*

The recoverable amount of the Newcastle plant, Vereeniging plant and Saldanha plant has been determined based on fair value less costs to sell (FVLCTS) using a market approach. Observable price information for identical or similar plant assets was used as the primary input. These observable market prices were adjusted using significant unobservable inputs to reflect the specific condition, age, and disposal circumstances of the assets, whether intended for scrap or sale in the relevant market. As the fair value measurement incorporates significant unobservable adjustments, it is classified as a Level 3 fair value measurement.

Key assumptions in the FVLCTS calculation include estimated values of various assets, ranging between R1 million and R215 million. These estimates were derived from market data such as supplier invoices, third-party quotations, London Metal Exchange pricing, and prevailing South African scrap metal price information.

17. Intangible assets

	Patents Rm	Non-integrated software Rm	Total Rm
Group			
For the year ended 31 December 2025			
Carrying amount at the beginning of the year	**–**	**58**	**58**
Additions	**–**	**16**	**16**
Amortisation	**–**	**(15)**	**(15)**
Reversal of impairment	**–**	**1**	**1**
Carrying amount at the end of the year	**–**	**60**	**60**
At 31 December 2025			
Cost	**38**	**407**	**445**
Accumulated amortisation and impairment	**(38)**	**(347)**	**(385)**
Net carrying amount	**–**	**60**	**60**
For the year ended 31 December 2024			
Carrying amount at the beginning of the year	–	62	62
Additions	–	8	8
Amortisation	–	(11)	(11)
Impairment	–	(1)	(1)
Carrying amount at the end of the year	–	58	58
At 31 December 2024			
Cost	38	392	430
Accumulated amortisation and impairment	(38)	(334)	(372)
Net carrying amount	–	58	58

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

17. Intangible assets continued

	Non-integrated software Rm	Total Rm
Company		
For the year ended 31 December 2025		
Carrying amount at the beginning of the year	**58**	**58**
Additions	**16**	**16**
Amortisation	**(15)**	**(15)**
Reversal of impairment	**1**	**1**
Carrying amount at the end of the year	**60**	**60**
At 31 December 2025		
Cost	**395**	**395**
Accumulated amortisation and impairment	**(335)**	**(335)**
Net carrying amount	**60**	**60**
For the year ended 31 December 2024		
Carrying amount at the beginning of the year	62	62
Additions	8	8
Amortisation	(11)	(11)
Impairment	(1)	(1)
Carrying amount at the end of the year	58	58
At 31 December 2024		
Cost	380	380
Accumulated amortisation and impairment	(322)	(322)
Net carrying amount	58	58

No intangible assets have restricted titles or have been pledged as security in the current year.

Patents

The patent related to the steel operations at Saldanha Works, the plant has been placed in care and maintenance. The patents will be brought back into use should operations commence at Saldanha Works.

Useful lives and residual values of intangible assets

The estimates of amortisation rates and the residual lives of the assets are reviewed annually taking cognisance of:

- Forecast commercial and economic realities
- Benchmarking within the greater ArcelorMittal Group

The useful lives of the classes of intangible assets reflect current estimated life over which the Group has the ability and intention to use such assets and represent management's current best estimates.

Useful life range

Patents	20 years
Non-integrated software	5 to 25 years

18. Investment properties

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Carrying amount at the beginning of the year	690	702	674	684
Transfer to assets held-for-sale	–	77	–	–
Transfer from property, plant and equipment	273	–	273	–
Transfer to assets held-for-sale	(70)	(126)	(70)	–
Change in fair value	198	37	198	(10)
Exchange rate difference	(1)	–	–	–
Carrying amount at the end of the year	1 090	690	1 075	674
Amounts recognised in profit or loss				
Net rental income[1]	74	75	71	63
Direct operating expenses from rental property	(19)	(21)	(17)	(18)
Fair value gain/(loss)	198	37	198	(10)

[1] *All rental property generates income.*

Transfer from property, plant and equipment

The Group and Company transferred non-core property, located in Saldanha, to investment property during the current year, refer to note 16.

Fair value measurement of the investment properties

The fair value of the Group and Company's investment properties at 31 December 2025 has been arrived at based on a valuation carried out at that date by:

- Broll Valuation and Advisory Service, independent valuators not connected with the Group or Company, with Jurgen Karg, Chartered Valuation Survey, RICS Registered Valuer (1247597) as the responsible valuer, for the purpose of valuing the Group and Company's investment properties at its Pretoria Works
- CBRE Excellerate, independent valuators not connected with the Group, with Riaan Christopher Fourie, RICS Registered Valuer (3895/9) as the responsible valuer, for the valuation of part of the Saldanha properties.
- The valuation of some properties located in Saldanha has been determined by management taking into account relevant external and internally available information, including offers and comparable sales.

The external valuers used have experience in the location and category of the property being valued. The valuation conforms to international standards. The fair value hierarchy used to value these properties is a level 3 fair value.

The investment properties of the Group of R1 090 million can be divided between industrial sector valued at R892 million (2024: R672 million), residential vacant land sector valued at R45 million (2024: R2 million), farmland valued at R31 million (2024: R16 million) and solar farms valued at R122 million (2024: included in farmland). The difference of R15 million between Group and Company investment property relates to R10 million of industrial land held by ArcelorMittal Maputo and R5 million of agricultural land held by Saldanha Steel (Proprietary) Limited.

The fair value of the property in the industrial sector was determined by adopting the income capitalisation method or market value approach. The income capitalisation method requires a market-derived projection of economic net annual income for the property, which is then capitalised into perpetuity using a market-related capitalisation rate to determine the market value estimate. Gross market rentals have been applied to the accommodation elements and then normal landlord outgoings were deducted and a management fee to arrive at a net annual income figure. The following key assumptions were applied:

- Expense ratio 23.6% (2024: 27.7%)
- Vacancy provision 7.5% (2024: 7.5%)
- Capitalisation rate 13.5% (2024: 13.5%)
- Market rental rate R9.26/m^2 (2024: R8.57/m^2)

The rates used in performing the sensitivity analysis is based on the benchmark rates used by other entities within property industries with similar characteristics as that of the Group and Company. A 2.5% increase or decrease in the expense ratio will impact the fair value by R19 million (2024: R4 million without taking capitalisation rate into account). A 2.5% increase or decrease in the vacancy provision will impact the fair value by R20 million (2024: R2 million without taking capitalisation rate into account). A 1% decrease and increase in the capitalisation rate will impact the fair value by R45 million and R39 million respectively (2024: R38 million). A 1% increase or decrease in the market rental rate will impact the fair value by R8 million (2024: R7 million).

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

18. Investment properties continued

Fair value measurement of the investment properties continued

The depreciable replacement cost approach is based on the economic theory of substitution, and it involves comparing the asset being valued with another. This approach was applied to the conference facilities on the farmland.

The fair value of properties in the vacant residential land sector and the vacant development land has been determined by applying the market approach, which is based on comparing the subject assets with identical or similar assets for which price information is available, such as a comparison with market sales transactions in the same, or closely similar, type of asset within an appropriate time horizon.

In assessing the value of the solar farms, the market approach was followed, whereby comparable sales were researched together with current asking prices in the surrounding areas. For two of the erven included in solar farms at a value of R72 million (2024: R17 million), previously valued using the income capitalisation method, the valuation technique in the current year was based on the residual value method, whereby the value is determined as the value of the completed development less development costs plus developers profit, with this change in valuation technique being driven by an improvement to derive a value more representative of the erven's highest and best use in the current circumstances.

An offer to purchase an industrial property for R70 million was received during 2025 and the sale is expected to conclude in 2026. The fair value was adjusted accordingly and the property is now included in assets held-for-sale.

Non-current assets pledged as security

The Group's non-core properties located in Saldanha, with a carrying value of R273 million, are pledged as security for the loan received from the IDC, refer to note 29. No other investment properties are pledged as security by the Group.

Leasing arrangements

Minimum lease payments under non-cancellable operating leases of investment properties are receivable as follows:

	2025 Rm	2024 Rm
Year 1	52	72
Year 2	47	45
Year 3	39	45
Year 4	26	34
Year 5	25	31
Longer than 5 years	25	30
Total	**214**	257

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

19. Equity-accounted investments

None of the Company's associates or jointly controlled entities are considered to be individually material compared to the others. In March 2025 the Group acquired control of Collect-a-Can, previously an equity-accounted joint venture of the Group, resulting in a business combination accounted for as a step-acquisition, refer to note 8 detailing the impact of the business acquisition. At acquisition the assets and liabilities of Collect-a-Can was R17 million assets including R14 million current assets, and R15 million liabilities, including R14 million current liabilities, respectively.

Dividends of R20 million were received from associates during the current year (2024: nil) and dividends of R12 million were received from joint ventures during the current year (2024: nil).

Summarised financial information

	2025 Rm	2024 Rm
19.1 Associates		
Aggregate information of associates not individually material		
Profit after tax	19	10
Share of other comprehensive income	(1)	–
Share of total comprehensive income	18	10
Aggregate carrying amount of the Group's interest in these associates		
Group	50	59
Company	16	16
19.2 Joint venture		
Aggregate information of joint ventures not individually material		
Loss after tax	(3)	(5)
Share of other comprehensive income	–	–
Share of total comprehensive income	(3)	(5)
Aggregate carrying amount		
Group	167	184
Company	14	16
19.3 Total carrying amount and financial results of equity-accounted joint ventures and associates		
Total carrying amount of equity-accounted joint ventures and associates at year-end		
Group	217	243
Company	30	32
Total share of income after tax from equity-accounted investments joint ventures and associates		
Group	16	5
Company	–	–
Total share of other comprehensive income from equity-accounted investments joint ventures and associates		
Group	(1)	–
Company	–	–

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

20. Investments in subsidiaries

	Company	
	2025 Rm	2024 Rm
Shares at cost[1]	–	–
Indebtedness – by subsidiaries	2 677	2 321
Total	2 677	2 321
Aggregate after-tax losses	(309)	(445)

[1] *The shares at cost are R8 126 (2024: R4 126) with the value being rounded to the nearest million rand resulting in the shares at cost appearing as Rnil.*

The carrying value of the Company's investment in subsidiaries consists largely of its investment in Saldanha Steel Proprietary Limited, and ArcelorMittal Rail and Structures Proprietary Limited, being the cost of shares and indebtedness, at the initial and subsequent acquisition dates.

Consolidation of entities

ArcelorMittal South Africa Management Share Fund (the Share Fund) was previously consolidated into the Group results, with the cost of open-market share purchases being included as a debit to the Group's equity. There have been no transactions since 2021. The Share Fund was de-registered on 18 December 2023 and is therefore no longer consolidated into the Group results.

The following entities are not consolidated:

- Certain non-core services and corporate social development activities of the Company are managed via two associations not for gain, namely the Vesco group and Thusong Projects NPC (formerly known as Vesco Community Enterprises.) The Company is involved in these entities by way of the Memorandum of Incorporation of each entity, which gives the Company the authority to appoint the members of the board on the Vesco group board of directors and for Vesco group to appoint the members of the board of Thusong Projects NPC board of directors. The Company is not exposed to returns from these associations, being not for gain entities, and therefore does not have control of these entities. These entities are therefore not consolidated within the Group
- The results of the ArcelorMittal Foundation Trust, a public benefit organisation, are not included in the consolidated results of the Group. The effect, if this entity was to be consolidated by the Group, would be immaterial on the numbers and/or disclosure.

Isabelo Empowerment Share Trust and Amandla we Nsimbi (RF) Proprietary Limited

During 2016, the Isabelo Empowerment Share Trust and Amandla we Nsimbi (RF) Proprietary Limited were created as part of the Company's B-BBEE initiatives. ArcelorMittal South Africa issued empowerment shares to Amandla we Nsimbi (RF) Proprietary Limited, and the Isabelo Empowerment Share Trust (representing 17% and 5%, respectively, of the voting rights in ArcelorMittal South Africa through a notional loan). Both the trust and RF Company are consolidated in terms of IFRS 10 *Consolidated Financial Statements*.

Bessemer Private Equity Fund (PEF)

During the current year, the Company initiated an additional B-BBEE initiative by partnering with a previously unrelated Company in order to establish a private equity fund (PEF), Bessemer PEF, by means of an en-commandite partnership whereby ArcelorMittal South Africa has a 99.99% shareholding as a limited liability partner and the general partner has an interest of 0.01%. The arrangement provides ArcelorMittal South Africa with control of the Bessemer PEF and is currently presented in a joint investment in Collect-a-Can, which is consolidated into the Group as a wholly owned subsidiary, refer to note 19.

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

20. Investments in subsidiaries continued

Name of subsidiary	% Share-holding	Country of incorporation	Reporting currency	Number of ordinary shares issued	Shares at cost[5] 2025 Rm	Shares at cost[5] 2024 Rm	Indebtedness[1] 2025 Rm	Indebtedness[1] 2024 Rm
Manufacturing								
Iscor Building Systems Proprietary Limited	100	RSA	ZAR	100	–	–	–	–
Saldanha Steel Proprietary Limited[1]	100	RSA	ZAR	2 000	–	–	1 388	1 471
ArcelorMittal Rail and Structures Proprietary Limited[2]	100	RSA	ZAR	100	–	–	1 034	650
Collect-a-Can Proprietary Limited[3]	100	RSA	ZAR	4 000 000	–	–	5	–
Mining								
Oakwood Trading 21 Proprietary Limited	100	RSA	ZAR	100	–	–	–	–
Thabazimbi Iron Ore Mine Proprietary Limited[4]	100	RSA	ZAR	1	–	–	220	168
Services								
Pybus Fifty-Seven Proprietary Limited	100	RSA	ZAR	1	–	–	–	–
Vicva Investments and Trading Nine Proprietary Limited	100	RSA	ZAR	1	–	–	30	32
Dombotema Mining Investments Proprietary Limited	100	RSA	ZAR	100	–	–	–	–
ArcelorMittal African Investments	100	Mauritius	USD	100	–	–	–	–
					–	–	2 677	2 321

[1] The indebtedness amount includes the shareholders' loan of R2 627 million (2024: R2 627 million) and intercompany balances in favour of Saldanha Steel Proprietary Limited of R1 239 million (2024: R1 156 million). AMSA acts as a centralised treasury function for Thabazimbi Iron Ore Mine (Proprietary) Limited, ArcelorMittal Rail and Structures (Proprietary) Limited and Saldanha Steel (Proprietary) Limited and as such movements in intercompany accounts are treated as cash in nature unless clearly non-cash in nature such as impairments.

[2] The indebtedness amount of ArcelorMittal Rail and Structures Proprietary Limited increased during the current year due to losses realised by the subsidiary that was funded by AMSA.

[3] Collect-a-Can was previously accounted for as an equity-accounted investment. The Group obtained control during the current year by means of a step-acquisition by obtaining the remaining shares in Collect-a-Can, refer to note 8.

[4] The indebtedness amount of Thabazimbi Iron Ore Mine Proprietary Limited increased during the current year largely due to losses realised by the subsidiary, funded by AMSA, and the settlement of the Company's contractual liability towards environmental rehabilitation obligation of the mine, refer to note 31.

[5] The aggregate shares at cost are R8 126 (2024: R4 126) with the value being rounded to the nearest million rand resulting in the shares at cost appearing as Rnil. Shares at cost per subsidiary range between R1 and R4 000 (2024: between R1 and R1 009).

21. Investments held by environmental trust

	Group	
	2025 Rm	2024 Rm
Balance at the beginning of the year	486	438
Fair value adjustment (FVTPL)	90	48
Balance at the end of the year	576	486

The Group holds an environmental trust which holds equity investments and interest-bearing assets.

The trust's investment activities are managed by Old Mutual Investment Group (South Africa) Proprietary Limited. It aims to achieve its objectives by investing in a diversified portfolio of equity. The fair value of the domestic and global equity instruments is derived from the underlying listed share prices and the fair value of the interest-bearing assets is based on the price of inflation-linked bonds, floating rate notes and money market assets. The combined portfolio is therefore a level 2 fair value.

These investments may only be utilised for the purposes of settling decommissioning and rehabilitation obligations relating to Thabazimbi's mining operations. The investment returns are reinvested by the trust. Refer to note 31 for the environmental rehabilitation provisions. The trust is consolidated in terms of IFRS 10 *Consolidated Financial Statements*. Subsequent to year-end, the investment was liquidated for R600 million as part of an initiative to restructure the financial provisioning held for the purposes of settling the decommissioning and rehabilitation obligations, refer to note 41.

22. Other financial assets

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Equity instruments carried at FVTOCI	–	–	–	–
Fixed deposits	315	–	315	–
Total	315	–	315	–
Non-current	315	–	315	–
Current	–	–	–	–

Critical judgements and estimates

Equity instruments carried at FVTOCI

Hwange Colliery Company Limited

The Group holds 10% of the ordinary share capital of Hwange Colliery Company Limited, a coal, coke and by-products producer in Zimbabwe. The shares of Hwange Colliery Company Limited are traded on the dollarized Zimbabwe Stock Exchange. The Zimbabwean miner was placed under administration in October 2018 and consequently suspended on the JSE, resulting in the carrying amount of the investment reducing to Rnil (2024: Rnil). The fair value is observed on the open market and is therefore a level 1.

Fixed deposits

During the current year, the Group invested in fixed term deposits with maturity ranging between 3 and 5 years. These deposits have been ceded and pledged for decommissioning and rehabilitation obligations relating to Thabazimbi's Iron Ore Mine. The funds in these fixed deposit accounts have been disinvested subsequent to year-end, refer to note 41.

23. Inventories

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Finished products	**1 487**	2 058	**1 372**	2 023
Work-in-progress	**3 188**	4 357	**3 044**	4 311
Raw materials	**966**	2 848	**960**	2 846
Plant, spares and consumables	**1 035**	846	**985**	791
Transfer of spares to property, plant and equipment	**(29)**	(17)	**(29)**	(17)
Right to recover returned goods	**35**	21	**34**	21
Total	**6 682**	10 113	**6 366**	9 975

Eligible inventories, together with eligible receivables, are provided as security to the lenders of the BBF to the extent of the drawdown amount of R2 900 million (2024: R2 700 million). Refer note 29 for detail on borrowings.

Transfer of spares to property, plant and equipment

During the year, spare parts that met the recognition criteria of IAS 16 were identified and transferred to property, plant and equipment.

Right to recover returned goods

An asset for a right to recover returned goods is recognised in relation to products sold with a right to return.

Inventory at net realisable value

During the year, the Group recognised a reversal of adjustment of inventory to net realisable value of R236 million (2024: R154 million adjustment down to net realisable value) in loss from operations, and the Company a reversal of adjustment of inventory to net realisable value of R241 million (2024: R135 million adjustment down to net realisable value). The reversal of the write down of inventory is mainly attributable to a decrease in volumes of inventory on hand at year-end resulting from the wind down of the Longs Business.

24. Trade and other receivables

Summary of balances

		Group		Company	
	Notes	**2025 Rm**	2024 Rm	**2025 Rm**	2024 Rm
Trade receivables					
Gross trade receivables		**1 761**	2 146	**1 645**	2 011
Allowances for expected credit losses		**(46)**	(47)	**(46)**	(46)
Other allowances		**(149)**	(289)	**(142)**	(282)
Total net trade receivables	24.1	**1 566**	1 810	**1 457**	1 683
Other receivables					
Net value added tax receivable		**70**	130	**47**	128
Other receivables		**415**	437	**403**	425
Allowance for expected credit losses of other receivables		**(127)**	(119)	**(124)**	(116)
Total other receivables	24.2	**358**	448	**326**	437
Total trade and other receivables		**1 924**	2 258	**1 783**	2 120
Non-current other receivables		**3**	12	**2**	11
Current trade and other receivables		**1 921**	2 246	**1 781**	2 109
Total		**1 924**	2 258	**1 783**	2 120

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

24. Trade and other receivables continued

24.1 Trade receivables

		Group		Company	
	Notes	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Trade receivables					
Local		1 523	1 851	1 419	1 733
Exports		238	295	226	278
Total gross trade receivables		1 761	2 146	1 645	2 011
Allowance for expected credit losses					
Local		(45)	(44)	(45)	(44)
Exports		(1)	(3)	(1)	(2)
Total allowances for expected credit losses	24.1.1	(46)	(47)	(46)	(46)
Other allowances					
Local		(141)	(278)	(134)	(271)
Exports		(8)	(11)	(8)	(11)
Total other allowances	24.1.2	(149)	(289)	(142)	(282)
Net trade receivables					
Local		1 337	1 529	1 240	1 418
Exports		229	281	217	265
Total net trade receivables		1 566	1 810	1 457	1 683

Trade receivables are provided as security for the BBF to the extent of the drawdown of R2 900 million (2024: R2 700 million). Refer to note 29 for detail on borrowings.

Transfer of trade receivables

The true sale of receivable (TSR) programme is the sale of receivables balances by the Group with no recourse to the TSR provider. At the date of sale, the Group retains substantially all risks, primarily credit risk, and rewards, being the right to receive cash normally associated with ownership of these receivables. These trade receivables are therefore not derecognised from the statement of financial position as financial assets at the date of sale to the TSR provider.

The debtors will settle the balance due to the Group and thereafter the Group is obligated to transfer those amounts to the TSR provider.

As at 31 December 2025, the trade receivables sold to the TSR provider with a carrying amount of R1 179 million (2024: R1 230 million) were not derecognised from the statement of financial position as financial assets, and the cash proceeds of R1 179 million (2024: R1 230 million) from the TSR provider received for the sale of the trade receivables have been recognised as a financial liability.

Expenses incurred under the TSR programme (reflecting the discount granted to the TSR provider acquiring the accounts receivable) recognised in the statement of comprehensive income for the year ended 31 December 2025 are R78 million (2024: R78 million).

24. Trade and other receivables continued

24.1 Trade receivables continued

24.1.1 Allowance for expected credit losses

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Total allowances for expected credit losses	(46)	(47)	(46)	(47)

Allowance for expected credit losses is based on the ageing and recoverability of receivables. Customers handed over for collection are fully provided for unless insured, in which case the participation percentage of the insurer is deducted. Overdue customers without cover are fully provided for.

Determining the allowance for expected credit losses

In accordance with IFRS 9, the Group and Company followed a simplified approach when determining expected credit losses for trade receivables. In terms of the simplified approach, the Group and Company are not required to determine whether the credit risk has increased significantly since initial recognition of the trade receivable. Instead, the Group and Company recognised a loss allowance equal to the lifetime expected credit losses on every reporting date. The applicable default rates are applied to overdue balances after considering insured trade receivable balances. The trade receivables do not have a significant financing component.

Credit risk

Credit risk is the risk of financial loss to the Group and Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group and Company's receivables from customers, defined as trade receivables.

The carrying amounts of financial assets represent the maximum credit exposure.

The credit risk management policy sets out the framework within which the customer credit risk is managed.

The objectives of the credit risk management policy are to:
- Increase sales through investing in the customer base
- Avoid extensions that could lead to financial distress and default by customers
- Maintain productive customer relationships within the framework of prudent risk management
- Optimise cash collection periods
- Diversify credit exposure over a broad client base

The credit risk management policy is enacted by the credit management department. Credit management ensures that credit extension and management are conducted within the approved frameworks, and adequately assesses and reports all credit exposures, which include the maintenance of appropriate collateral, financial guarantees and credit insurance. The credit management's review includes the review of financial statements, credit insurers' information and industry information.

24. Trade and other receivables continued

24.1 Trade receivables continued

24.1.1 Allowance for expected credit losses continued

The Group and Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Each customer's credit profile is determined by considering the customer's financial position, payment record, guarantees and other relevant information. Credit limits are monitored regularly, and credit exposures are monitored daily. Any sales exceeding those limits either require additional credit cover, collateral or guarantees. Where these are not available, it requires the approval of the executive directors, and above a certain threshold, that of ArcelorMittal Group. This decision will be based on past payment history, size of the customer and the strategic nature of the customer.

Credit insurance is mainly underwritten by the Credit Guarantee Insurance Corporation of South Africa Limited under five different policies. A total of R1 295 million (2024: R1 507 million) of the net trade receivables balance is covered by credit insurance, representing 83% (2024: 83%) of the balance at year-end.

The insurance excess ranges from 0% to 10%.

Expected credit loss assessment for trade receivables

The Group and Company allocate each exposure to credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings from credit insurers, audited financial statements, management accounts and cash flow projections and available press/industry information). Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating factors from credit insurers. The estimation techniques and assumptions used in the expected credit loss assessment have been consistently applied. In addition, all known specifically impaired trade receivables are provided for.

The following table provides information about the exposure to credit risk for trade receivables as at 31 December 2025:

		Group		Company	
Grading	Risk	2025 Rm	2024 Rm	2025 Rm	2024 Rm
A – grading	Low risk	47	196	47	196
B – grading	Medium risk	1 678	1 917	1 563	1 782
C – grading	High risk	36	33	35	33
Total gross trade receivables		1 761	2 146	1 645	2 011

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24. Trade and other receivables continued

24.1 Trade receivables continued

24.1.1 Allowance for expected credit losses continued

Risk profiles

Grading	Characteristics	Application
A Low risk	1. Full insurance cover 2. Sufficient securities 3. Excellent payment history	If the customer meets all characteristics – no risk to the Company as the credit facility is fully covered by bank guarantees.
B Medium risk	1. Positive net asset value 2. Strong asset base 3. Positive cash inflow exceptions may be made in case of capital investments 4. Profitable 5. Good payment history 6. Full insurance cover 7. Sufficient securities (if required)	If the customer meets five or more of these characteristics – additional orders, which will cause customers to exceed their approved credit facility, will be subjected to a prior investigation by credit risk management. Securities listed below will be required: • Cession of debtors • Company guarantee (by a company with adequate liquidation value and with a low/ medium company risk profile) • Cession of loan accounts • Notarial bonds (special or general) over plant and machinery • Debt set-off agreement • Cession of shares in listed companies on the JSE • Second bond on property
C High risk	1. Consistent negative net asset value. Deficit on revalued assets 2. Poor payment history. Defaults often and needs to be reminded to pay 3. Consistent fluctuation in cash flow 4. No adequate securities 5. Adequate credit insurance cover cannot be obtained 6. Customer regularly experience operating losses	If the customer meets three or more of these characteristics and additional orders are required, the securities listed below will be required: • Guarantees from acceptable financial institutions • First bonds over fixed property • Letters of credit • Cession of endowment policies • Guarantees from the IDC

24. Trade and other receivables continued

24.1 Trade receivables continued

24.1.1 Allowance for expected credit losses continued

The Group and Company are exposed to three main customers. These top three customers operate in the domestic market. The table below details the cumulative credit limit and balances (both inclusive of value added tax) of the top three customers at the statement of financial position date for the Group and Company:

	Credit limit inclusive of VAT		Balance	
	2025	2024	**2025**	2024
Outstanding balance of the top three customers by sales for the year (Rm)				
Group – Grading B	**2 432**	2 962	**569**	417
Company – Grading B	**2 432**	2 962	**521**	345
Percentage of net trade receivables (%)				
Group			**36**	23
Company			**36**	20

The most significant customer is Customer 1 (Grading B). The outstanding customer balance as at 31 December 2025 was R331 million (2024: R228 million).

	Group		Company	
	2025 %	2024 %	**2025 %**	2024 %
Credit risk exposure by class				
Local	**85**	84	**85**	84
Exports	**15**	16	**15**	16
Total	**100**	100	**100**	100

	Group		Company	
	2025 Days	2024 Days	**2025 Days**	2024 Days
Average credit period for trade receivables				
Local	**22**	22	**21**	21
Exports	**12**	13	**12**	12

No interest is charged on trade receivables for the first 30 days from date of statement. Thereafter, interest is charged at 2% per month on the outstanding balance.

24. Trade and other receivables continued

24.1 Trade receivables continued

24.1.1 Allowance for expected credit losses continued

The Group and Company's allowance for expected credit losses, indicating application of default rates and allowance per age category, is presented in the following matrix:

	Group				
Date of statement (Days past due)	Default rate %	Ageing of overdue trade receivables Rm	Lifetime expected credit losses Rm	Specifically impaired trade receivables Rm	Total expected credit losses allowance Rm
For the year ended 31 December 2025					
30 – 60 days	**0.4**	**112**	**–**	**(1)**	**(1)**
60 – 90 days	**1.0**	**11**	**–**	**–**	**–**
90 – 120 days	**1.4**	**7**	**–**	**–**	**–**
120 – 150 days	**2.5**	**1**	**–**	**–**	**–**
>150 days	**1.3**	**42**	**(10)**	**(35)**	**(45)**
Total		**173**	**(10)**	**(36)**	**(46)**
For the year ended 31 December 2024					
30 – 60 days	0.4	269	(2)	(3)	(5)
60 – 90 days	1.0	92	–	–	–
90 – 120 days	1.4	4	–	–	–
120 – 150 days	2.5	29	–	–	–
>150 days	1.3	43	(10)	(32)	(42)
Total		437	(12)	(35)	(47)

Movement in the allowance for expected credit losses in respect of trade receivables

The movement in the allowance for expected credit losses in respect of trade receivables during the year was as follows:

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Balance at the beginning of the year	**(47)**	(49)	**(46)**	(49)
Utilisation of expected credit loss provision	**1**	–	**–**	–
Remeasurement of expected credit loss provision	**–**	2	**–**	3
Balance at the end of the year	**(46)**	(47)	**(46)**	(46)

The movement in allowance for expected credit losses relates to outstanding balances for trade receivables within category B, medium risk, as the allowance for expected credit losses relating to outstanding balances for trade receivables within category A and C is not material, such that balances and the movement in the allowance for these categories, rounded to the nearest rand million, will reflect as Rnil.

24. Trade and other receivables continued

24.1 Trade receivables continued

24.1.2 Other allowances on trade receivables

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Total other allowances	**(149)**	(289)	**(142)**	(282)

Other allowances relate to settlement discount, price, quality, dispatch and related claims for which credit notes still have to be issued.

Movement in other allowances

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Balance at the beginning of the year	**(289)**	(368)	**(282)**	(365)
Allowances reversed	**83**	27	**91**	30
Allowances utilised	**57**	52	**49**	53
Balance at the end of the year	**(149)**	(289)	**(142)**	(282)

24.2 Other receivables

		Group		Company	
	Notes	**2025 Rm**	2024 Rm	**2025 Rm**	2024 Rm
Other receivables					
Net value added tax receivable		**70**	130	**47**	128
Other receivables		**415**	437	**403**	425
Allowance for expected credit losses of other receivables	24.2.1	**(127)**	(119)	**(124)**	(116)
Total other receivables		**358**	448	**326**	437

Included in other receivables is capitalised transaction cost relating to the BBF amounting to R31 million (2024: R28 million) of which R1 million (2024: R12 million) is non-current.

24. Trade and other receivables continued

24.2 Other receivables continued

24.2.1 Allowance for expected credit losses of other receivables

Other receivables relate primarily to by-product sales, site rental due, staff education and bursary loans. In determining the recoverability of trade and other receivables, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted, up to the reporting date.

An allowance is also made for expected credit losses on other receivables relating to site rental that are more than 90 days overdue as the presumption that there is a significant increase in credit risk after 30 days is rebutted. The expected credit loss allowance relates mainly to outstanding balances on site rental. Overdue balances on other receivables, excluding site rental, are not material and these balances are subjected to specific expected credit loss impairment.

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Balance at the beginning of the year	**(119)**	(155)	**(116)**	(154)
Utilisation of expected credit loss provision	**3**	45	**3**	47
Remeasurement of expected credit loss provision	**(11)**	(9)	**(11)**	(9)
Balance at the end of the year	**(127)**	(119)	**(124)**	(116)

25. Investment in sub-lease

	Company	
	2025 Rm	2024 Rm
Secured – at amortised cost		
Balance at the beginning of the year	**61**	84
Adjustments	**–**	(6)
Interest income	**5**	7
Rental received	**(32)**	(24)
Balance at the end of the year	**34**	61
Non-current	**–**	35
Current	**34**	26
Total	**34**	61
Maturity profile		
Minimum lease payments receivable		
Due in 2025	**–**	31
Due in 2026	**35**	35
Total	**35**	66
Future finance income	**(1)**	(5)
Present value of minimum lease receipts	**34**	61

In 2022, the Company entered into a sub-lease agreement for machinery, plant and equipment, with Thabazimbi Iron Ore Mine as the lessee, for the processing of existing stockpiles at the mine. There were no breaches or defaults in contracts during the current year.

25. Investment in sub-lease continued

The following are the amounts recognised in profit or loss:

	Company	
	2025 Rm	2024 Rm
Interest income	5	7
Adjustments	–	(6)
Total amount recognised in profit or loss	**5**	**1**

There were no lease contracts that include extension and termination options during the current year. Refer to note 30 for disclosure related to the lease liabilities.

26. Cash, bank balances and restricted cash

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Bank balances	**2 363**	3 594	**2 278**	3 504

Bank balances are held, and derivatives are entered into, with banks and financial institutions that are rated A+ to BB based on ratings from Fitch. The Group and Company consider that its cash, cash equivalents and restricted cash have a low credit risk based on the external ratings of the counterparties. Based on this and the short-term maturities of these exposures there is no expected credit loss and hence no provision for expected credit losses has been raised against these positions and balances.

For the purposes of the Group and Company statements of cash flows, cash, cash equivalents and restricted cash include cash on hand and in banks. Restricted cash at the end of the reporting period consists of the following:

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Restricted cash (TSR) programme	756	895	756	895
Restricted cash BBF ceded bank accounts	708	855	708	855
Environmental rehabilitation obligation	9	443	9	443
Guarantee for payment of foreign obligation	29	72	29	72
Litigation	2	2	2	2
Total	**1 504**	**2 267**	**1 504**	**2 267**

The restricted cash amounts relating to the TSR programme are amounts collected on behalf of the TSR provider after the financing of the debtors. These amounts are required to be paid over to the TSR provider. The restricted cash is held in bank accounts of ArcelorMittal South Africa.

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27. Assets held-for-sale

Investment property held-for-sale

	Notes	Group 2025 Rm	Group 2024 Rm	Company 2025 Rm	Company 2024 Rm
Carrying amount at the beginning of the year		126	134	–	–
Gain/(loss) on remeasurement		8	(57)	–	–
Transfer to investment properties	18	–	(77)	–	–
Transfer from investment properties	18	70	126	70	–
Proceeds on sale of property		(134)	–	–	–
Exchange rate movement		–	–	–	–
Carrying amount at the end of the year		70	126	70	–

The sale of the warehouse property for which a non-binding offer was received in 2023, was concluded in 2025.

An offer was received for another industrial investment property (level 3 in the fair value hierarchy) during 2025. The sale of this property is in process and is expected to be concluded in 2026. Refer to note 18 for details on the measurement, valuation techniques and inputs used for this investment property.

28. Stated capital

	Group 2025 Rm	Group 2024 Rm	Company 2025 Rm	Company 2024 Rm
Ordinary shares	4 537	4 537	4 537	4 537
A1 ordinary shares at no par value[1]	–	–	–	–
A2 ordinary shares at no par value[1]	–	–	–	–
Total	4 537	4 537	4 537	4 537

[1] Value less than R1 million.

	Group 2025 Number of shares	Group 2024 Number of shares	Company 2025 Number of shares	Company 2024 Number of shares
Reconciliation of authorised shares				
Ordinary shares at no par value	1 200 000 000	1 200 000 000	1 200 000 000	1 200 000 000
A1 ordinary shares at no par value	243 240 276	243 240 276	243 240 276	243 240 276
A2 ordinary shares at no par value	72 972 083	72 972 083	72 972 083	72 972 083
Total	1 516 212 359	1 516 212 359	1 516 212 359	1 516 212 359
Issued shares				
Ordinary shares at no par value	1 138 059 825	1 138 059 825	1 138 059 825	1 138 059 825
A1 ordinary shares at no par value	243 240 276	243 240 276	243 240 276	243 240 276
A2 ordinary shares at no par value	72 972 083	72 972 083	72 972 083	72 972 083
Total shares in issue	1 454 272 184	1 454 272 184	1 454 272 184	1 454 272 184
Reconciliation of shares issued to shares outstanding				
Total shares issued	1 454 272 184	1 454 272 184	1 454 272 184	1 454 272 184
Amandla we Nsimbi (RF) Proprietary Limited	(243 240 276)	(243 240 276)	(243 240 276)	(243 240 276)
Isabelo Employee Share Trust	(72 972 083)	(72 972 083)	(72 972 083)	(72 972 083)
Ordinary shares	1 138 059 825	1 138 059 825	1 138 059 825	1 138 059 825
Vicva Investments and Trading Nine Proprietary Limited	(23 447 036)	(23 447 036)	(23 447 036)	(23 447 036)
Total shares outstanding	1 114 612 789	1 114 612 789	1 114 612 789	1 114 612 789

28. Stated capital continued

A1 and A2 shares

The unissued ordinary shares are not under the control of the directors. All other shares in issue are fully paid up.

In 2016, a B-BBEE transaction was completed.

In terms of the scheme, ArcelorMittal South Africa issued empowerment shares to Amandla we Nsimbi (RF) Proprietary Limited and Isabelo Employee Share Trust (representing 17% and 5%, respectively, of the voting rights in ArcelorMittal South Africa) through a notional loan.

Amandla we Nsimbi (RF) Proprietary Limited whose shares are owned by broad-based black consortium, Likamva Resources, subscribed for 243 240 276 A1 ordinary shares in ArcelorMittal South Africa. A1 ordinary shares were issued at a nominal value through a notional loan structure. The original notional loan was for 10 years of which one year is still left. Likamva Resources was initially the only shareholder but has introduced a broad-based party in the form of a community trust during November 2019. The trust holds 29.53% (2024: 29.53%) of the shares in Amandla we Nsimbi (RF) Proprietary Limited, reducing Likamva Resources' shareholding to 70.47% (2024: 70.47%). Therefore, an indirect effective shareholding of 5% is achieved by the community trust.

The Isabelo Employee Share Trust was set up for permanently employed management and non-management employees of all job grades of ArcelorMittal South Africa. The Isabelo Employee Share Trust subscribed for 72 972 083 A2 ordinary shares in ArcelorMittal South Africa, representing 5% of the voting rights in ArcelorMittal South Africa. A2 ordinary shares are also issued at a nominal value through a notional loan structure.

The "A" class shares granted to Amandla we Nsimbi (RF) Proprietary Limited and the Isabelo Employee Share Trust will convert into ArcelorMittal South Africa ordinary shares on 12 December 2026. The number of shares that will convert will be the equivalent of the value of the shares in surplus of the balance of the notional loan on 12 December 2026. There is a 10-year vesting period for the share-based payment benefit provided to the Isabelo Employee Share Trust and no vesting period for the share-based payment benefit provided to Amandla we Nsimbi (RF) Proprietary Limited. There are no performance targets for vesting for both ownership schemes. As at 31 December 2025, the balance of the notional loan for each scheme, whereby these schemes are financed, exceed the value of the shares granted under each scheme. It is therefore not expected that there will be a surplus value from which to issue shares to the participants of the Amandla we Nsimbi (RF) Proprietary Limited and Isabelo Employee Share Trust schemes on 12 December 2026.

Analysis of shareholding

The analysis of ordinary shareholders below represents a summary of beneficial shareholders with a holding greater than 5% of issued shares as at 31 December 2025:

	2025		2024	
	Number of shares[1]	% of shares in issue[1]	Number of shares[1]	% of shares in issue[1]
ArcelorMittal Holdings AG	**771 489 400**	**53.05**	771 489 400	53.05
Amandla we Nsimbi (RF) Proprietary Limited	**243 240 276**	**16.73**	243 240 276	16.73
Industrial Development Corporation (IDC)	**93 044 068**	**6.40**	93 044 068	6.40
Isabelo Employee Share Trust	**72 972 083**	**5.02**	72 972 083	5.02
Shareholding more than 5%	**1 180 745 827**	**81.20**	1 180 745 827	81.20
Shareholding less than 5%	**273 526 357**	**18.80**	273 526 357	18.80
Total	**1 454 272 184**	**100.00**	1 454 272 184	100.00

[1] The number of shares is total shares in issue which consist of ordinary shares, A1 ordinary shares and A2 ordinary shares. % of shares in issue is an effective shareholding based on total shares in issue.

Of the issued shares, Vicva Investments and Trading Nine Proprietary Limited, a wholly owned subsidiary of ArcelorMittal South Africa, owns 1.6% (2024: 1.6%).

The shares held by Vicva Investments and Trading Nine Proprietary Limited, Amandla we Nsimbi (RF) Proprietary Limited and Isabelo Employee Share Trust are treated as treasury shares for accounting purposes.

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29. Borrowings

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Secured – at amortised cost				
Borrowing based facility (BBF loan)	**2 900**	2 700	**2 900**	2 700
Loans from holding Company	**5 476**	5 055	**5 476**	5 055
Loan from Industrial Development Corporation (IDC)	**750**	950	**750**	950
Loans	**9 126**	8 705	**9 126**	8 705
Non-current	**5 476**	5 055	**5 476**	5 055
Current	**3 650**	3 650	**3 650**	3 650
Total	**9 126**	8 705	**9 126**	8 705

The carrying amounts are a reasonable approximation of fair value.

		Group		Company	
	Notes	**2025 Rm**	2024 Rm	**2025 Rm**	2024 Rm
Cash, bank balances and restricted cash	26	**2 363**	3 594	**2 278**	3 504
Borrowings	29	**(9 126)**	(8 705)	**(9 126)**	(8 705)
Net borrowings		**(6 763)**	(5 111)	**(6 848)**	(5 201)

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

- The consolidated tangible net worth of the Group on the last day of the relevant period (each quarter of each financial year of the Group) must be not less than R6 000 million (2024: R6 000 million). This was temporarily amended to
  R4 500 million for measuring quarter four 2025 and quarter one 2026 periods, and subsequent to year-end also amended for measuring period quarter 2 2026, refer to note 41
- At least R2 700 million of the consolidated tangible net worth of the Group on the last day of that relevant period must consist of subordinated loans from the holding Company
- At all times, the borrowings of the Group (excluding any permitted borrowings, which include subordinated loans from the holding Company, environmental guarantees and any bank guarantees in favour of Eskom and the short-term funding from the IDC) must not exceed R2 500 million (or its equivalent in any other currency or currencies).

The Group is in compliance with the above covenants as at 31 December 2025 and has been in compliance at the end of each relevant period. The consolidated tangible net worth of the Group is R4 987 million (2024: R6 940 million), which is determined as the sum of equity of the Group, the subordinated loan from the holding Company of R5 476 million (2024: R5 055 million) excluding intangible assets. The borrowings of the Group for the purposes of the applicable BBF covenant, are R1 376 million (2024: R1 131 million), determined as the outstanding balance of the loan from the IDC and the lease liabilities. However, under the solvency provisions of the BBF Agreement the outstanding balance will become payable on demand should the Group's total liabilities exceed total assets and at 31 December 2025 the Group's total liabilities of R21 443 million exceed its total assets of R21 014 million by R429 million. Subsequent to year-end the BBF Lenders agreed to amend this provision resulting in the outstanding balance not being treated as payable on demand, given that the subordinated shareholder loan of R5 476 million is to be excluded from total liabilities for the purpose of determining the Group's compliance with the solvency provisions, refer to note 41.

Eligible inventories and receivables are provided as securities for the BBF loan to the extent of the draw down. At 31 December 2025, the balance of the borrowing base facility was R2 900 million (2024: R2 700 million) with R100 million (2024: R1 800 million) still available. The weighted average interest rate payable on the BBF loan is 10.9% (2024: 11.9%).

Bank accounts of R708 million (2024: R855 million) were ceded in favour of the BBF loan.

The maturity date of the BBF loan is 8 March 2027. The run-off period was supposed to commence on 8 April 2026. This facility is managed as part of the entity's working capital requirements. Drawdowns and repayments are made on a weekly or regular basis to manage working capital levels and cash flow. The loan is therefore classified as a current liability. The outstanding balance is presented under current liabilities, as detailed below. Subsequent to year-end the BBF Lenders agreed to amend the commencement of the run-off period to 8 August 2026, refer to note 41.

29. Borrowings continued

During the current year, the Group capitalised interest on the loan from the holding Company, worth R295 million, and management, research and development fees payable to the holding Company, worth R126 million, to the loan from the holding Company. The subordinated portion of the loan was also increased from R5 055 million to R5 476 million. The full balance of the loan from the holding Company is therefore subordinated at year-end. Interest is payable on a quarterly basis. The final maturity date is 1 March 2027. The weighted average interest rate payable on the Group loan is 10% (2024: 11.1%).

A secured short-term loan of R1 000 million was received from the IDC in June 2024. The loan is subject to market-related interest with the first payment having been made in December 2024. There are no covenants attached to the loan. The repayment of this loan was restructured in December 2025, whereby the repayment profile, representing monthly repayments, has been amended such that final settlement of the capital portion will occur 1 August 2028. Given the Group's financial position at year-end, a default with the BBF loan agreement resulted in the balance of the loan being treated as being immediately repayable. The full outstanding balance is therefore presented under current liabilities, refer to note 41 for more detail. Management has requested a waiver from the IDC. The IDC is engaged in its governance processes in considering the waiver application and anticipate concluding their governance process on or about 30 April 2026.

30. Lease liabilities

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Secured – at amortised cost				
Balance at the beginning of the year	**181**	188	**181**	188
Additions	**105**	62	**103**	62
Interest	**20**	18	**20**	18
Modification	**–**	(41)	**–**	(41)
Payments	**(60)**	(46)	**(60)**	(46)
Balance at the end of the year	**246**	181	**244**	181
Non-current	**194**	142	**192**	142
Current	**52**	39	**52**	39
	246	181	**244**	181
Maturity profile				
Minimum lease payments				
Year 1	**75**	56	**75**	56
Year 2	**41**	59	**41**	59
Year 3	**41**	25	**41**	25
Year 4	**37**	24	**37**	24
Year 5	**36**	20	**36**	20
Longer than 5 years	**122**	55	**120**	55
Total	**352**	239	**350**	239
Future finance charges	**(106)**	(58)	**(106)**	(58)
Present value of minimum lease payments	**246**	181	**244**	181

The Group leases machinery, plant and equipment over a period of 10 years. The lease liabilities are effectively secured, as the rights to the leased assets are embedded in the supply agreements and would generally revert to the lessor or supplier in the event of defaults.

There were no breaches or defaults in contracts during the current or comparative year.

The following are the amounts recognised in profit or loss:

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Depreciation expense of right-of-use assets	**28**	29	**12**	11
Interest	**20**	18	**20**	18
Total	**48**	47	**32**	29

Refer to note 16 for disclosure related to the right-of-use asset and note 25 for disclosure relating to investment in sub-lease with Thabazimbi Iron Ore Mine.

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31. Provisions

	Asset retirement obligation Rm	Environ-mental reme-diation obligation Rm	Restruc-turing cost Rm	Onerous contracts Rm	Other Rm	Total Rm
Group						
For the year ended 31 December 2025						
At the beginning of the year	186	1 759	495	244	608	3 292
Charges to the statement of comprehensive income	25	(67)	(144)	(157)	128	(215)
Scope changes	(5)	(278)	(144)	(157)	128	(456)
Discount rate change	14	65	–	–	–	79
Unwinding of the discount effect	16	146	–	–	–	162
Utilisation	(3)	(116)	–	(87)	(149)	(355)
Utilised – transferred to trade and other payables	–	–	(235)	–	(124)	(359)
At the end of the year	208	1 576	116	–	463	2 363
Non-current	176	1 383	–	–	1	1 560
Current	32	193	116	–	462	803
Total	208	1 576	116	–	463	2 363
For the year ended 31 December 2024						
At the beginning of the year	199	1 812	–	–	387	2 398
Charges to the statement of comprehensive income	(5)	49	495	244	356	1 139
Scope changes	(26)	(153)	495	244	356	916
Discount rate change	1	33	–	–	–	34
Unwinding of the discount effect	20	169	–	–	–	189
Utilisation	(8)	(102)	–	–	(135)	(245)
At the end of the year	186	1 759	495	244	608	3 292
Non-current	145	1 431	–	–	2	1 578
Current	41	328	495	244	606	1 714
Total	186	1 759	495	244	608	3 292

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

31. Provisions continued

	Asset retirement obligation Rm	Environmental remediation obligation Rm	Restructuring cost Rm	Onerous contracts Rm	Other Rm	Total Rm
Company						
For the year ended 31 December 2025						
At the beginning of the year	135	1 271	495	244	504	2 649
Charges to the statement of comprehensive income	2	(156)	(144)	(157)	125	(330)
Scope changes	(14)	(295)	(144)	(157)	125	(485)
Discount rate change	5	46	–	–	–	51
Unwinding of the discount effect	11	93	–	–	–	104
Utilisation	–	(116)	–	(87)	(147)	(350)
Utilised – transferred to trade and other payables	–	–	(235)	–	(124)	(359)
At the end of the year	137	999	116	–	358	1 610
Non-current	107	915	–	–	1	1 023
Current	30	84	116	–	357	587
Total	137	999	116	–	358	1 610
For the year ended 31 December 2024						
At the beginning of the year	137	1 811	–	–	322	2 270
Charges to the statement of comprehensive income	(2)	–	495	244	316	1 053
Scope changes	(16)	(138)	495	244	316	901
Discount rate change	2	26	–	–	–	28
Unwinding of the discount effect	12	112	–	–	–	124
Settlement of obligation[1]	–	(438)	–	–	–	(438)
Utilisation	–	(102)	–	–	(134)	(236)
At the end of the year	135	1 271	495	244	504	2 649
Non-current	111	1 042	–	–	2	1 155
Current	24	229	495	244	502	1 494
Total	135	1 271	495	244	504	2 649

[1] During the 2024 financial year the Company settled a portion of its contractual liability towards rehabilitation costs of the Thabazimbi Iron Ore Mine. The settlement amount represents costs that have been incurred by Thabazimbi Iron Ore Mine towards rehabilitation of the mine since the mine was acquired in 2018 to 2023.

31. Provisions continued

Maturity profile

The gross value maturity profile of the provisions is set out in the table below:

	Asset retirement obligation Rm	Environ-mental remediation obligation Rm	Restruc-turing cost Rm	Onerous contracts Rm	Other Rm	Total Rm
Group						
For the year ended 31 December 2025						
Less than one year	35	207	116	–	462	820
More than one year, less than five years	161	1 332	–	–	2	1 495
Greater than five years	86	572	–	–	–	658
Total	282	2 111	116	–	464	2 973
Company						
For the year ended 31 December 2025						
Less than one year	32	90	116	–	357	595
More than one year, less than five years	108	838	–	–	2	948
Greater than five years	40	444	–	–	–	484
Total	180	1 372	116	–	359	2 027

The present value maturity profile of the provisions is set out in the table below:

	Asset retirement obligation Rm	Environ-mental remediation obligation Rm	Restruc-turing cost Rm	Onerous contracts Rm	Other Rm	Total Rm
Group						
For the year ended 31 December 2025						
Less than one year	32	193	116	–	462	803
More than one year less than five years	127	1 066	–	–	1	1 194
Greater than five years	49	317	–	–	–	366
Total	208	1 576	116	–	463	2 363
Company						
For the year ended 31 December 2025						
Less than one year	30	84	116	–	357	587
More than one year less than five years	85	669	–	–	1	755
Greater than five years	22	246	–	–	–	268
Total	137	999	116	–	358	1 610

Asset retirement obligation and environmental remediation obligation provisions

Environmental obligations consist of asset retirement obligations and environmental remediation obligations.

The asset retirement obligations represent management's best estimate of the present value of costs that will be required to retire plant and equipment. The majority of the obligation relates to ancillary plant and equipment that will be retired as part of the clean-up and closure of those facilities to be remediated via the asset remediation obligation. The net carrying amount of the asset retirement obligation, asset component, included in note 16 amounts to Rnil (2024: Rnil) for the Group and Rnil (2024: Rnil) for the Company.

Environmental remediation obligations represent the present value of the cost of remedial action to clean up and restore a site. These actions are primarily attributable to legacy waste disposal activities. Legal obligations exist to remediate these facilities. Estimating the future cash flows associated with these obligations and the related asset components is complex. In particular, judgement is required in distinguishing between asset retirement obligations and environmental remediation obligations. Existing laws and guidelines are not always clear as to the required end-state situation. The obligations are also affected by changing technologies, environmental, safety, feasibility studies in the case of the mine, and other business and legal considerations. The investment held in environmental trust will be used in part to settle this obligation, refer to note 21.

31. Provisions continued

Asset retirement obligation and environmental remediation obligation provisions continued

The directors assess the long-term operational plans, technological and legislative developments, guidelines issued by the authorities, advice from external environmental experts, and computations provided by quantity surveyors to derive an estimated future cash flow profile to serve as basis for the computation of the obligations and related assets.

The term of the obligation assessment varies according to the site. The maximum term is 10 years.

	2025 %	2024 %
Average discount rates		
Asset retirement obligation	7.5	8.8
Environmental remediation obligation	7.6	9.2

The average escalation factor applied to the current cash flow estimates is 3.6% (2024: 4.3%).

The following table details the sensitivity of the obligations to a 10% increase in cash flows and discount rates applied. As the risks are symmetrical in nature, a change in the opposite direction would result in an equal but opposite amount to that detailed in the sensitivity below.

Carrying amount at 31 December 2025	Asset retirement obligation increase/ (decrease) Rm	Environmental remediation obligation increase/ (decrease) Rm
Increase of 10% in all cash flows	21	158
Increase of 10% in cash flows in first five years	16	126
Increase of 100 basis points in discount rate	(5)	(37)
Increase of 100 basis points in discount rate in first five years	(3)	(23)

Restructuring cost

The restructuring cost relates to the section 189 severance packages for employees affected by the wind down of the Longs Business and the footprint optimisation of the Flat Business. The process was finalised during the current year and the provision adjusted accordingly based on management's latest assessments.

Onerous contracts

The onerous contracts relate to contract termination costs resulting from the wind down of the Longs Business. The provision decreased in the current period resulting from management reassessment of contracts and transferability thereof to other plants and the deferral period allowing for contractual commitments to be fulfilled in line with contractual terms.

Other

Included in the other provision category is a provision relating to carbon tax and a provision for a dispute with suppliers in relation to penalty clauses.

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

32. Trade and other payables

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Trade payables				
Trade payables	**5 695**	6 969	**5 595**	6 897
Contract liabilities	**550**	879	**549**	876
True sales of receivable programme	**1 179**	1 230	**1 179**	1 230
Total	**7 424**	9 078	**7 323**	9 003
Other payables				
Leave pay	**329**	396	**325**	393
Refund liability	**35**	17	**35**	17
Sundry	**936**	445	**900**	435
Total	**1 300**	858	**1 260**	845
Non-current	**209**	228	**183**	227
Current	**8 515**	9 708	**8 400**	9 621
Total	**8 724**	9 936	**8 583**	9 848

Contract liabilities

Contract liabilities represent advanced receipts from customers for which goods have not been delivered at year-end.

True sales of receivable (TSR) Programme

The TSR programme is the sale of receivables balances by the Group and Company with no recourse to the TSR provider, refer to note 24 for detail.

Leave pay benefits accrual

In terms of Group and Company policy, employees are entitled to accumulate vested leave benefits not taken within a leave cycle. The obligation is reviewed annually.

Refund liability

The refund liability relates to customers with a right to return goods.

Sundry

Sundry payables comprise primarily of accruals for corporate fees, other general accruals and payroll-related payables.

The increase in sundry payables from prior year mainly relate to corporate fees which comprise of interest, management fees and research and development costs worth R328 million which have not been capitalised to the loan from the holding Company in the current year. The remaining increase relates mainly to payroll-related payables.

32. Trade and other payables continued

Supplier finance arrangement

The Group has an agreement with a third-party service provider, two finance providers and specific suppliers whereby the finance providers pay amounts owed by the Group and Company to its suppliers at terms and conditions that are different from that agreed between the Group and Company and suppliers that are not part of this agreement.

The Group and Company's payment terms with these finance providers are 61 days (2024: 60 days), providing the Company with extended payment terms, or the Company's suppliers with early payment terms compared to the original payment due dates, as the finance providers pay the Company's suppliers on earlier payment terms.

Supplier invoices are submitted by the Company on an electronic platform, provided by a third-party service provider, for trading by finance providers. This facility started to wind down in November 2025, with the last invoices traded during December and final settlement to funders settled by 2 February 2026.

During the current year the Group entered into a similar arrangement with a finance provider of the Group's holding Company, presented as Financier C below.

		Group		Company	
		2025 Rm	2024 Rm	2025 Rm	2024 Rm
Carrying amount of financial liabilities					
Presented in trade payables		1 148	2 123	1 148	2 123
Of which suppliers have received payment from finance providers		1 148	1 908	1 148	1 908
Concentrations of risk	**Credit rating**				
Financier A	Bb-	691	1 908	691	1 908
Financier B	Ba3	–	–	–	–
Financier C	F1+	457	–	457	–
Range of payment due dates					
Liabilities that are part of the agreement[1]		5 – 30 days		5 – 30 days	
Comparable trade payables that are not part of the agreement[2]		61 days		61 days	

[1] The payment terms for liabilities that form part of supplier finance arrangements represent the term within which the finance provider will settle the balance in question with the supplier.

[2] The payment terms for liabilities that do not form part of supplier finance arrangements represent the Group and Company's normal payment terms with suppliers, being 61 days.

There were no non-cash changes in the carrying amounts of supplier finance arrangement financial liabilities during the current or prior year. All invoices submitted for trading are denominated in rand.

33. Other financial liabilities

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Carrying amount at the beginning of the year	747	683	747	683
Unwinding of the discounting effect	125	64	125	64
Repayment	–	–	–	–
Carrying amount at the end of the year	872	747	872	747
Other foreign exchange contracts carried at fair value through profit or loss (FVTPL)	–	5	–	5
Total carrying amount at the end of the year	872	752	872	752
Non-current	783	703	783	703
Current	89	49	89	49

Competition Commission administrative penalty

In 2016, the Competition Tribunal approved a Settlement Agreement reached with the Competition Commission (the Commission) and which provided for an administrative penalty of R1 500 million to be paid over a five-year period.

In August 2022, the Commission accepted a revised payment plan which led to derecognition of the original liability and recognition of a new liability in September 2022. In 2024, a revised payment plan was agreed with the Commission which resulted in updating the current and non-current liability positions of the administrative penalty. The financial liability is to be paid over a period of seven years with the last payment being due in 2032.

Other forward exchange contracts carried at FVTPL

At 31 December 2025, there were no instruments outstanding for the Group or Company. At 31 December 2024, the Group and Company held financial instruments carried at FVTPL representing marked to market losses on foreign exchange contracts (FECs). The fair value was determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

34. Notes to the statement of cash flows

34.1 Cash generated from operations

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Loss before tax	**(3 020)**	(5 834)	**(2 666)**	(5 442)
Adjusted for:				
Other income	**(1 809)**	–	**(1 629)**	–
Finance and investment income	**(230)**	(82)	**(288)**	(108)
Finance costs	**1 430**	1 454	**1 287**	1 285
Fair value adjustment of investment properties	**(198)**	(37)	**(198)**	10
(Gain)/loss on remeasurement of asset held-for-sale	**(8)**	57	**–**	–
Income after tax from equity-accounted investments	**(16)**	(5)	**–**	–
Gain on bargain purchase	**(1)**	–	**–**	–
Impairment of equity-accounted investments and subsidiaries	**2**	–	**4**	7
Depreciation	**1 024**	807	**958**	783
Amortisation of intangible assets	**15**	11	**15**	11
Impairment of property, plant and equipment	**112**	682	**112**	682
Reversal of impairment of property, plant and equipment and intangible assets	**(245)**	–	**(186)**	–
Unrealised profit on sales to joint ventures	**6**	6	**–**	–
Share-based payment expense	**27**	10	**27**	10
Settlement of long-term incentive plan	**–**	(9)	**–**	(9)
Reversal of write down of inventory to net realisable value	**(236)**	(154)	**(241)**	(135)
Adjustment for slow-moving inventory	**(45)**	(22)	**(39)**	(20)
(Reversal)/write down of inventory – plant spares and consumables	**(189)**	392	**(189)**	392
(Profit)/loss on disposal or scrapping of property, plant and equipment	**(5)**	35	**9**	35
Fair value adjustment of investment held by environmental trust	**(90)**	(48)	**–**	–
Realised foreign exchange movements	**123**	41	**124**	41
Movement in trade and other receivable allowances	**7**	(38)	**8**	(38)
Investment in sub-lease	**–**	–	**26**	23
Other payables raised, released and utilised relating to employee benefit	**85**	100	**84**	100
Changes in financial liabilities or assets	**–**	(10)	**–**	(10)
Utilisation of provisions	**(355)**	(245)	**(350)**	(236)
Non-cash movement in provisions and financial liabilities	**(450)**	916	**(398)**	1 044
Funding received – IDC	**2 063**	–	**2 063**	–
Operating working capital movements:	**2 564**	3 002	**2 689**	2 861
Decrease in inventories	**3 872**	2 094	**4 043**	1 980
Decrease in trade and other receivables	**289**	1 374	**282**	1 367
Decrease in trade and other payables	**(1 597)**	(466)	**(1 636)**	(486)
Cash generated from operations	**561**	1 029	**1 222**	1 286

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

34. Notes to the statement of cash flows continued

34.2 Reconciliation of finance income

	Notes	Group 2025 Rm	Group 2024 Rm	Company 2025 Rm	Company 2024 Rm
Finance and investment income per statement of comprehensive income	11	230	82	288	108
Adjusted for:					
Dividends		–	–	(32)	–
Net foreign exchange profit and net gains from foreign exchange contracts		(140)	(2)	(143)	(1)
Total		90	80	113	107

34.3 Reconciliation of finance costs paid

	Notes	Group 2025 Rm	Group 2024 Rm	Company 2025 Rm	Company 2024 Rm
Finance costs per statement of comprehensive income	12	(1 430)	(1 454)	(1 287)	(1 285)
Adjusted for:					
Funding received (IDC) – presented separately		(182)	–	(152)	–
Non-cash movement on interest expense borrowings and payables:					
– Loan from holding Company		528	415	528	415
– Other third-party payables		36	32	36	30
Discount rate adjustment on provisions	31	79	34	51	28
Unwinding of the discounting effect on provisions and financial liabilities		287	253	230	188
Provisions	31	162	189	105	124
Other financial liabilities	33	125	64	125	64
Total		(682)	(720)	(594)	(624)

34.4 Income tax received/(paid)

	Group 2025 Rm	Group 2024 Rm	Company 2025 Rm	Company 2024 Rm
Normal taxation payable at the beginning of the year	(112)	(112)	–	–
Amounts charged to the statement of comprehensive income	8	(5)	–	–
Less: Normal taxation payable at the end of the year	112	112	–	–
Total	8	(5)	–	–

34. Notes to the statement of cash flows continued

34.5 Investment to maintain and expand operations

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Investment to maintain operations	(906)	(927)	(879)	(896)
Replacement of property, plant and equipment	(770)	(633)	(743)	(602)
Intangible assets	(16)	(6)	(16)	(6)
Environmental	(70)	(237)	(70)	(237)
Reconditionable spares	(50)	(51)	(50)	(51)
Investment to expand operations	(26)	(11)	(25)	(11)
Property, plant and equipment	(26)	(11)	(25)	(11)
Funding applied – IDC	(72)	–	(52)	–
Total	(1 004)	(938)	(956)	(907)

Reconciliation of additions of property, plant and equipment and intangible assets to cash flows of capital expenditure

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Total additions	(969)	(964)	(925)	(935)
Additions to property, plant and equipment	(953)	(956)	(909)	(927)
Additions to intangible assets	(16)	(8)	(16)	(8)
Adjusted for:				
Movement in capital creditors	(140)	(36)	(134)	34
Non-cash lease additions	105	62	103	62
Cash flows of capital expenditure	(1 004)	(938)	(956)	(907)

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

35. Financial instruments – Fair value and risk management

35.1 Accounting classifications

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	2025 FVTPL Rm	2025 Assets/ liabilities amortised cost Rm	2025 Total Rm	2024 FVTPL Rm	2024 Assets/ liabilities amortised cost Rm	2024 Total Rm	Fair value hierarchy
Group							
Options and financial assets measured at fair value							
Investments in environmental trust	576	–	576	486	–	486	Level 2
Equity securities[1]	–	–	–	–	–	–	Level 1
	576	–	576	486	–	486	
Options and financial liabilities measured at fair value							
Other forward exchange contracts	–	–	–	5	–	5	Level 2
	–	–	–	5	–	5	
Financial assets measured at amortised cost							
Other financial assets	–	315	315	–	–	–	
Trade and other receivables[2]	–	1 884	1 884	–	2 157	2 157	
Cash, cash equivalents and restricted cash	–	2 363	2 363	–	3 594	3 594	
	–	4 562	4 562	–	5 751	5 751	
Financial liabilities measured at amortised cost							
Borrowings	–	9 126	9 126	–	8 705	8 705	
Other financial liabilities	–	872	872	–	747	747	
Lease liabilities	–	246	246	–	181	181	
Trade payables	–	7 418	7 418	–	9 078	9 078	
Other payables[2]	–	941	941	–	461	461	
	–	18 603	18 603	–	19 172	19 172	

[1] Equity securities are designated at FVTOCI, refer to note 22 for detail regarding investment in equity securities.
[2] Other payables that are not financial liabilities and other receivables that are not financial assets, are not included.

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

35. Financial instruments – fair value and risk management continued

35.1 Accounting classifications continued

	2025			2024			
	FVTPL Rm	Assets/ liabilities amortised cost Rm	Total Rm	FVTPL Rm	Assets/ liabilities amortised cost Rm	Total Rm	Fair value hierarchy
Company							
Financial assets measured at fair value							
None							
Financial assets measured at amortised cost							
Other financial assets	–	315	315	–	–	–	Level 1
Trade and other receivables[1]	–	1 765	1 765	–	2 049	2 049	
Cash, cash equivalents and restricted cash	–	2 278	2 278	–	3 504	3 504	
	–	4 358	4 358	–	5 553	5 553	
Financial liabilities measured at fair value							
Other forward exchange contracts	–	–	–	5	–	5	Level 2
	–	–	–	5	–	5	
Financial liabilities measured at amortised cost							
Borrowings	–	9 126	9 126	–	8 705	8 705	
Other financial liabilities	–	872	872	–	747	747	
Lease liabilities	–	244	244	–	181	181	
Trade payables	–	7 316	7 316	–	9 003	9 003	
Other payables[1]	–	931	931	–	452	452	
	–	18 489	18 489	–	19 088	19 098	

[1] Other payables that are not financial liabilities and other receivables that are not financial assets, are not included.

The carrying amount of financial assets and liabilities measured at amortised cost approximates their fair value.

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

35. Financial instruments – fair value and risk management continued

35.2 Measurement of fair values – valuation techniques

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values for assets and financial instruments measured at fair value in the statement of financial position.

Type	Level	Valuation technique
Forward exchange contracts	2	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies. The use of observable market information results in a level 2 fair value measurement.
Investments in environmental trust	2	The fair value is derived from the underlying listed share prices.
Assets held-for-sale	3	The fair value is derived from the offer price of the purchaser and, for assets not carried at fair value under investment properties, the price is adjusted for costs to sell.
CGU and decommissioned plants	3	The recoverable amount represents its fair value less cost to sell which has been determined by comparing the plants assets with identical or similar assets for which price information is available, whether as scrap or for sale in the relevant market, and adjusting these values for significant unobservable inputs to reflect the specific condition, age, and disposal circumstances of the assets.

When measuring the fair value of an asset or a liability, the Group and Company use observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level	Valuation technique
Level 1:	Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2:	Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).
Level 3:	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

35. Financial instruments – fair value and risk management continued

35.3 Financial risk management overview and objectives

The Group and Company's board of directors has overall responsibility for the establishment and oversight of the Group and Company's risk management framework. The audit and risk committee is responsible for developing and monitoring the Group and Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group and Company's risk management policies are established to identify and analyse the risks faced by it, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group and Company's activities. The Group and Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group and Company's audit and risk committee oversees how management monitors compliance with the Group and Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group and Company. The Group and Company's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Group's financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance.

Financial risks to which the Group and Company are exposed consist of financial market risk, capital management and gearing risk, customer credit risk, liquidity risk and equity price risk.

The treasury policy addresses market, liquidity, capital management, gearing risk and customer credit risk through the direction of the following activities. The treasury policy is enacted by the treasury department (treasury). Treasury identifies, evaluates and mitigates financial risks in close cooperation with the Group and Company's operating units. Board-approved written policies cover the specific activities noted above and address risk limits, the use of derivative and non-derivative financial instruments to hedge certain exposures, and the approval framework governing transaction levels.

35.3.1 Financial market risk

Through its activities, the Group is exposed primarily to the financial risks of changes in commodity prices, foreign currency exchange rates, interest rates and potential liquidity constraints.

The Group manages currency risk through economic hedging of foreign exchange rates relating primarily to capital procurement, trade imports.

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

35. Financial instruments – fair value and risk management continued

35.3 Financial risk management overview and objectives continued

35.3.2 Foreign currency risk management

The carrying amount in ZAR, as translated at the closing exchange rate, of the foreign denominated monetary assets and monetary liabilities at the reporting date is:

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Monetary assets				
USD				
Cash and cash equivalents	456	475	456	475
Trade and other receivables (unrelated parties)	220	230	205	213
Trade and other receivables (related parties)	14	–	14	–
MZN				
Cash and cash equivalents	76	89	–	–
Total foreign-denominated monetary assets	766	794	675	688
Monetary liabilities				
USD				
Trade and other payables (related parties)	(225)	(28)	(225)	(28)
Trade and other payables (unrelated parties)	(594)	(1 159)	(594)	(1 159)
EUR				
Trade and other payables (related parties)	(82)	(72)	(82)	(72)
Trade and other payables (unrelated parties)	(62)	(61)	(62)	(61)
GBP				
Trade and other payables (unrelated parties)	(1)	(5)	(1)	(5)
Total foreign-denominated monetary liabilities	(964)	(1 325)	(964)	(1 325)
Total net foreign-denominated monetary assets/(liabilities)	(198)	(531)	(289)	(637)

Only notable currency holdings are disclosed.

The following tables details the sensitivity to a 10% strengthening in the ZAR against the respective foreign currencies. As the risks are symmetrical in nature, weakening of the ZAR would result in an equal but opposite amount to that detailed in the sensitivity below.

A positive number indicates an increase in profit where the ZAR strengthens against the relevant currency.

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
USD	13	49	14	51
EUR	14	13	14	13
GBP	–	1	–	1
MZN	(8)	(9)	–	–
Total	19	54	28	65

35. Financial instruments – fair value and risk management continued

35.3 Financial risk management overview and objectives continued

35.3.3 Currency risk

The Group and Company are exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and payables are denominated. The currency in which these transactions are primarily denominated are USD.

Economic hedging using derivative contracts

The foreign exchange hedging derivative contracts not designated within hedge accounting relationships, outstanding at the end of the reporting period are:

Unmatured instruments

Foreign currency	Average price FC/R	Contract value FCm	Fair value favourable/ (unfavourable) Rm	Profit or (loss) Rm
Group				
2025				
Other forward contracts				
Sell USD	–	–	–	–
2024				
Other forward contracts				
Sell USD	18.71	40	(5)	5
Company				
2025				
Other forward contracts				
Sell USD	–	–	–	–
2024				
Other forward contracts				
Sell USD	18.71	40	(5)	(5)

35.3.4 Interest rate risk management

Sources of interest rate risk are:

- Interest expenses, on drawn financing facilities, and promissory notes issued to trade vendors, as well as arrangements to fund the construction of assets either in the form of bona fide borrowing arrangements or through supply arrangements containing financial lease structures at fixed interest rates
- Interest income, due to the Group and Company's net cash position and the investment thereof at variable interest rates

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Estimated impact on profit or loss based on a change in interest rate: 100-basis point (increase)/decrease	**(64)/64**	(51)/51	**(65)/65**	(52)/52

The Group and Company manage interest rate risk by having a balanced portfolio of fixed and variable loans and borrowings.

35. Financial instruments – fair value and risk management continued

35.3 Financial risk management overview and objectives continued

35.3.5 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group and Company's short, medium and long-term funding and liquidity management requirements.

The objectives of the liquidity management policy are:

- Maintain adequate reserves, banking facilities and reserve borrowing facilities by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities
- Optimise the account and domestic cash pool structures
- Minimise bank charges
- Optimise the availability and use of short-term liquidity positions across the Group without compromising the day-to-day cash needs
- Optimise the net interest result
- Minimise the number of bank accounts

Details of additional undrawn financing facilities that the Group and Company have at their disposal to reduce liquidity risk are:

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Facilities at the end of the reporting period	**100**	1 800	**100**	1 800

The BBF loan increased from R2 700 million at 31 December 2024 to R2 900 million at 31 December 2025 and the 2024 loan from the IDC decreased from R950 million at 31 December 2024 to R750 million at 31 December 2025.

The BBF available to the Group and Company is subject to financial covenants, as at 31 December 2025, refer to note 29. At year-end the Group's current liabilities exceed current assets and total liabilities exceed total assets, a position whereby the amount owing to BBF Lenders become payable on demand according to the provisions of the BBF loan agreement. This is considered an event of default in terms of the IDC Loan Agreement for the R1 billion workings capital facility, resulting in the outstanding balance owing on this facility becoming payable on demand as well. As a result, the full balance owing to the IDC for this facility, being R750 million, is presented under current liabilities. Refer to note 41 for more detail and changes to the BBF loan agreement solvency provision. Repayment of the working capital facility will, however, continue in accordance with the amended repayment profile, refer to note 29. The event of default has had no impact on any other loan facilities and balances existing at 31 December 2025.

35. Financial instruments – fair value and risk management continued

35.3 Financial risk management overview and objectives continued

35.3.5 Liquidity risk management continued

Contractual maturity for its non-derivative financial liabilities

The following table details the Group and Company's remaining contractual maturity for non-derivative financial liabilities.

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay. The table includes both interest and principal cash flows.

	1 year Rm	2 years Rm	3 years Rm	4 – 9 years Rm	Total Rm	Carrying amount Rm
Group						
For the year ended 31 December 2025						
Trade payables	**7 418**	**–**	**–**	**–**	**7 418**	**7 418**
Other payables	**941**	**–**	**–**	**–**	**941**	**941**
Other financial liabilities[1]	**100**	**80**	**100**	**1 385**	**1 665**	**872**
Lease liabilities	**75**	**41**	**41**	**195**	**352**	**246**
Borrowings	**3 650**	**6 088**	**–**	**–**	**9 738**	**9 126**
Total	**12 184**	**6 209**	**141**	**1 580**	**20 114**	**18 603**
For the year ended 31 December 2024						
Trade payables	9 078	–	–	–	9 078	9 078
Other payables	461	–	–	–	461	461
Other financial liabilities[1]	50	50	80	1 373	1 553	747
Lease liabilities	56	59	25	99	239	181
Borrowings[2]	2 990	6 722	–	–	9 712	8 705
Total	12 635	6 831	105	1 472	21 043	19 173

[1] Other financial liabilities consist of Competition Commission administration penalty, refer to note 33.

[2] The undiscounted cashflows relating to the IDC loan is based on the amended agreement before issue of the financial statements in the prior year.

The Group and Company have access to financing facilities as noted earlier of which R100 million (2024: R1 000 million) was undrawn at the end of the reporting date. The Group and Company expect to meet most of their other obligations from operating cash flows and proceeds from maturing financial assets, refer to note 42.

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

35. Financial instruments – fair value and risk management continued

35.3 Financial risk management overview and objectives continued

35.3.5 Liquidity risk management continued

Contractual maturity for its non-derivative financial liabilities continued

	1 year Rm	2 years Rm	3 years Rm	4 – 9 years Rm	Total Rm	Carrying amount Rm
Company						
For the year ended 31 December 2025						
Trade payables	7 316	–	–	–	7 316	7 316
Other payables	931	–	–	–	931	931
Other financial liabilities[1]	100	80	100	1 385	1 665	872
Lease liabilities	75	41	41	193	350	244
Borrowings	3 650	6 088	–	–	9 738	9 126
Total	12 072	6 209	141	1 578	20 000	18 489
For the year ended 31 December 2024						
Trade payables	9 003	–	–	–	9 003	9 003
Other payables	452	–	–	–	452	452
Other financial liabilities[1]	50	50	80	1 373	1 553	747
Lease liabilities	56	59	25	99	239	181
Borrowings	2 990	6 722	–	–	9 712	8 705
Total	12 551	6 831	105	1 472	20 959	19 088

[1] Other financial liabilities consist of Competition Commission administration penalty, refer to note 33.

Expected maturity of non-derivative financial assets

The following tables detail the Group and Company's expected maturity for non-derivative financial assets.

The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets.

	1 year Rm	2 years Rm	3 years Rm	4 – 9 years Rm	Total Rm	Carrying amount Rm
Group						
For the year ended 31 December 2025						
Trade and other receivables	1 881	3	–	–	1 884	1 884
Cash, cash equivalent and restricted cash	2 363	–	–	–	2 363	2 363
Other financial assets	–	–	121	355	476	315
Total	4 244	3	121	355	4 723	4 562
For the year ended 31 December 2024						
Trade and other receivables	2 145	12	–	–	2 157	2 157
Cash, cash equivalent and restricted cash	3 594	–	–	–	3 594	3 594
Total	5 739	12	–	–	5 751	5 751

35. Financial instruments – fair value and risk management continued

35.3 Financial risk management overview and objectives continued

35.3.5 Liquidity risk management continued

Expected maturity of non-derivative financial assets continued

	1 year Rm	2 years Rm	3 years Rm	4 – 9 years Rm	Total Rm	Carrying amount Rm
Company						
For the year ended 31 December 2025						
Trade receivables	1 762	3	–	–	1 765	1 765
Cash, cash equivalents and restricted cash	2 593	–	–	–	2 593	2 593
Other financial assets	–	–	121	355	476	315
Total	4 355	3	121	355	4 834	4 673
For the year ended 31 December 2024						
Trade receivables	2 034	11	–	–	2 045	2 045
Cash, cash equivalents and restricted cash	3 504	–	–	–	3 504	3 504
Total	5 538	11	–	–	5 549	5 549

Derivative financial instruments

The following table details the liquidity analysis for derivative financial instruments.

The table has been drawn up based on the undiscounted net cash (outflows)/inflows on the derivative instruments that settle on a net cash-settled basis.

	1 year Rm	2 years Rm	3 years Rm	4 – 9 years Rm	Total Rm	Carrying amount Rm
Financial (liabilities)/ assets						
Group and Company						
For the year ended 31 December 2025						
Net cash-settled foreign currency derivatives	–	–	–	–	–	–
Total	–	–	–	–	–	–
For the year ended 31 December 2024						
Net cash-settled foreign currency derivatives	(5)	–	–	–	(5)	(5)
Total	(5)	–	–	–	(5)	(5)

35.3.6 Equity price risk

Equity price risk arises from changes in share prices for the Group's listed investments. The Group is exposed to insignificant equity price risk.

35. Financial instruments – fair value and risk management continued

35.4 Capital risk management

The Group and Company objectives when managing capital are:

- To safeguard the ability to continue as a going concern, to be able to continue to provide returns for shareholders and benefits for other stakeholders
- To provide an adequate return to shareholders by pricing products and services commensurate with the level of risk

The amount of capital is set in proportion to risk. The capital structure is managed and adjusted in light of changes in economic conditions within the domestic and global steel industry and the risk characteristics of the underlying assets.

The Group and Company overall strategy remained unchanged in 2025.

Consistent with others in the industry, the Group and Company monitor capital on a debt-to-total shareholders' equity basis.

Net debt is total interest-bearing borrowings less cash and cash equivalents. Total shareholders' equity is as per the statement of financial position.

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Cash, cash equivalents and restricted cash	2 363	3 594	2 278	3 504
Interest-bearing borrowings	(9 126)	(8 705)	(9 126)	(8 705)
Net borrowing	(6 763)	(5 111)	(6 848)	(5 201)
Total shareholders' equity	317	(1 963)	(1 507)	(3 762)
Gearing ratio (%)	(2 133.4)	260.4	454.4	138.3

35.5 Customer credit risk

The total exposure to credit risk is as follows:

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Trade and other receivables				
Gross carrying value	2 247	2 713	2 095	2 564
Expected credit loss and other allowances	(322)	(455)	(313)	(444)
Bank balances				
Gross carrying value	2 363	3 594	2 278	3 504
Expected credit loss	–	–	–	–

The treasury and financial risk management policy (treasury policy) details the framework within which the financial risk (other than customer credit risk) of the Group and Company is managed. The policy is approved by the board of directors and is reviewed annually.

This is discussed further in note 24.

36. Related-party disclosures

During the year, the Group, in the ordinary course of business, entered into sale and purchase transactions with its jointly controlled entities, its associates and other entities within the greater ArcelorMittal Group.

Companies within the greater ArcelorMittal Group

The Group purchased products and services to the value of R460 million (2024: R280 million) from and sold goods to the value of R1 232 million (2024: R404 million) to other companies in the ArcelorMittal Group.

Included in borrowings (refer to note 29) is a loan of R5 476 million (2024: R5 055 million) with the holding Company. The interest expense for the year was R528 million (2024: R415 million).

The outstanding balance to entities within the ArcelorMittal Group amounted to R529 million (2024: R93 million). This balance includes accrued interest of R271 million (2024: R38 million), management fees of R27 million (2024: R9 million) and Research and development fees of R80 million (2024: R3 million) payable to ArcelorMittal Group.

The outstanding balances at year-end are:
- Included in trade receivables, R17 million (2024: R17 million)
- Included in trade and other payables, R577 million (2024: R93 million), includes income received in advance of R49 million (2024: Rnil).

Jointly controlled entities

The Group purchased goods and services to the value of Rnil (2024: Rnil) from and sold goods to the value of R250 million (2024: R518 million) to its equity-accounted entities.

The outstanding balances at year-end are:
- Included in trade receivables, R7 million (2024: R79 million)
- No bad debts were realised and the payment terms are 30 days

Included in the carrying value of jointly controlled entities are non-current loans of Rnil (2024: Rnil).

Associates

The Group purchased goods and services to the value of Rnil (2024: Rnil) and sold goods and services to the value of R551 million (2024: R390 million) to its associates.

The outstanding balances at year-end are:
- Included in trade receivables, R24 million (2024: R14 million)
- No bad debts were realised and the payment terms are 30 days.

Subsidiaries

Details of income from investments and indebtedness in subsidiaries are disclosed in note 20.

The Group purchased products from Thabazimbi Iron Ore Mine (Proprietary) Limited to the value of R231 million during the current year (2024: R280 million). The Group also has a sublease agreement with Thabazimbi Iron Ore Mine (Proprietary) Limited, refer to note 25.

The Group purchased products from ArcelorMittal Rail and Structure (Proprietary) Limited to the value of R102 million during the current year (2024: R108 million) and sold products to ArcelorMittal Rail and Structure (Proprietary) Limited to the value of R1 714 million during the current year (2024: R1 698 million).

ArcelorMittal South Africa received a management fee of R16 million (2024: R12 million) from Saldanha Steel Proprietary Limited for ArcelorMittal South Africa employees employed at Saldanha Works and R25 million (2024: R25 million) from ArcelorMittal Rail and Structure Proprietary Limited for management services.

The Group obtained control of Collect-a-Can, previously an equity-accounted investment, during the current year. Refer to note 8 and 19 for details regarding the transaction.

Key management personnel

Details relating to directors' remuneration and shareholdings (including long-term incentive plan (LTIP) units in the Company are disclosed in note 38 and 39.

Senior employees and prescribed officers

Details relating to shareholdings (including LTIP units) and share transactions are disclosed in note 38.

Notes to the Group and Company audited consolidated and separate annual financial statements continued

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37. Post-employment benefits

37.1 Pensions

Independent funds provide pension and other benefits for all permanent employees and their dependants. At the end of the financial year the following funds were in existence:

- ArcelorMittal South Africa Selector Provident Fund (registration number 12/8/35423), operating as defined contribution plans
- The ArcelorMittal South Africa Selector Pension fund (registration number 12/8/35421) had been consolidated into the ArcelorMittal South Africa Selector Provident Fund on 1 September 2025
- ArcelorMittal South Africa Sanlam Umbrella Provident Fund (registration number (12/8/36813), operating as a defined contribution plan
- Iscor Employees' Umbrella Provident Fund (registration number 12/8/27484), operating as a defined contribution plan

The assets of these plans are held separately from those of the Group and are in funds under the control of the trustees. All funds are governed by the South African Pension Funds Act of 1956 as amended.

During 2025 the Board of ArcelorMittal South Africa Selector Provident Fund ("the Board") together with ArcelorMittal South Africa approved to move the employee's retirement funding arrangements and related benefits from the ArcelorMittal South Africa Selector Provident Fund to the ArcelorMittal South Africa Sanlam Umbrella Provident Fund. This change happened on 1 November 2025.

37.2 Defined contribution plans

Membership of each fund and employer contributions to each fund recognised in the statement of comprehensive income were:

	Working members		Employer contributions	
	2025	2024	2025 Rm	2024 Rm
ArcelorMittal South Africa Selector Pension and Provident Funds (up to 31 October 2025)	3 997	4 025	137	169
ArcelorMittal South Africa Umbrella Provident Funds (from 1 November 2025)	3 348	–	53	–
Iscor Employees' Umbrella Provident Fund	1 411	1 556	46	54

37.3 Medical benefits

The Company contributes to medical aid schemes for the benefit of retired employees and their dependants, where those qualifying retirees accepted early retirement in 1994. At 31 December 2025, there were 12 qualifying retirees (2024: 13). At year-end, the liability was R2 million (2024: R3 million).

38. Share-based payments

38.1 Equity-settled share plan

Long-term incentive plan (LTIP)

An LTIP is a conditional award of Company shares offered to eligible senior employees. The shares vest only after a predetermined period over which certain grant conditions must be met. The extent to which these grant conditions are met, governs the number of shares that vest.

The number of LTIP shares granted is calculated in accordance with the employees' grading within the Group and is approved by the board and human resources committee (HRC).

Designated members of the executive committee, senior management, specialists' grades and any employee selected by the HRC are eligible for participation in the scheme. LTIP shares granted to specialists' grades and any selected employees will vest after three years subject to ongoing employment. Executive committee members and senior management LTIP shares will vest after three years subject to ongoing employment, prescribed performance conditions and individual performance conditions. Proportionate awards are made in the event of change of effective control of the Company, retrenchment, retirement or death.

38. Share-based payments continued

38.1 Equity-settled share plan – local employees continued

Long-term incentive plan continued

Upon vesting of the award, the Company shall deliver the number of shares that have vested to the participating employee. The unvested units carry neither rights to dividends nor voting rights until the date of vesting.

The fair value of each equity-settled unit is determined using the market value at measurement date.

In the 2024 financial year, the allocation of grants in terms of the LTIP established in 2012 pursuant to Schedule 14 of the JSE Listing Requirements (2012 LTIP), were not made. The 2012 LTIP was established as a dilutive scheme; however, implemented by the purchase of securities through the market.

In the circumstances, the Company determined that it would be appropriate to establish the 2024 Long Term Incentive Plan (2024 LTIP) as a non-dilutive scheme in terms of which grants allocated to participants will be settled by purchases through the market, as has been the case previously. The rules of the 2024 LTIP are based on the rules of the 2012 LTIP, appropriately adapted for a non-dilutive scheme. Consequently, the 2024 LTIP, as a non-dilutive scheme is not subject to the requirements of Schedule 14 of the JSE Listing Requirements.

It should also be noted that the 2012 LTIP will continue until all unvested grants allocated in terms of the 2012 LTIP have vested.

	Group and Company	
	2025 Rm	2024 Rm
Shares available for distribution		
Opening balance	24.8	11.6
Utilisation	–	–
Releases, forfeitures, resignations	–	13.2
Closing balance[1]	24.8	24.8

[1] 2012 LTIP scheme share balance.

Isabelo Employee Share Trust (B-BBEE)

In terms of the scheme, ArcelorMittal South Africa issued empowerment shares to the Isabelo Employee Share Trust, representing 5% of the voting rights in ArcelorMittal South Africa through a notional loan. The economic valuation of the transaction was calculated using Monte Carlo simulations based on the Geometric Brownian Model. The fair value of the option on grant date was determined to be the present value of the option pay-off and the future value of trickle dividends.

Key assumptions

For the purposes of valuing the different grants the following assumptions were made:

	Isabelo		LTIP	
	2025	2024	2025	2024
Weighted average fair value on grant date (R)[1]	3.30	3.30	–	–
Expected attrition rate over the life of the scheme (%)	26.21	26.21	13.47	13.47
Amount recognised in the statement of comprehensive income	5	(13)	22	23

[1] Market value of ArcelorMittal South Africa shares (which takes dividends into account) is used as the fair value.

38. Share-based payments continued

38.1 Equity-settled share plan – local employees continued

Reconciliation of outstanding LTIP units/shares

	Isabelo		2024 LTIP		2012 LTIP	
	2025	2024	**2025**	2024	**2025**	2024
Outstanding at the beginning of the year (millions)	**43**	51	**49.8**	–	**32.1**	45.3
Granted (million)	**–**	–	**–**	49.8	**–**	–
Exercised	**–**	–	**–**	–	**–**	(13.2)
Forfeitures and resignations	**(2)**	(8)	**–**	–	**–**	–
Outstanding at the end of the year (millions)	**41**	43[1]	**49.8**	49.8	**32.1**	32.1
Exercisable units						
Weighted average remaining contractual life in days at year-end						
Average days until fully vested/until expiry (days)	**334**	699	**593**	958	**247**	774
Weighted average prices applicable per transaction type						
Granted (R/unit)	**3.30**	3.30	**1.24**	1.24	**2.23**	2.23
Exercised share price (R/unit)	**N/A**	N/A	**N/A**	N/A	**N/A**	1.23
Lapsed/cancelled (R/unit)	**3.30**	3.30	**N/A**	N/A	**N/A**	4.99
Outstanding (R/unit)	**3.30**	3.30	**1.24**	1.24	**3.22**	3.22

[1] 2024 outstanding balance updated with forfeitures and resignations during the 2024 financial year.

Detail of LTIP units/shares as at 31 December are:

	Isabelo		2024 LTIP		2012 LTIP	
	2025	2024	**2025**	2024	**2025**	2024
Latest expiry date	**N/A**	N/A	**–**	–	**–**	–
Exercise price range (R/unit)	**N/A**	N/A	**–**	–	**–**	–
Number of outstanding units/shares	**40 549 718**	43 030 157	**49 770 713**	49 770 713	**32 090 008**	32 090 008
Total proceeds to employees if exercised immediately (Rm)	**–**	–	**63**	67	**41**	43
Total intrinsic value of out-of-the-money options (Rm)	**N/A**	N/A	**–**	–	**–**	–
ArcelorMittal South Africa closing price at 31 December (R)	**1.27**	1.34	**1.27**	1.34	**1.27**	1.34

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38. Share-based payments continued

38.1 Equity-settled share plan – local employees continued

The following table reflects the status of LTIPs for executive directors, prescribed officers and highest paid employees. No awards were issued in 2025 due to the close period after the cautionary announcements.

	Award date	Number of allocations outstanding at the start of the year	Number of allocations made during the year	Adjustment for units not expected to vest[1]	Number of allocations vested during the year[2]	Number of allocations forfeited during the year	Number of allocations at the end of the year	Present value of invested share units at the end of the year[3] R
Executive directors								
HJ Verster	02/08/2022	1 059 816	–	(473 384)	–	–	586 432	744 769
	04/09/2023	3 216 390	–	(718 327)	–	–	2 498 063	3 172 540
	18/08/2024	5 910 486	–	–	–	–	5 910 486	7 506 317
		10 186 692	–	(1 191 711)	–	–	8 994 981	11 423 626
GA Griffiths	02/08/2022	182 926	–	(40 244)	–	–	142 682	181 206
	04/09/2023	1 465 272	–	(244 212)	–	–	1 221 060	1 550 746
	18/08/2024	2 947 133	–	–	–	–	2 947 133	3 742 859
		4 595 331	–	(284 456)	–	–	4 310 875	5 474 811
Prescribed officers and highest paid employees								
M Adam	02/08/2022	354 238	–	(118 079)	–	–	236 159	299 922
	04/09/2023	1 035 967	–	(172 661)	–	–	863 306	1 096 399
	18/08/2024	2 366 392	–	–	–	–	2 366 392	3 005 318
		3 756 597	–	(290 740)	–	–	3 465 857	4 401 639
J Kotze	02/08/2022	270 915	–	(90 305)	–	–	180 610	229 375
	04/09/2023	911 136	–	(151 856)	–	–	759 280	964 286
	18/08/2024	1 716 497	–	–	–	–	1 716 497	2 179 951
		2 898 548	–	(242 161)	–	–	2 656 387	3 373 612
G Nagpal	02/08/2022	489 262	–	(163 087)	–	–	326 175	414 242
	18/08/2024	3 718 789	–	–	–	–	3 718 789	4 722 862
		4 208 051	–	(163 087)	–	–	4 044 964	5 137 104
VA Sampula	04/09/2023	863 230	–	(143 872)	–	–	719 358	913 585
	18/08/2024	2 128 896	–	–	–	–	2 128 896	2 703 698
		2 992 126	–	(143 872)	–	–	2 848 254	3 617 283
W Venter	02/08/2022	297 597	–	(99 199)	–	–	198 398	251 965
	04/09/2023	870 322	–	(145 054)	–	–	725 268	921 090
	18/08/2024	1 639 607	–	–	–	–	1 639 607	2 082 301
		2 807 526	–	(244 253)	–	–	2 563 273	3 255 356

1 The approval by the HRC for the units not to vest was delayed pending the lift of the closed period following the cautionary announcement.

2 The 2022 award vested during the 2025 financial year, however, was not exercised by the participants due to the Company entering into a closed period after the cautionary announcements.

3 Based on the closing price as at 31 December 2025 of R1.27.

38. Share-based payments continued

38.1 Equity-settled share plan – local employees continued

Vested LTIP units for the directors and prescribed officers

	2025 R	2024 R
Executive directors		
HJ Verster	–	1 062 925
GA Griffiths	–	135 271
Sub-total	–	1 198 196
Prescribed officers and highest paid employees		
M Adam	–	350 388
J Kotze	–	249 768
G Nagpal	–	378 183
W Venter	–	240 846
Sub-total	–	1 219 185
Total	–	2 417 381

39. Remuneration of directors and prescribed officers

The following tables summarises the fixed remuneration of executive directors, prescribed officers and highest paid employees for services rendered:

Fixed remuneration

	Cash salary[1] 2025 R	Retirement funding[2] 2025 R	Other[3] 2025 R	Total 2025 R	Total 2024 R
Executive directors					
HJ Verster	10 559 165	650 378	64 939	11 274 482	11 222 011
GA Griffiths[4]	4 720 145	396 134	114 576	5 230 855	5 028 396
Sub-total	15 279 310	1 046 512	179 515	16 505 337	16 250 407
Prescribed officers and highest paid employees					
M Adam	3 884 647	322 431	251 613	4 458 691	4 115 468
J Kotze	3 302 856	280 647	301 637	3 885 140	3 629 972
D Mocke[5]	3 535 425	186 075	12 316	3 733 816	601 922
G Nagpal[6]	4 475 136	371 442	450 466	5 297 044	4 806 466
VA Sampula[7]	3 595 990	189 263	63 078	3 848 331	3 705 479
W Venter	3 229 996	268 094	61 900	3 559 990	3 449 931
Sub-total	22 024 050	1 617 952	1 141 010	24 783 012	20 309 238
Total	37 303 360	2 664 464	1 320 525	41 288 349	36 559 645

1 Cash salary includes basic salary (cash component) and acting allowance.
2 Consist of Employer contributions towards the Retirement Fund.
3 Other includes UIF, COID, monthly leave structuring, leave encashment, travel claims, telephone costs, ad hoc payments, death benefit, employer contribution to medical aid and travel allowance, short-term incentives and ex-gratia payments.
4 GA Griffiths appointed as chief financial officer and executive director with effect from 1 April 2024.
5 D Mocke appointed as chief procurement officer effective 1 November 2024.
6 G Nagpal appointed as chief marketing officer on 1 January 2024.
7 VA Sampula appointed as chief human resources officer effective 1 June 2023 and resigned effective 31 December 2025.

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

39. Remuneration of directors and prescribed officers continued

Employee retention scheme

The following table reflects the employee retention for executive directors, prescribed officers and highest paid employees:

	Total 2025 R	Total 2024 R
Executive directors		
HJ Verster	1 870 000	1 870 000
Sub-total	1 870 000	1 870 000
Prescribed officers and highest paid employees		
G Nagpal[1]	1 628 168	1 577 600
VA Sampula[2]	–	818 182
Sub-total	1 628 168	2 395 782
Total	3 498 168	4 265 782

1 G Nagpal appointed as chief marketing officer on 1 January 2024.
2 VA Sampula appointed as chief human resources officer effective 1 June 2023 and resigned effective 31 December 2025.

The following table reflects the non-executive directors' remuneration:

	Directors' fees 2025 R	Committee fees 2025 R	Total remune-ration 2025 R	Total remune-ration 2024 R
Non-executive directors[2]				
BF Mohale	1 752 657	–	1 752 657	1 711 704
AM Thebyane[3]	–	–	–	264 369
LC Cele[4]	235 616	512 576	748 192	666 440
G Gouws[5]	235 616	411 087	646 703	635 443
NF Nicolau	235 616	594 075	829 691	872 826
NP Gosa[6]	–	–	–	180 368
D Earp	235 616	544 609	780 225	790 719
M Maasdorp[7]	177 792	117 477	295 269	–
Total	2 872 913	2 179 824	5 052 737	5 121 869

1 B Davey and R Karol are non-executive directors and do not receive remuneration from the Company.
2 Director's fees include fees paid to directors for services rendered to or on behalf of the Company. Payments based on invoices considering rounding differences.
3 AM Thebyane resigned effective 24 May 2024.
4 LC Cele appointed as chairperson of HRC effective 23 July 2024.
5 G Gouws appointed as chairperson of Social and Ethics Committee (SEC) effective 23 July 2024.
6 NP Gosa resigned effective 24 May 2024.
7 M Maasdorp appointed as a non-executive director effective 1 March 2025.

Notes to the Group and Company audited consolidated and separate annual financial statements continued

for the year ended 31 December 2025

40. Commitments

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Capital expenditure commitments on property, plant and equipment				
Capital expenditure authorised and contracted for	**351**	742	**326**	735
Capital expenditure authorised but not contracted for	**749**	759	**729**	757
Total	**1 100**	1 501	**1 055**	1 492
Capital expenditure commitments on intangible assets				
Capital expenditure authorised and contracted for	**5**	12	**5**	12
Capital expenditure authorised but not contracted for	**17**	15	**17**	15
Total	**22**	27	**22**	27

Included in the capital commitments above is an amount of R22 million (2024: R51 million) to address emissions at Vanderbijlpark Works over the next year.

41. Subsequent events

At year-end, the Group performed an assessment of its compliance with covenants applicable to borrowings, refer to note 29, and determined that the Group had breached the solvency provisions of the BBF facility given that total liabilities exceed total assets of the Group. This results in the BBF facility becoming payable on demand. This also had the result of the outstanding balance of the secured short-term loan of R1 000 million, received from the IDC in June 2024, becoming immediately repayable. This is an adjusting event resulting in the outstanding balance at year-end of R750 million, with R120 million previously presented as part of current borrowings and R630 million as part of non-current borrowings, being reclassified and presented in full under current borrowings.

On 30 March 2026, the BBF lenders approved a waiver and amendment request whereby the value of liabilities used to determine compliance with the solvency provision exclude liabilities incurred under subordinated shareholder loan, therefore the R5 476 million loan from the holding Company is excluded resulting in compliance with the solvency provision, and the loan not being treated as payable on demand. The approved request further amend the definition of the run-off period to commence on 8 August 2026. This has no impact on the presentation of the BBF loan, which is presented as current liability given the nature of loan. The amendment included the temporary changed of the consolidated tangible net worth of the Group to R4 500 million, from R6 000 million for quarter two of 2026.

Subsequent to year-end the Group initiated a restructuring of its financial provisioning held for the purposes of settling the decommissioning and rehabilitation obligations of the Thabazimbi's Iron Ore Mine. As at 31 December 2025 the investment is represented by an investment in a trust and investments in fixed term deposits under financial guarantees, refer to note 21 and note 22. The restructuring entails the release of these existing investments and acquisition of an insurance policy with a single financial institution, as approved by the Department of Mineral and Petroleum Resources. This is a non-adjusting event that will result in the derecognition of the investment in trust and investments in fixed deposits and recognition of another financial asset, the values and specific details of which will be confirmed on completion of the restructuring.

In February 2026, the US launched attacks on Iran, starting a war that has had an impact on the global economy through disrupted supply chains resulting in surging oil and natural gas prices. The war is ongoing and management has performed an assessment of the possible impact on the Group should the war continue, noting that the cost of raw materials and logistics will increase. This is a non-adjusting subsequent event, however, management has taken the estimated impact into account for the purposes of concluding on the Group and Company's ability to continue as going concern, refer to note 42.

41. Subsequent events continued

On 31 March 2026 the holding Company approved a short-term working capital loan of R1 000 million, with a maturity date of 15 June 2026, subject to interest at a market related rate plus a margin in terms of the credit facility agreement. This is a non-adjusting event.

The directors are not aware of any other material matters or circumstances arising since 31 December 2025 to the date of this report that would significantly affect the operations, the results or financial position of the Group and Company or that require adjustment or disclosure in the annual financial statements.

42. Going concern

For the year ended 31 December 2025, the Group recognised a net loss after tax of R3 012 million, R2 827 million lower than the R5 839 million loss after tax reported in 2024, and the Company a net loss after tax of R2 666 million, R2 776 million lower than the 2024 loss after tax of R5 442 million. The Group generated R561 million (31 December 2024: R1 029 million) positive cash flow from operations and the Company R1 222 million (31 December 2024: R1 286 million) positive cash flow from operations which included IDC funding of R2 063 million received by both the Group and the Company.

The current liabilities of the Group and the Company exceed current assets (excluding assets held-for sale) by R2 255 million and R2 319 million respectively as at 31 December 2025 (31 December 2024: current assets (excluding assets held-for-sale) exceed current liabilities by R681 million and R761 million respectively). The total liabilities of the Group exceed total assets by R429 million as at 31 December 2025 (31 December 2024: total assets exceed total liabilities by R2 298 million). Net borrowings increased to R6 763 million (31 December 2024: R5 111 million) for the Group, and to R6 848 million (31 December 2024: R5 201 million) for the Company.

In assessing the going concern of the Group and Company, the directors have focused on the key risks being immediate liquidity, other actions that can be taken to improve solvency and liquidity, the future capital structure of the Group and Company, and focussing on the forecasted EBITDA and profitability of the Group and Company. These key risks are collectively interdependent and are considered as such by the directors in their evaluation.

Liquidity

The Group and Company have complied with all covenants as it pertains to the borrowing-based facility (BBF), as of 31 December 2025, except for the solvency provision of the BBF agreement that was noted as an event of default. The solvency provision was breached on the basis that total liabilities exceeded total assets of the Group at 31 December 2025.

Subsequent to year end, however, the BBF Lenders waived the event of default and the definition of the liabilities per the BBF agreement was amended to exclude the Subordinated Shareholder Loan of R5 476 million. (Refer to note 41).

It is noted that the tangible net worth covenant was temporarily reduced from R6 000 million to R4 500 million for the two quarters ending December 2025 and March 2026 and subsequent to yearend also including the quarter ending June 2026.

The facility amount was also reduced from R4 025 million to R3 000 million in recognition of the reduction of eligible inventories and accounts receivable following the closure of the Long Business during the year.

The balance outstanding as at 31 December 2025 on the BBF was R2 900 million (31 December 2024: R2 700 million) with undrawn available facilities of R100 million (subject to eligible inventories and accounts receivables available to provide as securities).

The default on the BBF facility above resulted in a default on the IDC R1 000 million loan resulting in the full outstanding amount of R750 million becoming payable on demand. Management has requested a waiver. The IDC is engaged in its governance processes in considering the waiver application and anticipate concluding their governance process on or about 30 April 2026.

42. Going concern continued

On 31 March 2026 ArcelorMittal Holdings AG, approved a short-term working capital loan of R1 000 million, with maturity date of 15 June 2026, of which R720 million has been utilised to date to fund the working capital requirements of the Group while the Group continue to engage with the IDC on sustainable capital structure solutions to the challenges faced by the Group. The loan is expected to be repaid with funds from the IDC once agreement on the capital structure is concluded, or from the potential proceeds of sale of non-core and non-operating assets. The latter would require an extension to be negotiated.

The IDC is currently conducting a due diligence to provide a R1 000 million loan facility to fund the working capital requirements of the Group. The Group awaits to hear the outcome of the IDC due diligence process.

Additional interventions to support liquidity through optimising ongoing cash management and cost reduction initiatives remains therefore a focus area.

Future capital structure of the Group and Company

ArcelorMittal South Africa, ArcelorMittal Group, and the Industrial Development Corporation SOC Limited are engaged in advanced discussions to find a sustainable solution to the current capital structure based on a non-binding term sheet regarding a potential transaction; these discussions remain subject to concluding definitive agreements and multiple approvals, and there is no certainty that any transaction will be concluded.

Given the potential corporate action currently underway, the Group has engaged with the BBF Lenders to request the deferment of the 12-month run-off period similar to what was done earlier in the year. On 30 March 2026, the BBF lenders provided formal consent for deferment to 8 August 2026, refer to note 41. Any corporate action resulting in a change in control will result in the BBF facility being immediately repayable and the True sales of receivable (TSR) facility terminating. At present there are no alternate plans to repay this amount or replace this facility.

The BBF facility matures on 8 March 2027 and regardless of the success of any corporate action a new facility will need to be secured. The Group's shareholder loan of R5,476 million also matures in March 2027.

Further discussions regarding longer-term solutions and balance sheet support remain ongoing with no binding agreements concluded to date.

Regardless of the outcome of these discussions, ArcelorMittal South Africa will execute its strategy to return the core business to profitability and liquidity.

Immediate other actions and business plan for profitability

The management and board of ArcelorMittal South Africa have therefore developed reasonable business plans based on the potential future capital structure of the Group and Company:

- The first is aligned to the successful conclusion of a capital restructure transaction with the IDC entailing the recapitalisation of the business
- The second, should the future IDC transaction be unsuccessful, will focus on restructuring the balance sheet though the sale of non-core properties and non-operating assets, while amending the Group's footprint to focus on higher value flat steel products

These credible business plans contain various critical steps that would then need to be executed in 2026 to generate cash, secure short and long-term financing and restructure the balance sheet. Both plans require reliable and efficient core operations that are cash generative. Post the execution of the plans, the longer-term focus will be returning to profitability.

These business plans remain subject to appropriate statutory and regulatory approvals and processes and there remains uncertainty and risk to the successful and timely conclusion of either of these plans.

As required, the directors have prepared cash flow forecasts for a minimum period of 12 months from the end of the reporting period and release date, based on the most recent forecast and all available information including but not limited to the availability of banking facilities, the ongoing support from ArcelorMittal Holdings AG and the repayment of existing obligations including material capital expenditure obligations. These forecasts support the going concern assumption on the basis that above plans will be successful.

42. Going concern continued

Overall outlook and macro-economic risks

Therefore, it is noted that there are several key risks, which give rise to material uncertainty relating to going concern. The primary risks in the short term relate to liquidity and a future sustainable capital structure, driven by whether the potential future IDC Transaction occurs or not, and thus specifically:

- A new IDC working capital facility as part of the future capital restructure or failing which, the extension of the facility provided by ArcelorMittal Holdings AG on 31 March 2026, into the future
- Ongoing discussions with lenders to defer and/or refinance the BBF facility and the TSR facility
- Potential future sales of non-core or non-operating assets such as Saldanha Works, Pretoria Works, AMRAS, the Speciality Bar Mill and/or the Tubular business

Shareholders are also advised that the Group and Company's financial performance is further dependent upon the wider economic environment in which the Group and Company operates.

There are also other factors beyond the control of management, such as volatility of the exchange rate, the Middle East conflict and the direct and indirect impact on costs, steel demand, commodity and steel prices.

Management, in forming the forecasts, have presumed some form of local tariff and import protection and improvements to local rail service and electricity supply reliability and costing and these assumptions, which have uncertainty, can have a significant impact on the business.

All these matters relating to both liquidity and longer-term profitability, indicate the existence of a material uncertainty related to going concern and as a result the entity may be unable to realise its assets or discharge its liabilities in the ordinary course of business.

The directors and management has considered the viability of their reasonable plans as noted above and believe that the Group and Company have viable plans and therefore sufficient liquidity to pay debts as they become due over the next 12 months and as a result have prepared the consolidated and separate annual financial statements on a going concern basis.

Corporate information

Company registration

ArcelorMittal South Africa Limited

Registration number: 1989/002164/06

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ISIN: ZAE000134961

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A printed copy of the ArcelorMittal South Africa Annual Financial Statements can be requested, by sending e mail to: **veronique.fernandes@arcelormittal.com**

Bastion

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