

# UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND CASH DIVIDEND DECLARATION FOR THE SIX MONTHS ENDED 30 JUNE 2024

## 2024 HALF YEAR IN REVIEW

### 1 fatality

(December 2023: 2 fatalities)

27% decrease in EBITDA<sup>2</sup> to

**R1 131 million**

(June 2023: R1 548 million)

7% increase in net cash generated from operating activities to

**R852 million**

(June 2023: R795 million)

8% increase in TRIFR<sup>1</sup> to

**2.52**

(December 2023: 2.34)

Headline earnings per share of

**28.2 cents**

(June 2023: 42.0 cents)

4% increase in cash to

**R1 717 million**

(December 2023: R1 656 million)

17% decrease in ferrochrome production to

**154kt**

(June 2023: 185kt)

Basic earnings per share of

**28.8 cents**

(June 2023: 42.0 cents)

Interim cash dividend of

**20 cents per share**

(June 2023: 20 cents per share)

0.4% decrease in revenue to

**R4 744 million**

(June 2023: R4 764 million)

3% increase in net asset value to

**R5 428 million**

(December 2023: R5 259 million)

<sup>1</sup> Total recordable injury frequency rate.

<sup>2</sup> Earnings before interest, taxation, depreciation and amortisation.

## CEO commentary on results

Merafe achieved a profit of R720 million for the six months ended 30 June 2024, as a result of higher realised chrome ore prices and a weaker ZAR:USD exchange rate. Ferrochrome prices remain strained and cost increases continue to put pressure on margins. The efficiency of our operations provided some buffer to protect our profitability.

The board of directors of Merafe ("Board") has declared an interim gross cash dividend of 20 cents (June 2023: 20 cents) per share.

### Outlook

Our outlook has not changed much from year end. As articulated then, some key trends that are shaping the environment in which we operate are:

- Economic uncertainty that is characterised by high inflation, interest rates and trade tensions. This uncertainty makes it difficult for businesses to plan and leads to volatility in the markets.
- The global market is increasingly focused on sustainability, and businesses are under pressure to reduce their environmental impact. The Glencore-Merafe Chrome Venture ("Venture") has embraced this initiative and incorporated sustainability initiatives into strategic plans. Our green energy initiatives are a key part of these plans.
- Technological innovation has a major impact on the global market, as new technologies are being developed that are changing the way we do business. For the Venture, some of the key benefits of innovation are production efficiencies and the safety of our employees.

Our business is not immune to the impact of these trends which are firmly on management's radar.

Local challenges which include power shortages, energy costs and logistics constraints continue to be monitored by the Venture and mitigated in the best ways possible.

We expect the second half of 2024 ("H2 2024") to be softer given a weaker market outlook. Downward pressure on chrome ore prices, which has started, is expected to translate to lower ferrochrome prices. Given the forecast inflationary pressures, our margins are at risk of being squeezed in H2 2024.

Given the conclusion of the Negotiated Pricing Agreement with Eskom, the Venture plans on producing ferrochrome at most of its smelters. The only smelters that will not be operational are Lydenburg, which is still on care and maintenance, and Rustenburg, which has been idle since June 2023.

We remain cautious in our approach to the remaining six months of the year and will continue to focus on efficient operations, cash preservation, cost control and efficient capital allocation.

We are committed to creating shared value for our stakeholders.

### Further information

The announcement is the responsibility of the directors.

As the information in this announcement does not provide all of the details, any investment decisions should be based on the full results which are available through the JSE cloudlink <https://senspdf.jse.co.za/documents/2024/JSE/ISSE/MRF/Interim24.pdf> and on Merafe's website at <https://www.meraferesources.co.za/results/interims-2024/index.php>.

### Declaration of an ordinary cash dividend for the six months ended 30 June 2024

Notice is hereby given that, on 8 August 2024, the Board resolved to declare a gross interim cash dividend of 20 cents (June 2023: 20 cents) per share to holders of ordinary shares.

The dividend will be paid out of income reserves.

The ordinary dividend will be subject to a local dividend tax rate of 20%. The net local ordinary dividend to those Merafe shareholders ("Shareholders") who are not exempt from paying dividend tax is therefore 16 cents per share. Merafe's income tax number is 9 550 008 602. The number of ordinary shares issued at the declaration date is 2 499 126 870.

The important dates pertaining to the dividend are as follows:

| 2024  |                        |
|---|------------------------|
| Last day for ordinary shares to trade <i>cum</i> ordinary dividend: | Tuesday, 3 September   |
| Ordinary shares commence trading <i>ex-ordinary</i> dividend:       | Wednesday, 4 September |
| Record date:  | Friday, 6 September    |
| Payment date:   | Monday, 9 September    |

Shareholders will not be permitted to dematerialise or re-materialise their ordinary shares between Wednesday, 04 September 2024 and Friday, 06 September 2024, both days inclusive.

Sandton

12 August 2024

### Merafe Resources Limited

(Incorporated in the Republic of South Africa)

(Registration number: 1987/003452/06)

JSE and A2X share code: MRF

ISIN: ZAE000060000

("Merafe" or the "Company")

### Sponsor

One Capital Sponsor Services Proprietary Limited

### Executive Directors

Z Matlala (Chief Executive Officer)

D Chocho (Financial Director)

### Non-executive Directors

S Phiri\* (Chairperson), M Vuso\*, K Tlale\*, J Mclaughlan\*, N Mabusela-Aikhuere\*, D McGluwa, D Green  
\* Independent

### Company Secretary

CorpStat Governance Services Proprietary Limited

### Registered office

Building B, 2<sup>nd</sup> Floor, Ballyoaks Office Park,

35 Ballyclare Drive, Bryanston, 2191

### Transfer secretaries

JSE Investor Services Proprietary Limited

### Investor relations

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