

African Rainbow Minerals Limited
(Incorporated in the Republic of South Africa)
(Registration number 1933/004580/06)
JSE Share code: ARI
ISIN: ZAE000054045
("ARM" or the "Company")

**INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024
(1H F2025) AND CASH DIVIDEND DECLARATION**

This short form announcement is the responsibility of the board of directors of ARM (the "Board") who acknowledge their responsibility to ensure the integrity of the interim results.

The details contained in this announcement are only a summary of the information in the full announcement and do not contain full details of the Company's financial performance and position or other relevant information about the business for the six months under review. Any investment decisions by investors and/or shareholders should therefore be based on the full announcement published on the Company's website at www.arm.co.za and which is available on the following link:

<https://senspdf.jse.co.za/documents/2025/jse/isse/ARIM/HY2025.pdf>

The full announcement is also available for inspection free of charge during business hours (excluding weekends and public holidays) from Friday, 07 March 2024 at the registered office of ARM at ARM House, 29 Impala Road, Chislehurst, Johannesburg. In addition, copies of the full announcement may be requested by emailing the Company's investor relations department on thabang.thlaku@arm.co.za

Salient features

Financial

- Headline earnings for the six months ended 31 December 2024 (1H F2025) decreased by 49% to R1 520 million or R7.75 per share (1H F2024: R2 955 million or R15.07 per share)
- An interim dividend of R4.50 per share is declared (1H F2024: R6.00 per share)
- We maintained a robust financial position, with net cash of R6 073 million at 31 December 2024 (30 June 2024: R7 197 million)

- Basic earnings were R1 394 million or R7.11 per share (1H F2024: R1 216 million or R6.20 per share) and include attributable impairments of R136 million after tax (1H F2024: R1 739 million after tax).

Safety and Health

- Regrettably, Mr Tshepo Tebele was fatally struck by a winch rope during a night shift cleaning operation at Modikwa Platinum Mine (Modikwa). We extend our deepest condolences to his family, friends and colleagues
- Group lost-time injury frequency rate (LTIFR) increased to 0.32 per 200 000 man-hours 1H F2024: 0.24) and group total recordable injury frequency rate (TRIFR) increased to 0.52 (1H F2024: 0.50).

Operational

- Iron ore production volumes were lower in 1H F2025 when compared to 1H F2024 mainly due to reduced offtake from ArcelorMittal South Africa (AMSA)
- Unit costs remained under pressure due to lower production volumes and above-inflation increases in costs at the iron ore and coal operations
- PGM production volumes rose marginally due to an increase in ounces at Bokoni Platinum Mine (Bokoni), however, mining development costs were higher due to the mine being in ramp-up phase, leading to higher operational losses
- The lower average realised export iron ore prices and stronger rand/US dollar exchange rate were partially offset by higher manganese ore and alloy prices.

Environmental and Social

- Construction of ARM Platinum's 100MW solar photovoltaic (PV) facility is progressing on schedule, with the first power delivery expected in August 2025
- The definitive feasibility study for renewable energy at ARM Ferrous was completed in December 2024. Various funding models and energy mix options are being reviewed
- The water supply deficit from Vaal Central Water Board (VCWB) continues to pose a risk to the Khumani Mine operations.

Growth

- Post 31 December 2024, mechanised development for expansion at Bokoni was scaled back, due to the weak PGM price environment, shifting focus to conventional stoping to reduce operational losses. The ramp-up of

mechanised development for expansion will depend on a sustained price recovery.

Safety and Health

Our operations remain committed to safety. There was an increase of 33% in the group LTIFR to 0.32 per 200 000 man-hours (1H F2024: 0.24). Similarly, the TRIFR* increased by 4% to 0.52 (1H F2024: 0.50). Continuous efforts are in place to strengthen safety measures and improve overall safety performance.

* TRIFR includes the number of fatal injuries, number of lost-time injuries, and number of medical treatment cases.

Regrettably, Mr Tshepo Tebele was fatally struck by a winch rope during a night shift cleaning operation at Modikwa on 29 November 2024. We extend our deepest condolences to his family, friends and colleagues. Support and counselling were provided to all affected employees and the deceased's family through the employee assistance programme. The report from the independent investigation is currently under review.

Safety achievements in 1H F2025 included:

- Beeshoek Mine completed 21 consecutive years fatality-free
- Cato Ridge completed 17 consecutive years fatality-free
- Black Rock Mine completed 15 consecutive years fatality-free
- Khumani Mine completed nine consecutive years fatality-free
- Two Rivers Platinum Mine completed two consecutive years fatality-free.

Financial performance

Headline earnings

Headline earnings for 1H F2025 decreased by 49% to R1 520 million or R7.75 per share (1H F2024: R2 955 million or R15.07 per share).

The average realised rand exchange rate strengthened by 4% to R17.93/US\$ compared to R18.68/US\$ in 1H F2024. For reporting purposes, the closing exchange rate was R18.86/US\$ (31 December 2023: R18.33/US\$).

ARM Ferrous headline earnings decreased by 33% to R1 881 million (1H F2024: R2 821 million) driven by a decrease in headline earnings

of the iron ore division, partially offset by an increase in headline earnings of the manganese division.

Iron ore headline earnings were lower due to lower average realised US dollar export prices, a stronger rand/US dollar exchange rate and lower sales volumes.

Manganese headline earnings were higher due to higher average realised US dollar manganese ore prices, partially offset by lower export sales volumes and a stronger rand/US dollar exchange rate.

ARM Platinum* reported a headline loss of R689 million (1H F2024: R282 million loss), largely due to higher operational losses at Bokoni.

* Refer to pages 12 and 13 for further information on the mark-to-market adjustments in ARM Platinum.

Two Rivers headline earnings decreased by 53% to R77 million (1H F2024: R164 million). Headline earnings were negatively impacted by a ramp-up in mining development at North shaft to open ore reserves, together with increased finance costs.

Modikwa reported a headline loss of R103 million (1H F2024: R31 million loss) impacted by a lower rand per 6E kilogram basket price and lower production volumes.

Bokoni reported a headline loss of R620 million (1H F2024: R341 million loss), driven mainly by lower-than-guided PGM ounce production and increased mechanised development costs at Middelpunt in the ramp-up of production. Production in 1H F2025 was negatively impacted by the fall-of-ground fatality in June 2024, as previously reported, and challenging geotechnical conditions for which additional underground support was required.

Nkomati Nickel Mine (Nkomati) reported a headline loss of R43 million (1H F2024: R74 million loss). The mine has been on care and maintenance since 15 March 2021.

ARM Coal headline earnings decreased by 11% to R182 million (1H F2024: R204 million) driven mainly by lower export sales volumes and a stronger rand/US dollar exchange rate.

ARM Corporate and other (including gold) headline earnings decreased by 41% to R190 million (1H F2024: R324 million), driven by a decrease in management fees received.

Machadodorp Works reported a headline loss of R44 million (1H F2024: R112 million loss) related to research into developing energy-efficient smelting technology.

Basic earnings and impairments

Basic earnings increased by 15% to R1 394 million (1H F2024: R1 216 million) and included attributable impairments as follows:

- An impairment of property, plant and equipment at Beeshoek of R96 million after tax
- An impairment of Assmang's investment in Sakura Ferroalloys of R36 million with no tax effect
- An impairment of property, plant and equipment at Cato Ridge Works of R4 million after tax.

The increase in basic earnings is mostly attributable to the lower impairments in 1H F2025 when compared to the previous corresponding period (1H F2024: R1 739 million).

Refer note 4 of the condensed group interim financial statements for more information on these impairments.

Financial position and cash flow

At 31 December 2024, ARM had net cash of R6 073 million (30 June 2024: R7 197 million), a decrease of R1 124 million compared to the end of the 2024 financial year. This amount excludes attributable cash and cash equivalents held at ARM Ferrous (50% of Assmang) of R3 604 million (30 June 2024: R4 476 million). There was no debt at ARM Ferrous in either of the reporting periods.

Refer to page 6 of the full announcement for a summary of dividends received from operations.

Cash generated from operations decreased by R1 547 million to R1 098 million outflow (1H F2024: R449 million inflow), which includes an outflow in working capital of R1 598 million (1H F2024: R786 million outflow), mainly due to an outflow of trade payables.

In 1H F2025, ARM paid R1 765 million in dividends to its shareholders, representing a final dividend of R9.00 per share declared for F2024 (1H F2024: R2 353 million or R12.00 per share).

Net cash outflow from investing activities was R914 million (1H F2024: R3 036 million) and included expansionary capital of R640 million. The decrease in outflow was mainly due to reduced Merensky project expenditure at Two Rivers and lower expansionary capital at Bokoni.

Net borrowings increased by R998 million (1H F2024: R49 million repaid) during the period, resulting in gross debt of R2 134 million at 31 December 2024 (30 June 2024: R1 129 million) mainly as a result of a syndicated facility at Two Rivers.

Investing in growth and our existing business

Bokoni Mine

Post 31 December 2024, high-cost mechanised development has been significantly scaled back, in response to the sustained weak PGM price environment and the lack of near-term recovery indicators. Production will shift focus from lower grade on-reef mechanised development to higher grade conventional stoping, increasing feed grade and PGM ounce production at the UG2 concentrator plant. The higher PGM production obtained from conventional mining will lower unit cash costs and reduce operational losses at Bokoni. The ramp-up of mechanised development will depend on a sustained PGM price recovery.

Existing operations

We continued to invest in our existing operations with segmental capital expenditure of R2 140 million for the period (1H F2024: R4 358 million). The decrease in capital expenditure was mainly due to the Merensky project at Two Rivers Mine included in 1H F2024. Capital expenditure for the divisions is discussed in each division's operational performance section from page 8 in the full announcement.

Dividend declaration

ARM aims to pay ordinary dividends to shareholders in line with our dividend guiding principles. Dividends are at the discretion of the board of directors (the board) which considers the company's capital allocation guiding principles as well as other relevant factors such as financial performance, commodities outlook, investment opportunities, gearing levels as well as solvency and liquidity requirements of the Companies Act.

For 1H F2025, the board approved and declared an interim dividend of 450 cents per share (gross) (1H F2024: 600 cents per share). The amount to be paid is approximately R1 011 million.

The dividend declared will be subject to dividend withholding tax. In line with paragraphs 11.17(a) (i) to (x) and 11.17(c) of the JSE Listings Requirements, the following additional information is disclosed:

- The dividend has been declared out of income reserves
- The South African dividends tax rate is 20%

- The gross local dividend is 450 cents per ordinary share for shareholders exempt from dividends tax
- The net local dividend is 360 cents per share for shareholders liable to pay dividends tax
- At the date of this declaration, ARM has 224 667 778 ordinary shares in issue
- ARM's income tax reference number is 9030/018/60/1.

A gross dividend of 450 cents per ordinary share, being the dividend for the six months ended 31 December 2024, has been declared payable on Monday, 7 April 2025 to those shareholders recorded in the books of the company at the close of business on Friday, 4 April 2025. The dividend is declared in the currency of South Africa. Any change in address or dividend instruction applying to this dividend must be received by the company's transfer secretaries or registrar not later than Friday, 4 April 2025. The last day to trade ordinary shares cum dividend is Tuesday, 1 April 2025. Ordinary shares trade ex-dividend from Wednesday, 2 April 2025.

No dematerialisation or rematerialisation of share certificates may occur between Wednesday, 2 April 2025 and Friday, 4 April 2025 both dates inclusive, nor may any transfers between registers take place during this period.

Scope of independent auditor

The financial results for the six months ended 31 December 2024 have not been reviewed nor audited by the company's registered auditor, KPMG Inc. (the partner in charge is S Loonat CA(SA)).

ENDS

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Johannesburg

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Sponsor: Investec Bank Limited