

AECI®

THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS AND CASH DIVIDEND DECLARATION

FOR THE HALF YEAR ENDED 30 JUNE 2025

Our business at a glance

A proud history spanning over 100-years defines our global business, characterised by our pioneering spirit, resilience, agility, innovation and commitment to excellence.

AECI's expertise in optimising the use of explosives has been instrumental in advancing the South African mining and chemical industries. The ability to overcome local and global economic challenges and create value through profitable growth and disciplined capital allocation has contributed significantly to the South African economy over the past century.

The Group operates in over 20 countries on six continents and at 30 June 2025, employed 6,341 people.

Below is a representation of the Group's operating business segments, products and services aligned to the corporate strategy.

OUR SEGMENTS

AECI Mining

AECI Chemicals

AECI Managed Businesses*

AECI Property Services and Corporate

PRODUCTS AND SERVICES

The businesses in this segment provide a mine-to-mineral solution for the international mining sector. The offering includes commercial explosives, initiating systems, blasting services and surfactants for explosives manufacture across the value chain to chemicals for ore beneficiation and tailings treatment.

Businesses in this segment supply traded, industrial and speciality chemical products; water treatment chemicals, technology, equipment and plant and crop protection products and plant nutrients.

Businesses in this segment have been ringfenced for divestment. These businesses supply to customers in industrial, manufacturing, food and beverage, public water, animal feed and products as well as the textile sector.

Property Services relate mainly to property leasing and management in the office, industrial and retail sectors. Corporate includes centralised functions namely, Treasury and Finance; Human Capital; Safety, Health and the Environment; Stakeholder Relations; Company Secretarial; Risk and Compliance; Environmental, Social and Governance; Information Technology; and Strategy Execution.

There are varying levels of integration between the segments. This includes transfers of raw materials and finished goods, and property management services. Inter-segment pricing is determined on terms that are no more and no less favourable than transactions with unrelated external parties.

* The sale and purchase agreement for the sale of Animal Health to Nutreco International B.V. (the South African subsidiary is Trouw Nutrition South Africa Proprietary Limited) was mutually terminated on 19 May 2025.

* The sale of Public Water is underway with continuous discussions with prospective buyers. No binding agreements have been concluded to date resulting in the sale not being highly probable at the date of reporting.

* The sale of the Baar-Ebenhausen assets, which forms part of Schirm Germany has been concluded at the end of June 2025.

* On 4 July 2025, the Group entered in a Share Purchase Agreement for the sale of the Food & Beverage Business. The sale is expected to be completed before the end of the financial year.

* On 17 July 2025, the Group entered into an Asset Purchase Agreement for the sale of Schirm USA. The sale is expected to be completed in the second half of the year.

Unaudited condensed consolidated interim financial results and cash dividend declaration

Focused execution of our strategy

AECI continues to execute its strategic plan, with a clear focus on building a high-performance culture with engaged employees, optimising its business portfolio, achieving operational, functional and commercial excellence and expanding its international presence. During the period, the Group continued to achieve further key milestones in line with its four strategic pillars.

People and culture

The Company remains committed to building a high-performance culture that supports its strategic ambitions. During the period, it continued to embed its Leadership Compact and Culture Code to cultivate an environment that attracts, develops, and retains top talent. A Group-wide culture survey was completed to identify opportunities for fostering greater employee engagement and productivity. The leadership team was further strengthened with the appointment of Mr Ian Kramer as the permanent CFO with the effect from 2 June 2025. The current executive team has now been in place for two years, following the appointment of the CEO in 2023.

Portfolio optimisation

The Group has successfully advanced its portfolio optimisation strategy, with positive momentum achieved in its disposal programme. The total expected proceeds are R2.4 billion to date, R1.1 billion has been transferred to the Group following the successful disposal of the Much Asphalt division and the Baar-Ebenhausen (BEH) assets in Schirm Germany.

The Schirm US transaction is expected to close by 31 August 2025, subject to fulfillment or waiver of conditions precedent. In early July 2025, a share purchase agreement was signed for the disposal of the Food & Beverage Business. Shareholders are referred to the announcement published on the Stock Exchange News Service of the JSE Limited (SENS) on 17 July 2025 for additional information.

Negotiations continue for the disposal of the SANS Fibres, Public Water, and the Animal Health businesses.

Internal value unlock

The cumulative EBITDA run-rate, from the Transformation Management office (TMO) initiative, increased by R400 million to R1.2 billion during the period. This contributed to an estimated R400 million improvement in the profit or loss impact compared to the period ended 30 June 2024.

The successful consolidation of three head offices into a single location marks a significant milestone in the Group's efficiency drive. The headcount optimisation programme is delayed.

Internationalisation

AECI's international operations continued to grow, with EBITDA increasing by 15% and margins improving by 3 percentage points compared to the prior comparative period. The Mining division secured new contracts in the Democratic Republic of Congo, Australia, Ghana, and Botswana, and successfully renewed a contract with a global mining client.

Statement from the Group CEO

"I am encouraged by the growth of our international operations and the continued resilience of our core business, particularly in the face of South Africa's challenging operating environment which had an adverse effect on our reported results.

Despite some setbacks in our strategy execution, particularly under the value unlock pillar, our strategy remains intact, with clear progress made against key milestones in the period. I continue to be inspired by the motivation and commitment of our people, who remain central to delivering on our long-term ambitions.

Going into the second half of the year, I look forward to continuing our international growth agenda while navigating the structural and supplier challenges impacting our business in South Africa, as well as addressing the delays in our strategy execution programme."

Safety

TRIR¹ of 0.2

H1 2024: 0.28

EBITDA²*

R1,578 million

H1 2024: R1,276 million

Basic earnings per share*

308 cents

H1 2024: 181 cents

Working capital

17% of revenue

31 Dec 2024: 16%

H1 2024: 18%

Gearing

25%

31 Dec 2024: 31%

H1 2024: 41%

Revenue*

R15,689 million

H1 2024: R16,058 million

Profit from operations*

R699 million

H1 2024: R746 million

Headline earnings per share

604 cents

H1 2024: 260 cents

Capital Expenditure

R351 million

Expansion: R74 million

Replacement: R277 million

H1 2024: R591 million

Cash dividend

100 cents per share

H1 2024: Nil per share

* Continuing operations only (Prior period amounts restated to reflect continuing operations only)

¹ 12-month rolling Total Recordable Injury Rate.

² Earnings before interest, taxation, depreciation and amortisation calculated as profit from operations and equity-accounted investees plus depreciation, amortisation and impairments.

Segmental review

Safety

During the reporting period, the Group continued to strengthen its safety culture. The 12-month rolling Total Recordable Injury Rate (TRIR) improved to 0.20, from 0.28 at 30 June 2024. AECI places the highest priority on protecting the health and safety of all employees, underpinned by accountable leadership, active employee engagement, and a rigorous, risk-based approach to Environment, Health and Safety (EHS) management.

The Group had no fatalities during the period.

ESG

OUR COMMITMENT TO SUSTAINABILITY AND CREATING ENTERPRISE VALUE

The Group remains steadfast in its commitment to sustainability and strives for excellence across environmental stewardship, social responsibility, and sound governance (ESG). During the period under review, the Group focused on restating its baseline to align with the revised business structure and strategy. This effort also supports the setting of new five-year ESG goals for the period 2026 to 2030. While encouraged by the Group's progress as demonstrated by a 18% reduction in the carbon footprint, the Company remains fully aware of the complexities ahead and remains committed to realising the 2050 Net Zero ambition.

AECI's unwavering commitment to social impact culminated in the launch of a flagship project, the AECI Future Leaders Challenge, which seeks to inspire a new generation of ethical and effective young leaders.

AECI Mining – positioned for international growth

AECI Mining comprises the Explosives and Mining Chemicals businesses. Mining Explosives is our largest business in terms of volume, although Mining Chemicals attracts better margins. The international business accounts for around two thirds of EBITDA with the South African business contributing the remainder.

Explosives

The explosives business is an international manufacturer and supplier of explosives, initiating systems and blasting services for mining, quarrying and construction.

Chemicals

The chemicals business develops, manufactures, and distributes advanced mining chemical technologies.

Results during the period

The segment recorded a 14% improvement in EBITDA of R1,334 million (H1 2024: R1,172 million) and EBITDA margin of 15% (H1 2024: 13%) on the back of growth in the international business, coupled with stringent cost management.

Overall, the Explosives business unit's performance improved compared to H1 2024. In South Africa, performance was supported by increased activity in the gold sector and a significant reduction in the cost of alternative ammonia sourcing incurred compared to H1 2024 due to plant shutdowns. The prior period was impacted by R204 million non-recurring statutory shutdown costs.

Supply headwinds hampered current-year performance, primarily due to power supply disruptions at the Modderfontein facility and challenges with Lead Azide supply. As outlined in the Group's voluntary trading update on 30 June 2025, Lead Azide supply disruptions early in the year necessitated a force majeure declaration, as these disruptions impacted the production of detonators, and power supply challenges led to lost volumes and necessitated third-party purchases of Ammonium Nitrate, albeit less than in H1 2024, to meet customer demand. AECI teams continue to collaborate with and assist the Lead Azide supplier in repairing the plant and ensuring a stable, long-term supply.

Following a series of power interruptions in the first quarter of the year and into April 2025, it is pleasing that there have been no further power interruptions since then. Management remains in contact with the supplier to secure a sustainable solution.

In the rest of Africa, performance was underpinned by strong contributions from Ghana and the Democratic Republic of Congo (DRC), where robust mining activity and healthy margins drove improved results. This was partially offset by weaker results in other central African markets.

The Asia-Pacific region delivered a strong performance, despite lower sales volumes caused by inclement weather. Margins improved as key sourcing and supply chain issues have been resolved. The Lihir plant is now fully commissioned and contributing to the region's positive operational performance.

The Mining Chemicals business unit, which is predominantly focused on South Africa, delivered an improved performance compared to H1 2024, supported by higher metallurgical chemical prices, but was partly offset by lower volumes and a shift in the production mix despite stable cost management in the emulsifiers and coatings segment.

Looking forward

The underlying performance in AECI Mining remains strong, underpinned by a growing international footprint, continued innovation, and deep technical expertise. The business anticipates a sustained positive trajectory in operational performance, supported by a rebound in sales volumes in the Asia-Pacific region and continued strong results in Mining Chemicals, driven by disciplined commercial execution.

International growth will be driven after the awarding of four contracts in Australia (coal), DRC (copper and cobalt), Ghana (gold) and Botswana (copper).

AECI Chemicals

AECI Chemicals comprises of Industrial Chemicals, Speciality Chemicals, Water treatment and Plant Health. The Industrial Chemicals portfolio includes sulphur and sulphur-based derivatives, surfactants, phosphates, resins, and traded chemicals. Speciality Chemicals is a highly diversified, industry-focused business serving a broad range of sectors, including personal and home care, oleochemicals and mineral oils, can coatings, and other speciality applications. AECI Water provides innovative solutions and technologies for complex water management challenges. AECI Plant Health services the agricultural sector with a wide range of products aimed at preserving natural resources, restoring soil biology, and supporting the production of nutritious food.

Results during the period

In the current weak market environment, the Group anticipated that AECI Chemicals was going to find it challenging to repeat its exceptional financial performance of 2024.

AECI Chemicals delivered EBITDA of R319 million, down from R467 million in H1 2024, with the EBITDA margin declining to 7% (H1 2024: 11%). The division continued to face demand and pricing pressures, which were further exacerbated by the recognition of R113 million in expected credit losses and a R32 million foreign exchange loss.

Industrial Chemicals' performance declined compared to H1 2024, primarily due to subdued market conditions, particularly for sulphuric acid. This was further impacted by the recognition of R53 million in expected credit losses.

Speciality Chemicals' performance declined compared to H1 2024, largely due to reduced offtake from two key customers in the first quarter. While volumes recovered in the second quarter, the business does not expect to fully recover the lost volumes in the second half of the year.

AECI Water's performance declined compared to H1 2024, impacted by a R49 million expected credit loss on a customer and R11 million related to a supplier that entered business rescue after failing to deliver pre-paid raw materials. Despite these challenges, the underlying business remained resilient. The mining and industrial water divisions are performing well, supported by new project wins in Ghana and Mozambique.

AECI Plant Health's performance improved compared to H1 2024, driven by higher sales volumes in the retail segment and exports to new territories.

Looking forward

AECI Chemicals continues to operate in a weak and highly competitive market environment, characterised by depressed prices. Management is currently evaluating and implementing internal initiatives expected to improve profitability in the second half of the year. In addition, stricter governance measures are being introduced to reduce the level of expected credit losses.

AECI Managed businesses

In line with our strategy, the businesses within this segments have been identified for divestment. The H1 2024 reported earnings of the Group have been restated to reflect the classification of Much Asphalt as a discontinued operation. EBITDA for the division increased to R139 million (H1 2024: R101 million, restated).

Looking forward

The restructuring process at Schirm Germany is progressing well, with strong execution against predefined milestones. Operations are on track to return to a cash breakeven position in the second half of the year. The disposal of the assets in Baar-Ebenhausen is expected to deliver EUR3 million (R54 million) in savings from reduced restructuring costs and future environmental liabilities. Similarly, the completed restructuring of the Schönebeck plant also expected to yield a further EUR3 million (R54 million) in savings. The Lubeck plant remains operational, with a strong focus on maximising utilisation.

AECI Property Services and Corporate

AECI Property Services and Corporate provides property leasing and utility services to both internal and external customers, as well as corporate support services to the Group, including the execution of our corporate strategy.

The segment reported a loss of R189 million, compared to a loss of R458 million in H1 2024. The prior period's result was impacted by once-off expenditure related to strategy execution.

Group Financial Performance

The Group delivered solid results, with earnings per share from continuing operations increasing by 70% compared to H1 2024. This growth was primarily driven by an improved EBITDA, lower net finance costs and a lower effective tax rate, partially offset by costs associated with the Group divestment strategy.

The Group's headline earnings per share increased by 132% in comparison to H1 2024, mainly attributable to profit from operations, before impairment charges, increasing by 35% to R1,036 billion from R768 million in H1 2024, in addition to the impacts on earnings per share.

Extracts of key financial metrics - continuing operations

R million (unless stated otherwise)	H1 2025	H1 2024*	% change
Revenue	15,689	16,058	(2)
EBITDA	1,578	1,276	24
EBITDA margin (%)	10	8	25
Depreciation, amortisation and impairments	870	530	64
Profit from operations	699	746	(6)
Profit from operations margin (%)	4	5	(20)
Profit for the period	291	239	22
Basic earnings per share (EPS) (cents)	308	181	70
Headline earnings per share (HEPS) (cents)	604	260	132
Cash generated from operations	1,697	1,474	15

* Amounts restated to reflect continuing operations only

Revenue from continuing operations was broadly in line with the prior period at R15,689 million (H1 2024: R16,058 million, restated).

EBITDA from continuing operations was 24% higher than the restated H1 2024 number on the back of improved performance in AECI Mining, coupled with lower losses recognised in AECI Property Services and Corporate; partially offset by a softer operational performance in AECI Chemicals.

Depreciation and amortisation from continuing operations were slightly ahead of the prior period at R533 million (H1 2024: R508 million). An impairment charge of R337 million (H1 2024: R22 million) was mainly recognised on fair value adjustments in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations, to the disposal of the Food & Beverage Business (R245 million), and the impairment on disposal of business of Baar-Ebenhausen (R96 million).

Profit from continuing operations decreased from R746 million, restated, in the prior period to R699 million, mainly driven by the recognition of impairments in the period. In contrast, core business profit from operations increased by 30% to R1,066 million (H1 2024: R820 million).

Net finance costs from continuing operations decreased by 36% to R182 million (H1 2024: R286 million, restated) due to reduced debt levels and a lower effective interest rate, mainly resulting from the proceeds received on the conclusion of the Much Asphalt divestment.

The tax expense for the period was R220 million reflecting an effective tax rate (ETR) of 41.9%, down from 59.8% in H1 2024. The elevated but improved ETR is mainly driven by impairments and foreign withholding taxes on dividends received from the foreign subsidiaries. The prior period ETR included once-off non-deductible strategy implementation costs.

Property, plant and equipment decreased from R6,737 million at 30 June 2024 to R5,604 million primarily due to the disposal of Much Asphalt and the reclassification of the Food & Beverage Business to an asset held for sale. Intangible assets of R331 million (30 June 2024: R788 million) and Goodwill of R1,585 million (30 June 2024: R2,304 million) were similarly impacted by the disposal of Much Asphalt.

Capital expenditure for the period was R351 million, of which R277 million was for maintenance, and R74 million was for expansion. Capital spend in the period was deferred as a result of a shift in management focus emanating from the operational challenges experienced at the Modderfontein facility relating to the power interruptions experienced in the first half of the period and disruptions in Lead Azide supply.

Cash and cash equivalents were 6% higher than 30 June 2024 and debt, including IFRS 16 debt, decreased by 28%. Net debt decreased to R2,923 million (30 June 2024: R5,096 million), translating to a gearing of 25% (30 June 2024: 41%) which is within the guided range of 20% - 40%. The Group's net debt to EBITDA, as defined in covenant agreements, improved to 0.9 times (30 June 2024: 1.6 times), remaining well below the covenant maximum threshold of 2.5 times.

Management remains committed to reducing debt, applying stringent net working capital management and driving operational and strategic free cash flow initiatives to strengthen the balance sheet. On 30 June 2025, the Group's net working capital as a percentage of revenue decreased to 17% (30 June 2024: 18%) which falls marginally outside our guided range of 14% - 16%.

The Board and executive management of AECI have applied the dividend policy and have declared an interim dividend of 100 cents per share based on a newly approved dividend cover policy.

Net asset value per share attributable to ordinary shareholders of 11,034 cents remained in line with the prior period (30 June 2024: 11,657 cents).

Outlook

The Group expects full-year EBITDA to be supported by several key factors. These include a recovery of volumes in the Asia-Pacific region, the further realisation of value unlock initiatives, and ongoing internal efficiency programmes.

Strategy execution remains a central focus. The Group continues to strengthen its balance sheet and is on track to close out all active divestments. In parallel, opportunities for inorganic growth are being explored, with careful consideration of timing and alignment with broader strategic priorities. The Group is also evaluating performance solutions for the Modderfontein facility and maintains a strong focus on embedding a high-performance culture and investing in its people.

Although the Group continues to progress towards its targeted EBITDA run rate in terms of its strategic ambition, some delays are anticipated in achieving the run rate due to unrecoverable lost production volumes at the Modderfontein facility during H1 2025. This resulted in more than usual management focus and effort, which in turn affected efforts relating to head count efficiency initiatives and delivery on growth capital projects.

Looking ahead to the second half of 2025 and beyond, strategy execution remains a central focus as the Group prepares for growth, drives hard cost savings, and focuses on free cash flow generation. The Company expects to continue in a positive performance trajectory in H2 2025, supported by the resilience and solid underlying performance of its core businesses. However, the Group expects the results to be behind aspirations as a result of delays in the EBITDA run rate.

For 2026, the Group sees opportunities through expansion in both existing and new geographies. There is also potential to deepen market penetration by leveraging existing product offerings in core regions. Innovation will play a key role, with a focus on developing new, value-adding solutions to support future competitiveness and long-term growth.

Directors' responsibility statement

The Directors are responsible for the preparation and presentation of these unaudited condensed consolidated financial statements in accordance with IFRS® Accounting Standards ("IFRS"), and interpretations of those Standards as adopted by the International Accounting Standards Board ("IASB"), the South African Institute of Chartered Accountants ("SAICA") Financial Reporting Guides issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Limited Listings Requirements and the JSE Debt and Specialist Securities Listings Requirements ("JSE" and "the JSE Listings Requirements") and in accordance with the requirements of the Companies Act No. 71 of 2008 ("Companies Act"). The Directors are also responsible for such internal controls as the Directors determine to be necessary to enable the preparation of unaudited condensed interim financial statements that are free from material misstatement, whether owing to fraud or error.

Preparation of the interim results announcement

This announcement covers the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2025, which has been prepared in accordance with and contains the information required by IAS 34: *Interim Financial Reporting*, in accordance with IFRS and interpretations of those Standards as adopted by the IASB, SAICA Financial Reporting Guides issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Limited Listings Requirements and in accordance with the requirements of the Companies Act. The preparation of these unaudited condensed consolidated interim financial statements was supervised by the Chief Financial Officer, Ian Kramer CA(SA), in terms of section 29(1)(e) of the Companies Act, as amended.

Approval of the unaudited condensed consolidated interim financial statements

These interim financial results have not been audited or reviewed by the Group's external auditors.

The unaudited condensed consolidated interim financial statements were approved by the Board of Directors of AECI on 29 July 2025 and signed by:



Handwritten signature of H Riemensperger
H Riemensperger
Group Chief Executive

Directors: PG Sibya(Chairman), H Riemensperger¹(Group CEO), I Kramer (Group CFO), ST Coetzer², SA Dawson³, FFT De Buck, WH Dissinger¹, P Mishic O'Brien⁴, AM Roets, N Moholi, J Ndlovu, B Mawasha

¹German ²Canadian ³Australian ⁴American

Investor Relations: I Lepere

Group Company Secretary: C Singh

DIVIDEND

Declaration of interim ordinary cash dividend No. 182

The Company's board of directors (Board) is pleased to announce that it has resolved to declare a gross interim cash dividend of 100 cents per ordinary share in respect of the half year ended 30 June 2025. The dividend is payable on Monday, 1 September 2025 to holders of ordinary shares recorded in the register of the Company at the close of business on the record date, being Friday, 29 August 2025.

The last day to trade "cum" dividend will be Tuesday, 26 August 2025 and shares will commence trading "ex" dividend as from the commencement of trade on Wednesday, 27 August 2025.

A South African dividend withholding tax of 20% will be applicable to all shareholders who are not either exempt or entitled to a reduction of the withholding tax rate in terms of a relevant Double Taxation Agreement, resulting in a net interim cash dividend of 80 cents per ordinary share payable to those shareholders who are not eligible for exemption or reduction. Application forms for exemption or reduction may be obtained from the Transfer Secretaries and must be returned to them on or before Tuesday, 26 August 2025.

The issued share capital of the Company at the declaration date is 105 517 780 listed ordinary shares, and 3 000 000 listed cumulative preference shares. The dividend has been declared from the retained earnings of the Company.

Any change of address or dividend instruction must be received on or before Tuesday, 26 August 2025.

Ordinary shares may not be dematerialised or rematerialised between Wednesday, 27 August 2025 and Friday, 29 August 2025, both days inclusive.

By order of the Board

Cheryl Singh

Group Company Secretary

Woodmead, Sandton

TRANSFER SECRETARIES

Computershare Investor Services (Pty) Ltd

Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

and

Computershare Investor Services PLC

PO Box 82, The Pavilions, Bridgwater Road, Bristol BS 99 7NH, England

REGISTERED OFFICE

First floor, AECI Place, 24 The Woodlands, Woodlands Drive, Woodmead, Sandton

EQUITY SPONSOR

One Capital Sponsor Services Proprietary Limited

17 Fricker Road, Illovo, 2196

DEBT SPONSOR

Questco Proprietary Limited

10th Road Investment Place Block C Ground Floor, Hyde Park, 2196

AECI LIMITED

(Incorporated in the Republic of South Africa)

(Registration No. 1924/002590/06)

Tax reference No. 9000008608

Share code: AFE ISIN: ZAE000000220

Hybrid code: AFEP ISIN: ZAE000000238

Bond company code: AECI

LEI: 3789008641F1D3D90E85

(AECI or the Company or the Group)

Condensed consolidated statement of financial position

		2025	2024	2024
	Note	As at 30 Jun Unaudited	As at 30 Jun Unaudited	As at 31 Dec Audited
Rand million				
Assets				
Non-current assets		9,105	11,478	9,670
Property, plant and equipment		5,604	6,737	5,910
Right-of-use assets		509	651	703
Investment properties		239	235	233
Intangible assets		331	788	361
Goodwill		1,585	2,304	1,608
Pension fund employer surplus accounts		236	325	287
Investment in joint venture		51	55	66
Investments in associates		134	140	141
Loans to associates		40	58	45
Other investments		180	71	122
Deferred tax assets		196	114	194
Current assets		14,445	15,646	16,067
Inventories		4,896	5,887	5,117
Trade and other receivables		6,090	6,916	7,616
Other investments		624	572	567
Taxation receivable		571	126	378
Cash and cash equivalents		2,264	2,145	2,389
Assets held for sale	7	566	—	1,504
Total assets		24,116	27,124	27,241
Equity and liabilities				
Equity		11,769	12,447	12,070
Ordinary share capital and reserves		11,641	12,300	11,901
Non-controlling interest		122	141	163
Preference share capital		6	6	6
Non-current liabilities		5,484	6,348	6,028
Deferred tax liabilities		413	458	366
Non-current debt		4,021	4,710	4,465
Lease liabilities		465	609	625
Non-current provisions and employee benefits		585	571	572
Current liabilities		6,553	8,329	8,776
Trade and other payables		5,502	6,304	7,259
Current debt		608	1,808	850
Lease liabilities		86	104	156
Loans from joint venture and joint operation		18	89	13
Taxation payable		332	14	467
Bank overdraft		7	10	31
Liabilities directly associated with assets held for sale	7	310	—	367
Total liabilities		12,347	14,677	15,171
Total equity and liabilities		24,116	27,124	27,241

Condensed consolidated statement of profit or loss

			2025 First half	2024 First half Unaudited Restated*	2024 Year Audited
Rand million	Note	% change	Unaudited		
Revenue	2	(2)	15,689	16,058	33,598
Net operating costs			(14,990)	(15,312)	(32,054)
Profit from operations	(6)		699	746	1,544
Share of profit/(loss) of equity-accounted investees, net of taxation			9	(2)	29
Profit from operations and equity-accounted investees	(5)		708	744	1,573
Net finance costs			(182)	(286)	(521)
Finance costs			(235)	(338)	(645)
Finance income			53	52	124
Profit before taxation			526	458	1052
Taxation expense	6		(220)	(274)	(747)
Profit for the period from continuing operations	66		306	184	305
(Loss)/profit for the period from discontinued operations			(15)	55	(560)
Profit/(loss) for the period	22		291	239	(255)
Attributable to preference shareholders			(2)	(2)	(4)
Attributable to AECI minority shareholders			21	9	(24)
Attributable to the AECI Group Equity Shareholders			310	246	(283)
Per ordinary share (cents):					
Basic earnings/(loss)	26		294	233	(268)
Diluted basic earnings/(loss)			293	229	(266)
Basic earnings from continuing operations	70		308	181	263
Diluted basic earnings from continuing operations			307	178	261
Basic (loss)/earnings from discontinued operations	(127)		(14)	52	(531)
Diluted basic (loss)/earnings from discontinued operations			(14)	51	(527)
Headline earnings	132		604	260	716
Diluted headline earnings			601	256	710
Ordinary dividends declared after the reporting date			100	—	219
Ordinary dividends paid			219	119	119

*Comparative periods have been restated in terms of IFRS 5: *Held for Sale and Discontinued Operations* due to the Much Asphalt Disposal Group being recognised as a discontinued operation.

Condensed consolidated statement of comprehensive income

	2025 First half Unaudited	2024 First half Unaudited	2024 Year Audited
Rand million			
Profit/(loss) for the period	291	239	(255)
Other comprehensive income/(loss) net of taxation			
Items that may be reclassified subsequently to profit or loss:			
▪ Foreign currency translation differences	(316)	(88)	76
▪ Effective portion of cash flow hedges	(3)	2	5
Items that may not be reclassified subsequently to profit or loss:			
▪ Remeasurement of post-retirement medical aid obligations	—	—	27
▪ Remeasurement of equity securities at fair value through other comprehensive income	(33)	3	(41)
Total comprehensive (loss)/income for the period	(61)	156	(188)
Attributable to preference shareholders	(2)	(2)	(4)
Attributable to AECL minority shareholders	14	7	(27)
Attributable to the AECL Group Equity Shareholders	(49)	161	(219)

Condensed consolidated statement of changes in equity

	2025 First half Unaudited	2024 First half Unaudited	2024 Year Audited
Rand million			
Total comprehensive (loss)/income for the period	(61)	156	(188)
Dividends paid	(247)	(136)	(155)
Share-based payment reserve	7	16	2
Equity at the beginning of the period	12,070	12,411	12,411
Equity at the end of the period	11,769	12,447	12,070
Made up as follows:			
Ordinary share capital	106	106	106
Reserves	1,596	1,865	1,965
▪ Foreign currency translation reserve	1,650	1,799	1,954
▪ Other reserves	(161)	(84)	(124)
▪ Share-based payment reserve	107	150	135
Retained earnings	9,939	10,329	9,830
Non-controlling interest	122	141	163
Preference share capital	6	6	6
Equity at the end of the period	11,769	12,447	12,070

Earnings/(loss) per share

	2025 First half Unaudited	2024 First half Unaudited	2024 Year Audited
Rand million			
Headline earnings are derived from:			
Profit/(loss) attributable to ordinary shareholders	310	246	(283)
Impairment of goodwill ¹	8	22	27
Impairment arising from held for sale asset (see note 7)	245	—	732
Net impairment of property, plant and equipment	(4)	—	306
Impairment on disposal of business ¹	88	—	—
(Surplus)/loss on disposal of investment property and property, plant and equipment	(16)	10	(44)
Impairment of right-of-use assets	—	—	2
Impairment of intangible assets	—	—	42
Taxation effects of the above items	6	(3)	(27)
Headline earnings from continuing and discontinued operations	637	275	755

¹Schirm GmbH ("Schirm Germany") entered into a sale agreement with German-based private buyers, in terms of which Schirm Germany disposed of its property in Baar-Ebenhausen ("BEH Disposal"), including the business, fixed assets and inventory relating to the site. The BEH Disposal is in line with AECL's strategy of disposing non-core assets, coupled with its ongoing efforts to turnaround the underperforming Schirm business.

Reconciliation of the weighted average number of ordinary shares for diluted earnings/(loss) per share

	2025 First half Unaudited	2024 First half Unaudited	2024 Year Audited
Millions of shares			
Weighted average number of ordinary shares for the basic earnings per share			
	105.5	105.5	105.5
Dilutive adjustment for potential ordinary shares ¹	0.4	1.8	0.8
Weighted average number of ordinary shares for diluted earnings per share	105.9	107.3	106.3

¹Relates to performance shares

Condensed consolidated statement of cash flows

	2025	2024	2024
	First half	First half	Year
Rand million	Unaudited	Unaudited	Audited
Cash generated by operations	1,697	1,474	3,345
Dividends received	25	—	—
Finance cost paid	(221)	(315)	(595)
Finance income received	54	54	127
Taxation paid	(518)	(565)	(907)
Changes in working capital	(615)	(776)	(74)
Cash outflows relating to defined-benefit and post-retirement medical aid obligations	(7)	(6)	(15)
Cash flows relating to non-current provisions and employee benefits	(4)	—	2
Cash available from operating activities	411	(134)	1,883
Dividends paid	(247)	(136)	(155)
Cash flows generated from/(utilised by) operating activities	164	(270)	1,728
Cash flows generated from/(utilised by) investing activities	731	(537)	(1,035)
Loans with joint ventures	—	—	(70)
Investments ¹	(78)	—	(120)
Proceeds from disposal of discontinued operations net of cash disposed	1,091	—	—
Net capital expenditure	(282)	(537)	(845)
Net cash generated/(utilised) before financing activities	895	(807)	693
Cash flows (utilised by)/from financing activities	(955)	1,051	(217)
Capital repayments of lease liabilities	(110)	(96)	(205)
Loans from joint ventures	5	6	—
Loans from associates	—	—	47
Share based payments	(23)	(36)	(36)
Proceeds from debt raised	41	1,250	578
Repayment of debt	(868)	(73)	(601)
(Decrease)/increase in cash and cash equivalents	(60)	244	476
Cash and cash equivalents at the beginning of the period	2,417	1,901	1,901
Translation (loss)/ gain on cash and cash equivalents	(100)	(10)	40
Cash and cash equivalents at the end of the period²	2,257	2,135	2,417

¹Includes money market investments

²H1 2025: Cash and cash equivalents of R2,264 million (which includes restricted cash of R132 million) and a bank overdraft of R7 million.

H1 2024: Cash and cash equivalents of R2,145 million (which includes restricted cash of R73 million) and a bank overdraft of R10 million.

Full Year 2024: Cash and cash equivalents of R2,389 million (which includes restricted cash of R173 million) and a bank overdraft of R31 million.

Segmental analysis

Basis of segmentation

The Group has four reportable segments, as stated below. Each business division offers different products and services and is managed separately because each requires different technology and marketing strategies.

REPORTABLE SEGMENTS	OPERATIONS
AECI Mining	The businesses in this segment provide a mine-to-mineral solution for the international mining sector. The offering includes commercial explosives, initiating systems, blasting services and surfactants for explosives manufacture across the value chain to chemicals for ore beneficiation and tailings treatment.
AECI Chemicals	Business in this segment supply traded, industrial and speciality chemical products; water treatment chemicals, technology, equipment and plant and crop protection products and plant nutrients.
AECI Managed Businesses	Businesses in this segment have been ringfenced for divestment. These businesses supply to customers in industrial, manufacturing, food and beverage, public water, animal feed and products as well as the textile sector.
AECI Property Services and Corporate	Property Services relate mainly to property leasing and management in the office, industrial and retail sectors. Corporate includes centralised functions namely, Treasury and Finance; Human Capital; Safety, Health and the Environment; Stakeholder Relations; Company Secretarial; Risk and Compliance; Environmental, Social and Governance; Information Technology; and Strategy Execution.

There are varying levels of integration between the segments. This includes transfers of raw materials and finished goods, and property management services. Inter-segment pricing is determined on terms that are no more and no less favourable than transactions with unrelated external parties.

Segmental analysis

Information relating to reportable segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM has been identified as AECI's Executive Committee. The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on the reports reviewed by the CODM, which are used to make strategic decisions.

Information relating to each reportable segment is set out below. Management makes decisions based on management accounting information, which reflects revenue plus costs by business division.

Rand million	2025	2024	2025	2024	2025	2024
	First half	First half	First half	First half	First half	First half
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
			Restated		Restated	
	EXTERNAL REVENUE		INTER-SEGMENT REVENUE		TOTAL SEGMENT REVENUE	
AECI Mining	8,695	9,335	37	41	8,732	9,376
AECI Chemicals	4,503	4,289	100	74	4,603	4,363
AECI Managed Businesses	2,242	2,206	1	3	2,243	2,209
AECI Property Services And Corporate	249	228	81	78	330	306
Inter-segment	—	—	(219)	(196)	(219)	(196)
Continuing Operations	15,689	16,058	—	—	15,689	16,058
Discontinued Operations	588	1,522	—	—	588	1,522
	16,277	17,580	—	—	16,277	17,580

Rand million	DEPRECIATION	AMORTISATION	IMPAIRMENTS	
AECI Mining	295	273	5	(4)
AECI Chemicals	63	52	7	—
AECI Managed Businesses	129	136	17	341
AECI Property Services And Corporate	28	26	—	—
Inter-segment	(6)	(7)	—	—
Continuing Operations	509	480	24	337
Discontinued Operations	—	31	11	—
	509	511	24	337
			39	22

Rand million	PROFIT/(LOSS) FROM OPERATIONS	EBITDA ¹	CAPITAL EXPENDITURE	
AECI Mining	1,043	909	1,334	1,172
AECI Chemicals	240	395	319	467
AECI Managed Businesses	(348)	(75)	139	101
AECI Property Services And Corporate	(217)	(484)	(189)	(458)
Inter-segment	(19)	1	(25)	(6)
Continuing Operations	699	746	1,578	1,276
Discontinued Operations	(7)	72	(7)	114
	692	818	1,571	1,390
			351	555
			351	36
			351	591

Segmental analysis (continued)

	2025 First half Unaudited	2024 First half Unaudited	2025 First half Unaudited	2024 First half Unaudited	2025 First half Unaudited	2024 First half Unaudited
	COST OF SALES		ADMINISTRATIVE COSTS		SALARIES AND OTHER COSTS	
Rand million		Restated		Restated		Restated
AECI Mining	5,010	6,006	1,887	1,784	1,550	1,483
AECI Chemicals	3,562	3,157	479	573	405	410
AECI Managed Businesses	1,489	2,636	991	606	653	647
AECI Property Services And Corporate	162	139	414	615	278	238
Inter-segment	(214)	(191)	(262)	(184)	—	—
Continuing Operations	10,009	11,747	3,509	3,394	2,886	2,778
Discontinued Operations	444	1,106	32	305	61	128
	10,453	12,853	3,541	3,699	2,947	2,906

Rand million	INVENTORY		OPERATING ASSETS ^{2,3}		OPERATING LIABILITIES ^{2,3}	
AECI Mining	2,663	2,633	9,633	9,982	2,706	3,102
AECI Chemicals	1,967	2,240	5,543	5,838	1,773	2,061
AECI Managed Businesses	267	760	3,894	6,094	448	767
AECI Property Services And Corporate	1	1	891	1,352	452	519
Inter-segment	(2)	(1)	(141)	(615)	123	(536)
Continuing Operations	4,896	5,633	19,820	22,651	5,502	5,913
Discontinued Operations	—	254	—	867	—	391
	4,896	5,887	19,820	23,518	5,502	6,304

Rand million	OPERATING ASSETS ^{2,3}		OPERATING LIABILITIES ^{2,3}	
South Africa	11,756	15,063	2,264	3,067
Rest of Africa	3,861	3,997	2,553	2,547
Rest of World	4,203	4,458	685	690
	19,820		23,518	
			5,502	
			6,304	

¹ Earnings before interest, taxation, depreciation and amortisation calculated as profit from operations and equity-accounted investees plus depreciation, amortisation and impairment. Non-IFRS measure (see note 9).

² Operating assets comprise property, plant and equipment, right-of-use assets, investment properties, intangible assets, goodwill, inventories, trade and other receivables and assets classified as held for sale. Operating liabilities comprise trade and other payables.

³ Non-IFRS measure (see note 9).

Other salient features

Rand million	Note	2025	2024	2024
		First half Unaudited	First half Unaudited	Year Audited
Capital expenditure		351	591	973
– expansion		74	162	208
– replacement		277	429	765
Capital commitments		718	683	807
– contracted for		119	259	87
– not contracted for		599	424	720
Future rentals on short-term and low value assets		126	92	40
– payable within one year		38	45	40
– payable thereafter		88	47	—
Net debt ^{1, 3}		2,923	5,096	3,738
EBITDA (Continuing) ³		1,578	1,276	3,304
Depreciation (Continuing Operations)		509	480	1,024
Amortisation (Continuing Operations)		24	28	60
Impairment (Continuing Operations)		337	22	377
Gearing (%) ^{2, 3}		25	41	31
Current assets to current liabilities ³		2.2	1.9	2
Net asset value per ordinary share (cents) ³		11,034	11,657	11,137
ZAR/EUR closing exchange rate (rand)		20.85	19.49	19.56
ZAR/EUR average exchange rate (rand)		20.11	20.25	19.83
ZAR/USD closing exchange rate (rand)		17.72	18.19	18.90
ZAR/USD average exchange rate (rand)		18.40	18.73	18.34

¹ Current and non-current debt, including non-current and current finance lease liabilities and a bank overdraft, less cash and cash equivalents.

² Net debt as a percentage of equity.

³ Non-IFRS measure (see note 9).

Notes

(1) Basis of preparation and accounting policies

The unaudited condensed consolidated interim financial results are prepared in accordance with the JSE Limited Listings Requirements and the JSE Debt and Specialist Securities Listings Requirements for interim reports, the requirements of the Companies Act No. 71 of 2008 applicable to financial statements, and the South African Institute of Chartered Accountants ("SAICA") Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council. The JSE Listings Requirements require interim reports to be prepared in accordance with and containing the information required by IAS 34: *Interim Financial Reporting* and the South African financial reporting requirements (as applicable). The accounting policies applied in the preparation of these unaudited condensed consolidated interim financial results are in terms of IFRS® Accounting Standards ("IFRS"), and interpretations of those Standards as adopted by the International Accounting Standards Board ("IASB") and in accordance with the requirements of the Companies Act No. 71 of 2008 and are consistent with those applied in the previous consolidated financial statements.

The preparation of these unaudited condensed consolidated interim financial results for the half-year ended 30 June 2025 was supervised by the Group Chief Financial Officer, Ian Kramer CA(SA).

These interim financial results have not been audited or reviewed by the Group's external auditors.

Notes (continued)

(2) Revenue

	2025 First half Unaudited	2024 First half Unaudited Restated*	2024 Year Audited
Rand million			
AECI MINING	8,732	9,376	19,108
Sale of goods	8,035	8,639	17,691
Sale of goods and related product application services	697	737	1,417
AECI CHEMICALS	4,603	4,363	9,862
Sale of goods	2,703	2,511	7,995
Sale of goods and related product application services	1,900	1,852	1,867
AECI MANAGED BUSINESSES	2,243	2,209	4,434
Sale of goods	2,243	2,209	4,434
AECI PROPERTY SERVICES AND CORPORATE	268	242	506
Sale of Services	268	242	506
DISCONTINUED OPERATIONS	588	1,522	2,899
Sale of goods	588	1,522	2,899
REVENUE RECOGNISED AT A POINT IN TIME	16,434	17,712	36,809
AECI PROPERTY SERVICES AND CORPORATE	62	64	126
Rental income	62	64	126
Inter-segment	(219)	(196)	(438)
TOTAL REVENUE - CONTINUING AND DISCONTINUED OPERATIONS	16,277	17,580	36,497
TOTAL REVENUE - CONTINUING OPERATIONS	15,689	16,058	33,598

*Comparative periods have been restated in terms of IFRS 5: *Held for Sale and Discontinued Operations* due to the Much Asphalt Disposal Group being recognised as a discontinued operation.

Notes (continued)

(2) Revenue (continued)

Disaggregation of revenue by geographic end market

	2025	2024	2024
	First half	First half	Year
Rand million	Unaudited	Unaudited	Audited
SACU ¹	9,000	9,837	20,880
Rest of the African continent	3,489	3,752	7,741
Rest of the world	3,788	3,991	7,876
TOTAL REVENUE	16,277	17,580	36,497

¹ Southern African Customs Union comprising South Africa, Botswana, Eswatini, Lesotho and Namibia.

Revenue includes foreign and export revenue of R7 945 million (2024: R8 334 million).

Disaggregation of revenue by segment and geographic end market

2025	SACU ¹	Rest of the African continent	Rest of the World ²	Inter-segment	Total segment revenue
AECI Mining	3,343	3,054	2,298	37	8,732
AECI Chemicals	4,058	359	86	100	4,603
AECI Managed Businesses	762	76	1,404	1	2,243
AECI Property Services and Corporate	249	—	—	81	330
Inter-segment	—	—	—	(219)	(219)
Continuing Operations	8,412	3,489	3,788	—	15,689
Discontinued Operations	588	—	—	—	588
TOTAL REVENUE - CONTINUING AND DISCONTINUED OPERATIONS	9,000	3,489	3,788	—	16,277

2024	SACU ¹	Rest of the African continent	Rest of the World ²	Inter-segment	Total segment revenue
AECI Mining	3,432	3,261	2,642	41	9,376
AECI Chemicals	3,832	389	68	74	4,363
AECI Managed Businesses	868	57	1,281	3	2,209
AECI Property Services and Corporate	228	—	—	78	306
Inter-segment	—	—	—	(196)	(196)
Continuing Operations	8,360	3,707	3,991	—	16,058
Discontinued Operations	1,477	45	—	—	1,522
TOTAL REVENUE - CONTINUING AND DISCONTINUED OPERATIONS	9,837	3,752	3,991	—	17,580

¹ Southern African Customs Union comprising South Africa, Botswana, Eswatini, Lesotho and Namibia.

² Included in Rest of the World is revenue of R1,716 million (11% of total revenue from continuing operations) (2024: R1,926 million (12% of total revenue from continuing operations)) relating to Australia.

(3) Cash and debt covenants

The Company's net borrowing position at 30 June 2025 was R2,923 million compared to R5,096 million at 30 June 2024 and R3,738 million at 31 December 2024, with undrawn finance facilities of R3,600 million. All covenant requirements were met.

Notes (continued)

(4) Related Parties

The Group entered into various sale and purchase transactions with related parties in the Group in the ordinary course of business, the nature of which was consistent with those previously reported. Those transactions were concluded on terms that were no more and no less favourable than transactions with unrelated external parties. All transactions and balances with these related parties have been eliminated appropriately in the consolidated results.

(5) Financial instruments and financial risk management

Categories of financial instruments and fair values

Rand million	CARRYING AMOUNT		FAIR VALUE	
	2025	2024	2025	2024
	First half Unaudited	First half Unaudited	First half Unaudited	First half Unaudited
FINANCIAL ASSETS				
At fair value through other comprehensive income – equity instrument ¹	83	64	83	64
▪ Listed shares – Level 1	55	36	55	36
▪ Unlisted shares – Level 3	28	28	28	28
At fair value through profit or loss ²	598	447	598	447
▪ Forward exchange contracts – Level 2	22	22	22	22
▪ Money market investment in collective investment scheme – Level 1	434	281	434	281
▪ Employer surplus accounts – Level 1	142	144	142	144
Amortised cost	7,737	8,475		
▪ Trade and other receivables ³	5,396	6,111		
▪ Cash and cash equivalents ⁴	2,264	2,145		
▪ Loans receivable ³	5	11		
▪ Interest-bearing non-current loans to associates ⁴	40	58		
▪ Loans and receivables relating to other investments ⁴	32	150		
	8,418	8,986		

¹ Designated at initial recognition to be carried at fair value through other comprehensive income.

² Measured at fair value through profit or loss because the asset is not measured at either amortised cost nor at fair value through other comprehensive income.

³ The fair values for financial instruments such as short-term receivables and payables have not been disclosed because their carrying amounts are a reasonable approximation of their fair value.

⁴ The fair values do not materially differ from the carrying amounts.

Notes (continued)

(5) Financial instruments and financial risk management (continued)

Rand million	CARRYING AMOUNT		FAIR VALUE	
	2025		2024	
	First half Unaudited	First half Unaudited	First half Unaudited	First half Unaudited
FINANCIAL LIABILITIES				
Amortised cost		(8,740)	(11,453)	
▪ Trade and other payables ³		(4,062)	(4,794)	
▪ Bank overdraft ⁴		(7)	(10)	
▪ Loans from joint venture and joint operation ⁴		(18)	(89)	
▪ Debt ⁵		(4,629)	(6,518)	
▪ Interest accrued		(24)	(42)	
At fair value through profit or loss		(81)	(19)	(81) (19)
▪ Forward exchange contracts – Level 2		(81)	(19)	(81) (19)
		(8,821)	(11,472)	

¹ Designated at initial recognition to be carried at fair value through other comprehensive income.

² Measured at fair value through profit or loss because the asset is not measured at either amortised cost nor at fair value through other comprehensive income.

³ The fair values for financial instruments such as short-term receivables and payables have not been disclosed because their carrying amounts are a reasonable approximation of their fair value.

⁴ The fair values do not materially differ from the carrying amounts.

⁵ The fair values of the interest-bearing debt have not been disclosed as they are not materially different from their carrying amounts.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

There were no transfers between Levels 1, 2 or 3 of the fair value hierarchy during the period.

(6) (i) Taxation expense

Rand million	2025		2024	
	First half		First half Unaudited	Year Restated*
	Unaudited	Audited		
Current taxation expense	(184)		(248)	(757)
South African and foreign normal taxation	(128)		(186)	(629)
Foreign withholding taxes	(56)		(62)	(128)
Deferred taxation	(36)		(26)	10
South African and foreign deferred taxation	(36)		(26)	10
Total income taxation expense	(220)		(274)	(747)

*Comparative periods have been restated in terms of IFRS 5: *Held for Sale and Discontinued Operations* due to the Much Asphalt Disposal Group being recognised as a discontinued operation.

Notes (continued)

Tax expense (continued)

(ii) Reconciliation of taxation rate

	2025 First half Unaudited	2024 First half Unaudited	2024 Year Audited*
	%	%	%
South African standard rate	27.0	27.0	27.0
Interest Limitation	3.2	—	3.9
Impairments	11.7	—	0.7
Capital and non-taxable receipts	(17.8)	1.0	(3.1)
Adjustment to tax provision	0.1	—	—
Non-deductible expenses ¹	3.4	17.7	22.3
Capital Gains	—	—	0.7
Foreign withholding taxes ²	10.5	11.2	12.2
Prior-year adjustments	8.6	0.7	(1.0)
Difference in tax rates	(11.3)	(2.4)	(1.8)
Special allowances	(0.5)	(2.1)	1.9
Unrecognised and unutilised assessed losses	5.2	2.5	6.2
Other	1.8	4.2	2.0
Effective rate on profit before taxation	41.9	59.8	71.0

¹ Non-deductible expenses include non-deductible M&A costs, foreign exchange losses and non-deductible provisions.

² Due to a decrease in dividends receivable from foreign subsidiaries and the introduction of license fees in 2025.

*The tax rate reconciliation presents continuing operations only and the comparative periods have been restated in terms of IFRS 5: *Held for Sale and Discontinued Operations* due to the Much Asphalt Disposal Group being recognised as a discontinued operation. The effective tax rate of 148% was reflected at Group (both continuing and discontinued operations) at 31 December 2024.

Notes (continued)

(7) Discontinued Operations and Held for Sale Assets and Liabilities

Disposal of Much Asphalt

On 31 March 2025, the Group successfully completed its disposal of its 100% shareholding in Much Asphalt (Pty) Ltd, related entities and businesses (Much Asphalt) to a consortium comprising of Old Mutual Private Equity and Sphere Holdings. The transaction was concluded on a "locked-box" structure effective 31 December 2024, subject to ordinary course leakage provisions. The transaction closed in line with the previously guided purchase consideration of R1,150 million. The purchase consideration has been transferred to AECL and will be utilised in line with AECL's capital allocation framework.

A further loss on the disposal of the Much Asphalt Disposal Group amounted to R15 million.

Sale of the Food & Beverage Business

AECL has entered into a Share Purchase Agreement with a consortium comprising a South African-based private equity fund for the disposal of the Food & Beverage Business. This transaction will be executed as a going concern, ensuring continuity of supply, service and support. The sale is subject to customary regulatory and other closing conditions and is expected to conclude by December 2025. Accordingly as at 30 June 2025, the criteria for reclassification as held for sale in terms of IFRS 5: *Non-current Assets Held for Sale and Discontinued Operations* were met.

Notes (continued)

(7) Discontinued Operations and Held for Sale Assets and Liabilities (continued)

	2025 First half Unaudited	2024 First half Unaudited	2024 Year Audited
Rand million			
Assets held for sale are made up of:			
NON-CURRENT ASSETS	5	—	796
Property, plant and equipment	—	—	433
Right-of-use assets	—	—	7
Intangible assets	—	—	340
Investment in associate	—	—	11
Deferred tax assets	5	—	5
CURRENT ASSETS	561	—	708
Inventories	366	—	263
Trade and other receivables	195	—	375
Taxation receivable	—	—	11
Cash and cash equivalents	—	—	59
TOTAL ASSETS HELD FOR SALE	566	—	1,504
NON-CURRENT LIABILITIES	152	—	144
Deferred tax liabilities	1	—	137
Lease liabilities	151	—	7
CURRENT LIABILITIES	158	—	223
Trade and other payables	144	—	215
Lease liabilities	14	—	2
Taxation payable	—	—	6
LIABILITIES DIRECTLY ASSOCIATED WITH THE DISPOSAL GROUP	310	—	367
NET IDENTIFIABLE ASSETS DIRECTLY ASSOCIATED WITH THE DISPOSAL GROUP	256	—	1,137

Breakdown of impairments recognised through profit and loss:

The carrying value of the Food & Beverage Business is higher than the fair value less cost to sell and therefore the assets and liabilities are measured at fair value, after an impairment loss of R245 million have been recognised. The R245 million is allocated as per the below:

- Goodwill: R38 million
- Right-of-Use Asset: R124 million
- Property, Plant and Equipment: R75 million
- Inventory: R8 million

Notes (continued)

(8) Contingent liabilities

The Group is involved in legal proceedings and is in consultation with its legal counsel, assessing the outcome of these proceedings, on an ongoing basis. As proceedings develop, the Group's management makes provision in respect of legal proceedings where appropriate.

AECI Mining faces a claim and is defending legal proceedings recently commenced by a contractual counterparty arising from the grounding and loss of a vessel chartered by AECI Mining. It is alleged that the grounding and loss was caused by improper stowage and lashing of the cargo and that AECI Mining was responsible and is liable therefor in terms of the charter. The claim has not yet been formally quantified or pleaded but is anticipated to be in the amount of approximately USD80 million, plus interest and legal costs. AECI Mining is advised by its external legal team that there is a risk that the claimant may seek to arrest property belonging to AECI Mining to secure the claim and could seek security of anything up to approximately USD100 million. AECI Mining is informed by its external legal team that it is premature to advise on either the merits or quantum of the claim whilst investigations are underway.

Other litigations, current or pending, are not likely to have a material adverse effect on the Group.

(9) Non-IFRS measures

To provide a more meaningful assessment of the Group's performance, non-IFRS measures are included in disclosures made. The non-IFRS measures are described in the respective notes and statements where disclosure is included.

Non-IFRS measures are the responsibility of the Group's directors. These measures may not be comparable to other similarly titled measures of performance of other companies. Non-IFRS measures are not an IFRS requirement, nor a JSE Listings Requirement and is a measurement used by the CODM.

(10) Changes in the composition of the entity

On 28 February 2025, the Group announced the implementation of a new Broad-Based Ownership Scheme. The transaction entails that the AECI Foundation subscribes to a new class of ordinary shares in AECI Mining Limited, a wholly owned subsidiary of AECI Limited resulting in the AECI Foundation, holding an effective interest of 15.5% in AECI Mining Limited.

In terms of IFRS 10: *Consolidated Financial Statements*, the AECI Foundation (previously Tiso AEL Development Trust) is consolidated into the AECI Group.

(11) Events after the reporting date

On 17 July 2025, the wholly owned subsidiary, Schirm U.S.A, Inc. ("Schirm USA") entered into an Asset Purchase Agreement with US-based buyers, in terms of which Schirm USA will dispose of and assign to the buyer, substantially all of the assets and certain specified liabilities of Schirm USA. At the reporting date, i.e., 30 June 2025, Management concluded that the disposal of the business did not meet the criteria of being immediately held for sale in the terms of requirements of IFRS 5: *Non-current Assets Held for Sale and Discontinued Operations*, and was not classified as held for sale.



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