



ARM
African Rainbow Minerals

Condensed reviewed results for the financial year ended 30 June

4 September 2023

2023

We do it better

“

“ARM’s quality diversified portfolio enabled us to achieve strong full year earnings and maintain a robust financial position, notwithstanding lower commodity prices and challenges relating to logistics, power and above-inflation costs.

We declared a final dividend of R12 per share and remain committed to paying competitive dividends whilst pursuing value-creating growth.”

Dr Patrice Motsepe, Executive Chairman

”

Disclaimer

Throughout this presentation a range of financial and non-financial measures are used to assess the company's performance, including, but not limited to financial measures that are not defined under International Financial Reporting Standards (IFRS). These adjusted financial measures are included for illustrative purposes and are the responsibility of the Board of Directors. They should be considered in addition to, and not as a substitute for, or as superior to, measures of financial performance, financial position or cash flows reported in accordance with IFRS.

Rounding of figures may result in minor computational discrepancies.

Forward looking statements

Certain statements in this report constitute forward looking statements that are neither reported financial results nor historical information. They include but are not limited to statements that are predictions of or indicate future earnings, savings, synergies, events, trends, plans or objectives. Such forward looking statements may or may not take into account and may or may not be affected by known and/or unknown risks, unpredictables and other important factors that could cause the actual results, performance and/or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such forward looking statements. Such risks, unpredictables and other important factors include among others: economic, business and political conditions in South Africa; decreases in the market price of commodities; hazards associated with underground and surface mining; labour disruptions; changes in government regulations, including environmental regulations; changes in exchange rates; currency devaluations; inflation and other macro-economic factors; and the impact of the health-related epidemics and pandemics, including Covid-19, HIV and Aids in South Africa. These forward-looking statements speak only as of the date of publication of these pages. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of publication of these pages or to reflect the occurrence of unpredictable events.

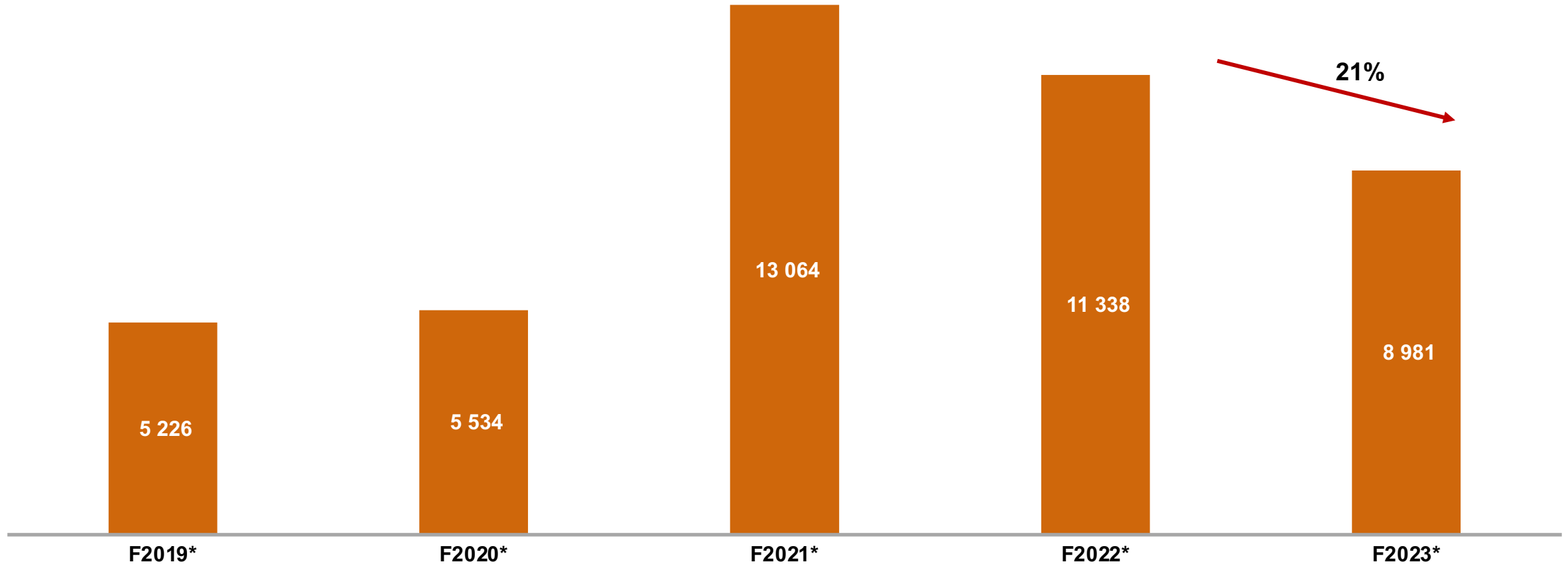


Overview of results

Dr Patrice Motsepe
Executive Chairman

Group headline earnings decreased by 21%

Group headline earnings (R million)



* The F2019 to F2023 headline earnings include re-measurement gains and losses on partner loans.
Re-measurement gains and losses for the current and corresponding periods are detailed on slide 43 of this presentation.

Headline earnings by division

ARM Ferrous



17% to R5.5 billion

(F2022: R6.7 billion)

ARM Platinum



52% to R1.5 billion

(F2022: R3.1 billion)

ARM Coal



65% to R1.5 billion

(F2022: R928 million)

Dividends received

Dividends received from Assmang



9% to R5.0 billion

(F2022: R5.5 billion)

Subsequent to year end Assmang declared a dividend of R3 000 million attributable to ARM.

Dividends received from Two Rivers Mine



61% to R486 million

(F2022: R1 245 million)

Two Rivers Mine spent R1 967 million on the Merensky project in F2023.

Dividends received from Modikwa Mine



100% to nil

(F2022: R1.0 billion)

Modikwa paid distributions of R875 million to ARM Mining Consortium which in turn paid R500 million to ARM Platinum during F2023 which is being retained at ARM Platinum to part fund the Bokoni Mine early ounce project.

Dividends received from Participative Coal Business



R1 208 million

(F2022: nil)

PCB paid a R598 million dividend to ARM Corporate for its 10% direct investment in PCB. PCB also paid a R1 196 million (R610 million attributable to ARM) dividend to ARM Coal for its 20% investment.

Lost Time Injury Frequency Rate (LTIFR)*



13% to 0.27
(F2022: 0.31)

* LTIFR per 200 000-man hours

Total Recordable Injury Frequency Rate (TRIFR)**



10% to 0.62
(F2022: 0.69)

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

Fatalities

1 fatality
at Two Rivers Mine

(F2022: 2 fatalities

1 fatality at Two Rivers Mine and 1 fatality at Modikwa Mine)

Safety highlights

Black Rock Mine

achieved **11 million** fatality-free shifts over **14 years**

Khumani Mine

achieved **5 million** fatality-free shifts over **8 years**

We remain committed to creating and maintaining a safe and healthy working environment.

STRATEGY

DELIVER COMPETITIVE RETURNS AND CREATE SUSTAINABLE VALUE FOR ALL STAKEHOLDERS

Operate our portfolio of assets safely, responsibly and efficiently

Allocate capital to value-creating investments

Focus on value-enhancing and integrated growth

Owner-operator

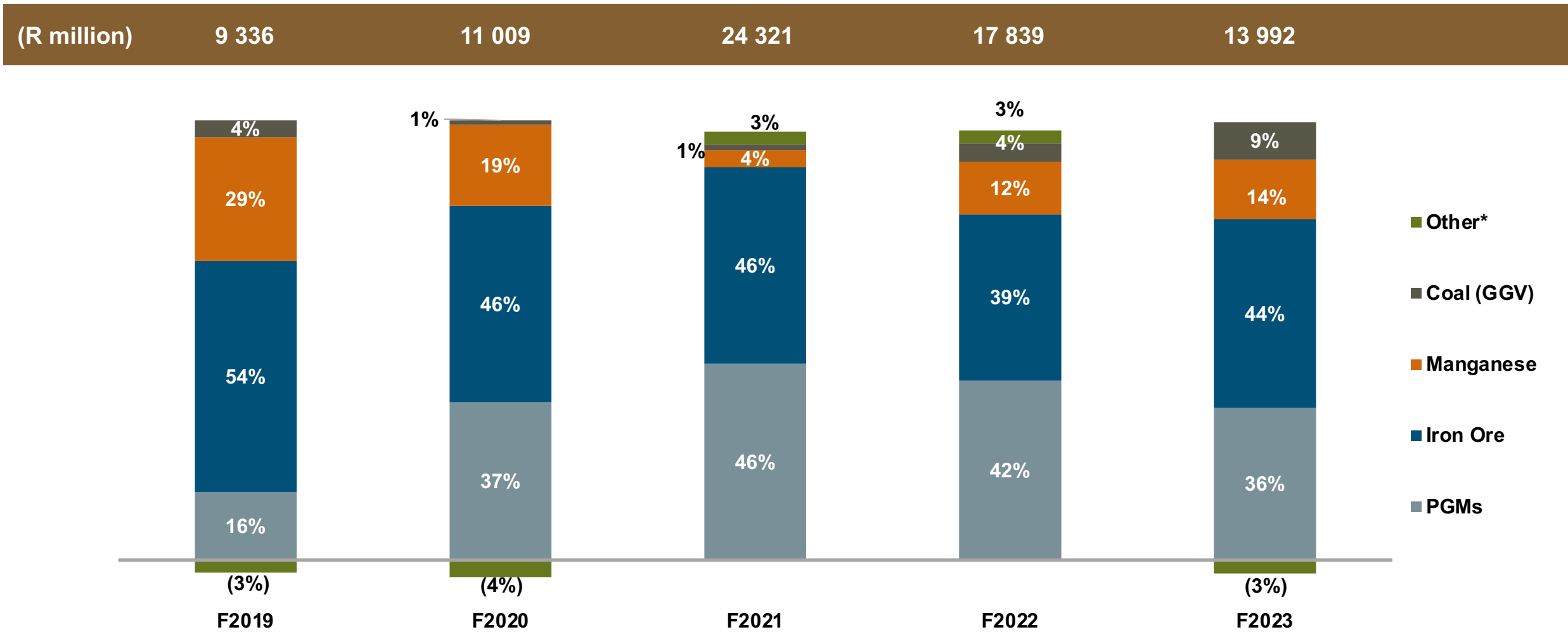
Entrepreneurial management

Investing in our employees

Partnering with communities and other stakeholders

Application of innovative technology

Segmental EBITDA split by commodity (%)



Significant segmental EBITDA contribution from PGMs and iron ore

Community social investment by the operations (100% basis)

R125 million

(F2022: R151 million)

Enterprise and supplier development by the operations (100% basis)

- 696 jobs sustained
- 508 jobs created
- R226 million spent on developing 294 SMEs

ARM Mining Consortium dividend to communities

ARM Mining Consortium declared a R102 million dividend to communities neighboring the Modikwa Mine. These communities have an effective 8.5% shareholding in Modikwa Mine through ARM Mining Consortium.

(F2022: R255 million)

Responsible environmental management

Carbon emissions (Scope 1 and 2 emissions)



4% to 0.88 MtCO₂e*

(F2022: 0.92 MtCO₂e*)

*Million tonnes of carbon dioxide equivalents (MtCO₂e) on an attributable basis.

Progress on decarbonisation

In April 2023, signed power purchase agreements to build a 100MW solar plant to power ARM’s platinum operations.

Water withdrawn



4% to 18.16 million m³

(F2022: 17.39 million m³)

Management of tailings storage facilities

ARM published its progress towards conformance with the Global Industry Standard on Tailings Management (GISTM) on 5 August 2023

Responsible environmental, social and governance management are integral to ARM’s strategic priorities to operate safely, responsibly and efficiently.



Two Rivers Mine

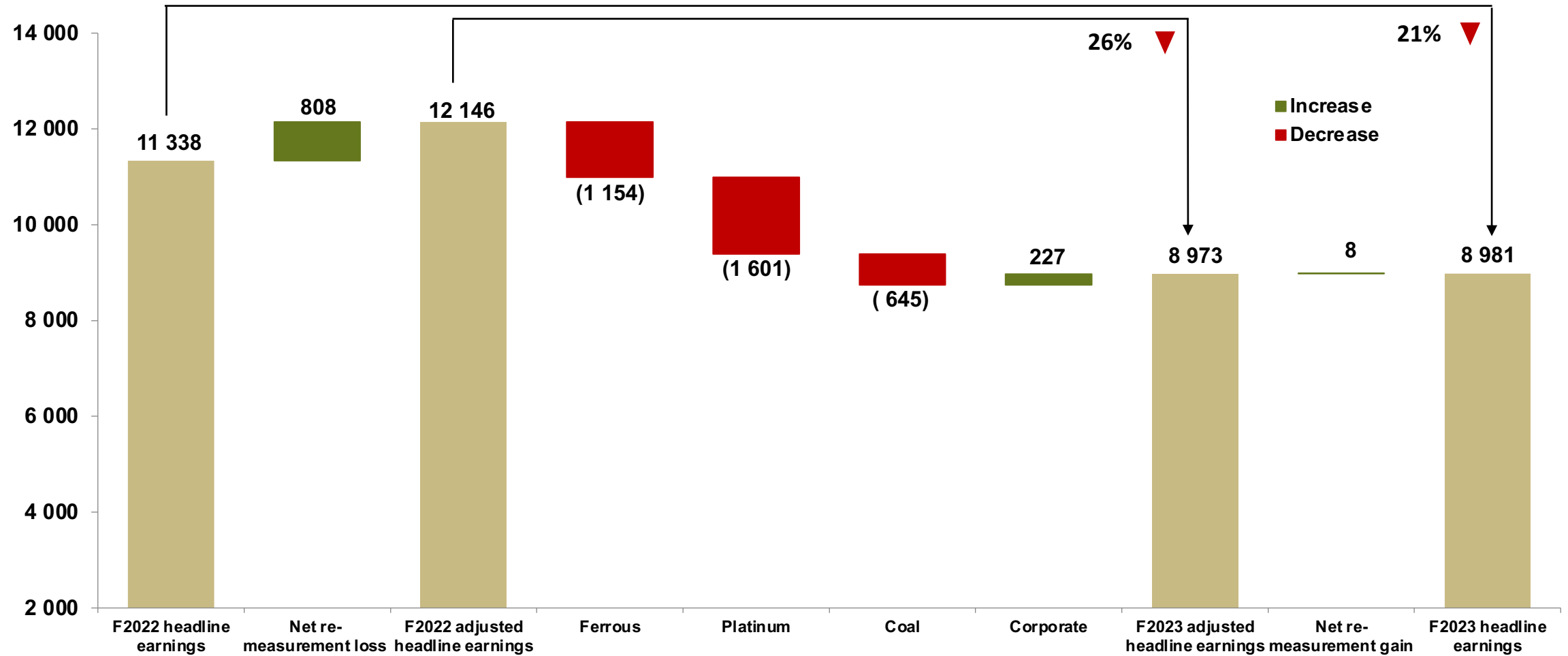
Operational review

Chief Executive Officer:
Phillip Tobias

Headline earnings/(loss) by division / operation (R million)

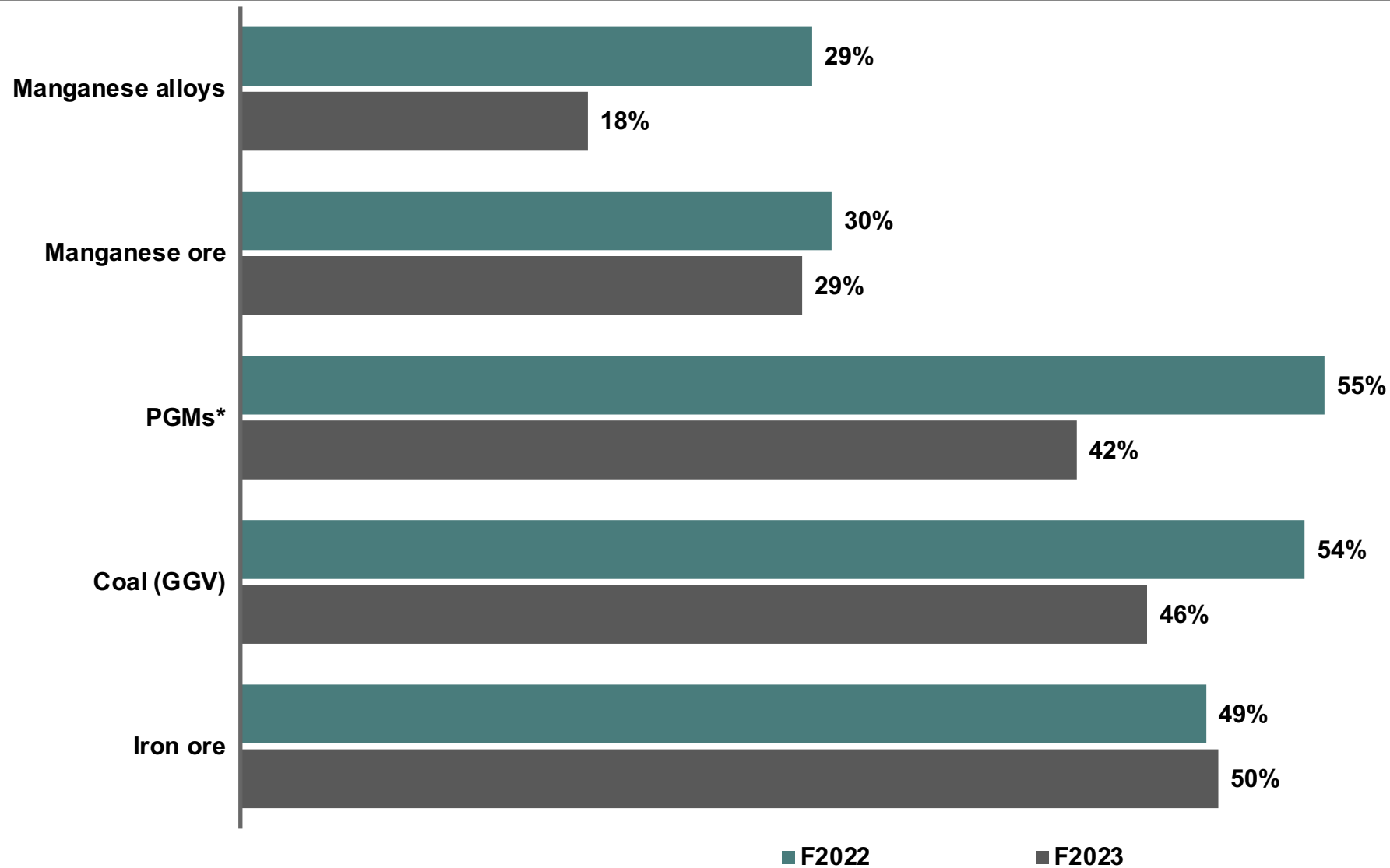
	F2023	F2022	% change
ARM Ferrous	5 528	6 682	(17)
Iron ore division	4 158	4 654	(11)
Manganese division	1 372	2 068	(34)
Consolidation adjustment and other	(2)	(40)	95
ARM Platinum	1 465	3 066	(52)
Two Rivers Mine	1 262	1 968	(36)
Modikwa Mine	819	1 270	(36)
Bokoni Mine	(406)	-	
Nkomati Mine	(210)	(172)	(22)
ARM Coal	1 535	928	65
Goedgevonden (GGV) Mine	540	(5)	
PCB Operations*	995	933	7
ARM Corporate and other	453	662	(32)
Corporate and other (including Gold)	649	826	(21)
Machadodorp Works	(196)	(164)	(20)
Headline earnings	8 981	11 338	(21)

Headline earnings variance analysis (R million)



Adjusted headline earnings exclude re-measurement gains and losses for the period. The table on slide 42 summarises these gains and losses for the current and corresponding financial periods. The adjusted headline earnings are included for illustrative purposes and have been considered by the board of directors. The adjusted headline earnings should be considered in addition to, and not as a substitute for, or superior to, measures of financial performance, financial position or cash flows reported in accordance with IFRS.

EBITDA margins by commodity (%)



*Including Modikwa and Two Rivers mines only

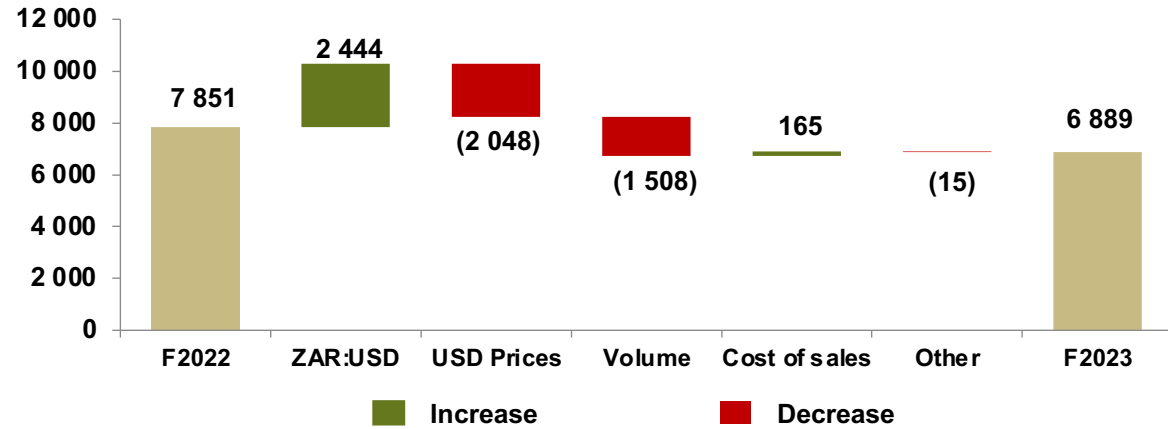


Khumani Mine

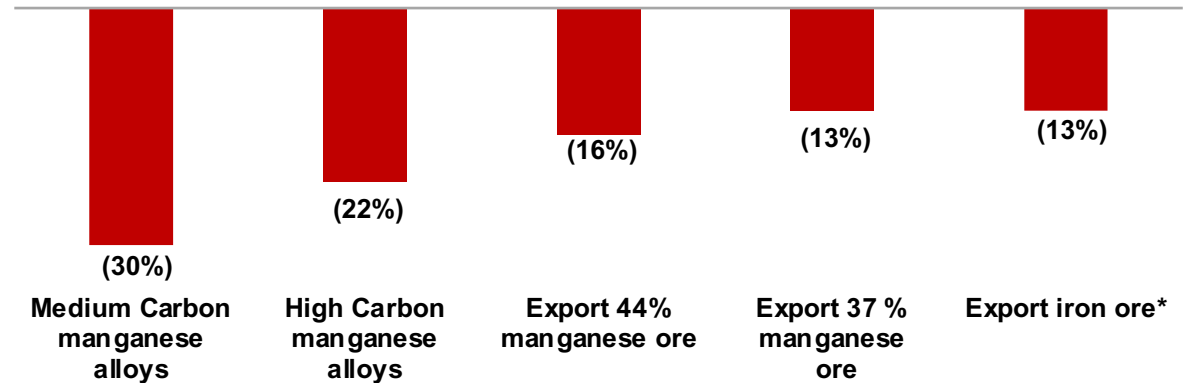
ARM Ferrous

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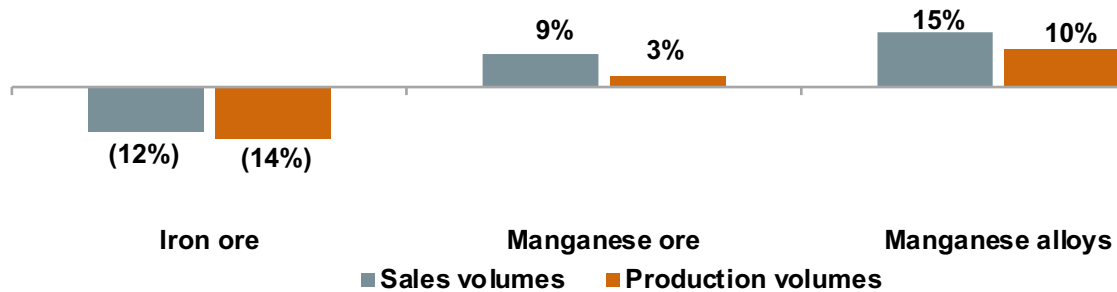
Variance analysis – segment result (R million)



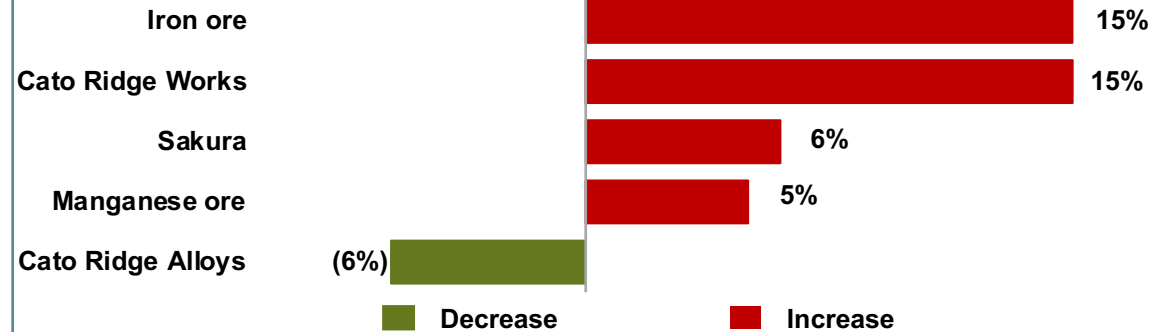
Changes in average US dollar index prices (%)



Changes in sales and production volumes** (%)



Changes in on-mine unit production costs (%)



*Average realised iron ore price on an FOB equivalent basis | ** External sales only

Iron ore (100% basis)

Khumani Mine achieved 5 million fatality-free shifts over approximately 8 years.

Beeshoek Mine achieved 5 million fatality-free shifts over approximately 20 years.

On-mine unit production costs increased by 15% mainly due to lower production volumes and above-inflation increases in the costs of explosives, diesel and maintenance.

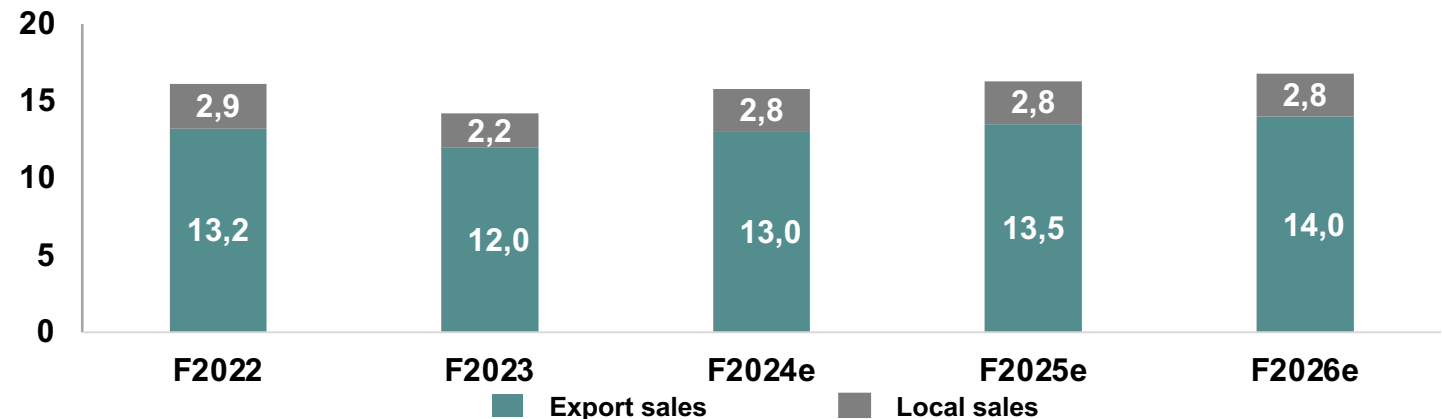
Sales volumes were impacted by logistical challenges. Engagement with Transnet to address these challenges is ongoing.

Average realised US dollar export prices decreased by 11% due to slowing global economic growth.

Operational performance

	unit	F2023	F2022	% change
Export sales volumes	000 tonnes	11 966	13 176	(9)
Local sales volumes	000 tonnes	2 244	2 888	(22)
Export sales lump:fines ratio		56:44	60:40	
Change in on-mine unit production costs	%	15	12	
Change in unit cost of sales	%	9	8	
Capital expenditure	R million	3 414	2 890	18

Sales volumes (million tonnes)



Manganese ore (100% basis)

The Black Rock project was completed in September 2022 and within the approved budget of R7.4 billion. Black Rock Mine achieved 11 million fatality-free shifts over approximately 14 years.

Above-inflation increases in the costs of explosives, diesel, consumables, maintenance and electricity as well as significant expenditure towards the operation of emergency generators during load curtailment.

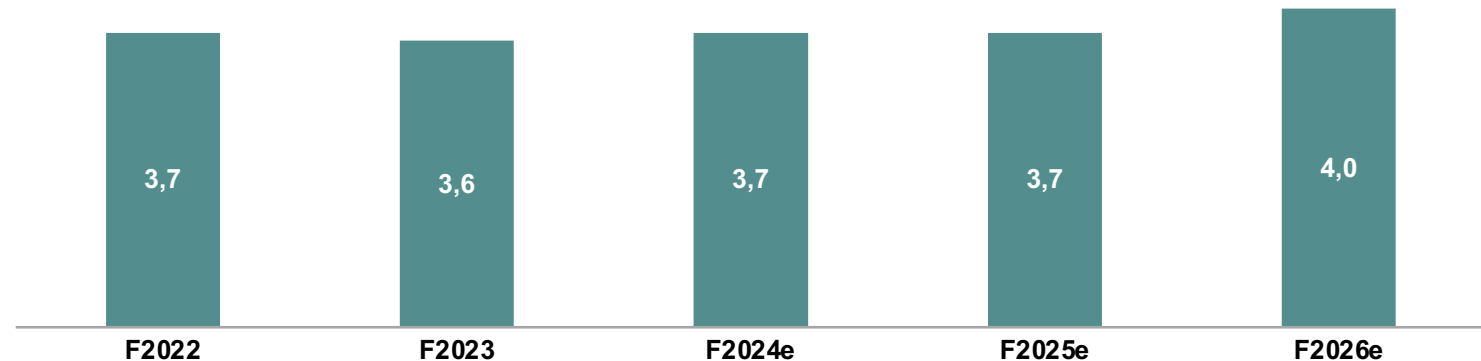
Export sales volumes were negatively impacted by operational challenges at Transnet. Engagement with Transnet to address these challenges is ongoing.

The average US dollar index price for 44% manganese ore and 37% manganese ore decreased by 16% and 13% respectively.

Operational performance

	unit	F2023	F2022	% change
Export sales volumes	000 tonnes	3 589	3 666	(2)
Local sales volumes	000 tonnes	735	291	153
Change in on-mine unit production costs	%	5	(1)	
Change in unit cost of sales	%	(4)	13	
Capital expenditure	R million	1 618	2 133	(24)

Export sales volumes (million tonnes)



Manganese alloys (100% basis)

US dollar index prices for high carbon and medium carbon ferromanganese decreased by 22% and 30% respectively.

High carbon manganese alloy production at Sakura increased to a record 253 000 tonnes.

The decrease in manganese alloy sales was mainly due to the decrease in market demand.

Unit production costs at Sakura increased mainly due to an increase in realised ore and reductant prices, offset by successful cost-saving initiatives implemented to further reduce fixed costs.

Operational performance

	unit	F2023	F2022	% change
Sales Volumes:				
South African operations	000 tonnes	97	99	(2)
Sakura	000 tonnes	237	192	23
Production Volumes:				
Cato Ridge Works production	000 tonnes	116	119	(3)
Cato Ridge Alloys production	000 tonnes	56	56	-
Sakura production	000 tonnes	253	211	20
Changes in unit production costs				
Cato Ridge Works	%	15	16	
Sakura	%	7	21	

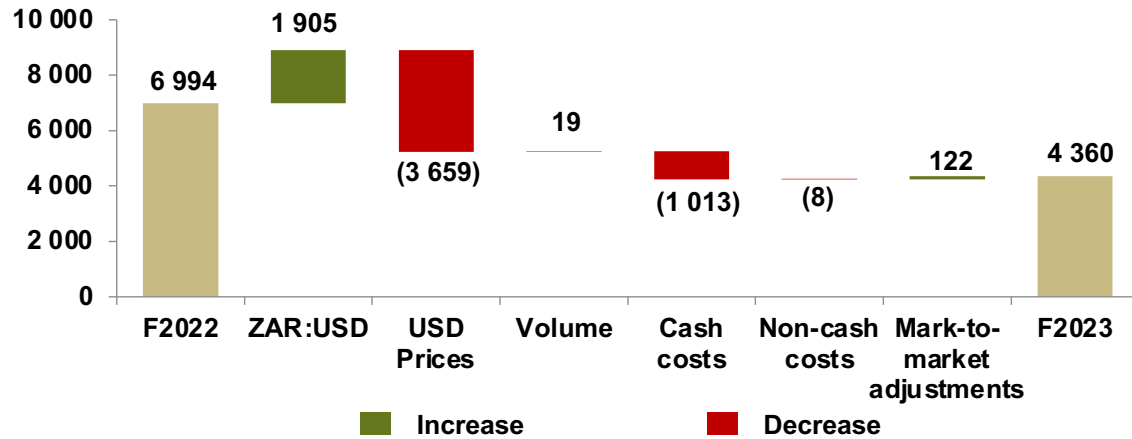


Modikwa Mine

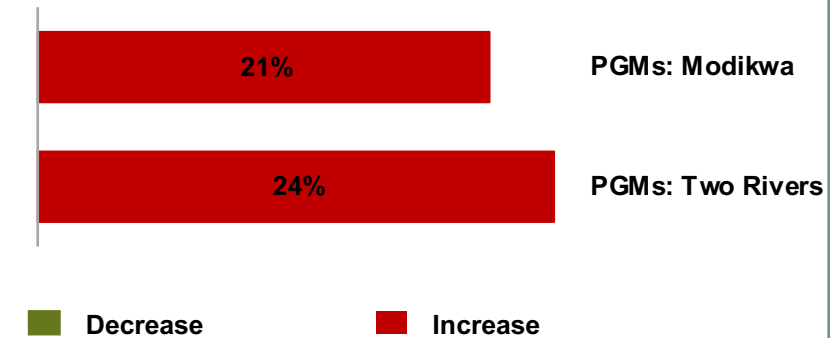
ARM Platinum

We do it better

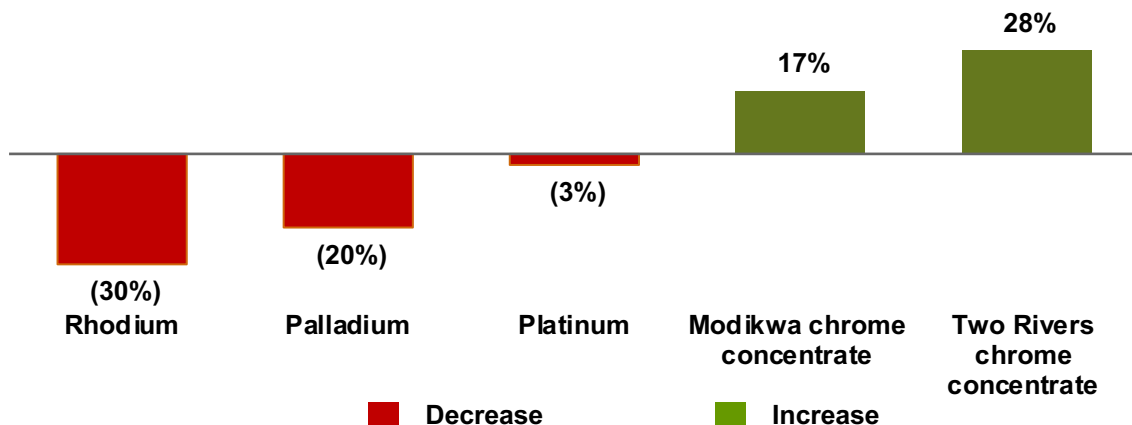
Variance analysis segment result* (R million)



Changes in unit cash costs** (%)

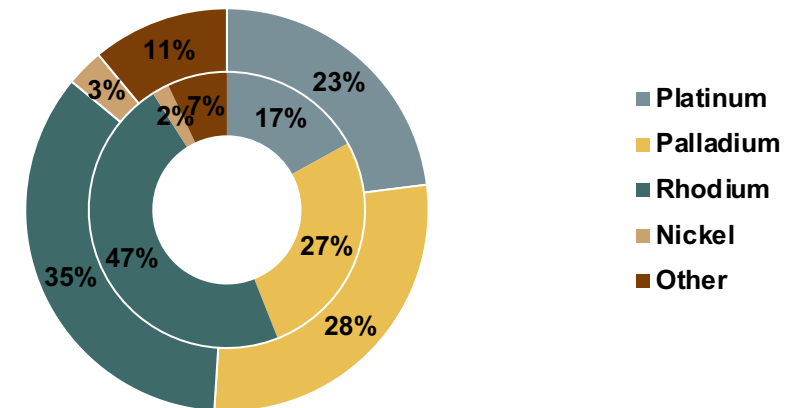


Changes in average realised US dollar prices (%)



Revenue contribution per commodity (%)

F2022 in the inner circle



PGMs (100% basis)

The average rand per 6E kilogram basket price for Modikwa and Two Rivers declined by 10% and 8% respectively.

Production volumes at Two Rivers Mine were negatively impacted by the grade as a result of mining the split reef. Mining flexibility is improving and enabling a better mining mix to improve the grade.

Tonnes milled at Modikwa Mine improved by 5% as a result of the processing of Merensky. The grade however decreased by 6% resulting in a 3% reduction in production volumes.

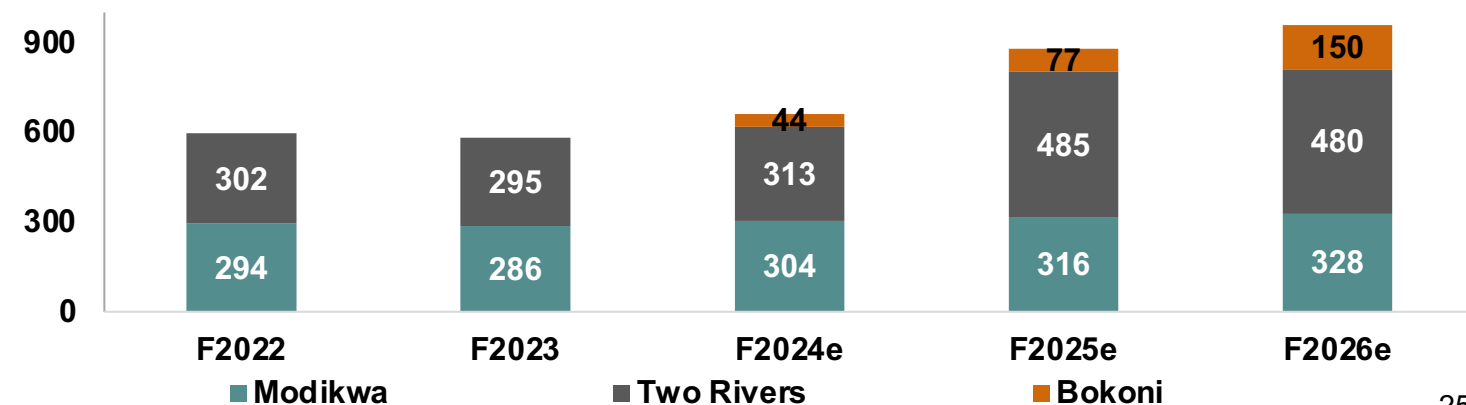
Both TRP and Modikwa experienced above inflation cost increases in consumables such as explosives, diesel and electricity.

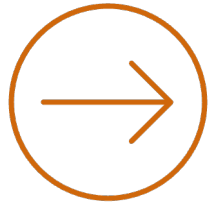
Production guidance for Bokoni remains unchanged from the 2021 investment case until the approval of the bankable feasibility study (BFS) by the board.

Operational performance

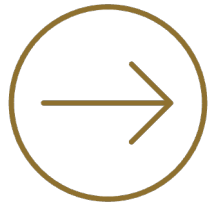
	unit	F2023	F2022	% change
Two Rivers production volumes	6E PGM ounces	295 441	301 935	(2)
Modikwa production volumes	6E PGM ounces	285 910	294 541	(3)
Total production volumes	6E PGM ounces	581 351	596 476	(3)
Two Rivers unit cash costs	R/oz 6E	13 376	10 773	24
Modikwa unit cash costs	R/oz 6E	17 728	14 668	21
Capital expenditure	R million	4 981	2 512	98

PGM Volumes (thousand ounces 6E)

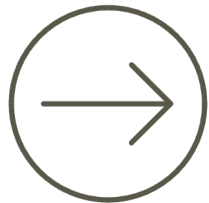




Nkomati Mine remains on care and maintenance while ARM and its joint venture partner are considering various options for the future of the mine.



At 30 June 2023 the estimated undiscounted rehabilitation costs attributable to ARM were determined to be R932 million (30 June 2022: R771 million). The increase is attributed mainly to the provision for the short to medium term water management costs.



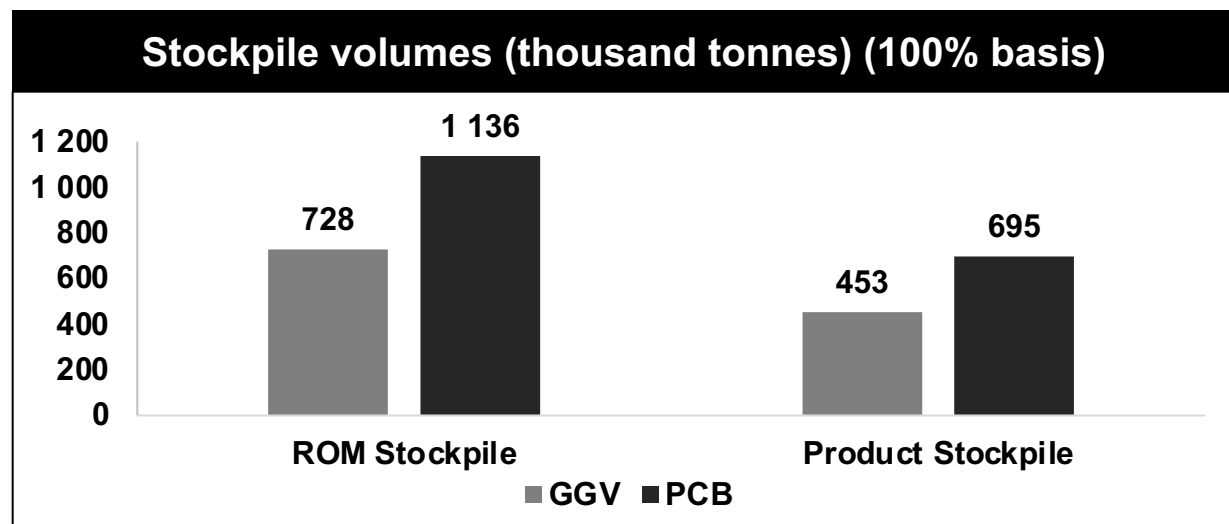
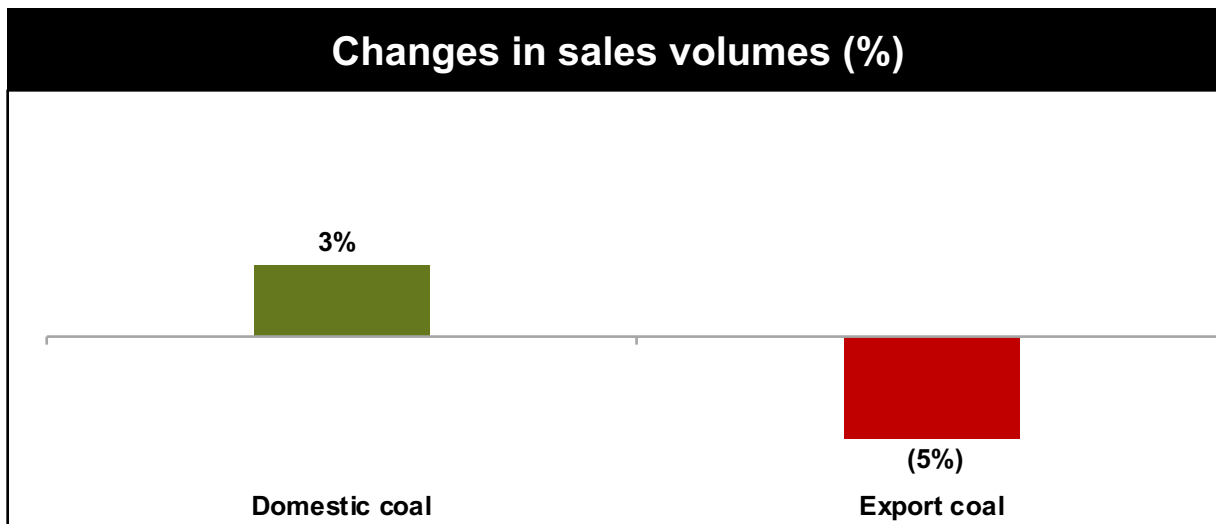
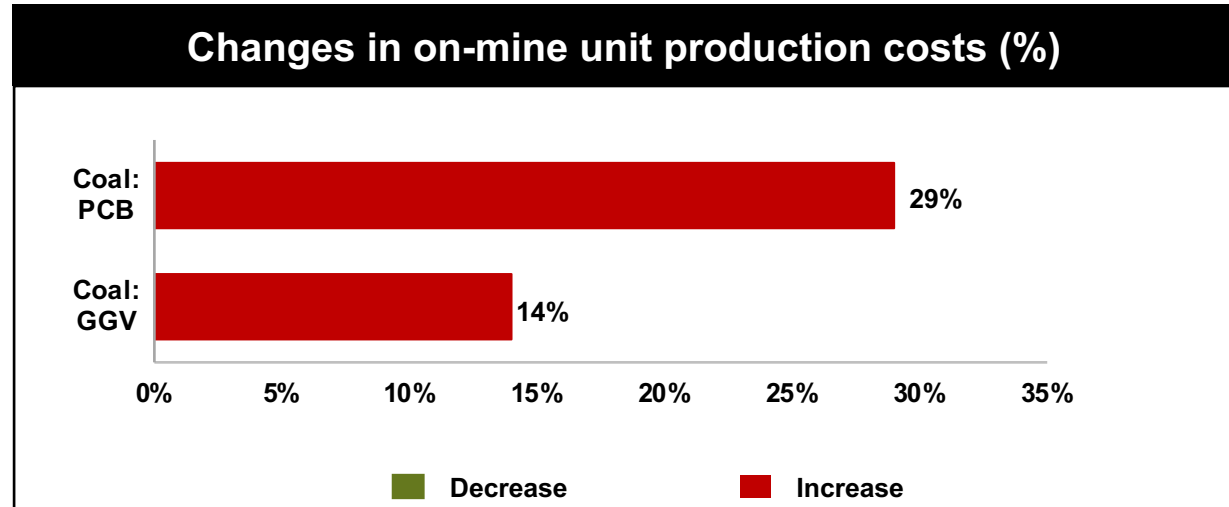
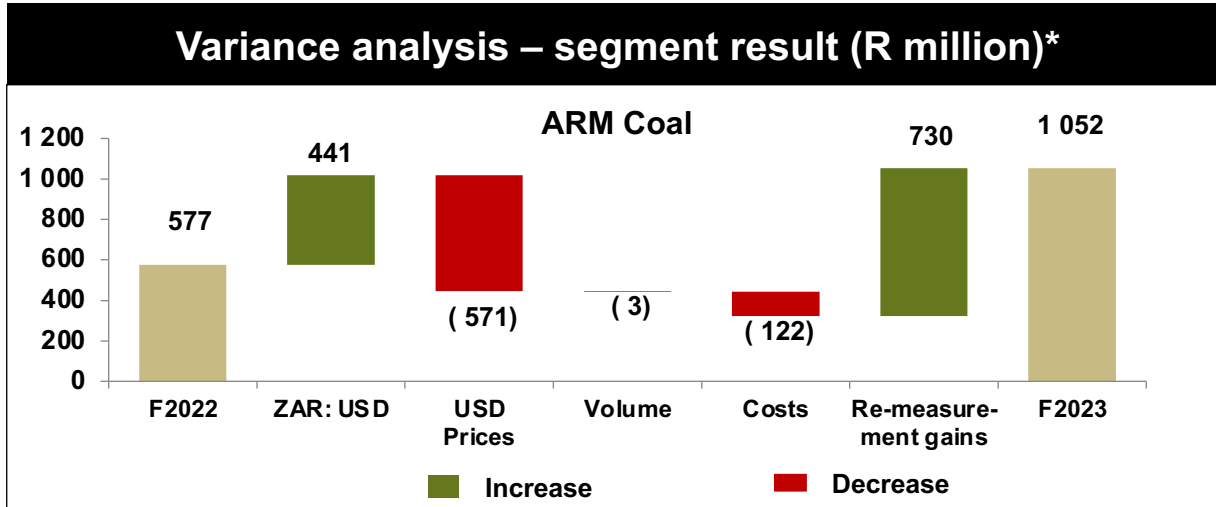
At 30 June 2023, R141 million (attributable to ARM) in cash and financial assets were available to fund the rehabilitation obligations. The shortfall of R661 million is expected to be funded by ARM.



Goedgevonden Mine

ARM Coal

We do it better



GGV and PCB (100% basis)

The average realised thermal coal price (export US dollar) for GGV and PCB decreased by 22% and 17% respectively.

Production at the operations was negatively impacted by operational challenges at Transnet Freight Rail, resulting in high product stockpiles.

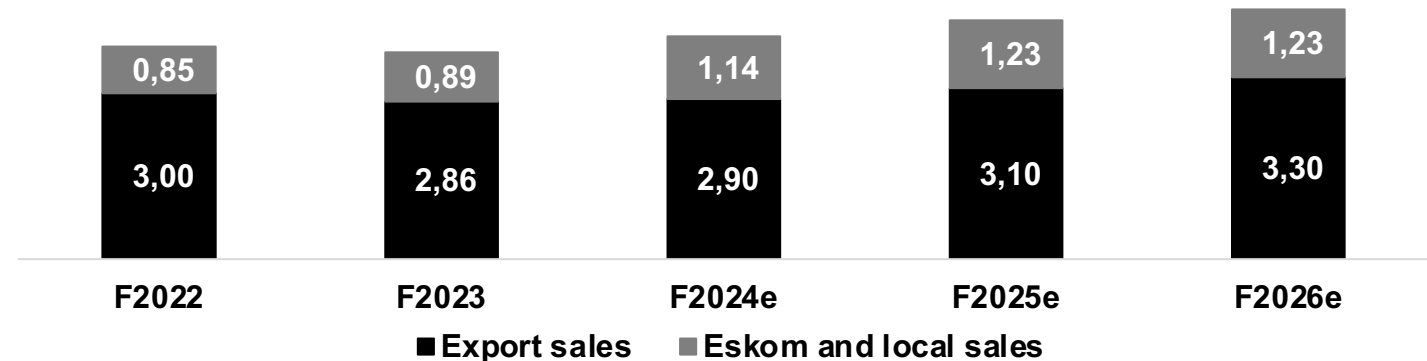
Unit production costs increased due to the lower saleable production at PCB, together with above-inflationary increases in costs of diesel and explosives.

Capital expenditure increased at GGV Mine due to the capitalisation of a box cut and expenditure on mining fleet replacement capital.

Operational performance

	unit	F2023	F2022	% change
Export sales volumes	Mt	13.05	13.72	(5)
Domestic sales volumes	Mt	3.63	3.51	3
GGV on-mine production costs	R/t	580	508	14
PCB on-mine production costs	R/t	815	633	29
Capital expenditure (GGV)	R million	1 273	422	>200
Capital expenditure (PCB)	R million	1 761	1 126	56

Sales volumes (million tonnes) (attributable)



Completed growth projects

Black Rock and Gloria projects

The Black Rock Project was completed in September 2022 and within the approved budget of R7.4 billion, with 1.4 million fatality free shifts and a lost time injury frequency rate (LTIFR) of 0.219.

Key benefits delivered from the Black Rock Project were: improved tramming cycle times, lower cost of production and enhanced control of ore quality.

The modernization of the underground infrastructure at Nchwaning and Gloria mines has enabled Black Rock operations to limit year-on-year operational cost increases to below inflation.

Two Rivers Plant Expansion

Fully commissioned, now ramping up to mill the additional 40 000 tonnes per month capacity, and minimise the impact of the grade reduction in ore tonnes milled.

Bokoni Platinum Mine

Good progress has been made in advancing the definitive feasibility study ('DFS') based on a phased development approach.

The phased development preserves optionality for a progressive production ramp-up, whilst reducing peak funding requirements and minimising project execution risk.

The DFS will now advance to bankable feasibility and then be presented to the board for approval.

Two Rivers Merensky Project

The Two Rivers Merensky Project is on target for completion in Q2 F2025, with first PGM concentrate production in Q4 F2024.

Additional 182 000 6E PGM ounces, 1 600 tonnes nickel and 1 300 tonnes copper per annum.

Key focus areas

Delivering industry-leading and cost competitive operational performance.

Pursuing value-enhancing growth opportunities.

Containing unit cost escalations in line with inflation.

Implementation of proven innovative technologies to enhance productivity and efficiencies.

Delivering approved capital projects in time and on budget.

Continued engagement with Transnet to implement sustainable solutions that are value accretive to all stakeholders.





Black Rock Mine

Capital allocation

Finance Director:
Tsundzukani Mhlanga

We do it better

Capital allocation guiding principles

Invest in existing business

Maintenance and efficiency improvement capital expenditure to secure the sustainability of our business.

Balancing re-investment, profitability and returns.

Debt repayment

Healthy gearing levels create a flexible platform for sustainable growth

Invest in growth of existing business

Mergers and acquisitions

Dividend payments

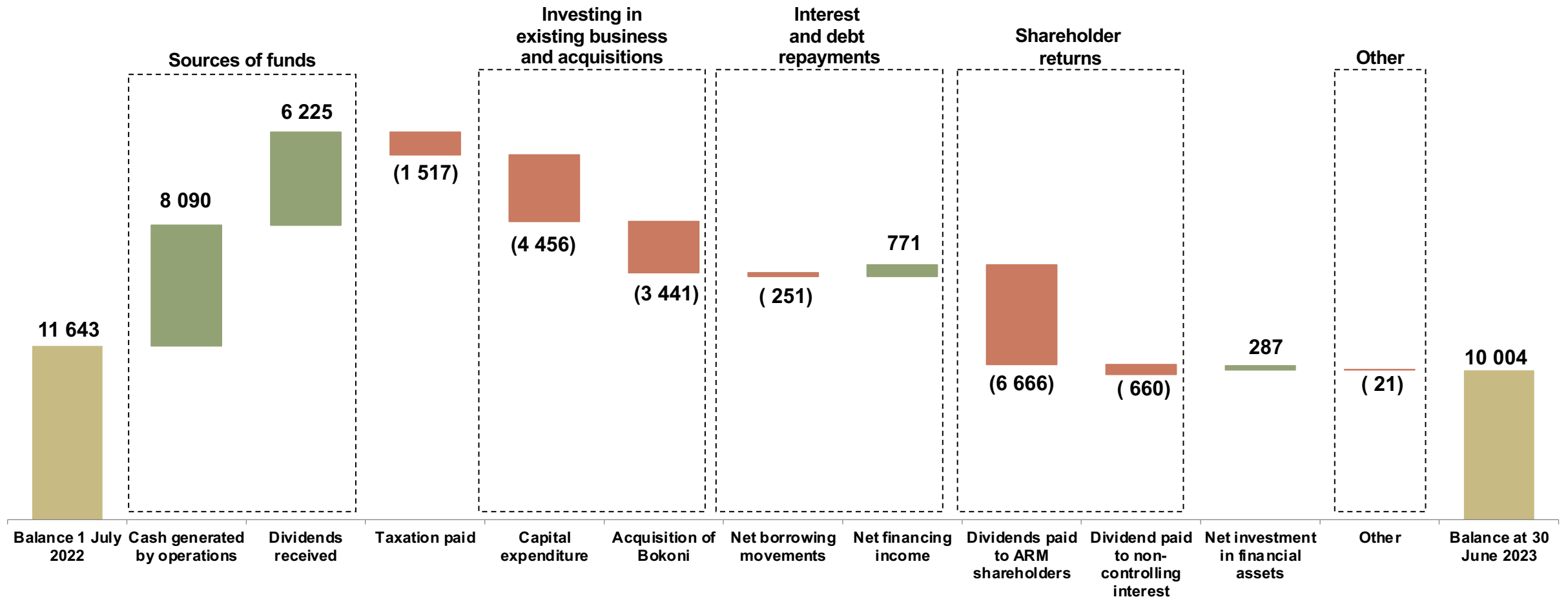
Share repurchases

Underpinned by metrics that measure the sustainability of value creation for stakeholders (minimum internal rate of return; other hurdle rates; payback periods; return on assets, return on capital employed; dividend pay-out, etc.)

Cash flow analysis*

(R million)

■ Increase ■ Decrease



Net cash and debt (R million)

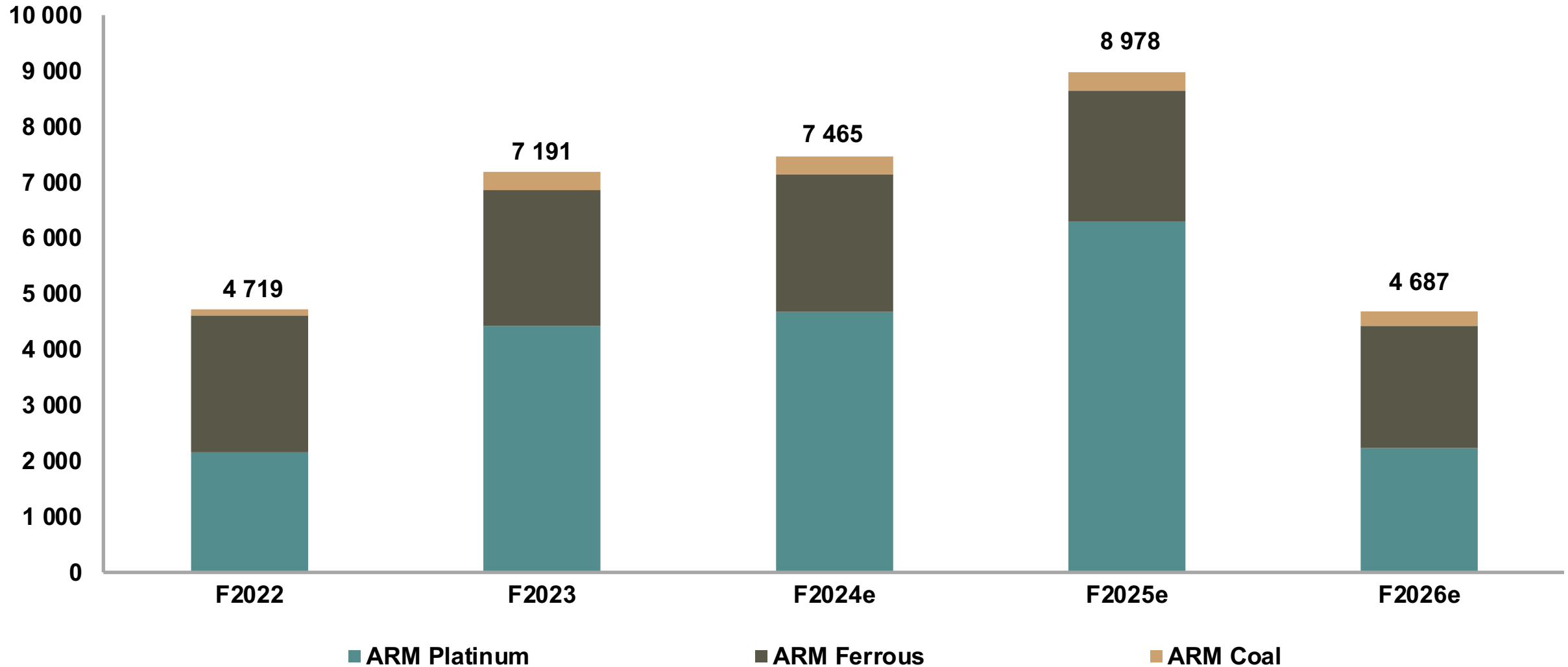
	30 June 2023	30 June 2022
Cash and cash equivalents per statement of financial position*	10 021	11 659
Cash and cash equivalents per statement of cash flows**	10 004	11 643
Overdrafts	17	16
Total borrowings	(242)	(484)
Long-term borrowings	(206)	(305)
Short-term borrowings	(36)	(179)
Net cash*	9 779	11 175
Total equity	54 143	50 363
Net cash to equity ratio	18.1%	22.2%
Attributable cash and cash equivalents at Assmang	4 939	5 342

*Excludes ARM attributable cash and cash equivalents at Assmang of R4 939 million as at 30 June 2023 (30 June 2022: R5 342 million)

**Cash and cash equivalents per statement of cash flows takes into consideration the Cash and cash equivalents per statement of financial position less overdrafts.

Segmental capital expenditure*

(R million)



*Capital expenditure includes; (i) deferred stripping, (ii) financed fleet replacement, and (iii) sustaining capital expenditure but excludes Sakura Ferroalloys capital expenditure
 Capital expenditure guidance for Bokoni remains unchanged from the 2021 investment case until the approval of the bankable feasibility study (BFS) by the board.

Thank you

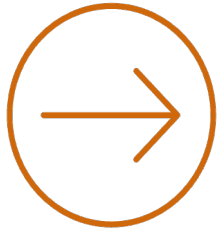




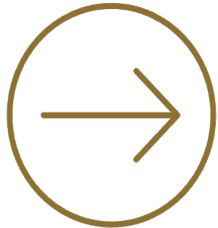
Two Rivers Mine

**Additional
slides**

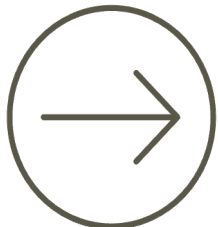
PGM Mark-to-market adjustments



The sales price of PGM concentrate is determined on a provisional basis at the date of sale. Adjustments are made to the sales price based on movements in the discounted forward commodity prices up to the date of final pricing.



Where there are any differences between the provisional and final commodity prices after the reporting period end, the next reporting period's earnings will be impacted by a mark-to-market adjustment.



Two Rivers and Modikwa mines recognised R1 065 million and R253 million in realised mark-to-market losses respectively, as rhodium and palladium prices declined sharply in the first three months of the year.

Mark-to-market adjustments (R million)

Two Rivers Mine	F2023	F2022
Realised mark-to-market adjustments*	(696)	(505)
Provisional sales value	10 313	10 696
Final sales value	9 617	10 191
Unrealised mark-to-market adjustments	(369)	(203)
Initial provisional sales recognition	1 260	1 967
Period end provisional sales recognition	891	1 764
Total mark-to-market adjustments	(1 065)	(709)

Modikwa Mine	F2023	F2022
Realised mark-to-market adjustments*	(135)	(165)
Provisional sales value	4 392	4 860
Final sales value	4 258	4 695
Unrealised mark-to-market adjustments	(118)	(65)
Initial provisional sales recognition	815	1 181
Period end provisional sales recognition	697	1 116
Total mark-to-market adjustments	(253)	(231)

*The average palladium and rhodium prices decreased by approximately 4% and 9% respectively from the date of provisional recognition to final price realisation, which together with movements in other PGM commodity prices, resulted in the realised mark-to-market adjustments.

Summary of re-measurement gains / (losses) (R million)

	F2023	F2022
ARM Coal	(4)	(1 256)
Goedgevonden Mine	(4)	(766)
PCB operations	-	(490)
ARM Corporate and other	12	488
ARM BBEE Trust	8	5
ARM Coal	4	443
ARM Group	8	(808)