African Rainbow Minerals

Interim results for the six months ended 31 December and cash dividend declaration

2023

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Shareholder information

Issued share capital at 31 December 2023	**224 667 778 shares**
Market capitalisation at 31 December 2023	**ZAR44.93 billion**
Market capitalisation at 31 December 2023	**US$2.45 billion**
Closing share price at 31 December 2023	**R200.00**
Six-month high (1 July 2023 – 31 December 2023)	**R209.99**
Six-month low (1 July 2023 – 31 December 2023)	**R146.62**
Average daily volume traded for the six months	**797 602 shares**
Primary listing	**JSE Limited**
JSE share code	**ARI**
A2X share code	**ARI**

These results have been achieved in conjunction with ARM's partners at the various operations: Anglo American Platinum Limited, Assore South Africa Proprietary Limited, Impala Platinum Holdings Limited, Norilsk Nickel Africa Proprietary Limited and Glencore Operations South Africa Proprietary Limited.

Interim results for the six months ended 31 December 2023 have been prepared in accordance with IFRS and disclosures are in line with IAS 34 Interim Financial Reporting.

Rounding may result in minor computational discrepancies in tables.

Salient features

FINANCIAL

- Headline earnings for the six months ended 31 December 2023 (1H F2024) decreased by 43% to R2 955 million or R15.07 per share (1H F2023: R5 172 million or R26.39 per share restated)
- An interim dividend of R6.00 per share is declared (1H F2023: R14.00 per share)
- We maintained a robust financial position, with net cash of R7 935 million at 31 December 2023 (30 June 2023: R9 779 million)
- Basic earnings were R1 216 million (1H F2023: R4 388 million) and include attributable impairments of R1 739 million after tax, which were largely due to a significant decrease in profitability resulting from lower platinum group metals (PGM) commodity prices.

SAFETY AND HEALTH

- Group lost-time injury frequency rate (LTIFR) improved to 0.24 per 200 000 man-hours (1H F2023: 0.28) and group total recordable injury frequency rate improved to 0.48 (1H F2023: 0.62).

OPERATIONAL

- Iron ore sales volumes were higher in 1H F2024 compared to 1H F2023, as the comparative period was impacted by industrial action at Transnet
- Unit production costs remained under pressure due to lower production volumes and above-inflation increases in electricity and maintenance costs at the manganese and PGM operations
- The decline in the average US dollar 6E PGM basket price and the lower thermal coal prices were partially offset by a weaker average rand/US dollar exchange rate and higher average realised export iron ore prices.

ENVIRONMENTAL

- Decarbonisation pathways identified several initiatives to meet the long-term target of achieving net-zero greenhouse gas (GHG) emissions (scope 1 and 2) from mining by 2050. These initiatives include improving energy efficiencies, implementing renewable energy, and the use of new energy vehicles
- Construction of the off-site solar power plant commenced during the first half of F2024 which will provide renewable energy to our ARM Platinum operations.

GROWTH

- ARM continues to be confident about the long-term profitability of Bokoni. The definitive feasibility study (DFS) for the phased development of Bokoni was further advanced to a bankable feasibility study (BFS) level. Due to depressed commodity prices and uncertain immediate outlook, the BFS project approval request has been deferred. The immediate priority will be to conserve cash while ramping up production on a phased basis, from the installed capacity of 60 000 tonnes per month by leveraging and enhancing existing infrastructure.

Commentary

Operating safely and sustainably

Safety and health

We are committed to maintaining a safe and healthy work environment for all employees and contractors. There were no fatalities during the period under review compared to one fatality in 1H F2023.

The operations delivered improved safety performances, with a group LTIFR of 0.24 per 200 000 man-hours in the period under review compared to 0.28 per 200 000 man-hours in 1H F2023. The total recordable injury frequency rate (TRIFR*) improved to 0.50 from 0.62.

In November 2023, Modikwa Mine achieved two million fatality-free shifts and Two Rivers Mine achieved one million fatality-free shifts; the last fatalities were in June and November 2022, respectively.

ARM's integrated wellness management programme is designed to prevent occupational health hazards from affecting employee health. The programme actively identifies and manages health risks and chronic conditions that may affect wellness and quality of life.

In the first half of F2024, 12 employees (1H F2023: eight) were found to have a percentage hearing loss shift of more than 10% from their baseline. These employees were at Modikwa (seven), Two Rivers (four), and Cato Ridge Works (one). These cases have been reported to the Department of Mineral Resources and Energy (DMRE) and submitted to Rand Mutual Assurance (RMA), where it will be determined whether they are noise-induced hearing loss (NIHL) cases and for possible compensation.

Hearing conservation continues to be a focus of occupational health surveillance and management programmes. Operations have several initiatives to reduce noise exposure such as providing customised hearing protection devices (HPDs) to exposed employees and ensuring that all machines at the operations are below the milestone level of 107 A-weighted decibel (dB) (ARM's loudest machine emits 104 dB).

Environmental management

Scope 3 target setting

In December 2023, the International Council on Mining and Metals (ICMM) published Scope 3 Emissions Target Setting Guidance which has been developed to support mining and metals companies in setting targets to reduce scope 3 (or value chain) emissions. In F2023, our scope 3 GHG emissions were externally assured for the first time. ARM aims to publish an appropriate scope 3 target (qualitative or quantitative) in the F2024 annual reports.

Decarbonisation and journey to net-zero

At the end of F2023, ARM published its short-term target (F2026) and medium-term target (F2030) of 15% and 30% reduction in scope 1 and scope 2 emissions, respectively. Decarbonisation pathways identified included improving energy efficiencies, implementing renewable energy and the use of new energy vehicles.

At our ARM Platinum operations, we extensively explored options for integrating renewable energy into our operations. Our analysis revealed that over 20 years, wheeling 100MW of renewable energy could yield approximately 4 900 000MWh of electricity, resulting in a substantial reduction of around 4 800 000 tonnes of CO_2 emissions.

In the latter half of F2023, we successfully finalised a 20-year power purchase agreement (PPA) with an independent power producer. This agreement enables the wheeling of 100MW of solar photovoltaic power to ARM Platinum operations. The renewable power supply will be distributed among the various operations, contributing to our sustainability goals. Construction of the solar power plant commenced during the first half of F2024. At steady state, this renewable PPA will result in approximately 30% renewable energy usage by ARM Platinum's mining operations.

At our ARM Ferrous operations, a prefeasibility study (PFS) has been completed with an energy blend solution being recommended. A detailed

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

feasibility study (DFS) will be completed by the end of F2024, and environmental applications have been submitted to authorities for approval. The project is still on time for the solution to be implemented by 2027.

GHG emissions performance

Below is the comparison of 1H F2024 and 1H F2023 scope 1 and scope 2 emissions. Scope 1 and 2 emissions decreased by 7% mainly due to improved energy efficiencies and the shutdown of Furnace 1 at Cato Ridge Works inQ3 F2023.

Comparison of 1H F2024 and 1H F2023 scope 1 and scope 2 emissions

Tonnes of carbon dioxide equivalents (tCO_2e)	1H F2024	1H F2023	% change
Scope 1	186 007	210 140	(11)
Scope 2	677 325	714 690	(5)
Scope 1 and 2	863 332	924 830	(7)

Scope 1: GHG emissions released directly by an organisation through its activities, e.g. diesel, petrol, etc.
Scope 2: indirect GHG emissions associated with the purchase of electricity, steam, heat or cooling.

Water management

The water supply in the Northern Cape remains a risk following the collapse of the Vaal Central Water system and the technical challenges of the Kolomela dewatering system.

Khumani Mine received a reduced allocation of their monthly capacity, with no impact on final product output performance. As a short-term mitigation strategy, Khumani Mine is working on transferring process water from the Sishen Mine to Khumani Mine.

A recovery plan to effect emergency repairs on the Vaal Central Water system is underway. Khumani's Water User Licence (WUL) application has been recommended for approval by the Department of Water and Sanitation which will allow the use of groundwater to augment water supply to Khumani when the Vaal Central Water system cannot perform.

Tailings management

ARM, as a member of the ICMM, remains committed to operating tailings storage facilities (TSF) in line with global best practices as set out by the Global Industry Standard on Tailings Management (GISTM) and company policies.

ARM submitted its GISTM conformance results and public disclosure document for all its TSFs classified as "very high" and "extreme" on 5 August 2023. Bokoni Mine has started with the GISTM implementation process and is targeting to conform with the GISTM by end of August 2024.

The TSFs at Black Rock and Beeshoek are scheduled to conform to the GISTM by 5 August 2025 since their Consequence Classification of Structures (CCS) ranges from low to high. Reviews by independent tailings review boards are ongoing to assess the safety of the TSFs in terms of design, operation and performance against the design intent.

Extensive work was carried out during the period and is ongoing to ensure that Modikwa's TSF complies with industry and internal standards.

As part of this work, Modikwa commissioned an intensive geotechnical investigation to evaluate the characteristics of both the foundation material and tailings to assess how best to improve the stability of the TSF under certain potential extreme conditions over the remaining life of the TSF to 2051.

An independently-led detailed risk assessment has been commissioned by Modikwa's management to ensure that all potential stability risks are identified and that ongoing risks are managed within risk appetite and tolerance.

Pending the outcome of the assessment, Anglo American Platinum and ARM are considering additional safety measures to improve the stability of the TSF at Modikwa for the long term.

The remedial work is designed to ensure the safe continuity of the Modikwa TSF and to reassure employees and community stakeholders of the high safety and environmental standards of Modikwa.

Financial performance

Headline earnings

Headline earnings for 1H F2024 decreased by 43% to R2 955 million or R15.07 per share (1H F2023: R5 172 million or R26.39 per share restated).

The average realised rand exchange rate weakened by 8% versus the US dollar to R18.68/US$ compared to R17.33/US$ in 1H F2023. For reporting purposes, the closing exchange rate was R18.33/US$ (31 December 2022: R16.93/US$).

Headline earnings/(loss) by operation/division (attributable basis)

R million	1H F2024	1H F2023*	% change
ARM Ferrous	**2 821**	2 520	12
Iron ore division	**2 782**	1 663	67
Manganese division	**45**	861	(95)
Consolidation adjustment	**(6)**	(4)	(50)
ARM Platinum	**(282)**	1 330	(121)
Two Rivers Mine	**164**	920	(82)
Modikwa Mine	**(31)**	615	(105)
Bokoni Mine	**(341)**	(150)	(127)
Nkomati Mine	**(74)**	(55)	(35)
ARM Coal	**204**	1 404	(85)
Goedgevonden (GGV) Mine	**152**	516	(71)
PCB operations**	**52**	888	(94)
ARM Corporate and other	**212**	(82)	>200
Corporate and other (including Gold)	**324**	71	>200
Machadodorp Works	**(112)**	(153)	27
Headline earnings	**2 955**	5 172	(43)

* *Comparative information has been restated. Refer note 15 of the interim financial statements for more detail.*
** *Participative Coal Business.*

ARM Ferrous headline earnings were 12% higher at R2 821 million (1H F2023: R2 520 million) as a 67% increase in headline earnings for the iron ore division was partially offset by a 95% decline in headline earnings for the manganese division.

Key factors contributing to the higher headline earnings of the iron ore division included:
- Higher average realised US dollar prices for iron ore, in line with the increase in iron ore index prices
- A 6% increase in export iron ore sales volumes compared to 1H F2023, coupled with a 23% increase in local iron ore sales volumes
- The weaker rand/US dollar exchange rate.

Lower headline earnings in the manganese division were driven primarily by lower average realised US dollar manganese ore and alloy prices, partially offset by the weaker rand/US dollar exchange rate and higher sales volumes.

ARM Platinum* headline earnings were 121% lower at a R282 million loss (1H F2023: R1 330 million earnings) due to depressed commodity prices and above inflation unit cost increases.

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

Two Rivers Mine headline earnings were 82% lower at R164 million (1H F2023: R920 million), mainly due to depressed commodity prices.

Modikwa Mine headline earnings were 105% lower at a R31 million loss (1H F2023: R615 million earnings), mainly due to depressed commodity prices.

Bokoni Mine reported a headline loss of R341 million (1H F2023: R150 million loss), driven mainly by the mine ramping up to its first PGM ounce production and 1H F2023 only being included for four months. First PGM ounce production was successfully achieved in November 2023.

Nkomati Mine reported a headline loss of R74 million (1H F2023: R55 million loss), driven mainly by the increase in decommissioning unwinding costs. The mine has been on care and maintenance since 15 March 2021. During 1H F2024, the period under review, ARM and Norilsk Nickel Africa Proprietary Limited (NNAf) concluded a Purchase and Sale Agreement which provides for the acquisition by ARM of NNAf's 50% participation interest for a cash consideration of R1 million. ARM will take over NNAf's proportionate share of the obligations and liabilities relating to the Nkomati Mine's assets.

ARM Coal headline earnings were 85% lower at R204 million (1H F2023: R1 404 million) driven mainly by lower export thermal coal prices.

ARM Corporate and other (including Gold) reported headline earnings of R324 million (1H F2023: R71 million), driven mainly by an increase in management fees received.

Machadodorp Works reported a headline loss of R112 million (1H F2023: R153 million loss) related to research into developing energy-efficient smelting technology.

Basic earnings and impairments

Basic earnings decreased by 72% to R1 216 million (1H F2023: R4 388 million restated) and included attributable impairments as follows:

- An impairment of property, plant and equipment at Two Rivers Mine of R1 070 million after tax and non-controlling interests
- An impairment of property, plant and equipment at Modikwa Mine of R376 million after tax and non-controlling interests
- An impairment of property, plant and equipment at Beeshoek Mine of R288 million after tax
- An impairment of property, plant and equipment at Cato Ridge Works of R5 million after tax.

The impairments at our ARM Platinum operations were largely due to a significant decrease in profitability resulting from lower PGM commodity prices. The impairments at our ARM Ferrous operations were largely due to lower projected sales volumes and lower projected pricing.

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

Financial performance continued

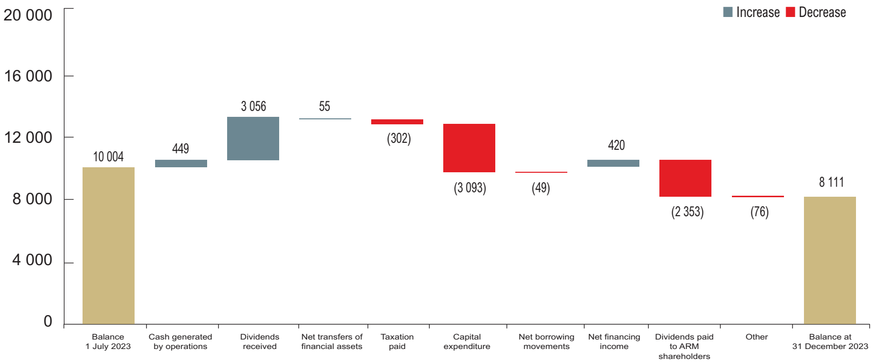
Financial position and cash flow

At 31 December 2023, ARM had net cash of R7 935 million (30 June 2023: R9 779 million), a decrease of R1 844 million compared to the end of the 2023 financial year. This amount excludes attributable cash and cash equivalents held at ARM Ferrous (50% of Assmang) of R2 623 million (30 June 2023: R4 939 million). There was no debt at ARM Ferrous in either of the reporting periods.

Dividends received by ARM Corporate

R million	1H F2024	1H F2023
Assmang	3 000	3 500
Two Rivers Mine	–	432
Harmony Gold	56	17
Total dividends received	3 056	3 949

Analysis in movements in cash and cash equivalents (R million)



Cash generated from operations decreased by R4 845 million to R449 million (1H F2023: R5 294 million), which includes an outflow in working capital of R786 million (1H F2023: R641 million inflow), mainly due to an outflow of trade payables.

In 1H F2024, ARM paid R2 353 million in dividends to its shareholders, representing the final dividend of R12.00 per share declared for F2023 (1H F2023: R3 921 million representing the F2022 final dividend of R20.00 per share).

Net cash outflow from investing activities was R3 036 million (1H F2023: R5 052 million) which was mainly due to expansionary capital expenditure at Two Rivers Mine and Bokoni Mine.

Borrowings of R49 million (1H F2023: R211 million) were repaid during the period, resulting in gross debt of R193 million at 31 December 2023 (30 June 2023: R242 million).

Investing in growth and our existing business

The Bokoni early-ounce project, approved by the board in March 2023, was completed as planned in the second quarter of F2024, producing saleable PGMs ounces. ARM continues to be confident about the long-term profitability of Bokoni. The DFS for the phased development of Bokoni was further advanced to a BFS level.

Due to depressed PGM commodity prices and uncertain outlook, the BFS project approval request has been deferred. The immediate priority will be to conserve cash while ramping up production on a phased basis, from the installed capacity of 60 000 tonnes per month by leveraging and enhancing existing infrastructure.

Capital expenditure by operation/division (attributable basis)

R million	1H F2024	1H F2023	% change
ARM Ferrous	1 017	1 039	(2)
Iron ore division	634	751	(16)
Manganese division	426	332	28
Consolidation adjustment	(43)	(44)	(2)
ARM Platinum	3 060	1 715	78
Two Rivers Mine	1 894	1 332	42
Modikwa Mine	508	321	58
Bokoni Mine	658	62	>200
ARM Coal (GGV Mine only)	274	232	18
ARM Corporate	7	5	40
Total	4 358	2 991	46

Operational performance

ARM Ferrous: Iron ore operations

Prices

Average realised US dollar export iron ore prices were 23% higher on a free-on-board (FOB) equivalent basis at US$112 per tonne (1H F2023: US$91 per tonne). The ratio of lump-to-fines sales volumes was 58:42 in 1H F2024 (59:41 in 1H F2023).

Movements in iron ore prices resulted in the following mark-to-market adjustments:

R million	1H F2024	1H F2023
Fair value adjustments at interim (realised)	**216**	(706)
Revenue – fair value adjustments current period	148	(520)
Revenue – fair value adjustments previous period sales	68	(186)
Fair value adjustments at interim (unrealised)	**271**	291
Based on confirmed prices	209	95
Based on forward prices	62	196
Total revenue – fair value adjustments	**487**	(415)

Volumes

Total iron ore sales volumes were 0.5 million tonnes higher at 7.2 million tonnes (1H F2023: 6.7 million tonnes).

Export sales volumes were 0.3 million tonnes higher at 6.0 million tonnes (1H F2023: 5.7 million tonnes). The export sales volumes in 1H F2023 were impacted by the Transnet industrial action in November 2022 as previously reported. Transnet's performance improved since June 2023 due to no strikes as well as some rail optimisation projects.

Local sales volumes increased by 23% to 1.2 million tonnes (1H F2023 at 1.0 million tonnes) due to a higher offtake from Beeshoek Mine's single customer.

Iron ore production increased by 1% to 7.1 million tonnes (1H F2023: 7.0 million tonnes).

Unit costs

On-mine unit cash costs of the iron ore division increased by 3% to R492 per tonne (1H F2023: R477 per tonne).

Unit cost of sales for the iron ore division were 4% higher in 1H F2024 mainly due to higher marketing expenses, which was driven by higher sales prices.

Capital expenditure

Capital expenditure of the iron ore division was R1 267 million on a 100% basis (1H F2023: R1 503 million). The decrease in capital expenditure is due to timing differences on scheduling of fleet replacement, partially offset by higher capitalised waste stripping costs of R678 million (1H F2023: R539 million).

Iron ore operational statistics (100% basis)

	Unit	1H F2024	1H F2023	% change
Prices				
Average realised export price*	US$/t	112	91	23
Volumes				
Export sales	000t	6 004	5 652	6
Local sales	000t	1 242	1 011	23
Total sales	000t	7 246	6 662	9
Production	000t	7 058	6 984	1
Export sales lump/fines split		58:42	59:41	
Export sales CIF/FOB** split		40:60	59:41	
Unit costs				
Change in on-mine unit production costs	%	3	34	
Change in unit cost of sales	%	4	7	
Capital expenditure	R million	1 267	1 503	(16)

* *Average realised export iron ore prices on an FOB equivalent basis.*
** *CIF – cost, insurance and freight; FOB – free-on-board.*

ARM Ferrous: manganese ore operations

Manganese ore financial information (100% basis)

R million	1H F2024	1H F2023	% change
Sales	6 306	6 644	(5)
Operating profit	357	1 520	(77)
Headline earnings	233	1 076	(78)
Capital expenditure	837	623	34
Depreciation	532	473	12
EBITDA	889	1 993	(55)

Prices

The average Platts manganese ore price index for 44% manganese ore and 37% manganese ore decreased by 17% and 16% respectively in 1H F2024, relative to 1H F2023.

Volumes

Manganese ore sales volumes increased by 8% to 2.4 million tonnes (1H F2023: 2.2 million tonnes). Export sales volumes were 12% higher at 2.0 million tonnes (1H F2023: 1.8 million tonnes) driven by rollover shipments from F2023. Local sales volumes were 367 000 tonnes (1H F2023: 405 000 tonnes).

Production volumes at Black Rock were 17% lower at 1.8 million tonnes (1H F2023: 2.2 million tonnes) mainly due to challenges in attracting and retaining critical skills in the rural mining area, exacerbated by difficult ground conditions.

Unit costs

Black Rock Mine's on-mine unit cash costs increased by 20% to R857 per tonne (1H F2023: R715 per tonne). The increase is mainly attributed to lower production volumes, higher electricity costs and higher power consumption due to an expanded infrastructure footprint.

Operational performance continued

Unit cost of sales for the manganese ore operations were 8% higher, impacted by higher production costs, an increase in shunting service fees, and above-inflation increase in Transnet rail tariffs. These were partially offset by lower freight rates and lower commission fees due to a decline in revenue.

Capital expenditure and projects

Capital expenditure for the manganese division increased by 28% to R853 million (1H F2023: R665 million) due to the procurement of four additional battery electric vehicles in line with our equipment replacement strategy and in support of the drive towards net-zero GHG emissions.

Manganese ore operational statistics (100% basis)

	Unit	1H F2024	1H F2023	% change
Volumes				
Export sales	000t	2 000	1 779	12
Domestic sales*	000t	367	405	(9)
Total sales*	000t	2 367	2 184	8
Production	000t	1 788	2 163	(17)
Unit costs				
Change in on-mine unit cash costs	%	20	8	
Change in unit cost of sales	%	8	9	
Capital expenditure	R million	837	623	34

** Excluding intra-group sales of 90 000 tonnes sold to Cato Ridge Works (1H F2023: 105 000 tonnes).*

ARM Ferrous: manganese alloy operations

Manganese alloy financial information (100% basis)

R million	1H F2024	1H F2023	% change
Sales	838	1 217	(31)
Operating profit	(287)	337	(185)
Contribution to headline earnings	(142)	646	(122)
Capital expenditure	16	42	(62)
Depreciation*	–	31	(99)
EBITDA	(286)	368	(178)

** 1H F2024 is less than R1 million.*

Prices

Average high carbon manganese alloy index prices decreased by 46% to US$1 315 per tonne (1H F2023: US$2 434 per tonne) and medium carbon manganese alloy prices decreased by 47% to US$2 122 per tonne (1H F2023: US$4 033 per tonne), driven by weak demand.

Volumes

High carbon manganese alloy sales at Cato Ridge Works decreased by 21% to 15 000 tonnes (1H F2023: 19 000 tonnes) due to lower production volumes. Medium carbon manganese alloy sales at Cato Ridge Alloys decreased by 11% to 24 000 tonnes (1H F2023: 27 000 tonnes) due to unfavourable market conditions.

High carbon manganese alloy sales at Sakura decreased by 7% to 113 000 tonnes (1H F2023: 121 000 tonnes) due to weaker manganese alloy market conditions.

High carbon manganese alloy production at Cato Ridge Works was 21% lower at 48 000 tonnes (1H F2023: 61 000 tonnes) as two furnaces were operating in 1H F2024 compared to three furnaces in 1H F2023.

Medium carbon manganese alloy production at Cato Ridge Alloys was 11% lower at 25 000 tonnes (1H F2023: 28 000 tonnes) mainly due to operational challenges. These included disruptions in molten metal supply caused by a transformer failure on Furnace 2 and the rejection of molten metal batches failing to meet the manganese quality specifications. Additionally, unplanned downtime at the converter plant for converter pit rail repairs and lining replacement further impacted production.

High carbon manganese alloy production at Sakura (100% basis) decreased by 13% to 117 000 tonnes (1H F2023: 134 000 tonnes) as production was curtailed due to weaker alloy market conditions.

Unit costs

Unit cash costs of high carbon manganese alloy at Cato Ridge Works were 9% higher due to lower production volumes, higher electricity costs as well as increases in variable costs.

Unit cash costs of medium carbon manganese alloy at Cato Ridge Alloys were 13% lower primarily driven by lower molten metal prices.

High carbon manganese alloy unit cash costs at Sakura decreased by 20% mainly due to lower ore and reductant prices.

Manganese alloy operational statistics (100% basis)

	Unit	1H F2024	1H F2023	% change
Volumes				
Cato Ridge Works sales*	000t	**15**	19	(21)
Cato Ridge Alloys sales	000t	**24**	27	(11)
Sakura sales	000t	**113**	121	(7)
Cato Ridge Works production	000t	**48**	61	(21)
Cato Ridge Alloys production	000t	**25**	28	(11)
Sakura production	000t	**117**	134	(13)
Unit costs – Cato Ridge Works				
Change in unit cash costs	%	**9**	23	
Change in unit cost of sales	%	**(1)**	–	
Unit costs – Cato Ridge Alloys				
Change in unit cash costs	%	**(13)**	21	
Change in unit cost of sales	%	**(19)**	42	
Unit costs – Sakura				
Change in unit cash costs	%	**(20)**	–	
Change in unit cost of sales	%	**(20)**	25	

* *Excluding intra-group sales of 30 000 tonnes sold to Cato Ridge Alloys (1H F2023: 34 000 tonnes).*

The ARM Ferrous operations, held through its 50% investment in Assmang Proprietary Limited (Assmang), comprise the iron ore and manganese divisions. Assore South Africa Proprietary Limited, ARM's partner in Assmang, owns the remaining 50%.

Operational performance continued

ARM Platinum

Prices

Lower US dollar PGM prices, particularly palladium (42% lower) and rhodium (70% lower), were partially offset by a weaker rand/US dollar exchange rate.

The average rand per 6E kilogram basket price for Two Rivers and Modikwa mines declined by 39% and 40% to R761 803 per kilogram (1H F2023: R1 246 355 per kilogram) and R779 791 per kilogram (1H F2023: R1 300 765 per kilogram), respectively.

Average US dollar metal prices

	Unit	1H F2024	1H F2023	% change
Platinum	US$/oz	923	929	(1)
Palladium	US$/oz	1 169	2 008	(42)
Rhodium	US$/oz	3 912	13 171	(70)
Nickel	US$/t	18 767	23 690	(21)
Copper	US$/t	8 262	7 873	5
Cobalt	US$/lb	15	24	(38)
UG2 chrome concentrate – Two Rivers (CIF*)	US$/t	273	207	32
UG2 chrome concentrate – Modikwa (CIF*)	US$/t	292	228	28

** CIF – cost, insurance and freight.*

Average rand metal prices

	Unit	1H F2024	1H F2023	% change
Average exchange rate	ZAR/US$	18.68	17.33	8
Platinum	ZAR/oz	17 234	16 091	7
Palladium	ZAR/oz	21 841	34 784	(37)
Rhodium	ZAR/oz	73 073	228 204	(68)
Nickel	ZAR/t	350 575	410 467	(15)
Copper	ZAR/t	154 341	136 414	13
Cobalt	ZAR/lb	277	416	(33)
UG2 chrome concentrate – Two Rivers (CIF*)	ZAR/t	5 098	3 580	42
UG2 chrome concentrate – Modikwa (CIF*)	ZAR/t	5 451	3 956	38

** CIF – cost, insurance and freight.*

Modikwa, Two Rivers and Bokoni mines recognise revenue using provisional pricing. The sales price of the concentrate is determined on a provisional basis at the date of the sale, with adjustments made to the sales price based on movements in the discounted forward commodity prices up to the date of final pricing.

Post refining and delivery, adjustments are made to reflect final pricing.

Any differences between the provisional and final commodity prices after the reporting period, result in the next reporting period's earnings being impacted by a mark-to-market adjustment.

Realised mark-to-market adjustments

A portion of the ARM Platinum receivables as at 30 June 2023 was realised at lower prices following the decline in commodity prices in the first three months of the period under review, which resulted in negative mark-to-market adjustments in 1H F2024 as shown in the tables below.

Unrealised mark-to-market adjustments

Revenue related to open sales at 30 June 2023 was recognised using provisional prices and revalued at 31 December 2023 per the tables below.

Modikwa Mine mark-to-market adjustments

R million	1H F2024	1H F2023
Realised mark-to-market adjustments	**(33)**	41
Provisional sales value	**1 464**	2 369
Final sales value	**1 431**	2 410
Unrealised mark-to-market adjustments	**6**	(82)
Initial provisional sales recognition	**700**	1 114
Period-end provisional sales recognition	**706**	1 031
Total mark-to-market adjustments	**(27)**	(41)

Two Rivers Mine mark-to-market adjustments

R million	1H F2024	1H F2023
Realised mark-to-market adjustments	**(85)**	32
Provisional sales value	**3 675**	5 840
Final sales value	**3 590**	5 872
Unrealised mark-to-market adjustments	**(54)**	(240)
Initial provisional sales recognition	**850**	1 627
Period-end provisional sales recognition	**796**	1 387
Total mark-to-market adjustments	**(139)**	(207)

Bokoni Mine mark-to-market adjustments

R million	1H F2024	1H F2023
Realised mark-to-market adjustments	**–**	
Provisional sales value	**–**	
Final sales value	**–**	
Unrealised mark-to-market adjustments	**1**	
Initial provisional sales recognition	**41**	
Period-end provisional sales recognition	**42**	
Total mark-to-market adjustments	**1**	

ARM Platinum: Modikwa Mine

Volumes

Tonnes milled at Modikwa Mine remained largely flat at 1.29mt (1H F2023: 1.30mt).

A 4% improvement in head grade resulted in production volumes increasing by 3% to 151 754 6E PGM ounces (1H F2023: 146 921 6E PGM ounces). The improvement in head grade is attributed to a decrease in on-reef development production as the mine is transitioning to off-reef development at the lower levels.

Unit costs

Unit cash costs increased by 10% to R2 155 per tonne (1H F2023: R1 953 per tonne) and 7% to R18 355 per 6E PGM ounce (1H F2023: R17 224 per 6E PGM ounce). The above-inflationary increase in unit costs resulted from the conversion of strike conveyor belts to fire retardant belts and increases in annual electricity rates (18.65% increase year on year).

Capital expenditure and projects

Capital expenditure at Modikwa Mine (100% basis) increased by 58% to R1 016 million (1H F2023: R642 million). Of the total capital expenditure, 36% related to fleet replacement in the North and South 2 shafts. The South 2 shaft deepening project and upgrade of proximity detection system for the mining fleet amounted to 10% and 9% respectively, of the total capital expenditure.

North shaft project – The downcast shaft to provide additional ventilation for mining levels below level 10 is now estimated to be completed in Q3 F2025 due to a delay in the granting of the environmental permit which was approved in March 2023. Site establishment was completed at the end of December 2023. Civil works on the access road and ventilation shaft is expected to be completed by Q4 F2024.

South 2 shaft project – Work has commenced on the 2.5km underground-to-surface conveyor belt that will assist South 2 shaft to ramp up production to an average of 100 000 tonnes per month by 2026. The project is expected to be completed in June 2024.

Merensky project – The bord-and-pillar Merensky shaft was re-opened on a trial basis after a prefeasibility study. Production of 50 000 tonnes per month is expected to be reached in 2H F2024.

Modikwa Mine operational statistics (100% basis)

	Unit	1H F2024	1H F2023	% change
Cash operating profit	R million	**129**	2 216	(94)
– PGMs	R million	**59**	2 121	(97)
– Chrome	R million	**70**	94	(26)
Tonnes milled	Mt	**1.29**	1.30	(0)
Head grade	g/t, 6E	**4.36**	4.21	4
PGMs in concentrate	Ounces, 6E	**151 754**	146 921	3
Chrome in concentrate sold	Tonnes	**40 407**	59 957	(33)
Average basket price	ZAR/kg, 6E	**779 791**	1 300 765	(40)
Average basket price	US$/oz, 6E	**1 298**	2 335	(44)
Cash operating margin	%	**4**	46	–
Cash cost	ZAR/kg, 6E	**590 132**	553 751	7
Cash cost	ZAR/tonne	**2 155**	1 953	10
Cash cost	ZAR/Pt oz	**44 483**	42 994	3
Cash cost	ZAR/oz, 6E	**18 355**	17 224	7
Cash cost	ZAR/oz, 6E	**983**	994	(1)

ARM Platinum: Two Rivers Mine

Volumes

PGM production volumes increased to 150 956 6E PGM ounces (1H F2023: 147 288 6E PGM ounces) despite a decrease in milled tonnes. The grade at Two Rivers Mine improved marginally but remains a constraint due to the split reef. Various mining cuts are taken in the split reef areas to optimise grade as far as possible.

Unit costs

Two Rivers Mine unit cash costs increased by 11% to R1 220 per tonne milled (1H F2023: R1 096 per tonne) and 7% to R14 433 per 6E PGM ounce (1H F2023: R13 490 per 6E PGM ounce). The above-inflationary increase is due to higher volumes of fleet repairs and maintenance as well as increases in annual electricity rates (18.65% increase year on year).

Capital expenditure and projects

Of the R1 894 million capital spent at Two Rivers Mine (1H F2023: R1 332 million), 81% is attributable to the Two Rivers Merensky project approved in F2021.

The deepening of the declines at Main and North shafts, along with electrical and mechanical installations, comprised a further 14% of total capital expenditure.

Merensky project – The Two Rivers Merensky project is being established to mine the Merensky Reef. The project targets annual production of 182 000 6E PGM ounces, 1 600 tonnes of nickel and 1 300 tonnes of copper.

The total estimated capital expenditure for the project is R7 274 million (100% basis). To date, capital to the value of R5 032 million has been spent. R1 107 million of the remaining R2 242 million is already committed and will be spent in F2024.

Development of the Merensky project reached its targeted footprint during Q1 F2024. Mining ramp up to 50 000 tonnes per month was successfully achieved in F2023, ahead of plan.

Mining construction work is progressing as planned. The Concentrator Plant construction is progressing well with the plant commissioning to commence in Q3 F2024. The first PGM concentrate production is planned for Q4 F2024.

The project is scheduled to start producing PGM concentrate as per the planned date of mid-2024. The long-term prospects for the Merensky project remain profitable and accretive to Two Rivers Mine, and is planned to produce PGMs at competitive costs.

Two Rivers Mine operational statistics (100% basis)

	Unit	1H F2024	1H F2023	% change
Cash operating profit	R million	715	2 726	(74)
– PGMs	R million	520	2 625	(80)
– Chrome	R million	195	101	93
Tonnes milled	Mt	1.79	1.81	(1)
Head grade	g/t, 6E	3.07	3.02	2
PGMs in concentrate	Ounces, 6E	150 956	147 288	2
Chrome in concentrate sold	Tonnes	82 973	92 215	(10)
Average basket price	ZAR/kg, 6E	761 803	1 246 355	(39)
Average basket price	US$/oz, 6E	1 268	2 237	(43)
Cash operating margin	%	22	55	
Cash cost	ZAR/kg, 6E	464 031	433 725	7
Cash cost	ZAR/tonne	1 220	1 096	11
Cash cost	ZAR/Pt oz	30 909	28 809	7
Cash cost	ZAR/oz, 6E	14 433	13 490	7
Cash cost	US$/oz, 6E	773	779	(1)

ARM Platinum: Bokoni Mine

Volumes

The first PGMs were produced in November 2023. Mining production is expected to ramp up to 55 000 tonnes per month in 2H F2024.

Unit costs

The cash cost per tonne mined of R2 117 per tonne is within the expected range due to the production ramp up.

Bokoni's unit cash costs per ounce are expected to normalise in F2025 when a full year of production is available.

Progress and capital expenditure

The early-ounce project was completed in Q2 F2024, producing saleable PGM ounces.

ARM remains confident about the long-term profitability of Bokoni. The definitive feasibility study (DFS) for the phased development of Bokoni was advanced to a bankable feasibility study (BFS) in F2023. Due to depressed commodity prices and uncertain immediate outlook, the BFS project approval request has been deferred. The immediate priority will be to conserve cash while ramping up production on a phased basis, from the installed capacity of 60 000 tonnes per month by leveraging and enhancing existing infrastructure.

Of the R658 million capital spent at Bokoni (100% basis), R306 million is in relation to the early-ounce project. A further R57 million relates to the purchase of a mining fleet.

Bokoni Mine operational statistics (100% basis)

	Unit	1H F2024	1H F2023	% change
Cash operating loss	R million	(131)	–	–
Tonnes milled	Mt	0.06	–	–
Head grade	g/t, 6E	3.84	–	–
PGMs in concentrate	Ounces, 6E	4 606	–	–
Average basket price	ZAR/kg, 6E	799 463	–	–
Average basket price	US$/oz, 6E	1 342	–	–

ARM Platinum: Nkomati Mine

Nkomati Mine was placed on care and maintenance on 15 March 2021.

During 1H F2024, ARM and NNAf concluded a PSA which provides for the acquisition by ARM of NNAf's 50% participation interest in the Nkomati Mine for a cash consideration of R1 million (the transaction).

ARM will take over NNAf's proportionate share of the obligations and liabilities relating to the Nkomati Mine's assets together with the environmental liabilities of Nkomati Mine, with a R325 million contribution from NNAf, as may be adjusted under the terms of the PSA.

The transaction is subject to certain conditions precedent.

At 31 December 2023, the estimated undiscounted rehabilitation costs attributable to ARM were determined to be R956 million (30 June 2023: R931 million), excluding VAT.

The discounted rehabilitation costs attributable to ARM were determined to be R836 million (30 June 2023: R799 million). The R37 million increase in the discounted liability was due to unwinding interest recognised against the liability.

At 31 December 2023, R142 million (attributable to ARM) in cash and financial assets were available to fund rehabilitation obligations for Nkomati Mine. The resulting attributable shortfall of R693 million is expected to be funded by ARM.

Nkomati Mine's estimated rehabilitation and long-term water treatment costs continue to be reassessed as engineering designs evolve and new information becomes available.

ARM Coal

Prices

US dollar prices for thermal coal decreased in 1H F2024 compared to 1H F2023. Global thermal coal prices were negatively impacted by lower European coal demand resulting from a milder winter and high coal stocks brought forward from the prior year. This was further exacerbated by higher global coal supply largely from Indonesia and Australia.

GGV Mine's average received export price decreased by 50% to US$91 per tonne in 1H F2024 (1H F2023: US$184 per tonne).

PCB's average received export price decreased by 53% to US$89 per tonne in 1H F2024 (1H F2023: US$188 per tonne). The impact of lower thermal coal prices was partially mitigated by an 8% weakening of the rand/US dollar exchange rate.

Since the period end, thermal coal prices have remained under pressure while export sales volumes continue to be negatively impacted by low railed volumes.

Approximately 63% and 69% of export volumes at GGV and PCB comprised of high-quality coal (5 700 – 6 000 Kcal/kg), respectively.

ARM Coal: GGV Mine

GGV attributable headline earnings/(loss) analysis

R million	1H F2024	1H F2023	% change
Cash operating profit	345	895	(61)
Amortisation and depreciation	(106)	(102)	(4)
Imputed interest*	4	(39)	(110)
Loan re-measurement and fair value losses	(15)	(9)	(67)
Profit before tax	228	745	(69)
Less tax	(76)	(229)	67
Headline earnings attributable to ARM	152	516	(71)

* *Post restructuring the ARM Coal loans, all interest expense on partner loans is imputed.*

Volumes

ARM's attributable saleable production increased by 14% to 0.92 million tonnes from 0.81 million tonnes in 1H F2023. Total sales volumes increased by 24% in 1H F2024 compared to 1H F2023, largely as a result of an increase in trucking of coal to compensate for the decline in Transnet Freight Rail (TFR) performance.

Unit costs

On-mine unit production costs per saleable tonne improved by 3% in 1H F2024 to R583 per tonne (1H F2023: R601 per tonne), largely due to an increase in saleable production volumes.

GGV Mine operational statistics

	Unit	1H F2024	1H F2023	% change
Total production and sales (100% basis)				
Saleable production	Mt	**3.55**	3.13	14
Export thermal coal sales	Mt	**2.36**	1.69	40
Domestic thermal coal sales	Mt	**1.33**	1.28	4
ARM attributable production and sales				
Saleable production	Mt	**0.92**	0.81	14
Export thermal coal sales	Mt	**0.61**	0.44	40
Domestic thermal coal sales	Mt	**0.35**	0.33	4
Average received coal price				
Export (FOB)*	US$/t	**91**	184	(50)
Domestic (FOT)**	ZAR/t	**411**	431	(5)
Unit costs				
On-mine saleable cost	ZAR/t	**583**	601	(3)
Capital expenditure	R million	**1 052**	892	18

* *FOB – free-on-board.*
** *FOT – free-on-truck.*

ARM Coal: PCB operations

PCB attributable headline earnings analysis

R million	1H F2024	1H F2023	% change
Cash operating profit	**480**	1 596	(70)
Imputed interest	**(70)**	(24)	(192)
Amortisation and depreciation	**(338)**	(356)	5
Profit before tax	**65**	1 216	(95)
Tax	**(19)**	(328)	94
Headline earnings attributable to ARM	**52**	888	(94)

Volumes

ARM's attributable saleable production increased by 11% to 1.12 million tonnes in 1H F2024 (1H F2023: 1.01 million tonnes).

Attributable export sales volumes were 9% higher at 0.90 million tonnes (1H F2023: 0.82 million tonnes) due to increased trucking of coal. Domestic sales volumes increased by 85% to 0.17 million tonnes from 0.09 million tonnes.

Unit costs

On-mine unit production costs per saleable tonne improved marginally to R766 per tonne (1H F2023: R769 per tonne) due to an increase in saleable production volumes.

Capital expenditure

Capital expenditure at PCB decreased by 42% to R1 335 million (1H F2023: R2 302 million) in 1H F2024 due to lifecycle fleet replacements in 1H F2023 and a reduction in decommissioning assets capitalised.

PCB operational statistics

	Unit	1H F2024	1H F2023	% change
Total production sales (100% basis)				
Saleable production	Mt	**5.53**	4.99	11
Export thermal coal sales	Mt	**4.44**	4.08	9
Domestic thermal coal sales	Mt	**0.85**	0.46	85
ARM attributable production and sales				
Saleable production	Mt	**1.12**	1.01	11
Export thermal coal sales	Mt	**0.90**	0.82	9
Domestic thermal coal sales	Mt	**0.17**	0.09	85
Average received coal price				
Export (FOB)*	US$/t	**89**	188	(53)
Domestic (FOT)**	ZAR/t	**685**	774	(11)
Unit costs				
On-mine saleable cost	ZAR/t	**766**	769	(1)
Capital expenditure	R million	**1 335**	2 302	(42)

* *FOB – free-on-board.*
** *FOT – free-on-truck.*

ARM's economic interest in PCB is 20.2%. PCB consists of two large mining complexes in Mpumalanga. ARM has a 26% effective interest in the GGV near Ogies in Mpumalanga.

Harmony

ARM's investment in Harmony was positively revalued by R3 012 million in 1H F2024 (1H F2023: R510 million) as the Harmony share price increased by 51% from R79.25 per share at 30 June 2023 to R119.59 per share at 31 December 2023.

The Harmony investment is therefore reflected on the ARM statement of financial position at R8 930 million based on its share price at 31 December 2023.

Gains and losses are accounted for, net of deferred capital gains tax, through the statement of comprehensive income.

Dividends from Harmony are recognised in the ARM statement of profit or loss on the last day of registration following dividend declaration.

Harmony headline earnings increased by 226% to 956 cents per share (1H F2023: 293 per share).

Basic earnings increased by 221% to 956 cents per share (1H F2023: 298 cents per share).

Harmony's results for the six months ended 31 December 2023 can be found on Harmony's website: **www.harmony.co.za**.

Outlook

Global growth for 2024 is expected to be in line with 2023. This improved outlook is on the back of better-than-expected resilience in the United States and other emerging economies. Global growth remains below long-term trends due to high central bank policy rates and low productivity growth. The combination of tight monetary policies and an easing in global supply chains, is resulting in inflation falling faster than expected in some regions.

The ability to navigate a cyclical slowdown in economic growth while avoiding a recession appears more likely, and risks to global growth are more balanced than at the beginning of 2023. Further declines in inflation will likely encourage policy rates cuts, resulting in an improvement in GDP growth across different regions.

The conflict in Gaza and attacks in the Red Sea have introduced new risks to global supply chains and volatility to commodity prices. In China, the slowdown in economic growth is becoming the norm. The National People's Congress (NPC) has announced a GDP growth target of around 5% for 2024 despite the deepening property sector woes in China. This will likely require a bigger stimulus package, however, if implemented, will lend support to Chinese and global GDP growth.

The pricing of PGMs has been adversely affected by a combination of factors that appear likely to persist in the short to medium term. We anticipate 2024 to pose challenges, marked by subdued sentiment among precious metal consumers, amid ongoing economic and geopolitical uncertainty. In the short term, PGM pricing is expected to receive support from the initiation of an easing interest rate cycle. In the medium to longer term, tightening market fundamentals are anticipated to support price appreciation.

Thermal coal and iron ore prices are expected to gradually decline over the next few years. Market sentiment appears to have a downside bias to these commodities, however, in the last few years both thermal coal and iron ore prices have remained resilient, in some cases, stronger than the market anticipated. Manganese prices are expected to improve over the short to medium term, likely breaching the US$5.00/dmtu level in the next couple of years.

ARM remains focused on creating resilience through productivity improvements, cost-cutting initiatives and efficient capital allocation. The depressed PGM market, lower manganese and thermal coal prices present challenges that require management to focus on cash preservation, while ensuring that ongoing capital projects are completed within time and on budget. In addition, management will consider deferring capital expenditure where possible.

Infrastructure-related challenges including rail and port performance, reliable supply of power and water security remain a significant risk for the ARM operations and are expected to continue putting pressure on volumes, and in turn unit costs. This will likely be further exacerbated by the single customer risk we face at Beeshoek. We continue working with government and other stakeholders to find sustainable solutions that benefit the mining industry and the country.

We believe that the current challenges require cooperation and partnerships between various stakeholders including the private sector, governments, civil society and other stakeholders. The mining industry has an important role to play in confronting these challenges. ARM remains fully committed to mutually beneficial relationships with all our stakeholders to ensure that we build a resilient and sustainable business that delivers competitive returns for shareholders.

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 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 F2024, the board approved and declared an interim dividend of 600 cents per share (gross) (1H F2023: 1 400 cents per share). The amount to be paid is approximately R1 348 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 600 cents per ordinary share for shareholders exempt from dividends tax
- The net local dividend is 480.00000 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 600 cents per ordinary share, being the dividend for the six months ended 31 December 2023, has been declared payable on Monday, 8 April 2024 to those shareholders recorded in the books of the company at the close of business on Friday, 5 April 2024. 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, 5 April 2024. The last day to trade ordinary shares cum dividend is Tuesday, 2 April 2024. Ordinary shares trade ex-dividend from Wednesday, 3 April 2024.

No dematerialisation or rematerialisation of share certificates may occur between Wednesday, 3 April 2024 and Friday, 5 April 2024 both dates inclusive, nor may any transfers between registers take place during this period.

Changes to Mineral Resources and Mineral Reserves

There has been no material change to ARM's Mineral Resources and Mineral Reserves as disclosed in the integrated annual report for the financial year ended 30 June 2023, other than depletions due to continued mining activities at the operations.

On 24 November 2023, ARM and NNAf announced that they have signed a Sale Agreement (PSA) which provides for the acquisition by ARM of NNAf's 50% participation interest in its partnership with ARM that operates the Nkomati Mine. Nkomati Nickel Mine is located approximately 300 kilometres east of Johannesburg in the Mpumalanga province of South Africa. Nkomati Nickel Mine has been on care and maintenance since, 15 March 2021 after production ceased. The transaction is subject to certain conditions precedent, and once all the conditions precedent have been fulfilled which include consent in terms of section 11 of the Mineral and Petroleum Resources Development Act, 28 of 2002 and approval from the South African Competition Authorities in terms of the Competition Act, 89 of 1998, the Mineral Resources and Mineral Reserves of the asset will be reported as 100% attributable to ARM.

An updated Mineral Resources and Mineral Reserves statement will be issued in our F2024 integrated annual report.

Scope of independent auditor

The financial results for the six months ended 31 December 2023 have not been reviewed nor audited by the company's registered auditor, KPMG Inc. (the partner in charge is S Loonat CA(SA)).

Signed on behalf of the board

Dr PT Motsepe
Executive chairman

VP Tobias
Chief executive officer

Johannesburg
8 March 2024

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Group interim statement of financial position

	Notes	Unaudited six months ended 31 December 2023 Rm	Restated[1] unaudited six months ended 31 December 2022 Rm	Restated[1] year ended 30 June 2023 Rm
ASSETS				
Non-current assets				
Property, plant and equipment	4	15 584	13 861	16 173
Investment properties		24	25	24
Intangible assets		53	58	55
Deferred tax assets		920	968	935
Non-current financial assets	10	100	205	128
Investment in associate	5	1 899	2 936	1 847
Investment in joint venture	6	21 321	20 381	21 814
Other investments	7	9 167	4 606	6 148
Non-current inventories	8	–	259	427
		49 068	43 299	47 551
Current assets				
Inventories		1 157	483	488
Trade and other receivables	9	5 211	6 071	5 118
Taxation		201	85	178
Financial assets	10	637	656	661
Cash and cash equivalents	11	8 128	9 837	10 021
		15 334	17 132	16 466
Total assets		64 402	60 431	64 017
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary share capital		11	11	11
Share premium		5 267	5 267	5 267
Treasury shares		(2 405)	(2 405)	(2 405)
Other reserves		6 599	2 970	4 310
Retained earnings		40 894	41 084	42 031
Equity attributable to equity holders of ARM		50 366	46 927	49 214
Non-controlling interest		4 077	4 644	4 931
Total equity		54 443	51 571	54 145
Non-current liabilities				
Long-term borrowings	12	157	262	206
Deferred tax liabilities		3 710	3 461	3 787
Long-term provisions	20	2 619	2 098	2 257
		6 486	5 821	6 250
Current liabilities				
Trade and other payables		1 651	1 271	1 522
Short-term provisions	20	644	745	834
Insurance contract liabilities	15	28	62	73
Reinsurance contract liabilities	15	790	641	713
Taxation		324	293	444
Overdrafts and short-term borrowings	12	36	27	36
		3 473	3 039	3 622
Total equity and liabilities		64 402	60 431	64 017

[1] *Comparative information has been restated. Refer note 15 for more detail.*

Group interim statement of profit or loss

	Notes	Unaudited six months ended 31 December 2023 Rm	Restated[1] unaudited six months ended 31 December 2022 Rm	Restated[1] year ended 30 June 2023 Rm
Revenue	3	6 604	9 374	16 097
Sales	3	5 815	8 744	14 662
Cost of sales		(5 206)	(4 368)	(8 836)
Gross profit		609	4 376	5 826
Other operating income		955	797	1 755
Insurance revenue	15	22	41	64
Other operating expenses		(1 354)	(1 448)	(2 632)
Insurance service income/(expenses)	15	38	(36)	(37)
Net expenses from reinsurance contracts held	15	(58)	(4)	(23)
Profit from operations before capital items		212	3 726	4 953
Income from investments		541	419	868
Finance costs		(130)	(108)	(242)
Net finance expenses from insurance contracts held	15	(6)	(4)	(4)
Net finance expenses from reinsurance contracts held	15	(28)	(17)	(40)
Share of profit from associate		52	888	1 007
Share of profit from joint venture	6	2 527	1 682	4 557
Profit before taxation and capital items		3 168	6 586	11 099
Capital items before tax	13	(3 331)	54	56
(Loss)/profit before taxation		(163)	6 640	11 155
Taxation	16	525	(1 343)	(1 833)
Profit for the period		362	5 297	9 322
Attributable to:				
Equity holders of ARM				
Profit for the period		1 216	4 388	8 080
Basic earnings for the period		1 216	4 388	8 080
Non-controlling interest				
(Loss)/profit for the period		(854)	909	1 242
		(854)	909	1 242
Profit for the period		362	5 297	9 322
Earnings per share				
Basic earnings per share (cents)	14	620	2 239	4 121
Diluted basic earnings per share (cents)	14	620	2 235	4 112

[1] *Comparative information has been restated. Refer note 15 for more detail.*

Group interim statement of comprehensive income

	Financial instruments at fair value through other compre-hensive income Rm	Other Rm	Retained earnings Rm	Total share-holders of ARM Rm	Non-controlling interest Rm	Total Rm
Six months ended 31 December 2023 (Unaudited)						
Profit for the period	–	–	1 216	1 216	(854)	362
Total other comprehensive income	2 361	(21)	–	2 340	–	2 340
Other comprehensive income that will not be reclassified to the statement of profit or loss in subsequent periods:						
Net impact of revaluation of listed investment	2 361	–	–	2 361	–	2 361
Revaluation of listed investment[2]	3 012	–	–	3 012	–	3 012
Deferred tax on above	(651)	–	–	(651)	–	(651)
Other comprehensive income that may be reclassified to the statement of profit or loss in subsequent periods:						
Foreign currency translation reserve movement	–	(21)	–	(21)	–	(21)
Total comprehensive income/(loss) for the period	2 361	(21)	1 216	3 556	(854)	2 702
Six months ended 31 December 2022 (Unaudited restated[1])						
Profit for the period	–	–	4 388	4 388	909	5 297
Total other comprehensive income	400	65	–	465	–	465
Other comprehensive income that will not be reclassified to the statement of profit or loss in subsequent periods:						
Net impact of revaluation of listed investment	400	–	–	400	–	400
Revaluation of listed investment[2]	510	–	–	510	–	510
Deferred tax on above	(110)	–	–	(110)	–	(110)
Other comprehensive income that may be reclassified to the statement of profit or loss in subsequent periods:						
Foreign currency translation reserve movement	–	65	–	65	–	65
Total comprehensive income for the period	400	65	4 388	4 853	909	5 762
Year ended 30 June 2023 (Restated[1])						
Profit for the year	–	–	8 080	8 080	1 242	9 322
Total other comprehensive income	1 597	151	–	1 748	–	1 748
Other comprehensive loss that will not be reclassified to the statement of profit or loss in subsequent periods:						
Net impact of revaluation of listed investment	1 597	–	–	1 597	–	1 597
Revaluation of listed investment[2]	2 037	–	–	2 037	–	2 037
Deferred tax on above	(440)	–	–	(440)	–	(440)
Other comprehensive income that may be reclassified to the statement of profit or loss in subsequent periods:						
Foreign currency translation reserve movement	–	151	–	151	–	151
Total comprehensive income for the year	1 597	151	8 080	9 828	1 242	11 070

[1] *Comparative information has been restated. Refer note 15 for more detail.*

[2] *The share price of Harmony Limited at 31 December 2023 was R119.59, R79.25 at 30 June 2023 and R58.80 at 31 December 2022 per share. The valuation of the investment in Harmony is based on a level 1 fair value hierarchy level in terms of IFRS Accounting standards. ARM's shareholding at 31 December 2023 was 12.04% (31 December 2022: 12.08%, 30 June 2023: 12.08%).*

Group interim statement of changes in equity

			Other reserves						
	Share capital and premium Rm	Treasury shares capital Rm	Financial instruments at fair value through other comprehensive income Rm	Share-based payments Rm	Other[1] Rm	Retained earnings Rm	**Total shareholders of ARM Rm**	Non-controlling interest Rm	**Total Rm**
Six months ended 31 December 2023 (Unaudited)									
Balance at 30 June 2023	5 278	(2 405)	3 785	299	226	42 031	**49 214**	4 931	**54 145**
Total comprehensive income/(loss) for the period	–	–	2 361	–	(21)	1 216	**3 556**	(854)	**2 702**
Profit for the period	–	–	–	–	–	1 216	**1 216**	(854)	**362**
Other comprehensive income/(loss)	–	–	2 361	–	(21)	–	**2 340**	–	**2 340**
Conditional shares issued to employees	–	–	–	(123)	–	–	**(123)**	–	**(123)**
Dividend paid[2]	–	–	–	–	–	(2 353)	**(2 353)**	–	**(2 353)**
Share-based payment expense	–	–	–	75	–	–	**75**	–	**75**
Other	–	–	–	(3)	–	–	**(3)**	–	**(3)**
Balance at 31 December 2023	5 278	(2 405)	6 146	248	205	40 894	**50 366**	4 077	**54 443**
Six months ended 31 December 2022 (Unaudited restated[1])									
Balance at 30 June 2022	5 278	(2 405)	2 188	405	75	40 617	**46 158**	4 205	**50 363**
Total comprehensive income for the period	–	–	400	–	65	4 388	**4 853**	909	**5 762**
Profit for the period	–	–	–	–	–	4 388	**4 388**	909	**5 297**
Other comprehensive income	–	–	400	–	65	–	**465**	–	**465**
Conditional share issued to employees	–	–	–	(214)	–	–	**(214)**	–	**(214)**
Dividend paid[3]	–	–	–	–	–	(3 921)	**(3 921)**	–	**(3 921)**
Dividend declared to non-controlling interests	–	–	–	–	–	–	**–**	(470)	**(470)**
Share-based payment expense	–	–	–	76	–	–	**76**	–	**76**
Other	–	–	–	(25)	–	–	**(25)**	–	**(25)**
Balance at 31 December 2022	5 278	(2 405)	2 588	242	140	41 084	**46 927**	4 644	**51 571**
Year ended 30 June 2023 (Restated[1])									
Balance at 30 June 2022	5 278	(2 405)	2 188	405	75	40 617	**46 158**	4 205	**50 363**
Total comprehensive income for the year	–	–	1 597	–	151	8 080	**9 828**	1 242	**11 070**
Profit for the year 30 June 2022	–	–	–	–	–	8 080	**8 080**	1 242	**9 322**
Other comprehensive income	–	–	1 597	–	151	–	**1 748**	–	**1 748**
Conditional shares issued to employees	–	–	–	(220)	–	–	**(220)**	–	**(220)**
Dividend paid[4]	–	–	–	–	–	(6 666)	**(6 666)**	–	**(6 666)**
Dividend declared to non-controlling interests	–	–	–	–	–	–	**–**	(516)	**(516)**
Share-based payment expense	–	–	–	147	–	–	**147**	–	**147**
Other	–	–	–	(33)	–	–	**(33)**	–	**(33)**
Balance at 30 June 2023	5 278	(2 405)	3 785	299	226	42 031	**49 214**	4 931	**54 145**

[1] *Comparative information has been restated. Refer note 15 for more detail.*
[2] *Final dividend paid of 1 200 cents per share.*
[3] *Final dividend paid of 2 000 cents per share.*
[4] *Interim dividend paid of 1 400 cents per share and final dividend paid of 2 000 cents per share.*

Group interim statement of cash flows

	Notes	Unaudited six months ended 31 December 2023 Rm	Unaudited six months ended 31 December 2022 Rm	Audited year ended 30 June 2023 Rm
CASH FLOW FROM OPERATING ACTIVITIES				
Cash receipts from customers		6 638	10 809	18 697
Cash paid to suppliers and employees		(6 189)	(5 515)	(10 607)
Cash generated from operations	17	449	5 294	8 090
Interest received		461	380	840
Interest paid		(41)	(29)	(69)
Taxation paid		(302)	(1 047)	(1 517)
		567	4 598	7 344
Dividends received from joint associate		–	–	1 208
Dividends received from joint venture	6	3 000	3 500	5 000
Dividends received from investments – Harmony		56	17	17
		3 623	8 115	13 569
Dividends paid to non-controlling interests		–	(614)	(660)
Dividends paid – equity holders of ARM		(2 353)	(3 921)	(6 666)
Net cash inflow from operating activities		1 270	3 580	6 243
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of Bokoni net of cash acquired	22	–	(3 441)	(3 441)
Additions to property, plant and equipment to maintain operations		(901)	(943)	(1 995)
Additions to property, plant and equipment to expand operations		(2 192)	(869)	(2 461)
Proceeds on disposal of property, plant and equipment		2	2	6
Investment in financial assets		(634)	(544)	(724)
Proceeds from financial assets matured		689	743	1 011
Proceeds from loans		–	–	93
Net cash outflow from investing activities		(3 036)	(5 052)	(7 511)
CASH FLOW FROM FINANCING ACTIVITIES				
Cash payments to owners to acquire the entity's shares		(78)	(138)	(141)
Long-term borrowings repaid		(33)	(49)	(80)
Payments of lease liabilities		(16)	(162)	(171)
Net cash outflow from financing activities		(127)	(349)	(392)
Net decrease in cash and cash equivalents		(1 893)	(1 821)	(1 660)
Cash and cash equivalents at beginning of period		10 004	11 643	11 643
Foreign currency translation on cash balances		–	(1)	21
Cash and cash equivalents at end of year	11	8 111	9 821	10 004
Made up as follows:				
– Available		7 157	9 161	9 183
– Cash set aside for specific use		954	660	821
		8 111	9 821	10 004
Overdrafts	12	17	16	17
Cash and cash equivalents per the statement of financial position		8 128	9 837	10 021
Cash generated from operations per share (cents)		229	2 700	4 127

Notes to the group interim financial statements

for the six months ended 31 December 2023

1 STATEMENT OF COMPLIANCE

The group interim financial statements for the six months ended 31 December 2023 have been prepared in accordance with the framework concepts and the accounting policies in terms of International Financial Reporting Standards (IFRS) Accounting standards, 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 and contains the information required by International Accounting Standard (IAS) 34 *Interim financial reporting*, requirements of the Companies Act, No 71 of 2008 (Companies Act) of South Africa and the Listings Requirements of the Johannesburg Stock Exchange (JSE) Limited.

Basis of preparation

The group interim financial statements for the six months ended 31 December 2023 have been prepared on the historical cost basis, except for certain financial instruments, which include listed investments and unlisted investments that are fair valued. The accounting policies used are consistent with those in the most recent annual financial statements except for those listed below and comply with IFRS Accounting standards. The group interim financial statements for the period have been prepared under the supervision of the finance director, Ms TTA Mhlanga CA(SA).

The presentation and functional currency is the South African rand and the group interim financial statements are rounded to the nearest rand million.

Adoption of new and revised accounting standards

The group has adopted the following new and/or revised standards and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) of the International Accounting Standards Board (IASB) during the period under review. The date of initial application for the group being 1 July 2023.

Standard	Subject	Effective date
IFRS 17	*Insurance contracts*	1 January 2023
IAS 8	*Accounting policies, changes in accounting estimates and errors – Definition of accounting estimates* – amendment	1 January 2023
IAS 1 and Practice statement 2	*Presentation of financial statements – Disclosure of accounting policies* – amendment	1 January 2023
IAS 12	*Income taxes – Deferred tax related to assets and liabilities arising from a single transaction* – amendment	1 January 2023

In the group interim financial statements, the group has applied IFRS 17 for the first time. The group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The adoption of the above standards with the exception of IFRS 17 *Insurance contracts* did not have a significant effect on the group interim financial statements. The same accounting policies and methods of computation are followed in the group interim financial statements as compared with the most recent annual financial statements.

1 STATEMENT OF COMPLIANCE continued

1.1 Changes in accounting policies and disclosures

IFRS 17 *Insurance contracts*

IFRS 17 replaces IFRS 4 *Insurance contracts* for annual periods beginning on or after 1 January 2023. The group has restated comparative information for 2022 applying the full retrospective approach to transition.

In the current reporting period, the group, by virtue of consolidating Artex (previously call Mannequin) cell AVL 18, has expanded its scope of activities to include the issuance of insurance contracts, limited to instances where the underlying parties insured by AVL 18 (via Guardrisk) are not consolidated by ARM group. The adoption of IFRS 17 reflects the group's commitment to transparent and comprehensive financial reporting, aligning with international accounting standards and ensuring a more accurate representation of its financial position, performance and risk exposures. This accounting policy adjustment is in accordance with the specific circumstances arising from the consolidation of AVL 18 and its implications on the group's overall financial reporting framework.

The application of the new amendments to IFRS Accounting standards in the current year had an immaterial impact on the group's financial performance and positions for the current and prior years and/or on the disclosures set out in this consolidated financial information.

The nature of the changes in accounting policies can be summarised, as follows:

1.1.1 Changes in classification and measurement

IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the group.

The key principles of IFRS 17 are that the group:

- Identifies insurance contracts as those under which the group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder
- Separates specified embedded derivatives, distinct investment components and distinct non-insurance goods or services from insurance contracts and accounts for them in accordance with other standards
- Divides the insurance and reinsurance contracts into groups it will recognise and measure
- Recognises and measures groups of insurance contracts at:
  - A risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all available information about the fulfilment cash flows in a way that is consistent with observable market information
  - An amount representing the unearned profit in the group of contracts (the contractual service margin or CSM)
- Recognises profit from a group of insurance contracts over the period the group provides insurance coverage, as the group is released from risk. If a group of contracts is expected to be onerous (ie, lossmaking) over the remaining coverage period, the group recognises the loss immediately as part of insurance service expense.

1 STATEMENT OF COMPLIANCE continued

1.1 Changes in accounting policies and disclosures continued

1.1.2 Changes to presentation and disclosure

For presentation in the statement of financial position, the group aggregates groups of insurance and reinsurance contracts issued and reinsurance contracts held and presents separately:
- Groups of insurance and reinsurance contracts issued that are assets
- Groups of reinsurance contracts held that are assets
- Groups of insurance contracts and reinsurance contracts issued that are liabilities
- Groups of reinsurance contracts held that are liabilities.

The groups referred to above are those established at initial recognition in accordance with the IFRS 17 requirements (IFRS 17.14-24).

The line item descriptions in the statement of profit or loss and other comprehensive income have been changed significantly compared with last year to incorporate the adoption of IFRS 17. IFRS 17 requires separate presentation of:
- Insurance revenue
- Insurance service expense
- Net expenses from reinsurance contracts held
- Net finance expenses from insurance contracts held
- Net finance expenses from reinsurance contracts held.

The group provides disaggregated qualitative and quantitative information in the notes to the financial statements about:
- The amounts recognised in its financial statements from insurance contracts
- Significant judgements, and changes in those judgements, made when applying the standard.

1.1.3 Transition

On transition date, 1 July 2023, the group:
- Had identified, recognised and measured each group of insurance contracts as if IFRS 17 had always applied
- Derecognised any existing balances that would not exist had IFRS 17 always applied
- Recognised any resulting net difference in equity.

1.2 Significant accounting policies

Summary of significant accounting policies for insurance contracts

1.2.1 Summary of measurement methods

The group issues the following contracts that are accounted for using different measurement methods:

The gross insurance side of AVL 18's business emanates from the transfer of contracts from the Guardrisk cell, culminating in a singular contract that spans across various "products" or subsections of cover. This contract is designed to cover diverse aspects of AVL 18's offerings. The inward business will be modelled using the Premium Allocation Approach (PAA) under IFRS 17. This approach allows for a streamlined representation of the coverage across all products, contributing to enhanced clarity and coherence in financial reporting.

On the reinsurance side, there is a single complex contract extending until 2026. There is an annual review possibility, despite the contractual term spanning four to five years. Given the nature of the reinsurance contracts, particularly the Hannover Re contract, the eligibility for PAA treatment is substantiated primarily on the grounds of coverage period. The ability to review and reprice annually fortifies the argument for PAA eligibility other reinsurance contracts automatically qualify, as none contain contract terms exceeding 12 months.

1 STATEMENT OF COMPLIANCE continued

1.2 Significant accounting policies continued

1.2.2 Definitions and classifications

Contracts are classified as insurance contracts when the group assumes significant insurance risk by agreeing to compensate the policyholder if a specified uncertain future event adversely affects them. The AVL 18 and Guardrisk arrangements are assessed for the transfer of significance of insurance risk. Applying this to the AVL 18 and Guardrisk arrangements:

- Even if a reinsurance contract does not expose the issuer to the possibility of a significant loss, that contract is deemed to transfer significant insurance risk if it transfers to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts.

  AVL 18 currently insures one underlying umbrella insurance contract, which consists of multiple insured parties/policyholders. The substance of this results in multiple insurance policies. Therefore, there are scenarios under which "additional amounts" could be payable, notwithstanding that overall AVL 18 cannot ever suffer a loss. As a result, AVL 18 does issue insurance contracts as defined in IFRS Accounting standards.

- The Guardrisk cell captive arrangement does not meet the definition of an insurance contract and is accounted for as financial liabilities measured at fair value through profit or loss (FVTPL) under IFRS 9.

The group holds reinsurance contracts to mitigate certain risk exposure. These are facultative reinsurance contracts. A reinsurance contract is an insurance contract issued by a reinsurer to compensate the group for claims arising from one or more insurance contracts issued by the group.

1.2.3 Separating components from insurance and reinsurance contracts

Some insurance contracts issued by the group have several components in addition to the provision of the insurance coverage service, such as an investment component, an investment management service, an embedded derivative and a provision of some other distinct goods or non-insurance services.

The group assesses its products to determine whether some of these components are distinct and need to be separated and accounted for applying other standards. When these non-insurance components are non-distinct, they will be accounted for together with the insurance component as part of the accounting for an insurance contract.

Separating investment components

In assessing whether an investment component is distinct, the group considers whether the investment and insurance components are not highly inter-related and a contract with equivalent terms to the investment component is sold (or could be sold) separately in the same market or in the same jurisdiction by other entities (including entities issuing insurance contracts).

In determining whether investment and insurance components are highly inter-related, the group assesses whether it is unable to measure one component without considering the other and the policyholder is unable to benefit from one component unless the other component is present, ie whether cancelling one component also terminates the other.

The funds withheld by the group primarily serve as a risk mitigation strategy rather than constituting a distinct investment component. These funds are predominantly held to cover potential liabilities arising from insurance contracts and are not allocated for investment purposes independently. The decision to retain funds is aligned with the group's prudent approach to managing risk exposure and ensuring adequate resources are available to meet potential claim obligations. As such, the funds withheld are integral to the overall risk management framework of the group and are not treated as a distinct investment component in the context of the annual financial statements. The group has not identified any distinct investment components.

The group applies IFRS 17 to account for non-distinct investment components as part of its insurance contracts.

1 STATEMENT OF COMPLIANCE continued

1.2 Significant accounting policies continued

1.2.4 Level of aggregation

The group identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance contracts into portfolios, the group considers the similarity of risks rather than the specific labelling of the product lines. The group determines that all contracts within each product line, as defined for management purposes, have similar risks and, therefore, represent a portfolio of contracts when they are managed together.

Each portfolio is subdivided into groups of contracts to which the recognition and measurement requirements of IFRS 17 are applied. At initial recognition, the group segregates contracts based on when they were issued. A portfolio contains all contracts that were issued within a 12-month period. Each portfolio is then further disaggregated into three groups of contracts:
(a) Contracts that are onerous on initial recognition
(b) Contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently
(c) Any remaining contracts in the portfolio.

In determining the appropriate group, the group measures a set of contracts together using reasonable and supportable information. The group applies significant judgement in determining at what level of granularity it has sufficient information to conclude that all contracts within a set will be in the same group. In the absence of such information the group assesses each contract individually.

The determination of whether a contract or a group of contracts is onerous is based on the expectations as at the date of initial recognition, with fulfilment cash flow expectations determined on a probability-weighted basis. The group determines the appropriate level at which reasonable and supportable information is available to assess whether the contracts are onerous at initial recognition and whether the contracts not onerous at initial recognition have a significant possibility of becoming onerous subsequently.

Reinsurance contracts held are assessed separately from underlying insurance contracts issued. The group disaggregates a portfolio of its reinsurance contracts held into three groups of contracts:
(a) those that on initial recognition have a net gain
(b) those that on initial recognition have a net cost that is not immediately recognised in profit or loss
(c) those that on initial recognition have a net cost that is immediately recognised in profit or loss.

1.2.5 Recognition

The group recognises groups of insurance contracts issued from the earliest of the following dates:
(a) The beginning of the coverage period of the group of contracts
(b) The date when the first payment from a policyholder in the group becomes due (in the absence of a contractual due date, this is deemed to be when the first payment is received)
(c) When the group determines that a group of contracts becomes onerous.

The group recognises only contracts issued within a one-year period meeting the recognition criteria by the reporting date. Subject to this limit, a group of insurance contracts can remain open after the end of the current reporting period and new contracts are included to the group when they meet the recognition criteria in subsequent reporting periods until such time that all contracts expected to be included within the group have been recognised.

1 STATEMENT OF COMPLIANCE continued

1.2 Significant accounting policies continued

1.2.6 Contract boundaries

The group includes in the measurement of a group of insurance contracts all the future cash flows expected to arise within the boundary of each of the contract in the group.

The group estimates expected future cash flows for a group of contracts at a portfolio level and then allocates them to the group using a systematic and rational basis.

In determining which cash flows fall within a contract boundary, the group considers its substantive rights and obligations arising from the terms of the contract, and also from applicable laws and regulations. The group determines that cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period in which the group can compel the policyholder to pay the premiums or the group has a substantive obligation to provide the policyholder with services. A substantive obligation to provide services ends when:

- The group has the practical ability to reassess the risks of a particular policyholder and as a result change the price charged or the level of benefits provided for the price to fully reflect the new level of risk or
- The boundary assessment is performed at a portfolio rather than individual contract level, there are two criteria that both need to be satisfied: the group must have the practical ability to reprice the portfolio to fully reflect risk from all policyholders and the group's pricing must not take into account any risks beyond the next reassessment date.

In determining whether all the risks have been reflected either in the premium or in the level of benefits, the group considers all risks that policyholders would transfer had it issued the contracts (or portfolio of contracts) at the reassessment date. Similarly, the group concludes on its practical ability to set a price that fully reflects the risks in the contract or portfolio at a renewal date by considering all the risks that it would assess when underwriting equivalent contracts on the renewal date for the remaining coverage. The assessment on the group's practical ability to reprice existing contracts takes into account all contractual, legal and regulatory restrictions. In doing so, the group disregards restrictions that have no commercial substance. The group also considers the impact of market competitiveness and commercial considerations on its practical ability to price new contracts and repricing existing contracts. Judgement is required to decide whether such commercial considerations are relevant in concluding as to whether the practical ability exists at the reporting date.

Insurance contracts have a contract boundary of 12 months in line with the duration of the contractual terms.

1.2.7 Measurement of insurance contracts issued

The group applies the PAA to the measurement of insurance contracts.

On initial recognition, the group measures the Liability for Remaining Coverage (LRC) at the amount of premiums received in cash. The group applies the policy of amortising insurance acquisition cash flows over the contract's coverage period.

The carrying amount of the LRC at the end of each subsequent reporting period represents the carrying amount at the start of the reporting period adjusted for the following:

(i) The premiums received in the period and the amount recognised as insurance revenue for insurance contract services provided in that period
(ii) Any adjustment to a financing component and any investment component paid or transferred to the liability for incurred claims.

The group has determined that there is no significant financing component and therefore does not discount the liability for remaining coverage to reflect the time value of money and financial risk for such insurance contracts.

1 STATEMENT OF COMPLIANCE continued

1.2 Significant accounting policies continued

1.2.7 Measurement of insurance contracts issued continued

The carrying amount of the Liability for Incurred Claims (LIC) comprises the fulfilment cash flows for settling the claims and expenses related to claims reported and incurred but not yet reported at the reporting date. For those claims that the group expects to be paid within one year or less from the date of incurring, the group does not adjust future cash flows for the time value of money and the effect of financial risk. However, claims expected to take more than one year to settle are discounted.

Applying the PAA, the insurance revenue is measured at the amount allocated from the expected premium receipts excluding any investment component. The allocation is done on the basis of the passage of time. The group applies judgement in determining the basis of allocation.

If facts and circumstances lead the group to believe that a group under PAA has become onerous, the group tests it for onerousness. If the amount of the fulfilment cash flows exceeds the carrying amount of the LRC, the group recognise a loss in profit or loss and increases the LRC for the corresponding amount.

The group considers an insurance contract to be onerous if at any time during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous.

The group calculates the difference between:
- The carrying amount of the liability for remaining coverage
- The fulfilment cash flows that relate to remaining coverage of the group.

To the extent that the fulfilment cash flows described above exceed the carrying amount, the group recognises a loss in profit or loss and an increase in the LRC.

1.2.8 Reinsurance contracts held

The group uses facultative reinsurance to mitigate some of its risks exposures. Reinsurance contracts held are accounted under IFRS 17 when they meet the definition of an insurance contract, which includes the condition that the contract must transfer significant insurance risk.

Reinsurance contracts transfer significant insurance risk only if they transfer to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts, even if a reinsurance contract does not expose the issuer (reinsurer) to the possibility of a significant loss. The effect of non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

Reinsurance contracts held are accounted for separately from underlying insurance contracts issued and are assessed on an individual contract basis. In aggregating reinsurance contracts held, the group applies the general approach and disaggregates a portfolio of its reinsurance contracts held into three groups of contracts:
(a) Contracts that on initial recognition have a net gain
(b) Contracts that, on initial recognition, have no significant possibility of resulting in a net gain subsequently
(c) Any remaining reinsurance contracts held in the portfolio.

The group recognises a group of non-proportional reinsurance contracts at the earliest of the beginning of the coverage period of the group or the date an underlying onerous group of contracts is recognised. Cash flows are within the boundary of a reinsurance contract held, if they arise from the substantive rights and obligations of the cedant that exist during the reporting period in which the group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

1 STATEMENT OF COMPLIANCE continued

1.2 Significant accounting policies continued

1.2.8 Reinsurance contracts held continued

The boundary of a reinsurance contract held includes cash flows resulting from the underlying contracts covered by the reinsurance contract. This includes cash flows from insurance contracts that are expected to be issued by the group in the future if these contracts are expected to be issued within the boundary of the reinsurance contract held. Reinsurance contracts held have a contract boundary of 12 months due to the cancellation clause and ability to reprice annually.

The group measures reinsurance contracts held under the PAA, the initial measurement of the asset equals the reinsurance premium paid. The group measures the amount relating to remaining service by allocating the premium paid over the coverage period of the group. For all reinsurance contracts held the allocation is based on the passage of time.

1.2.9 Modification and derecognition

If the contract modification meets any of the conditions, the group performs all assessments applicable at initial recognition, derecognises the original contract and recognises the new modified contract as if it was entered for the first time.

If the contract modification does not meet any of the conditions, the group treats changes in cash flows caused by a modification as changes in estimates of fulfilment cash flows.

For insurance contracts accounted for applying the PAA, the group adjusts insurance revenue prospectively from the time of the contract modification for a change in estimates of the fulfilment cash flows.

The group derecognises an insurance contract when, and only when the contract is:
- Extinguished (when the obligation specified in the insurance contract expires or is discharged or cancelled) or
- Modified and derecognition criteria are met.

When the group derecognises an insurance contract from within a group of contracts, the group:
- Adjusts the free cash flow (FCF) allocated to the group to eliminate the present value of the future cash flows and risk adjustment for non-financial risk relating to the rights and obligations that have been derecognised from the group.

1.2.10 Presentation

The group has presented separately in the consolidated statement of financial position the carrying amount of portfolios of insurance contracts that are assets and those that are liabilities, portfolio of reinsurance contracts held that are assets and those that are liabilities.

The group disaggregates the amounts recognised in the consolidated statement of profit or loss and other comprehensive income into an insurance service result comprising insurance revenue and insurance service expenses, and insurance finance income or expenses.

The group includes any assets for insurance acquisition cash flows recognised before the corresponding groups of insurance contracts are recognised in the carrying amount of the related portfolios of insurance contracts issued.

The group does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

1 STATEMENT OF COMPLIANCE continued

1.2 Significant accounting policies continued

1.2.10 Presentation continued

Insurance revenue

As the group provides insurance services under a group of insurance contracts issued, it reduces its LRC and recognises insurance revenue, which is measured at the amount of consideration the group expects to be entitled to in exchange for those services.

When applying the PAA, the group recognises insurance revenue for the period based on the passage of time by allocating premium receipts including premium experience adjustments to each period of service.

At the end of each reporting period, the group considers whether there was a change in facts and circumstances indicating a need to change, on a prospective basis, the premium receipt allocation due to change in the expected pattern of claim occurrence for new and existing groups.

Insurance service expense

Insurance service expense arising from group insurance contracts issued comprise:

- Changes in the LIC due to claims and expenses incurred in the period excluding repayment of investment components
- Other directly attributable expenses
- Changes in the LIC due to claims and expenses incurred in prior periods (related to past service)
- Amortisation of insurance acquisition cash flows, which is recognised at the same amount in both insurance service expenses and insurance contract revenue
- Loss component of onerous groups of contracts initially recognised in the period.

Income or expenses from reinsurance contacts held

The group presents income or expenses from a group of reinsurance contracts held and insurance finance income or expenses in profit or loss for the period separately. Income or expenses from reinsurance contracts held are split into the following two amounts:

- Amount recovered from reinsurer
- An allocation of the reinsurance premium paid, provided together they equal total income or expenses from reinsurance contracts held.

The group presents cash flows that are contingent on claims as part of the amount recovered from reinsurer. Ceding commissions that are not contingent on claims of the underlying contracts are presented as a reduction in the premiums to be paid to the reinsurer.

Insurance finance income or expense

Insurance finance income or expense presents the effect of the time value of money and the change in the time value of money, together with the effect of financial risk and changes in financial risk.

1.2.11 Transition

The group has adopted IFRS 17 retrospectively, applying the fully retrospective approach. The group identified, recognised and measured each group of insurance contracts as if IFRS 17 had always applied, derecognised any existing balances that would not exist had IFRS 17 always been applied and recognised any resulting net difference in equity.

1 STATEMENT OF COMPLIANCE continued

1.3 Critical accounting judgements and key sources of estimation uncertainty

The directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately following), that the directors have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in financial statements:

Assessment of significance of insurance risk: The group applies its judgement in assessing whether a contract transfers to the issuer significant insurance risk. A contract transfers significant insurance risk only if an insured event could cause the group to pay additional amounts that are significant in any single scenario and only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis upon an occurrence of the insured event, regardless of whether the insured event is extremely unlikely. The assessment of whether additional amounts payable on occurrence of insured event are significant and whether there is any scenario with commercial substance in which the issuer has a possibility of a loss on a present value basis involves significant judgement and is performed at initial recognition on a contract-by-contract basis.

Separation of insurance contracts into components from insurance contracts: The group issues some insurance contracts that combine protection for the policyholder against different types of insurance risks in a single contract. IFRS 17 does not require or permit separating insurance components of an insurance contract unless the legal form of a single contract does not reflect the substance of its contractual rights and obligations. Overriding the "single contract" unit of account presumption involves significant judgement and is not an accounting policy choice. In determining whether a legal contract does not reflect its substance such that separate insurance elements are required to be recognised, the group considers the interdependency between the different risks covered, the ability of all components to lapse independently of each other and the ability to price and sell the components separately.

Consideration of whether there are investment components: The group considers all the terms of the contracts it issues to determine whether there are amounts payable to policyholder in all circumstances, regardless of contract cancellation, maturity, and the occurrence or non-occurrence of insured event. Some amounts, once paid by policyholder, are repayable to policyholder in all circumstances. The group considers such payments to meet the definition of investment component, notwithstanding that the amount repayable varies over the term of the contract as it is repayable only after it has first been paid by the policyholder.

1 STATEMENT OF COMPLIANCE continued

1.3 Critical accounting judgements and key sources of estimation uncertainty continued

Critical judgements in applying the group's accounting policies continued

Determination of contract boundary: The measurement of a group insurance contracts includes all the future cash flows arising within the contract boundary. In determining which cash flows fall within a contract boundary, the group considers its substantive rights and obligations arising from the terms of the contract, and also from applicable law and regulation. Cash flows are considered to be outside of the contract boundary if the group has practical ability to reprice existing contracts to reflect their reassessed risks and if the contract's pricing for coverage up to the date of reassessment considers only the risks until that next reassessment date. The group applies its judgement in assessing whether it has the practical ability to set a price that fully reflects all the risks in the contract or portfolio. The group considers contractual, legal and regulatory restrictions when making its assessment. In doing so, the group disregards restrictions that have no commercial substance. The group also applies judgement to decide whether commercial considerations are relevant.

Level of aggregation: The group defines the portfolio as insurance contracts subject to similar risks and managed together. Contracts within a product line are expected to be in the same portfolio as they have similar risks and are managed together. The assessment of which risks are similar and how contracts are managed requires the exercise of judgement.

Assessment of directly attributable cash flows: The group applies judgement in assessing whether cash flows are directly attributable to a specific portfolio of insurance contracts. Insurance acquisition cash flows are included in the measurement of a group of insurance contracts only if they are directly attributable to the individual contracts in a group, or to the group itself, or the portfolio of insurance contracts to which the group belongs.

Disaggregation of changes in the risk adjustment for non-financial risk: The group does not disaggregate the risk adjustment for non-financial risk into an insurance service component and an insurance finance component, which would otherwise require a significant judgement and additional disclosure. The group presents changes in the risk adjustment for non-financial risk included in the LRC that do not relate to future service as insurance revenue and changes in the risk adjustment for non-financial risk related to current and past service as insurance service expense.

Key sources of estimation uncertainty

Technique for estimation of future cash flows

In estimating FCF included in the contract boundary, the group considers all the range of possible outcomes in an unbiased way specifying the amount of cash flows, timing and a probability of each scenario reflecting conditions existing at the measurement data, using a probability-weighted average expectation. The probability-weighted average represents the probability-weighted mean of all possible scenarios. In determining possible scenarios, the group uses all the reasonable and supportable information available to them without undue cost and effort, which includes information about past events, current conditions and future forecasts.

Cash flow estimates include both market variables directly observed in the market or derived directly from markets and non-market variables such as mortality rates, accident rates, average claim costs, probabilities of severe claims and policy surrender rates. The group maximises the use of observable inputs for market variables and utilises internally generated group-specific data. For life insurance contracts, the group uses national statistical data for estimating the mortality rates as the national statistical data is more current than internal mortality statistics.

1 STATEMENT OF COMPLIANCE continued

1.3 Critical accounting judgements and key sources of estimation uncertainty continued

Key sources of estimation uncertainty continued

Method of estimating discounts rates
In determining discount rates for different products, the group uses the bottom-up approach.

For cash flows of insurance contracts that do not depend on underlying items, the group applies the bottom-up approach. In this methodology, the discount rates are estimated based on points along the risk-free rate curve, specifically utilising the Solvency Assessment and Management (SAM) risk-free curve for the corresponding currency and duration as the cash flows of the insurance contract. No illiquidity adjustment is incorporated in this valuation process. The use of the SAM risk-free curve ensures alignment with the group's risk management strategy and provides a more accurate reflection of market conditions. The exercise of judgement in evaluating the liquidity characteristics of the group of insurance contracts remains integral to this process.

New standards issued but not yet effective

The following amendments, standards or interpretations have been issued but are not yet effective for the group. The effective date refers to periods beginning on or after, unless otherwise indicated.

Standard	Subject	Effective date
IAS 1	*Presentation of financial statements – Classification of liabilities as current or non-current* – amendments	1 January 2024
IAS 7	*Statement of cash flows – Disclosures: supplier finance arrangements*	1 January 2024
IFRS 7	*Financial instruments – Disclosures: supplier finance arrangements*	1 January 2024
IFRS 16	*Leases – Lease liability in a sale and leaseback* – amendment	1 January 2024
IAS 21	*The effects of changes in foreign exchange rates – Lack of exchangeability* – amendments	1 January 2025

The group does not intend early adopting any of the above amendments or standards.

ARM continuously evaluates the impact of these standards and amendments, the adoption of which are not expected to have a significant effect on the group financial results.

2 SEGMENTAL INFORMATION

Primary segmental information

For management purposes, the group is organised into operating divisions. The operating divisions are ARM Platinum (which includes platinum and nickel), ARM Ferrous, ARM Coal and ARM Corporate (which includes Corporate, Machadodorp Works, Gold and other) in the table below.

Attributable	ARM Platinum[1] Rm	ARM Ferrous[2] Rm	ARM Coal Rm	ARM Corporate Rm	Total Rm	IFRS adjust-ment[3] Rm	Total per IFRS financial statements Rm
2.1 Six months ended 31 December 2023 (Unaudited)							
Sales	4 628	11 185	1 187	–	17 000	(11 185)	5 815
Cost of sales	(4 317)	(6 272)	(891)	37	(11 443)	6 237	(5 206)
Other operating income	81	24	13	820	938	17	955
Insurance revenue	–	–	–	22	22	–	22
Other operating expenses	(425)	(1 295)	(51)	(878)	(2 649)	1 295	(1 354)
Insurance service income	–	–	–	38	38	–	38
Net expenses from reinsurance contracts held	–	–	–	(58)	(58)	–	(58)
Segment result	(33)	3 642	258	(19)	3 848	(3 636)	212
Income from investments	119	233	12	410	774	(233)	541
Finance cost	(117)	(29)	(42)	29	(159)	29	(130)
Net finance expenses from insurance contracts held	–	–	–	(6)	(6)	–	(6)
Net finance expenses from reinsurance contracts held	–	–	–	(28)	(28)	–	(28)
Share of profit from associate	–	–	52	–	52	–	52
Share of profit from joint venture	–	32	–	–	32	2 495	2 527
Capital items before tax[4]	(3 332)	(403)	1	–	(3 734)	403	(3 331)
Taxation	781	(942)	(76)	(180)	(417)	942	525
(Loss)/profit after tax	(2 582)	2 533	205	206	362	–	362
Non-controlling interest	854	–	–	–	854	–	854
Consolidation adjustment[5]	–	(6)	–	6	–	–	–
Contribution to basic (losses)/earnings	(1 728)	2 527	205	212	1 216	–	1 216
Contribution to headline (losses)/earnings	(282)	2 821	204	212	2 955	–	2 955
Other information							
Segment assets, including investment in associate and joint venture	20 916	28 157	5 041	17 124	71 238	(6 836)	64 402
Investment in associate			1 899		1 899		1 899
Investment in joint venture						21 321	21 321
Segment liabilities	3 627	3 270	668	1 627	9 192	(3 270)	5 922
Unallocated liabilities – Deferred taxation and taxation					7 600	(3 566)	4 034
Consolidated total liabilities					16 792	(6 836)	9 956
Cash generated from operations	361	2 177	357	(269)	2 626	(2 177)	449
Cash inflow from operating activities	440	1 577	256	574	2 847	(1 577)	1 270
Cash outflow from investing activities	(2 812)	(879)	(193)	(31)	(3 915)	879	(3 036)
Cash outflow from financing activities	(2)	(13)	(13)	(99)	(127)	–	(127)
Capital expenditure	3 060	1 017	274	7	4 358	(1 017)	3 341
Amortisation and depreciation	460	689	105	4	1 258	(689)	569
Impairment before tax	3 332	401	–	–	3 733	(401)	3 332
EBITDA	427	4 331	363	(15)	5 106	(4 325)	781

There were no significant inter-company sales.

Segment results take into account inter-company eliminations with the exception of inter-company re-measurements.

1 *Refer note 2.4 for more detail on the ARM Platinum segment. ARM Platinum includes Bokoni Platinum Mine from 1 September 2022 (refer note 22).*
2 *Refer note 2.7 and note 6 for more detail on the ARM Ferrous segment.*
3 *Includes IFRS 11 Joint arrangements – adjustments related to ARM Ferrous.*
4 *Refer note 13 for more detail.*
5 *Relates to capitalised fees in ARM Ferrous.*

2 SEGMENTAL INFORMATION continued

Attributable	ARM Platinum[1] Rm	ARM Ferrous[2] Rm	ARM Coal Rm	ARM Corporate Rm	Total Rm	IFRS adjustment[3] Rm	Total per IFRS financial statements Rm
2.2 Six months ended 31 December 2022 (Unaudited restated[4])							
Sales	7 147	9 320	1 545	52	18 064	(9 320)	8 744
Cost of sales	(3 638)	(5 565)	(668)	(25)	(9 896)	5 528	(4 368)
Other operating income	104	214	29	621	968	(171)	797
Insurance revenue	–	–	–	41	41	–	41
Other operating expenses	(506)	(921)	(109)	(833)	(2 369)	921	(1 448)
Insurance service expenses	–	–	–	(36)	(36)	–	(36)
Net expenses from reinsurance contracts held	–	–	–	(4)	(4)	–	(4)
Segment result	3 107	3 048	797	(184)	6 768	(3 042)	3 726
Income from investments	106	183	7	306	602	(183)	419
Finance cost	(50)	(19)	(59)	1	(127)	19	(108)
Net finance expenses from insurance contracts held	–	–	–	(4)	(4)	–	(4)
Net finance expenses from reinsurance contracts held	–	–	–	(17)	(17)	–	(17)
Share of profit from associate	–	–	888	–	888	–	888
Share of profit from joint venture	–	178	–	–	178	1 504	1 682
Capital items before tax[5]	54	(1 093)	–	–	(1 039)	1 093	54
Taxation	(925)	(611)	(229)	(187)	(1 952)	609	(1 343)
Profit/(loss) after tax	2 292	1 686	1 404	(85)	5 297	–	5 297
Non-controlling interest	(908)	–	–	(1)	(909)	–	(909)
Consolidation adjustment[6]	–	(4)	–	4	–	–	–
Contribution to basic earnings/(losses)	1 384	1 682	1 404	(82)	4 388	–	4 388
Contribution to headline earnings/(losses)	1 330	2 520	1 404	(82)	5 172	–	5 172
Other information							
Segment assets, including investment in associate and joint venture	21 414	26 475	5 801	12 835	66 525	(6 094)	60 431
Investment in associate			2 936		2 936		2 936
Investment in joint venture						20 381	20 381
Segment liabilities	2 615	2 401	655	1 836	7 507	(2 401)	5 106
Unallocated liabilities – Deferred taxation and taxation					7 447	(3 693)	3 754
Consolidated total liabilities					14 954	(6 094)	8 860
Cash generated from operations	3 670	2 823	1 640	(16)	8 117	(2 823)	5 294
Cash inflow/(outflow) from operating activities	2 448	2 482	1 483	(351)	6 062	(2 482)	3 580
Cash (outflow)/inflow from investing activities	(5 067)	(1 026)	(155)	170	(6 078)	1 026	(5 052)
Cash outflow from financing activities	(23)	(2)	(139)	(185)	(349)	–	(349)
Capital expenditure	1 715	1 039	232	5	2 991	(1 039)	1 952
Amortisation and depreciation	340	578	102	8	1 028	(578)	450
Impairment loss before tax	–	1 090	–	–	1 090	(1 090)	–
EBITDA	3 447	3 626	899	(176)	7 796	(3 620)	4 176

There were no significant inter-company sales.

Segment results take into account inter-company eliminations with the exception of inter-company re-measurements.

1 *Refer note 2.5 for more detail on the ARM Platinum segment. ARM Platinum includes Bokoni Platinum Mine from 1 September 2022 (refer note 22).*
2 *Refer note 2.8 and note 6 for more detail on the ARM Ferrous segment.*
3 *Includes IFRS 11 Joint arrangements – adjustments related to ARM Ferrous.*
4 *Comparative information has been restated. Refer note 15 for more detail.*
5 *Refer note 13 for more detail.*
6 *Relates to capitalised fees in ARM Ferrous.*

2 SEGMENTAL INFORMATION continued

Attributable	ARM Platinum[1] Rm	ARM Ferrous[2] Rm	ARM Coal Rm	ARM Corporate Rm	Total Rm	IFRS adjust-ment[3] Rm	Total per IFRS financial statements Rm
2.3 Year ended 30 June 2023 (Restated[4])							
Sales	11 857	20 179	2 689	116	34 841	(20 179)	14 662
Cost of sales	(7 298)	(11 822)	(1 475)	42	(20 553)	11 717	(8 836)
Other operating income	208	454	31	1 408	2 101	(346)	1 755
Insurance revenue	–	–	–	64	64	–	64
Other operating expenses[5]	(965)	(1 922)	(193)	(1 474)	(4 554)	1 922	(2 632)
Insurance service expenses	–	–	–	(37)	(37)	–	(37)
Net expenses from reinsurance contracts held	–	–	–	(23)	(23)	–	(23)
Segment result	3 802	6 889	1 052	96	11 839	(6 886)	4 953
Income from investments	256	415	17	595	1 283	(415)	868
Finance cost	(120)	(45)	(123)	1	(287)	45	(242)
Net finance expenses from insurance contracts held	–	–	–	(4)	(4)	–	(4)
Net finance expenses from reinsurance contracts held	–	–	–	(40)	(40)	–	(40)
Share of profit from associate	–	–	1 007	–	1 007	–	1 007
Share of profit from joint venture	–	206	–	–	206	4 351	4 557
Capital items before tax[6]	53	(1 269)	2	1	(1 213)	1 269	56
Taxation	(1 232)	(1 637)	(407)	(193)	(3 469)	1 636	(1 833)
Profit after tax	2 759	4 559	1 548	456	9 322	–	9 322
Non-controlling interest	(1 240)	–	–	(2)	(1 242)	–	(1 242)
Consolidation adjustment[7]	–	(2)	–	2	–	–	–
Contribution to basic earnings	1 519	4 557	1 548	456	8 080	–	8 080
Contribution to headline earnings	1 465	5 528	1 535	455	8 983	–	8 983
Other information							
Segment assets, including investment in associate	22 466	28 432	5 016	14 722	70 636	(6 619)	64 017
Investment in associate			1 847		1 847		1 847
Investment in joint venture						21 814	21 814
Segment liabilities	3 409	3 089	689	1 543	8 730	(3 089)	5 641
Unallocated liabilities – Deferred taxation and taxation					7 761	(3 530)	4 231
Consolidated total liabilities					16 491	(6 619)	9 872
Cash generated from operations	6 124	8 005	1 827	139	16 095	(8 005)	8 090
Cash inflow/(outflow) from operating activities	4 774	6 614	2 148	(679)	12 857	(6 614)	6 243
Cash (outflow)/inflow from investing activities	(7 610)	(2 012)	(222)	321	(9 523)	2 012	(7 511)
Cash outflow from financing activities	(24)	(6)	(146)	(222)	(398)	6	(392)
Capital expenditure	4 420	2 440	331	10	7 201	(2 440)	4 761
Amortisation and depreciation	682	1 277	187	9	2 155	(1 277)	878
Impairment loss before tax	–	1 261	–	–	1 261	(1 261)	–
EBITDA	4 484	8 166	1 239	105	13 994	(8 163)	5 831

There were no significant inter-company sales.

Segment results take into account inter-company eliminations with the exception of inter-company re-measurements.

[1] *Refer note 2.6 for more detail on the ARM Platinum segment. ARM Platinum includes Bokoni Platinum Mine from 1 September 2022 (refer note 22).*
[2] *Refer to ARM Ferrous segment note 2.9 and note 6 for more detail.*
[3] *Includes IFRS 11 Joint arrangements – adjustments related to ARM Ferrous and other consolidation adjustments.*
[4] *Comparative information has been restated. Refer note 15 for more detail.*
[5] *The re-measurement adjustment of the Harmony loan amounts to R8 million gain with no tax effect.*
[6] *Refer note 13 for more detail.*
[7] *Relates to fees capitalised in ARM Ferrous and reversed upon consolidation.*

2 SEGMENTAL INFORMATION continued

Additional information

The ARM Platinum segment is analysed further into Nkomati, Two Rivers Platinum Proprietary Limited and ARM Platinum Proprietary Limited which includes 50% of the Modikwa Platinum Mine and 100% of the Bokoni Platinum Mine.

Attributable	Two Rivers Rm	Modikwa Rm	Bokoni[1] Rm	Nkomati Rm	ARM Platinum total Rm
2.4 Six months ended 31 December 2023 (Unaudited)					
Sales	3 047	1 492	89	–	**4 628**
Cost of sales	(2 595)	(1 501)	(221)	–	**(4 317)**
Other operating income	47	33	1	–	**81**
Other operating expenses	(109)	(72)	(204)	(40)	**(425)**
Segment result	390	(48)	(335)	(40)	**(33)**
Income from investments	51	60	2	6	**119**
Finance costs	(15)	(54)	(8)	(40)	**(117)**
Capital items before tax (refer note 13)	(2 712)	(620)	–	–	**(3 332)**
Taxation	610	171	–	–	**781**
Loss after tax	(1 676)	(491)	(341)	(74)	**(2 582)**
Non-controlling interest	770	84	–	–	**854**
Contribution to losses	(906)	(407)	(341)	(74)	**(1 728)**
Contribution to headline earnings/(losses)	164	(31)	(341)	(74)	**(282)**
Other information					
Segment and consolidated assets	10 686	4 808	5 261	161	**20 916**
Segment liabilities	1 311	1 165	240	911	**3 627**
Cash inflow/(outflow) from operating activities	799	364	(686)	(37)	**440**
Cash outflow from investing activities	(1 894)	(260)	(658)	–	**(2 812)**
Cash outflow from financing activities	(2)	–	–	–	**(2)**
Capital expenditure	1 894	508	658	–	**3 060**
Amortisation and depreciation	296	79	85	–	**460**
Impairment loss before tax	2 712	620	–	–	**3 332**
EBITDA	686	31	(250)	(40)	**427**

[1] *ARM (through ARM Platinum) acquired Bokoni Platinum Mine on 1 September 2022 (refer note 22).*

2 SEGMENTAL INFORMATION continued

Additional information continued

The ARM Platinum segment is analysed further into Nkomati, Two Rivers Platinum Proprietary Limited and ARM Platinum Proprietary Limited which includes 50% of the Modikwa Platinum Mine and 100% of the Bokoni Platinum Mine.

Attributable	Two Rivers Rm	Modikwa Rm	Bokoni[1] Rm	Nkomati Rm	ARM Platinum total Rm
2.5 Six months ended 31 December 2022 (Unaudited)					
Sales	4 756	2 391	–	–	**7 147**
Cost of sales	(2 279)	(1 359)	–	–	**(3 638)**
Other operating income	54	45	4	1	**104**
Other operating expenses	(225)	(96)	(147)	(38)	**(506)**
Segment result	2 306	981	(143)	(37)	**3 107**
Income from investments	58	42	2	4	**106**
Finance costs	(13)	(6)	(9)	(22)	**(50)**
Capital items before tax (refer note 13)	(2)	–	56	–	**54**
Taxation	(649)	(276)	–	–	**(925)**
Profit/(loss) after tax	1 700	741	(94)	(55)	**2 292**
Non-controlling interest	(782)	(126)	–	–	**(908)**
Contribution to basic earnings/(losses)	918	615	(94)	(55)	**1 384**
Contribution to headline earnings/(losses)	920	615	(150)	(55)	**1 330**
Other information					
Segment and consolidated assets	12 228	5 202	3 826	158	**21 414**
Segment liabilities	1 244	465	140	766	**2 615**
Cash inflow/(outflow) from operating activities	1 974	609	(89)	(46)	**2 448**
Cash outflow from investing activities	(1 304)	(322)	(3 441)	–	**(5 067)**
Cash outflow from financing activities	(2)	(21)	–	–	**(23)**
Capital expenditure	1 332	321	62	–	**1 715**
Amortisation and depreciation	265	75	–	–	**340**
EBITDA	2 571	1 056	(143)	(37)	**3 447**

[1] *ARM (through ARM Platinum) acquired Bokoni Platinum Mine on 1 September 2022 (refer note 22).*

2 SEGMENTAL INFORMATION continued

The ARM Platinum segment is analysed further into Nkomati, Two Rivers Platinum Proprietary Limited and ARM Platinum Proprietary Limited which includes 50% of the Modikwa Platinum Mine and 100% of the Bokoni Platinum Mine.

Attributable	Two Rivers Rm	Modikwa Rm	Bokoni[1] Rm	Nkomati Rm	ARM Platinum total Rm
2.6 For the year ended 30 June 2023 (Audited)					
Sales	7 896	3 961	–	–	11 857
Cost of sales	(4 612)	(2 686)	–	–	(7 298)
Other operating income	103	97	7	1	208
Other operating expenses	(263)	(136)	(396)	(170)	(965)
Segment result	3 124	1 236	(389)	(169)	3 802
Income from investments	129	109	8	10	256
Finance costs	(42)	(4)	(25)	(49)	(120)
Capital items before tax (refer note 13)	(3)	–	56	–	53
Taxation	(876)	(354)	–	(2)	(1 232)
Profit/(loss) after tax	2 332	987	(350)	(210)	2 759
Non-controlling interest	(1 072)	(168)	–	–	(1 240)
Contribution to basic earnings/(losses)	1 260	819	(350)	(210)	1 519
Contribution to headline earnings/(losses)	1 262	819	(406)	(210)	1 465
Other information					
Segment and consolidated assets	13 025	4 832	4 440	169	22 466
Segment liabilities	1 368	758	412	871	3 409
Unallocated liabilities (tax and deferred tax)					2 775
Consolidated total liabilities					6 184
Cash inflow/(outflow) from operating activities	3 908	1 327	(365)	(96)	4 774
Cash (outflow)/inflow from investing activities	(3 128)	(561)	(3 922)	1	(7 610)
Cash outflow from financing activities	(4)	(20)	–	–	(24)
Capital expenditure	3 167	561	692	–	4 420
Amortisation and depreciation	534	136	12	–	682
EBITDA	3 658	1 372	(377)	(169)	4 484

[1] *ARM (through ARM Platinum) acquired Bokoni Platinum Mine on 1 September 2022 (refer note 22).*

2 SEGMENTAL INFORMATION continued

Analysis of the ARM Ferrous segment

	Iron ore division Rm (at 100% basis)	Manganese division Rm (at 100% basis)	ARM Ferrous total Rm (at 100% basis)	ARM share Rm	IFRS adjustment[1] Rm	Total per IFRS financial statements Rm
2.7 Six months ended 31 December 2023 (Unaudited)						
Sales	15 226	7 144	22 370	11 185	(11 185)	–
Cost of sales	(6 408)	(6 136)	(12 544)	(6 272)	6 272	–
Other operating income	17	31	48	24	(24)	–
Other operating expenses	(1 621)	(969)	(2 590)	(1 295)	1 295	–
Segment result	7 214	70	7 284	3 642	(3 642)	–
Income from investments	436	30	466	233	(233)	–
Finance costs	(34)	(24)	(58)	(29)	29	–
Share of profit from joint venture	–	64	64	32	(32)	–
Capital items before tax[2]	(801)	(5)	(806)	(403)	403	–
Taxation	(1 836)	(48)	(1 884)	(942)	942	–
Profit after tax	4 979	87	5 066	2 533	(2 533)	–
Consolidation adjustment[3]				(6)	6	–
Contribution to basic earnings and total comprehensive income	4 979	87	5 066	2 527	–	2 527
Contribution to headline earnings	5 563	91	5 654	2 821	–	2 821
Other information						
Segment assets	35 404	22 630	58 034	28 157	(6 836)	21 321
Segment liabilities	7 526	6 629	14 155	3 270	(3 270)	–
Cash (outflow)/inflow from operating activities[4]	(3 078)	232	(2 846)	1 577	(1 577)	–
Cash outflow from investing activities	(1 080)	(678)	(1 758)	(879)	879	–
Cash outflow from financing activities	(13)	(13)	(26)	(13)	13	–
Capital expenditure	1 267	853	2 120	1 017	(1 017)	–
Amortisation and depreciation	913	532	1 445	689	(689)	–
EBITDA	8 127	602	8 729	4 331	(4 331)	–
Additional information for ARM Ferrous at 100%						
Non-current assets						
Property, plant and equipment			31 412		(31 412)	–
Investment in joint venture			2 599		(2 599)	–
Other non-current assets			2 700		(2 700)	–
Current assets						
Inventories			5 511		(5 511)	–
Trade and other receivables			10 725		(10 725)	–
Financial assets			250		(250)	–
Cash and cash equivalents			5 246		(5 246)	–
Non-current liabilities						
Other non-current liabilities			9 004		(9 004)	–
Current liabilities						
Trade and other payables			4 545		(4 545)	–
Short-term provisions			837		(837)	–
Other current liabilities			49		(49)	–
Taxation			131		(131)	–

[1] *Includes consolidation and IFRS 11* Joint arrangements *– adjustments.*
[2] *Refer note 13 for more detail.*
[3] *Includes consolidation adjustment for capitalised fees.*
[4] *Iron ore division includes dividend paid amounting to R3 billion included in cash flows from operating activities.*

Refer note 2.1 and note 6 for more detail on the ARM Ferrous segment.

2 SEGMENTAL INFORMATION continued

Analysis of the ARM Ferrous segment continued

	Iron ore division Rm	Manganese division Rm	ARM Ferrous total Rm	ARM share Rm	IFRS adjustment[1] Rm	Total per IFRS financial statements Rm
	at 100% basis					
2.8 Six months ended 31 December 2022 (Unaudited)						
Sales	10 779	7 861	18 640	9 320	(9 320)	–
Cost of sales	(5 682)	(5 448)	(11 130)	(5 565)	5 565	–
Other operating income	71	423	494	214	(214)	–
Other operating expenses	(929)	(979)	(1 908)	(921)	921	–
Segment result	4 239	1 857	6 096	3 048	(3 048)	–
Income from investments	348	18	366	183	(183)	–
Finance costs	(23)	(16)	(39)	(19)	19	–
Share of profit from joint venture	–	356	356	178	(178)	–
Capital items before tax[2]	(1 816)	(370)	(2 186)	(1 093)	1 093	–
Taxation	(748)	(474)	(1 222)	(611)	611	–
Profit after tax	2 000	1 371	3 371	1 686	(1 686)	–
Consolidation adjustment[3]				(4)	4	–
Contribution to basic earnings and total comprehensive income	2 000	1 371	3 371	1 682	–	1 682
Contribution to headline earnings	3 326	1 722	5 048	2 520	–	2 520
Other information						
Segment assets	32 692	21 968	54 660	26 475	(6 094)	20 381
Segment liabilities	6 671	5 995	12 666	2 401	(2 401)	–
Cash outflow from operating activities[4]	(1 860)	(177)	(2 037)	2 482	(2 482)	–
Cash outflow from investing activities	(1 422)	(630)	(2 052)	(1 026)	1 026	–
Cash outflow from financing activities	(5)	–	(5)	(2)	2	–
Capital expenditure	1 503	665	2 168	1 039	(1 039)	–
Amortisation and depreciation	727	504	1 231	578	(578)	–
EBITDA	4 966	2 361	7 327	3 626	(3 626)	–
Additional information for ARM Ferrous at 100%						
Non-current assets						
Property, plant and equipment			30 500		(30 500)	–
Investment in joint venture			2 345		(2 345)	–
Other non-current assets			1 367		(1 367)	–
Inventories			970		(970)	–
Current assets						
Inventories			6 104		(6 104)	–
Trade and other receivables			6 436		(6 436)	–
Financial assets			347		(347)	–
Cash and cash equivalents			6 592		(6 592)	–
Non-current liabilities						
Other non-current liabilities			8 826		(8 826)	–
Current liabilities						
Trade and other payables			2 968		(2 968)	–
Short-term provisions			646		(646)	–
Other current liabilities			14		(14)	–
Taxation			211		(211)	–

1 *Includes consolidation and IFRS 11* Joint arrangements *– adjustments.*
2 *Refer note 13 for more detail.*
3 *Includes consolidation adjustment for capitalised fees.*
4 *Iron ore division includes dividend paid amounting to R3.5 billion included in cash flows from operating activities.*

Refer note 2.2 and note 6 for more detail on the ARM Ferrous segment.

2 SEGMENTAL INFORMATION continued

Analysis of the ARM Ferrous segment continued

	Iron ore division Rm (at 100% basis)	Manganese division Rm (at 100% basis)	ARM Ferrous total Rm (at 100% basis)	ARM share Rm	IFRS adjustment[1] Rm	Total per IFRS financial statements Rm
2.9 Year to 30 June 2023 (Audited)						
Sales	25 069	15 290	40 359	20 179	(20 179)	–
Cost of sales	(12 468)	(11 177)	(23 645)	(11 822)	11 822	–
Other operating income	319	773	1 092	454	(454)	–
Other operating expenses	(2 266)	(1 762)	(4 028)	(1 922)	1 922	–
Segment result	10 654	3 124	13 778	6 889	(6 889)	–
Income from investments	775	54	829	415	(415)	–
Finance costs	(48)	(42)	(90)	(45)	45	–
Share of profit from joint venture	–	414	414	206	(206)	–
Capital items before tax[2]	(2 124)	(415)	(2 539)	(1 269)	1 269	–
Taxation	(2 491)	(782)	(3 273)	(1 637)	1 637	–
Profit after tax	6 766	2 353	9 119	4 559	(4 559)	–
Consolidation adjustment[3]				(2)	2	–
Contribution to basic earnings	6 766	2 353	9 119	4 557	–	4 557
Contribution to headline earnings	8 316	2 744	11 060	5 528	–	5 528
Other information						
Consolidated total assets	36 405	22 164	58 569	28 432	(6 618)	21 814
Consolidated total liabilities	8 000	5 716	13 716	3 089	(3 089)	–
Cash inflow from operating activities[4]	2 952	416	3 368	6 614	(6 614)	–
Cash outflow from investing activities	(2 919)	(1 244)	(4 163)	(2 012)	2 012	–
Cash outflow from financing activities	(11)	–	(11)	(6)	14	–
Capital expenditure	3 414	1 682	5 096	2 440	(2 440)	–
Amortisation and depreciation	1 781	982	2 763	1 277	(1 277)	–
EBITDA	1 781	982	2 763	8 166	(8 166)	–
Additional information for ARM Ferrous at 100%						
Non-current assets						
Property, plant and equipment			31 570		(31 570)	–
Investment in joint venture			2 559		(2 559)	–
Other non-current assets			2 455		(2 455)	–
Current assets						
Inventories			5 744		(5 744)	–
Trade and other receivables			6 072		(6 072)	–
Taxation			168		(168)	–
Financial assets			125		(125)	–
Cash and cash equivalents			9 877		(9 877)	–
Non-current liabilities						
Other non-current liabilities			8 863		(8 863)	–
Current liabilities						
Trade and other payables			3 876		(3 876)	–
Short-term provisions			949		(949)	–

1 *Includes consolidation and IFRS 11 Joint arrangements – adjustments.*
2 *Refer note 13 for more detail.*
3 *Includes consolidation adjustment for capitalised fees.*
4 *Dividend paid amounting to R5.5 billion included in cash flows from operating activities.*

Refer note 2.3 and note 6 for more detail on the ARM Ferrous segment.

2 SEGMENTAL INFORMATION continued

ARM Corporate as presented in the table on page 41 to 43 is analysed further into the ARM Corporate and other, Gold and Machadodorp.

	Machadodorp Works Rm	Corporate and other Rm	Gold Rm	Total ARM Corporate Rm
2.10 Six months ended 31 December 2023 (Unaudited)				
Cost of sales	–	37		**37**
Other operating income	2	818		**820**
Insurance revenue	–	22		**22**
Other operating expenses	(155)	(723)		**(878)**
Insurance service expenses	–	38		**38**
Net expenses from reinsurance contracts held	–	(58)		**(58)**
Segment result	(153)	134		**(19)**
Income from investments	–	354	56	**410**
Finance cost	(1)	30		**29**
Net finance expenses from insurance contracts held	–	(6)		**(6)**
Net finance expenses from reinsurance contracts held	–	(28)		**(28)**
Taxation	42	(222)		**(180)**
(Loss)/profit after tax	(112)	262	56	**206**
Consolidation adjustment[1]	–	6		**6**
Contribution to basic (losses)/earnings	(112)	268	56	**212**
Contribution to headline (losses)/earnings	(112)	268	56	**212**
Other information				
Segment assets	121	8 073	8 930	**17 124**
Segment liabilities	205	1 422		**1 627**
Cash (outflow)/inflow from operating activities	(211)	729	56	**574**
Cash (outflow)/inflow from investing activities	–	(31)		**(31)**
Cash outflow from financing activities	–	(99)		**(99)**
Capital expenditure	1	6		**7**
Amortisation and depreciation	–	4		**4**
EBITDA	(153)	138		**(15)**

[1] *Relates to fees capitalised in ARM Ferrous and reversed on consolidation.*

2 SEGMENTAL INFORMATION continued

2.11 Six months ended 31 December 2022 (Unaudited restated[1])

	Machadodorp Works Rm	Corporate and other Rm	Gold Rm	Total ARM Corporate Rm
Sales	52	–		**52**
Cost of sales	(69)	44		**(25)**
Other operating income	2	619		**621**
Insurance revenue	–	41		**41**
Other operating expenses	(144)	(689)		**(833)**
Insurance service expenses	–	(36)		**(36)**
Net expenses from reinsurance contracts held	–	(4)		**(4)**
Segment result	(159)	(25)		**(184)**
Income from investments	–	289	17	**306**
Finance cost	(1)	2		**1**
Net finance expenses from insurance contracts held	–	(4)		**(4)**
Net finance expenses from reinsurance contracts held	–	(17)		**(17)**
Taxation	7	(194)		**(187)**
(Loss)/profit after tax	(153)	51	17	**(85)**
Non-controlling interest	–	(1)		**(1)**
Consolidation adjustment[2]	–	4		**4**
Contribution to basic (losses)/earnings	(153)	54	17	**(82)**
Contribution to headline (losses)/earnings	(153)	54	17	**(82)**
Other information				
Segment assets	96	8 348	4 391	**12 835**
Segment liabilities	288	1 548		**1 836**
Cash (outflow)/inflow from operating activities	18	(386)	17	**(351)**
Cash (outflow)/inflow from investing activities	–	170		**170**
Cash outflow from financing activities	–	(185)		**(185)**
Capital expenditure	–	5		**5**
Amortisation and depreciation	2	6		**8**
EBITDA	(157)	(19)		**(176)**

[1] *Comparative information has been restated. Refer note 15 for more detail.*
[2] *Relates to fees capitalised in ARM Ferrous and reversed on consolidation.*

2 SEGMENTAL INFORMATION continued

	Machadodorp Works Rm	Corporate and other Rm	Gold Rm	Total ARM Corporate Rm
2.12 Year to 30 June 2023 (Restated[1])				
Sales	116	–		116
Cost of sales	(75)	117		42
Other operating income	4	1 404		1 408
Insurance revenue	–	64		64
Other operating expenses	(288)	(1 186)		(1 474)
Insurance service expenses	–	(37)		(37)
Net expenses from reinsurance contracts held	–	(23)		(23)
Segment result	(243)	339		96
Income from investments	–	578	17	595
Finance cost	(24)	25		1
Net finance expenses from insurance contracts held	–	(4)		(4)
Net finance expenses from reinsurance contracts held	–	(40)		(40)
Capital items before tax (refer note 13)	–	1		1
Taxation	71	(264)		(193)
(Loss)/profit after tax	(196)	635	17	456
Non-controlling interest	–	(2)		(2)
Consolidation adjustment[2]	–	2		2
Contribution to basic (losses)/earnings	(196)	635	17	456
Contribution to headline (losses)/earnings	(196)	634	17	455
Other information				
Segment assets	123	8 681	5 918	14 722
Segment liabilities	262	1 281		1 543
Cash (outflow)/inflow from operating activities	–	(696)	17	(679)
Cash (outflow)/inflow from investing activities	–	321		321
Cash outflow from financing activities	–	(222)		(222)
Capital expenditure	–	10		10
Amortisation and depreciation	1	8		9
EBITDA	(242)	347		105

1 *Comparative information has been restated. Refer note 15 for more detail.*
2 *Relates to fees capitalised in ARM Ferrous and reversed on consolidation.*

		Unaudited six months ended 31 December 2023 Rm	Unaudited six months ended 31 December 2022 Rm	Audited year ended 30 June 2023 Rm
3	**SALES AND REVENUE**			
	Sales	**5 815**	8 744	14 662
	Made up as follows:			
	Local sales	**4 770**	7 335	12 253
	Export sales	**1 045**	1 409	2 409
	Revenue	**6 604**	9 374	16 097
	Fair value adjustments to revenue	**(259)**	(505)	(1 481)
	Revenue from contracts with customers	**6 863**	9 879	17 578
	Sales – mining and related products	**6 286**	9 482	16 536
	Penalty and treatment charges	**(212)**	(233)	(393)
	Bokoni	**(7)**	–	–
	Two Rivers	**(205)**	(233)	(393)
	Fees received	**789**	630	1 435
	Sales by geographical area:			
	– South Africa	**4 770**	7 335	12 253
	– Europe	**1 045**	1 409	2 409
		5 815	8 744	14 662

4 PROPERTY, PLANT AND EQUIPMENT

The movements in 1H F2024 property, plant and equipment includes impairments of property, plant and equipment at Two Rivers and Modikwa of R2 712 million and R620 million respectively. Capital expenditure at Two Rivers of R1 894 million largely relates to the Merensky project. Capital expenditure at Bokoni of R658 million largely relates to the early-ounce project.

4.1 ARM Ferrous

Property, plant and equipment

Impairment

Beeshoek Mine

At 31 December 2023, an impairment loss of R788 million before tax of R213 million was recognised on property, plant and equipment at the Beeshoek Mine. ARM's attributable share of the impairment loss amounted to R394 million before tax of R106 million (refer note 13).

This impairment was mainly due to:
- Lower projected sales volumes and lower projected pricing
- Higher projected capital expenditure.

The recoverable amount of Beeshoek was determined based on a value-in-use (VIU) calculation performed in terms of IFRS Accounting standards. A discounted cash flow valuation model was used to determine the VIU. The VIU resulted in a full impairment of property, plant and equipment.

A nominal pre-tax South African discount rate of 31.3% was used in the 31 December 2023 impairment model. The valuation period was based on 13.5 years.

4 PROPERTY, PLANT AND EQUIPMENT continued

4.1 ARM Ferrous continued

Property, plant and equipment continued

Impairment continued

Beeshoek Mine continued

The following assumptions were used in the 31 December 2023 valuation model:

	F2025	F2026	F2027	F2028	F2029
Sale volumes: tonnes millions	2.2	2.2	2.2	2.2	2.2
ZAR/US$	18.4	18.7	19.3	20.0	20.6
SA PPI: %	4	4	4	4	4

At 31 December 2022 an impairment loss of R1 807 million before tax of R488 million was recognised on property, plant and equipment at Beeshoek Mine. ARM's attributable share of the impairment loss amounted to R903 million before tax of R244 million (refer note 13). A nominal pre-tax South African discount rate of 17.56% was used in the 31 December 2022 impairment model.

At 30 June 2023 an impairment loss of R2 110 million before tax of R570 million was recognised on property, plant and equipment at Beeshoek Mine. ARM's attributable share of the impairment loss amounted to R1 055 million before tax of R282 million (refer note 13). A nominal pre-tax South African discount rate of 18.29% was used in the 30 June 2023 impairment model.

Details of the impairments were included in the financial results ended 31 December 2022 and 30 June 2023, which can be found on **www.arm.co.za**.

Cato Ridge Works

At 31 December 2023 an impairment of R14 million before taxation of R4 million was recognised on the property, plant and equipment at Cato Ridge Works operation. It was concluded that a discounted cash flow model was not required for this impairment, due to forecast negative cash flows. ARM's attributable share of the impairment loss amounted to R7 million before tax of R2 million (refer note 13).

At 31 December 2022 an impairment of R75 million before taxation of R20 million was recognised on the property, plant and equipment at Cato Ridge Works operation. It was concluded that a discounted cash flow model was not required for this impairment. The total value of property, plant and equipment was fully impaired at 30 June 2021, the impairment at 31 December 2022 is to fully impair the additions of property, plant and equipment subsequent to 30 June 2021. ARM's attributable share of the impairment loss amounted to R38 million before tax of R10 million (refer note 13).

At 30 June 2023 an impairment of R112 million before taxation of R37 million was recognised on the property, plant and equipment at Cato Ridge Works operation. It was concluded that a discounted cash flow model was not required for this impairment. The total value of property, plant and equipment was fully impaired at 30 June 2021, the impairment at 30 June 2023 is to fully impair the additions of property, plant and equipment subsequent to 30 June 2021. ARM's attributable share of the impairment loss amounted to R56 million before tax of R18 million (refer note 13).

Details of the impairments were included in the financial results ended 31 December 2022 and 30 June 2023, which can be found on **www.arm.co.za**.

4 PROPERTY, PLANT AND EQUIPMENT continued

4.1 ARM Ferrous continued

Investments

Sakura

At 31 December 2022 an impairment loss of R299 million with no tax effect was recognised on Assmang's equity-accounted investment in Sakura. ARM's attributable share of the impairment loss amounted to R149 million with no tax effect (refer note 13).

Details of the impairments were included in the financial results ended 31 December 2022 and 30 June 2023, which can be found on **www.arm.co.za**.

4.2 ARM Platinum

Two Rivers Platinum Mine

At 31 December 2023 an impairment loss of R2 712 million before tax R732 million was recognised on property, plant and equipment at Two Rivers Platinum Mine. ARM's attributable share of the impairment loss amounted to R1 466 million before tax of R396 million (refer note 13).

This impairment was due to a significant decrease in profitability resulting from lower Platinum Group Metal (PGM) commodity prices and elevated near-term capital expenditure from the Merensky Project, currently under construction.

The recoverable amount of Two Rivers was determined based on a VIU calculation performed in terms of IFRS Accounting standards. A discounted cash flow valuation model was used to determine the VIU of R9 380 million.

A nominal pre-tax South African discount rate of 23.3% was used in the 31 December 2023 impairment model. The level 3 valuation was calculated over a 22-year period.

The following commodity prices were applied in the valuation model:

	F2024	F2025	F2026	F2027	Long term (real)
Platinum US$/oz	1 059	1 119	1 201	1 268	1 235
Palladium US$/oz	1 217	1 188	1 141	1 117	1 131
Rhodium US$/oz	4 863	4 883	5 030	5 113	4 367
Gold US$/oz	1 951	1 942	1 889	1 844	1 658
Iridium US$/oz	3 800	3 400	3 400	3 400	3 300
Ruthenium US$/oz	390	380	380	380	350

4 PROPERTY, PLANT AND EQUIPMENT continued

4.2 ARM Platinum continued

Modikwa Platinum Mine

At 31 December 2023 an impairment loss of R620 million before tax of R167 million was recognised on property, plant and equipment at Modikwa Platinum Mine. ARM's attributable share of the impairment loss amounted to R515 million before tax of R139 million (refer note 13).

This impairment was due to a significant decrease in profitability resulting from lower PGM commodity prices.

The recoverable amount of the Modikwa Mine was determined based on a VIU calculation performed in terms of IFRS Accounting standards. A discounted cash flow valuation model was used to determine the VIU of R5 614 million.

A nominal pre-tax South African discount rate of 21.9% was used in the 31 December 2023 impairment model. The level 3 valuation was calculated over a 36-year period.

The following commodity prices were applied in the valuation model:

	F2024	F2025	F2026	F2027	Long term (real)
Platinum US$/oz	1 059	1 119	1 201	1 268	1 235
Palladium US$/oz	1 217	1 188	1 141	1 117	1 131
Rhodium US$/oz	4 863	4 883	5 030	5 113	4 367
Gold US$/oz	1 951	1 942	1 889	1 844	1 658
Iridium US$/oz	3 800	3 400	3 400	3 400	3 300
Ruthenium US$/oz	390	380	380	380	350

Details of the impairments were included in the financial results ended 31 December 2022 and 30 June 2023, which can be found on **www.arm.co.za**.

	Unaudited six months ended 31 December 2023 Rm	Unaudited six months ended 31 December 2022 Rm	Audited year ended 30 June 2023 Rm
5 INVESTMENT IN ASSOCIATE			
Opening balance	**1 847**	2 048	2 048
Profit from associate per statement of profit or loss	**52**	888	1 007
Dividend received (refer statement of cash flows)	**–**	–	(1 208)
Closing balance	**1 899**	2 936	1 847

	Unaudited six months ended 31 December 2023 Rm	Unaudited six months ended 31 December 2022 Rm	Audited year ended 30 June 2023 Rm
6 INVESTMENT IN JOINT VENTURE			
This investment relates to ARM Ferrous and comprises Assmang as a joint venture which includes iron ore and manganese operations.			
Opening balance	21 814	22 145	22 145
Net income for the period	2 527	1 682	4 557
Income for the period[1]	2 533	1 686	4 559
Consolidation adjustments	(6)	(4)	(2)
Foreign currency translation reserve	(20)	54	112
Less dividends received for the period	(3 000)	(3 500)	(5 000)
Closing balance	21 321	20 381	21 814

[1] *Includes a provision for onerous contracts of R117 million (1H F2023: Rnil) (F2023: Rnil) for Cato Ridge Works.*

Refer to notes 2.1; 2.2; 2.3; 2.7; 2.8 and 2.9 for further detail relating to the ARM Ferrous segment.

	Unaudited six months ended 31 December 2023 Rm	Unaudited six months ended 31 December 2022 Rm	Audited year ended 30 June 2023 Rm
7 OTHER INVESTMENTS			
Harmony[1]	8 930	4 391	5 918
Opening balance	5 918	3 881	3 881
Fair value in other comprehensive income	3 012	510	2 037
Guardrisk[2]	47	6	25
Preference shares[1]	1	1	1
Richards Bay Coal Terminal (RBCT)[3]	189	208	204
Closing balance	9 167	4 606	6 148

[1] *This is a level 1 valuation in terms of IFRS 13.*
The share price of Harmony Limited at 31 December 2023 was R119.59, R79.25 at 30 June 2023 and R58.80 at 31 December 2022 per share. ARM shareholding at 31 December 2023 was 12.04% (31 December 2022: 12.08%, 30 June 2023: 12.08%).
[2] *This is a level 2 valuation in terms of IFRS 13.*
Fair value based on the net asset value of the cell captive
[3] *This is a level 3 valuation in terms of IFRS 13.*

7 OTHER INVESTMENTS continued

Richards Bay Coal Terminal (RBCT)

The fair value of the RBCT investment was determined by calculating the present value of the future wharfage cost savings by being a shareholder in RBCT as opposed to the wharfage payable by non-shareholders. The fair value is most sensitive to wharfage cost. The current RBCT valuation is based on a wharfage cost differential of between $49/tonne and $55/tonne (1H F2023: between $45/tonne and $50/tonne) (F2023:between $50/tonne and $55/tonne). If increased by 10% this would result in a R19 million (1H F2023: R21 million) (F2023: R21 million) increase in the valuation on the RBCT investment. If decreased by 10% this would result in a R19 million (1H F2023: R21 million) (F2023: R21 million) decrease in the valuation on the RBCT investment. The valuation is calculated based on the duration of the RBCT lease agreement with Transnet SOC Limited to 31 December 2038, using a pre-tax discount rate of 21.6% (1H F2023: 21,2%) (F2023: 21,4%).

Level 2 and level 3 fair value losses or gains are included in other operating expenses or other operating income respectively in the statement of profit or loss.

	Unaudited six months ended 31 December 2023 Rm	Unaudited six months ended 31 December 2022 Rm	Audited year ended 30 June 2023 Rm
Opening balance	204	213	213
Fair value loss	(15)	(5)	(9)
Closing balance	189	208	204

8 NON-CURRENT INVENTORIES

Non-current inventories related to Two Rivers Merensky project. Stockpile quantities were determined using assumptions such as densities and grades which are based on studies, historical data and industry norms. The non-current inventories will be milled when Two Rivers Merensky plant is completed. Milling is expected within the following 12 months.

9 TRADE AND OTHER RECEIVABLES

Certain trade and other receivables contain provisional pricing features linked to commodity prices and exchange rates, which have been designated to be measured at fair value through profit or loss because of the embedded derivative. The fair value of trade and other receivables that contain provisional pricing is R3 032 million (1H F2022: R4 697 million) (F2023: R3 263 million). This is a level 2 valuation in terms of IFRS Accounting standards.

Trade and other receivables include a contract asset from Assmang of R972 million (1H F2022: R603 million) (F2023: R810 million). The contract asset results from fee arrangements whereby fees received from Assmang only become payable following receipt by Assmang from the relevant customer.

The carrying value of trade and other receivables approximate their fair value.

Notes to the group interim financial statements continued

for the six months ended 31 December 2023

		Unaudited six months ended 31 December 2023 Rm	Unaudited six months ended 31 December 2022 Rm	Audited year ended 30 June 2023 Rm
10	**FINANCIAL ASSETS**			
	Investments in fixed deposits			
	Current financial assets[1]			
	– ARM Finance Company SA	36	–	–
	– ARM Coal	–	–	51
	– Two Rivers	31	4	30
	– Modikwa	22	–	–
	– Nkomati	119	114	117
	– Artex previously "Mannequin" Captive Cell (Cell AVL 18) (refer note 20)	422	531	456
	– Other	7	7	7
		637	656	661
	Non-current financial assets[1]			
	– ARM Coal	27	55	56
	– Modikwa	3	3	4
	– Artex previously "Mannequin" Captive Cell (Cell AVL 18) (refer note 20)	70	147	68
		100	205	128
	Total	737	861	789

[1] *Cash and cash equivalents were invested in fixed deposits with maturities longer than three months to achieve better returns. When these investments mature, to the extent that amounts are not re-invested in new investments with maturities of longer than three months, they will again form part of cash and cash equivalents. The carrying amounts of the financial assets shown above approximate their fair value.*

The deposits linked to the following guarantees are included in financial assets:

- Guarantees issued by Two Rivers to DMRE, Eskom and BP Oil amounting to R31 million (1H F2022: R4 million) (F2023: R30 million)
- Guarantees issued by Modikwa to DMRE and Eskom amounting to R22 million (1H F2022: Rnil) (F2023: Rnil)
- Guarantees issued by Nkomati to DMRE and Eskom amounting to R119 million (1H F2022: R114 million) (F2023: R117 million)
- Guarantees issued by ARM Coal to DMRE amounting to R27 million (1H F2022: Rnil) (F2023: R107 million).

Other financial assets include trust funds of R7 million (1H F2022: R7 million) (F2023: R7 million).

		Unaudited six months ended 31 December 2023 Rm	Unaudited six months ended 31 December 2022 Rm	Audited year ended 30 June 2023 Rm
11	**CASH AND CASH EQUIVALENTS**			
	Total cash at bank and on deposit	7 174	9 177	9 200
	– African Rainbow Minerals Limited	5 526	6 134	6 378
	– ARM BBEE Trust	10	6	43
	– ARM Coal	39	48	227
	– ARM Finance Company SA	2	288	38
	– ARM Platinum Proprietary Limited	1 083	1 140	930
	– Bokoni	63	94	23
	– ARM Treasury Investments Proprietary Limited	46	44	45
	– Nkomati	12	16	27
	– Two Rivers Platinum Proprietary Limited	363	1 381	1 460
	– Other cash at bank and deposit	30	26	29
	Total cash set aside for specific use	954	660	821
	– Artex previously "Mannequin" Captive Cell[1]	521	237	454
	– Rehabilitation trust funds[1]	57	103	77
	– Other cash set aside for specific use[1]	376	320	290
	Total as per statement of financial position	8 128	9 837	10 021
	Less – Overdrafts (refer note 12)	(17)	(16)	(17)
	Total as per statement of cash flows	8 111	9 821	10 004

[1] *Cash set aside for specific use in respect of the group includes:*
– Artex previously "Mannequin" Captive Cell is used as part of the group insurance programme. The cash held in the cell is invested in highly liquid investments and is used to settle claims as and when they arise as part of the risk finance retention strategy
– The trust funds of R10 million (1H F2023: R10 million) (F2023: R10 million)
– African Rainbow Minerals Limited of R37 million (1H F2023: R37 million) (F2023: R37 million)
– Guarantees issued by ARM Coal to DMRE amounting to R85 million (1H F2023: R46 million) (F2023: Rnil)
– Guarantees issued by Two Rivers to DMRE, Eskom and BP oil amounting to R4 million (1H F2023: R29 million) (F2023: R4 million)
– Guarantees issued by Nkomati to DMRE and Eskom amounting to R12 million (1H F2023: R12 million) (F2023: R12 million)
– Guarantees issued by Bokoni to DMRE amounting to R70 million (1H F2023: R55 million) (F2023: R68 million)
– Guarantees issued by Modikwa to DMRE and Eskom amounting to R215 million (1H F2023: R234 million) (F2023: R236 million).

Cash at bank and on deposit earns interest at floating rates based on daily bank deposit rates.

	Unaudited six months ended 31 December 2023 Rm	Unaudited six months ended 31 December 2022 Rm	Audited year ended 30 June 2023 Rm
12 BORROWINGS			
Long-term borrowings are held as follows:			
– ARM BBEE Trust	77	121	100
– ARM Coal Proprietary Limited	–	–	18
– African Rainbow Minerals Limited (lease liability)	–	1	–
– Anglo Platinum Limited (lease liability)	8	8	7
– Two Rivers Platinum Proprietary Limited (lease liability)	72	132	81
	157	262	206
Short-term borrowings are held as follows:			
– Anglo Platinum Limited (lease liability)	–	–	1
– ARM Coal Proprietary Limited (lease liability)	15	6	13
– African Rainbow Minerals Limited (lease liability)	–	1	1
– Two Rivers Platinum Proprietary Limited (lease liability)	4	4	4
	19	11	19
Overdrafts are held as follows:			
– Other	17	16	17
	17	16	17
Total borrowings	193	289	242
Overdrafts and short-term borrowings	36	27	36

The carrying amounts of the financial liabilities shown above approximate their fair value.

	Unaudited six months ended 31 December 2023 Rm	Unaudited six months ended 31 December 2022 Rm	Audited year ended 30 June 2023 Rm
13 CAPITAL ITEMS			
Impairment on property, plant and equipment – Two Rivers (refer note 4.2)	**(2 712)**	–	–
Impairment on property, plant and equipment – Modikwa (refer note 4.2)	**(620)**	–	–
Profit on sale of property, plant and equipment – ARM Corporate	**–**	–	1
Loss on sale of property, plant and equipment – Two Rivers	**–**	(2)	(3)
Profit on sale of property, plant and equipment – ARM Coal	**1**	–	2
Gain on bargain purchase – Bokoni acquisition (refer note 22)	**–**	56	56
Capital items per statement of profit or loss before taxation effect	**(3 331)**	54	56
Profit on property, plant and equipment accounted for directly in associate – ARM Coal	**–**	–	16
Impairment loss on investment in Sakura accounted for directly in joint venture – Assmang (refer note 4.1)	**–**	(149)	(150)
Impairment loss on property, plant and equipment accounted for directly in joint venture – Assmang (refer note 4.1)	**(401)**	(941)	(1 111)
Impairment loss on property, plant and equipment accounted for directly in joint venture – Cato Ridge Alloys (refer note 4.1)	**–**	–	(4)
Loss on sale of property, plant and equipment accounted for directly in joint venture - Assmang	**(2)**	(3)	(8)
Capital items before taxation effect	**(3 734)**	(1 039)	(1 201)
Taxation accounted for in joint venture – impairment loss of property, plant and equipment – Assmang (refer note 4.1)	**108**	254	300
Taxation accounted for in joint venture – loss on sale of property, plant and equipment – Assmang	**1**	1	2
Taxation accounted for in associate – profit on sale of property, plant and equipment – ARM Coal	**–**	–	(4)
Taxation on loss on sale of property, plant and equipment – Two Rivers (refer note 4.2)	**–**	–	1
Taxation on profit on sale of property, plant and equipment – ARM Coal	**–**	–	(1)
Taxation on impairment of property, plant and equipment – Two Rivers (refer note 4.2)	**732**	–	–
Taxation on impairment of property, plant and equipment – Modikwa (refer note 4.2)	**167**	–	–
Capital items after taxation effect and before non-controlling interest	**(2 726)**	(784)	(903)
Attributable impairment for non-controlling interest on property, plant and equipment – Two Rivers	**910**	–	–
Attributable impairment for non-controlling interest on property, plant and equipment – Modikwa	**77**	–	–
Total amount adjusted for headline earnings	**(1 739)**	(784)	(903)

		Unaudited six months ended 31 December 2023 Rm	Restated[1] Unaudited six months ended 31 December 2022 Rm	Restated[1] year ended 30 June 2023 Rm
14	**EARNINGS PER SHARE**			
	Headline earnings (R million)	**2 955**	5 172	8 983
	Headline earnings per share (cents)	**1 507**	2 639	4 582
	Basic earnings per share (cents)	**620**	2 239	4 121
	Diluted headline earnings per share (cents)	**1 506**	2 634	4 572
	Diluted basic earnings per share (cents)	**620**	2 235	4 112
	Number of shares in issue at end of the period (thousands)	**224 668**	224 668	224 668
	Weighted average number of shares (thousands)	**196 053**	196 053	196 053
	Weighted average number of shares used in calculating diluted earnings per share (thousands)	**196 194**	196 333	196 488
	Net asset value per share (cents)	**22 418**	20 887	21 905
	EBITDA (R million)	**781**	4 176	5 831
	Interim dividend declared (cents per share)	**600**	1 400	1 400
	Final dividend declared (cents per share)	**–**	–	1 200

[1] *Comparative information has been restated. Refer note 15 for more detail.*

		Unaudited six months ended 31 December 2023 Rm	Restated[1] Unaudited six months ended 31 December 2022 Rm	Restated[1] year ended 30 June 2023 Rm
14	**EARNINGS PER SHARE**			
	Reconciliation to headline earnings			
	Basic earnings attributable to equity holders of ARM	1 216	4 388	8 080
	Impairment on property, plant and equipment – Two Rivers (refer note 4.2)	2 712	–	–
	Impairment on property, plant and equipment – Modikwa (refer note 4.2)	620	–	–
	Profit on sale of property, plant and equipment – ARM Corporate	–	–	(1)
	Loss on property, plant and equipment accounted for directly in associate – ARM Coal	–	–	(16)
	Loss on sale of property, plant and equipment – Two Rivers	–	2	3
	Profit on sale of property, plant and equipment – ARM Coal	(1)	–	(2)
	Impairment loss of property, plant and equipment in joint venture – Assmang (refer note 4.1)	401	941	1 111
	Loss on sale of property, plant and equipment accounted for directly in joint venture – Assmang	2	3	8
	Impairment loss of property, plant and equipment in joint venture – Cato Ridge Alloys (refer note 4.1)	–	–	4
	Impairment loss on investment in Sakura accounted for directly in joint venture – Assmang (refer note 4.1)	–	149	150
	Gain on bargain purchase – Bokoni acquisition	–	(56)	(56)
		4 950	5 427	9 281
	Taxation accounted for in joint venture – impairment loss at Assmang	(108)	(254)	(300)
	Taxation accounted for in joint venture – loss on disposal of fixed assets at Assmang	(1)	(1)	(2)
	Taxation accounted for in associate – profit on sale of property, plant and equipment – ARM Coal	–	–	4
	Taxation on profit on sale of property, plant and equipment – ARM Coal	–	–	1
	Taxation on loss on sale of property, plant and equipment – Two Rivers			(1)
	Taxation on impairment of property, plant and equipment – Two Rivers (refer note 4.2)	(732)	–	–
	Taxation on impairment of property, plant and equipment – Modikwa (refer note 4.2)	(167)	–	–
	Attributable impairment for non-controlling interest on property, plant and equipment – Two Rivers	(910)	–	–
	Attributable impairment for non-controlling interest on property, plant and equipment – Modikwa	(77)	–	–
	Headline earnings	2 955	5 172	8 983

[1] *Comparative information has been restated. Refer note 15 for more detail.*

15 IFRS 17 *INSURANCE CONTRACTS*

The impact of the restatements on the group statement of financial position is detailed as follows:

	As at 31 December 2022			As at 30 June 2023		
	As previously reported Rm	Restate-ment Rm	Restated Rm	As previously reported Rm	Restate-ment Rm	Restated Rm
Current assets						
Trade and other receivables	6 245	(174)	6 071	5 227	(109)	5 118
	6 245	(174)	6 071	5 227	(109)	5 118
Current liabilities						
Trade and other payables	2 149	(878)	1 271	2 419	(897)	1 522
Insurance contract liabilities	–	62	62	–	73	73
Reinsurance contract liabilities	–	641	641	–	713	713
	2 149	(175)	1 974	2 419	(111)	2 308
Capital and reserves						
Retained earnings	41 083	1	41 084	42 029	2	42 031
	41 083	1	41 084	42 029	2	42 031

The impact of the restatements on the group statement of profit or loss is detailed as follows:

	As at 31 December 2022			As at 30 June 2023		
	As previously reported Rm	Restate-ment Rm	Restated Rm	As previously reported Rm	Restate-ment Rm	Restated Rm
Other operating income	837	(40)	797	1 817	(62)	1 755
Insurance revenue	–	41	41	–	64	64
Other operating expenses	(1 488)	40	(1 448)	(2 692)	60	(2 632)
Insurance service expenses		(36)	(36)		(37)	(37)
Net expenses from reinsurance contracts held	–	(4)	(4)	–	(23)	(23)
Finance cost	(129)	21	(108)	(286)	44	(242)
Net finance expenses from insurance contracts held	–	(4)	(4)	–	(4)	(4)
Net finance expenses from reinsurance contracts held	–	(17)	(17)	–	(40)	(40)
	(780)	1	(779)	(1 161)	2	(1 159)

	As at 31 December 2022			As at 30 June 2023		
	As previously reported Rm	Restate-ment Rm	Restated Rm	As previously reported Rm	Restate-ment Rm	Restated Rm
Profit for the period	5 296	1	5 297	9 320	2	9 322
Attributable to:						
Equity holders of ARM	4 387	1	4 388	8 078	2	8 080
Non-controlling interest	909	–	909	1 242	–	1 242

		Unaudited six months ended 31 December 2023 Rm	Unaudited six months ended 31 December 2022 Rm	Restated year ended 30 June 2023 Rm
15	**IFRS 17 *INSURANCE CONTRACTS* continued**			
15.1	**Insurance revenue**			
	Contracts measured under the PAA	22	41	64
	Total insurance revenue	**22**	**41**	**64**
15.2	**Analysis of insurance income and expenses**			
	Amounts recovered from reinsurers	(38)	36	37
	Allocation of reinsurance premiums	(20)	(40)	(60)
	Net income or expenses from reinsurance contracts held	**(58)**	**(4)**	**(23)**
15.3	**Net investment**			
	Investment return – Total insurance finance income/(expense) for the period recognised in profit and loss:			
	Insurance contracts	(6)	(4)	(4)
	Reinsurance contracts	(28)	(17)	(40)
15.4	**Insurance service expenses**			
	Incurred claims and other insurance expense	38	(36)	(37)
	Represented by:			
	Insurance service income/(expenses)	38	(36)	(37)
15.5	**Insurance and reinsurance contract assets and liabilities**			
	Insurance and reinsurance contract assets			
	Insurance contracts	–	–	–
	Reinsurance contracts	–	–	–
	Insurance and reinsurance contract liabilities			
	Insurance contracts	(28)	(62)	(73)
	Reinsurance contracts	(790)	(641)	(713)

15 IFRS 17 *INSURANCE CONTRACTS* continued

15.6 Disclosure of reconciliation of changes in insurance contracts by remaining coverage and incurred claim

	December 2023				
	Liabilities for remaining coverage				
	Excluding loss component Rm	Liability for incurred claims Rm	Estimates of present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Total Rm
Opening assets	–	–	–	–	–
Opening liabilities	(1)	(72)	(61)	(11)	(73)
Net opening balance	(1)	(72)	(61)	(11)	(73)
Changes in the statement of profit or loss and OCI					
Insurance revenue					
Other contracts	22	–	–	–	22
	22	–	–	–	22
Insurance service expenses					
Incurred claims and other insurance service expenses	–	(21)	(22)	1	(21)
Adjustments to liabilities for incurred claims	–	59	52	7	59
	–	38	30	8	38
Insurance service result	22	38	30	8	60
Net finance expenses from insurance contracts	–	(6)	(5)	(1)	(6)
Total changes in the statement of profit or loss and OCI	22	32	25	7	54
Cash flows					
Premiums received	(23)	–	–	–	(23)
Insurance acquisition cash flows	–	–	–	–	–
Claims and other insurance service expenses paid	–	14	14	–	14
Total cash flows	(23)	14	14	–	(9)
Net closing balance	(2)	(26)	(22)	(4)	(28)
Closing assets	–	–	–	–	–
Closing liabilities	(2)	(26)	(22)	(4)	(28)
Net closing balance	(2)	(26)	(22)	(4)	(28)

Notes to the group interim financial statements continued

for the six months ended 31 December 2023

15 IFRS 17 *INSURANCE CONTRACTS* continued

15.6 Disclosure of reconciliation of changes in insurance contracts by remaining coverage and incurred claim continued

	December 2022				
	Liabilities for remaining coverage				
	Excluding loss component Rm	Liability for incurred claims Rm	Estimates of present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Total Rm
Opening assets	–	–	–	–	–
Opening liabilities	(30)	(36)	(30)	(6)	(66)
Net opening balance	(30)	(36)	(30)	(6)	(66)
Changes in the statement of profit or loss and OCI					
Insurance revenue					
Other contracts	41	–	–	–	41
	41	–	–	–	41
Insurance service expenses					
Incurred claims and other insurance service expenses	–	(69)	(61)	(8)	(69)
Adjustments to liabilities for incurred claims	–	33	30	3	33
	–	(36)	(31)	(5)	(36)
Insurance service result	41	(36)	(31)	(5)	5
Net finance expenses from insurance contracts	–	(4)	(3)	(1)	(4)
Total changes in the statement of profit or loss and OCI	41	(40)	(34)	(6)	1
Cash flows					
Insurance acquisition cash flows	1	–	–	–	1
Claims and other insurance service expenses paid	–	2	2	–	2
Total cash flows	1	2	2	–	3
Net closing balance	12	(74)	(62)	(12)	(62)
Closing assets	–	–	–	–	–
Closing liabilities	12	(74)	(62)	(12)	(62)
Net closing balance	12	(74)	(62)	(12)	(62)

15 IFRS 17 *INSURANCE CONTRACTS* continued

15.6 Disclosure of reconciliation of changes in insurance contracts by remaining coverage and incurred claim continued

	June 2023				
	Liabilities for remaining coverage				
	Excluding loss component Rm	Liability for incurred claims Rm	Estimates of present value of future cash flows Rm	Risk adjust-ment for non-financial risk Rm	Total Rm
Opening assets	–	–	–	–	–
Opening liabilities	(30)	(36)	(30)	(6)	(66)
Net opening balance	(30)	(36)	(30)	(6)	(66)
Changes in the statement of profit or loss and OCI					
Insurance revenue					
Other contracts	64	–	–	–	64
	64	–	–	–	64
Insurance service expenses					
Incurred claims and other insurance service expenses	–	(69)	(60)	(9)	(69)
Adjustments to liabilities for incurred claims	–	32	28	4	32
	–	(37)	(32)	(5)	(37)
Insurance service result	64	(37)	(32)	(5)	27
Net finance expenses from insurance contracts	–	(4)	(4)	–	(4)
Total changes in the statement of profit or loss and OCI	64	(41)	(36)	(5)	23
Cash flows					
Premiums received	(34)	–	–	–	(34)
Claims and other insurance service expenses paid	–	4	4	–	4
Total cash flows	(34)	4	4	–	(30)
Net closing balance	–	(73)	(62)	(11)	(73)
Closing assets	–	–	–	–	–
Closing liabilities	–	(73)	(62)	(11)	(73)
Net closing balance	–	(73)	(62)	(11)	(73)

15 IFRS 17 *INSURANCE CONTRACTS* continued

15.7 Disclosure of reconciliation of changes in reinsurance contracts by remaining coverage and incurred claims

	December 2023			
	Remaining coverage	Incurred claims		
	Excluding loss-recovery component Rm	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Total Rm
Opening assets	–	60	11	71
Opening liabilities	(784)	–	–	(784)
Net opening balance	(784)	60	11	(713)
Changes in the statement of comprehensive income				
Net income/(expenses) from reinsurance contracts held	(20)	(30)	(8)	(58)
Investment components	13	(13)	–	–
Finance income from reinsurance contracts held recognised in profit or loss	(33)	5	–	(28)
Total changes in the statement of profit or loss and OCI	(40)	(38)	(8)	(86)
Cash flows				
Premiums paid	9	–	–	9
Amounts received	–	–	–	–
Total cash flows	9	–	–	9
Net closing balance	(815)	22	3	(790)
Closing assets	–	–	–	–
Closing liabilities	(815)	22	3	(790)
Net closing balance	(815)	22	3	(790)

15 IFRS 17 *INSURANCE CONTRACTS* continued

15.7 Disclosure of reconciliation of changes in reinsurance contracts by remaining coverage and incurred claims continued

	December 2022			
	Remaining coverage	Incurred claims		
	Excluding loss-recovery component Rm	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Total Rm
Opening assets	–	30	5	35
Opening liabilities	(696)	–	–	(696)
Net opening balance	(696)	30	5	(661)
Changes in the statement of comprehensive income				
Net income/(expenses) from reinsurance contracts held	(39)	30	5	(4)
Investment components	2	(2)	–	–
Finance income from reinsurance contracts held recognised in profit or loss	(21)	3	1	(17)
Total changes in the statement of profit or loss and OCI	(58)	31	6	(21)
Cash flows				
Premiums paid	41	–	–	41
Amounts received	–	–	–	–
Total cash flows	41	–	–	41
Net closing balance	(713)	61	11	(641)
Closing assets	–	–	–	–
Closing liabilities	(713)	61	11	(641)
Net closing balance	(713)	61	11	(641)

15 IFRS 17 *INSURANCE CONTRACTS* continued

15.7 Disclosure of reconciliation of changes in reinsurance contracts by remaining coverage and incurred claims continued

	June 2023			
	Remaining coverage	Incurred claims		
	Excluding loss-recovery component Rm	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Total Rm
Opening assets	–	30	5	35
Opening liabilities	(696)	–	–	(696)
Net opening balance	(696)	30	5	(661)
Changes in the statement of comprehensive income				
Net income/(expenses) from reinsurance contracts held	(59)	31	5	(23)
Investment components	4	(4)	–	–
Finance income from reinsurance contracts held recognised in profit or loss	(44)	3	1	(40)
Total changes in the statement of profit or loss and OCI	(99)	30	6	(63)
Cash flows				
Premiums paid	11	–	–	11
Amounts received	–	–	–	–
Total cash flows	11	–	–	11
Net closing balance	(784)	60	11	(713)
Closing assets	–	–	–	–
Closing liabilities	(784)	60	11	(713)
Net closing balance	(784)	60	11	(713)

		Unaudited six months ended 31 December 2023 Rm	Unaudited six months ended 31 December 2022 Rm	Audited year ended 30 June 2023 Rm
16	**TAXATION**			
	South African normal taxation			
	– Current year	188	1 116	1 692
	– Mining	63	928	1 262
	– Non-mining	125	188	430
	– Prior year	–	–	(116)
	Deferred taxation	(713)	227	257
	Total tax	(525)	1 343	1 833
17	**CASH GENERATED FROM OPERATIONS**			
	Cash generated from operations before working capital movement	1 235	4 653	6 878
	Working capital (outflow)/inflow	(786)	641	1 212
	Movement in inventories outflow	(242)	(346)	(518)
	Movement in payables and provisions outflow	(409)	(210)	(397)
	Movement in receivables (outflow)/inflow	(135)	1 197	2 127
	Cash generated from operations (per statement of cash flows)	449	5 294	8 090
18	**COMMITMENTS**			
	Commitments in respect of future capital expenditure which will be funded from operating cash flows and by utilising debt facilities at entity and corporate levels, are summarised below:			
	Approved by directors			
	– Contracted for	2 056	2 203	3 141
	– Not contracted for	13	960	1 624
	Total commitments	2 069	3 163	4 765

19 RELATED PARTIES

The company, in the ordinary course of business, enters into various sale, purchase, service and lease transactions with subsidiaries, associated companies, joint ventures and joint operations. Transactions between the company, its subsidiaries and joint operations related to fees, insurances, dividends, rentals and interest are regarded as intra-group transactions and eliminated on consolidation.

	Unaudited six months ended 31 December 2023 Rm	Unaudited six months ended 31 December 2022 Rm	Audited year ended 30 June 2023 Rm
Amounts accounted in the statement of profit or loss relating to transactions with related parties			
Subsidiaries			
Impala Platinum – sales	3 047	4 756	7 896
Rustenburg Platinum Mines – sales[1]	1 492	2 391	3 961
Modikwa-related non-controlling interest – dividend declared[1]	–	102	102
Joint operations			
Glencore International AG – sales	1 045	1 409	2 409
Glencore Operations SA – management fees	45	50	103
Joint venture			
Assmang Proprietary Limited			
– Management fees	789	630	1 433
– Dividends received	3 000	3 500	5 000
Amounts outstanding at year end (owing to)/receivable by ARM on current account			
Joint venture			
Assmang – trade and other receivables	971	610	812
Joint operations			
Rustenburg Platinum Mines – trade and other receivables[1]	795	1 462	997
Glencore Operations SA – trade and other receivables	636	357	533
Glencore International AG – trade and other receivables	152	249	185
Subsidiary			
Impala Platinum – trade and other receivables	1 979	3 235	2 266
Impala Platinum – dividend paid	–	368	414

[1] *These transactions and balances for joint operations do not meet the definition of a related party as per IAS 24 but have been included to provide additional information.*

		Unaudited six months ended 31 December 2023 Rm	Unaudited six months ended 31 December 2022 Rm	Audited year ended 30 June 2023 Rm
20	**PROVISIONS**			
20.1	**Nkomati restoration and decommissioning provision**			
	Long-term provision			
	Opening balance	777	645	645
	Provision for the period	–	–	90
	Transfer to short-term provisions	(35)	(19)	(3)
	Unwinding of discount rate	37	20	45
	Closing balance	779	646	777
	Short-term provision			
	Opening balance	25	31	31
	Transfer to short-term provisions	35	19	3
	Settlement payments	(3)	(1)	(9)
	Closing balance	57	49	25
	Total Nkomati restoration and decommissioning provision	836	695	802
20.2	**Silicosis and tuberculosis class action provision**			
	Long-term provision			
	The provision movement is as follows:			
	Opening balance	67	159	159
	Interest unwinding	3	4	6
	Demographic assumptions changes	–	(31)	(106)
	Transfer from short-term provisions	(2)	14	8
	Closing balance	68	146	67
	Short-term provision			
	The provision movement is as follows:			
	Opening balance	6	16	16
	Settlement payments	–	(1)	(2)
	Transfer to long-term provisions	2	(14)	(8)
	Closing balance	8	1	6
	Total silicosis and tuberculosis class action provision	76	147	73

ARM has a contingency policy in this regard which covers environmental site liability and silicosis liability with Guardrisk Insurance Company Limited (Guardrisk). In turn, Guardrisk has reinsured the specified risks with Artex (previously Mannequin) Insurance PCC Limited – Cell AVL 18, Guernsey which cell captive is held by ARM.

Following the High Court judgment previously reported, the Tshiamiso Trust was registered in November 2019. As part of the settlement a guarantee of R304 million was issued by Guardrisk on behalf of ARM in favour of the Tshiamiso Trust on 13 December 2019.

Details of the provision were discussed in the 30 June 2023 financial results, which can be found on **www.arm.co.za**.

21 CONTINGENT LIABILITIES AND DISPUTES

Contingent liabilities

Nkomati

Nkomati has provided for the short to medium-term water management costs, however, there remain uncertainties regarding the ongoing assessment of long-term water management measures, and anticipated amendments to the existing Water Use Licence (WUL). Technical studies towards providing a long-term integrated water management plan are underway. The results of the studies will be used as input towards a risk assessment that is required to apply for an amended WUL, such as applying for authorised water discharges. The subsequent potential water resource impact liability as part of the mine rehabilitation and closure process is uncertain. The obligation will be recognised when it is probable and can be reliably estimated.

The environmental rehabilitation provision at 31 December 2023 is the best independent estimate and is based on the most reliable information currently available. It will be re-assessed on an ongoing basis as engineering designs evolve and new information becomes available, as well as when approvals of a revised Environmental Management Plan and WUL are secured.

Modikwa

In August 2020, the International Council on Mining and Metals (ICMM) published a Global Industry Standard for Tailings Management (GISTM) that sets a new global benchmark to achieve strong social, environmental and technical outcomes in tailings management, with a strong emphasis on accountability and disclosure.

ICMM members have committed that all tailings storage facilities with ‘extreme’ or ‘very high’ potential consequences will be in conformance with the GISTM by August 2023, and all other facilities by August 2025.

ARM, as a member of ICMM, has committed to comply with GISTM by the agreed deadlines.

Modikwa Platinum Mine is proactively investigating gaps between its tailings storage facility (TSF) and the GISTM requirements. The mine commenced with sampling and laboratory testing work during F2022.

As at 31 December 2023, a reliable estimate of the impact cannot be made as the sampling and laboratory testing work is still underway. The results thereof are expected to be available in the second half of F2024.

Disputes

ARM

Following the court’s dismissal of the plaintiff’s action on 9 May 2023, Pula Group LLC and Pula Graphite Partners Tanzania Limited (Pula Group) have again served ARM and other defendants (defendants) with summons in terms of which Pula Group is claiming damages in the amount of US$195 000 000 against the defendants, who includes African Rainbow Minerals Limited (ARM), allegedly arising out of a breach of a confidentiality agreement. The summons was served to ARM on 4 December 2023. ARM has taken the necessary legal steps to protect its rights.

21 CONTINGENT LIABILITIES AND DISPUTES continued

Disputes continued

ARM and ARM Coal

ARM and ARM Coal have been served with applications for a certification by court of a class action in respect of the coal mines' employees. The premise of the class action is to institute an action for damages against the coal mines pursuant to the diseases that the employees allegedly contracted while working in the coal mines.

In all, four separate actions have been launched, each with its own list of respondents. The four applications are respectively referred to as the Glencore, Anglo-American, Exxaro and BHP Billiton applications.

ARM and ARM Coal have filed notices to oppose the application.

There have been no other significant changes in the contingent liabilities and disputes of the group as disclosed since 30 June 2023 annual financial statements.

For a detailed disclosure on contingent liabilities and disputes, refer to ARM's annual financial statements for the year ended 30 June 2023 which are available on the group's website **www.arm.co.za**.

22 ACQUISITION OF BOKONI PLATINUM MINES PROPRIETARY LIMITED (BPM)

On 20 December 2021 ARM entered into a sale and purchase agreement which provides for ARM Platinum a wholly owned subsidiary of ARM, to acquire all of the shares (100%) of BPM from Bokoni Platinum Holdings Proprietary Limited (BPH), in turn owned by Rustenburg Platinum Mines Limited (RPM), a wholly owned subsidiary of Anglo American Platinum Limited (AAPL), and Plateau Resources Proprietary Limited (Plateau), a wholly owned subsidiary of Atlatsa Resources Corporation (Atlatsa), through a newly formed entity ARM Bokoni Mining Consortium Proprietary Limited (ARM BMC), for a consideration of R3 500 million payable in cash.

The sale and purchase agreement included various conditions to the purchase becoming effective, most notably approval for the transfer of the controlling interest in BPM to ARM BMC in terms of section 11 of the Mineral and Petroleum Resources Development Act 28 of 2002, as well as the approval of the acquisition by the Competition Commission.

The significant conditions precedent in the sale and purchase agreement had been fulfilled on 1 September 2022.

In terms of IFRS 3 *Business combinations*, ARM has concluded that the acquisition of BPM is considered to be a "business combination" as defined in IFRS 3, with an acquisition date of 1 September 2022, in line with transfer of control, being the effective date as per the sale and purchase agreement.

The purchase price allocation was based on 100% ownership. A 15% shareholding in ARM BMC will be allocated to qualifying employees, local communities and black industrialists who will each hold 5%. ARM BMC is busy with the necessary processes to implement the allocation of this 15% shareholding. At the reporting date no agreements in this regard had been finalised.

For a detailed disclosure on the acquisition of BMP, refer to ARM's annual financial statements for the year ended 30 June 2023 which are available on the group's website **www.arm.co.za**.

23 ARM TO ACQUIRE NORILSK NICKEL AFRICA LIMITED'S 50% PARTICIPATION INTEREST

On 24 November 2023, ARM and Norilsk Nickel Africa Proprietary Limited (NNAf) concluded a Purchase and Sale Agreement (PSA) which provides for the acquisition by ARM of NNAf's 50% participation interest in the Nkomati Mine for a cash consideration of R1 million. ARM will take over with NNAf's proportionate share of the obligations and liabilities relating to the Nkomati Mine's assets, together with the environmental liabilities of Nkomati Mine, with a R325 million contribution from NNAf, as may be adjusted under the terms of the PSA. Since entering into the PSA, the process to fulfil the conditions precedent, required for the completion of the transaction, is ongoing.

24 EVENTS AFTER REPORTING DATE

Since the period end ARM received a dividend of R440 million from the Participative Coal Business.

Since the period end Assmang declared an attributable dividend of R2 000 million to ARM.

Harmony declared an interim dividend of 147 cents per share. At 31 December 2023 and at the date of this report, ARM owned 74 665 545 Harmony shares.

No other significant events have occurred subsequent to the reporting date that could materially affect the reported results.

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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.

Directors

Dr PT Motsepe (Executive Chairman), VP Tobias (Chief Executive Officer), F Abbott*, TA Boardman*, AD Botha*, JA Chissano (Mozambican)*, WM Gule*, B Kennedy*, AK Maditsi*, TTA Mhlanga (Finance Director), PJ Mnisi*, DC Noko*, B Nqwababa*, Dr RV Simelane*, JC Steenkamp*

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