

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

**INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2023  
(1H F2024) AND CASH DIVIDEND DECLARATION**

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

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

<https://senspdf.jse.co.za/documents/2024/jse/isse/ARIM/HY2024.pdf>

The full announcement is also available for inspection free of charge during business hours (excluding weekends and public holidays) from Friday, 08 March 2024 at the registered office of ARM at ARM House, 29 Impala Road, Chislehurst, Johannesburg. In addition, copies of the full announcement may be requested by emailing the Company's investor relations department on [thabang.thlaku@arm.co.za](mailto:thabang.thlaku@arm.co.za)

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 or R6.20 per share (1H F2023: R4 388 million or R22.39 per share restated) 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 and Social

- 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.

### 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.

### 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\$).

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.

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.

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

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 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.

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

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).

The group net asset value per share increased by 2% to R224.18 per share (30 June 2023: R219.05 per share restated).

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 for the divisions is shown on page 7 of the full announcement and discussed in each division's operational performance section from page 8 of the full announcement.

#### Dividend declaration

ARM aims to pay ordinary dividends to shareholders in line with our dividend guiding principles. Dividends are at the discretion of the board of directors 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, and
- 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.

#### 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)).

ENDS

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Johannesburg

8 March 2024

Sponsor: Investec Bank Limited