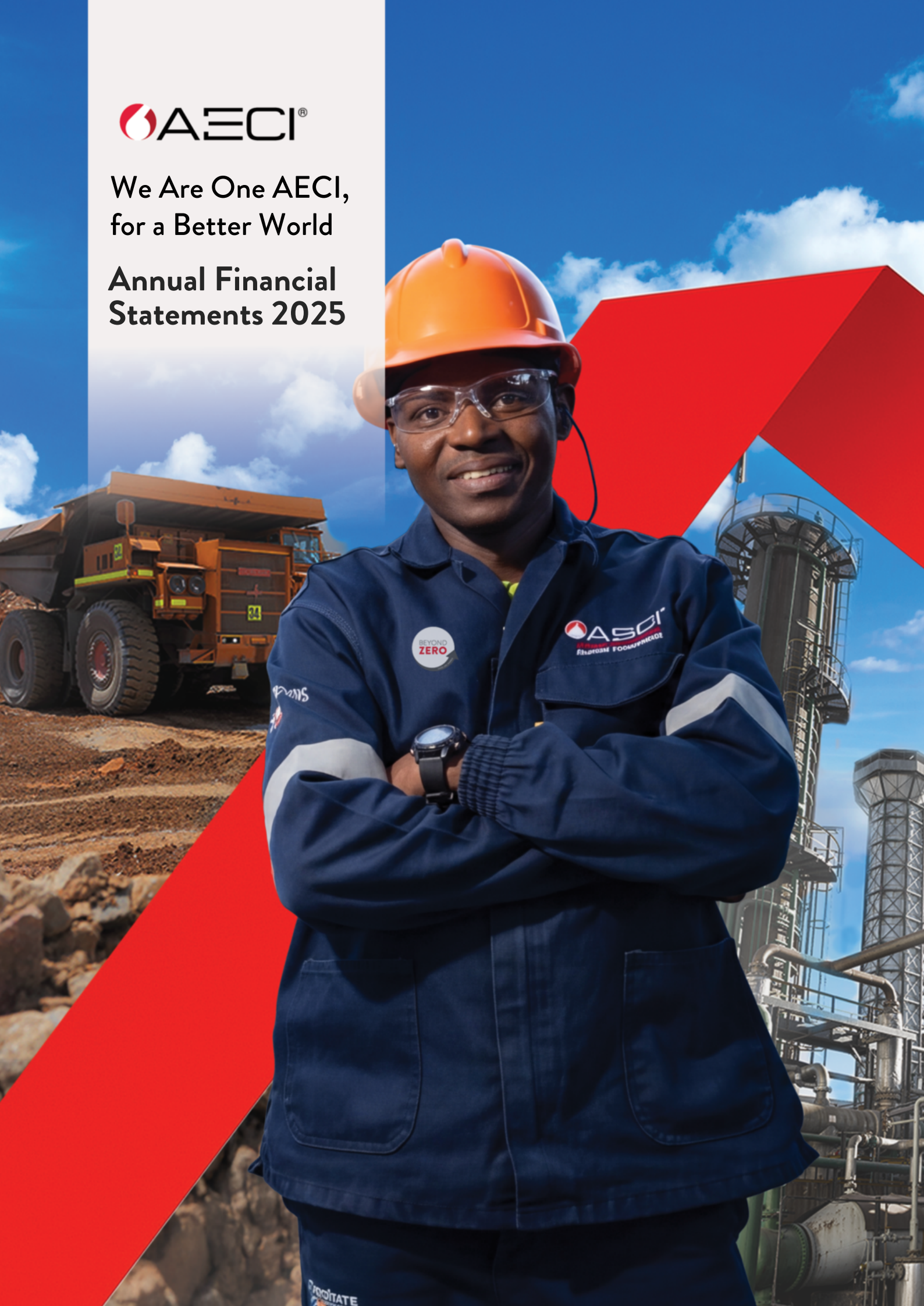




We Are One AECI,
for a Better World

Annual Financial
Statements 2025



Contents

Preparation of financial statements	1
Directors' responsibility for financial reporting	2
Declaration by the Group Company Secretary	3
Responsibility statement on internal financial controls	4
Directors' report	5-10
Audit & Risk Committee's report to stakeholders	11-19
Ordinary shareholder analysis	20-23
Preference shareholder analysis	24-25
Independent auditor's report	26-30
Annual financial statements	31-145
Corporate information	146

Preparation of financial statements

The Group consolidated financial statements and the Company financial statements for the year ended 31 December 2025 were approved on 21 April 2026. These comprise the Audit & Risk Committee's report to stakeholders, the Directors' report, the Declaration by the Group Company Secretary, the External Auditor's Report, the Basis of Reporting and Material Accounting Policies, and the financial statements.

These financial statements have been audited as required by the Companies Act and their preparation was supervised by the Group Chief Financial Officer, Ian Kramer CA(SA).

Directors' responsibility for financial reporting

Each of the directors accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief:

- there are no facts that have been omitted which would make any statement false or misleading;
- based on the going concern assessment, the Board is of the view that the Group and Company has adequate resources to continue in operation for the foreseeable future and accordingly, the annual financial statements of the Group and Company have been prepared on a going concern basis;
- the consolidated and separate annual financial statements have been prepared in compliance with the South African Companies Act, No. 71 of 2008, the JSE Listings Requirements (JSE Listing Requirements), the Debt and Specialist Securities Listing Requirements of the JSE (to the extent applicable), the South African Institute of Chartered Accountants (SAICA) financial reporting guides, and comply with the requirements of IFRS® Accounting Standards (IFRS), the Company's Memorandum of Incorporation (MOI) and all applicable legislation;
- the independent auditing firm Deloitte & Touche was given unrestricted access to all financial records and related data, including minutes of all meetings and have audited the annual financial statements. The Board believes that representations made to the independent auditor during audit were valid and appropriate. The Audit Report from the independent auditors is presented on pages 27 to 31; and
- all reasonable enquiries to ascertain such facts have been made.

The Directors acknowledge that their responsibility includes:

- ensuring that internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error, are appropriately designed, implemented and maintained;
- selecting and applying appropriate accounting policies; and
- making accounting estimates that are reasonable in the circumstances.

The Directors' responsibility also includes ensuring that adequate accounting records and an effective system of risk management is maintained. Accordingly, all key areas of risk across the Group and Company have been identified and Management have endeavoured to mitigate the risks by ensuring that appropriate controls, systems, infrastructure and disciplines are applied.

After giving due, careful and proper consideration to these responsibilities, the Directors believe that their obligations under this statement have been met.

Declaration by the Group Company Secretary

in respect of Section 88(2)(E) of the Companies Act, No. 71 of 2008

I, the undersigned, Cheryl Singh, in my capacity as the Group Company Secretary, certify that:

- AECI Limited (AECI) has lodged with the Registrar of Companies all such returns and notices in respect of the year under review as is required of a public company in terms of the Companies Act; and
- all such returns are, to the best of my knowledge and belief, true, correct and up-to-date.



Cheryl Singh
Group Company Secretary

Woodmead, Sandton
21 April 2026

Directors' Responsibility Statement on Internal Financial Controls

Interim Group Chief Executive and Group Chief Financial Officer's responsibility statement

Each of the Prescribed Officer and Director, whose names are stated below, hereby confirm that:

- (1) the annual financial statements set out on pages 32 to 145, fairly present in all material respects the financial position, financial performance and cash flows of AECl in terms of IFRS;
- (2) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- (3) internal financial controls have been put in place to ensure that material information relating to AECl and its consolidated subsidiaries have been provided to effectively prepare the financial statements of AECl;
- (4) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, and we have fulfilled our role and function as Prescribed Officer and Executive Director, respectively, with the primary responsibility for the implementation and execution of controls;
- (5) where we are not satisfied, we have disclosed to the Audit & Risk Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and
- (6) we are not aware of any fraud involving directors.



Dean Murray
Interim Group Chief Executive Officer
Prescribed Officer



Ian Kramer
Group Chief Financial Officer
Executive Director

Directors' report

The Directors have pleasure in submitting their report along with the consolidated and separate Group and Company annual financial statements for the year ended 31 December 2025.

Nature of business

AECI was registered as a Company in South Africa in 1924 and has been listed on the JSE Limited since 1966. Our proud history, spanning over 100 years, is underpinned by our pioneering spirit, resilience, agility, innovation, and commitment to excellence, which define our global business.

We are a diversified Group across services and geographies, with operations in more than 20 countries.

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

Strategy review

The Group's 2023 strategy laid a strong foundation for long-term growth through targeted disposals and rightsizing to optimise the Group's portfolio. These actions have enhanced earnings quality and strengthened the balance sheet. Following a comprehensive mid-term strategic review undertaken by the Board, the Group has refined its key objectives to ensure its strategic direction remains focused on delivering sustained long-term value for stakeholders in a measured and predictable manner.

The next phase will prioritise retaining and growing market share in the Group's core regions, reinvesting in high-quality assets, further strengthening balance sheet resilience and earnings quality and stabilising the leadership team, while continuing to focus on improved and sustainable quality of earnings.

Strategic objectives

The Group will continue to focus on the following key strategic areas:

Leveraging AECI's strengths

- Capitalise on the Group's proven leading capabilities.
- Continuing to support and follow customers as they pursue high-potential growth opportunities.
- Deliver bespoke, integrated value-added solutions that drive meaningful value for customers.
- Maintain a strong commitment to innovation as a key source of competitive advantage.

Prioritise business resilience

- Investing in asset reliability to restore and strengthen operational resilience, with a specific focus on further optimising the flagship Modderfontein facility.
- Enhancing supply chain capabilities to improve overall resilience.
- Leveraging industry-leading technical expertise to elevate performance across all operations.

Pursuing improved quality of earnings

- Prioritising value-accretive volume growth.
- Enhancing the quality and consistency of earnings.
- Strengthening the balance sheet to ensure long-term resilience.
- Focusing on margin, product mix and cost management.

The core elements of the Group's 2023 strategy remain in place and will be executed with continued focus and discipline. The people and culture agenda will remain a central pillar, with insights gained from the culture survey concluded in 2025 integrated into management practices and organisational development initiatives.

Directors' report continued

The Group's portfolio optimisation programme is substantially completed, following the successful disposals of the majority of the businesses earmarked for sale.

The functional and operational excellence pillar was pivotal in establishing a solid foundation from which the Group can pursue its ambition of achieving efficiencies. This pillar accelerated the development of processes, structures and systems required for effective execution. With this solid foundation in place, initiatives will continue under the stewardship of the operating segments, where alignment and accountability are most effective. Oversight of progress tracking will remain within the corporate function.

Internationalisation efforts will continue, with a continued disciplined approach aligned to future growth priorities.

At the end of the 2025 financial year, AECI's market capitalisation was R9,425 million (2024: R9,224 million) and the Group had 5,459 (2024: 6,938) employees.

Group financial results

The Group delivered solid results, with earnings per share increasing by over 100% compared to 2024. This growth was primarily driven by improved EBITDA¹, mainly from AECI Mining and lower net finance costs supported by decreased debt levels.

Revenue from continuing operations was 4% lower at R32,183 million (2024: R33,598 million) mainly driven by lower revenues in AECI Mining.

EBITDA from continuing operations grew by 12% following a record operational performance in AECI Mining. This was partially offset by higher losses recognised in the AECI Property Services and Corporate segment and a softer operational performance in AECI Chemicals.

Profit from continuing operations decreased from R1,544 million in the prior year to R1,530 million, following the recognition of impairments in the year.

Depreciation and amortisation from continuing operations were slightly behind the prior year at R1,029 million (2024: R1,084 million). An impairment charge of R821 million relating to the disposals within the Managed Businesses Segment and the annual impairment assessment at Schirm Germany were recorded for the year.

Rand million	Property, plant and equipment	Right-of-use assets	Intangible assets	Goodwill	Other	Total 2025	Total 2024
Business disposal impairments	187	115	22	123	27	474	—
Impairment of assets	105	50	21	185	—	361	397
Reversal of impairment	(14)	—	—	—	—	(14)	(20)
Total impairments	278	165	43	308	27	821	377
Discontinued operations	7	—	8	—	—	15	732
Net impairment and derecognition of assets	285	165	51	308	27	836	1,109

Net finance costs from continuing operations decreased by 33% to R347 million (2024: R521 million) due to reduced debt levels and a lower effective interest rate.

The taxation expense for the year of R885 million reflected an effective tax rate (ETR) of 72.9% (2024: 71.0% from continuing operations). The ETR remains elevated mainly due to impairments, unutilised assessed losses, non-deductible expenses and foreign withholding taxes on dividends received from the foreign subsidiaries.

The Group's headline earnings per share increased by 49%, reflecting higher underlying profitability and excludes the impact of impairments recognised in determining earnings per share (EPS) from continuing operations.

The discontinued operations recorded a loss for the year of R15 million, compared with a R560 million loss recognised in the prior year. The Much Asphalt disposal was treated as a discontinued operation.

Property, plant and equipment decreased from R5,910 million at 31 December 2024 to R4,543 million primarily due to the disposal of certain Managed Businesses. Intangible assets of R304 million (2024: R361 million) and goodwill of R1,300 million (2024: R1,608 million) were similarly impacted by the disposal of the Food & Beverage business and certain Schirm Group assets (i.e., Schirm USA and Baar-Ebenhausen).

¹ Earnings before interest, taxation, depreciation and amortisation calculated as profit from operations and equity-accounted investees plus depreciation, amortisation and impairments

Directors' report continued

Operating performance

AECI Mining

The AECI Mining segment comprises the Mining Explosives and Mining Chemicals businesses.

The segment delivered a record EBITDA performance representing the highest in its history. The increase in EBITDA was achieved through disciplined pricing and structural margin improvement. The margin improvement is supported by segment-wide focus on cost efficiency initiatives, coupled with favourable price and product mix in the Asia-Pacific region. The South African business has delivered a notable improvement following the exit of poor performing contracts, which have been replaced with new opportunities that positively impacted margins.

AECI Chemicals

AECI Chemicals comprises the Industrial Chemicals, Specialty Chemicals, Water and Plant Health businesses.

The segment delivered lower than anticipated results after the strong performance achieved in 2024. The EBITDA decreased despite the increase in revenue. This was mainly due to pricing pressures coupled with the recognition of increased expected credit losses. Despite the challenges, the segment achieved a strong free cash flow generation.

AECI Property Services and Corporate

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

The segment's performance was adversely impacted by the continued investment in improving the Group's Information Technology and Procurement capabilities. These additional costs were centrally absorbed and were not allocated to the operating entities.

AECI Managed Business

This segment houses businesses earmarked for sale, including Schirm Germany, Animal Health, SANS Fibers and Food & Beverage.

During the year, the sales of Much Asphalt, Baar-Ebenhausen, Schirm USA, and Food & Beverage were completed.

Corporate governance

The Group subscribes to the Code of Good Corporate Practices and Conduct contained in the King V Report on Corporate Governance for South Africa, 2016 (King V™). The Board has satisfied itself that the Group has complied with King V™, the JSE Listings Requirements, and the Debt and Specialist Securities Listings Requirements in all material aspects throughout the year under review. The governance report has been incorporated into the 2025 Integrated Report. The report is available on the Group's website at <https://investor.aeciworld.com/results-reports-presentations.php>.

Independent audit

Deloitte & Touche audited the Group and Company annual financial statements for the year ended 31 December 2025 and expressed an unmodified opinion. Mr Moroa Eric Tshabalala was the designated individual audit partner assigned to perform the audit.

The Audit & Risk Committee performed the assessments required in terms of paragraphs 5.7 (h) (iii) and 7.3(e) of the JSE Listings Requirements and Debt and Specialist Securities Listings Requirements, respectively, and Section 90 of the Companies Act and are satisfied with the independence and suitability of both the audit firm and the designated audit partner to be appointed as the Company's auditors.

The Board agrees with the Audit & Risk Committee's recommendations and will propose the re-appointment of the auditors at the Group's annual general meeting (AGM) to be held on 27 May 2026.

Interests of Directors, the Group Company Secretary and Prescribed Officers in ordinary shares

On 31 December 2025, the Directors and the Prescribed Officers had direct beneficial interests in the Company's ordinary share capital as set out in note 31 to the Group and Company annual financial statements.

None of their associates (as defined in terms of the JSE Listings Requirements) had any interests. There were no changes in the individual's direct beneficial interests between the end of the financial year and the approval of the Group and Company annual financial statements on 21 April 2026, and none of them had any interest in the Company's preference shares or debt securities.

None of the Non-executive Directors have been granted options or shares. The Executive Directors, the Group Company Secretary and the Prescribed Officers have long-term incentive benefits as disclosed in note 31 to the Group and Company annual financial statements.

Directors' report continued

The aggregate beneficial holdings and interest of the Directors and Prescribed Officers of the Company in the issued ordinary shares of the Company at 31 December were:

	Number of shares	
	2025 Direct	2024 Direct
Executive directors		
H Riemensperger ¹	—	10,000
I Kramer ²	40	40
	40	10,040
Prescribed Officers³		
DK Murray	57,506	54,055
D Govender	—	4,227
	57,506	58,282
	57,546	68,322

¹ Halger Riemensperger stepped down, by mutual agreement, as Group Chief Executive Officer and Executive Director with effect from 15 October 2025

² Ian Kramer, acting as Group Chief Financial Officer from 31 December 2024, was appointed as Group Chief Financial Officer and Executive Director with effect from 2 June 2025

³ Stuart Miller, Executive Vice President Mining, is a prescribed officer and holds no shares in his direct or indirect capacity. D Govender left during 2025 and no longer holds shares in his direct or indirect capacity

No Director or Prescribed Officer had indirect holdings of ordinary shares of the Company or beneficial holdings in the Company's cumulative preference shares in either of the years presented.

Following the vesting of awards to participants, including Prescribed Officers (Dean Murray and Stuart Miller) on 31 March 2026 in terms of AECI's Long-Term Incentive Plan, and the subsequent sale of AECI vested shares to settle tax obligations, as announced on SENS on 20 April 2026, Dean Murray holds an additional 6,622 shares and Stuart Miller holds 9,417 shares.

Save as set out above, there has been no change in the aggregate beneficial holdings of the Directors and Prescribed Officers of the Company between the end of the financial year and the date of approval of the annual financial statements by the Board.

Borrowing powers

In terms of AECI's Memorandum of Incorporation ("MOI"), the Directors may raise or secure the payment or repayment of such monies in such a manner and upon such terms and conditions in all respects as they think fit.

Going concern

The Group and Company annual financial statements have been prepared using appropriate accounting policies, supported by reasonable and prudent judgements and estimates. The Directors are of the opinion that the Company and its subsidiaries, joint ventures and associates have adequate resources to continue as going concerns in the foreseeable future.

Share capital and share premium

The Company's issued share capital comprises 105 517 780 listed ordinary shares of R1 each (2024: 105 517 780 shares), and 3 000 000 listed 5,5% cumulative preference shares of R2 each (2024: 3 000 000 shares).

Stated

The dematerialisation of the Company's issued shares commenced in July 2001. Shares still in paper form are no longer good for delivery and must be dematerialised before participation in any transaction.

Shareholders may direct any enquiries in this regard to the Company's Transfer Secretaries on telephone number +27 (0) 861 100 950 in South Africa or +44 (0) 870 889 3176 in the United Kingdom.

Dividends

A final ordinary cash dividend of 128 cents was declared on 25 February 2026 and paid on 7 April 2026.

Preference share dividends were paid on 13 June 2025 and 15 December 2025. Refer to note 26 to the Group and Company annual financial statements for details in this regard.

Directorate and secretary

Details of the Directorate and Secretary of the Company are available at: <https://www.aeciworld.com/leadership>.

Major shareholders

Details of shareholders who hold beneficial interests equal to or in excess of 3% of the Company's ordinary share capital are included on page 21 to 24 of the Group and Company annual financial statements.

Directors' report continued

Special resolutions

The Company passed the following special resolutions at the annual general meeting (AGM) held on 27 May 2025:

1. to approve the annual fees payable by the Company to its Non-executive Directors; and
2. approve the provision of financial assistance to a related or inter-related company.

Events after the reporting date

The reportable event disclosed below, occurred after the reporting date.

AECI Mining received a claims submission on 2 March 2026 relating to the MV Galaxy contingent liability described in note 27 to the Group and Company annual financial statements.

As part of AECI's commitment to inclusive growth and shared value, the Group has concluded the implementation of a new Employee Share Scheme (ESS) currently valued at an estimated value of R185 million over four years which comes into effect in 2026. The Scheme enables eligible employees to participate directly in AECI's long-term value creation through equity ownership. As the arrangement does not involve the issuance of additional ordinary shares, it does not create potential ordinary shares in terms of IAS 33 Earnings per share and therefore has no dilutive effect on earnings per share.

The ESS supports the alignment of employee and shareholder interests, strengthens retention and engagement, and reinforces a performance-driven ownership culture across the Group. By extending participation in the Group's future growth, the ESS forms an integral part of AECI's broader human capital and sustainability strategy and contributes to positioning the Group as an employer of choice.

Legal and regulatory interaction

The Group is involved in legal proceedings and is in consultation with its legal counsel, assessing the outcome of these proceedings on an ongoing basis. As proceedings progress, the Group's management makes provision regarding legal proceedings where appropriate. Current and pending litigation is not expected to have a material adverse effect on the Group except for any potential impact from the legal proceedings included in note 27 to the Group and Company annual financial statements.

Directors' report continued

Financial interests of Directors, the Group Company Secretary and Prescribed Officers

During 2025, no contracts were entered into in which the above individual/s had an interest and which significantly affected the business of the Group. The same individual/s had no interests in any third-party or company responsible for managing any of the business activities of the Group.

Remuneration and employee incentive participation schemes

Full details regarding the remuneration and participation in the Group's long-term incentive schemes by the Company's Executive Directors, the Director of a major subsidiary, the Group Company Secretary and Prescribed Officers are disclosed in note 31 to the Group and Company annual financial statements.

Approval of consolidated and separate annual financial statements

The consolidated and separate Group and Company annual financial statements were approved by the Board of Directors on 21 April 2026 for release on 22 April 2026. They will be presented to the shareholders at the annual general meeting on 27 May 2026. The consolidated and separate Group and Company annual financial statements were signed by:



Philisiwe Sibiya
Chairman



Ian Kramer
Group Chief Financial Officer

Audit & Risk Committee's report to stakeholders

Dear stakeholders

The AECI Group Audit & Risk Committee (Committee) is pleased to present its report for the financial year ended 31 December 2025.

This report has been prepared in accordance with the South African Companies Act, No. 71 of 2008, as amended (Companies Act), the King V Report on Corporate Governance for South Africa, 2016 (King V™), the JSE Listings Requirements, the JSE Debt and Specialist Securities Listings Requirements and other applicable regulatory requirements.

The Board adopted King V for the 2025 financial year. As an early adopter, the Company has transitioned its reporting to align with the King V disclosure framework. Certain governance elements are still being enhanced, as outlined in the King V disclosure application available on the Company's website at <https://investor.aeciworld.com/results-reports-presentations.php>. The Board believes that early adoption of King V strengthens governance transparency and demonstrates the Company's commitment to leading practice.

The Committee carried out its responsibilities, including those relating to the audit, financial reporting, risk governance and assurance obligations of the Group, as set out in its Board-approved charter and terms of reference.

The Committee's primary objective is to support the Board in fulfilling its oversight responsibilities in relation to the integrity of financial reporting, the effectiveness of internal financial controls, the governance of risk and opportunity, the effectiveness and independence of internal audit, the independence and effectiveness of the external auditor, the maturity of combined assurance, and technology and cyber governance as they relate to control, resilience and reporting.

This report sets out how these responsibilities were discharged during the year, highlights significant matters considered, and explains how the Committee addressed them in transparent and credible reporting that supports effective decision-making.

Composition and governance

The Committee comprises independent non-executive directors with the requisite skills, experience and financial literacy required by the Companies Act, the JSE Listings Requirements, the JSE Debt and Specialist Securities Listings Requirements and King V™. The current members of the Committee continue to meet the independence requirements as assessed by the Board, in terms of the Companies Act and King V.

The Committee satisfied itself that the Group Chief Financial Officer possesses the appropriate expertise and experience to discharge the responsibilities of the role, and that the finance function as a whole has the necessary expertise, experience and resources to support the preparation of reliable financial information, as required by the JSE Listings Requirements.

During the year under review, the Board approved the consolidation of the Audit Committee and the Risk Committee into a single Audit & Risk Committee to enhance integration between financial reporting, risk governance and assurance oversight.

This was a transition year. The Audit Committee and Risk Committee operated separately for most of the year, with the combined Audit & Risk Committee operating following consolidation in November 2025.

Prior to the consolidation of the committees, the Chairman of the Audit Committee served as a member of the Risk Committee, enabling direct alignment and feedback on Risk Committee activities and recommendations.

To ensure transparency, attendance is disclosed separately for each committee structure.

Audit Committee Meetings

Director	20 Feb ¹	21 Feb	11 April ²	25 April ³	23 May	25 July	5 November
AM Roets (Chair)*	✓	✓	✓	✓	✓	✓	✓
PG Sibiyi (Chair)**	✓	✓	✓	✓	✓	✓	✓
FFT Dlodlu (De Buck)	✓	✓	✓	✓	✓	✓	✓
W Dissinger***			✓	✓	✓	✓	✓
Invitees							
H Riemensperger ****	✓	✓	A	A	✓	✓	
D Murray *****							✓
I Kramer*****	✓	✓	✓	✓	✓	✓	✓

¹ Special meeting - Annual Financial Statements page turn

² Special meeting - Integrated Report page turn (1)

² Special meeting - Integrated Report page turn (2)

A – Apologies

* Ms Roets has been appointed as Committee Chairman as at 27 May 2025

** Ms Sibiyi has resigned as Chairman and member of the Committee as at 27 May 2025. Ms Sibiyi will continue to attend the Committee meetings as a permanent invitee

*** Mr Dissinger has been appointed as a member of the committee as at 27 May 2025

**** Mr Riemensperger stepped down, by mutual consent, as Group Chief Executive Officer and Executive Director with effect from 15 October 2025

***** Mr Murray was appointed as Interim Group Chief Executive Officer with effect from 15 October 2025

***** Mr Kramer was Acting Group Chief Financial Officer, until his permanent appointment with effect from 2 June 2025

Audit & Risk Committee's report to stakeholders continued

Risk Committee Meetings

Director	20 Feb	24 July
WH Dissinger (Chair)	✓	✓
S Dawson	✓	✓
P Mishic O'Brien	✓	✓
NT Moholi	✓	✓
PG Sibiya*	✓	✓
M Roets**		✓
Invitees		
H Riemensperger	✓	✓
I Kramer***	✓	✓

* Ms Sibiya, as from 27 May 2025, will attend all Committee meetings as a permanent invitee
 ** Ms Roets was appointed as Committee member with effect from 27 May 2025
 *** Mr Kramer was Acting Group Chief Financial Officer, until his permanent appointment with effect from 2 June 2025

Audit & Risk Committee Meeting

Director	9 Dec
AM Roets (Chair)	✓
FFT Dlodlu (De Buck)	✓
W Dissinger	✓
NT Moholi	✓
P Mishic O'Brien	✓
PG Sibiya*	✓
Invitees	
D Murray**	✓
I Kramer***	✓

* Ms Sibiya will attend Committee meetings as a permanent invitee
 ** Mr Murray was appointed as Interim Group Chief Executive Officer with effect from 15 October 2025
 *** Mr Kramer was Acting Group Chief Financial Officer, until his permanent appointment with effect from 2 June 2025

Abridged biographies of these Directors are published at: <https://investor.aeciworld.com/governance.php#leadership>.

The Interim Group Chief Executive Officer, Group Chief Financial Officer, external auditor, internal audit, risk management and other members of management attend meetings of the Committee by invitation as appropriate to their areas of responsibility. The Committee also meets separately with the external and internal auditors, without management present, to ensure open engagement.

The Committee Chairman reports to the Board after each Committee meeting, detailing the Committee's activities and matters considered, and highlighting key items requiring Board attention.

Role and Statutory Position

The Committee operates as an independent statutory committee in terms of section 94 of the Companies Act and fulfils a distinct oversight role on behalf of the Board. Its primary focus is on the integrity of financial reporting, the effectiveness of internal control and assurance processes, and the independence and performance of the external and internal audit functions.

In executing this role, the Committee exercises independent judgement while remaining accountable to both the Board and shareholders, and does not assume the responsibilities of management or those of other Board committees.

Execution of functions

The Committee executed its duties during the year in accordance with its approved terms of reference, the requirements of section 94 of the Companies Act, the JSE Listings Requirements and the JSE Debt and Specialist Securities Listings Requirements.

In discharging its mandate, the Committee oversaw the integrity of the Group's financial reporting, the effectiveness of internal financial controls, the performance and independence of the external auditor, and the effectiveness of the internal audit function and Combined Assurance Model.

The Committee considered reports and presentations from management, internal audit and the external auditor, exercised oversight over significant judgements, estimates and disclosures, and monitored the resolution of control deficiencies and audit findings. Matters within the Committee's remit were reported to the Board, together with recommendations where appropriate.

The Committee is satisfied that it has discharged its responsibilities in accordance with its mandate and that appropriate oversight was exercised across all areas within its remit.

During the year, the Committee considered the appointment of the Group Chief Financial Officer. This included a review of candidate credentials, participation in the interview process, and a recommendation to the Nominations, Governance and Directors Affairs Committee.

The effectiveness of the Committee was assessed as part of the Board and Committee evaluation process. The results confirmed that the Committee continues to operate effectively and in accordance with its mandate, and supported the consolidation of the Audit Committee and Risk Committee into a single Audit & Risk Committee to enhance oversight integration.

Audit & Risk Committee's report to stakeholders continued

2025 Audit Committee focus areas and how these were addressed:

Focus area (as disclosed in 2024)	How this was addressed in 2025	Outcome / Committee view
Monitor the impact of the divestiture strategy	Reviewed accounting, tax and balance sheet impacts of disposals and portfolio optimisation activities	Appropriate accounting treatment and disclosures applied
Ensure effectiveness of internal financial controls (including IT controls)	Reviewed internal audit findings, IT control assessments and remediation progress	Control environment stable with improvement required in execution discipline. The IT control environment shows sustained improvement
Enhance governance processes and whistle-blowing oversight	Reviewed whistle-blower reports, investigations and closure of findings	Governance processes appropriate with continued focus on accountability
Supervise implementation of the Combined Assurance Model	Reviewed implementation progress and alignment with ERM and risk appetite	Model appropriately designed and maturing
Track financial impact of procurement controls	Reviewed procurement findings, analytics and remediation actions	Control weaknesses identified and remediation underway
Strengthen tax and finance capacity, systems and processes	Monitored tax capacity, compliance and finance system improvements	Improvements noted; continued focus required
Monitor financial impact of the Schirm rightsizing plan	Reviewed restructuring impact and related disclosures	Impacts appropriately reflected in financial results

2025 Risk Committee focus areas and how these were addressed:

Focus area (as disclosed in 2024)	How this was addressed in 2025	Outcome / Committee view
Strengthen AECI risk culture through training, awareness and stakeholder engagement	Oversaw embedding of risk ownership accountability through leadership forums and governance engagements. Reinforced escalation and reporting discipline	Risk culture strengthened with clearer accountability and improved escalation and reporting discipline
Review the Group's risk and opportunity register, including risk appetite and tolerance	Refined the risk appetite framework and interrogated jurisdictional risks, sanctions exposure and geopolitical volatility	Risk and opportunity profile remains appropriate and aligned to the approved risk appetite
Monitor implementation of the ERM Framework and status of internal controls	Reviewed progress against ERM enhancement plans and tracked corrective actions arising from audit and control findings	ERM framework continues to mature with the internal control environment improving
Advance the ERM maturity roadmap	Monitored improvements in risk dashboards, reporting quality and risk quantification methodologies	Measurable progress achieved against the ERM maturity roadmap
Review implementation of the Group's Legal Compliance Framework	Oversaw FICA registration and regulatory compliance developments across jurisdictions	Compliance framework operating effectively with no material compliance breaches identified
Oversee effectiveness of the IT controls environment	Reviewed IT governance, cyber response measures and access control remediation in coordination with assurance providers	IT control environment generally effective, with sustained focus on cyber and technology risk
Assess and track the Group's geographical and country risk	Enhanced oversight of localisation requirements, sanctions exposure and regional instability risks, refining escalation protocols	Geographic and country risks appropriately identified, monitored and managed
Monitor the Group's key operational and strategic risks, including supply chain continuity, asset reliability, cyber risk and people-related risk	Oversaw management's response to key operational and strategic risks affecting business resilience, including supply chain and raw material disruption, asset reliability challenges, cyber and access-control remediation and people and culture-related risks emerging from leadership change and organisational transformation	Key operational and strategic risks managed within acceptable tolerance, supporting business resilience

Audit & Risk Committee's report to stakeholders continued

External audit

The Committee nominated Deloitte & Touche for reappointment as external auditor for the 2025 financial year.

In assessing Deloitte & Touche's suitability for re-appointment as external auditor, the Committee considered the information required by paragraph 5.7(h)(iii) of the JSE Listings Requirements and paragraph 7.3(e)(iii) of the JSE Debt and Specialist Securities Listings Requirements, together with the firm's independence, competence, capacity, audit quality, internal governance processes and the firm's system of quality management. The Committee also assessed the performance of the external audit firm and the designated audit partner against relevant audit quality indicators and was satisfied that Deloitte & Touche remains suitable for re-appointment and that Ms Carmen Naidoo Bester is suitable for appointment as designated audit partner for the 2026 financial year. In making this assessment, the Committee considered its own assessment of audit quality, feedback from Management, and confirmation from the external auditor regarding internal and regulatory quality reviews.

The Committee ensured that a resolution proposing the re-appointment of Deloitte & Touche as external auditor, together with the appointment of Ms Carmen Naidoo Bester as designated audit partner for the 2026 financial year, is included in the notice of the upcoming Annual General Meeting. This follows the completion of Mr Moroa Eric Tshabalala's five-year tenure as designated audit partner, in line with mandatory audit partner rotation requirements.

The Committee:

- satisfied itself of the external auditor's independence, including compliance with independence requirements and the appropriateness of non-audit services in terms of the approved Non-audit services policy, which restricts the nature of services that may be provided and requires prior approval for permitted services;
- reviewed and approved audit fees, confirming alignment with the scope and complexity of the audit;
- reviewed and approved the engagement letter, audit plan, scope and materiality;
- monitored audit execution and considered findings, including Key Audit Matters; and
- assessed audit quality and effectiveness, including audit team experience and compliance with partner rotation requirements.

The Committee approved the audit fees of R50 million in respect of the Group's consolidated and separate annual financial statements, as well as R5 million for other assurance and non-audit services performed in accordance with standards issued by the International Auditing and Assurance Standards Board (IAASB).

The external auditor has unrestricted access to the Committee, including through private sessions held without management present.

The Committee is satisfied with the quality and effectiveness of the external audit.

The Committee confirms that no reportable irregularities were identified and reported by the external auditor in terms of the Auditing Profession Act.

Audit & Risk Committee's report to stakeholders continued

Annual financial statements

The Committee ensured that the annual financial statements were prepared in accordance with IFRS Accounting Standards, the Companies Act, the JSE Listings Requirements and the JSE Debt and Specialist Securities Listings Requirements.

In addition, the Committee considered the findings and guidance arising from the JSE's proactive monitoring of financial statements and is satisfied that, where relevant, these were appropriately considered and applied in the preparation of the annual financial statements, including in relation to significant judgements, estimates and disclosures.

The Committee ensured that the Company has established appropriate financial reporting procedures and that those procedures are operating, which includes the consideration of all entities included in the consolidated Group IFRS financial statements, to ensure that it has access to all the financial information of AECI to allow the Company to effectively prepare and report on the annual financial statements of AECI.

In preparing to recommend the annual financial statements for approval, the Committee considered the key areas of judgement and estimation that are material to the Group's financial reporting. These matters were also areas of focus for the external auditor, including the two matters reported as Key Audit Matters in the external auditor's report.

The Committee engaged with management and the external auditor on these matters and considered the appropriateness of the related disclosures.

Key audit matters

Description	Committee focus and conclusion
The impairment assessment of Property, Plant and Equipment (PPE) in Schirm Germany	Considered the financial performance of Schirm Germany that triggered the impairment indicator, as well as the methodology applied by management in determining the value-in-use and resulting impairment. Satisfied that the approach, assumptions and conclusions reached by management were appropriate, and that the impairment recognised is accurately and transparently reflected in the annual financial statement disclosures
The impairment assessment of the goodwill amount that arose on the acquisition of AECI Schirm	Considered Management's assessment of the goodwill allocated to AECI Schirm, including the key assumptions applied in determining the impairment. Satisfied that the impairment recognised is appropriate and that the related disclosures in the annual financial statements fairly and transparently present Management's conclusions
Unsubstantiated transactions recorded in AECI Mining Explosives DRC SARL	Considered Management's assessment of unsubstantiated supplier transactions, which included related investigative procedures, asset verification and review of supporting documentation. Satisfied that the resulting recognition of an additional taxation liability of R32 million was appropriate and adequately disclosed

Other significant matters

Description	Committee focus and conclusion
Impairment of goodwill and intangible assets	Reviewed key assumptions, including cash flow forecasts, discount rates and sensitivities. Satisfied that assessments and disclosures are appropriate
Impairment of property, plant and equipment other than above	Considered impairment indicators and recoverable amount calculations. Satisfied with outcomes and disclosures
Provisions and contingent liabilities	Reviewed significant provisions and underlying judgements. Satisfied that recognition and disclosures are appropriate
Taxation	Received regular reporting on tax matters, including tax audits, disputes, deferred tax status, and the status of tax returns and payments across jurisdictions. Satisfied that the Group is compliant with applicable tax legislation. Considered tax positions, deferred tax balances and key assumptions. Satisfied with the appropriateness of accounting and disclosures
Prior year adjustment on the Excess-of-Loss (XOL) policy investment	Reviewed the accounting treatment of the XOL policy and determined it should be accounted for as an on-balance sheet investment. Satisfied that the restatement correctly reflects this change in accounting treatment
Non-recurring and restructuring items	Reviewed accounting and presentation of significant non-recurring items. Satisfied that these are appropriately reflected

Audit & Risk Committee's report to stakeholders continued

The Committee also considered:

- the appropriateness of accounting policies;
- significant judgements and estimates; and
- the adequacy of disclosures.

The Committee reviewed Management's going concern assessment, including the base case and downside scenarios, the Group's liquidity position, available funding facilities, covenant compliance and forecast cash flows. Having considered these matters, and having applied the solvency and liquidity test, the Committee was satisfied that the going concern basis of preparation remains appropriate for the Group and Company and provided assurance to the Board in this regard. The Committee further recommended the approval of dividends to the Board.

Based on the above, the Committee is satisfied that the Group and Company annual financial statements for the year ended 31 December 2025 comply with the Companies Act, IFRS Accounting Standards, interpretations issued by the IFRS Interpretations Committee (IFRIC[®]), Financial Pronouncements issued by the Financial Reporting Standards Council, SAICA Financial Reporting Guides, the JSE Listings Requirements, the JSE Debt and Specialist Securities Listings Requirements and the Group's accounting policies, and fairly present the financial position and performance of the Group, and recommended them to the Board for approval.

Interim Group Chief Executive Officer and Group Chief Financial Officer Responsibility Statement

The Committee reviewed the process supporting the Interim Group Chief Executive Officer and Group Chief Financial Officer responsibility statement on internal financial controls. The review encompassed the design and operating effectiveness of key controls and the supporting assurance provided by Management, internal audit and the external auditor, including formal assurance provided by Group Internal Audit on the effectiveness of governance, risk management and internal control processes. The Committee was satisfied with the effectiveness of this process.

In this context, the Committee considered reports on internal controls, including identified deficiencies and the status of remediation actions. It also considered the nature and root causes of these deficiencies.

The Committee confirmed that internal control deficiencies identified and reported as part of the Audit Committee Report in the prior year have been remediated. The Committee monitored the progress of these remediation actions during the year and is satisfied that the prior year deficiencies have been appropriately addressed. The internal control deficiencies identified in the current year relate to different underlying root causes. The Committee has been made aware by Management, Group Internal Audit and the External Auditor of the following specific internal control deficiencies identified during the year, none of which reflect systemic internal control failures:

- Delayed identification of impairment indicators within AECI Mining, resulting in impairment assessments being prepared late in the year-end process;
- Elevated year-end journal activity within AECI Mining arising from operational inefficiencies and SAP configuration gaps rather than normal IFRS-driven requirements;
- Under-provision of short-term incentive costs across business units due to revised provisioning requirements not being fully implemented during the year; and
- Subsequent to year-end, Management identified instances where unsubstantiated supplier payments in AECI Mining Explosives DRC SARL were processed, refer note 24 to the financial statements. The unsubstantiated payments was limited to AECI Mining Explosives DRC SARL. The implicated employees have been suspended pending a full forensic investigation.

Remediation plans with defined accountability and timelines are being put in place for each of the above matters and are subject to ongoing oversight by Management and the Committee.

The Committee is satisfied that the Group maintains a sound system of internal control, underpinned by clear accountability, appropriate assignment of authority, established policies and procedures, and a control-conscious culture across the organisation. During the year, Management represented that internal control procedures were appropriate and effective, no material breakdowns in internal controls were identified, and no material breaches of laws or regulations were brought to the Committee's attention.

Group Internal Audit provided the following written assessment for the financial year ended 31 December 2025:

"Nothing has come to our attention to indicate that, in aggregate and in all material respects, a material breakdown in governance has occurred in respect of AECI's systems of internal financial controls. We noted generally, comprehensive control frameworks and processes to be in place, but improvements are needed in respect of a number of key control activities. All control and/or compliance related deficiencies classified 'significant' have been reported to executive Management and the Audit & Risk Committee for the purposes of corrective action and the monitoring thereof, respectively."

Having considered the above, the Committee is satisfied that there was no material breakdown in the Group's internal financial controls relevant to the preparation of the annual financial statements, and that the identified deficiencies did not result in any unadjusted audit differences above the materiality threshold applied in the external audit.

Audit & Risk Committee's report to stakeholders continued

Integrated Report

The Committee reviewed the financial information included in the Integrated Report and considered its consistency with the Annual Financial Statements and underlying financial records.

The Committee recommended the Integrated Report to the Board for approval.

Expertise of the Group Chief Financial Officer and finance function

The Committee considered the qualifications, experience and performance of the Group Chief Financial Officer and is satisfied that he has the appropriate competence, qualifications and experience to fulfil this role.

Based on a review of the qualifications, continuing professional development, experience, staff complement, functional responsibilities and supporting information systems of the finance function, the Committee is satisfied that the Group's finance function has the appropriate expertise, experience and resources to operate effectively.

Internal audit

The Committee evaluated the independence, effectiveness and performance of Group Internal Audit, including the execution of the internal audit plan, the adequacy of its resourcing and skills, and its positioning within the organisation. Group Internal Audit operates with a functional reporting line to the Committee and an administrative reporting line to the Group Chief Financial Officer, which supports its independence and ability to perform its responsibilities without undue influence. The internal audit function is partially outsourced to PwC under the management control of AECI's VP: Internal Audit.

The Committee reviewed and approved the internal audit charter and annual audit plan, ensuring that a risk-based approach was applied and that the plan remained responsive to the Group's evolving risk profile.

The Committee considered reports from internal audit on the effectiveness of internal controls, governance processes and risk management, including significant issues identified and the adequacy of management's response to these findings. The Committee monitored the implementation of agreed remediation actions and considered progress in addressing identified control deficiencies.

The Committee also considered the role of internal audit within the Combined Assurance Model, including coordination with management assurance and external audit, and is satisfied that appropriate coverage is provided over key risk and control areas.

Group Internal Audit provided the Committee with a written statement that nothing had come to its attention to indicate that, in aggregate and in all material respects, a material breakdown in governance had occurred in respect of AECI's system of internal control and risk management, while noting that improvements are needed in a number of key control activities.

The above statement reflects the results of internal audit work performed during the year, including assessments of internal control systems, governance and risk management processes, interaction with external audit, management control self-assessments and the effectiveness of combined assurance, taking into account the inherent limitations of sampling and the nature of assurance provided.

The Committee assessed the independence, effectiveness and performance of the internal audit function, including its scope, resourcing, execution of the approved plan and organisational positioning, and was satisfied therewith.

The Committee is satisfied that the internal audit function is independent and effective and operates in accordance with recognised professional standards, including the International Standards for the Professional Practice of Internal Auditing.

Legal, regulatory and whistle-blowing

The Committee received and considered reports on legal and regulatory compliance, as well as matters arising from whistle-blowing processes, including those relating to financial reporting, internal financial controls and potential misconduct, and is satisfied that these were appropriately investigated and addressed.

Audit & Risk Committee's report to stakeholders continued

Risk management

Prior to consolidation:

- the Risk Committee oversaw the Group's risk governance framework and risk management activities; and
- the Audit Committee considered risk matters relevant to financial reporting and internal controls.

The Risk Committee formally approved updates to the ERM policy and the Risk Appetite Framework prior to consolidation of the Risk committee and the Audit committee, reflecting continued refinement and strengthening of AECL's risk governance framework.

During the year, the Committee:

- oversaw the continued development of the Group's enterprise risk management framework, progress against the ERM maturity roadmap, acknowledging the ongoing impact of Governance, Risk and Compliance (GRC) strategic initiatives and the strengthening of the organisation's risk management capabilities;
- reviewed updates to risk appetite and tolerance levels;
- considered the alignment between key risks, internal controls and assurance activities;
- reviewed and ensured alignment of Group risks to the approved risk universe; and
- considered and endorsed a revised risk approach incorporating comprehensive reporting on risks, controls, mitigating actions, key risk indicators and the allocation of oversight for Group risks to the relevant Board committees.

The Committee is satisfied that appropriate risk governance structures are in place at Board and committee level, and that risk management processes continue to mature, with ongoing focus on embedment and consistency of execution across the Group. The Committee also considered the linkage between key risks, strategy and performance, and is satisfied that these are appropriately aligned.

Combined assurance

During the joint meeting of the Audit Committee and the Risk Committee in February 2025, the implementation of the Combined Assurance Model and formal plan was reviewed.

The Audit Committee provided the Board with the following assessment:

"The Audit Committee is satisfied that the implementation of the updated ERM policy and Risk Appetite Framework will provide a more solid basis for maturing the Combined Assurance Model across the Group. The Committee will continue to closely monitor the implementation of these frameworks and the Combined Assurance Model.

The Committee considered the effectiveness of the Combined Assurance Framework, including:

- the coordination of assurance activities across Management, internal audit and external audit; and
- the extent of coverage over key risks and controls."

The Committee is satisfied that the framework supports the integrity of financial reporting and control, provides appropriate coverage over key risks, and continues to mature.

Group treasury

The Committee reviewed:

- liquidity, covenant compliance, funding structures and stress scenarios; and
- going concern, solvency and liquidity, financial assistance and dividend assessments.

The Committee is satisfied that treasury risk is appropriately managed and that the Group remains solvent, liquid and able to continue as a going concern.

Technology and information governance

Technology risk remained an area of focus during the year.

The Committee:

- oversaw IT risk management and cyber security posture;
- monitored the remediation of control weaknesses; and
- considered areas of residual risk, including legacy systems and evolving cyber threats.

In doing so, the Committee noted a sustained improvement in the overall technology control environment, reflected in assurance outcomes and management reporting, and observed that remediation efforts are increasingly embedded as standard operating practice rather than once-off interventions. While pockets of control maturity still require reinforcement – particularly in process consistency and ownership – overall control outcomes continue to trend positively. The Committee is satisfied that technology and information governance is receiving appropriate oversight.

Audit & Risk Committee's report to stakeholders continued

Key focus areas for 2026

In addition to its statutory responsibilities, the Committee will focus on:

- preparedness for IFRS 18;
- continued embedment of the enterprise risk management framework and risk appetite;
- strengthening of combined assurance across key risk and control areas;
- ongoing remediation and enhancement of the internal control environment;
- enhancement of cybersecurity resilience and data governance practices;
- evaluate whether the Company has incorporated digitisation and utilisation of advanced technologies, e.g. AI;
- procurement and supply chain governance;
- tax governance and effective tax rate monitoring; and
- improvement in the quality, integration and timeliness of management reporting.

Conclusion

The Committee is satisfied that the Group's system of internal financial controls was effective for the year under review and that the Group's risk management and combined assurance processes continue to mature, with ongoing focus on embedment and execution discipline.

The Committee has complied with its statutory duties in terms of its Board-approved mandate, section 94 of the Companies Act, the JSE Listings Requirements (paragraph 5.7(h) in particular), the JSE Debt and Specialist Securities Listings Requirements (paragraph 7.3(e) in particular) and King V, and has recommended the Group and Company annual financial statements for the year ended 31 December 2025 to the Board for approval on 21 April 2026.

The Board has approved this report, which will be presented to shareholders at the forthcoming Annual General Meeting.

On behalf of the Audit & Risk Committee



Marna Roets

Audit & Risk Committee Chairman

21 April 2026

Ordinary shareholder analysis

1. Analysis of registered ordinary shareholders and company schemes

Source: Standard Bank

Registered shareholder spread

The following table confirms the spread of registered shareholders at 31 December 2025:

Shareholder spread	Number of holders	% of total shareholders	Number of shares	% of issued capital
1—1 000 shares	5,301	76.00	1,090,613	1.03
1 001—10 000 shares	1,146	16.43	3,502,965	3.32
10 001—100 000 shares	376	5.39	13,171,751	12.48
100 001—1 000 000 shares	131	1.88	35,514,198	33.66
1 000 001 shares and above	21	0.30	52,238,253	49.51
Total	6,975	100.00	105,517,780	100.00

Public and non-public shareholdings

Within the shareholder base, the split between public and non-public shareholdings are as follows:

Shareholder type	Number of holders	% of total shareholders	Number of shares	% of issued capital
Public	6,972	99.96	105,450,383	99.94
Directors/related holdings ¹	3	0.04	67,397	0.06
Total	6,975	100.00	105,517,780	100.00

¹ Includes Executive Directors, Directors of major subsidiaries and Prescribed Officers

Ordinary shareholder analysis continued

2. Substantial investment management and beneficial interests

Substantial investment management and beneficial interests above 3%

Through regular analysis of Strate registered holdings, and pursuant to the provisions of Section 56 of the Companies Act, the following shareholders held directly and indirectly equal to or in excess of 3% of the issued share capital as at 31 December 2025:

Investment manager	Total shareholding (number of shares)	% of issued capital
Public Investment Corporation	19,378,848	18.37
PSG Asset Management	9,760,578	9.25
Ninety One	7,777,600	7.37
Camissa Asset Management	6,963,133	6.60
Aylett & Co	6,674,980	6.33
Steyn Capital Management	6,412,484	6.08
Vanguard Investment Management	4,223,562	4.00
Truffle Asset Management	3,490,576	3.31
Total	64,681,761	61.31

Major shareholdings	Total shareholding (number of shares)	% of issued capital
Government Employees Pension Fund	19,387,055	18.37
PSG Asset Management	9,741,435	9.23
Ninety One	4,892,049	4.64
Aylett & Co	4,520,638	4.28
Vanguard Investment Management	4,223,562	4.00
Steyn Capital Management	3,860,592	3.66
Total	46,625,331	44.18

Previously disclosed holdings

Investment managers now holding below 3%

Investment manager	Total shareholding (number of shares)	% of issued capital	Previous %
Dimensional Fund Advisors	2,758,829	2.61	3.01
36One Asset Management	2,419,582	2.29	3.82
Allan Gray	1,417,695	1.34	4.44
Total	6,596,106	6.24	11.27

Ordinary shareholder analysis continued

3. Geographic split of shareholders

Geographic split of investment managers and company related holdings

Region	Total shareholding (number of shares)	% of issued capital
South Africa	75,700,494	71.74
United States of America and Canada	13,997,646	13.27
United Kingdom	12,448,940	11.80
Rest of Europe	2,562,205	2.43
Rest of the World	606,650	0.57
Balance of shareholdings with no investment managers	201,845	0.19
Total	105,517,780	100.00

Geographic split of beneficial shareholders

Region	Total shareholding (number of shares)	% of issued capital
South Africa	85,163,666	80.70
United States of America and Canada	15,995,820	15.16
United Kingdom	3,161,183	3.00
Rest of Europe	632,161	0.60
Rest of the World	564,950	0.54
Total	105,517,780	100.00

Ordinary shareholder analysis continued

4. Shareholder categories

Beneficial shareholder categories

An analysis of beneficial shareholdings, supported by the Section 56 enquiry process, confirmed the following beneficial shareholder types:

Category	Total shareholding (number of shares)	% of issued capital
Unit Trusts	45,798,193	43.41
Pension Funds	30,980,045	29.36
Mutual Funds	7,291,810	6.91
Other	5,269,901	4.99
Private Investors	5,175,230	4.90
Hedge Funds	4,236,583	4.02
Insurance Companies	3,546,731	3.36
Black Economic Empowerment	2,049,620	1.94
Trading Positions	1,169,667	1.11
Total	105,517,780	100.00

Preference shareholder analysis

1. Analysis of registered preference shareholders and company schemes

Source: Standard Bank

Registered shareholder spread

The following table confirms the spread of registered shareholders at 31 December 2025:

Shareholder spread	Number of holders	% of total shareholders	Number of shares	% of issued capital
1 - 1,000	30	18.29	7,837	0.26
1,001 - 10,000	94	57.32	495,243	16.51
10,001 - 100,000	37	22.56	1,043,044	34.77
100,001 - 1,000,000	3	1.83	1,453,876	48.46
Total	164	100.00	3,000,000	100.00

There are no non-public holders of preference shares.

2. Substantial investment management and beneficial interests

Substantial investment management and beneficial interests above 3%

Through regular analysis of Strate registered holdings, and pursuant to the provisions of Section 56 of the Companies Act, the following shareholders held directly and indirectly equal to or in excess of 3% of the issued preference share capital as at 31 December 2025:

Investment manager	Total shareholding (number of shares)	% of issued capital
Sanlam Investment Management	283,440	9.45
Total	283,440	9.45

Major shareholdings	Total shareholding (number of shares)	% of issued capital
Gingko Group	790,884	26.36
Philip Schock Charitable and Educational Trust	336,517	11.22
Mr GE Moore	326,475	10.88
Total	1,453,876	48.46

Previously disclosed holdings

Investment managers now holding below 3%

Investment manager	Total shareholding (number of shares)	% of issued capital	Previous %
Melville Douglas Investment Management	—	0.00	3.08
Total	—	0.00	3.08

Preference shareholder analysis continued

3. Geographic split of shareholders

Geographic split of investment managers and company related holdings

Region	Total shareholding (number of shares)	% of issued capital
South Africa	340,607	11.35
Balance of shareholdings with no investment managers	2,659,393	88.65
Total	3,000,000	100.00

Geographic split of beneficial shareholders

Region	Total shareholding (number of shares)	% of issued capital
South Africa	2,883,822	96.13
United States of America and Canada	52,658	1.76
United Kingdom	50,202	1.67
Rest of Europe	4,620	0.15
Rest of the World	8,698	0.29
Total	3,000,000	100.00

4. Shareholder categories

Beneficial shareholder categories

An analysis of beneficial shareholdings, supported by the Section 56 of the Companies Act enquiry process, confirmed the following beneficial shareholder types:

Category	Total shareholding (number of shares)	% of issued capital
Private Investor	2,222,683	74.09
Classified ¹	722,283	24.08
Custodians	55,034	1.83
Total	3,000,000	100.00

¹ Institutional Investors (Foundations and Charitable Funds, Close Corporations and Trusts)

Independent auditor's report

To the shareholders of AECI Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of AECI Limited Group and Company set out on pages 31 to 145, which comprise the consolidated and separate statements of financial position as at 31 December 2025, and the consolidated and separate statements of profit or loss, the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, the consolidated and separate notes to the statements of cash flows, and the notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of AECI Limited and its subsidiaries as at 31 December 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the *Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA code), as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final materiality

We define materiality as the magnitude of misstatement in the consolidated and separate financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the nature and extent of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the consolidated and separate financial statements as a whole as follows:

	Financial Statements – Group	Financial Statements – Company
Overall materiality	R117 million (2024: R113 million)	R105 million (2024: R110 million)
How we determined it	It represents 6% of normalised profit before tax.	It represents 1.1% of reported revenue.
Rationale for benchmark applied	A key judgement in determining materiality is the appropriate benchmark to select, based on our perception of the needs of shareholders. We considered which benchmarks and key performance indicators have the greatest bearing on shareholder decisions.	
	We determined that profit before tax remained the key benchmark and is generally accepted for listed entities.	We determined that revenue remained the key benchmark for the Company financial statements.

Independent auditor's report continued

Scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the structure and organisation of the Group, and assessing the risks of material misstatement at the Group level.

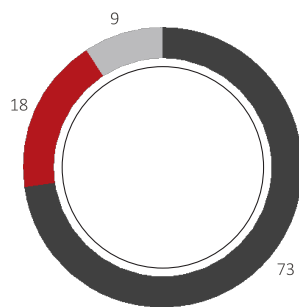
We selected components at which audit work in support of the group audit opinion needed to be performed in order to provide an appropriate basis for undertaking audit work to address the risks of material misstatement. Our selection was informed by taking into account the component's contribution to relevant classes of transactions, account balances or disclosures.

Based on our assessment, we performed work at 34 components. The following audit scoping was applied:

- 14 components were audits of the components' financial information; and
- 20 components were an audit of one or more classes of transactions, account balances or disclosures.

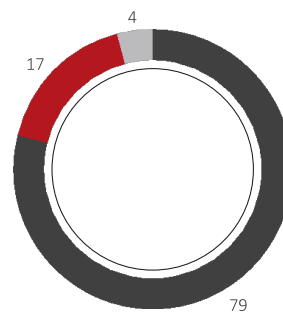
Residual values were addressed by risk assessment and analytical procedures performed at a Group level. These 34 components account for 91% of the Group's total assets and 96% of the Group's revenue.

Total assets (%)



- Audits of components' financial information
- Audits of one or more classes of transactions, account balances or disclosures
- Residual values

Revenue (%)



- Audits of components' financial information
- Audits of one or more classes of transactions, account balances or disclosures
- Residual values

Independent auditor's report continued

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters apply to the consolidated financial statements and there are no key audit matters for the separate financial statements.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

Key Audit Matter	How the matter was addressed in the audit
Impairment assessment of the Property, Plant and Equipment ("PPE") in Schirm Germany	
<p>The directors performed an impairment assessment, at an individual plant level constituting a cash generating unit ("CGU") in Schirm Germany, in accordance with IAS 16: Property, Plant and Equipment ("IAS 16") and IAS 36: Impairment of assets ("IAS 36").</p> <p>The directors performed the impairment assessment using the discounted cash flow methodology.</p> <p>The calculated value-in-use for each CGU was compared to the net operating assets for each CGU to determine if an impairment is required or not for each CGU.</p> <p>The directors recorded an impairment of R96.6 million (EUR 4.9 million) relating to the Property, Plant and Equipment ("PPE") in Schirm Germany in the current year as included in the total impairments for the year disclosed in note 1.</p> <p>We considered the impairment assessment of the PPE in Schirm Germany to be a matter of most significance and a key audit matter due to:</p> <ul style="list-style-type: none"> • The significant value of the PPE in Schirm Germany; and • Significant judgement applied along with significant estimation uncertainty in determining the value-in-use of the PPE. 	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We performed risk assessment procedures on the PPE balance and we pinpointed the risk of material misstatement to the relevant inputs and assumptions; • We evaluated the design and tested the implementation of relevant controls over the impairment assessment of the PPE in Schirm Germany; • Engaged our valuations specialists to assist with validating the assumptions used to calculate the discount rates and the terminal value growth rates and recalculating these rates; • Analysed and challenged the revenue growth rates and trading profit margins with reference to the budgets and the probability of achieving targets in the future; • Tested the forecasts with reference to historical performance; and • Reviewed the appropriateness of the disclosure in the financial statements. <p>Based on the procedures performed and our assessment of materiality, no material differences in the amounts recorded or disclosures made in the financial statements were identified.</p> <p>We evaluated the disclosures in note 1 to the financial statements and we consider these to be appropriate.</p>
Impairment assessment of goodwill that arose on the acquisition of Schirm GmbH ("Schirm")	
<p>As disclosed in note 5, the Group's remaining goodwill in respect of the acquisition of Schirm is R130 million, following an impairment of R259.5 million recorded in the current year.</p> <p>IAS 36 – Impairment of assets ("IAS 36") requires assets that are not subject to amortisation, such as goodwill to be assessed for impairment annually, irrespective of whether any impairment indicators exist.</p> <p>The directors performed an impairment assessment over the goodwill by assessing the recoverable amount through the determination of the value-in-use amount and comparing it to the carrying amount. The value-in-use for the Schirm cash generating unit ("CGU") was calculated using the discounted cash flow methodology.</p> <p>We considered the goodwill for Schirm to be a matter of most significance and a key audit matter due to:</p> <ul style="list-style-type: none"> • The significant value to the Group's asset value; and • Significant judgement applied along with significant estimation uncertainty in determining the value-in-use of the CGU. 	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We performed risk assessment procedures on the goodwill balance and we pinpointed the risk of material misstatement to the relevant inputs and assumptions; • We evaluated the design and tested the implementation of relevant controls over the assessment of goodwill for impairment for these CGUs; • Engaged our valuations specialists to assist with validating the assumptions used to calculate the discount rates and the terminal value growth rates and recalculating these rates; • Analysed and challenged the revenue growth rates and trading profit margins with reference to the budgets and the probability of achieving targets in the future; • Tested the forecasts with reference to historical performance; and • Reviewed the appropriateness of the disclosure in the financial statements. <p>The assumptions utilised were appropriate and within an acceptable range.</p> <p>We have reviewed the disclosures in note 5 to the financial statements which contain the key assumptions utilised and the sensitivities which could arise should these assumptions vary, and we consider these to be appropriate.</p> <p>No material differences in the amounts recorded or disclosures made in the financial statements were identified.</p>

Independent auditor's report continued

Key Audit Matter	How the matter was addressed in the audit
Unsubstantiated transactions recorded in AECI Mining Explosives DRC SARL (AECI Mining DRC)	
<p>As disclosed in note 24 to the consolidated financial statements, management identified certain unsubstantiated transactions recorded in AECI Mining DRC which required further investigation and resulted in the suspension of certain financial employees of the entity. Management's detailed assessment into the matter resulted in an additional taxation expense being recognised amounting to R32 million.</p> <p>Our overall audit approach was modified to assess the impact of the unsubstantiated transactions recorded in AECI Mining DRC on our audit and on the consolidated financial statements. Our response involved more than substantial audit effort than initially planned, which has resulted in a Key Audit Matter being raised.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We involved the following independent specialists: Information Technology audit specialists, Quality and Risk audit specialists, Data Analytic audit specialists, and a Fraud specialist. • We reviewed supporting documentation which included selecting a sample of purchase orders created during the current and prior financial year and inspecting supporting documents such as proof of delivery, purchase orders and invoices, in order to determine the validity and existence thereof. • We attended further inventory counts at significant locations in AECI Mining DRC. • We evaluated the adequacy and transparency of the related disclosures in the financial statements. <p>Our overall audit approach was modified to take into account the results of these procedures and the impact of the potential fraud on our audit.</p> <p>Based on the audit procedures performed and our assessment of materiality, no material differences in the amounts recorded or disclosures made in the financial statements were identified. We evaluated the disclosures in note 24 to the financial statements and we consider these to be appropriate.</p>

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled the "AECI Integrated Report 2025" and in the document titled "AECI Limited Annual Financial Statements for the year ended 31 December 2025", which includes the Directors' Report, the Audit Committee's Report to stakeholders, the Declaration by the Group Company Secretary as required by the Companies Act of South Africa. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or Company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report continued

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements.
We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Audit Tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of AECI Limited for eight years.

Signed by:

931109FC5DE6438...

Deloitte & Touche
Registered Auditor

Per: MLE Tshabalala
Partner
21 April 2026

5 Magwa Crescent, Waterfall City, Waterfall, 2090
South Africa

Statements of financial position

At 31 December 2025

Rand million	Note	Group			Company	
		2025	2024*	2023*	2025	2024
Assets						
Non-current assets		7,797	9,807	11,899	7,564	7,918
Property, plant and equipment	1	4,543	5,910	6,699	562	662
Right-of-use assets	2	381	703	755	143	293
Investment properties	3	245	233	234	242	235
Intangible assets	4	304	361	848	3	4
Goodwill	5	1,300	1,608	2,345	448	459
Pension fund employer surplus accounts	30	184	287	373	184	287
Investments in subsidiaries	6				5,516	5,493
Loans to subsidiaries	6				282	326
Investment in joint venture	7.1	63	66	42	—	—
Investment in joint operation	7.3				28	28
Investments in associates	8	144	141	150	10	10
Loans to associates	8	31	45	56	1	1
Other investments	9	248	259	208	72	120
Deferred tax assets	10	354	194	189	73	—
Current assets		16,605	16,067	16,180	10,048	9,894
Inventories	11	4,773	5,117	6,126	1,820	2,262
Trade and other receivables	12	6,810	7,616	7,422	2,900	3,005
Other investments	9	815	567	576	144	142
Loans to subsidiaries	6				3,713	4,035
Taxation receivable		273	378	96	2	—
Cash and cash equivalents		3,934	2,389	1,960	1,469	450
Assets held for sale	35	—	1,504	—	—	1,152
Total assets		24,402	27,378	28,079	17,612	18,964
Equity and liabilities						
Ordinary capital and reserves		11,441	12,001	12,344	376	587
Share capital and share premium	13	106	106	106	112	112
Reserves		1,373	1,965	1,919	1	5
Retained earnings		9,962	9,930	10,319	263	470
Preference share capital		6	6	6	6	6
Shareholders' equity		11,447	12,007	12,350	382	593
Non-controlling interest		154	163	161		
Total equity		11,601	12,170	12,511	382	593
Non-current liabilities		4,351	6,065	6,522	1,871	2,570
Deferred tax liabilities	10	306	403	557	—	15
Non-current debt	14	3,131	4,465	4,704	1,465	2,000
Lease liabilities	15	366	625	668	146	305
Non-current provisions and employee benefits	16	548	572	593	260	250
Current liabilities		8,450	8,776	9,046	15,359	15,786
Trade and other payables	17	6,930	7,259	7,757	3,111	3,480
Current debt	18	755	850	731	535	850
Lease liabilities	15	105	156	136	9	29
Loans from joint venture and joint operation	7.2	38	13	83	75	42
Loans from subsidiaries	6				11,629	11,361
Taxation payable		580	467	280	—	1
Bank overdraft		42	31	59	—	23
Liabilities directly associated with assets held for sale	35	—	367	—	—	15
Total liabilities		12,801	15,208	15,568	17,230	18,371
Total equity and liabilities		24,402	27,378	28,079	17,612	18,964

* Restated, see note 40 for details of correction of misstatement

Statements of profit or loss

For the year ended 31 December 2025

Rand million	Note	Group		Company	
		2025	2024	2025	2024
Revenue	19	32,183	33,598	9,697	9,715
Net operating costs	20	(30,653)	(32,054)	(10,083)	(10,535)
Profit/(loss) from operations		1,530	1,544	(386)	(820)
Share of Profit of equity-accounted investees, net of taxation	7, 8	32	29	—	—
Profit/(loss) from operations and equity-accounted investees		1,562	1,573	(386)	(820)
Dividends received	29	—	—	821	—
Net finance costs		(347)	(521)	(403)	(540)
Finance costs	22	(481)	(645)	(736)	(820)
Finance income	23	134	124	333	280
Profit/(loss) before taxation		1,215	1,052	32	(1,360)
Taxation (expense)/income	24	(885)	(747)	76	74
Profit/(loss) for the year from continuing operations		330	305	108	(1,286)
Loss for the year from discontinued operations	36	(15)	(560)		
Profit/(loss) for the year		315	(255)	108	(1,286)
Attributable to preference shareholders		(4)	(4)	(4)	(4)
Attributable to AECI minority shareholders	34	19	(24)		
Attributable to the AECI Group equity shareholders		330	(283)	104	(1,290)
Per ordinary share (cents):					
Basic earnings/(loss) ¹	25	313	(268)		
Diluted basic earnings/(loss) ¹	25	309	(266)		
Basic earnings from continuing operations	25	327	263		
Diluted basic earnings from continuing operations	25	323	261		
Ordinary dividends paid	26	319	119		
Ordinary dividends declared after the reporting date	26	128	219		

¹ Earnings/(loss) per share includes both continuing and discontinued operations

Statements of comprehensive income

For the year ended 31 December 2025

Rand million	Group		Company	
	2025	2024	2025	2024
Profit/(loss) for the year	315	(255)	108	(1,286)
Other comprehensive (loss)/income for the year, net of taxation	(638)	67	(55)	(12)
Items that may be reclassified subsequently to profit or loss:	(621)	84	—	5
• Foreign currency translation differences	8	13	—	—
• Foreign operations translation differences	(625)	66	—	—
• Effective portion of cash flow hedges	(4)	5	—	5
Taxation effect on items that may be reclassified subsequently to profit or loss:	8	(3)	0	—
• Foreign currency loan translation differences	8	(3)	—	—
Items that may not be reclassified subsequently to profit or loss:	(25)	(11)	(55)	(15)
• Remeasurement of post-retirement medical aid obligations	20	30	(9)	26
• Remeasurement of equity securities at fair value through other comprehensive income (FVOCI)	(45)	(41)	(46)	(41)
Taxation effects on items that may not be reclassified subsequently to profit or loss:	—	(3)	—	(2)
• Remeasurement of post-retirement medical aid obligations	—	(3)	—	(2)
Total comprehensive (loss)/income for the year	(323)	(188)	53	(1,298)
Attributable to preference shareholders	(4)	(4)	(4)	(4)
Attributable to AECl minority shareholders	40	(27)		
Attributable to the AECl Group equity shareholders	(287)	(219)	49	(1,302)

Statements of changes in equity

For the year ended 31 December 2025

Group

Rand million	Ordinary share capital	Share capital	Foreign currency translation reserve	Share-based payment reserve	Change-in-ownership reserve
Balance at 1 January 2024 (restated*)	106	106	1,885	122	—
Total comprehensive income for the year	—	—	73	—	—
Remeasurement of post-retirement medical aid obligations	—	—	—	—	—
Deferred taxation on remeasurement of post-retirement medical aid obligations	—	—	—	—	—
Cash flow hedge fair value adjustments	—	—	—	—	—
Foreign currency loan translation differences	—	—	13	—	—
Deferred taxation on foreign currency loan translation differences	—	—	(3)	—	—
Remeasurement of equity securities at FVOCI	—	—	—	—	—
Foreign operations translation differences	—	—	63	—	—
Loss for the year	—	—	—	—	—
Transactions with shareholders	—	—	(4)	13	—
Dividends paid	—	—	—	—	—
Share-based payment reserve	—	—	—	38	—
Settlement cost of performance shares	—	—	—	(36)	—
Transfers between reserves	—	—	(4)	11	—
Balance at 31 December 2024 (restated*)	106	106	1,954	135	—

Rand million	Ordinary share capital	Share capital	Foreign currency translation reserve	Share-based payment reserve	Change-in-ownership reserve
Balance at 1 January 2025 (restated*)	106	106	1,954	135	—
Total comprehensive loss for the year	—	—	(588)	—	—
Remeasurement of post-retirement medical aid obligations	—	—	—	—	—
Cash flow hedge fair value adjustments	—	—	—	—	—
Foreign currency loan translation differences	—	—	8	—	—
Deferred taxation on foreign currency loan translation differences	—	—	8	—	—
Remeasurement of equity securities at FVOCI	—	—	—	—	—
Foreign operations translation differences	—	—	(604)	—	—
Profit for the year	—	—	—	—	—
Transactions with shareholders	—	—	—	42	3
Change in ownership percentage	—	—	—	—	—
Part disposal of subsidiary	—	—	—	—	3
Dividends paid	—	—	—	—	—
Share-based payment reserve	—	—	—	99	—
Settlement cost of performance shares	—	—	—	(22)	—
Transfers between reserves	—	—	—	(35)	—
Balance at 31 December 2025	106	106	1,366	177	3

* Restated, see note 40 for details of correction of misstatement

Fair value reserve	Cash flow hedge reserves	Total other reserves	Retained earnings	Total	Non-controlling interest	Preference share capital	Total equity
(86)	(2)	1,919	10,319	12,344	161	6	12,511
(41)	5	37	(256)	(219)	27	4	(188)
—	—	—	30	30	—	—	30
—	—	—	(3)	(3)	—	—	(3)
—	5	5	—	5	—	—	5
—	—	13	—	13	—	—	13
—	—	(3)	—	(3)	—	—	(3)
(41)	—	(41)	—	(41)	—	—	(41)
—	—	63	—	63	3	—	66
—	—	—	(283)	(283)	24	4	(255)
—	—	9	(133)	(124)	(25)	(4)	(153)
—	—	38	(126)	(126)	(25)	(4)	(155)
—	—	(36)	—	(36)	—	—	(36)
—	—	7	(7)	—	—	—	—
(127)	3	1,965	9,930	12,001	163	6	12,170

Fair value reserve	Cash flow hedge reserves	Total other reserves	Retained earnings	Total	Non-controlling interest	Preference share capital	Total equity
(127)	3	1,965	9,930	12,001	163	6	12,170
(45)	(4)	(637)	350	(287)	(40)	4	(323)
—	—	—	20	20	—	—	20
—	(4)	(4)	—	(4)	—	—	(4)
—	—	8	—	8	—	—	8
—	—	8	—	8	—	—	8
(45)	—	(45)	—	(45)	—	—	(45)
—	—	(604)	—	(604)	(21)	—	(625)
—	—	—	330	330	(19)	4	315
—	—	45	(318)	(273)	31	(4)	(246)
—	—	—	(16)	(16)	16	—	—
—	—	3	—	3	33	—	36
—	—	—	(337)	(337)	(18)	(4)	(359)
—	—	99	—	99	—	—	99
—	—	(22)	—	(22)	—	—	(22)
—	—	(35)	35	—	—	—	—
(172)	(1)	1,373	9,962	11,441	154	6	11,601

Statements of changes in equity continued

For the year ended 31 December 2025

Foreign currency translation reserve

This comprises all the Group's foreign exchange differences from the translation of the financial statements of foreign operations to the presentation currency of AECl, as well as from the translation of monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future.

Equity settled share-based payment reserve

This comprises the accumulated share-based payments over the vesting periods of the underlying instruments. Once instruments have vested, the reserve is transferred to retained earnings.

Fair value reserve

Investments in certain equity instruments are designated to be carried at fair value through other comprehensive income. These investments are not held for trading and are strategic long-term investments where the purpose of the investment is not dependent on the fair value. The reserve represents the cumulative fair value adjustment over time and may not be reclassified to profit or loss.

Statements of changes in equity continued

For the year ended 31 December 2025

Cash flow hedge reserve

This reserve comprises of the effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated as cash flow hedges is recognised in other comprehensive income and accumulated under reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in finance costs.

Change in ownership reserve

This reserve was set aside for the buy-out of non-controlling interests.

Statements of changes in equity continued

For the year ended 31 December 2025

Company

Rand million	Ordinary share capital	Share premium	Share capital and share premium
Balance at 1 January 2024	106	6	112
Total comprehensive income for the year	—	—	—
Remeasurement of post-retirement medical aid obligations			—
Deferred taxation on remeasurement of post-retirement medical aid obligations			—
Cash flow hedge fair value adjustments			—
Remeasurement of equity securities at FVOCI			—
Taxation effects on remeasurement of equity securities at FVOCI			—
Loss for the year			—
Transactions with shareholders	—	—	—
Change in ownership percentage			—
Share-based payment reserve			—
Settlement cost of EST shares for deceased beneficiaries			—
Transfers between reserves			—
Balance at 31 December 2024	106	6	112

Rand million	Ordinary share capital	Share premium	Share capital
Balance at 1 January 2025	106	6	112
Total comprehensive income for the year	—	—	—
Remeasurement of post-retirement medical aid obligations			—
Deferred taxation on remeasurement of post-retirement medical aid obligations			—
Cash flow hedge fair value adjustments			—
Remeasurement of equity securities at FVOCI			—
Taxation effects on remeasurement of equity securities at FVOCI			—
Profit for the year			—
Transactions with shareholders	—	—	—
Dividends paid			—
Share-based payment reserve			—
Settlement cost of performance shares			—
Transfers between reserves			—
Balance at 31 December 2025	106	6	112

Share-based payment reserve	Fair value reserve	Other reserves	Total other reserves	Retained earnings	Total	Preference share capital	Total equity
122	(86)	(2)	34	1,867	2,013	6	2,019
—	(41)	5	(36)	(1,266)	(1,302)	4	(1,298)
			—	26	26		26
			—	(2)	(2)		(2)
		5	5		5		5
	(41)		(41)		(41)		(41)
	—		—		—		—
			—	(1,290)	(1,290)	4	(1,286)
13	—	(6)	7	(131)	(124)	(4)	(128)
			—	(126)	(126)	(4)	(130)
38			38		38		38
(36)			(36)		(36)		(36)
11	—	(6)	5	(5)	—		—
135	(127)	(3)	5	470	587	6	593

Share-based payment reserve	Fair value reserve	Other reserves	Total other reserves	Retained earnings	Total	Preference share capital	Total equity
135	(127)	(3)	5	470	587	6	593
—	(46)	—	(46)	95	49	4	53
			—	(9)	(9)		(9)
			—	—	—		—
		—	—	—	—		—
	(46)		(46)		(46)		(46)
	—		—		—		—
			—	104	104	4	108
42	—	—	42	(302)	(260)	(4)	(264)
			—	(337)	(337)	(4)	(341)
99			99		99		99
(22)			(22)		(22)		(22)
(35)			(35)	35	—		—
177	(173)	(3)	1	263	376	6	382

Other reserves

This reserve includes the reserve for effective cash flow hedges and the foreign currency translation reserve.

Fair value reserve

Investments in certain equity instruments are designated to be carried at fair value through other comprehensive income. These investments are not held for trading and are strategic long-term investments where the purpose of the investment is not dependent on the fair value. The reserve represents the cumulative fair value adjustment over time and may not be reclassified to profit or loss.

Statements of cash flows

For the year ended 31 December 2025

Continuing and discontinued operations

Rand million	Note	Group		Company	
		2025	2024	2025	2024
Cash generated by operations	i	3,550	3,345	272	413
Dividends received		25	—	821	—
Finance cost paid		(446)	(595)	(722)	(800)
Finance income received		135	127	333	280
Taxation paid	ii	(899)	(907)	(7)	(3)
Changes in working capital	iii	137	(74)	(305)	93
Cash outflows relating to defined-benefit and post-retirement medical aid obligations		(21)	(15)	(13)	(15)
Cash flows relating to non-current provisions and employee benefits		(12)	2	(12)	—
Cash available from/(utilised by) operating activities		2,469	1,883	367	(32)
Dividends paid	iv	(359)	(155)	(341)	(130)
Cash flows from operating activities		2,110	1,728	26	(162)
Cash flows from/(utilised by) investing activities		1,239	(1,035)	1,397	332
Net replacement to maintain operations		(510)	(637)	(94)	(46)
Replacement of property, plant and equipment		(688)	(765)	(97)	(113)
Proceeds from disposal of property, plant and equipment, investment property and intangible assets		178	128	3	67
Investments to expand operations		1,749	(398)	1,491	378
Acquisition of property, plant and equipment		(147)	(208)	(1)	(8)
Investments ¹		(305)	(120)	—	414
Proceeds from disposal of businesses net of cash disposed	v	2,213	—	1,459	—
Loans to and from associates and other investments		—	—	—	97
Acquisition of subsidiary	37	(37)	—	—	—
Loans to and from joint ventures		25	(70)	33	(125)
Net cash generated before financing activities		3,349	693	1,423	170
Cash flows (utilised by)/from financing activities		(1,676)	(217)	(381)	177
Capital repayments of lease liabilities		(216)	(205)	(50)	(52)
Proceeds from debt raised		1,760	578	300	850
Repayment of debt		(3,199)	(601)	(1,150)	(585)
Loans to and from associates and other investments		1	47	541	—
Share based payments		(22)	(36)	(22)	(36)
Increase in cash and cash equivalents		1,673	476	1,042	347
Cash and cash equivalents at the beginning of the year		2,417	1,901	427	80
Translation (loss)/gain on cash and cash equivalents		(198)	40	—	—
Cash and cash equivalents at the end of the year^{2, 3}		3,892	2,417	1,469	427
Continuing operations		3,892	2,358	1,469	427
Discontinued operations		—	59	—	—

¹ Investments in the Group include movements in money market investments. Investments in the company includes the funding of subsidiaries.

² Group includes cash and cash equivalents of R3,934 million (2024: R2,389 million) (which includes restricted cash of R61 million³ (2024: R173 million)) and a bank overdraft of R42 million (2024: R31 million). Company includes cash of R1,469 million (2024: R450 million) and no bank overdraft (2024: R23 million).

³ Restricted cash relates to the AECI Captive Insurance Company Limited

Notes to the statements of cash flows

For the year ended 31 December 2025

Continuing and discontinued operations continued

Rand million	Group		Company	
	2025	2024	2025	2024
i Cash generated from operations				
Profit/(loss) from operations:	1,524	1,022	(386)	(820)
Continuing operations	1,530	1,544	(386)	(820)
Discontinued operations	(6)	(522)		
Adjusted for non-cash movements:				
Employee benefit obligations	123	101	116	105
Depreciation and amortisation	1,029	1,154	144	152
Share-based payment expense	99	38	67	24
Impairment of goodwill	308	27	11	—
Impairment of property, plant and equipment	285	306	77	—
Impairment of intangibles	51	42	—	—
Impairment of right-of-use assets	165	2	118	—
Impairment loss on other	27	—	—	—
Impairment loss on discontinued operations	—	732	—	—
Impairment of investment in subsidiaries			87	970
Non-current provisions and employee benefits	12	12	10	6
Movement in the expected credit loss (ECL) for trade receivables and provision for obsolete inventories	(57)	(47)	30	18
Surplus on disposal of property, plant and equipment	(16)	(44)	(2)	(42)
Cash generated from operations	3,550	3,345	272	413
ii Taxation paid				
Owing at the beginning of the year	(84)	(184)	(1)	(57)
Charge for the year	(1,122)	(807)	(4)	53
Owing at the end of the year	307	84	(2)	1
Taxation paid	(899)	(907)	(7)	(3)
iii Changes in working capital				
(Increase)/ Decrease in inventories	(41)	773	7	(81)
Decrease/ (Increase) in accounts receivable	395	(562)	(219)	(101)
Increase/ (Decrease) in accounts payable	110	(263)	(93)	275
	464	(52)	(305)	93
Translation differences	(327)	(22)	—	—
Changes in working capital	137	(74)	(305)	93
iv Dividends paid (note 26)				
Paid during the year	(341)	(130)	(341)	(130)
Paid to non-controlling interest	(18)	(25)		
	(359)	(155)	(341)	(130)

Notes to the statements of cash flows

For the year ended 31 December 2025

Continuing and discontinued operations continued

v Disposal of Businesses and Investment in Subsidiaries

Group

Rand million	Much Asphalt	Food & Beverage	Schirm ¹	Other ²	Total
Property, Plant and Equipment (note 1)	—	82	934	2	1,018
Right-of-use assets (note 2)	—	124	49	—	173
Intangible assets (note 4)	—	—	24	—	24
Goodwill (note 5)	—	39	82	2	123
Inventories	—	420	30	7	457
Accounts Receivable	—	313	74	6	393
Lease liabilities (note 15)	—	(157)	(46)	—	(203)
Accounts payable	—	(365)	(58)	(2)	(425)
Taxes	—	—	—	3	3
Pension fund	—	—	—	(3)	(3)
Non-controlling interest	—	—	—	36	36
Net Identifiable assets and liabilities classified as held for sale (excluding cash)	1,106	—	—	—	1,106
Net assets disposed of (excluding cash)	1,106	456	1,089	51	2,702
Impairments on disposal	(15)	(236)	(229)	(9)	(489)
Proceeds on disposal net of cash	1,091	220	860	42	2,213

Company

	Much Asphalt	Food & Beverage	Total
Property, Plant and Equipment (note 1)	—	77	77
Right-of-use assets (note 2)	—	126	126
Goodwill (note 5)	—	11	11
Inventories	—	446	446
Accounts Receivable	—	280	280
Lease liabilities (note 15)	—	(160)	(160)
Accounts payable	—	(265)	(265)
Net Identifiable assets and liabilities classified as held for sale (excluding cash)	1,237	—	1,237
Net assets disposed of (excluding cash)	1,237	515	1,752
Impairments on disposal	(87)	(206)	(293)
Proceeds on disposal net of cash	1,150	309	1,459

¹ Schirm includes both the disposal of Baar-Ebanhausen assets and all of Schirm USA assets and certain specified liabilities

² Other relates to the disposal of Improchem Mauritius and Kenya under the Chemicals segment, and the localisation sale of 30% in AECI Tanzania in the AECI Mining segment

Notes to the statements of cash flows

For the year ended 31 December 2025

Disposal of Much Asphalt

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

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

Disposal of Schirm USA and Baar-Ebenhausen assets

Baar-Ebenhausen

On 30 June 2025, Schirm Germany entered into a sale agreement with German-based private buyers (BEH Buyers), in terms of which Schirm Germany disposed of its assets in Baar-Ebenhausen, including the property, fixed assets and inventory relating to the site (BEH Assets). Schirm Germany transferred a lump sum of EUR 500,000.00 (R10.4 million) to cover environmental liabilities. The conclusion of the BEH Disposal has resulted in all risks and rewards associated with the BEH Assets transferring to the BEH Buyers. The BEH Disposal is in line with AECI's strategy of disposing non-core assets, coupled with its ongoing efforts to turnaround the Schirm Germany business.

Schirm USA

On 28 August 2025, the Group successfully completed its disposal of substantially all of the assets and certain specified liabilities in Schirm USA, Inc (Schirm USA) to Liberation Chem-Toll, LLC (LCT) for a Disposal Consideration of US\$60 million. LCT is wholly owned by members of Schirm USA's previous management team. The Disposal Consideration was settled on closing by way of cash proceeds of US\$40 million and the issuance of two convertible secured subordinated promissory notes of US\$20 million (Seller Notes), set off by certain specified liabilities assumed by LCT. The Seller Notes were subsequently disposed of to a third party, which transaction closed on 18 December 2025.

Disposal of Food & Beverage Business

On 27 November 2025, the Group successfully completed its disposal of all of the assets and certain liabilities in its Food & Beverage business to a South African-based private equity fund.

Application of cash proceeds

All cash proceeds from disposals have been utilised in line with AECI's disciplined capital allocation framework.

Notes to the financial statements

For the year ended 31 December 2025

Accounting framework and critical judgements

Basis of preparation

AECI Limited (the Company) is a public company domiciled in South Africa. The address of the Company's registered office is the First Floor, AECI Place, 24 The Woodlands, Woodlands Drive, Woodmead, Sandton, 2191. The consolidated financial statements of the Company for the year ended 31 December 2025 comprise of the Company and its subsidiaries (together referred to as the Group and individually as Group entities or business entities) and the Group's interest in associates and joint arrangements. The Group has four operating segments: AECI Mining, AECI Chemicals, AECI Managed Business and AECI Property Services and Corporate.

The Group financial statements and the Company financial statements have been prepared in South African Rand, which is the Company's functional currency. All the financial information has been rounded to the nearest million Rand, except where otherwise stated.

The Group financial statements and the Company financial statements have been prepared in compliance with IFRS® Accounting Standards (IFRS), and interpretations of those Standards as adopted by the International Accounting Standards Board (IASB), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the JSE Debt and Specialist Securities Listings Requirements (the JSE Listings Requirements) and in accordance with the requirements of the Companies Act No. 71 of 2008. The financial statements were approved for issue by the Board of Directors on 21 April 2026.

The Group financial statements and the Company financial statements have been prepared using the historical cost convention, except for:

- financial instruments measured at fair value through profit or loss;
- financial instruments measured at fair value through other comprehensive income;
- pension fund employer surplus accounts and post-retirement medical aid obligation liabilities which are measured at fair value; and
- equity-settled share-based payments which are measured at fair value at the grant date.

Going concern

In determining the appropriate basis of preparation of the Group and Company financial statements, the Directors are required to consider whether the Group and Company can continue to operate for the foreseeable future. The Directors have reviewed the cash flow forecast for the next 12 months and have satisfied themselves that the Group and Company are able to generate positive operating cash flows to meet obligations as they fall due. The Group and Company has access to sufficient debt facilities to meet foreseeable cash requirements related to capital expenditure for replacement or expansion. The Directors conclude that the going concern assumption is an appropriate basis of preparation for these financial statements.

Material accounting policies

The accounting policies applied in the preparation of these Group and Company financial statements are consistent in all material respects with those applied for the year ended 31 December 2024. Unless specifically stated otherwise, the Company also applies all of the Group's accounting policies.

Presentation of discontinued operations

Consolidated financial statements

The results of the discontinued operations is presented in a single line item in the Statements of profit or loss under discontinued operations. The assets to be recovered through sale have been included under "Assets and Liabilities held for sale" on the consolidated Statements of financial position.

The comprehensive income, Statements of changes in equity and the Statements of cash flows are shown in total for continuing and discontinued operations. Further information has been included under the relevant notes.

Notes to the financial statements

The notes to the Statements of profit or loss relate to continuing operations. Therefore, to cross-reference certain amounts disclosed in the Statements of financial position to the Statements of profit or loss and to certain amounts in the Statements of cash flows, amounts disclosed in note 36 of the annual financial statements should be taken into consideration.

Comparative figures

The comparative figures are restated as necessary to afford a proper and more meaningful comparison of results as set out in the affected notes to the annual financial statements.

Notes to the financial statements continued

For the year ended 31 December 2025

Foreign currencies

Foreign currency translations

Transactions in foreign currencies are translated into the functional currencies of each entity in the Group at the rates of exchange ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency of the entity concerned at the rates of exchange ruling at the dates of the transactions. Gains or losses arising on exchange differences are recognised in the Statements of profit or loss. Costs associated with forward cover contracts linked to debt are included in financing costs.

Foreign operations

The financial statements of foreign operations in the Group are translated into South African Rand as follows:

- assets, including goodwill and liabilities at the rates of exchange ruling at the reporting date;
- income, expenditure and cash flow items at the weighted average rate of exchange during the accounting period; and
- equity at historical rates.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, while retaining control, the relevant portion of the cumulative foreign currency translation reserve is recognised in non-controlling interest. Differences arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered part of the net investment in a foreign operation and are recognised in other comprehensive income in the foreign currency translation reserve.

Impairment on non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated to determine the extent of the impairment loss. The recoverable amount is the higher of its fair value, less costs to sell, and its value-in-use.

Value-in-use is estimated taking into account future cash flows, forecast market conditions and the expected lives of the assets using an appropriate discount rate. An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit (CGU) exceeds its recoverable amount. Impairment losses are recognised in the Statements of profit or loss. Subsequent to the recognition of an impairment loss, the depreciation charge for the asset is adjusted to allocate its remaining carrying value, less any residual value, over its remaining useful life.

Impairment losses recognised in respect of a CGU are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amount of the other assets of the CGU. An impairment loss is reversed only to the extent that the carrying amount of the asset or CGU does not exceed the net carrying amount that would have been determined if no impairment loss had been recognised. A reversal of an impairment loss is recognised in the Statements of profit or loss.

Goodwill is allocated to CGUs that are expected to benefit from the synergies of the business combination. Goodwill and the CGUs to which it has been allocated are tested for impairment on an annual basis or there is an indicator of impairment. Impairment losses on goodwill are not reversed.

Consolidation

On 28 February 2025, the Group announced the implementation of a new Broad-Based Ownership Scheme. As a result of the transaction, AECI Foundation (previously Tiso AEL Development Trust) subscribed to a new class of ordinary shares in AECI Mining Limited, a wholly owned subsidiary of AECI Limited resulting in the AECI Foundation, holding an effective interest of 15.5% in AECI Mining Limited's South African operations. As the founder of the Foundation, AECI Limited has significantly restricted the activities of the Foundation, amongst other factors which supports AECI Limited's control over the Foundation.

In terms of IFRS 10: Consolidated Financial Statements, the AECI Foundation is consolidated into the AECI Group.

Notes to the financial statements continued

For the year ended 31 December 2025

Climate change considerations

The Group's climate-related disclosures reflect its approach to identifying and managing physical and transition climate-related risks and opportunities in strategic and operational planning. Climate-related considerations were also incorporated into the preparation of the consolidated annual financial statements, where relevant.

In particular, climate-related risks and assumptions were considered in impairment assessments, including forecast cash flows and other long-term planning assumptions, where applicable. The Group also considered the potential implications of decarbonisation trends, regulatory developments, carbon pricing mechanisms and changes in energy and input costs in evaluating relevant financial reporting assumptions.

While climate-related factors did not materially affect key accounting judgements and estimates in the current financial year, future climate-related strategic decisions, including investments in decarbonisation technologies, alternative energy solutions or process changes, may affect financial reporting in future periods.

Non-IFRS measures

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

Non-IFRS measures are the responsibility of the Group's Directors. These measures may not be comparable to other similarly titled measures of performance of other companies.

Non-IFRS measures are not an IFRS requirement, nor a JSE Listings Requirement and is a measurement used by the Chief Operating Decision-Maker (i.e., AECI's Executive Committee) of the Group.

Notes to the financial statements continued

For the year ended 31 December 2025

New and amended standards that are effective for the current year

The following amendment to a standard became effective during the current year and has been adopted for the first time, with no material impact on the Group.

Title	Subject	Brought in use
Amendments to IAS 21	Amendments regarding foreign currencies that are not exchangeable into another currency at a measurement date for a specified purpose.	January 2025

New standards and interpretations not yet effective

There are a number of forthcoming new amendments to standards and interpretations, which have been issued by IASB prior to the publication of these annual financial statements, but are only effective in future accounting periods, unless early adoption is chosen. Management has assessed the impact of the new amendments and do not anticipate any material impact on the Group with the exception of IFRS 18 and the Annual Improvements to IFRS Accounting Standards, which will be assessed further in 2026.

Title	Subject	Effective date per IASB
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	The amendments clarify requirements for the timing of recognition and derecognition of some financial assets and liabilities and clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion. It also adds and updates certain disclosure requirements.	January 2026
Annual Improvements to IFRS Accounting Standards	Amendments to: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash flows.	January 2026
IFRS 19 Subsidiaries without Public Accountability: Disclosures	IFRS 19 is a voluntary standard that applies to entities without public accountability, but whose parents prepare consolidated financial statements under IFRS Accounting Standards. For in-scope companies, IFRS 19 simplifies disclosures on various topics, including leases, exchange rates, income taxes, statement of cash flows, etc.	January 2027
IFRS 18 Presentation and Disclosure in Financial Statements	IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes.	January 2027
Amendments to IAS 21	The amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.	January 2027

Notes to the financial statements continued

For the year ended 31 December 2025

1. Property, plant and equipment

Group

Rand million	Under						Total
	Property	Plant and equipment	Furniture and fittings	Computer equipment	Motor vehicles	construction	
2025							
Cost	1,850	9,255	229	559	956	448	13,297
At the beginning of the year	2,775	10,369	242	551	934	470	15,341
Additions	6	128	2	3	17	679	835
Additions through acquisition of subsidiary (note 37)	—	1	—	—	20	—	21
Disposals	(144)	(479)	(14)	—	(62)	(65)	(764)
Disposals through sale of business	(771)	(807)	(6)	(9)	(7)	(8)	(1,608)
Transfers to investment property	(18)	—	—	—	—	—	(18)
Transfers	69	396	7	21	129	(622)	—
Translation differences	(67)	(353)	(2)	(7)	(75)	(6)	(510)
Accumulated depreciation and impairment	1,063	6,430	189	416	656		8,754
At the beginning of the year	1,200	7,025	146	366	694		9,431
Additions through acquisition of subsidiary (note 37)	—	—	—	—	19		19
Disposals	(122)	(414)	(11)	(1)	(55)		(603)
Disposals through sale of business	(181)	(581)	—	(9)	(6)		(777)
Impairment/(reversal) for the year ¹	97	164	14	2	1		278
Depreciation for the year	92	583	15	66	60		816
Translation differences	(23)	(347)	25	(8)	(57)		(410)
Carrying amount	787	2,825	40	143	300	448	4,543

¹ Included in the impairment charges, R187 million relates to the sale of business. Refer to breakdown of impairments below

For AECI Schirm Germany, the 2025 year was a year for transformation. During the year, Schirm successfully restructured the Schönebeck site, sold the Baar-Ebenhausen site and substantially reduced its fixed cost base. To preserve flexibility for further optimisation, the asset base was not reduced further and a large warehouse in Schönebeck was retained. In addition, part of the plant in Schönebeck is currently not in use in order to focus on higher margin core business.

Given that the Russia-Ukraine conflict remains unresolved, no recovery in the crop protection business was assumed in the budget. This gave rise to impairment indicators for property, plant and equipment, and a detailed impairment assessment was performed for each site.

The key assumptions used were a weighted average cost of capital (WACC) rate of 7.4% and a terminal growth rate of 2.1%. The recoverable amount of each site was determined based on the value-in-use. The assessment concluded that the carrying amount of the property, plant and equipment of the Schönebeck site (relating to the Managed Businesses segment) exceeded its recoverable amount, and an impairment of EUR4.9million (R96.6 million) was recognised. The impairment loss was allocated predominantly to plant that is no longer in use following the restructuring and is included in net operating costs. The recoverable amount of the property, plant and equipment of the Lübeck site was assessed to be higher than its carrying amount.

Notes to the financial statements continued

For the year ended 31 December 2025

1. Property, plant and equipment continued

Breakdown of all impairments recognised through profit or loss shown below:

Rand million	Property, plant and equipment	Right-of- use assets	Intangible assets	Goodwill	Other ¹	Total 2025	Total 2024
Business disposal impairments (Notes to the cash flow v)	187	115	22	123	27	474	—
Impairment of assets	105	50	21	185	—	361	397
Reversal of impairment	(14)	—	—	—	—	(14)	(20)
Total impairments ²	278	165	43	308	27	821	377
Discontinued operations (note 36)	7	—	8	—	—	15	732
Net impairment and derecognition of assets	285	165	51	308	27	836	1,109
	note 1	note 2	note 4	note 5			note 5

Reconciliation to disposal of business note	Property, plant and equipment	Right-of- use assets	Intangible assets	Goodwill	Total 2024
Cost	1,608	288	69	272	—
Accumulated depreciation and impairment	(777)	(230)	(67)	(272)	—
Impairment through profit or loss	187	115	22	123	—
	1,018	173	24	123	—
	note 1	note 2	note 4	note 5	

¹ Remaining impairment loss following initial allocation to goodwill, with subsequent proportionate distribution to non-current assets. Any residual impairment is then attributed to current assets. All allocations are performed in compliance with IFRS 5 and IAS 36 requirements

² The total impairment of R821 million is due to impairments relating to the following CGU's: Schirm Group (R532 million), Food & Beverage (R236 million, which was a result of the business disposal), other (R67 million, which was attributable to the cash generating units whose carrying amounts exceeded its recoverable amounts) and the reversal of impairment of R14 million

Notes to the financial statements continued

For the year ended 31 December 2025

1. Property, plant and equipment continued

Rand million	Property	Plant and equipment	Furniture and fittings	Computer equipment	Motor vehicles	Under construction	Total
2024							
Cost	2,775	10,369	242	551	934	470	15,341
At the beginning of the year	2,790	10,171	228	443	888	839	15,359
Additions	10	163	17	4	8	771	973
Disposals	(20)	(143)	(3)	(17)	(21)	(31)	(235)
Transfers to investment property	(4)	—	—	—	—	—	(4)
Transfers	70	763	4	132	89	(1,058)	—
Transfers to assets classified as held for sale	(70)	(605)	(2)	(10)	(21)	(47)	(755)
Translation differences	(1)	20	(2)	(1)	(9)	(4)	3
Accumulated depreciation and impairment	1,200	7,025	146	366	694		9,431
At the beginning of the year	1,097	6,470	132	325	636		8,660
Disposals	(7)	(109)	(3)	(17)	(15)		(151)
Transfers to assets classified as held for sale	(1)	(287)	(1)	(7)	(12)		(308)
Impairment/(reversal) for the year	(3)	284	—	2	23		306
Depreciation for the year	115	647	20	63	56		901
Translation differences	(1)	20	(2)	—	6		23
Carrying amount	1,575	3,344	96	185	240	470	5,910

Notes to the financial statements continued

For the year ended 31 December 2025

1. Property, plant and equipment continued

Company

Rand million	Property	Plant and equipment	Furniture and fittings	Computer equipment	Motor vehicles	Under construction	Total
2025							
Cost	73	1,268	26	98	24	73	1,562
At the beginning of the year	73	1,320	26	102	27	83	1,631
Additions	1	14	2	2	—	79	98
Transfers to investment property	(18)	—	—	—	—	—	(18)
Disposals	—	(3)	—	(4)	—	—	(7)
Disposals through sale of business	(12)	(117)	(4)	(6)	(3)	—	(142)
Transfers	29	54	2	4	—	(89)	—
Accumulated depreciation and impairment	25	882	19	54	20		1,000
At the beginning of the year	24	866	18	40	21		969
Disposals	—	(3)	—	(3)	—		(6)
Disposals through sale of business	(12)	(117)	(4)	(6)	(3)		(142)
Transfers	—	—	—	—	—		—
Impairment for the year ¹	9	65	1	2	—		77
Depreciation for the year	4	71	4	21	2		102
Carrying amount	48	386	7	44	4	73	562

¹ The impairment charge of R77 million relates to the sale of business

Company

Rand million	Property	Plant and equipment	Furniture and fittings	Computer equipment	Motor vehicles	Under construction	Total
2024							
Cost	73	1,320	26	102	27	83	1,631
At the beginning of the year	76	1,235	24	42	19	160	1,556
Additions	—	60	1	2	2	56	121
Transfers to investment property	(4)	—	—	—	—	—	(4)
Disposals	—	(10)	(2)	(29)	(1)	—	(42)
Transfers	1	35	3	87	7	(133)	—
Accumulated depreciation and impairment	24	866	18	40	21		969
At the beginning of the year	21	807	15	32	14		889
Disposals	—	(8)	(1)	(7)	(1)		(17)
Transfers	—	(6)	—	—	6		—
Depreciation for the year	3	73	4	15	2		97
Carrying amount	49	454	8	62	6	83	662

Notes to the financial statements continued

For the year ended 31 December 2025

1. Property, plant and equipment continued

Accounting policy

Property, plant and equipment is stated at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management, less accumulated depreciation and any impairment losses. Directly attributable costs include borrowing costs on qualifying assets when borrowings are utilised to fund the qualifying capital expenditure.

The cost of self-constructed assets includes the cost of materials and direct labour and any other costs directly attributable to bringing the asset into a working condition for its intended use, and borrowing costs attributable to that asset. Subsequent costs are capitalised when the economic benefits from the asset are enhanced or extended.

Critical plant spares are measured at cost and are depreciated over the estimated useful lives of the plants to which they relate. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the use of the part will generate future economic benefits and its cost can be reliably measured. The carrying amount of the replaced part is derecognised. Maintenance costs associated with property, plant and equipment are recognised in the Statements of profit or loss.

Depreciation commences when the asset is available for immediate use. Depreciation is provided on property, plant and equipment (other than land) on the straight-line basis over the assets' expected useful lives. Assets under construction are not depreciated until they are available for use. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

The estimated useful lives are as follows:

- Property
 - Land indefinite
 - Buildings 5 to 50 years
- Plant and equipment
 - Plant and equipment 3 to 30 years
 - Furniture and fittings 3 to 15 years
 - Computer equipment 3 to 10 years
 - Motor vehicles 3 to 12 years

Depreciation is included in profit from operations.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. The recoverable amount is the higher of the fair value less cost of disposal and the value-in-use of the group determined with the reference to a discounted cash flow valuation. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use. Any gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised.

Significant estimates and judgements

Useful life of assets and residual values

Items of property, plant and equipment are depreciated over their estimated useful lives taking into account residual values, where appropriate. The useful life and residual values of assets are assessed annually and may vary depending on a number of factors. In reassessing the useful life of assets, factors such as technological innovation, product lifecycles and maintenance programmes are taken into account. Residual value assessments consider issues such as current market conditions, the remaining useful life of an asset and its estimated disposal value.

Impairment calculations require the use of estimates and assumptions. Changes to future cash flow assumptions will impact the recoverable amount calculations and will affect the carrying amount of property, plant and equipment where there is an impairment.

Notes to the financial statements continued

For the year ended 31 December 2025

2. Right-of-use assets

Group

Rand million	Property	Plant and equipment	Motor vehicles	Total
2025				
Cost	574	68	230	872
Balance at the beginning of the year	830	175	240	1,245
Additions	35	32	10	77
Additions through acquisition of subsidiary (note 37)	16	—	—	16
Cancellation of leases before end of term	(65)	(63)	—	(128)
Derecognition of leases at end of term	(12)	(5)	(10)	(27)
Disposals through sale of business	(219)	(69)	—	(288)
Translation differences	(11)	(2)	(10)	(23)
Accumulated depreciation and impairment	259	30	202	491
Balance at the beginning of the year	298	63	181	542
Cancellation of leases before end of term	(62)	(49)	—	(111)
Derecognition of leases at end of term	(12)	(5)	(10)	(27)
Disposals through sale of business	(212)	(18)	—	(230)
Impairment for the year ¹	165	—	—	165
Depreciation for the year	87	35	38	160
Translation differences	(5)	4	(7)	(8)
Carrying amount	315	38	28	381

¹ Included in impairment charges, R115 million relating to the sale of business. Refer to the breakdown of impairments reflected in note 1

Group

Rand million	Property	Plant and equipment	Motor vehicles	Total
2024				
Cost	830	175	240	1,245
Balance at the beginning of the year	937	66	288	1,291
Additions	31	139	8	178
Cancellation of leases before end of term	—	(20)	—	(20)
Derecognition of leases at end of term	(120)	(12)	(57)	(189)
Transfers to assets classified as held for sale	(11)	—	—	(11)
Translation differences	(7)	2	1	(4)
Accumulated depreciation and impairment	298	63	181	542
Balance at the beginning of the year	310	37	189	536
Cancellation of leases before end of term	—	(5)	—	(5)
Derecognition of leases at end of term	(120)	(12)	(57)	(189)
Transfers to assets classified as held for sale	(4)	—	—	(4)
Impairment for the year	2	—	—	2
Depreciation for the year ¹	101	28	48	177
Translation differences	9	15	1	25
Carrying amount	532	112	59	703

¹ Includes continuing and discontinued depreciation, details disclosed in note 36

Notes to the financial statements continued

For the year ended 31 December 2025

2. Right-of-use assets continued

Company

Rand million	Property	Plant and equipment	Total
2025			
Cost	201	2	203
Balance at the beginning of the year	373	5	378
Additions	6	—	6
Derecognition of leases at end of term	(7)	—	(7)
Disposal through sale of business	(171)	(3)	(174)
Accumulated depreciation and impairment	58	2	60
Balance at the beginning of the year	83	2	85
Derecognition of leases at end of term	(7)	—	(7)
Disposal through sale of business	(165)	(1)	(166)
Impairment for the year ¹	118	—	118
Depreciation for the year	29	1	30
Carrying amount	143	—	143

¹ The impairment charge of R118 million relates to the sale of a business

Company

Rand million	Property	Plant and equipment	Total
2024			
Cost	373	5	378
Balance at the beginning of the year	372	5	377
Additions	16	—	16
Derecognition of leases at end of term	(15)	—	(15)
Accumulated depreciation and impairment	83	2	85
Balance at the beginning of the year	55	—	55
Derecognition of leases at end of term	(15)	—	(15)
Depreciation for the year	43	2	45
Carrying amount	290	3	293

Notes to the financial statements continued

For the year ended 31 December 2025

2. Right-of-use assets continued

Accounting policy

The Group leases various properties, plant and equipment. Rental contracts are typically entered into for fixed periods but may have extension options. The extension period has been included in the lease term on contracts where the Group is reasonably certain that it will exercise the extension option. Lease terms are negotiated on an individual basis and contain various terms and conditions. The lease agreements do not impose any covenants on the Group, however, leased assets may not be used as security for debt purposes. The Group recognises a right-of-use asset and a corresponding lease liability at the lease commencement date, being the date at which the leased asset was available for use by the Group.

The right-of-use asset and lease liability is initially recognised at the present value of the minimum lease payments discounted at the rate implicit in the lease or, if not available, the Group's incremental borrowing rate.

A right-of-use asset is subsequently measured at the leased asset value less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements in the lease liability.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Right-of-use assets are assessed for impairment if there is an indicator of impairment.

Leases where the period is for 12 months or less and there are no extension options or no economic incentive to renew the leases, are recognised on a straight-line basis as an expense in profit or loss. Low value right-of-use assets are assets that, when new, have a value of R100 000 or less and are expensed in profit or loss as incurred.

Significant estimates and judgements

Extension and termination options are included in a number of leases across the Group. These options allow for maximised operational flexibility in the management of the lease contracts. The majority of extension and termination options available are exercisable only by the Group rather than by the respective lessor.

Management exercises judgement when determining the lease term. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or to not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and is within the control of the Group.

Notes to the financial statements continued

For the year ended 31 December 2025

3. Investment properties

Rand million	Group		Company	
	2025	2024	2025	2024
Cost	303	285	335	317
At the beginning of the year	285	281	317	313
Transfers from property, plant and equipment	18	4	18	4
Accumulated depreciation	58	52	93	82
At the beginning of the year	52	47	82	73
Depreciation for the year	6	5	11	9
Carrying amount	245	233	242	235
Additional Information				
Fair value ^{1,2}	1,209	1,210	2,495	2,493
Rental and service income from investment property ²	523	471	521	574
Direct operating expenses relating to rental and service income	(542)	(456)	(542)	(456)

¹ The fair value measurement for all of the investment properties has been categorised as a Level 3 fair value, based on the inputs of the valuation techniques used.

² The fair value in the Group is lower than in the Company because certain properties become owner-occupied on consolidation

The Company leases property, offices and industrial sites to external customers as well as to its subsidiary companies under operating leases. The lease periods are between one and five years. Most leases have a three-year term and annual rental escalations between 4% and 8% (2024: 5% and 8%). At 31 December 2025, the gross lettable area of the office and industrial buildings was 170 310m² (2024: 169 729m²). Revenue from investment properties includes recoveries relating to services and utilities provided, mainly at the Umbogintwini Industrial Complex.

AECI Property Services manages the investment properties (mainly at the Group's two large sites, Modderfontein and Umbogintwini). The costs associated with managing these sites are borne by AECI Property Services. These costs are not allocated to individual lessees. All significant operating expenses support the generation of revenue.

The following table sets out the maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2025	2024
Within 1 year	95	91
1 to 2 years	53	50
2 to 5 years	43	59
More than 5 years	28	31
Total	219	231

Notes to the financial statements continued

For the year ended 31 December 2025

3. Investment properties continued

Accounting policy

Investment properties, comprising properties or portions of properties leased to third parties, are measured at cost less accumulated depreciation and accumulated impairment losses. Land is not depreciated. Buildings are depreciated on a straight-line basis over their estimated useful lives of 20 years. Depreciation methods, useful lives and residual values are reviewed at each reporting date. Transfers between investment property and property, plant and equipment are made when there is evidence of a change in use. Transfers are measured at the carrying amount immediately prior to transfer and no changes to the carrying amount are made unless the change in use results in an indication of impairment.

Significant estimates and judgements

Investment properties are measured at cost and are depreciated over their estimated useful lives taking into account residual values, where appropriate. The useful life of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product lifecycles and maintenance programmes are considered. Residual value assessments consider issues such as current market conditions, the remaining useful life of an asset and disposal values.

Measurement of fair values

Fair value hierarchy

The fair values of investment properties are determined by an external independent property valuation expert having appropriate, recognised professional qualifications and experience in the geographic location and category of the property being valued, on a rolling three-year cycle in line with Group policy.

Approximately one-third of the Group's investment properties are valued annually, thereby ensuring that each property is valued at least once in a three-year cycle. For the properties that were not subject to an independent valuation in any given year, an assessment of the key assumptions is performed by management. No significant changes to key assumptions were identified during the current year.

The fair value of the investment property has been split into various components. Fair value measurement has been categorised as a Level 3 fair value using unobservable inputs, based on the valuation techniques used.

Notes to the financial statements continued

For the year ended 31 December 2025

3. Investment properties continued

Unobservable input

A number of valuation techniques were used, depending on the optimal likely use of the property. The following table summarises the valuation techniques used in measuring the fair value of investment property, as well as the significant unobservable inputs considered.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<p>The comparable sales approach was used to value vacant land. The valuation model was based on recent sales of comparable properties in the surrounding area, which were analysed to provide an estimate of the value for the property with adjustments made for differing characteristics. The comparable transactions were analysed in terms of their use and the purchase price adjusted for variances in the quality of the space. This purchase price was then divided by the land size to determine a value rate per square metre which was applied to the land in order to derive a fair value.</p>	<p>Comparable sales for parcels of raw, unserviced or rezoned and fully serviced land. The land valued at Modderfontein and Umbogintwini is zoned for business use and is partially serviced but it is not immediately sub-divisible or suitable for development. Therefore, a fair value per square metre had to be derived with reference to a comparable unzoned and unserviced parcel of land but enhanced by the perceived value of installed services and zoning.</p>	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> the fair value rate per square meter is higher/(lower).
<p>The income approach was used to value the buildings. The valuation model was based on discounted cash flows incorporating the lease obligations, including escalations, to termination. At lease expiry, a new lease is assumed and the commencing rental is assumed to be the current gross market rental escalated at an appropriate growth rate. The present value of the future cash flows was added to the present value of the hypothetical exit value, being the hypothetical net annual income capitalised into perpetuity at an appropriate market-related rate. The discount and exit capitalisation rates were determined by reference to comparable sales, appropriate surveys prepared by industry professionals, benchmarking against other comparable valuations, and after consultation with experienced and informed people in the property industry including other valuers, brokers, managers and investors.</p>	<ul style="list-style-type: none"> Capitalisation rate: 11% – 13% (2024: 11% – 13%) Vacancy rate for office space: 6% – 13% (2024: 3% – 15%) Vacancy rate for industrial space: 1% – 4% (2024: 1% – 5%) Operating expenses for all buildings: R29.00/m² – R35.00/m² (2024: R28.00/m² – R34.00/m²) 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> the capitalisation rate was lower/(higher); the vacancy rate for office space was lower/(higher); the vacancy rate for industrial space was lower/(higher); the operating expenses for all buildings were lower/(higher).

Notes to the financial statements continued

For the year ended 31 December 2025

4. Intangible assets

Group

Rand million	Customer and marketing relationships	Brands	Technical and licensing agreements	Patents, trademarks and other	Total
2025					
Cost	385	97	245	59	786
At the beginning of the year	492	99	213	58	862
Additions through business acquisition (note 37)	—	—	32	—	32
Disposal through sale of business	(67)	(2)	—	—	(69)
Write-offs	(43)	—	—	—	(43)
Translation differences	3	—	—	1	4
Accumulated amortisation and impairment	260	—	186	36	482
At the beginning of the year	269	—	176	56	501
Impairment ¹	43	—	—	—	43
Write-offs	(42)	—	—	—	(42)
Disposal through sale of business	(44)	—	—	(23)	(67)
Amortisation for the year	34	—	10	3	47
Carrying amount	125	97	59	23	304

¹ Included in the impairment charges, R22 million relates to the sale of business. Refer to breakdown of impairments reflected in note 1

Rand million	Customer and marketing relationships	Brands	Technical and licensing agreements	Patents, trademarks and other	Total
2024					
Cost	492	99	213	58	862
At the beginning of the year	931	167	231	58	1,387
Transfers to assets classified as held for sale	(423)	(64)	—	—	(487)
Translation differences	(16)	(4)	(18)	—	(38)
Accumulated amortisation and impairment	269	—	176	56	501
At the beginning of the year	359	—	130	50	539
Impairment	—	—	40	2	42
Transfers to assets classified as held for sale	(139)	—	—	—	(139)
Amortisation for the year ¹	52	—	8	11	71
Translation differences	(3)	—	(2)	(7)	(12)
Carrying amount	223	99	37	2	361

¹ Includes continuing and discontinued amortisation, details are disclosed in note 32

Indefinite life intangible assets: company brands

The brands relate to the CGUs below. Brands have an indefinite useful life and are assessed annually for impairment as part of the goodwill impairment assessment (see note 5).

	Rand million
AECI Schirm	97

On the 30 January 2018, the Group completed the acquisition of AECI Schirm through a share transaction which included the acquisition of its well-established brand. During that time, AECI Schirm a reputable contract manufacturer in the agrochemicals and fine chemicals industries, had a long-standing tradition and was widely considered as a quality signal in the market, making it a valuable acquisition for the Group.

At acquisition, AECI Schirm's stable market position, characterised by a strong and established customer base, as well as high barriers to entry for competitors, led to the assessment that the company's brand had an indefinite useful life.

Notes to the financial statements continued

For the year ended 31 December 2025

4. Intangible assets continued

Company

Rand million	Patents, trademarks and other
2025	
Cost	27
At the beginning of the year	27
Accumulated amortisation and impairment	24
At the beginning of the year	23
Amortisation for the year	1
Carrying amount	3

Company

Rand million	Patents, trademarks
2024	
Cost	27
At the beginning of the year	27
Accumulated amortisation and impairment	23
At the beginning of the year	22
Amortisation for the year	1
Carrying amount	4

Notes to the financial statements continued

For the year ended 31 December 2025

4. Intangible assets continued

Accounting policy

Intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are recognised if it is probable that future economic benefits will flow from the intangible assets and their costs can be measured reliably. Subsequent expenditure is capitalised only when it increases the future economic benefits generated by the specific asset to which it relates. All other expenditure is recognised in the Statements of profit or loss as incurred.

Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The amortisation methods and estimated remaining useful lives are reviewed at least annually. Intangible assets with indefinite useful lives are not amortised but are tested for impairment at each reporting date.

The estimated useful lives are as follows:

- patents, trademarks and other 3 to 20 years
- customer and marketing relationships 5 to 20 years
- technical and licensing agreements 10 to 17 years
- brands indefinite

Amortisation has been included in profit from operations. Intangible assets are derecognised on disposal or when no future economic benefits are expected from use. Gains or losses arising from derecognition of an intangible asset are recognised in the Statements of profit or loss when the asset is derecognised.

Intangible assets acquired in a business combination, and recognised separately from goodwill, are recognised initially at their fair value at the acquisition date. Subsequently, these intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are assessed for impairment if there is an indicator for impairment.

Significant estimates and judgements

Asset lives and residual values

Intangible assets are amortised over their estimated useful lives taking into account residual values, where appropriate.

The useful lives of the assets and their residual values are assessed annually and may vary depending on a number of factors which require a significant degree of judgement. In reassessing asset lives, factors such as technological innovation and product lifecycles are taken into account. Residual value assessments consider issues such as current market conditions, the remaining useful life of an asset and its disposal value.

Notes to the financial statements continued

For the year ended 31 December 2025

5. Goodwill

Rand million	Group		Company	
	2025	2024	2025	2024
Cost	1,653	1,935	489	562
At the beginning of the year	1,935	3,482	562	562
Disposals through sale of business	(272)	—	(73)	—
Transfers to assets classified as held for sale	—	(1,531)	—	—
Translation differences	(10)	(16)	—	—
Accumulated impairment losses	353	327	41	103
At the beginning of the year	327	1,137	103	103
Disposals through sale of business	(272)	—	(73)	—
Impairment charge for the year ¹	308	27	11	—
Transfers to assets classified as held for sale	—	(821)	—	—
Translation differences	(10)	(16)	—	—
Carrying amount	1,300	1,608	448	459

¹ included in the impairment charges of the Group is R123 million relating to the sale of business. Refer to breakdown of impairments reflected in note 1. The Company impairment charge of R11 million relates to the sale of a business

Goodwill is allocated to the cash generating unit (CGU) that is expected to benefit from the acquisition and is measured and managed at an operating segment level as follows:

AECI Mining	468	468	—	—
AECI Chemicals	702	709	448	448
AECI Managed Businesses	130	431	—	11
Carrying amount	1,300	1,608	448	459

Accounting policy

Business combinations are accounted for using the acquisition method applied at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; less
- the net recognised amount of the identifiable assets acquired and liabilities assumed.

Goodwill is not amortised. The goodwill of joint ventures and associates is included in the carrying amount of the relevant equity-accounted investee. Goodwill is reviewed for impairment at least annually and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities that the Group incurs related to the business combination, are expensed as incurred.

On disposal of a subsidiary, joint venture or associate, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

When the Group disposes of an operation that forms part of a Cash-Generating Unit (CGU), the carrying amount of goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. The amount of goodwill disposed is measured based on the relative value approach.

Significant estimates and judgements

Impairments

An asset is impaired when its carrying amount exceeds its recoverable amount. Goodwill is tested annually once the budgeting process is concluded as at 30 September each year. The assessments are reviewed by management at each reporting date to determine whether there have been any significant changes to assumptions since the date of assessment. The assessment of recoverable amounts involves the application of judgement relating to the calculation of value-in-use, which is based on cash flow projections, variations in the amount and timing of these cash flows and the discount rate used to determine the present value of those future cash flows. These are assessed for each CGU to which goodwill is attributed or for the CGU or asset where indicators of impairment have been assessed.

Notes to the financial statements continued

For the year ended 31 December 2025

5. Goodwill continued

Impairment of goodwill

Goodwill is tested for impairment by calculating the value-in-use of the CGU or CGUs to which the goodwill is allocated. The goodwill in the reportable segments comprises individual CGUs, each of which has been tested for impairment. The goodwill balances are aggregated per reportable segment due to no single CGU in each operating segment being considered individually significant, other than the CGUs disclosed below.

Value-in-use was determined by discounting the future cash flows expected to be generated from the continuing use of the CGU taking into account market conditions and the expected useful lives of the assets using an appropriate discount rate. The following key assumptions were applied:

- Cash flows were projected based on actual operating results, approved budgets for the next year and thereafter, the business plan for a period of at least four years, and using an average trading margin of between 3% and 28% (2024: 1% and 33%) over the five years;
- A post-tax discount rate between 7% and 25% (2024: 8% and 30%) was applied in determining the recoverable amount of the CGU and the discount rate was estimated based on Group's weighted average cost of capital, adjusted for the risk profile applicable to each CGU (pre-tax discount rate between 10% and 31%) (2024: 10% and 39%); and
- Terminal value growth rates of between 2.1% and 8.0% (2024: 1.5% and 10.5%) were applied. This was based on sustainable earnings and a conservative growth model.

The tangible and intangible assets in the CGUs are tested for impairment prior to the portfolio CGU being tested for goodwill impairment. Any further impairment losses, arising from the portfolio CGU value-in-use calculation, are applied against goodwill and immediately recognised in the statement of profit or loss.

Impairment testing for CGUs containing goodwill

Goodwill has been allocated to the Group CGUs as follows:

Rand million	Group		Company	
	2025	2024	2025	2024
AECI Schirm ¹	130	394		
AECI Mining Explosives	273	273		
AECI Water Chemical and Monitoring Solutions	221	221		
Multiple units with individually insignificant goodwill ²	676	720	448 ³	459
Carrying amount	1,300	1,608	448	459

¹ The brands, which are intangible assets with indefinite useful lives, have been included in the impairment assessment of these CGUs. Refer to note 4

² Included within the units is other goodwill relating to the AECI Water segment amounting to R125 million

³ Included as part of the balance, is goodwill relating to the Industrial Chemicals business of R252 million. A reduction in the terminal growth rate of 3% and an increase in the discount rate of 1.4%, considered individually, would result in a material impairment of the goodwill balance

The remainder of the Group's goodwill comprises of 11 CGUs with individually insignificant balances. Management has performed impairment assessments for these CGUs and determined that, in all cases, the recoverable amounts exceeded their respective carrying amounts, by more than 9%.

A change in the assumptions used to calculate the value-in-use is not likely to cause the recoverable amount to fall below the carrying value of the remaining CGUs.

AECI Schirm

USA

The AECI Schirm business in the USA was successfully sold at the end of August 2025, and the Group received all proceeds within the financial year. The disposal forms part of our ongoing efforts to streamline the business and focus on core strategic markets.

GERMANY

Schirm Germany has reacted to the lower market demand by rightsizing operations, has sold the Baar-Ebenhausen site and reduced the workforce in the Schönebeck site and in overhead functions. The fixed cost base has been reduced substantially and the product portfolio has been streamlined.

Notes to the financial statements continued

For the year ended 31 December 2025

5. Goodwill continued

AECI Schirm goodwill impairment assessment

The AECI Schirm goodwill arose through the acquisition of both the USA and Germany businesses. The USA business consisted of a single CGU, which was disposed of during the current financial year. In accordance with the Group's accounting policy on goodwill, the carrying amount of goodwill allocated to the Schirm USA CGU, as part of the disposal of assets was EUR 3.6 million (R74.2 million)

The Germany business consists of two remaining CGUs, Schönebeck and Lübeck. In the current financial year EUR 0.4 million (R8.4 million) goodwill allocated to the Baar-Ebenhausen CGU as part of the disposal of assets was derecognised.

In light of the lower than anticipated economic growth in Germany and the uncertainty in global trade streams, assumptions for future growth have been adjusted downwards. A recovery from the potential end of the Ukraine Russia conflict and the positive potential from the recently signed Free Trade Agreement between the European Union and Mercosur has not been taken into account.

Based on these assumptions a goodwill impairment of EUR9.4 million (R185.3 million) has been recorded.

The goodwill assessment is additionally sensitive to changes in certain assumptions. Management identified that a change in each of the following key assumptions, considered individually, would result in the full impairment of the remaining goodwill balance of EUR 6.7 million (R130.4 million):

- An increase in the post-tax discount rate of 0.8%;
- A decrease of 3.4% in the terminal growth rate; and
- A decrease of 4.5% in the average revenue growth rate between 2026 to 2030.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant market sectors and have been based on historical data from both external and internal sources.

%	Group			
	2025		2024	
	Germany	USA ²	Germany	USA
Post-tax discount rate ¹	7.4		7.6	9.5
Terminal value growth rate	2.1		1.5	2.5
Revenue growth rate (average for the next five years)	2.9		6.5	7.7

¹ Pre-tax discount rate in Germany 9.8% (2024: 9.9%) and USA 2024: 11.4%

² The USA CGU was disposed of in August 2025, consequently an impairment assessment was not required for the CGU

The recoverable amount of the CGU was estimated based on the value-in-use determined using the probability weighted forecasted discounted cash flows based on volumes and growth rates.

A post-tax discount rate was applied in determining the recoverable amount of the CGU and was estimated based on the Group's weighted average cost of capital, adjusted for the risk profile applicable to the CGU, with a possible debt leveraging of 25%. The discount rate is influenced by changes in the country risk-free rates, currency default spread and risk premiums which, in turn, are influenced by changes in the macro-economic environment.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound EBITDA growth rate consistent with the assumptions that a market participant would make.

Notes to the financial statements continued

For the year ended 31 December 2025

5. Goodwill continued

AECI Mining Explosives

The recoverable amount of this CGU was based on the value-in-use, estimated using discounted cash flows.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent managements assessment of future trends in the relevant market sector and have been based on historical data from both external and internal sources.

%	Group	
	2025	2024
Post-tax discount rate ¹	12.1	14.0
Terminal value growth rate	4.0	4.6
Revenue growth rate (average for the next five years)	12.9	8.8

¹ Pre-tax discount rate of 16.2% (2024: 17.8%)

A post-taxation discount rate was applied in determining the recoverable amount of the CGU and was estimated based on the Group's weighted average cost of capital, adjusted for the risk profile applicable to the CGU, with a possible debt leveraging of 28.6%, up from 26.9%. The discount rate is influenced by changes in the country risk-free rates, currency default spread and risk premiums which, in-turn, are influenced by changes in the macroeconomic environment.

For CGUs within the Mining Explosives CGU that operate in foreign currencies, projected cash flows are prepared in the respective functional currency. A discount rate consistent with the currency of those cash flows is applied applied in determining the value in use of the CGU. The present value of the resulting cash flows is subsequently translated into the Group's presentation currency using the exchange rate prevailing at the date of the calculation.

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately R7,213 million (2024: R7,671 million) and is not sensitive to changes in certain key assumptions.

AECI Water Chemical And Monitoring Solutions And Water Segment

The recoverable amount of this CGU was based on the value-in-use, estimated using discounted cash flows.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant market sector and have been based on historical data from both external and internal sources.

%	Group	
	2025	2024
Post-tax discount rate ¹	12.9	14.2
Terminal value growth rate	4.0	4.6
Revenue growth rate (average for the next five years)	5.5	6.1

¹ Pre-tax discount rate of 16.6% (2024: 18.3%)

A post-taxation discount rate was applied in determining the recoverable amount of the CGU and was estimated based on the Group's weighted average cost of capital, adjusted for the risk profile applicable to the CGU, with a possible debt leveraging of 28.6%. The discount rate is influenced by changes in the country risk-free rates, currency default spread and risk premiums which, in-turn, are influenced by changes in the macroeconomic environment.

The estimated recoverable amount of the AECI Water Chemical and Monitoring Solutions CGU exceeded its carrying amount by approximately R1,448 million (2024: R1,001 million) and the estimated recoverable amount of the Water segment CGU exceeded its carrying amount by approximately R1,487 million (2024: R1,122million). These assessments are not sensitive to changes in certain key assumptions.

Notes to the financial statements continued

For the year ended 31 December 2025

6. Investments in subsidiaries and loans with subsidiaries

Rand million	Company	
	2025	2024
Investments in subsidiaries		
Investment in subsidiaries unlisted shares (see note 33)	5,512	5,489
At cost	5,902	7,715
Transfer to assets classified as held for sale - cost	—	(1,821)
Less: impairment losses	(390)	(1,440)
Transfer to assets classified as held for sale - impairment	—	1,035
Loans considered part of net investments	4	4
Non-current loans to subsidiaries ^{1,2}	4	250
Transfer to assets classified as held for sale	—	(246)
	5,516	5,493
Loans with subsidiaries³		
Interest-bearing non-current loans to subsidiaries ¹	282	326
Interest-bearing current loans to subsidiaries ⁴	3,713	4,035
Interest-bearing current loans to subsidiaries ⁴	3,713	4,155
Transfer to assets classified as held for sale	—	(120)
Current loans from subsidiaries	(11,629)	(11,361)
Non-interest bearing current loans from subsidiaries ⁵	(2,691)	(2,565)
Interest-bearing current loans from subsidiaries	(8,938)	(8,796)

¹ Loans provided by the Company which are not expected to be repaid within 12 months and are classified as non-current

² These loans with non-operating business entities are considered part of the net investment in those entities and bear no interest

³ Refer to notes 22 and 23 for the related finance cost and finance income disclosure

⁴ Business entities are funded through the central treasury of the Company and such loans are classified as current

⁵ Current loans from subsidiaries are repayable on demand and are non-interest bearing

Net loans with subsidiaries were R7,630 million (2024: R6,996 million) and includes loans considered part of the net investments in certain subsidiaries of R4 million (2024: R4 million). Details of the Company's principal subsidiaries are presented in note 33.

Where loans bear interest at market-related variable rates, they are unsecured and have no fixed terms of repayment.

All significant subsidiaries' financial information included in the financial statements is prepared as at the reporting date of the parent.

Impairment assessments on investments in, and loans to, subsidiaries and investments in unlisted shares of dormant entities were made with reference to the net asset value, future business plans and cash flow forecasts of those subsidiaries. Where this resulted in the value of the investment having a recoverable amount lower than the carrying value, the investment was impaired. For all other financial assets, the Group recognises lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition. If there has been no significant increase in credit risk, the loss allowance is measured at an amount equal to the 12-month ECL.

Notes to the financial statements continued

For the year ended 31 December 2025

6. Investments in subsidiaries and loans with subsidiaries continued

Accounting policy

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are excluded from the consolidation from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated by the Group. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been amended where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost less impairment and include the equity contributions of share-based payments to employees of subsidiaries as well as loans owing from non-operating subsidiaries, in the Company's separate financial statements. Subsidiaries are those entities controlled by the Company. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group financial statements incorporate the financial statements of the Company and its subsidiaries. The results of subsidiaries, including those acquired or disposed of during the year, are included from the dates control commenced and up to the dates control ceased. Intercompany transactions and balances between Group entities, as well as any unrealised income and expenditure arising from such transactions, are eliminated on consolidation. Non-controlling interests in the net assets of subsidiaries are identified separately from the Group's equity therein.

Loans by the Company to its subsidiaries are measured at amortised cost, using the effective interest method less any impairment losses.

Notes to the financial statements continued

For the year ended 31 December 2025

7. Investment in and loan with joint venture and joint operation

Basis of consolidation of joint arrangements

Joint arrangements are those entities in respect of which there is a contractual agreement whereby the Group and one or more other parties undertake an economic activity, which is subject to joint control.

Where a Group entity transacts with a joint arrangement of the Group, unrealised profits are eliminated to the extent of the Group's interest in the joint arrangement.

The note has been split into 7.1 - 7.3 to clearly show the different components of the joint venture and the joint operation.

7.1 Investment in joint venture

A joint venture is an arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Group's participation in joint ventures is accounted for using the equity method. Joint ventures are recognised at cost initially, which includes transaction costs. Subsequent to initial recognition, the Group financial statements include the Group's share of profits or losses and other comprehensive income of the equity-accounted investees, until the date on which joint control ceases.

Specialty Minerals South Africa (SMSA)

SMSA is a joint venture with Specialty Minerals Incorporated, a wholly-owned subsidiary of Minerals Technologies Incorporated, a global leader in precipitated calcium carbonate technology. Accordingly, SMSA has access to the most up-to-date technology and technical services. The company's products are used as a value-adding filler material in the manufacture of copy grade paper in South Africa. SMSA is equity-accounted in the Group.

The Group has a 50% interest in the net assets of SMSA and thus it is classified as a joint venture. The joint venture is an unlisted entity.

The Group's share of profit of SMSA for the year was R22 million (2024: R24 million). During the year, the Group received a dividend from SMSA of R50 million (2024: No dividend received). Summarised financial information for SMSA is as follows:

Statements of financial position	SMSA	
	2025	2024
Rand million		
Ownership (%)	50	50
Current assets, excluding cash and cash equivalents	77	88
Cash and cash equivalents	60	68
Non-current assets	27	28
Total assets	164	184
Trade and other payables	34	50
Non-current liabilities	4	3
Total liabilities	38	53
Net assets	126	131
Group's share of net assets	63	66
Carrying amount	63	66

Notes to the financial statements continued

For the year ended 31 December 2025

7. Investment in and loan with joint venture and joint operation continued

7.1. Investment in joint venture continued

Statement of profit or loss	SMSA	
	2025	2024
Rand million		
Ownership (%)	50	50
Revenue	202	246
Net operating costs excluding depreciation and amortisation	(138)	(178)
Depreciation and amortisation	(8)	(6)
Interest received	2	3
Tax expense	(15)	(17)
Profit	43	48
Group's share of profit	22	24

7.2. Loans from joint venture and joint operation

Rand million	Group		Company	
	2025	2024	2025	2024
Loans from joint venture and joint operation	(38)	(13)	(75)	(42)

The loans bears interest at market-related variable rates, is unsecured and have no fixed term of repayment. The loan is measured at amortised cost using the effective interest rate method, less any impairment losses.

Transactions of the joint venture and joint operation with related parties of the Group and the Company are disclosed in note 29.

Notes to the financial statements continued

For the year ended 31 December 2025

7. Investment in and loan with joint venture and joint operation continued

7.3. Investment in joint operation

A joint operation is an arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group's participation in joint operations is accounted for by recognising the Group's share of assets, liabilities, revenue and expenses on a line-by-line basis.

DetNet South Africa Proprietary Limited (DetNet)

DetNet is a joint arrangement with Dyno Nobel, a subsidiary of Incitec Pivot Limited. DetNet is represented globally by both AECI Mining Explosives and Dyno Nobel, thus providing global access and support for all its products. The Group bears no rights to the assets nor the obligations related to the liabilities. DetNet is itself a limited liability company. Since all of DetNet's output is provided to the partners, they are essentially the only sources of cash inflows available to DetNet to enable it to settle its liabilities.

As a result of these specific circumstances and certain other terms of the agreement between the partners, DetNet is classified as a joint operation and is consolidated in relation to the Group interest in assets, liabilities, revenue and expenses.

On consolidation, the investment in unlisted shares is derecognised and the joint operation's results are consolidated in relation to the Group's interest on a line-by-line basis with those of the Group.

	Company	
	2025	2024
Rand million		
Unlisted shares at amortised cost	28	28
	Group	
	2025	2024
Percentage held by AECI		
Ownership (%)		
DetNet	50	50
Group's share of profit or loss		
Revenue	517	394
Net operating costs, excluding depreciation and amortisation	(477)	(417)
Depreciation and amortisation	(8)	(6)
Interest received	3	6
Tax expense	(4)	15
Profit/(loss)	31	(8)
Group's share of financial position		
Current assets, excluding cash and cash equivalents	229	241
Cash and cash equivalents	30	25
Non-current assets	53	49
Total assets	312	315
Trade and other payables, including provisions	115	114
Current financial liabilities, excluding trade and other payables and provisions	36	3
Non-current financial liabilities excluding trade and other payables and provisions	3	1
Total liabilities	154	118
Net assets	158	197

Notes to the financial statements continued

For the year ended 31 December 2025

8. Investments in and loans to associates

Investments in and loans to associates include:

PT Black Bear Resources Indonesia (BBRI)

The Group has a 42.6% interest in BBRI, an Indonesian company that owns an ammonium nitrate plant which supplies ammonium nitrate solution to the region, thereby improving AECI Mining's global supply chain. BBRI is a strategic investment for that segment as it enables local supply to replace imports into this market.

Khula App Proprietary Limited (Khula)

The Group has a 26% interest in Khula, a South African technology company serving primarily emerging farmers in South Africa, allowing them to procure their inputs for agricultural purposes and to provide a platform for them to sell their produce to market off-takers. It also serves as an enabler for corporate entities focused on the agricultural sector as part of their Enterprise Supplier Development and Corporate Social Investment programmes. The investment allows AECI Plant Health to participate in the emerging farmer market space, providing synergies to Khula through AECI Plant Health's distribution footprint.

Rand million	Group		Company ¹	
	2025	2024	2025	2024
Unlisted shares at cost	285	285	10	10
At the beginning of the year	285	285	10	10
Post-acquisition accumulated losses	(141)	(144)		
Balance at the beginning of the year	(144)	(135)		
Translation differences	(29)	(14)		
Current year's share of net profits of associate companies	32	5		
Total investments in associates	144	141	10	10

¹ The Company's R10 million investment in Khula is recognised at original cost

Group

Rand million	BBRI ²	Khula	Total
2025			
Ownership (%)	42.6	26.0	
Statements of financial position			
Current assets	197	162	359
Non-current assets	478	—	478
Current liabilities	(50)	(24)	(74)
Non-current liabilities	(87)	(47)	(134)
Net assets (100%)	538	91	629
Carrying amount of interest in associates	123	21	144

² The carrying amount of BBRI is net of impairment

Statements of profit or loss

Revenue	330	315	645
Net operating costs, excluding depreciation and amortisation	(244)	(285)	(529)
Depreciation and amortisation	(65)	—	(65)
Interest expense	(8)	—	(8)
Interest received	3	6	9
Tax expense	(9)	(10)	(19)
Profit	7	26	33
Group's share of profit	3	7	10

Notes to the financial statements continued

For the year ended 31 December 2025

8. Investments in and loans to associates continued

Rand million	BBRI	Khula	SRT ¹	Total
2024				
Ownership (%)	42.6	26.0	27.0	
Statements of financial position				
Current assets	214	99	30	343
Non-current assets	603	—	17	620
Current liabilities	(55)	(14)	(2)	(71)
Non-current liabilities	(159)	—	(4)	(163)
Net assets (100%)	603	85	41	729
Carrying amount of interest in associates before transfer	126	15	11	152
Transfer to assets classified as held for sale			(11)	(11)
Carrying amount of interest in associates	126	15	—	141
Statements of profit or loss				
Revenue	369	79	41	489
Net operating costs, excluding depreciation and amortisation	(283)	(59)	(32)	(374)
Depreciation and amortisation	(68)	—	(3)	(71)
Interest expense	(12)	—	—	(12)
Interest received	2	—	1	3
Tax expense	(7)	(6)	(2)	(15)
Profit	1	14	5	20
Group's share of profit	—	4	1	5

¹ Specialised Road Technologies (Proprietary) Limited (SRT) was an associate of AECI Much Asphalt which was classified as an asset held for sale in December 2024

Notes to the financial statements continued

For the year ended 31 December 2025

8. Investments in and loans to associates continued

Loans to associates

Rand million	Group		Company	
	2025	2024	2025	2024
Interest-bearing loan to BBRI	30	44	—	—
Interest-free loan to Khula	1	1	1	1
Loans to associates	31	45	1	1

A total of USD 600 000 of the loan granted to BBRI was repaid in March 2025 and December 2025. The remaining balance of USD 1.8 million bears interest at an effective interest rate of 9.4%.

The loans are measured at amortised cost using the effective interest rate method, less any impairment losses.

Basis of consolidation of associates

An associate is an entity in which the Group holds an equity interest, over which the Group has significant influence and is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the associate but is not control or joint control over those policies.

An associate is recognised at cost less any impairment losses in the Company financial statements.

Initially, an associate is recognised at cost in the Group. Post-acquisition results of associate companies are accounted for in the Group financial statements, using the equity method of accounting from the date that significant influence commences until the date that significant influence ceases. An impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in the Statements of profit or loss and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. Where a Group entity transacts with an associate of the Group, unrealised profits are eliminated to the extent of the Group's interest in the associate. Dividend income from investments is recognised in the Statements of profit or loss when the shareholders' right to receive payment has been established.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued, except to the extent that the Group has an obligation to or has made payments on behalf of the investee.

Notes to the financial statements continued

For the year ended 31 December 2025

9. Other investments

Rand million	Group		Company	
	2025	2024*	2025	2024
Non-current investments				
Equity instruments	111	118	72	116
Equity securities at FVOCI	109	116	72	116
Capital contributions	2	2	—	—
Loans and receivables	—	4	—	4
Excess-of-Loss (XOL) policy investment ¹	137	137	—	—
Other non-current investments	248	259	72	120
Current investments				
Money market and other investments ²	631	389	—	—
Employer surplus accounts ³	144	142	144	142
Loans and receivables ⁴	40	36	—	—
Other current investments	815	567	144	142

¹ The Group's Excess-of-Loss reinsurance policy is accounted for as a financial instrument in accordance with IFRS 9, as it does not meet the definition of an insurance contract under IFRS 17. The policy is measured at fair value through profit or loss, with recoveries recognised only when enforceable contractual rights arise. Expected credit losses are recognised on the receivable in accordance with the Group's IFRS 9 impairment methodology

² The money market investments include an investment in a collective investment scheme with Ninety One Limited (through AECl Captive Insurance Company Limited) and a money market fund with Old Mutual Limited (through AECl Mauritius Limited). The investments are considered to be Level 1 financial assets and their carrying values were the same as their fair values at the reporting date. This also includes the investment in an insurance cell captive of R123 million (2024: R74 million)

³ Employer surplus accounts include the surpluses from the AECl Defined Contribution Pension Fund and the AECl Employees Provident Fund. The funds are invested in a money market account and the investment is thus considered to be a Level 1 financial asset. Its carrying value, therefore, was the same as its fair value at the reporting date. See note 30 for further information in this regard

⁴ These loans have varying repayment terms ranging from no fixed repayment terms to a repayment period of less than 12 months. Interest on these loans is charged at fixed rates of between nil and 14% annually, and at floating rates of prime plus 1% and JIBAR plus 5%

* Restated, see note 40 for details of correction of misstatement

Notes to the financial statements continued

For the year ended 31 December 2025

9. Other investments continued

Equity securities at fair value through other comprehensive income

Investments in these equity instruments are designated to be carried at fair value through other comprehensive income. These investments are not held for trading and are strategic long-term investments where the purpose of the investment is not dependent on the fair value. The cumulative fair value adjustments may not be reclassified to profit or loss. Details are as follows:

Group and Company

Rand million	Fair value as at 31 December 2024	Additions	Fair value adjustment	Fair value as at 31 December 2025
Origin Materials Incorporated (Origin)	53	—	(44)	9
AECI Good Chemistry Fund	28	—	—	28
Clariter Société Anonyme of Luxemburg (Clariter)	35	—	—	35
Total Company	116	—	(44)	72
Jevons Robotics (Pty) Ltd (Jevons Robotics)	—	38	(1)	37
Total Group	116	38	(45)	109

Origin

AECI has invested a total of USD 5.2 million (USD 5.0 million in 2017 and an additional USD 0.2 million in 2021) in Origin, a company based in California, USA, that has pioneered the development of bio-based chemicals. These chemicals can be processed into a large number of products for application in global markets. The fair value of the investment in Origin was categorised as a Level 1 financial asset with listed shares (NASDAQ: ORGN). The shares are valued at the listed entity's share price of USD 0.21 (2024: USD 1.28) at the reporting date. Origin Materials Inc (NASDAQ: ORGN) is facing a NASDAQ delisting risk, with an extension only until April 2026 to meet listing requirements, following its share price dropping below USD 1. As at 10 April 2026, the entity's share price was USD 1.97 following a 1:30 share consolidation effective, 19 March 2026 and is therefore compliant with the NASDAQ listing requirements.

AECI Good Chemistry Fund

This investment enables the Group's Enterprise and Supplier Development programme. The AECI Good Chemistry Fund is considered to be a Level 3 asset in the fair value hierarchy.

Clariter Société Anonyme of Luxemburg

Clariter is a global cleantech company producing green sustainable petrochemicals upcycled from plastic waste.

In July 2024, the principal amount together with accrued interest provided by AECI to Clariter was successfully converted into ordinary shares of the company as per the terms of the convertible loan agreement.

The investment in Clariter is considered to be a Level 3 asset in the fair value hierarchy.

Jevons Robotics

Jevons Robotics is a Perth-based technology company specialising in the development of battery-electric, autonomous, and remotely operated robotic vehicles purpose-built for hazardous industrial environments, with a primary focus on the global mining sector. Their solutions combine advanced robotics, automation, artificial intelligence (AI), high-end computing, and cutting-edge battery technologies to improve operational safety, reduce emissions, and enhance productivity.

AECI has invested a total of AUD 3.2 million (R38 million) in Jevons Robotics. The investment in Jevons Robotics is considered to be a Level 3 asset in the fair value hierarchy.

Notes to the financial statements continued

For the year ended 31 December 2025

10. Deferred taxation

Rand million	Group		Company	
	2025	2024*	2025	2024
Deferred taxation assets	354	194	73	—
Deferred taxation liabilities	(306)	(403)	—	(15)
Net deferred taxation asset/(liability)	48	(209)	73	(15)
Net movement in deferred taxation balance:				
At the beginning of the year	(209)	(368)	(15)	(36)
- current year and prior year charge	237	16	80	21
- taxation rate change	—	2	—	—
Recognised in other comprehensive income				
- foreign currency loan translation differences	8	(3)	8	—
- defined-benefit obligation	—	—	—	—
- post-retirement medical aid obligations	—	(3)	—	(2)
Transfers to assets classified as held for sale (note 35)	—	(5)	—	—
Transfers to liabilities classified as held for sale (note 35)	—	137	—	—
Translation differences	12	15	—	—
Other	—	—	—	2
At the end of the year	48	(209)	73	(15)
Analysis by major temporary differences:				
Property, plant and equipment	(405)	(513)	(57)	(68)
Right-of-use assets and finance lease liabilities	19	31	3	18
Intangible assets	(15)	(163)	—	—
Provisions and deferred income	550	577	183	157
Amounts received in advance ¹	16	21	4	5
Prepaid expenses ¹	(36)	(37)	(10)	(11)
Pension fund employer surplus accounts	(89)	(111)	(89)	(116)
Deferred foreign exchange differences	(34)	(40)	—	—
Tax losses available for utilisation ²	84	103	40	—
Other ³	(42)	(77)	(1)	—
	48	(209)	73	(15)

¹ Amounts received in advance and prepaid expenses were disclosed as one line item in 2024. In the current year these two items have been disclosed separately for transparency

² Deferred tax assets of R84million (2024: R103million) have been recognised in respect of assessed losses of R314 million (2024: R403 million) available to offset against future taxable profits. This recognition is based on management's judgement that sufficient taxable profits will be generated, supported by approved forecasts and historical performance. Assessed losses of R468 million (2024: R245 million) have not been recognised as deferred tax assets due to limited expected future profitability in the relevant entities

³ Includes the recognition of the take-on balance related to the excess-of-loss policy, which had previously been accounted for as an off-balance-sheet arrangement in the prior year

* Restated, see note 40 for details of correction of misstatement

Notes to the financial statements continued

For the year ended 31 December 2025

10. Deferred taxation continued

OECD Pillar Two

In December 2021, the Organisation for Economic Co-operation and Development (OECD) issued model rules introducing a global minimum tax framework (Pillar Two), designed to ensure that multinational enterprise (MNE) groups are subject to a minimum effective corporate tax rate of 15% in each jurisdiction in which they operate. The Pillar Two rules apply to MNE's that have a consolidated revenue of €750 million (approximately R15 billion) in at least two of the last four financial years.

South Africa enacted the Global Minimum Tax Act, 2024 (Pillar Two legislation), which was published in the Government Gazette in December 2024. The legislation applies retrospectively for years of assessment commencing on or after 1 January 2024. South Africa has adopted the Income Inclusion Rule (IIR).

The Pillar Two Global Anti-Base Erosion (GloBE) rules apply to MNE groups with consolidated revenue exceeding the applicable threshold and operate through a system of top-up taxes where the effective tax rate in a jurisdiction is below the minimum rate of 15%. The IIR requires the ultimate parent entity to pay any top-up tax arising in respect of low-taxed constituent entities. The Undertaxed Payments Rule (UTPR), which applies from 1 January 2025, permits jurisdictions to impose top-up tax through denial of deductions or similar mechanisms where low-taxed income is not otherwise subject to the IIR. Jurisdictions may also introduce a Qualified Domestic Minimum Top-up Tax (QDMTT), which allows the top-up tax to be collected locally.

The Group falls within the scope of the Pillar Two legislation and has performed an assessment of the potential impact of the rules across the jurisdictions in which it operates. Based on the assessment performed, the application of the Pillar Two rules did not have a material impact on the Group's current tax expense, deferred tax balances, or effective tax rate.

Income tax uncertainties

The Group operates in multiple tax jurisdictions and is therefore exposed to potential uncertainty arising from differing interpretations of tax legislation, including transfer pricing matters and other income tax assessments.

In applying IFRIC 23 Uncertainty over Income Tax Treatments, management assesses whether it is probable that the relevant tax authority will accept the tax treatment adopted in the income tax return. Where acceptance is considered probable, the tax treatment is reflected consistently with the filed return and no uncertainty is recognised.

Where acceptance is not considered probable, the effect of the uncertainty is recognised using either the most likely amount or the expected value method, depending on which approach better predicts the resolution of the uncertainty.

At year-end, limited uncertainty remained in respect of certain transfer pricing matters in Zambia where a portion of the assessment remains under objection (R3 million). In this instance, management applied the "most likely amount" method in measuring the uncertain tax treatment and recognised a provision reflecting the amount expected to be payable. No other material uncertain tax treatments were identified at year-end. Accordingly, income tax uncertainties amounted to R3 million (2024: R41 million, relating to Mali (R24 million) and Zambia (R17 million)).

The Group continuously reassesses uncertain tax positions with reference to developments in audits and objections, prescription of years of assessment, changes in legislation, and relevant judicial rulings. Any changes in judgement are recognised prospectively in the period in which the reassessment occurs.

Accounting policy

Deferred taxation assets are recognised in respect of temporary differences between the carrying value of assets and liabilities for accounting purposes and their corresponding values for taxation purposes. A deferred taxation asset may be recognised on taxation losses, but only to the extent that it is probable that future taxable profits will be available against which the associated unused taxation losses and deductible temporary differences can be utilised in the foreseeable future. Deferred taxation assets are reviewed at each reporting date.

No deferred taxation is recognised on temporary differences relating to the initial recognition of goodwill, the initial recognition (other than in a business combination) of an asset or a liability to the extent that neither accounting nor taxation profit is affected on acquisition, and differences relating to investments in subsidiaries, joint arrangements and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Notes to the financial statements continued

For the year ended 31 December 2025

10. Deferred taxation continued

Accounting policy continued

Deferred taxation assets and liabilities are offset if there is a legally enforceable right to offset current taxation assets and liabilities and they relate to income taxation levied by the same taxation authority on the same taxable entity. Deferred taxation assets and liabilities are measured at the taxation rates that are expected to apply in the period when the asset is realised or the liability is settled, based on taxation rates/laws that have been enacted or substantively enacted at the end of the reporting period.

Significant estimates and judgements

When a deferred taxation asset is recognised, the Group makes estimates in assessing whether taxable profits will be available in the foreseeable future. Future taxable profits are determined based on forecasts, budgets and business plans for individual Group subsidiaries, which include estimates and assumptions regarding economic growth, market conditions and other economic factors. The Group is subject to taxes in numerous jurisdictions. Significant judgement is required in determining a worldwide provision for taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due.

Notes to the financial statements continued

For the year ended 31 December 2025

11. Inventories

Rand million	Group		Company	
	2025	2024	2025	2024
Raw and packaging materials	1,627	1,885	421	694
Work in progress	149	74	11	6
Finished goods and merchandise	2,977	3,095	1,433	1,602
Consumable stores	311	381	10	—
Spares and other	38	83	—	26
Obsolescence provisions	(329)	(401)	(55)	(66)
Total inventories	4,773	5,117	1,820	2,262
Recognised in profit or loss:				
Cost of inventories recognised as an expense	16,948	18,701	6,702	6,638
Net impact of inventory adjustments ¹	(2)	8	13	16
Inventory adjustments	111	109	12	19

¹ Management's ongoing inventory optimisation initiatives, combined with improved market conditions and strategic disposal activities, resulted in the realisation of inventory that had been subject to slow moving provisions in prior periods

There are no inventories pledged to secure any borrowings of the Group.

Accounting policy

Inventories of raw and packaging materials, products and intermediates, finished goods and merchandise are measured at cost using the first-in first-out method the weighted average or standard cost method, depending on the nature of the inventories or their use to businesses in the Group.

The cost of finished goods and work in progress comprises raw and packaging materials, manufacturing costs, depreciation and an appropriate allocation of production overheads. Costs may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases.

In all cases inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses, taking into account obsolescence.

An obsolescence provision is made against slow-moving, obsolete and damaged inventories. Damaged inventories are identified and written down through the inventory counting procedures conducted by each business.

Notes to the financial statements continued

For the year ended 31 December 2025

12. Trade and other receivables

Rand million	Group		Company	
	2025	2024	2025	2024
Trade receivables (net of loss allowances)	5,219	6,231	2,134	2,309
Contracts with customers ¹	5,218	6,229	2,133	2,307
Lease receivables	1	2	1	2
Pre-payments	418	423	80	46
VAT ²	564	478	46	60
Deposits	216	214	28	30
Other ³	334	161	85	67
Forward exchange contracts	44	102	3	47
Joint venture and associates	15	7	23	9
Subsidiaries			501	437
Total trade and other receivables	6,810	7,616	2,900	3,005

Credit Risk

Trade receivables are exposed to credit risk. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

¹ Group contracts with customers include R126 million (2024: R144 million) of contract assets. Contract assets are balances due from customers in the AECI Chemicals segment that represent the Group's right to consideration when the Group performs the contracted performance obligations over time. Payment is conditional on completion of the performance obligations. The contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer

² The VAT receivable represents amounts recoverable from revenue authorities across various jurisdictions in which the Group operates. The timing of recovery differs by jurisdiction and may be impacted by verification and audit processes, administrative practices, and broader economic conditions. The principal contributors to the VAT receivable balance are Zambia (R98 million; 2024: R127 million) and Ghana (R143 million; 2024: R61 million). Tax authorities are statutorily required to settle VAT refund claims once all prescribed verification and audit procedures have been completed. Based on the nature of the balances, expected refund timelines, and the status of ongoing engagements with the relevant tax authorities, management has concluded that the VAT receivable is appropriately classified as a current asset.

³ Other receivables include those relating to sundry receivables and loans to employees. The majority of the increase is attributable to a higher Outstanding Claims Reinsurance Reserve of R210 million

Exposure to credit risk for trade receivables is assessed by geographic region as follows:

Rand million	Group		Company	
	2025	2024	2025	2024
South Africa	3,131	3,343	2,008	2,160
Rest of Africa	1,291	1,784	114	126
Europe	302	354	—	—
North America	76	174	—	—
Australia	271	462	—	—
Other regions ¹	148	114	12	23
Trade receivables (net of loss allowances)	5,219	6,231	2,134	2,309

¹ Other regions include South America and Asia

Notes to the financial statements continued

For the year ended 31 December 2025

12. Trade and other receivables continued

Concentration of credit risk

The following table provides information on the exposure to credit risk and loss allowances for trade receivables by geographic region as at 31 December 2025:

Group

Rand million

	Weighted average loss rate (%) ¹	Gross carrying amount ²	Specific loss allowances	Lifetime ECL allowances	Total loss allowances ²	Trade receivables (net of loss allowances)
South Africa						
Current (not yet due)	—	2,581	—	(10)	(10)	2,571
1–30 days past due	1	282	—	(2)	(2)	280
31–60 days past due	1	142	—	(1)	(1)	141
61–90 days past due	1	138	(17)	(1)	(18)	120
More than 90 days past due	100	151	—	(132)	(132)	19
		3,294	(17)	(146)	(163)	3,131
Rest of Africa						
Current (not yet due)	—	1,036	(2)	(3)	(5)	1,031
1–30 days past due	—	131	—	(1)	(1)	130
31–60 days past due	—	67	—	—	—	67
61–90 days past due	32	49	—	(14)	(14)	35
More than 90 days past due	100	227	(6)	(193)	(199)	28
		1,510	(8)	(211)	(219)	1,291
Europe						
Current (not yet due)	—	293	(3)	—	(3)	290
1–30 days past due	—	12	—	—	—	12
31–60 days past due	—	—	—	—	—	—
61–90 days past due	—	—	—	—	—	—
More than 90 days past due	100	6	—	(6)	(6)	—
		311	(3)	(6)	(9)	302

¹ Weighted average loss rate of less than 1% when no figures are presented

² The gross carrying amount is inclusive of VAT. Total loss allowance are exclusive of VAT

Notes to the financial statements continued

For the year ended 31 December 2025

12. Trade and other receivables continued

Group

Rand million

	Weighted average loss rate (%) ¹	Gross carrying amount ²	Specific loss allowances	Lifetime ECL allowances	Total loss allowances ²	Trade receivables (net of loss allowances)
North America						
Current (not yet due)	—	66	—	—	—	66
1–30 days past due	—	8	—	—	—	8
31–60 days past due	—	1	—	—	—	1
61–90 days past due	—	1	—	—	—	1
		76	—	—	—	76
Australia						
Current (not yet due)	—	247	—	—	—	247
1–30 days past due	—	2	—	—	—	2
31–60 days past due	—	—	—	—	—	—
61–90 days past due	—	22	—	—	—	22
		271	—	—	—	271
Other regions³						
Current (not yet due)	—	112	—	—	—	112
1–30 days past due	—	7	—	—	—	7
31–60 days past due	—	—	—	—	—	—
61–90 days past due	13	33	—	(4)	(4)	29
More than 90 days past due	100	2	—	(2)	(2)	—
		154	—	(6)	(6)	148

¹ Weighted average loss rate of less than 1% where no figures are presented

² The gross carrying amount is inclusive of VAT. Total loss allowances are exclusive of VAT

³ Other regions include South America and Asia

Notes to the financial statements continued

For the year ended 31 December 2025

12. Trade and other receivables continued

Company

	Weighted average loss rate (%) ¹	Gross carrying amount ²	Specific loss allowances	Lifetime ECL allowances	Total loss allowances ²	Trade receivables (net of loss allowances)
South Africa						
Current (not yet due)	1	1,580	—	(11)	(11)	1,569
1–30 days past due	1	213	—	(2)	(2)	211
31–60 days past due	1	108	—	(1)	(1)	107
61–90 days past due	1	128	(17)	(1)	(18)	110
More than 90 days past due	100	87	—	(76)	(76)	11
		2,116	(17)	(91)	(108)	2,008
Rest of Africa						
Current (not yet due)	1	104	—	(1)	(1)	103
1–30 days past due	1	8	—	—	—	8
31–60 days past due	1	3	—	—	—	3
61–90 days past due	—	—	—	—	—	—
More than 90 days past due	100	7	—	(7)	(7)	—
		122	—	(8)	(8)	114
Other regions³						
Current (not yet due)	—	10	—	—	—	10
1–30 days past due	1	2	—	—	—	2
31–60 days past due	—	—	—	—	—	—
61–90 days past due	—	—	—	—	—	—
More than 90 days past due	100	1	—	(1)	(1)	—
		13	—	(1)	(1)	12

¹ Weighted average loss rate of less than 1% where no figures are presented

² The gross carrying amount is inclusive of VAT. Total loss allowances are exclusive of VAT

³ Other regions include South America and Asia

Notes to the financial statements continued

For the year ended 31 December 2025

12. Trade and other receivables continued

Loss allowance

The reconciliation of the allowance is as follows:

Rand million	Group		Company	
	2025	2024	2025	2024
At the beginning of the year	(352)	(396)	(76)	(60)
Disposals through sale of business	4	—	3	—
(Increase)/decrease in allowance	(59)	29	(52)	(23)
Receivables written off	41	15	8	7
At the end of the year	(366)	(352)	(117)	(76)
Contracts with customers	(366)	(349)	(117)	(73)
Lease receivables	—	(3)	—	(3)

Accounting policy

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at the consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. The Group holds trade receivables with the objective of collecting the contractual cash flows and therefore, classifies trade receivables as financial assets at amortised cost using the effective interest method, less any loss allowances.

Contract assets are balances due from customers in the AECI Chemicals segment that represents the Group's right to consideration when the Group performs the contracted performance obligations over time. Payment is conditional on completion of the performance obligations. The contract assets are reclassified to trade receivables when the performance obligation is delivered and it is invoiced to the customer.

Notes to the financial statements continued

For the year ended 31 December 2025

12. Trade and other receivables continued

Impairment

Financial assets

The Group applies the simplified approach as permitted by IFRS 9 when providing for loss allowances on trade receivables. Under the simplified approach, the loss allowance is calculated over the lifetime of the asset. Trade receivables are disaggregated into major categories based on common credit risk characteristics and focusing on risks specific to each geographic region, and the credit risk is assessed for each category. This is in terms of the provision matrix approach.

Credit risk per category is determined using actual credit loss data from past information and experience with debtors as well as expectations of the future recoverability of amounts due from debtors. Factors which are considered when assessing the past and future risk associated with each category include an analysis of debtors' current financial position, adjusted for factors that are specific to each debtor, general economic conditions in which the debtor operates and an assessment of both the current as well as the forecast direction of macro-economic conditions at the reporting date.

Trade and other receivables are written off when there is no reasonable expectation of settlement.

AECI Group incorporates forecast macro-economic factors including global growth expectations, evolving trade dynamics and disruptions, persistent geopolitical tensions, and elevated market volatility when assessing the past and future position of its debtors. Loss allowances are reviewed at the end of each reporting period.

Except for assets at fair value, the Group recognises a loss allowance on financial assets through profit or loss. The amount of the loss allowance is updated at each reporting date to reflect changes in credit risk since the last reporting date.

For all other financial assets, the Group recognises lifetime loss allowances when there has been a significant increase in credit risk since initial recognition. If there has been no significant increase in credit risk, the loss allowance is measured as an amount equal to the 12-month ECLs.

Significant estimates and judgements

Financial instruments

Determining ECLs necessitates assessments of current and future general economic conditions and their impact on the credit risk of financial assets, as well as the use of past-due amounts to indicate expected levels of credit loss. Credit losses may occur at a different time and in a different amount than anticipated.

Notes to the financial statements continued

For the year ended 31 December 2025

13. Share capital and share premium/Preference share capital

Rand million	Number of shares		Group		Company	
	2025	2024	2025	2024	2025	2024
Ordinary shares						
Authorised						
Ordinary shares of R1 each	180,000,000	180,000,000	180	180	180	180
B ordinary shares of no par value	10,117,951	10,117,951				
Listed ordinary shares at the beginning and end of the year						
At the beginning and end of the year						
Group	105,517,780	105,517,780	106	106		
Company	105,517,780	105,517,780			106	106
Ordinary shares in issue						
Group	105,517,780	105,517,780	106	106		
Company	105,517,780	105,517,780			106	106
Share premium less share issue expenses					6	6
Total ordinary shares						
Group	105,517,780	105,517,780	106	106		
Company	105,517,780	105,517,780			112	112
Listed preference shares						
Authorised and issued	3,000,000	3,000,000	6	6	6	6
5.5% cumulative shares of R2 each	3,000,000	3,000,000	6	6	6	6

Notes to the financial statements continued

For the year ended 31 December 2025

13. Share capital and share premium/Preference share capital continued

Capital management

The Board of Directors' policy is to actively manage the capital base so as to maintain investor and market confidence and sustain future development of the business. The Board of Directors monitors the spread of shareholders, the level of dividends to ordinary shareholders and the return on net assets (RONA). RONA is defined as operating profit plus the share of profit of equity-accounted investees, net of tax, as a percentage of average operating assets less average operating liabilities. The Capital Allocation Framework provides guidelines concerning the allocation of its capital resources, including allocations for debt repayments, working capital, investments, capital expenditure, compliance with financial policies, debt agreements, dividends and return of capital to shareholders. The framework empowers the Group to effectively allocate capital to drive value creation by finding and funding the right mix of investments given financial and operational constraints. Key measures monitored include Operating free cash flow (FCF) defined as EBITDA less working capital, maintenance capital, finance cost and taxation and return on invested capital (ROIC) defined as net operating profit after tax as a percentage of the average invested capital. There are no externally-imposed capital requirements.

Accounting policy

Ordinary share capital

Share capital comprises ordinary shares and redeemable convertible B ordinary shares. Issued ordinary shares are measured at the fair value of the proceeds received less any directly attributable issue costs. An amount equal to the par value of the shares issued is presented as share capital. The amount by which the fair value exceeds par value is presented as share premium. For no par value shares, the fair value is presented in full as share capital.

Preference shares

In terms of the Company's Memorandum of Incorporation, all payments of dividends associated with the preference shares and all payments to be made in respect of the preference shares in the event of liquidation shall be made in British pound sterling and calculated as though the shares were one British pound sterling each. The capital repayment to preference shareholders in the event of liquidation is limited to 3 150 000 British pound sterling (1.05 British pound sterling per share).

Preference shares are measured at historical cost, are cumulative and are classified as equity unless they are mandatorily redeemable on a specific date, in which case they are classified as liabilities. Dividends paid are disclosed in the Statements of changes in equity.

Notes to the financial statements continued

For the year ended 31 December 2025

14. Non-current debt

Rand million (unless otherwise indicated)

Facility	Terms of repayment	Interest rate ¹	Weighted average interest rate (%)	Group		Company	
				2025	2024	2025	2024
Unsecured³							
Local							
Loans							
Term loan	Repayable in full on 21 May 2027	JIBAR + 1.18%	8.0	300	300	300	300
Term loan	Repayable in full on 21 November 2027	JIBAR + 1.37%	8.2	700	700	700	700
DMTN programme²							
AECI05	Repayable in full on 11 September 2026	JIBAR + 1.44%	8.2	535	535	535	535
AECI06	Repayable in full on 11 September 2028	JIBAR + 1.55%	8.3	465	465	465	465
Foreign							
Loans – Euro*							
Term loan	Repayable in full on 18 November 2028	EURIBOR + 1.70%	3.8	486	391		
Term loan	Repayable in full on 18 November 2029	EURIBOR + 1.79%	3.9	486	1,741		
Term loan	Repayable in full on 18 November 2030	EURIBOR + 2.00%	4.1	583	—		
Loans – Australian Dollar*							
Term loan	Repayable in full on 18 November 2028	BBSW + 1.95%	6.3	111	111		
Term loan	Repayable in full on 15 December 2026	BBSW + 1.95%	6.3	210	222		
Total debt				3,876	4,465	2,000	2,000
Current debt (note 18)				(745)	—	(535)	—
Non-current debt				3,131	4,465	1,465	2,000

¹ Interest rates are based on the applicable three-month base rate plus a margin and interest is accrued and repaid at the relevant interval

² The Domestic Medium Term Note Programme (DMTN Programme) is registered with the JSE Limited and includes Senior Unsecured Floating Rate Notes. It is guaranteed by AECI Mining Limited, Chemical Services Limited and AECI Mauritius Limited

³ The AECI Sustainability Linked Financing Framework (SLFF) serves to further evidence the Group's ESG commitments and enables the Group's mix of funding instruments to include both Sustainability Linked Bonds and Sustainability Linked Loans. All 2023 bonds and term loan debt are linked to the SLFF, except the loans marked with a *

Accounting policy

Debt is recognised initially at the fair value of proceeds received, net of transaction costs incurred, when the Group becomes party to the contractual arrangements. Debt is classified as financial liabilities at amortised cost. The detailed accounting policy for financial liabilities is contained in note 28.

Sustainability Linked Bonds and Loans are linked to sustainability KPI's referencing AECI performance in meeting predefined sustainability performance targets. The Group has elected that any changes in the applicable interest margin will not be recognised as an embedded derivative and will initially be recognised at fair value.

Notes to the financial statements continued

For the year ended 31 December 2025

14. Non-current debt continued

Movement in borrowings:

Rand million	Group		Company	
	2025	2024	2025	2024
Opening balance	5,315	5,435	2,850	2,585
Proceeds from debt raised	1,760	578	300	850
Repayment of debt	(3,199)	(601)	(1,150)	(585)
Translation differences	10	(97)		
Total debt	3,886	5,315	2,000	2,850
Current debt (note 18)	(755)	(850)	(535)	(850)
Non-current debt	3,131	4,465	1,465	2,000

Summary of repayments

Group	Total owing	Payable				Total owing
		Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	
Rand million	2025	year				2024
Debt denominated in South African Rand	2,000	535	1,465	—	—	2,000
Debt denominated in foreign currency	1,876	210	597	1,069	—	2,465
Total debt	3,876	745	2,062	1,069	—	4,465
Company						
Debt denominated in South African Rand	2,000	535	1,465	—	—	2,000
Total debt	2,000	535	1,465	—	—	2,000

Debt covenants

	Group	
	2025	2024
Non-current debt	3,131	4,465
Current debt (note 18)	755	850
Cash and cash equivalents	(3,934)	(2,389)
Bank overdraft	42	31
Lease liabilities (note 15)	471	781
Net debt	465	3,738

Description	Threshold	Group	
		2025	2024
Net debt to EBITDAC ¹	<2.5 times	0.1 times	1.2 times
EBITDAC to net financing cost	≥3.0 times	7.3 times	4.7 times
Consolidated tangible net worth	≥R2 500 million	R9 930 million	R10 101 million

¹ EBITDAC is EBITDA as defined in the Group's loan agreements. The net debt to EBITDAC covenant would be breached if debt increased by R8 333 million or EBITDAC decreased by R3 333 million

At 31 December 2025, the Group had undrawn bank facilities of R5,025 million available (2024: R3,136 million), in addition to cash on hand. The Group remains well capitalised.

Debt level mitigations

The Group's net debt levels are considered to be conservative, with gearing (net debt as a percentage of equity) at 4% (2024: 31%), below the Group guidance of 20% to 40%.

Notes to the financial statements continued

For the year ended 31 December 2025

15. Lease liabilities

Rand million	Group		Company	
	2025	2024	2025	2024
Opening balance	781	804	334	343
Additions	77	178	6	15
Additions through acquisition of subsidiary (note 37)	12	—	—	—
Cancellations of lease contracts	(16)	(15)	—	—
Disposals through sale of business	(203)	—	(160)	—
Lease payments	(216)	(205)	(50)	(52)
Interest on lease liabilities	50	54	25	28
Translation differences	(14)	(35)	—	—
Total lease liabilities	471	781	155	334
Current lease liabilities	(105)	(156)	(9)	(29)
Non-current lease liabilities	366	625	146	305

Maturity analysis

Group	Payable				Total owing
	Total owing	Payable within 1 year	Payable between 1 and 5 years	Payable thereafter	
Rand million	2025				2024
Undiscounted amounts	599	132	283	184	1,001
Unearned interest	(128)	(27)	(71)	(30)	(220)
Total lease liabilities	471	105	212	154	781
Company					
Undiscounted amounts	229	21	87	121	474
Unearned interest	(74)	(12)	(42)	(20)	(140)
Total lease liabilities	155	9	45	101	334

Information on lease escalations

Rand million	Group		Company	
	2025	2024	2025	2024
Fixed escalation leases	102	400	—	279
Variable escalation leases	369	381	155	55
- linked to South African CPI	326	278	155	55
- linked to foreign CPI	43	103	—	—
Total lease liabilities	471	781	155	334

Financial liabilities

Lease liabilities are measured at amortised cost using the effective interest method.

Notes to the financial statements continued

For the year ended 31 December 2025

15. Lease liabilities continued

Accounting policy

The Group leases various properties, plant and equipment. Rental contracts are typically entered into for fixed periods but may have extension options. Lease terms are negotiated on an individual basis and contain a range of terms and conditions. Although the lease agreements do not impose any covenants, leased assets may not be used as security for debt purposes.

A right-of-use asset and the corresponding lease liability are recognised at the lease commencement date, being the date at which the leased asset was available for use by the Group. Right-of-use assets are measured initially at the present value of the lease payments outstanding at the commencement date, discounted using the rate implicit in the lease or, if not readily determined, the Group's incremental borrowing rate.

Each lease payment is allocated between the liability and finance costs. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Right-of-use assets are assessed for impairment if there is an indicator for impairment.

Leases where the period is for 12 months or less and there are no extension options or no economic incentive to renew the leases, are recognised on a straight-line basis and are expensed in profit or loss. Low value right-of-use assets are assets that, when new, have a value of R100 000 or less and are expensed in profit or loss as incurred.

Significant estimates and judgements

Management exercises judgement when determining the lease term. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Notes to the financial statements continued

For the year ended 31 December 2025

16. Non-current provisions and employee benefits

Rand million	Group		Company	
	2025	2024	2025	2024
Environmental remediation				
At the beginning of the year	224	213	117	113
Paid during the year	(12)	—	(12)	—
Charged to net operating costs during the year (see note 20)				
- Additional provision made	15	11	10	4
- Reversal of provision	(3)	—	—	—
Translation differences	(2)	—	—	—
At the end of the year	222	224	115	117
Actuarial valuation of obligations (see note 30)				
Post-retirement medical aid obligations	145	133	145	133
Defined-benefit pension obligations	181	215	—	—
At the end of the year	326	348	145	133
Total non-current provisions	548	572	260	250

Accounting policy

Provisions

A provision is recognised when the Group has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will occur and where a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties associated with the obligation. Non-current provisions are determined by discounting the expected future cash flows to their present value at a pre-tax rate that reflects the current market assessment of the time value of money. The unwinding of the discount is recognised in interest expense.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Environmental remediation

The environmental remediation provision is based on the Group's Safety, Health, Environment and Quality policy, obligations in terms of legislation to remediate land and the most appropriate end-use for the land. The expenditure is expected to be incurred as and when the Group is legally required to do so, depending on end use for the land. The Group's environmental costs could increase significantly depending on the impact of the possible changes in legislation and possible changes in practices by environmental authorities.

Post-retirement benefit obligations

Details of the nature of the post-retirement medical aid obligations provision are presented in note 30. The costs will be incurred over the lifetime of all eligible employees and will vary depending on expected lives, changes to salary inflation, healthcare costs and discount rates

Assumptions used to determine the obligations are detailed in note 30.

Defined-benefit pension obligations

Details of the nature of the defined-benefit pension obligations provision are presented in note 30. The costs incurred for all eligible employees and will vary depending on employee turnover, mortality rates, the discount rate, the expected long-term rate of return of retirement plan assets and rates of increases in compensation costs.

Assumptions used to determine the obligations are detailed in note 30.

Notes to the financial statements continued

For the year ended 31 December 2025

16. Non-current provisions and employee benefits continued

Significant estimates and judgements

Environmental provision

Estimating the future costs of environmental remediation obligations is complex and requires management to make estimates and judgements because most of the obligations will be fulfilled in the future and laws are often not clear regarding what is required. The resulting provisions are influenced further by changing technologies and social, political, environmental, safety, business and statutory considerations.

Post-retirement benefit obligations

Post-retirement defined benefits are provided for certain existing and former employees. Actuarial valuations are based on assumptions which include employee turnover, mortality rates, the discount rate, the expected long-term rate of return of retirement plan assets and rates of increases in compensation costs.

Notes to the financial statements continued

For the year ended 31 December 2025

17. Trade and other payables

Rand million	Group		Company	
	2025	2024	2025	2024
Trade payables	4,633	5,385	2,337	2,545
Payroll-related accruals ¹	924	856	381	371
Other ²	302	183	153	95
Provisions	118	87	14	14
Accruals	777	659	120	210
Forward exchange contracts (see note 28)	64	60	22	13
VAT payable	84	16	—	—
Amounts due to subsidiaries	—	—	84	232
Amounts due to joint venture and associates	28	13	—	—
	6,930	7,259	3,111	3,480

¹ Payroll-related accruals include incentive bonus, commission and salaries

² Other payables include those relating to deposits, royalties, rebates and dividends payable

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Trade payables are classified as financial liabilities at amortised cost using the effective interest method. The detailed accounting policy for financial liabilities is presented in note 28.

Provisions

Provisions include royalties, import taxes, insurance and maintenance.

Rand million	Group		Company	
	2025	2024	2025	2024
At the beginning of the year	87	147	14	13
Paid during the year	(3)	(8)	—	(9)
Charged/(released) to net operating costs during the year	37	(48)	—	10
Additions through business acquisitions (note 37)	1	—	—	—
Translation differences	(4)	(4)	—	—
At the end of the year	118	87	14	14

18. Current debt

Rand million	Group		Company	
	2025	2024	2025	2024
Current portion of non-current debt (see note 14)	745	—	535	—
Unsecured interest-bearing short-term debt	10	850	—	850
	755	850	535	850

Financial liabilities, including debt, are measured at amortised cost using the effective interest method.

Notes to the financial statements continued

For the year ended 31 December 2025

19. Revenue

Disaggregation of revenue by nature

Rand million	Group		Company	
	2025	2024	2025	2024
AECI Mining	17,622	19,108		
Sale of goods	16,159	17,691		
Sale of goods and related product application services	1,463	1,417		
AECI Chemicals	10,306	9,862	8,034	8,540
Sale of goods	8,303	7,995	6,031	6,673
Sale of goods and related product application services	2,003	1,867	2,003	1,867
AECI Managed Business	3,996	4,434	1,131	691
Sale of goods	3,996	4,434	1,131	691
AECI Property Services and Corporate	572	506	593	523
Sale of services	572	506	593	523
Discontinued operations	588	2,899	—	—
Sale of goods	588	2,899	—	—
Revenue recognised at a point in time	33,084	36,809	9,758	9,754
AECI Property Services and Corporate	126	126	126	124
Rental income	126	126	126	124
Inter-segment	(439)	(438)	(187)	(163)
Total revenue - continuing and discontinued operations	32,771	36,497	9,697	9,715
Total revenue - continuing operations	32,183	33,598		

Disaggregation of revenue by geographic market

Rand million	Group		Company	
	2025	2024	2025	2024
SACU ¹	18,624	20,880	8,927	9,002
Rest of the African continent	7,199	7,741	358	297
Rest of the world	6,948	7,876	133	156
Inter-segment SACU ¹			279	260
Total revenue - continuing and discontinued operations	32,771	36,497	9,697	9,715

Revenue includes foreign and export revenue of R15,423 million (2024: R16,934 million)

¹ Southern African Customs Union (SACU) comprising South Africa, Botswana, Eswatini, Lesotho and Namibia

Notes to the financial statements continued

For the year ended 31 December 2025

19. Revenue continued

Disaggregation of revenue by geographic end market

	SACU ¹	Rest of the African continent	Rest of the world ²	Inter-segment	Total segment revenue
2025					
AECI Mining	6,930	6,108	4,497	87	17,622
AECI Chemicals	9,051	923	155	177	10,306
AECI Managed Businesses	1,531	168	2,296	1	3,996
AECI Property Services and Corporate	524	—	—	174	698
Inter-segment	—	—	—	(439)	(439)
Continuing operations	18,036	7,199	6,948	—	32,183
Discontinued operations	588	—	—	—	588
Total revenue - continuing and discontinued operations	18,624	7,199	6,948	—	32,771
2024		African continent	Rest of the world ²	Inter-segment	segment revenue
AECI Mining	7,053	6,651	5,306	98	19,108
AECI Chemicals	8,690	884	114	174	9,862
AECI Managed Businesses	1,844	129	2,456	5	4,434
AECI Property Services and Corporate	471	—	—	161	632
Inter-segment	—	—	—	(438)	(438)
Continuing operations	18,058	7,664	7,876	—	33,598
Discontinued operations	2,822	77	—	—	2,899
Total revenue - continuing and discontinued operations	20,880	7,741	7,876	—	36,497

¹ Southern African Customs Union (SACU) comprising South Africa, Botswana, Eswatini, Lesotho and Namibia

² Included in Rest of the world is revenue of R3,334 million (10.4% of total revenue from continuing operations) (2024: R3,967 million (11.8% of total revenue from continuing operations)) relating to Australia

Accounting policy

Revenue recognition

The Group recognises revenue from the following major sources:

- sale of goods in all its operating segments;
- sale of goods and related product application services in AECI Mining and AECI Chemicals; and
- rental income and related facilities management services in AECI Property Services and Corporate operating segment.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or delivers a service to a customer. The Group combines goods and services as a combined bundle for certain revenue streams where these comprise a single performance obligation.

Notes to the financial statements continued

For the year ended 31 December 2025

19. Revenue continued

Accounting policy continued

Sale of goods in all operating segments

Revenue from sales of goods to customers is recognised when the goods are delivered and control of the goods has transferred. Following delivery the customer bears all risks and rewards for the goods. At the same time a receivable is recognised by the Group as the right to the consideration becomes unconditional, and only the passage of time is required before payment is due.

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customer as a result of the satisfaction of a performance obligation. Group performance obligations are met both at a single point in time and over time. Revenue recognised reflects the consideration that the Group expects to be entitled to for each distinct performance obligation after deducting indirect taxes, rebates and trade discounts. The Group allocates revenue based on standalone selling prices.

Sale of goods and related product application services

The Group provides product application services to customers. These are performed as and when goods are delivered and relate mainly to:

- blasting services, where explosives are delivered directly to the geographic location of usage and detonated within hours of delivery; and
- dosing of chemicals directly into a customer's manufacturing or water treatment process, where the promise to the customer is a specific outcome to the process regardless of product volumes or service levels required to achieve that outcome.

The goods and services are delivered simultaneously or near-simultaneously allowing the product to be used by the customer at that point in time. As a consequence, revenue is recognised when both the product and related application services are delivered and the right to the consideration becomes unconditional.

Rental income and related facilities management services in the AECI Property Services and Corporate operating segment

IFRS 15 Revenue from Contracts with Customers does not apply to revenue from lease contracts within the scope of IFRS 16 Leases. Consequently, the Group continues to recognise revenue in respect of rentals received on a straight-line basis over the period of the lease, where fixed escalation clauses apply, and when there is a reasonable expectation that recovery of the lease rental is probable. Where no fixed escalation clauses are applicable to a lease, rental income is recognised in the period when it is due.

Facilities management services to lessees comprise rail, environmental and laboratory services, steam generation, effluent treatment, electricity provision and storage and handling services. Revenue from these services is recognised as and when the services are provided since these services are usage-based and are delivered at a point in time.

Notes to the financial statements continued

For the year ended 31 December 2025

20. Net operating costs

Rand million	Group		Company	
	2025	2024	2025	2024
Cost of sales	21,005	22,828	7,980	7,813
Selling and distribution expenses	2,665	2,432	432	475
Administrative expenses	6,983	6,794	1,671	2,247
Net operating costs	30,653	32,054	10,083	10,535
Net operating costs include:				
Auditor's remuneration	61	56	25	19
– Audit fees	56	51	22	16
– Other services	5	5	3	3
Depreciation and amortisation ¹	1,029	1,084	144	152
– Property, plant and equipment	816	846	102	97
– Right-of-use assets	160	173	30	45
– Investment property	6	5	11	9
– Intangible assets	47	60	1	1
Foreign exchange gains	(228)	(840)	(21)	(47)
Foreign exchange losses	351	851	99	49
Impairment of goodwill	308	27	11	–
Impairment of investment in AECI Much Asphalt			87	970
Impairment of property, plant and equipment	278	306	77	–
Impairment of right-of-use assets	165	2	118	–
Impairment of intangible assets	43	42	–	–
Impairment of other	27	–	–	–
Increase in non-current provisions and employee benefits	12	11	10	4
– Environmental remediation provision (net)	12	11	10	4
Lease costs	219	284	20	19
(Decrease)/increase in expected credit loss (ECL) allowance	(59)	29	(52)	(23)
Receivables written off	41	15	8	7
Research and development expenditure	89	91	9	15
Surplus on disposal of property, plant and equipment	(16)	(44)	(2)	(42)
Total salaries and other employee costs	5,597	5,503	1,172	1,038
Salaries and other employee costs	5,498	5,465	1,105	1,014
Performance share-based payment	99	38	67	24

¹ Depreciation and amortisation total for continuing and discontinued operations disclosed in note 32

Research and development

Research costs are expensed in the Statements of profit or loss in the year in which they are incurred. Development costs are reviewed on an ongoing basis and are capitalised if they can be measured reliably, the product or process is technically and commercially feasible, it is probable that the asset will generate future economic benefits and the Group intends, and has sufficient resources, to complete development and to use or sell the asset.

Development costs are expensed in the Statements of profit or loss if they do not qualify for capitalisation. If a project is abandoned during the development stage, the total accumulated expenditure is written off in the Statements of profit or loss.

Notes to the financial statements continued

For the year ended 31 December 2025

21. Share-based payments

AECI performance shares (PS)

Rand million	Group		Company	
	2025	2024	2025	2024
Equity-settled share-based payments	99	38	99	38
– Recognised in profit/(loss) from operations	99	38	67	24
– Investment in subsidiaries and joint venture			32	14

AECI performance shares (PS)

	Number of shares	
	2025	2024
Share allocation		
Number of PS allocated at the beginning of the year	4,020,731	3,442,911
Number of PS allocated to beneficiaries during the year	2,258,376	1,624,789
Number of PS exercised during the year	(225,445)	(383,560)
Number of PS forfeited during the year	(1,154,283)	(663,409)
Total PS allocated as at 31 December	4,899,379	4,020,731

AECI value unlock incentive scheme (VUIS)

	Number of shares	
	2025	2024
Share allocation		
Number of VUIS allocated to beneficiaries during the year	393,765	–
Number of VUIS forfeited during the year	(1,687)	–
Total VUIS allocated as at 31 December	392,078	–

The AECI Long-term Incentive Plan (LTIP) was approved by shareholders in 2012. The purpose of the plan is to attract, retain, motivate and reward Executives and Managers who are able to influence the performance of AECI and its subsidiaries on a basis which aligns their interests with those of the Group.

In terms of the LTIP, annual conditional awards of PS are allocated to Executives and Managers. PS will vest on the third anniversary of their award to the extent that the Company has met specific performance criteria over the intervening period. The value per share that vests is the full value, but the number of shares that will vest will depend on whether the Company's performance over the intervening three-year period has been on target, or an under- or over-performance against the target(s) set at the award date.

The methodology of vesting will target the Company's comparative total shareholder return (TSR) in relation to a peer group of companies, a measure on return on average net assets (RONA), achievement of ESG targets and growth in headline earnings per share (HEPS) over the three-year vesting period. The 2022 allocation and subsequent allocations include a set of ESG targets with a weighting of 25%, adjusting the weighting of the RONA and HEPS targets compared to previous allocations. The 2025 allocation targets have been strengthened to include return on invested capital (ROIC), adjusted earnings per share (EPS), relative TSR, non-South African EBITDA, ESG and culture. The weightings have been shifted in comparison to the prior year allocations, mentioned below.

The AECI Value Unlock Incentive Scheme (VUIS) is a three-year programme designed to reward employees for achieving certain strategic EBITDA targets and was approved in 2025.

In terms of the VUIS, it is equity-settled payments for Executives and Senior Management and cash-settled payments for other eligible employees. The shares as well as the cash portions will settle in tranches between 2026 and 2028, with deferral features in place for the 2025 equity-settled payments.

Notes to the financial statements continued

For the year ended 31 December 2025

21. Share-based payments continued

A peer group of 15 JSE-listed companies (prior to the 2025 allocation) and 19 JSE-listed companies thereafter (including AECl) has been used to determine AECl's relative performance for the TSR target. The combined weight calculated for each performance measure will determine the number of awards that will vest at the vesting date. The performance measures and the weightings that are applied prior to the 2025 allocation to determine the actual vesting results are as follows:

- TSR peer rank weight: 30%
- HEPS weight: 20%
- RONA weight: 25%
- ESG weight: 25%

The 2025 allocation performance measures and weighting that are applied to determine the actual vesting results are as follows:

- ROIC weight: 35%
- Adjusted EPS¹ weight: 20%
- TSR peer rank weight: 15%
- EBITDA (non South African) growth weight: 5%
- ESG weight: 20%
- Culture weight: 5%

The fair value of the PS was determined using a Monte Carlo option pricing approach to simulate the future share price of the Group's listed shares and those of the peer companies, and their correlations to one another. The approach involves a large number of simulations of the share prices using the spot share prices on the grant date, as well as risk-free interest rates and volatilities for the different shares as inputs. As the TSR calculation requires the simulation of a number of correlated random variables, the correlations between the share price returns of AECl and the peer companies are incorporated into the valuation. For each outcome of the AECl and peer companies' share prices, the TSR will be calculated, incorporating the historical TSR indices. A vesting percentage for the PS will be determined in accordance with the pre-defined ranking rules. The product of this vesting percentage and the simulated AECl share price will provide the fair value of the PS for each simulation. The present value of all simulations was averaged to determine the fair value of the PS.

The RONA, ROIC, HEPS, adjusted EPS and ESG target performance measures are estimated at each reporting date, based on actual results and latest forecasts for these measures for the Group, to determine the expected number of shares that will vest. The cost recognised in the Statements of profit or loss is adjusted accordingly, if required.

¹ Adjusted EPS - EPS is adjusted for significant non-recurring impacts, including but not limited to mergers & acquisitions, divestment of Managed Businesses and other unusual gains or losses. Adjustments will be reviewed and approved by the Audit & Risk Committee and a reconciliation of adjustments will be provided in future remuneration implementation reports.

Notes to the financial statements continued

For the year ended 31 December 2025

21. Share-based payments continued

The inputs for the model, based on market conditions at the grant date, and fair value determined were as follows:

	2022 Allocation	2023 Allocation	2024 Allocation	2025 Allocation
Market price of the Company's shares at the grant date (South African Rand)	103.82	92.21	91.83	92.90
Risk-free interest rates	South African Rand zero swaps curve			
Prime rate	South African Rand prime curve			
Dividend yield	Based on forecast dividends			
Approval date	April 2022	April 2023	April 2024	April 2025
Grant date	14 April 2022	13 April 2023	12 April 2024	14 April 2025
Vesting date	29 March 2025	31 March 2026	25 March 2027	28 March 2028

The performance period for the 2022 allocation was completed in March 2025. The only vesting condition achieved was ESG resulting in a 24.34% vesting. The number of PS granted to eligible employees was 1,027,848 with 61,570 shares having been forfeited prior to vesting.

At the beginning of the financial year ended 31 December 2025, the number of AECl ordinary shares available for utilisation under the LTIP was 2 327 129. There were no changes to this number during the financial year, and it remained unchanged at year end.

Accounting policy

Equity-settled share-based payments

A share-based payment expense is recognised as an equity-settled share-based payment in profit or loss, with a corresponding credit to a share-based payment reserve, and is recognised over the vesting period of the shares with reference to the fair value of the equity instruments granted.

Equity-settled share-based payments are measured at fair value at the grant date.

Senior employees are awarded performance shares. These awards entitle certain employees to receive ordinary shares after a three-year lock-in period.

The fair value determined at the grant date of the equity-settled share-based payments is charged as an employee cost, with a corresponding increase in equity, on a straight-line basis over the period that the employee becomes unconditionally entitled to shares, based on management's estimation of the number of shares that will vest and adjusted for effects of non-market based vesting conditions. Once instruments have vested, the reserve is transferred to retained earnings.

Notes to the financial statements continued

For the year ended 31 December 2025

22. Finance costs

Rand million	Group		Company	
	2025	2024	2025	2024
Non-current debt	(297)	(361)	(207)	(199)
Current debt	(132)	(227)	(40)	(157)
Lease liabilities	(50)	(54)	(25)	(28)
Subsidiary companies			(460)	(427)
Joint venture	(2)	(3)	(4)	(9)
Total	(481)	(645)	(736)	(820)

Accounting policy

Finance costs

Interest expense is recognised during the period in which it is incurred, and is measured using the effective interest rate method.

Notes to the financial statements continued

For the year ended 31 December 2025

23. Finance income

Rand million	Group		Company	
	2025	2024	2025	2024
Subsidiary companies			262	230
Loans and receivables	134	124	71	50
	134	124	333	280

Interest is received from money market investments in collective investment schemes; employer surplus accounts and loans and receivables.

Accounting policy

Investment income

Interest income is recognised as it accrues and is measured using the effective interest method.

Dividend income from investments is recognised in the Statements of profit or loss when the shareholders' right to receive payment has been established.

24. Taxation (expense)/income

Rand million	Group		Continuing operations		Discontinued operations		Company	
	2025	2024	2025	2024	2025	2024	2025	2024
Income taxation expense for the year:								
Current taxation (expense)/income	(1,129)	(807)	(1,122)	(757)	(7)	(50)	(4)	53
South African and foreign normal taxation	(941)	(659)	(934)	(609)	(7)	(50)	—	53
Foreign withholding taxes	(107)	(128)	(107)	(128)	—	—	(4)	—
Prior year adjustment	(81)	(20)	(81)	(20)	—	—	—	—
Deferred taxation income	237	18	237	10	—	8	80	21
South African and foreign deferred taxation	181	(15)	181	(22)	—	7	83	21
Prior year adjustment	56	33	56	32	—	1	(3)	—
Total income taxation (expense)/income	(892)	(789)	(885)	(747)	(7)	(42)	76	74
The deferred taxation movement is attributable to the following items:								
Property, plant and equipment	237	80	237	74	—	6	(3)	(2)
Right-of-use assets and finance lease liabilities	(42)	—	(42)	—	—	—	(1)	(1)
Intangible assets	(23)	—	(23)	—	—	—	—	—
Provisions and deferred income	49	(73)	49	(74)	—	1	20	4
Pension fund employer surplus accounts	—	24	—	24	—	—	28	24
Deferred foreign exchange differences	35	(53)	35	(53)	—	—	(2)	(3)
Computed taxation losses utilised	(25)	(12)	(25)	(13)	—	—	40	—
Taxation rate change	—	—	—	—	—	1	—	—
Amounts received in advance ¹	(5)	(9)	(5)	—	—	—	(2)	(1)
Prepaid expenses ¹	(3)	2	(3)	—	—	—	1	—
Interest deduction limitation ¹	(9)	1	(9)	—	—	—	—	—
Other ²	(33)	25	(33)	20	—	(1)	2	—
	181	(15)	181	(22)	—	7	83	21
Adjustment for prior years	56	33	56	32	—	1	(3)	—
	237	18	237	10	—	8	80	21

¹ In the current year, these line items have been separately disclosed, whereas in the prior year they were aggregated and included in the other category

² Other comprises of the reversal of the deferred tax asset in Chile, as the company has incurred losses and no longer anticipate future taxable profit against which the deferred tax asset can be utilised

Notes to the financial statements continued

For the year ended 31 December 2025

24. Taxation (expense)/income continued

Rand million	Group		Continuing operations		Discontinued operations		Company	
	2025	2024	2025	2024	2025	2024	2025	2024
%								
Effective tax rate on profit/(loss) before taxation	73.9	148.0	72.9	71.0	(84.5)	(8.3)	(237.5)	5.4
Interest limitation	(2.8)	(8.0)	(2.8)	(3.9)	—	—	—	—
Impairments ¹	(9.3)	(55.8)	(8.6)	(9.7)	111.5	38.4	—	—
Reversal of/impairment of investment	—	—	—	—	—	—	—	19.3
Non-deductible expenses ²	(15.2)	(16.8)	(15.2)	(10.2)	—	(2.8)	(415.0)	2.5
Dividend income ³	—	—	—	—	—	—	691.0	—
Capital gains	—	(1.3)	—	(0.7)	—	—	—	0.5
Foreign withholding taxes	(8.9)	(24.0)	(8.8)	(12.2)	—	—	(13.0)	—
Prior year adjustment	(1.9)	2.5	(1.8)	1.0	—	(0.3)	(8.0)	—
Differences in tax rates	1.7	(4.6)	1.7	1.8	—	—	—	—
Special allowances	1.0	3.8	1.0	(1.9)	—	—	10.0	—
Unrecognised and unutilised assessed losses ⁴	(10.5)	(12.4)	(10.4)	(6.2)	—	—	—	—
Other	(1.0)	(4.4)	(1.0)	(2.0)	—	—	—	(0.7)
South African standard rate	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0

¹ Impairments relate to goodwill and certain investments recognised during the year. These impairments are not deductible for tax purposes and therefore increase the effective tax rate

² Non-deductible expenses mainly relate to legal and consulting fees, overseas travel, depreciation, interest and penalties and certain provisions that are not allowable for tax purposes. The impact of these items is partially offset by income that is exempt from tax or capital in nature. In the current year these items have been presented on an aggregated basis, whereas in the prior year non-deductible expenses and exempt or capital income were disclosed separately

³ Dividend income recognised in the Company relates to distributions received from subsidiaries. These dividends are eliminated on consolidation and therefore are not recognised as income at the Group level. As a result, the tax impact associated with such dividend income arises in the Company but does not arise in the consolidated Group results

⁴ Unrecognised and unutilised assessed losses relate to entities where it is not considered probable that sufficient future taxable profits will be generated to utilise such losses. These relate mainly to Schirm Germany and other operating entities in Chile, Brazil and African countries

Post year-end tax adjustment: AECl Mining Explosives DRC SARL (DRC)

Subsequent to year-end, management identified instances where supplier payments in AECl Mining Explosives DRC SARL were processed without adequate substantiation, arising from a business process failure. A detailed assessment was performed, including asset verification and review of supporting documentation. While the unsubstantiated payments were included in operating expenses and therefore did not affect profit before tax, they are not tax deductible, resulting in an additional taxation liability of R32 million.

Notes to the financial statements continued

For the year ended 31 December 2025

24. Taxation (expense)/income continued

Accounting policy

Income taxation comprises current and deferred taxation. Income taxation expense is recognised in the Statements of profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current taxation is the expected taxation payable on the taxable income for the year, using taxation rates enacted or substantively enacted at the reporting date and any adjustment to taxation payable in respect of prior years.

Significant estimates and judgements

The Group is subject to income taxes in various jurisdictions which apply different taxation legislation. As such Management has applied judgement in assessing the taxation treatment of certain transactions. The Group considers how taxation legislation applies to its transfer pricing arrangements and applies the interpretation to the treatment of uncertain taxes.

Notes to the financial statements continued

For the year ended 31 December 2025

25. Earnings per share

Rand million	Group	
	2025	2024
Headline earnings are derived from:		
Profit/(loss) attributable to the AECI Group equity shareholders	330	(283)
Impairment of goodwill	308	27
Impairment arising from sale of discontinued operation (note 36)	15	732
Impairment of property, plant and equipment	259	282
Impairment of property, plant and equipment – gross	278	306
Tax effect of impairment of property, plant and equipment	(19)	(24)
Impairment of intangible assets	43	29
Impairment of intangible assets – gross	43	42
Tax effects of impairment of intangible assets	—	(13)
Impairment of right-of-use assets	157	2
Impairment of right-of-use assets – gross	165	2
Tax effect of impairment of right-of-use assets	(8)	—
Impairment of other	27	—
Impairment of other - gross	27	—
Tax effects of impairment of other	—	—
Surplus on disposal of other property, plant and equipment	(12)	(34)
Surplus on disposal of other property, plant and equipment – gross	(16)	(44)
Tax effects of disposal of other property, plant and equipment	4	10
Headline earnings from continuing and discontinued operations	1,127	755

Earnings/(loss) per ordinary share

	2025	2024
Basic earnings/(loss) (cents)	313	(268)
Continuing operations	327	263
Discontinued operations (note 36)	(14)	(531)
Headline earnings (cents)	1,068	716
Weighted average number of ordinary shares in issue	105,517,780	105,517,780
Weighted average number of ordinary shares at the end of the year	105,517,780	105,517,780
Weighted average number of ordinary shares for basic and headline earnings/(loss) per share	105,517,780	105,517,780

Basic and headline earnings/(loss) per share have been calculated on the profit attributable to ordinary shareholders and headline earnings, respectively, for the financial year as shown above and on the weighted average number of ordinary shares in issue of 105 517 780 (2024: 105 517 780).

Notes to the financial statements continued

For the year ended 31 December 2025

25. Earnings per share continued

Diluted earnings/(loss) per ordinary share

Cents	Group	
	2025	2024
Diluted earnings/(loss) per ordinary share		
Diluted basic earnings/(loss) (cents)	309	(266)
Continuing operations	323	261
Discontinued operations (note 36)	(14)	(527)
Diluted headline earnings (cents)	1,056	710

The performance share allocations are potentially dilutive ordinary shares. The dilutive effect is based on the number of ordinary shares that are expected to be issued in future. Taking these dilutive potential ordinary shares into account, diluted earnings per share and diluted headline earnings per share have been calculated on the profit attributable to the AECI Group equity shareholders and headline earnings, respectively, for the financial year as shown above and on a weighted average number of shares of 106,691,602 (2024: 106,283,784). AECI's average share price since the beginning of the financial year, used in the determination of potentially dilutive ordinary shares, was R97.14 (2024: R87.42). The dilutive potential ordinary shares do not have an exercise price.

	2025	2024
Reconciliation of the weighted average number of ordinary shares for diluted earnings/(loss) per share		
Weighted average number of ordinary shares	105,517,780	105,517,780
Dilutive adjustment for potential ordinary shares ¹	1,173,822	766,004
Weighted average number of ordinary shares for diluted earnings/(loss) per share	106,691,602	106,283,784

¹ Relates to performance shares

Accounting policy

Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the AECI Group equity shareholders by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing the profit attributable to the AECI Group equity shareholders by the weighted average number of ordinary shares in issue, adjusted for the dilutive effect of the performance shares issued as part of the Group's Long-term Incentive Plan (LTIP).

Notes to the financial statements continued

For the year ended 31 December 2025

26. Dividends paid

Rand million	Group		Company	
	2025	2024	2025	2024
Dividends paid on ordinary shares				
Final for the prior year: No. 181 of 219 cents (2024: 119 cents) paid on 14 April 2025	231	126	231	126
Interim for the current year: No. 182 of 100 cents (2024: No interim dividend paid) paid on 1 September 2025	106	—	106	—
Total ordinary dividends paid: 319 cents (2024: 119 cents)	337	126	337	126
Dividend No. 183 declared and approved by the Board on 24 February 2026 for the year ended 31 December 2025 of 128 cents (2024: 219 cents) paid on 7 April 2026				
Dividends paid to shareholders of the AECl group	337	126	337	126
Dividends paid on preference shares				
Nos. 174 and 175 paid on 13 June 2025 and 15 December 2025, respectively	4	4	4	4
Dividends paid to minority shareholders	18	25		
Total dividends paid	359	155	341	130

Accounting policy

Dividends

Dividends are recognised as a liability when declared and are included in the Statements of changes in equity.

Notes to the financial statements continued

For the year ended 31 December 2025

27. Commitments and contingent liabilities

Commitments

Rand million	Group		Company	
	2025	2024	2025	2024
Capital commitments authorised	436	807	59	40
Contracted for	177	87	45	24
Not contracted for	259	720	14	16
Future rentals on short-term and low value assets	17	40	—	—
Payable within 1 year	17	40	—	—

Contingent liabilities

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

The Group is defending legal proceedings instituted by a contractual counterparty arising from the grounding and loss of a vessel chartered by AECI Mining. It is alleged that the grounding and loss were caused by improper stowage and lashing of the cargo and that AECI Mining is liable in terms of the charterparty. Claim submissions have been received, including certain quantified claims, while further alleged damages have yet to be crystallised. AECI Mining have been advised by its external legal advisers that the matter remains at an early stage and that, while investigations are ongoing, it is premature to express a view on the merits of the claim or the potential financial effect thereof. Given the complexity of marine claims of this nature, a reliable estimate of any possible obligation cannot currently be made and, accordingly, no provision has been recognised. AECI Mining has further been advised that the claimant may seek to arrest property belonging to AECI Mining or require security for the claim.

SANS Technical Fibers, LLC (SANS) faces a claim relating to the Paycheck Protection Program (PPP) funding awarded through two forgivable loans from the U.S. Small Business Administration during 2021/22 to support payroll and related costs during the COVID-19 pandemic. The U.S. Department of Justice (DOJ) is currently reviewing SANS's eligibility for one of the loans. Legal counsel has indicated that SANS may be required to repay the loan and could face additional financial penalties. The possible outcomes range from repayment with interest to a double repayment of the loan amount. The matter remains under investigation, and the outcome cannot be reliably estimated at this stage.

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

Accounting policy

Significant estimates and judgements

The Group applies judgement in assessing the potential outcome of uncertain legal and regulatory matters. The Group does not recognise contingent liabilities in the Statements of financial position until future events indicate that it is probable that an outflow of resources will occur and a reliable estimate can be made, at which time a provision is recognised.

Notes to the financial statements continued

For the year ended 31 December 2025

28. Financial instruments and financial risk management

Categories of financial instruments and fair values

Group

Rand million	Note	Carrying amount		Fair value	
		2025	2024*	2025	2024*
Financial assets					
At fair value through other comprehensive income – equity instrument ¹	9	109	116	109	116
Listed shares – Level 1		9	53	9	53
Unlisted shares – Level 3		100	63	100	63
At fair value through profit or loss ²		919	733	919	733
Forward exchange contracts – Level 2	12	44	102	44	102
Money market and other investments ⁶	9	631	389	631	389
Employer surplus accounts – Level 1	9	144	142	144	142
Excess-of-Loss (XoL) policy investment – Level 3* ²	40	100	100	100	100
Amortised cost		9,789	9,094		
Trade and other receivables ³	12	5,769	6,613		
Cash and cash equivalents ⁴		3,934	2,389		
Loans receivable ³	12	15	7		
Non-current loans to associates ⁴	8	31	45		
Loans and receivables relating to other investments ⁴	9	40	40		
		10,817	9,943		
Financial liabilities					
At fair value through profit or loss		(64)	(60)	(64)	(60)
Forward exchange contracts – Level 2	17	(64)	(60)	(64)	(60)
Amortised cost		(10,631)	(10,853)		
Trade payables ³	17	(6,646)	(5,461)		
Bank overdraft ⁴		(42)	(31)		
Loans from joint venture and joint operation ⁴	7	(38)	(13)		
Debt ⁵	14	(3,886)	(5,315)		
Interest accrued		(19)	(33)		
		(10,695)	(10,913)		

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

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

³ The fair values for financial instruments such as short-term receivables and payables have not been disclosed because their carrying amounts are a reasonable approximation of their fair value. Trade and other receivables includes deposits, joint venture, associates and other (note 12). Trade payables includes joint venture and associates

⁴ The fair values would not be materially different from the carrying amounts

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

⁶ The value in an insurance cell captive is R123 million (2024: R74 million) at Level 3 with the remainder of the investments at Level 1

* Restated, see note 40 for details of correction of misstatement. The value net of tax has been reflected.

Notes to the financial statements continued

For the year ended 31 December 2025

28. Financial instruments and financial risk management continued

Company

Rand million	Note	Carrying amount		Fair value	
		2025	2024	2025	2024
Financial assets					
At fair value through other comprehensive income – equity instrument ¹	9	72	116	72	116
Listed shares – Level 1		9	53	9	53
Unlisted shares – Level 3		63	63	63	63
At fair value through profit or loss ²		147	189	147	189
Forward exchange contracts – Level 2	12	3	47	3	47
Employer surplus accounts – Level 1	9	144	142	144	142
Amortised cost		8,236	7,668		
Trade and other receivables ³	12	2,771	2,852		
Cash and cash equivalents ⁴		1,469	450		
Non-current loans to subsidiaries ⁴	6	282	326		
Current loans to subsidiaries and associates ⁵	6	3,713	4,035		
Interest-free non-current loans to associates	8	1	1		
Loans and receivables relating to other investments ⁴	9	—	4		
		8,455	7,973		
Financial liabilities					
At fair value through profit or loss		(22)	(13)	(22)	(13)
Forward exchange contracts – Level 2	17	(22)	(13)	(22)	(13)
- Loans from associate companies		—	—	—	—
Amortised cost		(16,779)	(17,170)		
Trade payables ³	17	(3,064)	(2,872)		
Bank overdraft ⁴		—	(23)		
Debt ⁶	14	(2,000)	(2,850)		
Interest accrued		(11)	(22)		
Loans from joint venture and joint operation ⁴	7	(75)	(42)		
Current loans from subsidiaries ⁴	6	(11,629)	(11,361)		
		(16,801)	(17,183)		

¹ These financial assets have been designated at initial recognition to be carried at fair value through other comprehensive income

² These financial assets are measured at fair value through profit or loss because they are not measured at amortised cost nor at fair value through other comprehensive income

³ The fair values for financial instruments such as short-term receivables and payables have not been disclosed because their carrying amounts are a reasonable approximation of their fair value. Trade and other receivables includes deposits, joint venture, associates, subsidiaries and other (note 12). Trade payables includes joint venture and associates

⁴ The fair values would not be materially different from the carrying amounts

⁵ The previously reported amount of negative R120 million for 2024 incorrectly excluded interest-bearing current loans to subsidiaries amounting to R4,155 million. The comparative figures have been corrected accordingly

⁶ The fair values of the interest-bearing debt have not been disclosed as they are not materially different from the carrying amounts

Notes to the financial statements continued

For the year ended 31 December 2025

28. Financial instruments and financial risk management continued

Fair value of financial instruments

The carrying amounts of financial instruments are either at fair value based on methods and assumptions for determining the fair value, or at values which approximate fair value based on the nature or maturity period of the financial instrument.

Fair value measurements are classified into three levels, based on the observability and significance of the inputs used in making the measurement:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The fair values for forward exchange contracts are based on quotes from brokers. Similar contracts are traded in an active market and the quotes reflect the actual transactions on similar instruments. The fair values of the money market investment in a collective investment scheme and the employer surplus accounts are based on quoted market prices (see note 9).

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between Levels 1, 2 or 3 of the fair value hierarchy during the year.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the holdings of its financial instruments.

The objective of market risk management is to manage and control exposures within acceptable parameters, while optimising return.

Currency risk

Where possible, the Group's non-South African operations match their assets and liabilities in the same currency to avoid significant currency exposures. However, forward currency markets do not exist in some of the countries in which the Group operates.

Currency risk arises as a result of sale and purchase transactions, cash and debt in currencies other than Rand. The main contributors of currency risk are the Euro and US Dollar.

Currency exposures are managed using appropriate exposure management techniques with oversight by the Group's central treasury function.

The management of each business entity is tasked with managing the foreign currency exposures arising in its own entity in consultation with the centralised treasury. All material purchases and sales in foreign currencies are executed through the Groups central treasury function.

Currency hedging

For foreign currency commitments, including highly probably forecast sales and purchases, the Group's policy is to hedge the full value of the transaction and, consequently, it designates an item in its entirety as the hedged item in a hedging relationship.

Since the notional amount, life and underlying value of the hedging instruments and their corresponding hedged items are the same, it is expected that the value of the hedging instruments and the value of the corresponding hedged items will change systematically in opposite directions in response to movements in the underlying exchange rates.

Fair value hedges

Fair value hedges have been recognised on the net exposure from trading in foreign currency. Forward exchange contracts have been designated as hedging instruments in respect of amounts denominated in foreign currencies.

	Group		Company	
Rand million	2025	2024	2025	2024
Rand value of the hedging instruments, based on the contract rates	360	456	336	579
Profit/(loss) on the hedging instruments recognised in the statement of profit or loss	8	(43)	2	(2)

Notes to the financial statements continued

For the year ended 31 December 2025

28. Financial instruments and financial risk management continued

Cash flow hedges

The Group has hedged its foreign currency exposure on imports of raw materials by entering into forward exchange contracts for the purchase commitments.

	Group		Company	
	2025	2024	2025	2024
Rand million				
Value of hedging instruments, based on the contract rates	25	82	25	82

Maturing of the hedging instruments and payment related to the corresponding hedged items occur simultaneously. The cash flows relating to the hedging instruments are expected to occur within 12 months from the reporting date and will not affect the Statements of profit or loss, as the amount accumulated in equity will be removed from other comprehensive income and recognised in the initial cost of the related items of plant and equipment and inventory.

	Group		Company	
	2025	2024	2025	2024
Rand million				
Amounts recognised directly in other comprehensive income in accordance with hedge accounting principles in respect of the effective portion of cash flow hedges	(4)	5	—	5

Exposure to currency risk

The Group's exposure to foreign currency risk at 31 December was:

	2025			2024		
	Euro	US Dollar	Other	Euro	US Dollar	Other
Rand million						
Cash and cash equivalents	9	148	43	40	132	3
Trade receivables	23	354	55	36	228	7
Trade payables	(39)	(753)	(55)	(155)	(797)	(71)
Gross exposure	(7)	(251)	43	(79)	(437)	(61)
Forward exchange contracts	(154)	595	(56)	36	793	(291)
Net exposure	(161)	344	(13)	(43)	356	(352)

The Company's exposure to foreign currency risk at 31 December was:

	2025			2024		
	Euro	US Dollar	Other	Euro	US Dollar	Other
Rand million						
Cash and cash equivalents	5	61	—	14	17	—
Trade receivables	2	20	—	2	55	—
Loans to subsidiaries	—	282	—	—	326	—
Trade payables	(6)	(271)	(1)	(124)	(396)	(5)
Gross exposure	1	92	(1)	(108)	2	(5)
Forward exchange contracts	62	297	2	145	508	8
Net exposure	63	389	1	37	510	3

The following significant exchange rates applied during the year:

	Closing rate		Average rate	
	2025	2024	2025	2024
Euro	19.44	19.56	20.17	19.83
US Dollar	16.57	18.90	17.85	18.34

Notes to the financial statements continued

For the year ended 31 December 2025

28. Financial instruments and financial risk management continued

Sensitivity analysis

Based on the Group's net exposure to currency risk, a 10% strengthening of the South African Rand against the exposed currencies at 31 December would have (decreased)/increased equity and profit by the amounts shown below. This analysis assumes that all other variables remain constant and is performed on the same basis as 2024.

Rand million	Group		Company	
	2025	2024	2025	2024
Equity ¹	(11)	(33)	(28)	(32)
Profit for the year before tax	17	(1)	18	31

¹ For Company - The equity impact includes the currency risk of interest-bearing non-current loans to subsidiaries denominated in foreign currencies (see note 6)

Interest rate risk

The Group's income and operations are substantially independent of changes in market interest rates. The Group's interest rate risk arises from debt, in both local and offshore markets, receivables and cash and cash equivalents.

Exposure to interest rate risk on debt and receivables is managed on a proactive basis. Depending on market conditions, the Group makes appropriate use of forward rate agreements, interest rate swaps and interest rate caps and floors to generate the desired interest rate profile and to manage exposure to interest rate fluctuations. No target levels of exposure are maintained.

The interest rate risk profile of financial liabilities at 31 December was:

Rand million	Total		Floating rate financial liabilities		Fixed rate financial liabilities	
	2025	2024	2025	2024	2025	2024
Group						
South African Rand						
– Current	545	850	545	850	—	—
– Non-current	1,465	2,000	1,465	2,000	—	—
Euro						
– Non-current	1,555	2,132	1,555	2,132	—	—
Australian Dollar						
– Current	210	—	210	—	—	—
– Non-current	111	333	111	333	—	—
Brazilian Real						
– Non-current	—	—	—	—	—	—
	3,886	5,315	3,886	5,315	—	—
Loans from joint venture	38	13	38	13	—	—
Total	3,924	5,328	3,924	5,328	—	—
Company						
South African Rand						
– Current	535	850	535	850	—	—
– Non-current	1,465	2,000	1,465	2,000	—	—
	2,000	2,850	2,000	2,850	—	—
Loans from joint venture	75	42	75	42	—	—
Loans from subsidiaries	8,938	8,796	8,938	8,796	—	—
Total	11,013	11,688	11,013	11,688	—	—

Notes to the financial statements continued

For the year ended 31 December 2025

28. Financial instruments and financial risk management continued

Interest rate risk continued

JIBAR transition

South Africa is transitioning from the Johannesburg Interbank Average Rate (JIBAR) to the South African Rand Overnight Index Average (ZARONIA), in line with SARB and Market Practitioners Group guidance. The formal cessation of JIBAR is expected by the end of 2026, with market adoption of ZARONIA progressing through the upcoming year.

AECI has established a coordinated internal workstream to identify affected instruments, update valuation models, assess fallback provisions and engage with financial counterparties.

The Group continues to monitor industry developments and will transition exposures in line with market protocols. Certain loans, derivative instruments and facilities still reference JIBAR and within the upcoming financial years, these will migrate to ZARONIA once counterparties have finalised their respective timelines. Refer to note 14 which indicates the JIBAR facilities that will be impacted by the upcoming transition.

Sensitivity analysis

The Group is mainly exposed to fluctuations in the market interest rates presented below. Changes in market interest rates affect the interest income or expense of floating rate financial instruments.

The Group has estimated the impact on profit or loss of an increase or decrease of 100 basis points (2024: 100 basis points) in market interest rates, from the rate applicable at 31 December, for each class of financial instrument with all other variables remaining constant.

A change in the above market interest rates at the reporting date would have increased/(decreased) profit before taxation by the amounts shown below.

The analysis assumes the change occurring at the start of the year and that all other variables, in particular foreign currency rates, remain constant. The analysis was performed on the same basis as 2024.

Sensitivity analysis

	2025		2024	
	Increase/(decrease) in profit before taxation		Increase/(decrease) in profit before taxation	
	Downward change in interest rate	Upward change in interest rate	Downward change in interest rate	Upward change in interest rate
Rand million				
3-month JIBAR	20	(20)	20	(20)
3-month SOFR	—	—	—	—
3-month EURIBOR	16	(16)	21	(21)
3-month BBSW	3	(3)	1	(1)

Liquidity risk

Liquidity risk arises when the Group has insufficient funds or marketable assets available to fulfil its future cash flow obligations. The Group's liquidity risk management framework is designed to identify, measure and manage liquidity risk such that sufficient liquid resources are always available to fund operations and commitments. A balance between continuity of funding and flexibility is maintained through the use of debt from a range of institutions, with varying debt maturities. Refer to note 14 and note 39 for further information.

The Group manages liquidity risk by managing working capital and capital expenditure and monitoring forecast cash flows to ensure that adequate unutilised debt facilities are maintained. Appropriate probability factors are applied to cash flow forecasts, when forecasts are not certain. Monthly, quarterly and five-year cash flows are updated in the ordinary course of business.

The undiscounted cash flows of the Group's trade and other payables, debt and non-derivative financial liabilities fall into maturity profiles that follow.

Notes to the financial statements continued

For the year ended 31 December 2025

28. Financial instruments and financial risk management continued

(i) Maturity profile of financial liabilities at 31 December

Group

Rand million	Carrying amount	Contractual cash flows	Within 1 year	1 to 2 years	2 to 5 years
2025					
Financial liabilities					
Non-derivative financial liabilities					
Unsecured debt	3,895	4,427	976	1,167	2,284
– Capital	3,876	3,876	745	1,000	2,131
– Interest accrued ¹	19	551	231	167	153
Short-term debt	10	10	10	–	–
Loans from joint venture and joint operation	38	38	38	–	–
Trade and other payables	6,646	6,646	6,646	–	–
Bank overdraft	42	42	42	–	–
Derivative financial liabilities					
Forward exchange contracts					
– inflows	–	(2,327)	(2,327)	–	–
– outflows	64	1,941	1,941	–	–
Total financial liabilities²	10,695	10,777	7,326	1,167	2,284
Percentage profile (%)		100	68	11	21
2024					
Financial liabilities					
Non-derivative financial liabilities					
Unsecured debt	4,498	5,231	328	3,367	1,536
– Capital	4,465	4,465	–	3,078	1,387
– Interest accrued ¹	33	766	328	289	149
Short-term debt	850	883	883	–	–
Loans from joint venture and joint operation	13	13	13	–	–
Short-term debt	5,461	5,461	5,461	–	–
Bank overdraft	31	31	31	–	–
Derivative financial liabilities					
Forward exchange contracts					
– inflows	–	(2,591)	(2,591)	–	–
– outflows	60	2,053	2,053	–	–
Total financial liabilities²	10,913	11,081	6,178	3,367	1,536
Percentage profile (%)		100	56	30	14

¹ Interest is based on the closing rate at 31 December and the repayment dates of the debt

² The maturity profile of lease liabilities is included in note 15

Notes to the financial statements continued

For the year ended 31 December 2025

28. Financial instruments and financial risk management continued

Liquidity risk continued

(i) Maturity profile of financial liabilities at 31 December continued

Company

Rand million	Carrying amount	Contractual cash flows	Within 1 year	1 to 2 years	2 to 5 years
2025					
Financial liabilities					
Non-derivative financial liabilities					
Unsecured debt	2,011	2,277	686	1,099	492
– Capital	2,000	2,000	535	1,000	465
– Interest accrued ¹	11	277	151	99	27
Loans from joint venture and joint operation	75	75	75	—	—
Current loans from subsidiaries	11,629	11,629	11,629	—	—
Trade and other payables	3,064	3,064	3,064	—	—
Derivative financial liabilities					
Forward exchange contracts					
– inflows	—	(495)	(495)	—	—
– outflows	22	134	134	—	—
Total financial liabilities²	16,801	16,684	15,093	1,099	492
Percentage profile (%)		100	90	7	3
2024					
Financial liabilities					
Non-derivative financial liabilities					
Unsecured debt	2,022	2,502	1,027	873	602
– Capital	2,000	2,000	835	700	465
– Interest accrued ¹	22	502	192	173	137
Short-term debt	850	883	883	—	—
Loans from joint venture and joint operation	42	42	42	—	—
Current loans from subsidiaries	11,361	11,361	11,361	—	—
Trade and other payables	2,872	2,872	2,872	—	—
Bank overdraft	23	23	23	—	—
Derivative financial liabilities					
Forward exchange contracts					
– inflows	—	(833)	(833)	—	—
– outflows	13	173	173	—	—
Total financial liabilities²	17,183	17,023	15,548	873	602
Percentage profile (%)		100	91	5	4

¹ Interest is based on the closing rate at 31 December and the repayment dates of the debt

² The maturity profile of lease liabilities is included in note 15

The Company's liquidity risk is managed through short-term debt facilities from which funding is drawn down as and when required. In addition, the repayment of loans from subsidiaries is controlled by the Company as the loans do not have fixed repayment terms and repayment can be deferred if needed. These loans have no fixed repayment terms and are classified as current.

Notes to the financial statements continued

For the year ended 31 December 2025

28. Financial instruments and financial risk management continued

Capital risk management

The Group finances its operations through a combination of cash generated from operations, bank and other long-term debt. These together with surplus cash may be advanced as a loan internally or contributed to certain subsidiaries as equity. The capital structures of the Group and Company comprise net debt and equity. The Group and Company manage their capital to ensure that entities in the Group will be able to continue as going concerns while maximising return to shareholders. The Group's strategy is to maintain a gearing ratio, debt to equity ratio and interest cover ratio within the covenants prescribed by its lenders.

Further detail relating to the financial covenants contained in some of the Group's loan agreements are contained in note 14.

Accounting policy

Financial instruments

Financial instruments are recognised initially at fair value. Directly attributable transaction costs are included in the amount recognised only when changes in fair value are not recognised subsequently in the Statements of profit or loss. Subsequent to initial recognition, these instruments are measured as set out as follows in respect of derivative and non-derivative financial instruments.

Non-derivative financial instruments comprise of investments in equity securities, the pension fund employer surplus accounts in the defined-contribution plans (ESAs), loans to and from subsidiaries, accounts receivable, cash and cash equivalents, loans and debt, loans from joint venture, contingent consideration, trade and other payables and provisions.

Financial assets

The Group classifies its financial assets (except derivative financial assets) either at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI) or amortised cost. The classification depends on the business model and whether the Group's business model is to hold these receivables for collection of contractual cash flows, and the cash flows represent solely payments of principal and interest on this principal amount. Impairment of financial assets is recognised in terms of the expected credit loss model and is disclosed as impairment losses on financial assets in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

The measurement of expected credit losses includes the calculation of probability of default, loss given default and the exposure at default, taking the time value of money into consideration. The assessment of the probability of default and loss given default within the next 12 months is based on historical data adjusted for forward looking information. The exposure at default is the gross carrying amount of the loan and receivable at the reporting date. If there is a significant increase in the risk of default, the probability of default and the loss given default is calculated over the lifetime of the receivable.

The Group considers a default event as a breach of financial covenants by the counterparty or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full. An impairment gain or loss is recognised for all loans and receivables in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account.

The Group measures the loss allowance for trade receivables and contract assets by applying the simplified approach and calculating the loss allowance on a lifetime basis. Lifetime expected credit losses are estimated using a provision matrix, that uses past default experience of debtors and incorporates forward-looking information and general economic conditions of the industry at the reporting date.

The Group recognises loans and receivables on the date on which they are originated. All other financial instruments are recognised on the date on which the Group becomes a party to the contractual provisions of the instrument.

Investments in unlisted equity securities are classified as financial assets at fair value through other comprehensive income and are measured at fair value with any gains or losses, including foreign exchange, recognised in other comprehensive income, along with the associated deferred tax. When these assets are derecognised, the gain or loss accumulated in other comprehensive income is reclassified to retained income. Dividends on these investments are recognised in the Statements of profit or loss as investment income when they are declared and the Group has a right to receive them.

Financial liabilities

The Group classifies its financial liabilities at amortised cost. Financial liabilities at amortised cost are initially recognised at fair value plus transaction costs and subsequently at amortised cost using the effective interest rate method. Interest calculated at the effective interest rate for all financial liabilities at amortised cost is recognised as finance costs in profit or loss. Financial liabilities are derecognised when the Group's obligation is discharged, cancelled, or expires.

Derivative financial instruments

Derivative financial assets and liabilities are measured at fair value through profit or loss and are initially and subsequently recognised at fair value, with transaction costs expensed immediately. Gains or losses arising from changes in fair value are recognised in profit or loss under other income or other expenses in the period in which they arise.

Notes to the financial statements continued

For the year ended 31 December 2025

29. Related party information

Related party transactions constitute the transfer of resources, services or obligations between parties related to the Group. Details of transactions with related parties not disclosed elsewhere in the annual financial statements are set out below.

Transactions with related parties are concluded on terms that are no more and no less favourable than transactions with unrelated external parties.

The significant operating subsidiaries of the Group are identified in note 33, the joint venture and joint operation in note 7 and associate companies in note 8.

All transactions and balances with these related parties have been eliminated in accordance with and to the extent required by IFRS Accounting Standards.

Transactions with Directors are disclosed in note 31.

Rand million	Company	
	2025	2024
Transactions that took place with related parties of the company were:		
Leasing income and sales by the Company to:		
– Subsidiaries	299	281
Sales to the Company by:		
– Subsidiaries	91	122
Dividends received by the Company from:		
– Subsidiaries	821	—
Interest received by the Company from:		
– Subsidiaries	262	230
Interest paid by the Company to:		
– Subsidiaries	460	426
– Joint venture and joint operation	4	9
Rental of premises to the Company by:		
– Subsidiaries	35	31
Secretarial and administration fees paid to the Company by:		
– Subsidiaries	454	387
Outstanding balances with related parties of the company at 31 December were: (see notes 6 and 7)		
Loan amounts owing to the Company by:		
– Subsidiaries ¹	3,995	4,361
Loan amounts owing by the Company to:		
– Subsidiaries	11,629	11,361
– Joint venture	75	42

¹ The previously reported amount of R206 million for 2024 incorrectly excluded interest-bearing current loans to subsidiaries amounting to R4,155 million. The comparative figures have been corrected accordingly

Notes to the financial statements continued

For the year ended 31 December 2025

29. Related party information continued

Rand million	Group	
	2025	2024
Key management personnel compensation¹:		
– short-term employee benefits	76	51
– post-retirement benefits	4	3
	80	54

¹ Key management includes:
AECI Executive Committee excluding Executive Directors or Prescribed Officers including Group Chief Legal Officer, Group Chief People Officer and Group Chief Transformation Officer; as well as Vice Presidents: Mining Africa; Mining International; Chemicals; Plant Health; Managed Businesses; Operations; Manufacturing; Product Management; and Procurement

Trade and other receivables from and trade and other payables to related parties of the Group and the Company are disclosed in notes 12 and 17, respectively. Loans with the joint venture and dividends received from joint venture are disclosed in note 7. Dividends received from associate companies are disclosed in note 8.

Notes to the financial statements continued

For the year ended 31 December 2025

30. Pension fund employer surplus accounts

Retirement benefits

The Group provides retirement benefits for the majority of its permanent employees by means of an independent defined-contribution pension fund and an independent defined-contribution provident fund. The employees of Schirm Gesellschaft mit beschränkter Haftung (Schirm Germany) have separate retirement benefit arrangements.

All South African funds are governed by the Pension Fund Act, No. 24 of 1956, as amended (the Act). The Act provides that any actuarial surplus in any fund belongs to the fund and that the only portion of the assets of the funds that may be utilised by or for the benefit of the employer are any credit balances in the employer surplus account (ESA), unless specified otherwise in the fund's rules.

The assets of the funds are under the control of the trustees or the liquidator of the respective funds. Regulation 28 of the Act limits the amount and extent to which the funds may invest in particular classes of assets. The Trustees' investment strategies are aligned with the nature of the funds' liabilities and the achievement of adequate returns to ensure that those obligations can be settled when they fall due. The assets are invested in segregated or pooled investments with a spread of asset classes including bonds, insurance policies and cash.

All funds are actuarially valued every year, unless in liquidation, using the projected unit credit method of valuation by independent firms of consulting actuaries. Statutory valuations are required, by law, every three years.

The Group has two remaining legacy defined-benefit pension funds which have no active members and has no benefit obligations to any former members of these funds. There are no further IAS 19 obligations to be accounted for. Restructuring of the Group's pension funds commenced in 2014 and progress has been reported annually in the annual financial statements. The liquidation process for these funds, AECI Pension Fund (APF) and the AECI Employee Pension Fund (AEPF) continues.

The liquidations of the AECI Supplementary Pension Fund (ASPF) and the Dulux Employees Pension Fund (DEPF) were completed, and the registration of both funds cancelled in terms of section 28(15)(a) of the Pension Funds Act, on 17 October 2025 and 11 November 2025, respectively.

The financial information of the defined-benefit funds has not been disaggregated as the plans have similar risks subsequent to the settlements that took place in prior years. The assets of the remaining two legacy funds have been distributed and no obligations remain for them.

The defined-benefit funds' financial positions at 31 December were:

	Group and Company	
	Total 2025	Total 2024
Rand million		
Fair value of plan assets	15	12
Present actuarial value of defined-benefit obligations	(15)	(12)
Pension funds' net assets	—	—
Net assets comprise:		
APF net liability recognised in other payables	—	(3)
ASPF net asset (ESA)	—	3
	—	—

Notes to the financial statements continued

For the year ended 31 December 2025

30. Pension fund employer surplus accounts continued

The Group has the following ESAs:

Rand million	Group and Company	
	2025	2024
Non-current	184	287
AECI Supplementary Pension Fund (ASPF)	—	3
AECI Employees Provident Fund (AEPrF)	55	128
AECI Defined Contribution Pension Fund (ADCPF)	129	156
Current – classified as a financial asset at fair value through profit or loss (see note 9)	144	142
AECI Employees Provident Fund (AEPrF)	89	88
AECI Defined Contribution Pension Fund (ADCPF)	55	54
	328	429

Pension funds' employer surplus account	ASPF 2025	ADCPF 2025	AEPrF 2025	Total 2025
Rand million				
At the beginning of the year	3	210	216	429
Contribution holiday	—	(53)	(86)	(139)
Unvested retirement benefit equalisation target	—	10	—	10
Investment return	—	17	14	31
Settlement following liquidation	(3)	—	—	(3)
At the end of the year	—	184	144	328

Retirement benefits

Certain employees of AECI Schirm in Germany are entitled to retirement benefits which are dependent on their seniority, length of service and level of pay. The plans are unfunded. The defined-benefit obligations are valued actuarially every year using the projected unit credit method of valuation by an independent firm of consulting actuaries. The liability is denominated in EUR and the disclosure has been prepared using the year-end ZAR/EUR exchange rate.

Rand million	Group	
	2025	2024
At the beginning of the year	(215)	(225)
Benefits paid	8	7
Exchange difference	3	8
Recognised in profit or loss	(7)	(8)
Current service cost	—	(1)
Interest expense	(7)	(7)
Recognised in other comprehensive income	30	3
Actuarial gain from changes in financial assumptions	22	2
Actuarial gain on experience	8	1
Present actuarial value of defined-benefit obligations	(181)	(215)

Notes to the financial statements continued

For the year ended 31 December 2025

30. Pension fund employer surplus accounts continued

Principal actuarial assumptions applied in the valuations at 31 December were:

%	2025	2024
Discount rate	4.25	3.17
Expected salary increases	2.00	3.25
Future pension increases	2.00	2.00

The payment-weighted expected duration of the obligation is 12.46 years (2024: 14.23 years).

Defined benefit obligation by participant category		
Active participants	(7)	(7)
Deferred participants	(56)	(83)
Pensioners	(118)	(125)
Present actuarial value of defined-benefit obligations	(181)	(215)

Maturity profile of future payments:		
Expected within 12 months	(9)	(9)
Expected between 12 and 24 months	(9)	(9)
Expected between 24 and 36 months	(10)	(10)
Expected between 36 and 48 months	(11)	(10)
Expected between 48 and 60 months	(11)	(11)
Expected between 60 and 120 months	(54)	(56)
Expected thereafter	(77)	(110)
Present actuarial value of defined-benefit obligations	(181)	(215)

Sensitivity analysis	31 December 2025	Discount rate	Discount rate
For a change in significant actuarial assumptions:		+1%	-1%
Present actuarial value of obligations (Rand million)	(181)	(200)	(157)
Change in liability (%)		10.8	(13.1)

Post-retirement medical aid (PRMA) benefits

The Group provides medical aid benefits for all its permanent employees domiciled in South Africa, principally via the AECI Medical Aid Society. Historically, qualifying employees were granted a subsidy on their medical aid contributions after retirement. The obligation of the employer to continue to subsidise medical aid contributions after retirement is no longer a condition of employment for new employees and has not been offered since 1 January 2002.

The subsidy is a portion of the required medical aid contributions of participating members in a ratio between 3.0% and 66.7% of the total contribution, depending on each employee's date of employment in the Group. The medical aid fund is liable to pay medical claims in terms of its rules and the risk in respect of the liability relates to the increase in contribution levels required by the medical aid fund. The Group does not have any specific obligation to the medical aid fund.

Notes to the financial statements continued

For the year ended 31 December 2025

30. Pension fund employer surplus accounts continued

Based on valuations by the actuaries, the funded status of the PRMA obligations at 31 December were:

	Group		Company	
	2025	2024	2025	2024
Rand million				
Present actuarial value of defined-benefit obligations	(145)	(133)	(145)	(133)
At the beginning of the year	(133)	(155)	(133)	(155)
Current service cost	(1)	(1)	(1)	(1)
Interest cost	(14)	(16)	(14)	(16)
Benefits paid	13	15	13	15
Net actuarial (loss)/gain ¹	(10)	24	(10)	24
Net PRMA liability	(145)	(133)	(145)	(133)

¹ The net actuarial gain was mainly impacted by the difference between the actual membership changes (resignations, retirement, mortality, etc.) and that assumed in the previous valuation

Principal actuarial assumptions for the PRMA obligations were:

	Group	
	2025	2024
%		
Annual increase in healthcare costs	6.5	7.5
Discount rate	8.9	10.7

Healthcare cost inflation was estimated based on long-term CPI and adjusted with a risk premium of 2.0% for the expected higher medical inflation. The percentage used in the valuation was 6.5% (2024: 7.5%).

Estimated employer's contribution in respect of PRMA obligations for the coming year for both the Group and the Company are R13 million, representing the subsidies for the remaining eligible pensioner members.

Any changes in the structure of healthcare funding, including the implementation of a National Health Insurance (NHI) scheme or reform of the regulation of medical scheme, would in turn affect the liabilities. At this stage, it is not clear what the effect on medical scheme contributions would be and the valuation does not take into account any possible implications of the upcoming changes, however, it is anticipated that there will be no significant changes in the short term.

Amounts recognised in the Statements of profit or loss and Statements of other comprehensive income in respect of the PRMA obligations were:

	Group		Company	
	2025	2024	2025	2024
Rand million				
Current service cost	(1)	(1)	(1)	(1)
Interest cost	(14)	(16)	(14)	(16)
Recognised in profit or loss	(15)	(17)	(15)	(17)
Remeasurements recognised in other comprehensive income in respect of PRMA obligations:				
Actuarial (loss) / gain	(10)	24	(10)	24
Recognised in other comprehensive income	(10)	24	(10)	24

Notes to the financial statements continued

For the year ended 31 December 2025

30. Pension fund employer surplus accounts continued

Sensitivity analysis

	31 December 2025	Discount rate +1.0%	Discount rate -1.0%	Future inflation +0.5%	Future inflation -0.5%
For a change in significant actuarial assumptions:					
Present actuarial value of obligations (Rand million)	(145)	(133)	(159)	(153)	(140)
Change in liability (%)		(8)	10	5	(3)
Current service cost for 2025 (Rand million)	1	1	1	1	1
Change in current service cost (%)		—	—	9	(8)
Interest cost for 2025 (Rand million)	14	12	12	14	13
Change in interest cost (%)		—	—	5	(4)

Expected duration of liability

Years	Group		Company	
	2025	2024	2025	2024
Average term – undiscounted	20.5	22.0	20.5	22.0
Average duration – discounted	10.4	9.6	10.4	9.6

The schemes expose the Group to a number of risks:

Interest rate risk: The schemes liabilities are assessed using marketing yields on government bonds to discount the liabilities. An increase in the interest rate will decrease the plan liability.

Mortality risk: An increase in the life expectancy of the plan participants will increase the liability.

Inflation risk: An increase in the inflation rate will impact healthcare/retirement costs, which will increase the liability.

The interest rate used to discount the liability less the inflation rate used to estimate the costs gives the real long-term discount rate. A decrease in the real discount rate will increase the liability.

Notes to the financial statements continued

For the year ended 31 December 2025

30. Pension fund employer surplus accounts continued

Accounting policies

Employee benefits

Short-term employee benefits

The cost of all short-term employee benefits is recognised in the Statements of profit or loss during the period in which the employee renders the related service. Accruals for employee entitlements to salaries, performance bonuses and annual leave represent the amount of the Group's present obligation as a result of employees' services provided up to the reporting date. Accruals are calculated at undiscounted amounts based on current salary rates.

Retirement benefits

The Group provides defined-contribution and, historically, defined-benefit funds for its employees, the assets of which are held in separate funds. These funds are financed by payments from employees and the Group, taking account of the recommendations of independent actuaries.

Obligations for contributions to defined-contribution pension plans are recognised in the Statements of profit or loss as the related service is provided.

The ESAs in the defined-contribution plans are recognised as financial assets and are measured at fair value, with all changes in fair value being recognised in the Statements of profit or loss.

Defined-benefit plans

A defined-benefit plan is a post-retirement benefit plan other than a defined-contribution plan. The Group's net obligation in respect of defined-benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on suitable corporate bonds that have maturity dates approximating the terms of the Group's obligation.

The South African obligations are contained in separate legal entities and are denominated in Rand, while the German obligations, at AECI Schirm, are unfunded and are denominated in Euro.

Actuarial valuations are conducted annually by a qualified actuary and the calculation is performed using the projected unit credit method.

In the South African entities, the calculation results in a benefit to the Group. However, the recognised asset is limited to amounts credited to the ESAs in accordance with the Act, where this does not exceed the present value of economic benefits available in the form of reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan or on settlement of the plan liabilities.

The defined-benefit cost recognised in net operating costs in the Statements of profit or loss includes the current service cost and the net interest on the net defined-benefit liability/(asset). Net interest expense/(income) is the interest on the net defined-benefit liability/(asset) at the beginning of the year, calculated using the discount rate used in the prior year's actuarial valuation. The interest takes into account changes in the net defined-benefit liability/(asset) during the year as a result of contributions and benefit payments.

The defined-benefit cost relating to actuarial gains and losses, which include the return on plan assets (excluding the interest income recognised in the Statements of profit or loss) and the effect of the asset ceiling (excluding the interest cost) and any changes in actuarial assumptions or experience adjustments, are remeasurements and are recognised immediately in other comprehensive income.

Notes to the financial statements continued

For the year ended 31 December 2025

30. Pension fund employer surplus accounts continued

Defined-benefit post-retirement medical aid obligations

The Group provides defined-benefit post-retirement healthcare benefits to certain of its retirees and eligible current employees.

The Group's net obligation is calculated by estimating the amount of future benefit that these employees have earned in return for their services in the current and prior periods. That benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on suitable corporate bonds that have maturity dates approximating the terms of the Group's obligation and are denominated in Rand as the benefits are expected to be paid in Rand.

Actuarial valuations are conducted annually by a qualified actuary and the calculation is performed using the projected unit credit method.

The defined-benefit cost recognised in net operating costs in the Statements of profit or loss includes the current service cost and the net interest on the net defined-benefit liability. Net interest expense is the interest on the net defined-benefit liability at the beginning of the year, calculated using the discount rate used in the prior year's actuarial valuation. The interest takes into account changes in the net defined-benefit liability during the year as a result of contributions and benefit payments.

The defined-benefit cost relating to actuarial gains and losses, which include any changes in actuarial assumptions or experience adjustments, are remeasurements and are recognised immediately in other comprehensive income.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw from the offer of those benefits or when the Group recognises costs of restructuring.

Other long-term employee benefits

The Group's obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their services in the current and prior years. That benefit is discounted to determine its present value. Remeasurements are recognised in the Statements of profit or loss in the period in which they arise.

Notes to the financial statements continued

For the year ended 31 December 2025

31. Directors' and prescribed officers' remuneration and interests

Interest of Directors and Prescribed Offices in the share capital of the Company

The aggregate beneficial holdings of the Directors and Prescribed Officers of the Company in the issued ordinary shares of the Company at 31 December were:

	Number of Shares	
	2025 Direct	2024 Direct
Executive directors		
H Riemensperger ¹	—	10,000
I Kramer ²	40	40
	40	10,040
Prescribed officers³		
DK Murray	57,506	54,055
D Govender	—	4,227
	57,506	58,282
	57,546	68,322

¹ Holger Riemensperger stepped down, by mutual agreement, as Chief Executive Officer and Executive Director with effect from 15 October 2025

² Ian Kramer, acting as Group Chief Financial Officer from 31 December 2024, was appointed as Group Chief Financial Officer and Executive Director with effect from 2 June 2025

³ Stuart Miller, Executive Vice President Mining, is a prescribed officer and holds no shares in his direct or indirect capacity. D Govender left during 2025 and no longer holds shares in his direct or indirect capacity

AECI conduct its annual assessment of prescribed officers in line with the Companies Act requirements. The current prescribed officers differ from those disclosed in the comparative period.

No Director or Prescribed Officer had indirect holdings of ordinary shares of the Company or beneficial holdings in the Company's cumulative preference shares in either of the years presented.

Following the vesting of awards to participants, including Prescribed Officers (Dean Murray and Stuart Miller) on 31 March 2026 in terms of AECI's Long-Term Incentive Plan, and the subsequent sale of AECI vested shares to settle tax obligations, as announced on SENS on 20 April 2026, Dean Murray holds an additional 6,622 shares and Stuart Miller holds 9,417 shares.

Save as set out above, there has been no change in the aggregate beneficial holdings of the Directors and Prescribed Officers of the Company between the end of the financial year and the date of approval of the annual financial statements by the Board.

Notes to the financial statements continued

For the year ended 31 December 2025

31. Directors' and prescribed officers' remuneration and interests continued

Non-executive directors' remuneration

				2025	2024
Rand thousands	Directors' fees	Chairman/ Committee fees	Attendance fees	Total	Total
PG Sibiya (Chairman)	1,155	548	1,033	2,736	1,747
ST Coetzer	928	873	848	2,649	2,634
SA Dawson	928	1,237	918	3,083	2,859
FFT Dlodlu (De Buck)	434	554	441	1,429	1,512
WH Dissinger	928	1,288	835	3,051	2,769
B Mawasha	434	203	124	761	—
P Mishic O'Brien	920	860	708	2,488	2,501
KDK Mokhele	644	253	242	1,139	2,752
N Moholi	434	260	93	787	362
J Ndlovu	434	309	220	963	—
AM Roets	434	632	521	1,587	1,691
Total	7,673	7,017	5,983	20,673	18,827

Mr KDK Mokhele retired as Chairman and Non-Executive Director of the Board of AECL with effect from 27 May 2025

Executive directors' remuneration

Rand thousands	H Riemensperger ²	I Kramer ³	Total
2025			
Basic salary	9,830	6,955	16,785
Bonus and performance-related payments ¹	7,321	6,859	14,180
Expense allowances, medical aid and insurance contributions	1,636	350	1,986
Expatriate benefits	5,391	—	5,391
Payment – mutually agreed terms	8,056	—	8,056
Retirement fund contributions	—	321	321
Aggregate remuneration paid by the company	32,234	14,485	46,719

Rand thousands	H Riemensperger ²	I Kramer ³	R Gabriels	Total
2024				
Basic salary	9,843	—	5,112	14,955
Bonus and performance-related payments ¹	2,435	—	666	3,101
Expense allowances, medical aid and insurance contributions	2,737	—	792	3,529
Payment – mutually agreed terms	—	—	3,639	3,639
Retirement fund contributions	156	—	499	655
Aggregate remuneration paid by the company	15,171	—	10,708	25,879

¹ Bonus and performance-related amounts are in respect of the current year's performance but are paid in the following year

² H Riemensperger stepped down, by mutual consent, as Group Chief Executive Officer and Executive Director with effect from 15 October 2025

³ Ian Kramer, acting as Group Chief Financial Officer from 31 December 2024, was appointed as Group Chief Financial Officer and Executive Director with effect from 2 June 2025

Notes to the financial statements continued

For the year ended 31 December 2025

31. Directors' and prescribed officers' remuneration and interests continued

Prescribed officers remuneration

Rand thousands	DK Murray ²	S Miller	Total
2025			
Basic salary	4,805	10,998	15,803
Bonus and performance-related payments ¹	4,979	6,419	11,398
Expense allowances, medical aid and insurance contributions	984	413	1,397
Expatriate Benefits	—	6,328	6,328
Retirement fund contributions	392	156	548
Pre-tax benefit of equity-settled vested PS	649	—	649
Aggregate remuneration	11,809	24,314	36,123
Pre-tax benefit of equity-settled vested PS	(649)	—	(649)
Aggregate remuneration paid by subsidiaries	—	(24,314)	(24,314)
Aggregate remuneration paid by the company	11,160	—	11,160

Rand thousands	DK Murray ²	D Govender	S Miller	I Kramer ³	Total
2024					
Basic salary	3,830	3,694	2,297	441	10,262
Bonus and performance-related payments ¹	853	526	11,074	—	12,453
Expense allowances, medical aid and insurance contributions	873	941	1,003	—	2,817
Retirement fund contributions	374	360	121	—	855
Aggregate remuneration paid by the company	5,930	5,521	14,495	441	26,387

¹ Bonus and performance-related amounts are in respect of the current year's performance but are paid in the following year

² Dean Murray appointed as Interim Group Chief Executive Officer with effect from 15 October 2025

³ Ian Kramer, acting as Group Chief Financial Officer from 31 December 2024, was appointed as Group Chief Financial Officer and Executive Director with effect from 2 June 2025

Aggregate remuneration

Rand thousands	2025	2024
Non-Executive Directors	20,673	18,827
Executive Directors	46,719	25,879
Prescribed Officers	36,123	26,387
	103,515	71,093

Notes to the financial statements continued

For the year ended 31 December 2025

31. Directors' and prescribed officers' remuneration and interests continued

AECI performance shares (PS)

Included in PS were the following granted to Directors and Prescribed Officers:

	Grant date	Number of PS			
		Granted	Vested	Lapsed or forfeited	Outstanding
H Riemensperger ¹	April 2023	93,080	—	—	93,080
	April 2024	120,323	—	—	120,323
	April 2025	169,099	—	—	169,099
DK Murray	April 2022	27,112	(6,598)	(20,514)	—
	April 2023	35,677	—	—	35,677
	April 2024	38,103	—	—	38,103
D Govender ²	April 2025	58,014	—	—	58,014
	April 2022	17,977	—	(17,977)	—
	April 2023	24,053	—	(24,053)	—
I Kramer ³	April 2024	33,072	—	(33,072)	—
	April 2025	80,058	—	—	80,058
S Miller ⁴	September 2024	39,994	—	(30,260)	9,734
	September 2025	154,789	—	—	154,789
		891,351	(6,598)	(125,876)	758,877
Mutual separation ^{1,2}		(382,502)	—	—	(382,502)
		508,849	(6,598)	(125,876)	376,375

¹ H Riemensperger stepped down, by mutual consent, as Group Chief Executive Officer and Executive Director with effect from 15 October 2025

² D Govender left during 2025

³ Ian Kramer, acting as Group Chief Financial Officer from 31 December 2024, was appointed as Group Chief Financial Officer and Executive Officer with effect from 2 June 2025

⁴ Stuart Miller was granted two tranches of shares effective 1 September 2024 and 1 September 2025, relating to various vesting dates. The September 2024 shares have vested but not yet exercised

Movements in the number of PS held by Directors and Prescribed Officers were:

	Number of PS	
	2025	2024
Outstanding at the beginning of the year	389,397	300,157
Lapsed during the year	(125,876)	(42,960)
Mutual separation during the year ¹	(382,502)	(69,668)
Granted during the year ³	461,960	356,914
Appointment of Prescribed Officer ²	39,994	62,190
Change in defined Prescribed Officers	—	(189,770)
Vested during the year	(6,598)	(27,466)
Outstanding at the end of year	376,375	389,397

¹ H Riemensperger stepped down, by mutual consent, as Group Chief Executive Officer and Executive Director with effect from 15 October 2025, but retains his entitlement to the PS as a 'good leaver'

² AECI conducts its annual assessment of prescribed officers in line with the Companies Act requirements

³ S Miller was granted units for multiple vesting periods in 2025, effective 1 September 2025

Notes to the financial statements continued

For the year ended 31 December 2025

32. Operating segments

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

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

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

Notes to the financial statements continued

For the year ended 31 December 2025

32. Operating segments continued

Information relating to reportable segments

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

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

Rand million	2025	2024	2025	2024	2025	2024
	External revenue		Inter-segment revenue		Total segment revenue	
AECI Mining	17,536	19,010	86	98	17,622	19,108
AECI Chemicals	10,129	9,688	177	174	10,306	9,862
AECI Managed Businesses	3,995	4,429	1	5	3,996	4,434
AECI Property Services and Corporate	523	471	175	161	698	632
Inter-segment	—	—	(439)	(438)	(439)	(438)
Continuing operations	32,183	33,598	—	—	32,183	33,598
Discontinued operations	588	2,899	—	—	588	2,899
	32,771	36,497	—	—	32,771	36,497

Rand million	Depreciation		Amortisation		Impairments ¹	
	AECI Mining	614	589	3	9	13
AECI Chemicals	128	107	14	14	41	—
AECI Managed Businesses	201	281	30	37	767	242
AECI Property Services and Corporate	59	61	—	—	—	970
Inter-segment	(20)	(14)	—	—	—	(970)
Continuing operations	982	1,024	47	60	821	377
Discontinued operations	—	59	—	11	15	732
	982	1,083	47	71	836	1,109

Rand million	Profit/(loss) from operations		EBITDA ^{2,3}		Capital expenditure	
	AECI Mining	2,089	1,550	2,722	2,284	613
AECI Chemicals	712	823	924	972	81	88
AECI Managed Businesses	(827)	(383)	171	177	106	135
AECI Property Services and Corporate	(457)	(1,330)	(398)	(299)	35	43
Inter-segment	13	884	(7)	(100)	—	—
Continuing operations	1,530	1,544	3,412	3,034	835	885
Discontinued operations	(6)	(522)	9	280	—	88
	1,524	1,022	3,421	3,314	835	973

Notes to the financial statements continued

For the year ended 31 December 2025

32. Operating segments continued

Rand million	2025	2024	2025	2024	2025	2024
	Cost of sales		Administrative costs		Salaries and other costs	
AECI Mining	10,109	12,115	3,876	4,152	3,117	2,999
AECI Chemicals	8,124	7,642	990	917	818	795
AECI Managed Businesses	2,846	3,180	2,513	1,383	1,001	1,192
AECI Property Services and Corporate	361	321	159	1,631	562	479
Inter-segment	(435)	(429)	(555)	(1,289)	—	—
Continuing operations	21,005	22,828	6,983	6,794	5,498	5,465
Discontinued operations	428	2,108	49	534	61	256
	21,433	24,936	7,032	7,328	5,559	5,721

Rand million	Inventory		Operating assets ^{3,4}		Operating liabilities ^{3,4}	
AECI Mining	2,319	2,191	9,188	9,786	(2,573)	(3,174)
AECI Chemicals	2,226	2,195	6,266	6,489	(3,132)	(2,804)
AECI Managed Businesses	227	993	1,701	5,610	(357)	(699)
AECI Property Services and Corporate	2	2	1,288	940	(847)	(606)
Inter-segment	(1)	(1)	(87)	(135)	(21)	23
Continuing operations	4,773	5,380	18,356	22,690	(6,930)	(7,260)
Discontinued operations	—	(263)	—	1,504	—	(367)
	4,773	5,117	18,356	24,194	(6,930)	(7,627)

Rand million	Operating assets ^{3,4}		Operating liabilities ^{3,4}	
South Africa	12,621	14,255	(4,112)	(3,861)
Rest of Africa ⁵	3,515	4,150	(2,565)	(2,682)
Rest of World ⁶	2,220	4,285	(253)	(717)
	18,356	22,690	(6,930)	(7,260)

¹ Includes impairment of goodwill, property, plant and equipment, right-of-use assets and losses relating to the Discontinued Operation in 2024

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

³ Non-IFRS measure

⁴ Operating assets comprise property, plant and equipment, right-of-use assets, investment property, intangible assets, goodwill, inventories, trade and other receivables and assets classified as held for sale. Operating liabilities comprise trade and other payables, and liabilities held for sale

⁵ Rest of Africa includes Zimbabwe, Botswana, Namibia, Mozambique, Democratic Republic of Congo (DRC), Zambia, Tanzania, Egypt, Ghana, Burkina Faso, Senegal, Guinea, Mali, Cote d'Ivoire and Congo

⁶ Rest of World includes Chile, Brazil, Mauritius, Indonesia, Australia, Papua New Guinea (PNG) and Germany

Notes to the financial statements continued

For the year ended 31 December 2025

33. Principal subsidiaries

	Issued share capital	Effective shareholding		Investment in subsidiaries [#]		Interest of AECI Limited [#] loans to/(from)	
	2025	2025	2024	2025	2024	2025	2024
	Number of shares	%	%	Rand million	Rand million	Rand million	Rand million
INSURANCE							
Directly held							
AECI Captive Insurance Company Limited	810,000	100	100	51	51	(286)	(242)
AECI MINING							
Directly held							
AECI Mining Limited	400 000 000	100	100	4,438	4,438	(1,959)	(1,735)
Indirectly held							
AECI Australia Proprietary Limited	13,700,000	100	100	—	—	—	—
AECI Ghana Limited	1,000,000	100	100	—	—	—	—
AECI Mauritius Limited	1,515	100	100	—	—	—	—
AECI Mining and Chemical Services Namibia Proprietary Limited	100	100	100	—	—	—	—
AECI Mining and Chemical Services (Chile) Limitada	2	100	100	—	—	—	—
AEL Burkina Société à Responsabilité Limitée ¹	100,000	100	100	—	—	—	—
AEL DRC Société Privée à Responsabilité Limitée ²	10,000	100	100	—	—	—	—
AEL Mali Société à Responsabilité Limitée	8,659	100	100	—	—	—	—
AECI Mining Explosives Public Listed Corporation ³	25,508,250	75	75	—	—	—	—
AEL Mining Services Limited	100	100	100	—	—	(471)	(447)
African Explosives (Botswana) Limited	3	100	100	—	—	—	—
African Explosives Holdings Proprietary Limited	4,331,278	100	100	—	—	(1,474)	(1,374)
African Explosives (Tanzania) Limited	26	80	100	—	—	—	—
PT AEL Indonesia	1,150	100	100	—	—	—	—
AECI LATAM Produtos Quimicos Limiteda ⁴	65,758,530	100	100	—	—	—	—
Dinaser Industria, Comercio E Servicos LTDA	12,628,952	100	—	—	—	—	—
AECI PNG Limited ⁵	12,733	100	—	—	—	—	—
AECI Germany GmbH	4,000	100	—	—	—	—	—
AECI Mining Perú S.A.C.	1,462,500	100	—	—	—	—	—
AECI WATER							
Indirectly held							
ImproChem Proprietary Limited	100,000	100	100	—	—	(1,317)	(1,007)
Other Water & Process subsidiaries				—	—	—	—

Notes to the financial statements continued

For the year ended 31 December 2025

33. Principal subsidiaries continued

	Issued share capital	Effective shareholding		Investment in subsidiaries [#]		Interest of AECI Limited [#] loans to/(from)	
	2025 Number of shares	2025 %	2024 %	2025 Rand million	2024 Rand million	2025 Rand million	2024 Rand million
AECI PLANT HEALTH							
Directly held							
Biocult Proprietary Limited	5,000	100	100	23	23	1	(1)
Indirectly held							
Farmers Organisation Limited ⁶	240	100	100	—	—	—	—
Schirm Gesellschaft mit beschränkter Haftung ⁷	100	100	100	—	—	—	—
Other	—	—	—	—	—	(111)	(111)
AECI CHEMICALS							
Directly held							
Chemical Services Limited	83,127,950	100	100	818	818	(281)	(471)
SANS Fibers Incorporated ⁸	100	100	100	—	—	282	326
SANS Fibres Proprietary Limited	17,979,433	100	100	8	8	(126)	(126)
Much Asphalt Proprietary Limited*	—	—	100	—	786	—	366
Afoodable Proprietary Limited	100	100	—	—	—	—	—
Indirectly held							
Akulu Marchon Proprietary Limited	410,000	100	100	—	—	—	—
Chemfit Proprietary Limited	4,000	100	100	—	—	(213)	(202)
Chemfit Fine Chemicals Proprietary Limited	1,000	100	100	—	—	(107)	(32)
Other	—	—	—	—	—	(565)	(573)
AECI PROPERTY SERVICES							
Acacia Real Estate Proprietary Limited	1,000	100	100	—	—	(317)	(317)
Paardevele Properties Proprietary Limited	1	100	100	—	—	(380)	(381)
Other	—	—	—	3	3	(295)	(293)
OTHER							
				171	148	(11)	(10)
				5,512	6,275	(7,630)	(6,630)
Transfer to assets classified as held for sale				—	(786)	—	(366)
				5,512	5,489	(7,630)	(6,996)

[#] Original cost less impairments

* The AECI Much Asphalt Disposal Group was held for sale as at 31 December 2024 and the transaction was concluded during the 2025 financial year

All companies are incorporated in the Republic of South Africa except for those whose country of incorporation is indicated by their registered company name, and those annotated as follows: 1. Burkina Faso 2. Democratic Republic of Congo 3. Zambia 4. Brazil 5. Papua New Guinea 6. Malawi 7. Germany 8. United States of America.

Notes to the financial statements continued

For the year ended 31 December 2025

34. Non-controlling interest

The following table summarises the information relating to each of the Group's subsidiaries that has material non-controlling interest:

Rand million	AEL Zambia ¹	Tanzania ²	Other ³	Total
2025				
Non-controlling interest (%)	25	20		
Statements of financial position				
Non-current assets	75	39		
Current assets	419	221		
Non-current liabilities	(18)	(4)		
Current liabilities	(110)	(43)		
Net assets	366	213		
Carrying amount of non-controlling interest	92	43	19	154
Statement of profit or loss				
Revenue	(708)	(304)		
Profit	26	5		
Profit for the year allocated to non-controlling interest	6	1	12	19
Statement of comprehensive income				
Other comprehensive income	56	35	—	91
Other comprehensive income allocated to non-controlling interest	14	7		21
Total comprehensive income allocated to non-controlling interest	20	8	12	40
Statement of cash flow				
Cash flows from operating activities	82	(57)		
Cash flows from investing activities	(38)	(10)		
Cash flows from financing activities	(3)	4		
Increase/(decrease) in cash	41	(63)		
Cash at the beginning of the year	101	138		
Cash at the end of the year	142	75		

¹ AECI Mining Limited holds 75% of AECI Mining Explosive Public Listed Corporation (AEL Zambia), domiciled in Zambia

² AECI Mining Limited holds 80% of AECI Tanzania, domiciled in Tanzania. The localisation transaction which concluded in 2025 resulted in 20% of AECI Tanzania being sold to a local partner

³ Other subsidiaries with non-controlling interest are immaterial

Notes to the financial statements continued

For the year ended 31 December 2025

34. Non-controlling interest continued

	AEL Zambia ¹	Other ²	Total
2024			
Non-controlling interest (%)	25		
Statements of financial position			
Non-current assets	78		
Current assets	619		
Non-current liabilities	(17)		
Current liabilities	(174)		
Net assets	506		
Carrying amount of non-controlling interest	126	37	163
Statements of profit or loss			
Revenue	(853)		
Loss	(64)		
Loss for the year allocated to non-controlling interest	(16)	(8)	(24)
Statements of comprehensive income			
Other comprehensive losses	(16)	4	(12)
Other comprehensive losses allocated to non-controlling interest	(4)	2	(2)
Total comprehensive losses allocated to non-controlling interest	(20)	(6)	(26)
Statements of cash flow			
Cash flows from operating activities	79		
Cash flows from investing activities	(3)		
Cash flows from financing activities	(2)		
Decrease in cash	74		
Cash at the beginning of the year	27		
Cash at the end of the year	101		

Notes to the financial statements continued

For the year ended 31 December 2025

34. Non-controlling interest continued

Accounting policy

Where the Group writes a put option over the equity of a subsidiary, a gross obligation (put option liability) is recognised in the consolidated financial statements at an amount equal to the present value of the amount that could be expected to be paid to the counterparty. The corresponding debit is presented separately in equity as a deduction from other reserves to the owners of the Company.

Subsequently, the put option liability is remeasured in line with IFRS 9 Financial Instruments, with changes in the measurement of the financial liability recognised in the profit or loss attributable to the owners of the Company.

Significant judgements made by management and sources of estimation uncertainty

These liabilities arise when acquisitions have contractual obligations enabling non-controlling interest shareholders to sell their shares back to the Group at an agreed price. The initial recognition of these amounts debited directly to equity with the subsequent remeasurements to the liability recognised in profit or loss. In arriving at the liability, future earnings are assessed and discounted back to calculate the present value. This is based on management's best estimate at initial recognition and each subsequent reporting period.

Notes to the financial statements continued

For the year ended 31 December 2025

35. Assets held for sale and liabilities continued

Group

Assets held for sale

Rand millions	2025	2024
Assets held for sale are made up of:		
Non-current assets	—	796
Property, plant and equipment	—	433
Right-of-use assets	—	7
Intangible assets	—	340
Investment in associate	—	11
Deferred tax assets	—	5
Current assets	—	708
Inventories	—	263
Trade and other receivables	—	375
Taxation receivable	—	11
Cash and cash equivalents	—	59
Total assets held for sale	—	1,504
Non-current liabilities	—	144
Deferred tax liabilities	—	137
Lease liabilities	—	7
Current liabilities	—	223
Trade and other payables	—	215
Lease liabilities	—	2
Taxation payable	—	6
Liabilities directly associated with the disposal group	—	367
Net identifiable assets directly associated with the disposal group	—	1,137

Notes to the financial statements continued

For the year ended 31 December 2025

35. Assets held for sale and liabilities continued

Company

Assets held for sale

Rand millions	2025	2024
Assets held for sale are made up of:		
Non-current assets	—	1,032
Investment in subsidiary	—	786
Non-current loan to subsidiary	—	246
Current assets		
Loan to subsidiary	—	120
Total assets held for sale	—	1,152
Current liabilities		
Trade and other payables	—	15
Liabilities directly associated with the disposal group	—	15
Net identifiable assets directly associated with the disposal group	—	1,137

	Total 2025	Property, Plant and equipment	Intangible Assets	Goodwill	Total 2024
Transfer	—	447	348	710	1,505
Impairment	—	(14)	(8)	(710)	(732)
Closing balance	—	433	340	—	773

Accounting policy

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell; except for assets such as deferred tax assets, assets arising from employee benefits, financial assets that are carried at fair value and inventory which are specifically exempt from this requirement. An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification are regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management deal with asset disposals, strategic acquisitions and the restructuring of the Group must be committed to the plan to sell the asset and the sale must be expected to be completed within one year from the date of the classification.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. Associates and joint ventures are no longer equity-accounted once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the Statements of financial position.

If an asset (or disposal group) previously classified as held for sale no longer meets the required criteria, the Group ceases to classify the asset (or disposal group) as held for sale. The Group subsequently measures the asset (or disposal group) at the lower of its carrying amount before classification as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been classified as held for sale and its recoverable amount at the time the change in the plan to sell is made.

Notes to the financial statements continued

For the year ended 31 December 2025

36. Discontinued operations

Group

Rand million	2025	2024
Revenue	588	2,899
Net operating costs	(594)	(3,421)
Loss from operations	(6)	(522)
Share of profit of equity-accounted investees, net of taxation	—	1
Profit from operations and equity-accounted investees	(6)	(521)
Net finance costs	(2)	3
Finance costs	(3)	—
Finance income	1	3
Loss before taxation	(8)	(518)
Taxation expense	(7)	(42)
Loss for the year from discontinued operations attributable to the AECI group	(15)	(560)
Cents	2025	2024
Earnings per ordinary share		
Basic loss	(14)	(531)
Diluted basic loss	(14)	(527)
Rand million	2025	2024
Net cash flows in relation to discontinued operations:		
Net increase in cash and cash equivalents:	—	—
Cash flow from operating activities	—	80
Cash flow from investing activities	—	(76)
Cash flow from financing activities	—	(4)
Net operating costs		
Rand million	2025	2024
Cost of sales	428	2,108
Selling and distribution expenses	117	779
Administrative expenses	49	534
Net operating costs	594	3,421
Net operating costs include:		
Depreciation and amortisation	—	70
– Property, plant and equipment	—	55
– Right-of-use assets	—	4
– Investment property	—	—
– Intangible assets	—	11
Impairment of goodwill	—	710
Impairment of property, plant and equipment	7	14
Impairment of intangible assets	8	8

Notes to the financial statements continued

For the year ended 31 December 2025

36. Discontinued operations continued

Accounting policy

A disposal group qualifies as a discontinued operation if it is a component of the Group that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations; and
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss from discontinued operations in the Statements of profit or loss. The prior period is also re-presented for all operations that have been discontinued by the end of the reporting period.

Significant judgements

Judgement was applied by management in determining whether a component is a discontinued operation by assessing whether it represents a separate major line of business or geographical area of operations or is part of a single plan to dispose of a separate major line of business or geographical area of operations.

37. Acquisition of Subsidiary

Group

Acquisition of AECI Mining Perú S.A.C.

During the current year, the Group acquired 100% of the shares of AECI Mining Perú S.A.C. (formerly, Industria de Gestión Tecnológica S.A.C.) for a consideration of R37 million to expand its mining footprint.

Carrying value of acquiree's assets at acquisition date

Rand million

Non-current leases (note 15)	(12)
Property, plant and equipment (note 1)	2
Right-of-use-assets (note 2)	16
Intangible assets (note 4)	32
Accounts payable (note 17)	(1)
Acquisition of subsidiary	37

38. Events after the reporting date

AECI Mining received a claims submission on 2 March 2026 relating to the MV Galaxy contingent liability described in note 27. Management has assessed the matter and has concluded that the contingent liability disclosure in note 27 remains appropriate.

As part of AECI's commitment to inclusive growth and shared value, the Group has concluded the implementation of its new Employee Share Scheme (ESS) currently valued at an estimated value of R185 million over four years which comes into effect in 2026. The Scheme enables eligible employees to participate directly in AECI's long-term value creation through equity ownership.

The ESS supports the alignment of employee and shareholder interests, strengthens retention and engagement, and reinforces a performance-driven ownership culture across the Group. By extending participation in the Group's future growth, the ESS forms an integral part of AECI's broader human capital and sustainability strategy and contributes to positioning the Group as an employer of choice.

Notes to the financial statements continued

For the year ended 31 December 2025

39. Going concern

The Board continues to expect that the Group and the Company has adequate resources to continue in operation for at least the next 12 months from the date of authorisation of these annual financial statements and that the going concern basis of accounting remains appropriate. The Group's and Company's assets, both book and fair values, substantially exceed its liabilities for 2025.

The Group net asset value was R11,601 million at 31 December 2025 and for the year ended 31 December 2025, the Group generated EBITDA of R3,412 million from continuing operations. The Company net asset value was R382 million at 31 December 2025, and for the year ended 31 December 2025, the Company generated EBITDA of R48 million.

The AECl Group has stress tested multiple solvency and liquidity scenarios and no loan covenants were breached in any of those scenarios.

At 31 December 2025, the Group and Company had undrawn bank facilities of R5,025 million available (2024: R3,136 million), in addition to the cash on hand. This positions AECl to remain well capitalised.

The annual financial statements have been prepared using appropriate accounting policies, supported by reasonable and prudent judgements and estimates. The Directors are of the opinion that the Group and Company has adequate resources to continue as a going concern in the foreseeable future.

40. Correction of misstatement

During the current financial year, Management identified that an Excess-of-Loss (XoL) policy had been incorrectly treated as an off-balance sheet arrangement in prior years. In terms of IFRS 9, Financial Instruments, the policy gives rise to contractual rights to receive cash flows when loss events exceed the Group's retention threshold and therefore meets the definition of a financial asset.

Accordingly, the Group has corrected this misstatement by recognising the XoL policy as a financial asset measured at fair value through profit or loss.

The restatement has been applied retrospectively, with the opening balance of retained earnings restated for the earliest comparative period presented. There is no impact on the Statements of profit or loss, comprehensive income and cash flows.

Effect on the Group Statements of Financial Position:

Rand million	2023 (as previously reported)	Adjustments	2023 Restated
Other investments (Non-current)	71	137	208
Total assets	71	137	208
Deferred tax liabilities	520	37	557
Equity	12,411	100	12,511
Total equity and liabilities	12,931	137	13,068

Rand million	2024 (as previously reported)	Adjustments	2024 Restated
Other investments (Non-current)	122	137	259
Total assets	122	137	259
Deferred tax liabilities	366	37	403
Equity	12,070	100	12,170
Total equity and liabilities	12,436	137	12,573

There is no impact on basic and diluted earnings per share.

Notes to the financial statements continued

For the year ended 31 December 2025

40. Correction of misstatement continued

Summarised Statements of financial position (additional disclosure for enhanced transparency)

Rand million	2023 (as previously reported)	Adjustments	2023 Restated
Non-Current Assets	11,762	137	11,899
Current Assets	16,180	—	16,180
Total assets	27,942	137	28,079
Ordinary Capital and Reserves	12,244	100	12,344
Preference Share Capital	6	—	6
Shareholders Equity	12,250	100	12,350
Non-Controlling Interest	161	—	161
Total equity	12,411	100	12,511
Non-current liabilities	6,485	37	6,522
Current liabilities	9,046	—	9,046
Total liabilities	15,531	37	15,568
Total equity and liabilities	27,942	137	28,079

Rand million	2024 (as previously reported)	Adjustments	2024 Restated
Non-Current assets	9,670	137	9,807
Current Assets	16,067	—	16,067
Assets held for sale	1,504	—	1,504
Total assets	27,241	137	27,378
Ordinary Capital and Reserves	11,901	100	12,001
Preference Share Capital	6	—	6
Shareholders Equity	11,907	100	12,007
Non-Controlling Interest	163	—	163
Total equity	12,070	100	12,170
Non-current liabilities	6,028	37	6,065
Current liabilities	8,776	—	8,776
Liabilities held for sale	367	—	367
Total liabilities	15,171	37	15,208
Total equity and liabilities	27,241	137	27,378

Corporate information

AECI Limited

(Incorporated in the Republic of South Africa)
(Registration No. 1924/002590/06)
Taxation reference No. 9000008608
Share code: AFE ISIN: ZAE000000220
Hybrid code: AFEP ISIN: ZAE000000238
Bond company code:
AECI LEI: 3789008641 F1D3D90E85
(AECI or the Company or the Group)

Group Company Secretary and registered office

Cheryl Singh
AECI Place
24 The Woodlands
Woodlands Drive
Woodmead
Sandton
2191
South Africa
(no postal deliveries to this address)
Email: cheryl.singh@aeciworld.com

Postal address and contact details

Private Bag X21, Gallo Manor, 2052
Telephone: +27 (0)11 806 8700
Email: groupcommunications@aeciworld.com

Web address

www.aeciworld.com

London Secretary

St James's Corporate Services Limited
Suite 31, Second Floor
107 Cheapside London EC2V 6DN
England

Debt Officer

Trevor Starke
AECI Place
24 The Woodlands
Woodlands Drive
Woodmead
Sandton 2191
South Africa
Tel: +27 11 806 8827
Email: trevor.starke@aeciworld.com

Transfer Secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue, Rosebank
2196
Private Bag X9000, Saxonwold
2132
South Africa and
Computershare Investor Services Public Company Limited
PO Box 82
The Pavilions Bridgwater Road
Bristol BS99 7NH
England

External auditor

Deloitte & Touche
5 Magwa Crescent
Waterfall City, Waterfall
2090
South Africa

Primary transactional and funding banks

Absa Bank Limited
First National Bank of Southern Africa Limited
(A Division of FirstRand Bank Limited)
Investec Bank Limited
Nedbank Limited
Sanlam Life Insurance Limited
(Acting through its Sanlam Specialised Finance Division)
Standard Chartered Bank
The Standard Bank of South Africa Limited
South African equity and debt sponsor

South African JSE equity sponsor

One Capital
17 Fricker Road
Illovo
Sandton
2196
South Africa

South African Debt sponsor

Questco Corporate Advisors Proprietary Limited
Investment Place, 10th Road,
Hyde Park
2196
Johannesburg



 **AECI**[®]

aeciworld.com