INSIMBI INDUSTRIAL HOLDINGS

2024 INTEGRATED ANNUAL REPORT

We are Insimbi

Resource based commodities

for the steel, aluminium and foundry industries

INSIMBI-GROUP.CO.ZA

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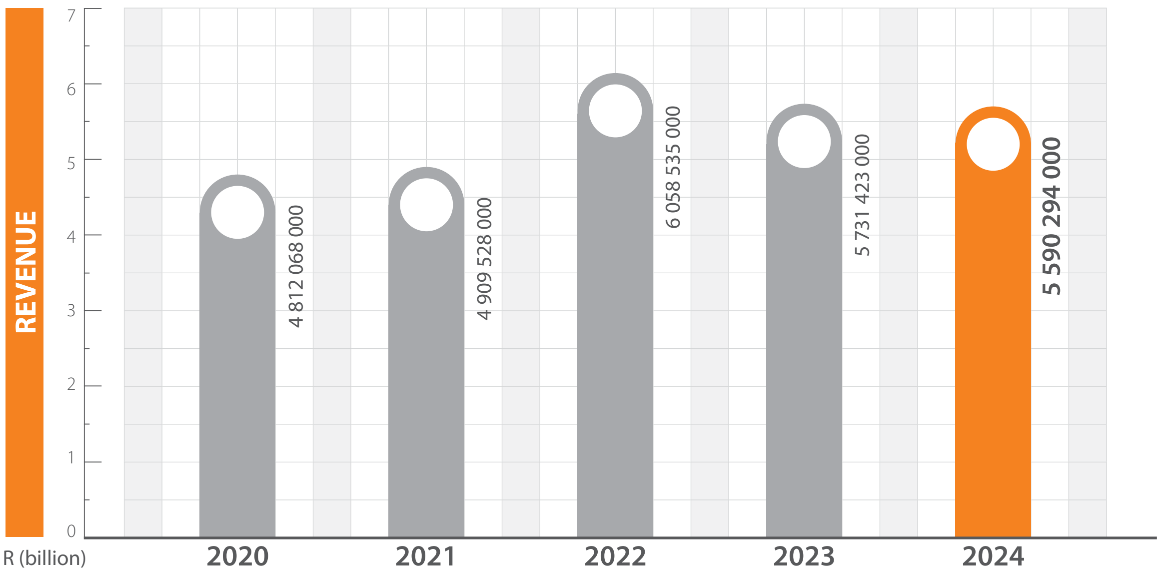
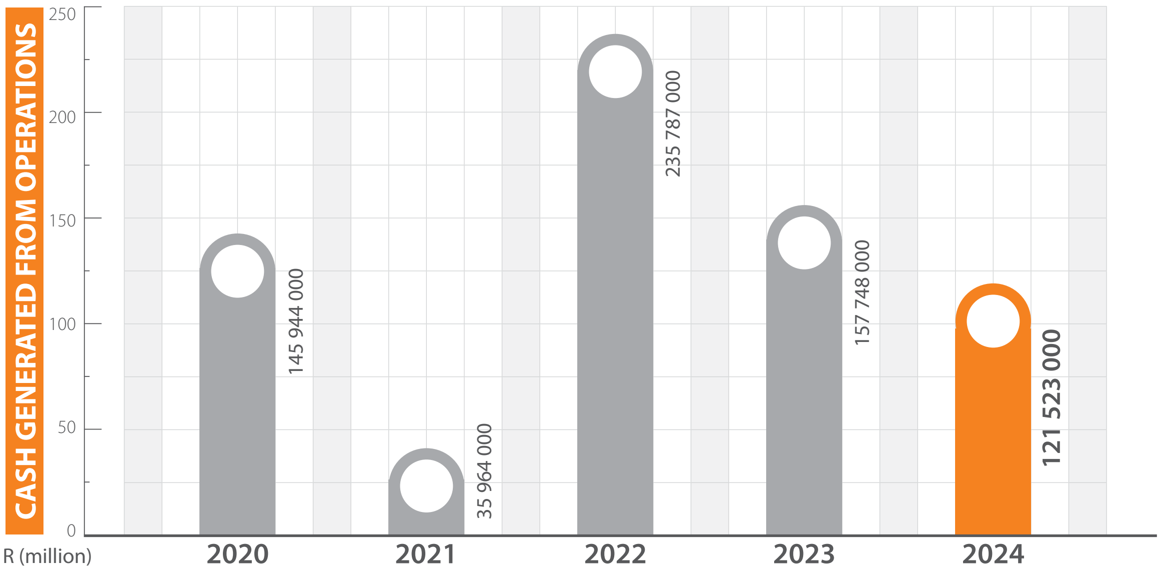
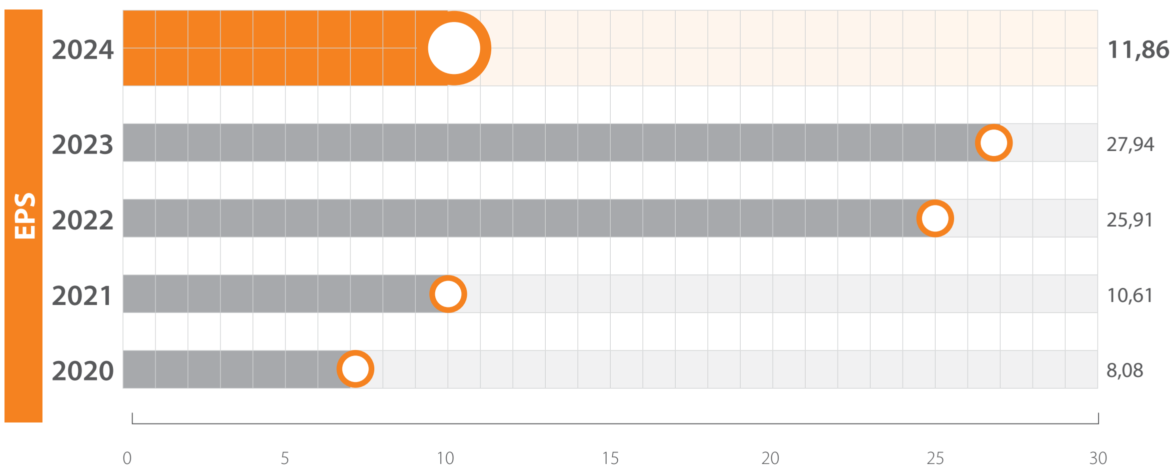
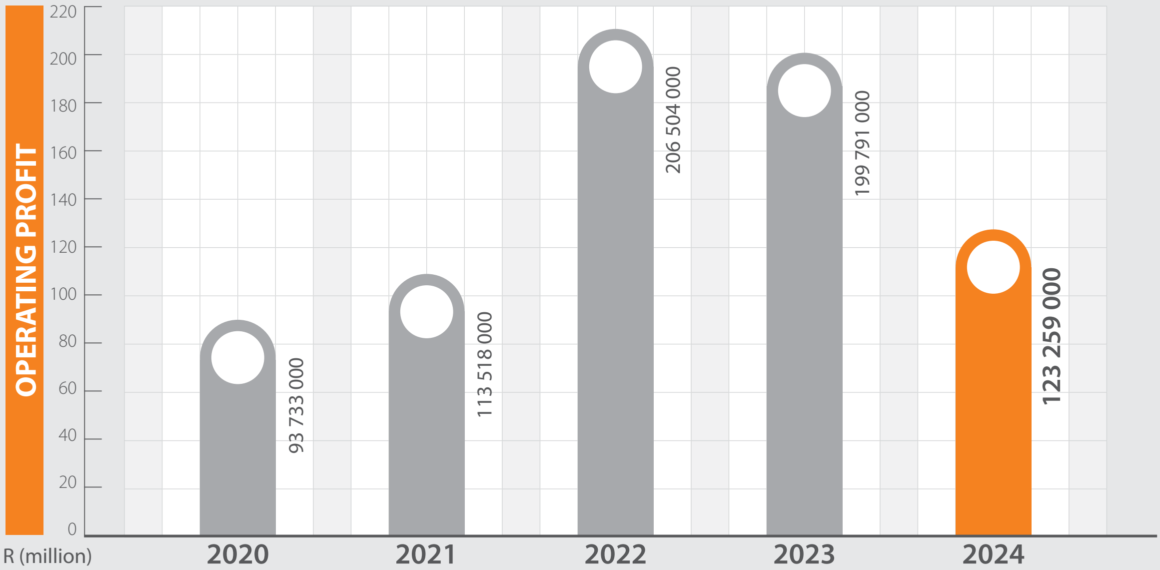
FINANCIAL INDICATORS: 5-YEAR HISTORY

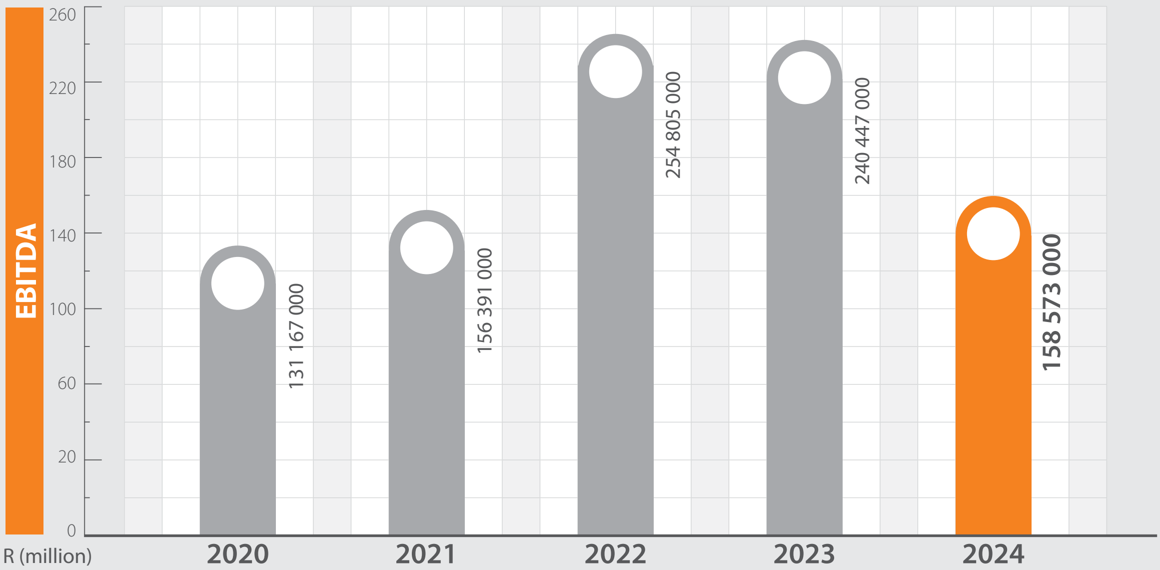


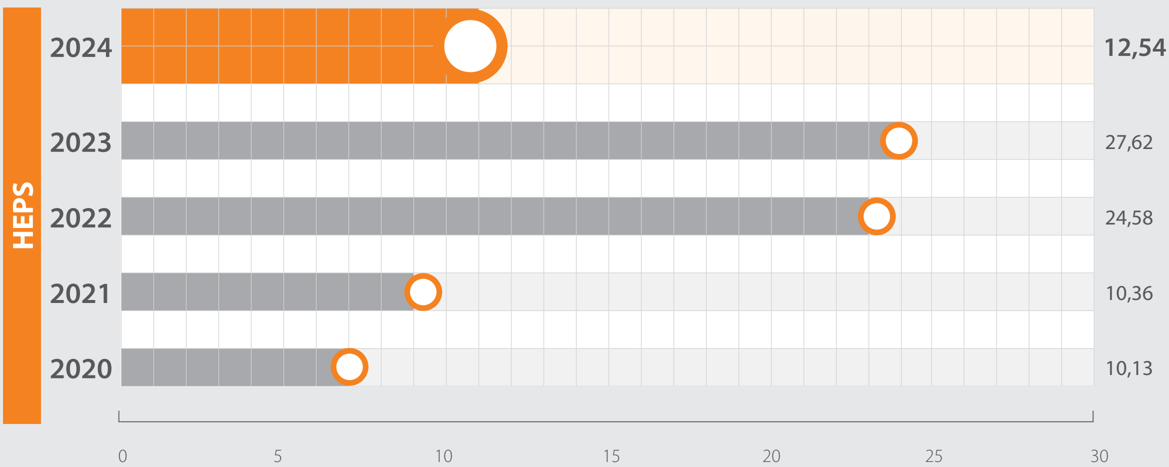




FINANCIAL INDICATORS: 5-YEAR HISTORY *continued*







GROUP SEGMENTS

This segment supplies the steel and stainless steel industries with raw material requirements. This segment also includes the supply of various recycled ferrous metals.

INSIMBI
INDUSTRIAL HOLDINGS

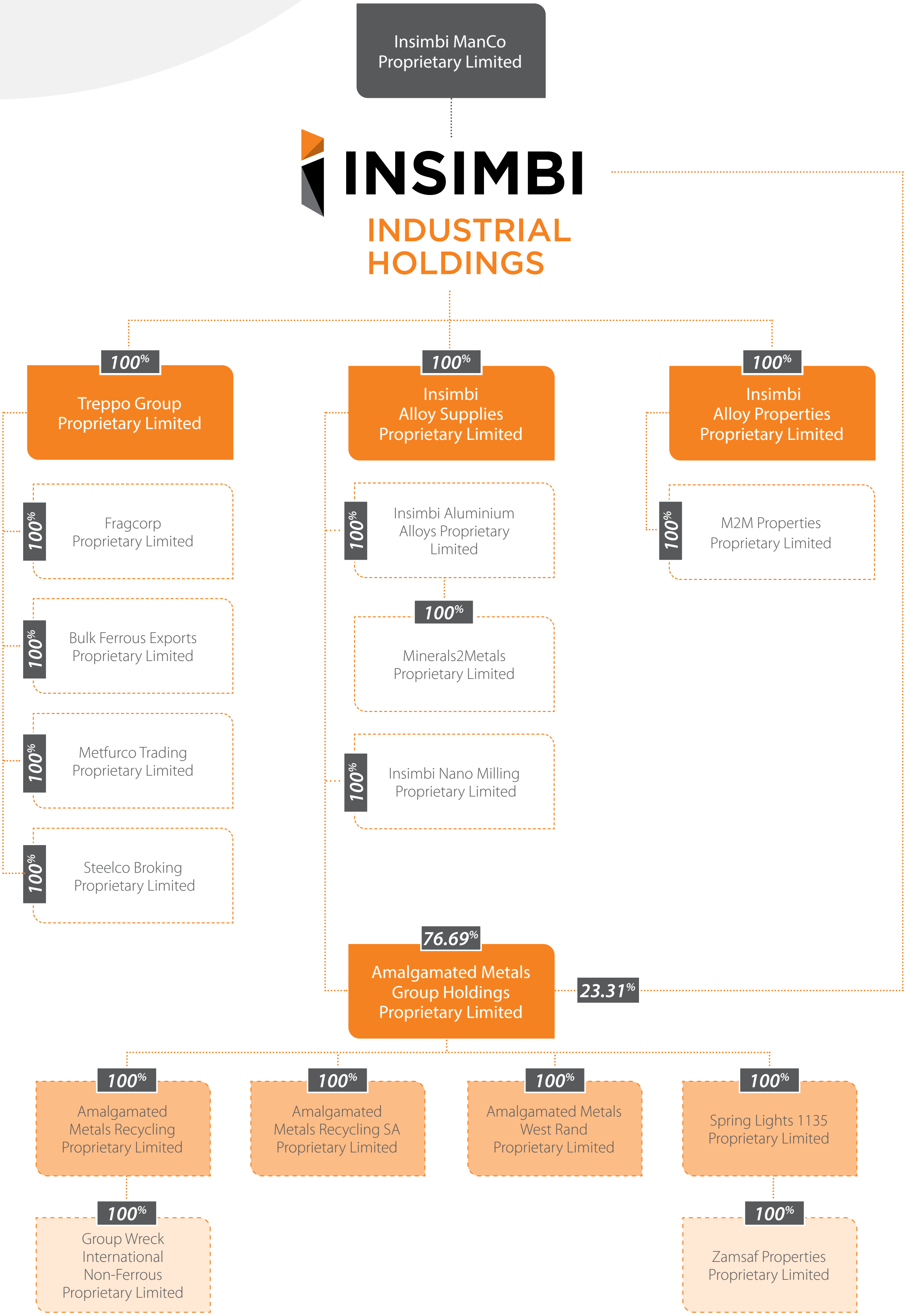
This segment consists of the divisions that service the steel, platinum, paper and pulp, and cement industry's refractory requirements as well as the supply of industrial heat-resistant textiles.

Non-ferrous consists of the divisions in the group that service the foundry and non-ferrous industry including the automotive and heavy aluminium industry and the powder coating industry. This segment has a specific focus on non-ferrous metals including copper and aluminium and a major focus on the export market.

THE INSIMBI VISION AND MISSION

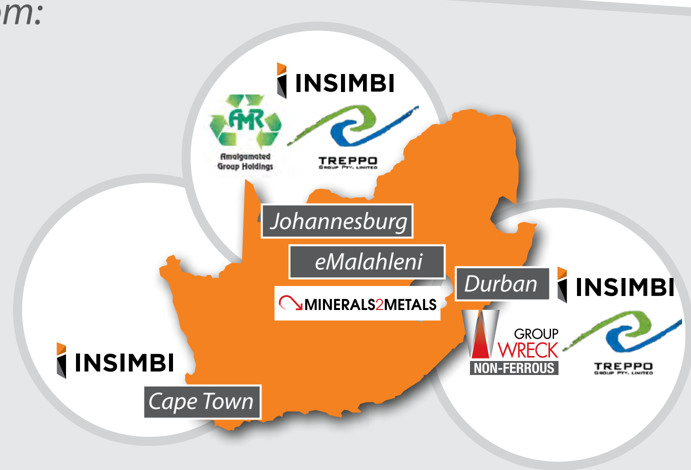
- To continue achieving growth and scale through a diversified and growing product base in new and existing markets through acquisitions and organic growth, and expanding our national and international footprint.
- To continue sustainable growth, and remain cash-generative and profitable; to ensure we are an attractive investment.
- To be a diverse, customer-centric, competent and motivated leadership and workforce, supported by good people-management.
- Having an efficient and effective operating model, systems, processes and organisation architecture.
- To be a socially and environmentally responsible organisation.
- To have a great brand and reputation in the market with all stakeholders, both locally and internationally.
- To have a B-BBEE score that is aspirational and provides us with a competitive advantage.

GROUP STRUCTURE

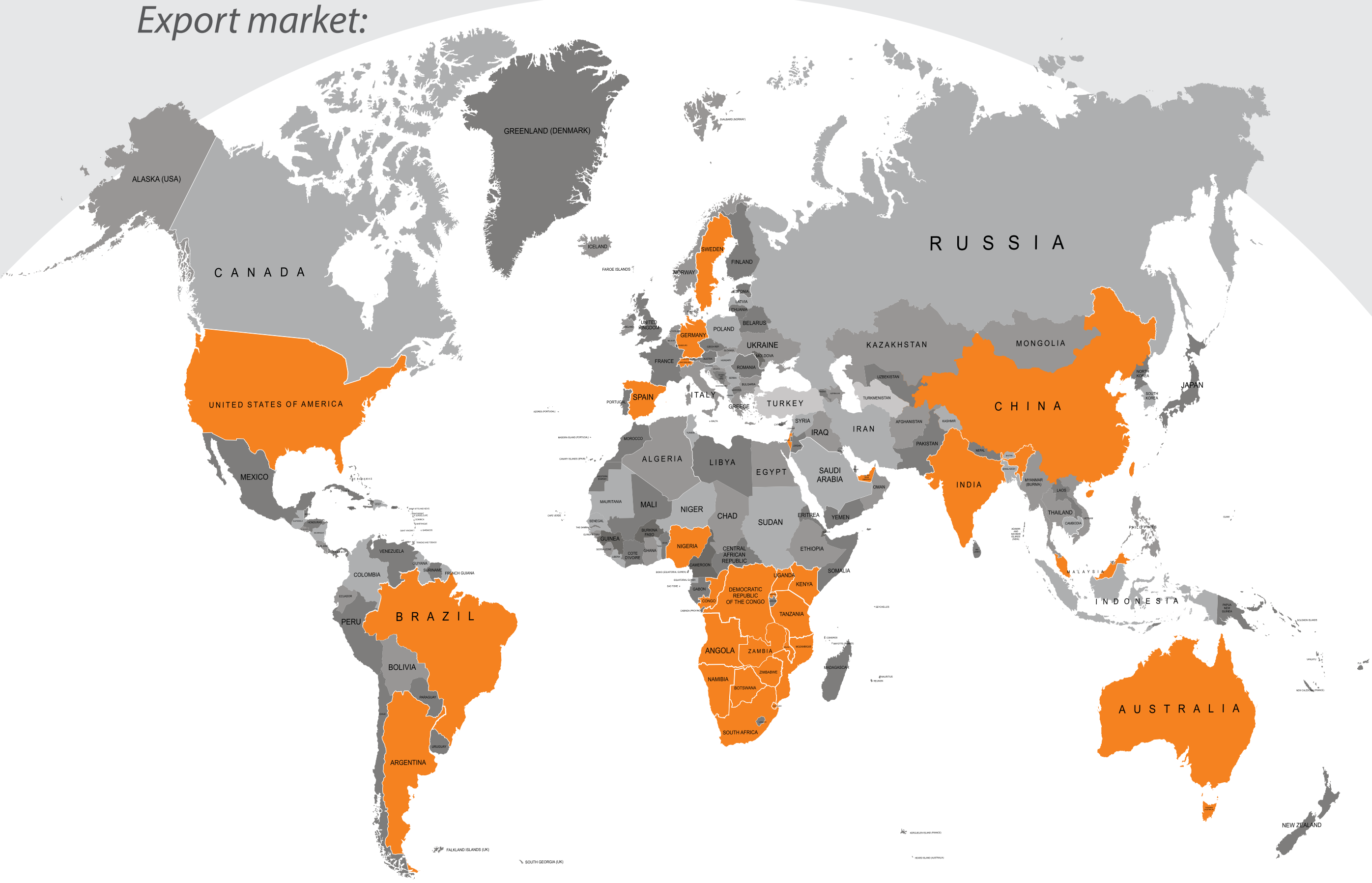


GEOGRAPHIC FOOTPRINT

Operating from:



Export market:



- Argentina
- Bahrain
- Botswana
- Brazil
- Bulgaria
- China
- Cyprus
- DRC
- Germany
- Hong Kong
- India
- Kenya
- Luxembourg
- Malawi
- Mozambique
- Nigeria
- Republic of the Congo
- Singapore
- UAE
- USA
- Zambia
- Zimbabwe

> The international focus on diminishing natural resources and pressing need to change the way we consume these resources is positive for Insimbi.

Calendar 2024 has been dubbed the election year. Globally, a historic number of voters will head to the polls as at least 64 countries (plus the European Union) – a combined population of almost half the people in the world – are scheduled to hold national elections. In many instances, election results will prove consequential for years to come. In most instances, the pre-election period is being characterised by populist policy decisions or simply a policy limbo.

Amid this uncertainty and the protracted geopolitical tensions, economies around the world are struggling. Growth is subdued, and interest rates already high. Further escalation in the Middle East conflict may lead to oil prices rising and inflation resurging, in turn exacerbating concerns about recession, security of energy supply, and volatile commodity markets.

At the same time, South Africa has made scant headway on its critical infrastructural challenges. Another year of record loadshedding by national power utility, Eskom, and the mounting logistical constraints on Transnet's rail networks and ports are impacting every sector of the economy.

In combination, these factors present a difficult operating environment for businesses of every size and type.

For Insimbi, this was most pronounced in the second half of the review period. Apart from port and logistical challenges, we faced the effects of lower-than-expected commodity prices, high interest rates, protracted periods of loadshedding and the ban on exporting recycled metals. While results for the 12 months to 29 February 2024 (FY24) are disappointing, management's intense focus on cost savings yielded notable benefits in offsetting the impact of these headwinds.

The group also benefited from its strategic adaptation in recent years to pervasive changes in the operating environment as well as global trends that align with our purpose. The international focus on diminishing natural resources and pressing need to change the way we consume these resources is positive for Insimbi. It ties directly to our purpose: to sustainably source, process, beneficiate and recycle metals as part of a clean-ecosystem chain.

As a board, we believe Insimbi continues to prove its resilience. Our focused diversification strategy has built a group better able to weather volatile market and economic conditions. The complementary businesses acquired in the recent past have been integrated into a cohesive, sustainable, and streamlined group, efficiently producing more with less while reducing debt through disciplined financial management.

OUR MACRO ENVIRONMENT

The South African economy recorded marginal growth of just 0,6% for 2023, weighed down by energy and logistical constraints as well as lower domestic and global demand. As noted before; to offset more than a decade of stagnation, it needs a much faster pace of GDP growth. Key to this growth remains infrastructural investment to support job creation. Although the official unemployment rate has improved slightly to 32,1%, the ongoing closure or downsizing of businesses across all sectors remain a great concern. Neither of these metrics can improve without sustained economic growth.

The slow implementation of stimulus initiatives is therefore even more disappointing, particularly for national infrastructure. While President Ramaphosa's focus on promoting South Africa as an attractive investment is commendable, it is also arguably theoretical. Thirty years after becoming a democracy, the country's citizens need tangible evidence that government is actually accelerating the roll-out of stimulus measures and providing the support our economy needs to grow at a pace that supports his ambitions. The slowdown in foreign direct investment proves the point: for calendar 2023, direct investment inflows dropped to R96 billion from R151 billion in 2022. Much work remains to improve South Africa's reputation in the global arena where our group aims to compete.

Moving to global trends, the electric vehicle (EV) manufacturing industry continues to grow sharply, presenting diverse opportunities and growth potential for our global footprint. In 2023, EV sales rose 31% to almost 14 million, or 20% of the global car market – meaning one in five cars sold are now electric. Rising demand for environmentally cleaner transport will continue to drive projected growth to a US$1-trillion global market by 2026.

This is very positive for our group. Against growing demand for metals related to climate-change solutions, Insimbi's strategy ensures we are well positioned to participate in this climate-change revolution.

OUR STAKEHOLDERS

Insimbi's inclusive approach to the broader stakeholder base that underpins our sustainability aligns with best practice.

- Our employees will always be the cornerstone of our success. In return for their contribution and commitment, we offer attractive development opportunities and fair remuneration for performance. To build a representative workforce and sustainably improve our broad-based black economic empowerment (B-BBEE) rating, we continue to entrench our B-BBEE roadmap.
- Our communities are often home to our employees and suppliers. Through our enterprise and supplier development programme, we continue to support small

black-owned businesses that in turn create employment and contribute to the fiscus.
- Government and regulators: through industry bodies – including the Metal Recyclers Association and Aluminium Federation of South Africa – we advocate for legislation that is fair and promotes equitable development in support of national economic growth and job creation.

OUR GOVERNANCE

Insimbi's board is focused on maintaining good governance practices as stipulated by the Companies Act, JSE Listings Requirements and King IV. In fulfilling its responsibility, the board – with a majority independent non-executive directors – is supported by statutory committees with clear mandates. Our directors bring an appropriate blend of skills and experience to board decisions, in turn focused on the best interests of the company and its shareholders.

Our code of conduct defines ethical behaviour that requires employees to display integrity, fairness, mutual respect, and openness at all times. The board holds management to account for ensuring the group adheres to these standards.

In 2023, the nominations committee evaluated the composition and size of the board. Given the combined knowledge, skills and expertise of the management teams and directors of the company and its operating subsidiaries, the committee concluded that a small and streamlined board was most effective in discharging its governance responsibilities. Importantly, Insimbi retains a majority independent non-executive directors, and an appropriate ratio between non-executive and executive directors (3:2).

DIVIDEND

The board retains a conservative approach to dividends, mindful of the impact of rising input costs on effective working capital management. At the same time, we are equally mindful of the continued support of shareholders. Accordingly, and given Insimbi's stable operating performance and in accordance with the dividend policy of 3 times earnings cover approved in October 2022, the board declared an interim gross dividend of 2,5 cents per share. The board has taken a conservative approach and has not declared a final dividend for FY24.

APPRECIATION

Insimbi's ability to navigate difficult operating conditions reflects the ongoing contributions, commitment and initiative of our executive management team and the people of each company in the group. Equally important is the insight and counsel of my fellow directors. Together, we are working towards our vision of a diversified industrial company with a regional and global footprint.

Robert Dickerson
Chairman
30 May 2024

CHIEF EXECUTIVE OFFICER'S REPORT

> Additional tailwinds will be generated by a return to meaningful economic growth in South Africa and progress on infrastructural development.

In a difficult full year to 29 February 2024, Insimbi has produced acceptable results on key metrics. While this is detailed by the chief financial officer, in summary:

- ***Cash generated from operations*** *decreased to* ***R122 million,*** *largely due to the ban of exports which has now expired.*
- ***Operating expenses*** *are down 6% to* ***R327 million.***
- ***EBITDA of R159 million*** *is down to* ***R241 million*** *in 2024.*
- ***Debt: equity ratio reduced by 49%*** *over the past 5 years to 66%.*
- ***EPS*** *and* ***HEPS*** *are down to* ***11,39 cents*** *and* ***12,07 cents*** *respectively.*
- ***We invested R9 million*** *via our share buyback programme to unlock value for shareholders.*
- *Insimbi declared an* ***interim dividend*** *of* ***2,5 cents per share.***

Ongoing geopolitical volatility in the review period kept pressure on commodity markets, with prices for copper, aluminium, nickel, and steel all lower year on year. Global economic growth remained subdued at 3,1% – well below its average of 3,8% over 2000–2019. Conflicts in the European Union and Middle East are contributing to this lacklustre growth, with the Middle East tensions in particular affecting global shipping.

Adding those factors to South Africa-specific issues including serious congestion at key ports, 12 months of unremitting loadshedding and economic growth barely in positive territory culminated in an exceedingly difficult year for most businesses.

Insimbi also had 13 fewer trading days in FY24 as poor business sentiment saw customers closing earlier and opening later over the December period. In addition, lower production volumes reflected the impact of the government ban on exporting scrap metal as well as poorer scrap-metal supply from customers affected by loadshedding.

Encouragingly, and contrary to expectations, the contentious ban expired after the second 6-month period ending in December 2023, regrettably followed by a further two months of uncertainty during which no export permits were issued by ITAC. For our group, the resumption of issuing permits from mid-February is positive as exports immediately improved our working capital cycle and at better margins, given that global customers pay upfront or on shipping.

Higher export volumes are also expected to normalise the poorer second-half margins recorded in FY24, in turn a function of a tighter economy but boosted by rand devaluation in that period. Any upward movement in our commodity prices will further lessen margin pressure.

Insimbi's ability to weather a difficult period reflects the benefits of operational changes over recent years to improve efficiency and better balance revenue flows as acquisitions mature. This translates to a more consistent financial performance within reporting periods, in contrast to our traditional first-half seasonal bias.

In addition, our diversification strategy created a group with synergies and economies of scale that offset cyclicality in our key commodities. As example, after we acquired the Treppo Group in 2019, Insimbi became a market leader for recycled ferrous metal, with a significantly larger local, regional, and global footprint. While its integration was delayed by the pandemic, Treppo is again profitable and expected to make a sustainable contribution to group results.

OUR OPERATING ENVIRONMENT

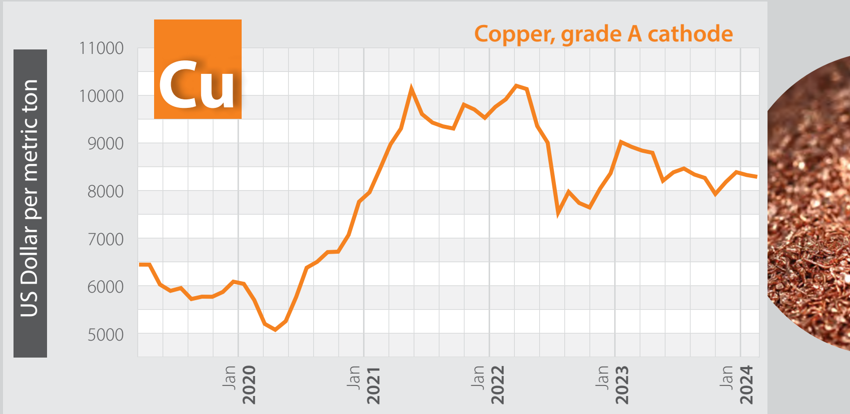
As illustrated, prices for most of our commodities declined during the year. The impact on Insimbi's export and local revenue was partially mitigated by the US$ base pricing of these commodities and an exchange rate that worked in our favour.

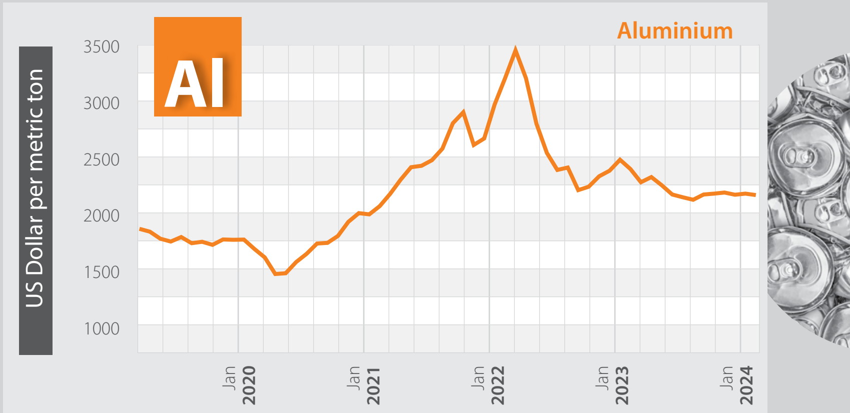
Positively, the global move to cleaner production and cleaner metals is steadily gaining traction. Cleaner metals are the cornerstone of our business, and we continue to find an appropriate balance between maintaining sales and rising raw material costs.

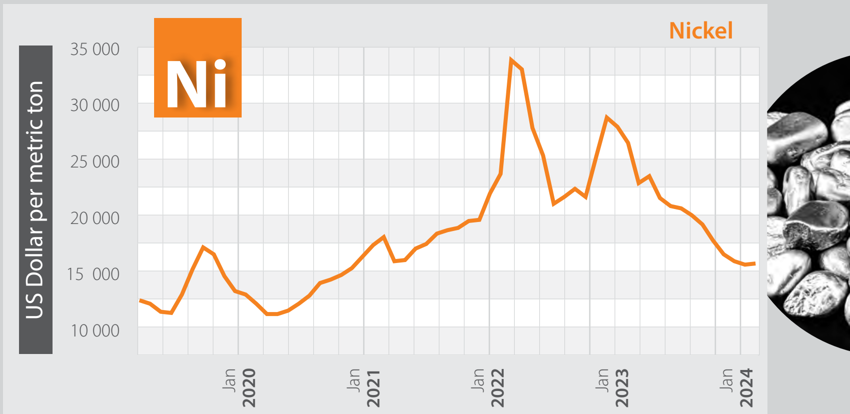
As noted, the South African government allowed the ban on exports of ferrous and non-ferrous waste and scrap metal to expire in December 2023. In place since December 2022, the jury is firmly out on whether the ban did anything to curb the rampant level of infrastructure theft in the country, particularly steel and copper. For Insimbi, the ban primarily impacted our ferrous division. Our ability to adapt quickly to manage the impact of this restriction underlined the resilient and diversified nature of our group. In addition, operational adjustments made at the time have benefited long-term efficiencies across the group.

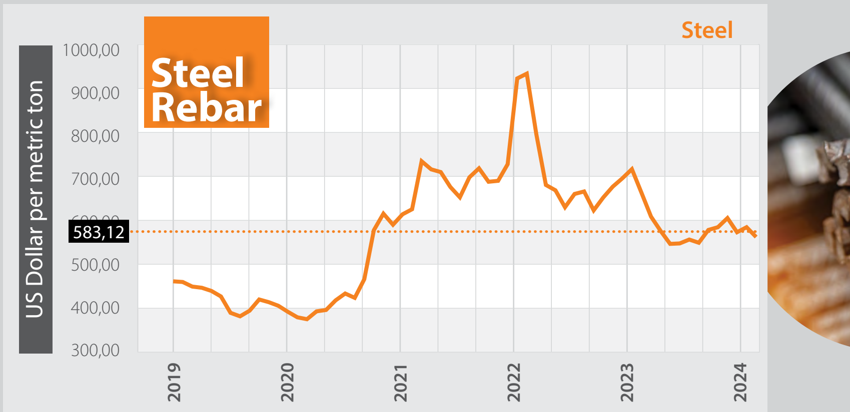
The pervasive theft of infrastructure in the country remains financially destructive and socially abhorrent, given its compounding impact on struggling communities. Insimbi continues to support realistic initiatives to curb or, better still, eradicate this scourge, which we believe must begin with proper policing and law enforcement.

Transnet's challenges have been well-documented, and we welcome the appointment of new leadership









for the state utility. While some progress is being made, an ineffectual national logistical infrastructure has serious fiscal implications for the country and its sizeable export markets. Although Insimbi's exports only account for around 10% of total revenue, the additional cost of road transport to counter logistical constraints becomes a significant factor. As sharp increases in petrol and diesel prices in 2023 could only partially be passed on to customers, we concentrated on optimising our road-freight costs.

From the already high base of 2022, South Africa faced another year of record loadshedding in 2023, as Eskom battled to keep the national power grid stable. While Insimbi is largely able to operate normally through periods of zero or curtailed power, addressing the stability of Eskom must be the foremost national priority – sustained economic growth is simply not possible without security of power supply. The rapid increase in renewable energy supply primarily by large companies is most encouraging, with a record 25 days of uninterrupted power at the time of writing. However, the ability of these companies or independent power producers to wheel surplus energy to the national grid remains mired in bureaucratic requirements and infrastructural limitations, such as the availability of high-voltage networks.

SEGMENTAL REVIEW

Ferrous

Our ferrous segment supplies raw material inputs to the local steel and stainless steel industries. Margins remain under pressure because of the ongoing parallel preferential-pricing system for local steel mills applied by the International Trade Administration Commission of South Africa (ITAC), which administers the import/export control regime across South Africa's borders. The diverse revenue streams within this segment partially offset the impact of the export ban, and a restructured Treppo returned to profitability.

Non-ferrous

This segment again performed well in its target markets which include the export, secondary aluminium, automotive and foundry industries. Despite lower prices for copper and aluminium-based non-ferrous metals, as well as the impact of the export ban on margins, the segment increased local sales to record acceptable results for the year. The global trend to eco-friendly battery-operated transportation is well entrenched and positive for this segment, which processes and provides a range of non-ferrous metals used in manufacturing electric vehicles.

Refractory

Our refractory business is a small component of revenue but provides important products and technical support to the platinum group metal (PGM) and steel industries. It performed very well, reflecting sustained demand particularly in its core focus area – supplying high-grade refractory materials for rotary kilns in the cement, and paper and pulp industries. We believe this segment benefits from power-supply issues, like loadshedding or load curtailment, as customers tend to complete maintenance projects when they are forced to shut plants down.

OUTLOOK

The group proved its resilience in volatile conditions during the review period and benefited from the commitment of our teams. In summary, Insimbi has:

- Entrenched cost management as a core discipline and focus area.
- Further enhanced its ability to adapt to changing circumstances and the economic environment, achieving more with less.
- Established the group as an industry leader in its target markets.
- Protected margins as a diversified industrial group.

Our focus remains on supplying recycled and beneficiated ferrous and non-ferrous metals for local and export clients. The global focus on decarbonisation and vehicle electrification continues to support higher copper and aluminium prices, in turn boosting our revenue and margins. In addition, working capital and cash flow throughout our operations have been well managed, and we are steadily degearing our balance sheet. While the risk of external disruptions remains high, we believe we have demonstrated the group's ability to withstand these in recent years.

The local economy remains fragile, with gross domestic product (GDP) growth of just 0,9% in 2023 in the wake of higher interest rates and inflation as well as a volatile rand.

The year ahead is expected to be similar to 2023, given the international stressors noted earlier. For Insimbi, our focus for the short to medium term is effectively managing operating expenditure and reducing our interest-bearing debt to facilitate organic growth. This growth, in turn, will be supported by normalised export activities.

Additional tailwinds will be generated by a return to meaningful economic growth in South Africa and progress on infrastructural development, albeit against the caveat of the outcome of national elections in May 2024.

APPRECIATION

The second half of FY24 was a difficult period. We deeply appreciate the commitment of excellent teams across the group working to deliver more with less, and reinforcing our clarity of purpose. With your ongoing support, and the valuable contribution of our board, we face future challenges with confidence.

I also thank all our stakeholders including shareholders, customers, and suppliers. Your support is the foundation of our continued growth.

Frederick Botha
Chief executive officer
Johannesburg
30 May 2024

> Insimbi performed exceptionally well in these challenging times and the outlook remains optimistic.

OVERVIEW

In the 2024 financial year the group experienced difficult trading conditions, exacerbated by high interest rates. The continued focus on cost-cutting has however mitigated these negative impacts to some extent.

REVENUE AND GROSS PROFIT

Group revenue decreased by 2% from R5,7 billion to R5,6 billion. Group volumes have declined 26% year on year, largely as a result of the ban on the exports of recycled metals, the impacts of continued loadshedding on the South African trading environment and a lower number of trading days throughout the year. The lower volumes have been offset by a weaker Rand, as most commodity prices are USD based.

Margins have also been under pressure because of the ban mentioned above, and group margins for the year decreased from 9,21% in 2023 to 8,10% in the current financial year. This caused gross profit for the year to reduce by 15% from R528 million in 2023 to R451 million on the current year.

OPERATING PROFIT AND COSTS

The group's continued focus on cost cutting has resulted in a reduction in operating costs of R21 million, or 6% from 2023, despite the high levels of inflation. All expense categories were reduced year-on-year, with the reduction in employee costs most noticeable, being 8% or R14 million lower than in 2023. Other operating income for 2024 was R15 million lower than the previous financial year, due to a gain on extinguishment of loan recognised in 2023. As a result, operating profit has reduced by R77 million to R123 million in the current year.

FINANCE COSTS

High interest rates throughout the financial year have severely impacted on the profitability of the group as net finance costs for the financial year totalled R73 million compared to R59 million in the previous financial year. The group repaid interest bearing debt of R40 million, however increased its working capital facilities, resulting in an increase in net debt of R9 million. The increase in working capital facilities were necessitated by the ban on exports as mentioned above, as local customers enjoy longer payment terms, and have stretched these terms even further in the current year.

WORKING CAPITAL

Trade and other receivables at year end amounted to R637 million compared to R609 million at the previous financial year-end, and the average trade receivables days increased from 37 days to 39 days. Inventories at year-end amounted to R335 million (2023: R305 million). This increase is a result of importing product, as some products are no longer being produced locally, coupled with delays in shipping and the impact of the exchange rates on the value of products. Net working capital (Trade and other receivables + stock – trade and other payables) increased to R672 million from R634 million in 2023.

CASH FLOW AND GEARING

Cash generated from operations decreased from R158 million in 2023 to R122 million, due to the increased working capital cycle. R22 million was released by our customers before year-end, however due to a "glitch" in the banking systems, only reflected in our bank accounts after year-end. A total of R65 million was received in the first 24 hours after financial year-end.

The debt-to-equity ratio at year end increased to 66% from 61% in the 2023 financial year. More details can be found in the Annual Financial Statements in note 35.

Nadia Winde
Chief Financial Officer
Johannesburg
30 May 2024

DIRECTORATE: EXECUTIVE DIRECTORS

FREDERICK BOTHA (60)

Chief Executive Officer: Insimbi Group

Member of the Executive Committee, permanent invitee on the Remuneration and Nominations Committees, and member of the Investment Committee

BCom (UCT), BCompt (Hons) (UNISA), Chartered Accountant (South Africa)

Fred completed his articles with Coopers & Lybrand (now PricewaterhouseCoopers). Fred's experience includes both financial and operational positions in South Africa, Malawi and Zambia. He joined Insimbi in 2002 as Commercial Director and was appointed Financial Director in April 2014. Fred was subsequently appointed the Chief Executive Officer of the group on 1 June 2017. He is also integrally involved in vetting of investment opportunities, due diligences and making proposals to the board regarding acquisitions which meet the company's investment strategy criteria.

NADIA WINDE (36)

Chief Financial Officer

Member of the Executive Committee,
Member of the Investment and Social, Ethics and Transformation Committees

BCom (University of Johannesburg), BComp (Hons) (University of Johannesburg), Chartered Accountant (South Africa)

Nadia completed her articles with KPMG Inc. and has been with the group since 2014, during which time she has been in charge of group finance including the compilation of interim financial results and the Integrated Annual Report and the related SENS announcements.

She was appointed to this position on 1 October 2020.

ROBERT IAN DICKERSON (71)

Chairman of the board, Independent Non-executive Director

Chairman of the Nominations and the Investment Committees,
Member of the Audit and Risk Committee, and
the Social, Ethics and Transformation Committee

BCom (UNISA)

Robert is a seasoned businessman with experience of over 40 years. He is the founder of Dickerson Investments Proprietary Limited and is the former Chief Executive Officer and Group Chairman of the Fidelity Services Group. He has previously held senior financial, sales and marketing, and chief executive officer positions at the Chubb group of companies. He is currently a non-executive director of the Fidelity Security Group as well as a non-executive director of a number of other non-listed companies, including New Seasons Investment Holdings.

Robert joined the Insimbi board on 16 January 2017 and was appointed as Chairman of the board in December 2017.

DIRECTORATE: NON-EXECUTIVE DIRECTORS

NELSON MWALE (63)

Non-executive Director

Chairman of Remuneration Committee,
Member of the Nominations and Investment Committees

HDip (Mech Eng) (Technikon Witwatersrand), Diploma in Management (Henley), Management Advancement Programme (Wits Business School), MBA (Brunel, UK)

Nelson's work experience spans across several manufacturing industries, including working as a Projects Engineer at Barlows Earthmoving Equipment Company, Technical Engineer at Dorbyl Structures and Packaging Manager at SAB, where he was also involved in general project management. Nelson is the former operations director and shareholder of Namitech. He has vast experience in the West and East African markets and was instrumental in setting up the Namitech West Africa operation in Nigeria.

Nelson was the Chief Executive Officer of NSIF and continues to serve on numerous boards of group companies within the New Seasons portfolio, such as Fidelity Services Group Proprietary Limited, Packsolve Proprietary Limited, Cargo Carriers Proprietary Limited and Insimbi Industrial Holdings Limited.

CLEOPATRA SALAPHI NTSHINGILA (59)

Independent Non-executive Director

Chairperson of the Audit and Risk Committee, the Social, Ethics and Transformation Committee, and member of the Remuneration and Nominations committee

BA (Law) LLB (University of Swaziland), H Dip Tax (Wits)

Cleopatra studied Intermodal Logistics, brokering and chartering, as well as port and terminal operations at the Global Maritime school in New York and has completed a number of leadership development courses, including Advanced Strategic Management (IMD, Switzerland), Advanced Project Finance (Institute of Euromoney, London) and Advanced Leadership Development Programme (GIBS).

Cleopatra formerly held the position of the General Manager to the Office of the Chief Executive of Transnet Freight Rail. She has served on several legal committees, as well as acting as General Counsel on the Executive Board of the Union of African Railways and as the African Region representative that advised the Executive Board of the International Association of Railways in Paris. Her experience includes positions as non-executive director and/or chairperson of various listed and unlisted companies and board committees. She was appointed to the board of Insimbi on 7 July 2015.

MATSELISO MADHLOPHE (38)

Group Company Secretary

Governance Practitioner (Chartered Governance Institute of Southern Africa)

Matseliso started her career in Public Sector and joined Insimbi in April 2019 as Group Assistant Company Secretary.

Matseliso was appointed as the Group Company Secretary of Insimbi Group on 1 August 2020.

CORPORATE GOVERNANCE

We believe that good governance creates and preserves value by ensuring responsible and ethical behaviour as well as enhancing accountability, leadership, risk management and transparency. The board ensures that the company carries out its business in line with good governance principles, the Companies Act 71 of 2008 and JSE listing Requirements.

The board provides strategic direction, and management is responsible for the implementation of the strategies set out by the board. The board has several Board committees to whom it delegates its authority, with the mandate to deal with governance issues and report back to the board. Each committee operates under terms of reference which set out its roles and responsibilities.

Delegation of Authority and operational governance

A delegation of authority framework sets out those matters that are reserved for the board and those that are delegated to the CEO, CFO, and executive management; to ensure role clarity and an effective exercise of authority.

BOARD OF DIRECTORS

Board composition that is fit for purpose.

Our board comprises a suitable balance of knowledge, skills, experience, diversity and independence to carry out its governance role and responsibilities objectively and effectively. The board recognises that having a blend of attributes across all facets of diversity, will lead to more thorough and robust decision-making processes and direction. Through the Nominations Committee, the board formally adopted a Diversity Policy. At the time of reporting, the board comprises five members: one black female, one white female, one black male and two white males. Details of the directors with brief *curricula vitae* can be found from page 16 to 17.

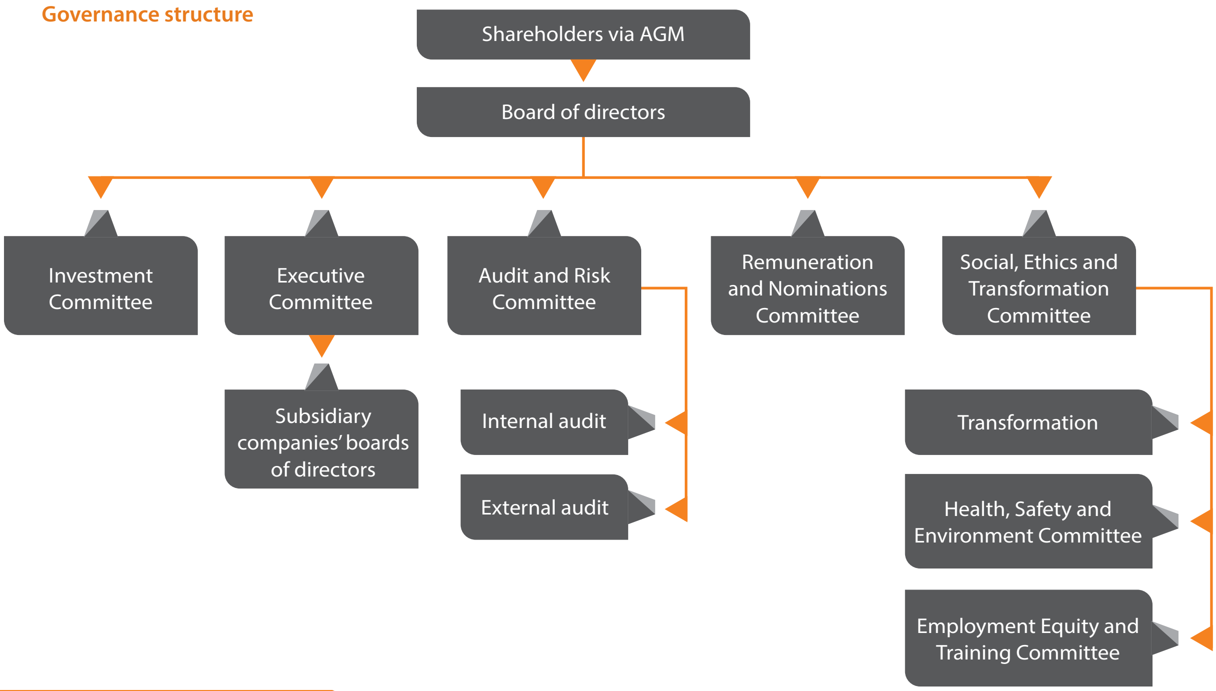
Robert Dickerson is the Chairperson of the board and an independent non-executive director. The roles of Chairperson and Chief Executive Officer are separated and delineated, each with clearly defined responsibilities.

The board comprises of independent non-executive directors who are not shareholders, who are not affiliated with the executives of the group. When required, the independent board provides vigilant oversight to mitigate risk and promotes shareholder value.

Board performance

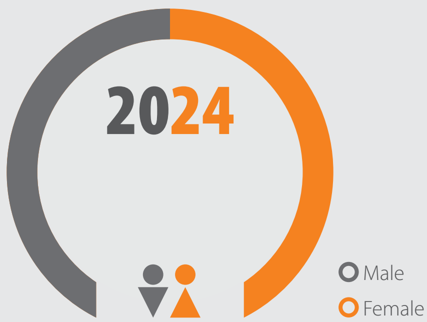
The board's annual self-evaluation was conducted and the results shows that the board continues to be well run, and well led. The board members are performance orientated, competent and highly effective. The strategies continued to be supported by the risk management approach and capabilities from the executive team. The board continued to act as a cohesive unit that has set an example on value-based governance in the way members interact, make decisions and lead management.

Governance structure



Board transformation

Board gender diversity



Attendance at board and committee meetings:

	Board	Audit and Risk	Rem Com#	Social and Ethics	Invest-ment
F Botha	3	2*	3*	2*	1
RI Dickerson	3	2	3	2	1
N Mwale	3	2	3	n/a	1
CS Ntshingila	3	2	3	2	n/a
N Winde	3	2*	3*	2	1*
Total number of meetings	**3**	**2**	**3**	**2**	**1**

Remuneration and Nominations

* *attended by invitation*

ACCOUNTING AND AUDITING

The board is responsible for ensuring that the group maintains adequate records and reports accurately and reliably on the financial position of the group and the results of its business activities. The external auditors are responsible for independently auditing and reporting on the financial statements in accordance with International Financial Reporting Standards (IFRS).

The annual financial statements were prepared under supervision of Mrs N Winde CA(SA), Chief Financial Officer, and audited by Moore Cape Town Inc. in terms of the Companies Act, IFRS and the Listings Requirements.

DIRECTORS' DEALINGS

All directors and senior executives with access to financial and any other price-sensitive information are prohibited from dealing in Insimbi shares during "closed periods", as defined by the JSE rules. A formal email communication is distributed company-wide informing all employees and directors prior to closed periods. Directors are required to obtain clearance to deal in the company's shares from the chairman at all times.

CONFLICTS OF INTEREST

Each director discloses any direct and indirect interest in the share capital of the company. The board assesses the materiality of the director's interest but considers holdings of less than 5% as immaterial. All material and potential conflicts of interests between a director and the company are declared and recorded at every board meeting. Where a material or potential conflict arises, the matter is addressed according to the provisions of the Companies Act and the Code of Business Conduct and Conflict of Interest policy. These matters are also reported to the shareholders at the annual general meeting. For the period under review, there were no declaration of interest declared.

COMPANY SECRETARY

The board appointed Matseliso Madhlophe as the Group Company Secretary on 1 August 2020. The board is confident that she possesses the appropriate qualifications, competence, and experience to provide the necessary support.

GOVERNING STAKEHOLDER RELATIONSHIPS

We engage proactively and transparently with key stakeholders, including investors, suppliers, lenders, and employees. The board formalises strategies to enhance stakeholder relations with the company. Shareholders are encouraged to attend the annual general meeting, to be held on 8 July 2024 at 10:00, details of the annual general meeting are included in the notice of the meeting on page 94 to 100.

INTEGRATED REPORTING AND CONTINUOUS DISCLOSURE

The Company Secretary liaise with the board to ensure that the company complies with its obligations, the directors ensure that timely and accurate information is provided to all stakeholders. The board acknowledges its responsibility to ensure the integrity of the integrated report, and its responsibility statement authorising the release of the integrated report appears on page 28 of this report.

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT

COMPOSITION

The committee comprises of two non-executive directors and one executive director. Other executives of the company attend committee meetings by invitation. Below is the committee members and invitees.

Mrs CS Ntshingila
Non-executive director (Chairperson)

Mr RI Dickerson
Non-executive director

Ms N Winde
Executive director

The following individuals in management positions attended by invitation:

Mr F Botha
Group CEO

Ms N Legodi
B-BBEE and Transformation

Ms V Burness
Group Human Resources Manager

Dr W Peens
Group Safety, Health and Environmental Manager

The committee held two meetings for the year under review; 2 March 2023 and 7 September 2023.

COMMITTEE RESPONSIBILITIES

- Govern and oversee the group's socio-economic transformation imperatives, as well as its drive to instil an ethical culture across the organisation at all levels.
- Ensure that the board has a sound ethics policy.
- Ensure that the group is a socially responsible corporate citizen.
- Adopt learnership programmes to accelerate and achieve social and transformation initiatives in disadvantaged communities.
- Promotes responsible business practices, ethical conduct, and sustainability throughout the group.

Health, safety, and the environment

There were no work-related fatalities recorded for the year under review, this was attributed to ongoing daily interaction between the safety officials and staff on all levels, making sure all staff are aware and working towards Insimbi's common goals of zero injuries in the workplace, enforcing zero tolerance for any safety transgressions, and maintaining a safe and healthy workplace for all to work in.

Empowerment, transformation, and skills development

For the year under review 11 Learnerships were implemented. The group offers school fees assistance to the employees' children.

Employment Equity and Training Committee

Each entity within the Insimbi Group has its own Employment Equity and Training Committee that consists of representation of all levels of employment and proper representation across all race groups and gender to ensure accurate representation and focus skills development. The committees met 4 times during the year under review.

OWNERSHIP

The group's black shareholding ownership for the year under-review is Ownership 21,74%.

STAKEHOLDER ENGAGEMENT

Insimbi strives to be a transparent corporate citizen. Insimbi's website contains a range of stakeholder-related information and presentations.

COMMITTEE ASSURANCE

The committee has regulated its affairs in compliance with its terms of reference for the reporting period and has discharged its responsibilities accordingly.

Ms CS Ntshingila
Chair: Social, Ethics and Transformation Committee
30 May 2024

REMUNERATION AND NOMINATIONS COMMITTEE REPORT

The Remuneration Committee focuses on entrenching fair and equitable remuneration practices in a manner that is sustainable and aligned with shareholder requirements.

The Nominations Committee focuses on board vacancies and appointments.

COMPOSITION

The committee comprises of three non-executive directors. The membership of the committee is as follows:

- Mr N Mwale (Remuneration Committee Chairperson)
- Mr RI Dickerson (Nominations Committee Chairperson)
- Mrs CS Ntshingila

Attendees at committee meetings include the Chief Executive Officer, the Chief Financial Officer, and the Company Secretary. For the year under review, three meetings were held 25 April 2023, 4 October 2023, and 7 February 2024.

ROLES AND RESPONSIBILITIES RELATED TO REMUNERATION

- Annually review the Remuneration Strategy and Policy and oversee the annual implementation of the remuneration policy to ensure its ongoing relevance.
- Ensure that executive directors are remunerated for their contribution to the company's overall performance, after giving due regard to the interest of the shareholders and to the financial and commercial health of the company.
- Ensure that the company remunerates directors, management, and employees fairly, responsibly, and transparently.
- Approve proposals on new short and long-term incentive schemes and, where appropriate, make recommendations to the board for approval by shareholders. Ensure that the Remuneration Policy and the Remuneration Implementation Report is put to a non-binding advisory vote at the annual general meeting of shareholders once a year.

ROLES AND RESPONSIBILITIES CONCERNING THE NOMINATION OF DIRECTORS

- Regularly assess the skills, knowledge, expertise, structure, size and composition of the board and board committees. Recommend any necessary adjustments, appointments, or new formations to the board.

REMUNERATION POLICY

To align with our commitment to fair and responsible remuneration and governance objectives, the committee has conducted a review of the Remuneration Policy and practices. We are satisfied that they remain relevant and that remuneration practices are in alignment with the policy objectives.

As required by King IV, the remuneration policy and implementation report will be tabled annually for separate non-binding advisory votes by shareholders at the AGM, and an engagement process will be conducted in the event that either are voted against by 25% or more of the voting rights exercised at the meeting.

The company maintains a performance-based culture. The performance of executive directors and senior management is aligned with performance by the setting of key performance indicators (KPIs) and measurement of performance against such KPIs. The company has also implemented the same KPI structure for employees at all levels, under this reporting period.

Emoluments paid to executive directors and prescribed officers appear on page 82 of the integrated annual report.

FIXED REMUNERATION

Insimbi applies discretion in all remuneration reviews and there is no guaranteed or minimum across-the-board increase to all employees. Gross remuneration adjustments for the 2024 financial year represent an increase of 6% over that of the prior year.

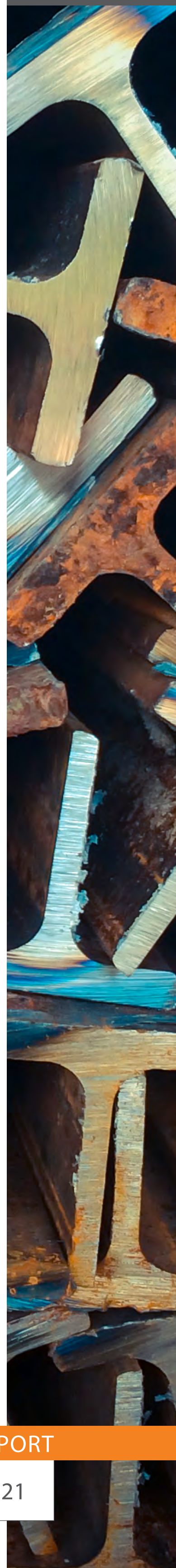
NON-EXECUTIVE REMUNERATION

Insimbi non-executive directors' (NEDs) fees are paid on an annual retainer basis to account for the responsibilities borne by the directors throughout the year. The NEDs receive fees for their services on the board and board committees, dependent on their attendance of meetings.

The group non-executive directors do not receive any short-term incentives, nor do they participate in the Employee Share Scheme, qualify for share options, or participate in any variable pay incentive schemes.

SHAREHOLDERS' NON-BINDING ADVISORY VOTE

In accordance with the recommendations of the King IV Report, resolutions on the remuneration policy and remuneration implementation report were presented for non-binding advisory voting by shareholders at the annual general meeting (AGM) held on 31 July 2023. The remuneration policy received support at 99,92% votes and remuneration implementation report received support at 99,99% votes.



IMPLEMENTATION REPORT

The annual financial statements of the group contain:

- The remuneration paid to the executive directors and prescribed officers of the company and its subsidiaries, while in office;
- Bonuses paid to the executive directors and senior management of certain subsidiaries as authorised by the board and in accordance with the bonus policy;
- The remuneration paid to the non-executive directors of the company;
- That the remuneration and bonuses paid during the reporting period were in line with the remuneration policy of the group.

PERFORMANCE AND RE-ELECTION

In terms of the memorandum of incorporation, one-third of the non-executive directors should retire by rotation. Mrs C Ntshingila will retire by rotation at the annual general meeting scheduled for 8 July 2024 and will be eligible and has made himself available for re-election. The committee recommends her for re-election to the board.

APPROVAL

This Remuneration and Nominations Committee report has been approved by the board of directors of Insimbi.

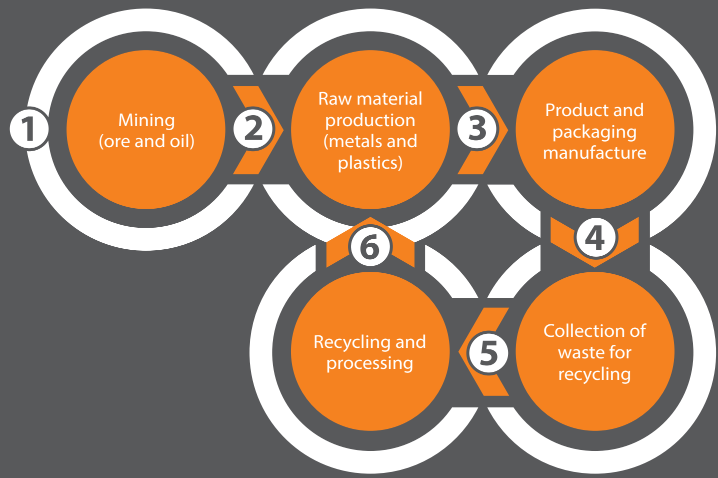
RI Dickerson
Chair:
Nominations Committee
30 May 2024

N Mwale
Chair:
Remuneration Committee
30 May 2024

Insimbi plays a role in reducing waste by clearing it through recycling business. Our operations form an important part of the clean-ecosystem chain, by removing waste products from landfills and our water supply, and transforming them into usable materials.

The waste chain

The clean-ecosystem chain



Materials sourcing

As demonstrated in the diagrams above, there is a significant divergence between the "waste chain" method of business and the "clean-ecosystem chain" method.

The clean-ecosystem chain also reduces our dependency on mining to provide the raw materials needed for metals and plastics manufacturing. Metals mining and ore processing also has a significant environmental impact, using high levels of energy and chemical processes to extract the metal from the ore. By recycling metals, we reduce these levels of energy use and other environmental damage, while still enjoying the benefits of quality metals for manufacture.

OUR POLICIES

Environmental policy

It is our policy to:

- assess our activities, products and services with respect to their environmental aspects and impacts and incorporate all practicable procedures and controls to prevent environmental damage and pollution;
- promote environmental awareness among our employees and encourage them to work in an environmentally responsible manner;
- promote efficient use of materials and resources throughout our facilities - including water, electricity, raw materials and other resources - and reducing, reusing or recycling waste materials;
- avoid unnecessary use of hazardous materials and products, seek substitutions when feasible and take all reasonable steps to protect human health and the environment when such materials must be used, stored and disposed of;
- minimise control and, as far as possible, prevent the release of pollutants or other substances into the air, water or land; and
- promote water conservation in our facilities through rainwater harvesting, low-flow taps in wash basins, low-flow/energy-efficient shower heads and low-flush toilets, reuse of grey water, and repairing leaks immediately.

Waste management policy

We minimise our waste production through the principles of Reduction, Re-use and Recycling throughout our operations, and ensuring that all operations and activities are fully compliant with all current waste management legislation.

The aims of our waste management policy are to:

- minimise waste production throughout the group; and
- operate within full compliance of environmental legislation.

The policy's objectives are to:

- identify areas of waste production;
- identify the most efficient methods of reducing waste production and maximising the reuse or recycling of waste material;
- manage the process to ensure compliance with best practice;
- through training and support, ensure that all staff are aware of their responsibilities under environmental law and how compliance can be achieved and maintained.

THE SIX CAPITALS

Capitals model

A brief outline of the capitals model (natural, human, social, manufactured, financial and intellectual capital) is included below. The sustainability of all aspects of the model has been considered.

Natural capital

Natural capital includes the natural resources and processes needed by Insimbi to produce its products. This includes renewable (such as water) and non-renewable (fossil fuels, minerals and metals) resources, and processes such as energy consumption, waste creation, emissions, etc. Without access to natural capital, Insimbi could not operate.

Our intrinsic business model is built around the preservation of the natural environment, and on reducing the country's dependence on newly-mined raw materials. Our "aboveground mining" approach directly and indirectly benefits the natural environment, making this capital vitally important to our business.

Insimbi maintains and enhances natural capital by:

- focusing our business operations on the collection and processing of recyclable materials;
- eliminating waste by reusing or recycling wherever possible;
- reducing our dependence on fossil fuel;
- protecting biodiversity and ecosystems;
- wherever possible using renewable resources for well managed and restorative ecosystems; and
- managing resources and reserves efficiently.

Human capital

Human capital includes health, safety knowledge, skills, intellectual outputs, motivation and the capacity for relationships of individuals.

Total Insimbi Group

Occupational level	Female				Male				Foreign Nationals		**Total**
	A	C	I	W	A	C	I	W	M	F	
Top management				2		1		4			**7**
Senior management			1	6	4	1	1	11	1		**25**
Professionally qualified and experience specialists and mid-management	4		3	9	7	2		13			**38**
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	14	2	3	11	34		1	15	2		**82**
Semi-Skilled and discretionary decision making	23	1	2	8	152	3	3	20	2	1	**215**
Unskilled and defined decision making	12			3	115			5			**135**
Total permanent	**53**	**3**	**9**	**39**	**312**	**7**	**5**	**68**	**5**	**1**	**502**

Our current employee breakdown by race and gender is as follows:

Social and relationship capital

Social capital is any value added to the activities and economic outputs of an organisation by human relationships, partnerships and cooperation. Organisations rely on social relationships and interactions to achieve their objectives. Organisations also rely on wider socio political structures to create a stable society in which to operate, e.g. government and public services, effective legal systems, trade unions and other organisations.

To enhance social capital, we:

- contribute to open, transparent and fair governance;
- source material ethically, treat suppliers, customers and citizens fairly;
- respect and comply with all governing legislation;
- provide communication; and
- minimise any negative social impacts of our operations and maximise the positive impacts.

Socio-Economic development

The Insimbi Group is committed to contributing to corporate social investments that uplift the communities in which we operate. We also assist staff via bursaries with funding their children's and dependant's education.

Enterprise and Supplier Development

The Insimbi Group has implemented Enterprise development and Supplier Development initiatives for beneficiaries that are 100% Black Owned. As part of the company's transformation objective, we aim to provide sustainable access (for EME and QSE's) through the Supplier Development Programmes. The funding provided to these beneficiaries is based on their individual enterprise or suppliers needs.

Manufactured capital

Manufactured capital in the trading context relates to the trading process and how it is conducted and the commodities which are being sourced and delivered to local and international customers.

We enhance our manufactured capital by:

- employing our infrastructure, technologies and processes to use our resources most efficiently; and
- devising technology and management systems that reduce our waste emissions.

Financial capital

Financial capital makes it possible for the other types of capital to be owned and traded and is representative of how successful the group has been at achieving the sustainable development of its natural, human, social or manufactured capital.

We enhance our financial capital through:

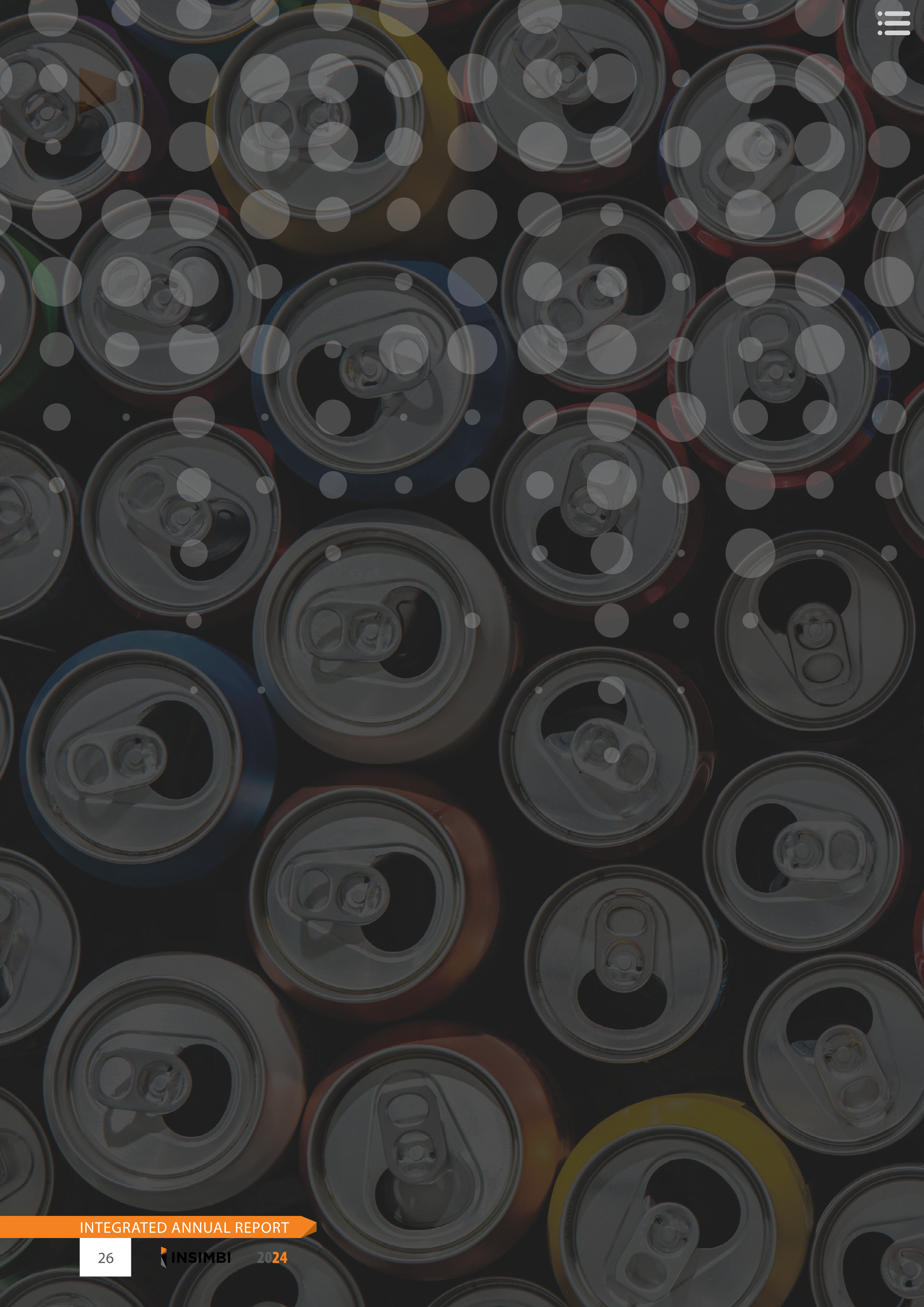
- effective management of risk;
- corporate governance structures;
- assessing the wider economic impacts of our activities on society; and
- continuously reviewing our processes and procedures to identify areas for possible improvement.

Intellectual capital

Insimbi's intellectual property is protected through employment contracts and confidentiality agreements and/or licence agreements with external parties. These agreements establish ownership of and rights to: trademarks, copyright, trade secrets, innovations, and inventions resulting from any dealings with the group. Where the group has identified potential infringements, it will not hesitate to take steps (including instituting legal proceedings) to protect its interests.

Why the capitals matter to our sustainability

Commitment to the six capitals is more than a simple commitment to following guidelines and good business practice. It is a clearly defined path for us to follow towards creating a business that will be economically, environmentally and socially sustainable for the long term.



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3 SHAREHOLDERS INFORMATION

DIRECTORS' RESPONSIBILITY AND APPROVAL

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements (the annual financial statements) and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB®). The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with IFRS® Accounting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost–effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The group complies with the provisions of the Companies Act and operates in conformity with its Memorandum of Incorporation (MOI).

The directors have reviewed the group and company's cash flow forecast for the 16 months to 30 June 2025 and, in the light of this review and the current financial position, they are satisfied that the group and company has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the group's annual financial statements. The annual financial statements have been examined by the group's external auditor and their report is presented on pages 31 to 34.

The annual financial statements set out on pages 35 to 92 have been prepared on a going concern basis, under supervision of the Chief Executive Officer, Mr F Botha CA(SA) and the Chief Financial Officer, Ms N Winde CA(SA). The annual financial statements have been audited in compliance with the Companies Act 71 of 2008, and were approved by the board on 30 May 2024 and signed on its behalf by:

F Botha
Chief Executive Officer
Johannesburg
30 May 2024

N Winde
Chief Financial Officer
Johannesburg
30 May 2024

CERTIFICATE BY COMPANY SECRETARY

In terms of section 88 of the Companies Act, I certify and confirm that the company has filed all such returns and notices as are required of a public company in terms of the Companies Act to be lodged with the Companies and Intellectual Property Commission, for the year ended 29 February 2024, and that all such returns and notices are true, correct and up to date.

M Madhlophe
Company Secretary
Johannesburg
30 May 2024

CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

Each of the directors, whose names are stated below, hereby confirm that –

(a) the annual financial statements set out on pages 35 to 92, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;

(b) 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;

(c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

(e) Where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies;

(f) We are not aware of any fraud involving directors.

F Botha
Chief Executive Officer
Johannesburg
30 May 2024

N Winde
Chief Financial Officer
Johannesburg
30 May 2024

AUDIT AND RISK COMMITTEE REPORT

COMPOSITION

The committee comprises of three non-executive directors, Mrs CS Ntshingila (chairperson), Mr RI Dickerson and Mr Mwale. Details of membership of the committee can be found on page 16. The re-appointment of the current members will be tabled at the annual general meeting to be held on 8 July 2024 for voting by the shareholders.

The committee has an independent role, and it is accountable to both the board and to shareholders.

THE REPONSIBILITIES OF THE COMMITTEE

- Oversight of integrity in the preparation of the financial statements in compliance with all applicable laws and regulations.
- Assist the board in carrying out its functions relating to adequate risk management and ensuring the effectiveness of the company's internal controls.
- Oversees information technology within the group, assess IT risks, monitor cybersecurity measures, and ensures that data privacy practices are in place.
- Oversight of the organisation's combined assurance model that guarantees achievement of absolute assurance.
- Review and approve the audit plan provided by the external auditor, and recommend to the board the appointment of the external auditor.

The committee held two meetings for the year under review, 29 May 2023, and 23 November 2024.

THE COMMITTEE PERFORMED THE FOLLOWING ACTIVITIES RELATING TO THE AUDIT FUNCTION DURING THE YEAR UNDER REVIEW, IN LINE WITH THE DUTIES REQUIRED IN TERMS OF THE COMPANIES ACT, KING IV AND THE JSE LISTINGS REQUIREMENTS.

Expertise and experience of the chief financial officer

The committee is satisfied that the expertise and experience of the CFO, Mrs N Winde is appropriate to meet the responsibilities required by the position. This is based on the qualifications, levels of experience and the board's assessment of the financial knowledge of the CFO.

JSE compliance

The committee noted and reviewed the JSE's latest report on the proactive monitoring of financial statements for compliance with IFRS. The committee noted the items that required consideration in respect of the preparation of the interim statements and AFS and applied these considerations in their review of AFS of the year under review.

Risk management

The committee oversaw the implementation of the risk management plan on operational and strategic level with the assistance of the Head of Internal audit. The committee closely monitored the company's risk registers, key risks and mitigatory controls implemented in respect of these risks.

Internal financial controls

The committee has considered the company's system of internal financial controls and risk management, assessed information and explanations given by management and discussions with the external auditor on the results of the audit.

External audit

The committee recommended to the board the approval of the external audit engagement letter, plan, and audit fees, reviewed the audit results, evaluated the effectiveness of the auditor and its independence, and obtained a statement from the auditor on its independence.

Financial statements, accounting practices and going concern

The committee believes that, in all material respects, consolidated annual financial statements for the year under review comply with the relevant provisions of the Companies Act and IFRS. The committee confirmed that the group is going concern.

On behalf of the Audit and Risk Committee

CS Ntshingila
Chair: Audit and Risk Committee
30 May 2024

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Insimbi Industrial Holdings Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of Insimbi Industrial Holdings Limited ("the Company") and its subsidiaries ("the Group") set out on pages 40 to 92, which comprise the consolidated and separate statements of financial position as at 29 February 2024, and the consolidated and separate statements of profit or loss and other 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, and 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 Insimbi Industrial Holdings Limited and its subsidiaries as at 29 February 2024, 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 (IASB®) 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) 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). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Key audit matter (Group)	How our audit addressed the key audit matter

Annual impairment assessment of goodwill – Refer to Accounting Policy Note 5,16 and Note 11.
 	
Goodwill comprises 10.6% of total assets of the Group in the consolidated statement of financial position.
 	
As required by IAS 36 – Impairment of Assets, the directors conduct annual impairment assessments to test the recoverability of carrying amounts of goodwill, which are allocated to cash-generating units for the purpose of assessing impairment.
 	
Impairment assessments of goodwill is performed using a discounted cash flow model. There are a number of key judgements made in determining the inputs into the discounted cash flow model which include:
• Revenue growth (including forecast profits of the cash-generating units and forecast sales);
• Forecast profit and profit growth;
• Perpetuity growth rates; and
• The discount rates applied to the projected future cash flows.
 	
Given the significance of the goodwill to the consolidated financial statements and of the judgements involved in assessing any potential impairment, the impairment assessment of goodwill was considered to be a key audit matter.
	We focused our testing of the directors' annual assessment of the impairment of goodwill on the model used and the key assumptions applied.
	
	Our audit procedures included:
	• Critically evaluating whether the discounted cash flow model used by the directors to calculate the value in use of the individual cash-generating units complies with the requirements of IAS 36 noting no aspects requiring further consideration.
	• Challenging the assumptions used by the directors in the calculations for each cash generating unit by involving our internal valuation specialists as part of our audit team:
	  • To evaluate and re-calculate the discount rates and evaluate the perpetuity growth rates in relation to external market data, and
	  • Assessing the reasonableness of assumptions relating to revenue growth and profit growth in relation to our knowledge of the Group and the industries in which it operates, and through performing the procedures on the projected cash flows as described below.
	• Analysing the future projected cash flows for the individual cash-generating units to determine whether they are reasonable and supportable given the current macro-economic climate and expected future performance of each cash generating unit.
	• Comparing the projected cash flows, including the assumptions relating to revenue growth rates, profit growth and perpetuity growth rates, against historical performance to test the accuracy of the directors' projections.
	• Subjecting the key assumptions to sensitivity analyses.
	• Evaluating the adequacy of the financial statement disclosures, including the disclosure of key assumptions made by the directors.
	
	Based on our work performed we noted no material differences and accepted management's forecasts as reasonable.

We have determined that there are no key audit matters to communicate in our report for the Company.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Insimbi Industrial Holdings Limited 2024 Integrated Annual Report", which includes the Directors' Report, Certificate by the Company Secretary and the Audit and Risk Committee Report as required by the Companies Act of South Africa, which we obtained prior to the date of this report. 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 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 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.

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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgement and maintain professional skepticism 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 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

- 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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Moore Cape Town Inc. has been the auditor of Insimbi Industrial Holdings Limited for 4 years.

Moore Cape Town

Moore Cape Town Inc.
Chartered Accountants (SA)
Registered Auditors

Per: Pierre Johannes Conradie
Director
Chartered Accountant (SA)
Registered Auditor

30 May 2024

2nd Floor Block 2
Northgate Park
Paarden Eiland
7406

DIRECTORS' REPORT

The directors are pleased to present their report on the activities of the company and the group for the year ended 29 February 2024. The consolidated and separate financial statements for the year ended 29 February 2024 were approved by the directors at a meeting held on 30 May 2024.

Insimbi Industrial Holdings Limited (Insimbi) is a public company incorporated in South Africa and listed on the JSE. Insimbi provides the steel, aluminium, cement, foundry, plastics, paper and pulp industries with resource-based commodities like ferrous and non-ferrous alloys, as well as refractory materials, by integrating the supply, logistics and technical support function.

GENERAL REVIEW

Insimbi continues to operate from premises in Johannesburg, Durban and Cape Town, including the AMR group active from sites in Devland, Booysens and Roodepoort on the West Rand and Group Wreck in Phoenix and Queensburgh in KwaZulu-Natal. In November 2019 Insimbi acquired the Treppo group which operates in Johannesburg and KwaZulu-Natal. Insimbi has exported goods and materials across the world, including South America (Argentina and Brazil), Australia, Middle East (Bahrain, Israel and UAE), China and Asia (Hong Kong, India, Malaysia, Singapore and Taiwan), elsewhere in Africa (Angola, Botswana, Democratic Republic of Congo, Ghana, Kenya, Malawi, Mozambique, Namibia, Nigeria, Republic of the Congo, Rwanda, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe), Europe (Germany, Spain, Sweden and Switzerland) and the USA.

The financial results of the group and the company for the year ended 29 February 2024 are set out herein with commentary in the Chairman's, CEO's, and CFO's reports.

SHARE CAPITAL

The issued share capital at year-end was 377 198 097shares.

DIVIDEND

An interim gross dividend of 2,5 cents per share has been declared by the board on 16 October 2023, and was paid on 20 November 2023. No final dividend has been declared.

EVENTS AFTER THE REPORTING PERIOD

There are no material facts or circumstances after 29 February 2024 that will affect the results being reported.

COMPLIANCE WITH KING IV

The Insimbi Group is committed to the principles of effective corporate governance and complies substantially with the principles of King IV. During the forthcoming year, Insimbi will be updating its analysis of compliance with King IV and developing a project to address any areas identified for improvement.

SPECIAL RESOLUTIONS ADOPTED BY THE COMPANY

At the annual general meeting held on 31 July 2023, the following special resolutions were passed. It was resolved that:

- The non-executive directors' fees be increased by 6%.
- The directors be authorised to re-purchase up to 20% of the company shares subject to certain conditions.
- The directors are authorised to provide direct or indirect financial assistance to a related or inter-related company or corporation, or to a member of a related or inter-related company or corporation, subject to section 45 subsections (3) and (4) and section 44 subsections (1), (2) and (3) of the Act and the Listings Requirements.

INTERESTS IN SUBSIDIARIES

As at 29 February 2024, Insimbi held the following interests in the subsidiaries listed below:

Name of subsidiary	Par value of issued shares	**Percentage holding 2024 %**	Percentage holding 2022 %	**Indebtedness 2024 R'000**	Indebtedness 2023 R'000
Insimbi Alloy Supplies Proprietary Limited	100 ordinary shares of R1 each	**100**	100	**182 248**	189 296
Insimbi Alloy Properties Proprietary Limited	100 ordinary shares of R1 each	**100**	100	**25 966**	20 296
Insimbi Refractory and Alloy Supplies Limited, incorporated in Zambia*$	10 ordinary shares of K1 000 each	**–**	10	**–**	–
Insimbi EmployeeCo Proprietary Limited^	1 000 ordinary shares of R0,01 each	**100**	100	**–**	–
Insimbi Manco Proprietary Limited^	1 000 ordinary shares of no par value	**0,02**	0,02	**–**	–
Amalgamated Metal Group Holdings Proprietary Limited*	20 000 ordinary shares of no par value	**23,31**	23,31	**–**	–
Treppo Group Proprietary Limited	283 ordinary shares of R1 each	**100**	100	**46 696**	74 662
Interest in subsidiaries through Insimbi Alloy Supplies Proprietary Limited					
Insimbi Aluminium Alloys Proprietary Limited	100 ordinary shares of R1 each	**100**	100	**–**	65 800
Insimbi Nano Milling Proprietary Limited	100 ordinary shares of no par value	**100**	100	**–**	–
Insimbi Refractory and Alloy Supplies Limited, incorporated in Zambia*$	90 ordinary shares of K1 000 each	**–**	90	**–**	–
Amalgamated Metals Group Holdings Proprietary Limited*	65 808 ordinary shares of no par value	**76,69**	76,69	**7 327**	2 227
Interest in subsidiaries through Insimbi Alloy Properties Proprietary Limited					
Metlite Alloy Properties Proprietary Limited$	100 ordinary shares of R1 each	**–**	100	**–**	–
M2M Properties Proprietary Limited	100 ordinary shares of no par value	**100**	100	**–**	–
Interest in subsidiaries through Insimbi Aluminium Alloys Proprietary Limited					
Minerals2Metals Proprietary Limited	1 000 ordinary shares of R1 each	**100**	100	**–**	–
Interests in subsidiaries through Amalgamated Metals Group Holdings Proprietary Limited*					
Group Wreck International Non-ferrous Proprietary Limited	3 060 B Class shares with no par value	**100**	100	**–**	–
Amalgamated Metals Recycling Proprietary Limited	100 ordinary shares of no par value	**100**	100	**(79 556)**	(27 818)
Amalgamated Metals West Rand Proprietary Limited	100 ordinary shares of R1 each	**100**	100	**–**	–
Amalgamated Metals Recycling SA Proprietary Limited	100 ordinary shares of R1 each	**100**	100	**–**	–
Spring Lights 1135 Proprietary Limited	100 ordinary shares of R1 each	**100**	100	**–**	–
Zamsaf Properties Proprietary Limited	100 ordinary shares of R1 each	**100**	100	**–**	–

INTERESTS IN SUBSIDIARIES CONTINUED

Name of subsidiary	Par value of issued shares	Percentage holding 2024 %	Percentage holding 2022 %	Indebted–ness 2024 R'000	Indebted-ness 2023 R'000
Interest in subsidiaries through Treppo Group Proprietary Limited					
Bulk Ferrous Exports Proprietary Limited	100 ordinary shares of R1 each	**100**	100	**–**	–
Fragcorp Proprietary Limited	100 ordinary shares of R1 each	**100**	100	**12 000**	12 000
Metfurco Trading Proprietary Limited	100 ordinary shares of R1 each	**100**	100	**–**	–
Steelco Broking Proprietary Limited	200 ordinary shares of R1 each	**100**	100	**–**	–

* *Effectively 100% holding within the group.* ^ *Special purpose entities under control of the group.*

$ *The company was dormant, and has been deregistered in the current financial year, therefore the shareholding is zero.*

DIRECTORATE

In accordance with the company's memorandum of incorporation Mr R Dickerson retires by rotation at the forthcoming annual general meeting but, being eligible, offers himself for re-election. A brief biographical note on Mr R Dickerson may be found on page 16 of this report.

DIRECTORS' AND PRESCRIBED OFFICERS' INTERESTS

Directors' and prescribed officers' interests

As at 29 February 2024, the directors' and prescribed officers' beneficial and non-beneficial, direct and indirect interests in the issued share capital of the company amounted to 47,89% (2023: 47,89%) in aggregate. The interests of the directors and prescribed officers are as follows:

Number of shares:	Beneficial Direct 2024	Beneficial Direct 2023	Beneficial Indirect 2024	Beneficial Indirect 2023	Non-beneficial Direct 2024	Non-beneficial Direct 2023	Non-beneficial Indirect 2024	Non-beneficial Indirect 2023
Directors								
F Botha	**–**	–	**36 847 300**	36 847 300	**–**	–	**673**	288 376
C Coombs	**–**	–	**21 950 200**	21 950 200	**–**	–		–
N Mwale	**–**	–	**–**	–	**–**	–	**82 000 000***	82 000 000*
IP Mogotlane ^	**–**	–	**–**	–	**–**	–	**–**	82 000 000*
RI Dickerson	**–**	–	**–**	–	**–**	–	**82 000 000***	82 000 000*
Prescribed officers								
CF Botha	**23 680 754**	23 680 754	**–**	–	**–**	–	**250 000**	250 000
EP Liechti#	**–**	19 517 724	**–**	–	**–**	–	**–**	250 000
S Green	**113 426**	113 426	**–**	–	**–**	–	**–**	–
Total	**23 794 180**	43 311 904	**58 797 500**	58 797 500	**–**	–	**82 250 673**	82 788 376

* *82 000 000 shares held by New Seasons Investment Holdings Proprietary Limited; not by individual directors (now K2017289277 (South Africa) Proprietary Limited – NS InvestCo).*

\# *Retired on 30 June 2023.*

^ *Resigned 18 January 2023.*

As at the date of preparation of this report, no directors or prescribed officers have disposed of any of the shares held by them as at 29 February 2024.

The current EmployeeCo and ManCo share ownership schemes do not involve direct ownership in Insimbi by management, as the portion of shares that have vested, had been settled in cash, and not in shares.

DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS

Emoluments paid to directors and prescribed officers of the group are as set out below:

	Fees 2024 R'000	Salary 2024 R'000	Expense allow-ances* 2024 R'000	Pension fund contri-butions 2024 R'000	Incentive bonus 2024 R'000	Share-based payments 2024 R'000	Total 2024 R'000	Total 2023 R'000
Executive								
F Botha	–	3 898	1 407	–	1 185	–	6 490	9 712
C Coombs[1]	–	–	–	–	–	–	–	7 268
N Winde	–	2 662	–	272	605	–	3 539	4 888
Total executive	–	6 560	1 407	272	1 790	–	10 029	21 868
Non-executive								
RI Dickerson	759	–	–	–	–	–	759	676
IP Mogotlane[2]	–	–	–	–	–	–	–	314
N Mwale	501	–	–	–	–	–	501	393
C Ntshingila	528	–	–	–	–	–	528	455
Total non-executive	1 788	–	–	–	–	–	1 788	1 838
Prescribed officers								
EP Liechti[3]	–	1 165	111	–	2 237	–	3 513	6 313
CF Botha	–	2 616	582	–	294	–	3 492	3 604
D de Beer[4]	–	438	7	–	257	782	1 484	3 499
S Green	–	2 586	299	278	–	–	3 163	3 506
M Dlamini[5]	–	395	–	38	–	–	433	–
C Coombs[1]	–	4 014	60	–	2 861	–	6 935	–
CM Lindeque[6]	–	–	–	–	–	–	–	3 064
M Oppert[7]	–	–	–	–	–	–	–	1 733
A Oppert[8]	–	–	–	–	–	–	–	893
B Antonio[9]	–	3 804	110	–	39	–	3 953	1 991
K Rossouw[10]	–	1 501	–	–	–	–	1 501	763
Total prescribed officers[11]	–	11 214	1 059	316	5 649	782	24 474	25 366
Total	1 788	17 774	2 466	588	7 439	782	36 291	49 072

* *Includes medical aid and travel allowances.*
[1] *Resigned as director on 6 February 2023 to maintain the balanced composition and level of independence of the board.*
[2] *Resigned 18 January 2023.*
[3] *Retired 30 June 2023.*
[4] *Retired 31 March 2023*
[5] *Retired 30 August 2022.*
[6] *Appointed as director of subsidiary on 1 September 2022.*
[7] *Appointed as director of subsidiary on 1 September 2022.*
[8] *Paid by the relevant subsidiary.*

AUDITOR

Moore Cape Town Incorporated continued as the group auditor for the 2024 financial year end.

GOING CONCERN

The directors have reviewed the group's cash flow forecast for the 16 months to 30 June 2025 and, in light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors are of the view that Insimbi is a going concern.

Some of the group's financial liabilities at amortised cost (refer note 26) are subject to covenant clauses, whereby the group is required to meet certain key financial ratios. When the covenant clause is breached, the lender is contractually entitled to request immediate repayment of the outstanding loan amount.

At year-end, the group breached the interest cover ratio (Earnings before interest and tax (EBITDA) divided by total interest should exceed 3). The ratio at year-end was 2,34. The group has obtained a waiver from ABSA for this breach, and ABSA has confirmed that it would not affect the availability of facilities.

Please refer to note 34 in the annual financial statements.

ADDRESSES:

Physical address
Stand 359
Crocker Road
Wadeville
Extension 4
Germiston
1407
Gauteng

Postal address
PO Box 14676
Wadeville
Germiston
1422
Gauteng

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 29 February 2024

		GROUP		COMPANY	
	Note	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Revenue	1	**5 590 294**	5 731 423	**51 205**	30 369
Cost of sales	4	**(5 139 331)**	(5 203 766)	**(456)**	(388)
Gross profit		**450 963**	527 657	**50 749**	29 981
Other operating income	2	**5 165**	19 939	**446**	20 436
Other operating gains/(losses)	3	**(5 744)**	721	**(6 238)**	(22 325)
Other operating expenses		**(327 125)**	(348 526)	**(20 301)**	(8 979)
Operating profit	4	**123 259**	199 791	**24 656**	19 113
Investment income	5	**2 582**	611	**24 196**	37 163
Finance costs	6	**(73 255)**	(58 604)	**(46 585)**	(24 526)
Income from equity-accounted investments		**6 005**	5 067	**–**	–
Profit before taxation		**58 590**	146 865	**2 267**	31 750
Taxation	7	**(15 714)**	(39 522)	**2 261**	(2 008)
Profit for the year		**42 876**	107 343	**4 527**	29 742
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Gains on property revaluation (net of taxation)		**–**	1 760	**–**	–
Total comprehensive income for the year		**42 876**	109 103	**4 527**	29 742
Total comprehensive income attributable to:					
Owners of the parent		**42 876**	109 103	**4 527**	29 742
Earnings per share for profit attributable to equity holders					
Per share information					
Basic earnings per share (cents)	8	**11,86**	27,94	**–**	–
Diluted earnings per share (cents)	8	**11,76**	27,62	**–**	–

The accounting policies on pages 44 to 55 and the notes on pages 56 to 90 from an integral part of the annual financial statements.

STATEMENTS OF FINANCIAL POSITION

for the year ended 29 February 2024

	Note	GROUP 2024 R'000	GROUP 2023 R'000	COMPANY 2024 R'000	COMPANY 2023 R'000
Assets					
Non-current assets					
Property, plant and equipment*	9	**339 812**	352 190	**5 356**	7 785
Right-of-use assets*	10	**7 419**	10 369	**–**	
Goodwill	16	**170 484**	170 484	**–**	–
Intangible assets	12	**13 627**	6 669	**7 451**	–
Investments in subsidiaries	13	**–**	–	**130 142**	129 361
Investments in joint ventures	14	**6 338**	2 856	**–**	–
Lease receivables	10	**1 559**	2 183	**–**	–
Deferred taxation	15	**5 073**	24 840	**3 605**	1 344
		544 312	569 591	**146 555**	138 490
Current assets					
Inventories	16	**335 396**	304 596	**–**	–
Lease receivables	10	**526**	337	**–**	–
Loans to group companies	17	**–**	–	**336 771**	364 281
Trade and other receivables	18	**636 557**	608 564	**5 878**	2 821
Derivatives		**1 294**	3 626	**–**	–
Current taxation receivable		**827**	823	**-**	–
Cash and cash equivalents	19	**75 056**	97 076	**13**	1
Assets classified as held for sale	20	**9 748**	8 249	**13 983**	17 770
		1 059 405	1 023 271	**356 644**	384 873
Total assets		**1 603 717**	1 592 862	**503 199**	523 363
Equity and liabilities					
Equity					
Share capital	21	**187 168**	196 236	**194 979**	204 047
Reserves		**45 182**	45 743	**3 039**	3 600
Retained income		**476 085**	460 162	**(74 090)**	(50 317)
		708 435	702 141	**123 928**	157 330
Liabilities					
Non-current liabilities					
Financial liabilities at amortised cost	26	**139 400**	173 794	**104 000**	126 400
Lease liabilities	10	**8 773**	11 997	**–**	–
Deferred taxation	15	**33 603**	54 731	**–**	–
		181 777	240 522	**104 000**	126 400
Current liabilities					
Financial liabilities at amortised cost	26	**403 631**	355 029	**190 101**	204 313
Trade and other payables	27	**299 615**	278 884	**5 292**	6 157
Loans from group companies	28	**–**	–	**79 556**	27 818
Derivatives		**–**	1 134	**–**	–
Lease liabilities	10	**2 670**	2 474	**–**	–
Current taxation payable		**7 589**	12 678	**322**	1 345
		713 505	650 199	**275 271**	239 633
Total liabilities		**895 282**	890 721	**379 271**	366 033
Total equity and liabilities		**1 603 717**	1 592 862	**503 199**	523 363

The accounting policies on pages 44 to 55 and the notes on pages 56 to 90 from an integral part of the annual financial statements.

* *Previously, Right-of-use assets have been disclosed as part of Propery, plant equipment. In order to declutter the financial statements, and to improve disclosures, a decision was made in the current year to change the disclosure. All assets and liabilities relating to leases are now disclosed in note 10. No information that has previously been presented, has been restated.*

STATEMENTS OF CHANGES IN EQUITY

for the year ended 29 February 2024

	Share capital and premium R'000	Treasury shares R'000	Total share capital R'000	Revaluation reserve R'000	Share-based payment reserve R'000	Retained income/ (accumulated loss) R'000	Total equity R'000
GROUP							
Balance at 28 February 2022	230 127	(22 125)	208 002	44 819	7 166	356 184	616 171
Total comprehensive income for the year	–	–	–	1 760	–	107 343	109 103
Dividend paid	–	–	–	–	–	(11 367)	(11 367)
Shares delisted and cancelled	(23 932)	23 932	–	–	–	–	–
Transfer between reserves	–	–	–	(4 436)	(3 566)	8 002	–
Purchase of own/treasury shares	–	(11 766)	(11 766)	–	–	–	(11 766)
Total changes	(23 932)	12 166	(11 766)	(2 676)	(3 566)	103 978	85 970
Balance at 28 February 2023	206 195	(9 959)	196 236	42 143	3 600	460 162	702 141
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**42 876**	**42 876**
Dividend paid	**–**	**–**	**–**	**–**	**–**	**(27 514)**	**(27 514)**
Shares delisted and cancelled	**(8 392)**	**8 392**	**–**	**–**	**–**	**–**	**–**
Transfer between reserves	**–**	**–**	**–**	**–**	**(561)**	**561**	**–**
Purchase of own/treasury shares	**–**	**(9 068)**	**(9 068)**	**–**	**–**	**–**	**(9 068)**
Total changes	**(8 392)**	**(676)**	**(9 068)**	**–**	**(561)**	**15 923**	**6 294**
Balance at 29 February 2024	**197 803**	**(10 635)**	**187 168**	**42 143**	**3 039**	**476 085**	**708 435**
COMPANY							
Balance at 28 February 2022	230 477	–	230 477	–	7 166	(67 999)	169 644
Total comprehensive income for the year	–	–	–	–	–	29 742	29 742
Dividend paid	–	–	–	–	–	(12 060)	–
Realisation of reserves	–	–	–	–	(3 566)	–	(3 566)
Purchase of own/treasury shares	(26 430)	–	(26 430)	–	–	–	(26 430)
Total changes	(26 430)	–	(26 430)	–	(3 566)	17 682	(254)
Balance at 28 February 2023	204 047	–	204 047	–	3 600	(50 317)	157 330
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**4 527**	**4 527**
Dividend paid	**–**	**–**	**–**	**–**	**–**	**(28 300)**	**(28 300)**
Shares delisted and cancelled	**(8 392)**	**8 392**	**–**	**–**	**–**	**–**	**–**
Realisation of reserves	**–**	**–**	**–**	**–**	**(561)**	**–**	**(561)**
Purchase of own/treasury shares	**–**	**(9 068)**	**(9 068)**	**–**	**–**	**–**	**(9 068)**
Total changes	**(8 392)**	**(676)**	**(9 068)**	**–**	**(561)**	**(23 773)**	**(33 402)**
Balance at 29 February 2024	**195 655**	**(676)**	**194 979**	**–**	**3 039**	**(74 090)**	**123 928**

The accounting policies on pages 44 to 55 and the notes on pages 56 to 90 from an integral part of the annual financial statements.

STATEMENTS OF CASH FLOWS
for the year ended 29 February 2024

	Note	GROUP 2024 R'000	GROUP 2023 R'000	COMPANY 2024 R'000	COMPANY 2023 R'000
Cash flow from operating activities					
Cash generated from/(utilised in) operations	29	**121 523**	157 748	**(16 398)**	(16 398)
Interest income	5	**2 345**	611	**6 759**	6 759
Tax paid	30	**(22 168)**	(27 549)	**(1 022)**	(1 022)
Net cash from/(utilised in) operating activities		**101 700**	130 809	**(10 661)**	(10 661)
Cash flow from investing activities					
Additions to property, plant and equipment	9	**(16 254)**	(18 088)	**(585)**	(268)
Additions to intangible assets	12	**(7 846)**	–	**(7 846)**	–
Proceeds on disposal of property, plant and equipment	9	**1 635**	25 333	**–**	–
Proceeds on disposal of assets classified as held for sale	20	**1 317**	–	**77**	–
Dividend from investment in joint venture	14	**66**	3 724	**–**	–
Investment in subsidiaries	13	**–**	–	**(781)**	(2 780)
Loans advanced to group companies	17	**–**	–	**(1 111 778)**	(1 630 556)
Loans advanced to group companies repaid	17	**–**	–	**1 167 415**	1 670 682
Dividends received from subsidiaries	5	**–**	–	**637**	10 532
Net cash (utilised in)/from investing activities		**(21 082)**	10 969	**47 138**	47 610
Cash flow from financing activities					
Purchase of treasury shares	21	**(9 068)**	(11 766)	**(9 068)**	(9 222)
Dividend paid	24	**(27 514)**	(11 367)	**(28 300)**	(12 060)
Proceeds from financial liabilities	26	**49 495**	111 719	**–**	81 196
Repayment of financial liabilities	26	**(40 397)**	(129 328)	**(36 612)**	(31 670)
Proceeds from loans from group companies	28	**–**	–	**530 100**	10 153
Repayment of loans from group companies	28	**–**	–	**(446 000)**	(11 179)
Finance costs	6	**(71 950)**	(58 604)	**(46 585)**	(24 526)
Principal elements of lease payments	10	**(3 204)**	(2 735)	**–**	–
Net cash (utilised in)/from financing activities		**(102 638)**	(102 081)	**(36 465)**	2 692
Total cash movement for the year		**(22 020)**	39 697	**12**	1
Cash at the beginning of the year	19	**97 076**	57 379	**1**	–
Total cash at end of the year	19	**75 056**	97 076	**13**	1

The accounting policies on pages 44 to 55 and the notes on pages 56 to 90 from an integral part of the annual financial statements.

ACCOUNTING POLICIES
for the year ended 29 February 2024

CORPORATE INFORMATION

Insimbi Industrial Holdings Limited (the "company") is a public company incorporated and domiciled in South Africa.

The consolidated and separate financial statements for the year ended 29 February 2024 were authorised for issue in accordance with a resolution of the directors on 30 May 2024.

1. STATEMENT OF COMPLIANCE

The consolidated and separate financial statements ("the financial statements") have been prepared in accordance with IFRS® Accounting Standards issued by the International Accounting Standards Board (IASB®) and comply with the IFRS interpretations issued by the IFRS Interpretations Committee (IFRS IC) and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, as well as the JSE Listings Requirements and the requirements of the Companies Act, No 71 of 2008.

2. BASIS OF PREPARATION

The financial statements have been prepared on the going concern and on a historical cost basis, except for items specifically stated otherwise as per the accounting policies below.

These accounting policies are consistent with the previous period.

3. BASIS OF CONSOLIDATION

The group financial statements incorporate the annual financial statements of the company and entities controlled by the company (its subsidiaries). The results of the subsidiaries are consolidated from the date on which control is transferred to the group up until the date that control ceases. Subsidiaries' accounting policies have been aligned with the policies of the group. All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation.

4. FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The consolidated financial statements are presented in Rand which is the group functional and presentation currency.

5. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected, if applicable.

The critical judgements made by management in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

- Impairment of non-financial assets – refer notes 9, 10, 11 and 12.
- Impairment of financial assets– refer notes 13, 17, 18 and 19.
- Lease term as lessee – refer note 10.
- Realisation of deferred tax assets – refer note 15.

6. REVENUE FROM CONTRACTS WITH CUSTOMERS

The group provides the steel, aluminium, cement, foundry, plastics, paper and pulp industries with resource-based commodities like ferrous and non-ferrous alloys, as well as refractory materials. Revenue is derived from contracts with customers for the supply of goods and rendering of services and is measured based on the consideration specified in a contract with a customer. No material judgement is required to determine the consideration, or the allocation thereof.

6. REVENUE FROM CONTRACTS WITH CUSTOMERS CONTINUED

The group does not offer significant payment terms or financing, does not have a variable component in the consideration and does not offer any warranties. Although returns are infrequent, if product is returned, the item is replaced, or a credit note is issued.

Sale of goods – local

Local sale of goods is recognised at the point in time that control passes to the customer, which is generally indicated as follows:

- Product has been delivered to the customer, or the customer has collected the product,
- The customer has accepted the control associated with the product,
- A present right to payment is established, and
- Collectability of the related receivables is reasonably assured.

Sale of goods – exports

Sale of exported goods are recognised at the point in time that control passes to the customer, which is generally indicated as follows:

- The group no longer has the ability to direct the use of the product,
- The customer has accepted the control associated with the product,
- A present right to payment is established, and
- Collectability of the related receivables is reasonably assured.

Rendering of services – transport and insurance revenue

Where transport and insurance is a separate performance obligation from the sale of goods , the revenue from these services are recognised separately at the point in time that the goods being transported and insured are delivered. There were no unsatisfied performance obligations at year-end.

Rendering of services – sample analysis

The group has developed a laboratory which provides analysis of samples to entities within the group, as well as external parties. The revenue earned from these services are recognised at the point in time when the analysis certificate is issued to the relevant customers, as this is when the customer receives the benefits. There were no material partially satisfied performance obligations at year-end.

Management fees

The company provides management services to other companies within the group. The fees earned from these services are recognised over the period which the services are provided, using the output method. The fees are re-assessed on an annual basis. The other companies within the group receive and consume the benefits provided by the company as it provides the service. There are no unsatisfied performance obligations at the end of the financial period.

7. REVENUE OTHER THAN FROM CONTRACTS WITH CUSTOMERS

Dividend received

Dividends are recognised in investment income in profit and loss when the company's right to receive payment has been established.

8. COST OF SALES

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

9 EMPLOYEE BENEFITS

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Please refer to note 25 for further details.

10. BORROWING COSTS

All borrowing costs are recognised as an expense in the period in which they are incurred.

11. INVESTMENT INCOME

Interest is recognised, in investment income in profit and loss, using the effective interest rate.

12. TRANSLATION OF FOREIGN CURRENCIES

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount to the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Details of foreign currency risk exposure and the management thereof are provided in note 35.

13. TAX

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities/assets for the current and prior periods are measured at the amount expected to be paid to/ recovered from the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit.

13. TAX CONTINUED

Deferred tax assets and liabilities continued

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- A transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- A business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

14. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset.

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses, except for land and buildings which are stated at revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Land and buildings are revalued independently every five years, however management performs and annual assessment to assess if there have been material changes in market conditions that would result in a material change in the valuation.

When land and buildings are revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount.

Increases as a result of revaluation are accumulated in the revaluation surplus in equity until the asset is sold, after which the revaluation surplus is transferred to retained earnings.

Land is not depreciated.

Depreciation of an asset commences when the asset is available for use as intended by management. The depreciation is straight lined, and the charge for each year is recognised in profit or loss.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Useful life
Land	Unlimited
Buildings	25 years
Plant and machinery	3 – 20 years
Furniture and fixtures	20 years
Motor vehicles	10 years
IT equipment	5 years

14. PROPERTY, PLANT AND EQUIPMENT CONTINUED

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

The group assesses annually whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is recognised immediately in profit or loss as an impairment loss. Any impairment loss of a revalued asset is treated as a revaluation decrease recognised in other comprehensive income.

The group also assesses annually whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated. If the recoverable amount exceeds the carrying amount, the impairment loss is reversed immediately in profit or loss (or in comprehensive income if the asset is revalued). On reversal, the asset's carrying amount is increased, but not above the amount that it would have been without the prior impairment loss. Depreciation or amortisation is adjusted in future periods.

15. LEASES

At inception of a contract, the group assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control an identified asset, the group assesses whether:

- The contract involves the use of an identified asset;
- The group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- the group has the right to direct the use of the asset. The group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

At inception or on reassessment of a contract that contains a lease component, the group allocates the consideration in the contract to each lease component, on the basis of their relevant stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the group has elected not to separate non-lease components and account for all as a single lease component.

Lease accounting – lessee

The group leases various properties. Rental contracts are typically made for fixed periods of 5 to 10 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Significant judgement is applied in determining the period of the lease, where renewal options are present and if management determines that the extension will be likely, the renewal option is included in the lease term at inception of the lease. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. There are no variable lease payments, residual value guarantees or leases that the group is committed to but that have not yet commenced.

Leases are recognised as right-of-use assets and lease liabilities in the statement of financial position at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. Right-of-use assets are depreciated in a consistent manner over the lease terms, which are shorter than the underlying assets' useful lives.

15. LEASES CONTINUED

Lease accounting – lessee continued

The corresponding lease liability is included in the statement of financial position as a lease liability and is measured at the present value of the fixed lease payments that are not paid at the commencement date.

The discount rate used in calculating the present value of the lease payments is the interest rate implicit in the lease or, if that rate cannot be readily determined (which is generally the case for leases in the group), the rate that the individual lessee would have to borrow funds to obtain a similar asset as the right-of-use asset, in a similar economic environment with similar terms, security and conditions.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability and is expensed in finance costs in profit and loss.

The lease payment liability is remeasured when there is a change in future lease payments, or if the group changes its assessment on whether it will exercise a purchase, extension, or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

The group discloses right-of-use assets and lease liabilities separately on the statement of financial position.

Lease accounting – lessor

In 2019, the group entered into a subleasing arrangement for a portion of a leased property. The lease term is 10 years and the incremental borrowing rate used to discount the receivable was 10,25% (2023: 10,25%).

When the group is an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. In such instances a portion of the right-of-use asset relating to the sub-lease is derecognised, and a lease receivable is recognised. The rentals are apportioned between a reduction in the net investment in the lease, and finance income over the lease term. The finance income portion is based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

The group recognises a lease receivable separately in the statement of financial position.

Finance income is recognised in investment income in profit and loss based on a pattern reflecting a constant periodic rate of return on the group's net investment in the lease.

Lease receivables inherently exposes the group to credit risk, the risk being that the group will incur financial loss if counterparties fail to make payments as they fall due. In order to mitigate the risk of financial loss from defaults, the group only deals with reputable counterparties with consistent payment histories. Credit risk is mitigated by holding the leased assets as collateral. The collateral held is equal in value to the lease receivable. Lease receivables are subject to IFRS 9 expected credit loss assessments (refer to accounting policy 21.2).

Short-term leases and leases of low-value assets

The group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (12 months or less) or leases of low-value assets, including IT equipment such as printers. The group recognises the lease payments associated with these leases as an expense in other operating expenses in profit and loss on a straight-line basis over the lease term.

16. GOODWILL

Goodwill arises from the acquisition of businesses. The excess of the consideration transferred, the amount of any non-controlling interest acquired, and the acquisition date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

16. GOODWILL CONTINUED

Goodwill is not amortised but is tested for impairment at least annually. For impairment testing, Goodwill is allocated to each of the group's cash-generating units (CGUs) expected to benefit from the synergies of the combination. CGUs to which Goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. This test requires the use of estimates and assumptions, details of which can be found in note 11.

If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any Goodwill allocated to the unit and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the unit.

An impairment loss recognised for Goodwill is not reversed in a subsequent period.

17. INTANGIBLE ASSETS

An intangible asset is recognised when:

- It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- The cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost and subsequently measured at cost less any accumulated amortisation and any impairment losses.

The group reviews and tests the carrying value of intangible assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment has occurred, the impairment is recognised in other operating gains/losses in profit and loss. Amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Item	Useful life
Software	10 years
Intangible assets – Nano Milling Technology	20 years

18. INVESTMENTS IN SUBSIDIARIES

In the company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company;
- any costs directly attributable to the purchase of the subsidiary; and
- changes in consideration arising from contingent consideration amendments.

19. JOINT VENTURES

An interest in a joint venture is accounted for using the equity method. Under the equity method, interests in joint ventures are carried in the statement of financial position at cost adjusted for post-acquisition changes in the group's share of net assets of the joint venture, less any impairment losses.

The group's share of post-acquisition profit or loss is recognised in profit or loss, and its share of movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Losses in a joint venture in excess of the group's interest in that joint venture, including any other unsecured receivables, are recognised only to the extent that the group has incurred a legal or constructive obligation to make payments on behalf of the joint venture.

20. INVENTORIES

Inventories are measured at the lower of cost and net realisable value at the weighted average cost.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

21. FINANCIAL ASSETS

The group and company initially recognised a financial asset when it becomes party to the contractual provisions of the instrument. The classification of a financial asset is determined at the time of initial recognition and is dependent on the nature of the asset.

21.1 Financial assets at fair value through profit and loss

Derivatives are financial assets held for trading and are classified as financial assets mandatorily at fair value through profit or loss. They are measured, at initial recognition and subsequently, at fair value, by using the relevant exchange spot rates at the financial reporting date. Transaction costs are recognised in profit or loss.

21.2 Financial assets at amortised cost

The following financial assets are classified as financial assets at amortised cost, as the contractual terms give rise, on specific dates, to cash flows that are solely payments of principal and interest on the principal outstanding, and it is the group and company's business model to collect the contractual cash flows on these assets:

- Loans to group companies.
- Trade and other receivables.
- Lease receivables.
- Cash and cash equivalents.

Recognition and measurement

Financial assets at amortised cost are initially recognised at the fair value plus, or minus transaction costs and are subsequently measured at amortised cost. Amortised cost is the amount initially recognised, minus principal repayments, plus cumulative amortisation (interest) using the effective interest rate method, adjusted for any loss allowance.

Interest income is calculated using the effective interest rate method and is included in profit or loss in investment income (refer to note 5).

The application of the effective interest method to calculate interest income on the receivable is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the financial asset, provided it is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a financial asset was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the financial asset in the determination of interest. If, in subsequent periods, the financial asset is no longer credit-impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

When a financial asset is denominated in a foreign currency, the carrying amount of the financial asset is determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating gains/(losses) (refer to note 3).

Impairment

The group and company assess on a forward-looking basis the Expected Credit Losses (ECLs) associated with its financial assets carried at amortised cost.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due and the cash flows that is expected to be received).

21. FINANCIAL ASSETS CONTINUED

21.2 Financial assets at amortised cost continued

Impairment continued

Expected credit loss allowances are measured on either of the following bases:

- 12-Month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

For trade receivables, the group and company apply the simplified approach prescribed by IFRS 9, which requires lifetime ECLs to be recognised from initial recognition of the receivables. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including the size of the legal entity, their geographic location and their maturity. The group uses a provision matrix to calculate the credit loss, by multiplying the outstanding balance with the probability of default and loss given defaults.

The expected loss rates are based on the payment profiles of sales over a period of 24 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the trading conditions in the international metal markets, as well as economic growth and inflationary outlook in the short–term to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. These ECLs are recognised in operating expenses in profit and loss.

Category	Definition
Large corporate entities	This category of customers is generally represented by large companies with annual revenue of more than R1 billion. These entities are mostly industrial entities who are exposed to the international metals markets. Internal credit ratings assigned to these entities are equivalent to B+, B or B-. Probabilities of default for entities in this category range between 0,09% (2023: 0,09%) and 4.5% (2023: 4,7%). Loss given default rates for entities within this category generally range between 30,1% (2023: 30%) and 39,34% (2023: 49%).
Foreign debtors	This category of customers are represented by customers outside of RSA. Different internal credit risk ratings are assigned to different countries and range between equivalent AAA and CCC+. Probabilities of default for entities in this category range between 2% (2023: 2%) and 32% (2023: 63%). Loss given default rates for entities in this category range between 25% (2023: 25%) and 35% (2023: 100%).
Small and medium entities	This category of customers is generally represented by small and medium enterprises with annual revenue of less than R1 billion. These entities are mostly exposed to the international metals markets. Internal credit ratings assigned to these entities range between equivalent B+ and CCC. Probabilities of default for entities in this category range between 0,09% (2023: 1%) and 4,03% (2023: 4%). Loss given default rates for entities within this category generally range between 26,06% (2023: 44%) and 21,66% (2023: 68%).
Government entities	This category of customers is generally represented by State Owned Entities within South Africa. Internal credit ratings assigned to entities in this category range between BB+ and CCC. Probabilities of default range between 2% (2023: 2%) and 8% (2023: 8%). Loss given default rates for entities within this category generally range between 20% (2023: 25%) and 30% (2023: 35%).

* *Internal credit ratings assigned are aligned with those used by global rating agencies.*

21. FINANCIAL ASSETS CONTINUED

21.2 Financial assets at amortised cost continued

Impairment continued

For other financial assets measured at amortised cost (lease receivables, loans to group companies, deposits and other receivables as disclosed in note 18), the group and company based the ECL on the 12-month expected credit loss allowance or a lifetime expected credit loss allowance. The 12-month expected credit loss allowance is the expected credit loss allowances that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the ECL will be based on the lifetime expected credit loss allowances. The group and company uses a provision matrix to calculate the credit loss, by multiplying the outstanding balance with the probability of default and loss given defaults. The group and company take forward-looking information (such as macro-economic forecasts and inflation forecasts) into account to evaluate the impact on future default rates. If a default on payment occurs and is more than 90 days overdue, it is assumed that there has been an increase in credit risk. The probability of default will then be adjusted accordingly when the lifetime expected credit loss is calculated.

The financial assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 90 days past due. When the assets are written off, the gross carrying value is written off against the associated provision.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, any difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

22. ASSETS CLASSIFIED AS HELD FOR SALE

Assets are classified as a 'held for sale' if the group intends to dispose of the assets. In the current and prior year the group classified plant and machinery as held for sale.

Immediately before the initial classification of the asset as held for sale, the carrying amount of the asset will be measured in accordance with applicable IFRS (IAS 16).

Once the assets have been classified as held for sale, the assets are measured at the lower of net book value, or fair value less costs to sell.

The assets are considered for impairment at time of classification, and subsequently, at year-end. Any impairment losses are recognised in other operating gains/losses in profit and loss.

Assets classified as held for sale are not depreciated, from the time of classification, until the time of sale.

23. SHARE CAPITAL AND EQUITY

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

If the group reacquires its own equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) on those instruments are deducted from equity until the shares are cancelled or reissued.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the group's own equity instruments. Consideration paid or received shall be recognised directly in equity.

24. SHARE-BASED PAYMENTS

Services received or acquired in a share-based payment transaction are recognised as the services are received. A corresponding increase in equity is recognised if the services were received in an equity-settled share-based payment transaction, or a liability if the services were acquired in a cash-settled share-based payment transaction.

For equity-settled share-based payment transactions the services received and the corresponding increase in equity are measured directly at the fair value of the equity instrument. These instruments are not subsequently remeasured.

Vesting conditions which are not market related and are not taken into consideration when determining the fair value of the equity instruments granted. Instead, vesting conditions which are not market related shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. There are no market related vesting conditions.

The share-based payments granted do not vest until the employee completes a specified period of service, therefore the group accounts for those services as they are rendered on a straight-line basis over the vesting period.

If the share-based payments vest immediately the services received are recognised in full.

25. FINANCIAL LIABILITIES

The group and company initially recognise a financial liability when it becomes party to the contractual provisions of the instrument. The classification of a financial liability is determined at the time of initial recognition and is dependent on the nature of the liability.

25.1. Financial liabilities at fair value through profit and loss

Financial liabilities which are held for trading (derivatives) are classified as financial liabilities mandatorily at fair value through profit or loss. They are measured, at initial recognition and subsequently, at fair value, by using the relevant exchange spot rates at the financial reporting date. Transaction costs are recognised in profit or loss.

25.2. Financial liabilities at amortised cost

The following financial liabilities are classified as financial liabilities at amortised cost:

- Borrowings and working capital facilities (disclosed as "other financial liabilities at amortised cost");
- Lease liabilities;
- Trade and other payables; and
- Loans from group companies.

Recognition and measurement

The liabilities are initially measured, at initial recognition, at fair value plus transaction costs, if any, and are subsequently measured at amortised cost using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (refer to note 6).

25. FINANCIAL LIABILITIES CONTINUED

25.2. Financial liabilities at amortised cost continued

Financial liabilities at amortised cost expose the group to liquidity risk and interest rate risk. Refer to note 35 for details of risk exposure and management thereof.

Derecognition and modification

A substantial modification of the terms of an existing debt instrument or part of it, is accounted for as an extinguishment of the original debt instrument and the recognition of a new debt instrument. Financial liabilities are derecognised when the obligations specified in the contracts are discharged, cancelled, or expire. On derecognition of a financial liability, any difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

26. NEW STANDARDS AND INTERPRETATIONS

26.1 Standards and interpretations effective for the first time

Various new accounting standards and interpretations became effective for the current financial year. These standards are not considered to have a material impact on the current or future financial statements of the group or company.

26.2 Standards and interpretations issued but not effective

These new standards will not have a material impact on the group and company's financial statements but will result in additional disclosure. The group and company do not plan on adopting any of these amendments earlier than the effective date.

- ***IFRS 18 Presentation and Disclosures in Financial Statements (effective for annual periods beginning on or after 1 January 2027)***
  IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.

	GROUP 2024 R'000	GROUP 2023 R'000	COMPANY 2024 R'000	COMPANY 2023 R'000
1. REVENUE				
Revenue from contracts with customers:				
Sale of goods	**5 531 752**	5 646 567	**–**	–
Rendering of services	**58 542**	84 856	**51 205**	30 369
	5 590 294	5 731 423	**51 205**	30 369
Disaggregation of revenue from contracts with customers:				
Sale of goods				
Sale of goods – Local	**4 953 526**	4 418 619	**–**	–
Sale of goods – Exports	**578 226**	1 227 948	**–**	–
	5 531 752	5 646 567	**–**	–
Rendering of services				
Administration and management fees received	**–**	–	**49 811**	29 657
Services revenue – Transport and insurance	**57 148**	84 144	**–**	–
Services revenue – Sample analysis	**1 394**	712	**1 394**	712
	58 542	84 856	**51 205**	30 369
Total revenue from contracts with customers	**5 590 294**	5 731 423	**51 205**	30 369
Timing of revenue recognition				
At a point in time				
Sale of goods	**5 531 752**	5 646 567	**–**	–
Rendering of services	**58 542**	84 856	**1 394**	712
Over time				
Rendering of services	**–**	–	**49 811**	29 657
Total revenue from contracts with customers	**5 590 294**	5 731 423	**51 205**	30 369
Refer to segment report on page 91 for further disaggregation by nature of product and geographical destination.				
2. OTHER OPERATING INCOME				
Rental income	**637**	143	**–**	–
Gain on extinguishment of loans#	**–**	17 631	**–**	19 952
Other income*	**4 528**	2 165	**446**	484
	5 165	19 939	**446**	20 436

* *Other income relates to the rental income of machinery in the Treppo Group.*

\# *In the prior year, the post acquisition profit warranty period of the Treppo Group came to conclusion. As the profit warranties were not met, the loans from Texiflash Propriatary Limited was reduced prior to settlement.*

	Note	GROUP 2024 R'000	GROUP 2023 R'000	COMPANY 2024 R'000	COMPANY 2023 R'000
3. OTHER OPERATING GAINS/(LOSSES)					
Gains/(losses) on disposals					
Property, plant and equipment	9	**(3 363)**	2 016	**(6 243)**	–
Foreign exchange gains/(losses)					
Foreign exchange gains/(losses)		**(2 381)**	(1 295)	**5**	–
Impairment of intercompany loans	17	**–**	–	**–**	(22 325)
Total other operating gains/(losses)		**(5 744)**	721	**(6 238)**	(22 325)
4. OPERATING PROFIT/(LOSS)					
Operating profit for the year is stated after charging/(crediting) the following, amongst others:					
Cost of sales					
Cost of goods sold		**5 139 331**	5 203 766	**456**	388
Auditor's remuneration – external					
Audit fees		**5 917**	3 112	**2 359**	849
Remuneration, other than to employees					
Consulting and professional services		**4 389**	14 093	**693**	3 940
Employee costs					
Salaries and wages		**144 143**	149 576	**21 289**	19 369
Salaries recovered from group entities		**–**	–	**(18 285)**	(20 480)
Motor vehicle allowance		**2 621**	2 787	**1 375**	1 393
Medical aid contribution		**2 877**	2 841	**443**	435
Bonus and 13th cheque		**8 220**	16 766	**2 593**	3 746
Staff welfare		**1 233**	2 085	**300**	211
Retirement benefit plans: defined contribution expense		**9 685**	9 625	**1 683**	1 605
Skills development levy and UIF		**1 953**	4 679	**324**	496
Share-based compensation expense^		**–**	(3 566)	**–**	(3 566)
Total employee costs		**170 733**	184 793	**9 724**	3 209
Depreciation and amortisation					
Depreciation of property, plant and equipment	9	**25 928**	32 030	**482**	645
Depreciation of right-of-use assets	10	**2 493**	3 087	**–**	–
Amortisation of intangible assets	12	**888**	471	**395**	–
Total depreciation and amortisation		**29 309**	35 588	**877**	645
Impairment losses					
Recognition/(reversal) of expected credit losses	18	**352**	(3 923)	**–**	–
Other expenses					
Repairs and maintenance		**23 687**	17 550	**556**	67
Utilities		**14 795**	14 284	**39**	8
Insurance		**8 521**	–	**1 410**	–
Fuel and vehicle related expenses		**30 243**	42 413	**368**	429

* *The reduction in salary cost in the company is due to recovery of expenses from the subsidiaries.*

^ *Refer note 22 for further details.*

	Note	GROUP 2024 R'000	GROUP 2023 R'000	COMPANY 2024 R'000	COMPANY 2023 R'000
5. INVESTMENT INCOME					
Interest income					
Investments in financial assets:					
Bank and other cash	19	**2 345**	334	**–**	–
Loans to subsidiaries	17	**–**	–	**23 559**	9 423
Lease receivables	10	**237**	277	**–**	–
Total interest income		**2 582**	611	**23 559**	9 423
Dividend income					
Dividends received from subsidiairies	32	**–**	–	**637**	27 740
Total investment income		**2 582**	611	**24 196**	37 163
6. FINANCE COSTS					
Lease liabilities	10	**1 305**	1 647	**–**	–
Working capital facilities	26	**44 354**	14 377	**23 924**	13 069
Borrowings	26	**27 224**	41 919	**15 950**	11 457
Loans from group companies	28	**–**	–	**6 675**	–
Late payment to tax authorities		**372**	661	**36**	–
Total finance costs		**73 255**	58 604	**46 585**	24 526
7. TAXATION					
Major components of the tax expense					
Current					
Local income tax – current period		**17 075**	35 767	**–**	–
		17 075	35 767	**–**	–
Deferred					
Originating and reversing temporary differences		**14**	6 008	**120**	2 089
Charged/credited to other comprehensive income		**–**	(2 165)	**–**	–
Adjustments in respect of prior years		**(1 375)**	(88)	**(2 381)**	(81)
		(1 361)	3 755	**(2 261)**	2 008
		15 714	39 522	**(2 261)**	2 008
		%	%	**%**	%
Reconciliation of the tax expense					
Reconciliation between applicable tax rate and average effective tax rate.					
Applicable tax rate		**27,00**	28,00	**27,00**	28,00
Change in effective tax rate§		**–**	0,16	**–**	(0,25)
Tax loss used		**(0,60)**	–	**–**	–
Current year losses for which a deferred tax asset was not raised		**(2,37)**	3,10	**–**	–
Exempt income#		**(0,52)**	(7,57)	**(15,94)**	(37,49)
Allowances relating to learnerships implemented		**–**	(0,44)	**–**	–
Non-taxable capital gain portions		**–**	(0,23)	**–**	–
Disallowable charges*		**5,25**	3,94	**19,90**	15,56
Prior period adjustments arising from final income tax submissions		**(1,94)**	(0,05)	**(130,70)**	–
		26,82	26,91	**(99,74)**	5,82

* *Relates to non-deductible interest and expenses of a capital nature such as legal fees, share-based payment expenses and impairments.*
\# *In group this represents gain on extinguishment of loan (note 2) and in company this relates to dividends received.*
§ *In the previous financial year the statutory income tax rate decreased from 28% to 27%.*

8. EARNINGS AND HEADLINE EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is determined by dividing profit or loss attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

	GROUP 2024 R'000	GROUP 2023 R'000
Basic earnings per share		
From continuing operations (cents per share)	**11,86**	27,94
Basic earnings per share was based on earnings of R42,9 million (2023: R107,3 million) and a weighted average number of shares of 361 386 381 (2023: 384 248 887).		
Reconciliation of profit or loss for the year to basic earnings (R'000)		
Profit for the year	**42 876**	107 343
Reconciliation of weighted average number of shares ('000)		
Weighted number of shares in issue at the end of the year*	**378 894**	414 024
Less: Weighted number of treasury shares held in a subsidiary at the end of the period	**(17 508)**	(29 776)
	361 386	384 248
Headline earnings per share		
Headline earnings are determined by adjusting basic earnings by excluding separately identifiable remeasurement items. Headline earnings are presented after tax.	**12,54**	27,56

** Refer note 21 for reduction in shares in issue*

	Note	Gross 2024 R'000	Nett 2024 R'000	Gross 2023 R'000	Nett 2023 R'000
Reconciliation between earnings and headline earnings					
Basic earnings			**42 876**		107 343
Adjusted for:					
Loss/(gain) on disposal of property, plant and equipment	3	**3 363**	**2 455**	(2 016)	(1 452)
Headline earnings			**45 331**		105 891

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The company has potentially dilutive share options.

A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculate as above is compared with the number of shares that would have been issued assuming the exercise of the options.

	2024 R'000	2023 R'000
Weighted average number of ordinary shares in issue ('000)	**361 386**	384 248
Adjusted for: Share options ('000)	**3 075**	4 430
Weighted average number of ordinary shares for diluted earnings per share ('000)	**364 461**	388 678
	cents	cents
Diluted earnings per share	**11,76**	27,62
Diluted headline earnings per share	**12,44**	27,24

9. PROPERTY, PLANT AND EQUIPMENT

	2024 Cost or revaluation R'000	2024 Accumulated depreciation R'000	2024 Carrying value R'000	2023 Cost or revaluation R'000	2023 Accumulated depreciation R'000	2023 Carrying value R'000
GROUP						
Land	**54 582**	**–**	**54 582**	54 582	–	54 582
Buildings	**109 566**	**(6 608)**	**102 959**	109 477	(917)	108 560
Plant and machinery	**226 552**	**(94 245)**	**132 307**	224 579	(86 494)	138 085
Furniture and fixtures	**23 861**	**(11 037)**	**12 824**	23 283	(9 831)	13 452
Motor vehicles	**86 898**	**(59 984)**	**26 914**	86 206	(56 822)	29 384
IT equipment	**12 342**	**(9 305)**	**3 036**	13 826	(11 440)	2 386
Capital work in progress	**7 191**	**–**	**7 191**	5 741	–	5 741
Total*	**520 991**	**(181 179)**	**339 812**	517 694	(165 504)	352 190
COMPANY						
Plant and machinery	**6 065**	**(1 537)**	**4 528**	8 187	(1 223)	6 964
Furniture and fixtures	**591**	**(373)**	**218**	577	(280)	297
Motor vehicles	**–**	**–**	**–**	311	(6)	305
IT equipment	**878**	**(268)**	**610**	412	(193)	219
Total*	**7 534**	**(2 178)**	**5 356**	9 487	(1 702)	7 785

* *Previously, right-of-use assets have been disclosed as part of property, plant and equipment. In order to declutter the financial statements, and to improve disclosures, a decision was made in the current year to change the disclosure. All assets and liabilities relating to leases are now disclosed in note 10. No information that has previously been presented, has been restated.*

Reconciliation of property, plant and equipment

	Opening balance R'000	Additions R'000	Disposals R'000	Classified as held-for-sale R'000	Depreciation R'000	Total R'000
GROUP						
2024						
Land	**54 582**	**–**	**–**	**–**	**–**	**54 582**
Buildings	**108 560**	**90**	**–**	**–**	**(5 691)**	**102 959**
Plant and machinery	**138 085**	**13 045**	**(3 438)**	**(2 511)**	**(12 874)**	**132 307**
Furniture and fixtures	**13 452**	**760**	**(42)**	**–**	**(1 346)**	**12 824**
Motor vehicles	**29 384**	**4 170**	**(1 330)**	**(305)**	**(5 005)**	**26 914**
IT equipment	**2 386**	**1 850**	**(188)**	**–**	**(1 012)**	**3 036**
Capital work in progress	**5 741**	**1 449**	**–**	**–**	**–**	**7 190**
	352 190	**21 364**	**(4 998)**	**(2 816)**	**(25 928)**	**339 812**

	Opening balance R'000	Additions R'000	Disposals R'000	Revaluation of land and buildings R'000	Transfers R'000	Classified as held-for-sale R'000	Depreciation R'000	Total R'000
2023								
Land	36 130	–	–	18 452	–	–	–	54 582
Buildings	133 168	5 004	(7 302)	(15 862)	–	–	(6 448)	108 560
Plant and machinery	159 490	17 855	(13 534)	–	–	(8 249)	(17 477)	138 085
Furniture and fixtures	13 485	1 464	(237)	–	–	–	(1 260)	13 452
Motor vehicles	32 839	3 978	(1 876)	–	–	–	(5 557)	29 384
IT equipment	2 675	755	(368)	–	612	–	(1 288)	2 386
Capital work in progress	636	5 717		–	(612)	–	–	5 741
	378 423	34 773	(23 317)	2 590	–	(8 249)	(32 030)	352 190

9. PROPERTY, PLANT AND EQUIPMENT CONTINUED

Reconciliation of property, plant and equipment

	Opening balance R'000	Additions R'000	Classified as held-for-sale R'000	Depreciation R'000	Total R'000
COMPANY					
2024					
Plant and machinery	**6 964**	**105**	**(2 227)**	**(314)**	**4 528**
Furniture and fixtures	**297**	**14**	**–**	**(93)**	**218**
Motor vehicles	**305**	**–**	**(305)**	**–**	**–**
IT equipment	**219**	**466**	**–**	**(75)**	**610**
	7 785	**585**	**(2 532)**	**(482)**	**5 356**
2023					
Plant and machinery	5 346	2 123	–	(505)	6 964
Furniture and fixtures	353	30	–	(86)	297
Motor vehicles	–	311	–	(6)	305
IT equipment	19	249	–	(49)	219
	5 718	2 713	–	(646)	7 785

A register containing the information required by Regulation 25(3) of the Company Regulations 2011, is available for inspection at the registered office of the company and its respective subsidiaries. The property, plant and equipment is pledged as security for banking facilities (refer to note 35).

Group additions include plant and machinery through instalment sales of R5,1 million (2023: R14,24 million) and cash additions of R16,2 million (2023: R18,1 million).

All company additions were cash additions. In 2023 company additions include cash additions of R0,27 million and non-cash additions of R2,7 million.

Revaluations

The efective date of the last revaluations of property portfolio of the group was 28 February 2023. Revaluations were performed by independent valuer, Mr Rainier Viljoen, MIV (SA) N.Dip (Prop Val), of Icon Valuations CC, who are not connected to the group. The valuer is a professional valuer registered without restriction in terms of section 20(2)(a) of the Property Valuers Professional Act 47 of 2000.

The valuation was performed using the capitalisation of net income method, and applying a capitalisation rate to the resultant net income indicative of the property and covenant of the tenant. Capitalisation rates ranging between 9% and 13% were used, as well as market related rentals for similar properties in similar areas. Capitalisation rates were determined after taking into account the locality, size, office industrial ratio, as well as condition of the property.

A revaluation surplus of R2,59 million less deferred tax of R0,83 million was recognised in other comprehensive income in the previous financial year (refer note 23). The assumptions were based on market conditions at the time. The fair value falls within level 3 of the fair value hierarchy.

The next revaluation will be performed on 28 February 2028. The carrying amount of the land and buildings under the cost model would have been R29,02 million (2023: R34,47 million).

Since the valuation to the date of the reporting period end, there have been no material changes in the market conditions that would result a signifcantly different valuation.

10. LEASES

	GROUP 2024 R'000	GROUP 2023 R'000
The consolidated statement of financial position discloses the following items pertaining to leases:		
Right-of-use assets*		
Non-current assets	**7 419**	10 369
Lease receivables		
Non-current assets	**1 559**	2 183
Current assets	**526**	337
	2 085	2 520
Lease liabilities:		
Non-current liabilities	**(8 773)**	(11 997)
Current liabilities	**(2 670)**	(2 474)
	(11 443)	(14 471)

	Opening balance R'000	Lease modifi-cation R'0000	De-preciation R'000	Interest compo-nent R'000	Lease payments R'000	Total R'000
GROUP						
2024						
Right-of-use assets*	**10 369**	**(457)**	**(2 493)**	**–**	**–**	**7 419**
Lease receivables	**2 520**	**–**	**–**	**237**	**(672)**	**2 085**
Lease liabilities	**(14 471)**	**457**	**–**	**(1 305)**	**3 876**	**(11 443)**
Notes		*3*	*4*	*5/6*		
2023						
Right-of-use assets*	13 845	(389)	(3 087)	–	–	10 369
Lease receivables	2 848	(51)	–	277	(554)	2 520
Lease liabilities	(17 534)	1 975	–	(1 647)	2 735	(14 471)
Notes		*3*	*4*	*5/6*		

* *Right-of-use assets consist of property leases*

The group has used the incremental borrowing rate at the time that each of the leases were recognised 10,25% (2023: 10,25%). No extension options have been included in the leases disclosed above, as they are not expected to be exercised.

11. GOODWILL

	2024 Cost R'000	2024 Accumulated impairment R'000	2024 Carrying value R'000	2023 Cost R'000	2023 Accumulated impairment R'000	2023 Carrying value R'000
GROUP						
Goodwill	**189 452**	**(18 968)**	**170 484**	189 452	(18 968)	170 484

Reconciliation of goodwill

	Opening balance R'000	Impairment loss R'000	Total R'000
GROUP			
2024			
Goodwill	**170 484**	**–**	**170 484**
2023			
Goodwill	170 484	–	170 484

Impairment test for goodwill

The impairment test for goodwill identifies the recoverable amount of a cash-generating unit ("CGU") and is determined based on value-in-use calculations.

Value-in-use calculations use cash flow projections based on financial budgets approved by management and cover a five-year period. The cash-generating unit's recoverable amount is most sensitive to the assumptions detailed below.

Based on management's assessments, no impairments have been recognised in the current year.

CGUs that are individually immaterial have been aggregated as detailed below.

	2024 Opening balance R'000	2024 Additions/ (impairments) R'000	2024 Closing balance R'000	2023 Opening balance R'000	2023 Additions/ (impairments) R'000	2023 Closing balance R'000
Allocation of goodwill by CGU						
Amalgamated Metals Group Holdings Proprietary Limited	**63 015**	**–**	**63 015**	63 015	–	63 015
Group Wreck International Non-Ferrous Proprietary Limited	**60 665**	**–**	**60 665**	60 665	–	60 665
Other CGUs	**46 804**	**–**	**46 804**	11 166	–	11 166
	170 484	**–**	**170 484**	134 846	–	134 846

The key assumptions used for the value-in-use calculations are as follows:

	2024 Amalgamated Metals Recycling Proprietary Limited %	2024 Group Wreck International Non-Ferrous Proprietary Limited %	2023 Amalgamated Metals Recycling Proprietary Limited %	2023 Group Wreck International Non-Ferrous Proprietary Limited %
Terminal growth rate	**4,8**	**4,8**	4,8	4,8
Discount rate	**23,06%**	**23,82%**	25,23%	24,35%

11. GOODWILL CONTINUED

Impairment test for goodwill continued

Terminal growth rate – This represents the minimum growth rate used to extrapolate cash flows beyond the budget period and is therefore a long term measure as opposed to a short-term indicator. The estimated terminal growth rates applied are in line with that of the industry in which the company operates and are materially similar to assumptions of external market sources.

Discount rate – This represents the pre-tax WACC for each CGU. The discount rates used are based on a Weighted Average Cost of Capital (WACC), calculated using the Capital Asset Pricing Model (CAPM). The WACC rate has been adjusted for risks specific to each entity and have been accounted for in the equity market risk premium. The betas used are based on comparable companies and industry averages. As the material CGU's operate in similar industries and are exposed to the same factors, the discount rates are similar.

Sensitivity analysis

Amalgamated Metals Recycling Proprietary Limited

The headroom in this CGU is R78 million (2023: R74 million). If the discount rate in this CGU was 2,9% (2023: 2,8%) higher, the recoverable amount would be equal to the carrying amount in this segment. The projected cash forecasts include certain cost reductions that, if not realised, may indicate an impairment of the goodwill relating to this CGU.

No other reasonably possible changes in key assumptions would result in any impairments.

Group Wreck International Non-Ferrous Proprietary Limited

The headroom in this CGU is R18 million (2023: R21 million). If the discount rate in this CGU was 2,5% (2023: 3,2%) higher, the recoverable amount would be equal to the carrying amount in this segment.

No other reasonably possible changes in key assumptions would result in any impairments.

12. INTANGIBLE ASSETS

	2024			2023		
	Cost R'000	**Accumulated amortisation/ R'000**	**Carrying value R'000**	Cost R'000	Accumulated amortisation R'000	Carrying value R'000
GROUP						
Software	**7 846**	**(395)**	**7 451**	–	–	–
Other intangible assets – Nano Milling Technology	**9 336**	**(3 160)**	**6 176**	9 336	(2 667)	6 669
Total	**17 182**	**(3 555)**	**13 627**	9 336	(2 667)	6 669
COMPANY						
Software	**7 846**	**(395)**	**7 451**	–	–	–
Total	**7 846**	**(395)**	**7 451**	–	–	–

Reconciliation of intangible assets

	Opening balance R'000	Additions R'000	Amorti-sation R'000	Total R'000
GROUP				
2024				
Software	**–**	**7 846**	**(395)**	**7 451**
Other intangible assets	**6 669**	**–**	**(493)**	**6 176**
	6 669	**7 846**	**(888)**	**13 627**
2023				
Other intangible assets	7 140	–	(471)	6 669
	7 140	–	(471)	6 669

12. INTANGIBLE ASSETS CONTINUED

Reconciliation of intangible assets continued

	Opening balance R'000	Additions R'000	Amortisation R'000	Total R'000
COMPANY				
2024				
Software	–	7 846	(395)	7 451
	–	7 846	(395)	7 451

Other information

The investment in Nano Milling Technology was conceived to introduce the concept of nano-sizing of a range of products to the South African industry. Nano-sizing is the reduction of particle size with sophisticated equipment to extremely fine submicron size.

13. INVESTMENTS IN SUBSIDIARIES

The following table lists the entities which are controlled by the group, either directly or indirectly through subsidiaries.

		COMPANY			
Name of company	Held by	**Holding 2024 %**	Holding 2023 %	**Carrying amount 2024 R'000**	Carrying amount 2023 R'000
Insimbi Alloy Properties Proprietary Limited	Insimbi Industrial Holdings Limited	**100,00**	100,00	–	–
Insimbi Alloy Supplies Proprietary Limited	Insimbi Industrial Holdings Limited	**100,00**	100,00	**23 574**	**23 574**
Insimbi EmployeeCo Proprietary Limited* [1]	Insimbi Industrial Holdings Limited	**100,00**	100,00	**3 512**	**3 512**
Insimbi Manco Proprietary Limited* [2]	Insimbi Industrial Holdings Limited	**0,02**	0,02	**8 405**	**7 624**
Insimbi Refractory and Alloy Supplies Proprietary Limited Zambia#§	Insimbi Industrial Holdings Limited	–	10,00	–	–
Amalgamated Metals Group Holdings Proprietary Limited#	Insimbi Industrial Holdings Limited	**23,31**	23,31	**56 000**	**56 000**
Treppo Group Proprietary Limited	Insimbi Industrial Holdings Limited	**100,00**	100,00	**38 651**	**38 651**
M2M Properties Proprietary Limited	Insimbi Alloy Properties Proprietary Limited	**100,00**	100,00	–	–
Metlite Alloy Properties Proprietary Limited§	Insimbi Alloy Properties Proprietary Limited	–	100,00	–	–
Amalgamated Metals Group Holdings Proprietary Limited#	Insimbi Alloy Supplies Proprietary Limited	**76,69**	76,69	–	–
Insimbi Aluminium Alloys Proprietary Limited	Insimbi Alloy Supplies Proprietary Limited	**100,00**	100,00	–	–
Insimbi Nano Milling Proprietary Limited	Insimbi Alloy Supplies Proprietary Limited	**100,00**	100,00	–	–
Insimbi Refractory and Alloy Supplies Proprietary Limited Zambia#§	Insimbi Alloy Supplies Proprietary Limited	–	90,00	–	–

13. INVESTMENTS IN SUBSIDIARIES

		COMPANY			
Name of company	Held by	**Holding 2024 %**	Holding 2023 %	**Carrying amount 2024 R'000**	Carrying amount 2023 R'000
Minerals2Metals Proprietary Limited	Insimbi Aluminium Alloys Proprietary Limited	**100,00**	100,00	**–**	–
Amalgamated Metals Recycling Proprietary Limited	Amalgamated Metals Group Holdings Proprietary Limited	**100,00**	100,00	**–**	–
Amalgamated Metals Recycling SA Proprietary Limited	Amalgamated Metals Group Holdings Proprietary Limited	**100,00**	100,00	**–**	–
Amalgamated Metals Recycling West Rand Proprietary Limited	Amalgamated Metals Group Holdings Proprietary Limited	**100,00**	100,00	**–**	–
Group Wreck International Non-Ferrous Proprietary Limited	Amalgamated Metals Group Holdings Proprietary Limited	**100,00**	100,00	**–**	–
Spring Lights 1135 Proprietary Limited	Amalgamated Metals Group Holdings Proprietary Limited	**100,00**	100,00	**–**	–
Zamsaf Properties Proprietary Limited	Amalgamated Metals Group Holdings Proprietary Limited	**100,00**	100,00	**–**	–
Bulk Ferrous Exports Proprietary Limited	Treppo Group Proprietary Limited	**100,00**	100,00	**–**	–
Fragcorp Proprietary Limited	Treppo Group Proprietary Limited	**100,00**	100,00	**–**	–
Metfurco Trading Proprietary Limited	Treppo Group Proprietary Limited	**100,00**	100,00	**–**	–
Steelco Broking Proprietary Limited	Treppo Group Proprietary Limited	**100,00**	100,00	**–**	–
				130 142	**129 361**

* *Structured entities under the control of the group (The company has the ability to restrict and control the relevant activities of these structured entities, and is able to affect variable returns to the company).*

\# *Effectively owned 100% by the group, through investments held by subsidiaries.*

§ *The company was dormant, and was deregistered in the current year, therefore the shareholding is 0%.*

1 *In the previous financial year, the share appreciation rights scheme linked to Insimbi EmployeeCo, came to maturity. Insimbi Industrial Holdings has therefore acquired all fo the oridinary shares in EmployeeCo from the staff members who benefited from this scheme, and the process of deregistering the entity is expected to be finalised in the 2025 financial year. Please refer to note 22 for further details*

2 *In the current financial year one of the staff members participating in the Insimbi Manco scheme retired. Insimbi Industrial Holdings has acquired all of the oridinary shares in Insimbi ManCo from the staff member, thereby increasing its investment in the company.*

14. JOINT ARRANGEMENTS

Joint ventures

The following table lists all of the joint ventures in the group:

Name of company	Held by	**Ownership interest 2024 %**	Ownership interest 2023 %	**Carrying amount 2024 R'000**	Carrying amount 2023 R'000
GROUP					
Cronimet Two Joint Venture	Amalgamated Group Holdings Proprietary Limited	**8,21**	8,11	**6 338**	2 856

The joint venture is incorporated in South Africa and the other parties are entities in the metal recycling industry. The joint venture was started to encourage recyclers to offer stainless steel to local markets, before offering the product to export markets.

In accordance with the terms of the contractual agreement in place, the group is entitled to 8,21% (2023: 8,11%) of the net assets of Cronimet Two Joint Venture and has 20% of the voting rights in the joint venture. The total net assets of Cronimet Two Joint Venture as at 29 February 2024 amounted to R77 201 010 (2023: R35 220 399).

15. DEFERRED TAXATION

	GROUP 2024 R'000	GROUP 2023 R'000	**COMPANY 2024 R'000**	COMPANY 2023 R'000
Deferred tax liability				
Accelerated tax depreciation	**(23 566)**	(20 441)	**(2 376)**	(1 111)
Revaluation of property, plant and equipment	**(10 417)**	(10 417)	**–**	–
Fair value uplift on property, plant and equipment through business combination	**(8 270)**	(8 270)	**–**	–
Prepayment	**(1 983)**	(757)	**(29)**	(221)
Leases	**(1 625)**	(2 348)	**–**	–
Total deferred tax liability	**(45 861)**	(42 233)	**(2 405)**	(1 332)
Deferred tax assets				
Provisions	**3 893**	8 962	**578**	2 676
Tax losses available for offset against future taxable income	**6 851**	–	**5 432**	–
Income received in advance	**4 601**	706	**–**	–
Leases	**1 986**	2 674	**–**	–
Total deferred tax asset	**17 331**	12 342	**6 010**	2 676
Total net deferred tax	**(28 530)**	(29 891)	**3 605**	1 344
Disclosed as net deferred tax asset	**5 073**	24 840	**3 605**	1 344
Disclosed as net deferred tax liability	**(33 603)**	(54 731)	**–**	–
The gross movement on the deferred tax account is as follows:				
Opening balance	**(29 891)**	(26 136)	**1 344**	3 352
(Credited)/charged to profit and loss	**(14)**	(6 008)	**(120)**	(2 089)
Charged/(credited) to other comprehensive income	**–**	2 165	**–**	–
Prior period adjustments	**1 375**	88	**2 381**	81
Closing balances	**(28 530)**	(29 891)	**3 605**	1 344

Deferred tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profit is probable.

The group did not recognise deferred tax assets of R13 566 313 (2023: R25 589 954) in respect of losses amounting to R 50 245 605 (2023: R94 777 609).

15. DEFERRED TAXATION CONTINUED

	Provisions R'000	Tax losses available for set-off R'000	Income received in advance R'000	Leases R'000	Total assets R'000
GROUP					
The movement in deferred tax assets during the year is as follows:					
At 28 February 2022	15 148	–	992	3 438	19 578
Charged/(credited) to profit and loss	(6 274)	–	(286)	(764)	(7 324)
Prior period adjustment	88	–	–	–	88
At 28 February 2023	8 962	–	706	2 674	12 342
Charged/(credited) to profit and loss	**(5 069)**	**6 851**	**3 895**	**(688)**	**4 989**
Prior period adjustment	**–**	**–**	**–**	**–**	**–**
At 29 February 2024	**3 893**	**6 851**	**4 601**	**1 986**	**17 331**

	Accelerated tax depreciation R'000	Revaluation of property, plant and equipment R'000	Fair value gains through business combination R'000	Leases R'000	Prepayments R'000	Total liabilities R'000
GROUP						
The movement in deferred tax liabilities during the year is as follows:						
At 28 February 2022	(14 858)	(14 698)	(11 928)	(3 183)	(1 047)	(45 714)
Charged/(credited) to profit and loss	(3 467)	–	3 658	835	290	1 316
Charged/(credited) to other comprehensive income	(6 847)	9 012	–	–	–	2 165
Prior period adjustment	4 731	(4 731)	–	–	–	–
At 28 February 2023	(20 441)	(10 417)	(8 270)	(2 348)	(757)	(42 233)
Charged/(credited) to profit and loss	**(4 500)**	**–**	**–**	**723**	**(1 226)**	**(5 003)**
Prior period adjustment	**1 375**	**–**	**–**	**–**	**–**	**1 375**
At 29 February 2024	**(23 566)**	**(10 417)**	**(8 270)**	**(1 625)**	**(1 983)**	**(45 861)**

15. DEFERRED TAXATION CONTINUED

	Tax losses R'000	Provisions R'000	Total assets R'000
COMPANY			
The movement in deferred tax assets and liabilities during the year is as follows:			
At 28 February 2022	–	4 069	4 069
(Credited)/charged to profit and loss	–	(1 474)	(1 474)
Prior period adjustment	–	81	81
At 28 February 2023	–	2 676	2 676
(Credited)/charged to profit and loss	**3 051**	**(2 098)**	**953**
Prior period adjustment	**2 381**	**–**	**2 381**
At 29 February 2024	**5 432**	**578**	**6 010**

	Accelerated tax depreciation R'000	Prepayments R'000	Total liabilities R'000
At 28 February 2022	(717)	–	(717)
(Credited)/charged to profit and loss	(394)	(221)	(615)
At 28 February 2023	(1 111)	(221)	(1 332)
(Credited)/charged to profit and loss	**(1 265)**	**192**	**(1 073)**
Prior period adjustment	**–**	**–**	**–**
At 29 February 2024	**(2 376)**	**(29)**	**(2 405)**

	GROUP		COMPANY	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
16. INVENTORIES				
Raw materials, components	**13 154**	160 869	**–**	–
Finished goods	**326 815**	137 925	**–**	–
Goods in transit	**–**	11 605	**–**	–
	339 969	310 399	**–**	–
Inventory write-down	**(4 573)**	(5 803)	**–**	–
	335 396	304 596	**–**	–

The total inventory write-down for the year of R1,23 million (2023: R3,24million) was included in cost of sales.

Cost of inventory expensed during the year was R4 970 815 267 (2023: R4 940 396 071).

The inventory balances do not include any spare parts.

Inventories have been pledged as security for short-term facilities. Please refer note 35.2.2 for further details.

	GROUP 2024 R'000	GROUP 2023 R'000	COMPANY 2024 R'000	COMPANY 2023 R'000
17. LOANS TO GROUP COMPANIES				
Subsidiaries				
Insimbi Alloy Supplies Proprietary Limited	–	–	**182 248**	189 296
Amalgamated Metals Recycling Proprietary Limited	–	–	–	–
Insimbi Plastics Proprietary Limited*	–	–	–	–
Insimbi Aluminium Alloys Proprietary Limited*	–	–	**58 371**	65 800
Insimbi Nano Milling Proprietary Limited	–	–	–	–
Amalgamated Metals Group Holdings Proprietary Limited	–	–	**11 490**	2 227
Insimbi Alloy Properties Proprietary Limited	–	–	**25 966**	20 296
Insimbi EmployeeCo Proprietary Limited	–	–	–	–
Insimbi Manco Proprietary Limited	–	–	–	–
Treppo Group Proprietary Limited	–	–	**46 696**	74 662
Fragcorp Proprietary Limited	–	–	**12 000**	12 000
	–	–	**336 771**	364 281

* *Portions of these loans were written off in the prior year, when they became irrecoverable due to insufficient underlying assets.*

The loans are unsecured, bear interest at prime less 1% (20231: prime less 1%), and have no fixed terms of repayment.

The company has agreed to subordinate its claims against the subsidiaries in favour of and for the benefit of other creditors of the subsidiaries, and does not hold any collateral as security as all the subsidiaries are effectively 100% held and controlled by the holding company.

	GROUP 2024 R'000	GROUP 2023 R'000	COMPANY 2024 R'000	COMPANY 2023 R'000
Split between non-current and current portions				
Current assets	–	–	**336 771**	364 281

Fair value of group loans receivable

The fair value of group loans receivable approximates their carrying amounts due to their short-term nature.

Credit risk and loss allowances:

These group loans arose as the main financing facilities of the group are held by the holding company. These loans are used to fund the day-to-day operations of the various subsidiaries through a centralised treasury function managed by the company.

Management has performed an analysis on each loan, and has considered if the subsidiary has sufficient highly liquid assets to settle the loans if demanded to do so at the reporting date. Where the subsidiaries have sufficient highly liquid assets, no expected credit losses (ECLs) have been raised.

Where the subsidiaries do not have sufficient highly liquid assets, management then further assessed the ability of the subsidiary to repay the loan over time, taking into account the trading conditions in the South African markets, as well as economic growth and inflationary outlook in the short–term. These assessments indicated that the company would be able to fully recover the loans outstanding from its subsidiaries.

The ECLs in these instances will be limited to the effect of discounting the amount due on the loan over the period until cash is realised. As these effects of discounting are not material, no impairment losses have been recognised.

	GROUP 2024 R'000	GROUP 2023 R'000	COMPANY 2024 R'000	COMPANY 2023 R'000
18. TRADE AND OTHER RECEIVABLES				
Financial assets:				
Trade receivables	**557 628**	532 426	**4 627**	636
Deposits	**2 885**	3 685	**–**	–
Other receivables*	**33 492**	24 822	**542**	382
Loss allowance	**(2 429)**	(2 077)	**–**	–
Trade receivables at amortised cost	**591 577**	558 856	**5 169**	1 018
Non-financial assets:				
VAT	**38 075**	42 552	**–**	884
Employee costs in advance	**329**	317	**144**	100
Prepayments	**6 576**	6 839	**565**	819
Total trade and other receivables	**636 557**	608 564	**5 878**	2 821
Split between non-current and current portions				
Current assets	**636 557**	608 564	**5 878**	2 821
Categorisation of trade and other receivables				
Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:				
Financial assets	**591 577**	558 856	**5 169**	1 018
Non-financial assets	**44 980**	49 708	**709**	1 803
	636 557	608 564	**5 878**	2 821

* *Other receivables includes receivables in Treppo Group Proprietary Limited, which has extended payment terms (longer than 30 days, but not more than 365 days) and have securities in place to secure the receivable.*

Trade and other receivables pledged as security

Trade and other receivables have been pledged as security for short-term facilities. Refer to note 35 for further details.

The average credit period on trade receivables is 37 days (2023: 30 days).

Loss allowance on trade receivables

A loss allowance is calculated for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period.

The loss allowance provision for the company has been calculated, and is not material for any classes of debtors. Therefore no ECL has been recognised and no further disclosures are provided.

The trade receivables for the group has been calculated based on the four categories as disclosed in the accounting policies on page 52. Classes of debtors that individually immaterial have been aggregated and have been disclosed in "other classes of trade receivables" below.

The loss allowance provision for group is determined as follows:

	2024				2023			
Large corporates	**Gross trade receivables**	**Expected credit loss ratio**	**Expected credit loss**	**Estimated net carrying amount**	Gross trade receivables	Expected credit loss ratio	Expected credit loss	Estimated net carrying amount
<30 days	**357 907**	**0,08%**	**272**	**357 635**	354 102	0,04%	148	353 953
31 – 60 days	**77 170**	**0,18%**	**139**	**77 030**	66 640	0,16%	109	66 531
61 – 90 days	**16 116**	**0,09%**	**15**	**16 102**	3 662	0,31%	11	3 650
Over 90 days	**47 120**	**0,45%**	**211**	**46 909**	8 413	1,88%	159	8 255
	498 312		**636**	**497 676**	432 817		428	432 389

18. TRADE AND OTHER RECEIVABLES CONTINUED

Loss allowance on trade receivables continued

Foreign debtors	2024 Gross trade receivables	2024 Expected credit loss ratio	2024 Expected credit loss	2024 Estimated net carrying amount	2023 Gross trade receivables	2023 Expected credit loss ratio	2023 Expected credit loss	2023 Estimated net carrying amount
<30 days	18 189	2,63%	479	17 709	13 069	4,30%	561	12 508
31 – 60 days	1 064	6,95%	74	990	1 543	8,07%	125	1 419
61 – 90 days	2 667	18,08%	482	2 185	62	68,64%	42	19
Over 90 days	722	11,75%	85	637	1 229	12,93%	159	1 070
	22 642		1 120	21 522	15 903		887	15 016
Other classes of trade receivables*	36 673	1,83%	672	36 001	83 706	0,91%	762	82 944

* *Since the other classes of trade receivables are individually immaterial, no further breakdown has been provided in terms of ageing buckets.*

Loss allowance on other receivables and deposits

The loss allowance provision for other receivables and deposits have been calculated, and is deemed not material. Therefore no further disclosures are provided.

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade and other receivables:

	GROUP 2024 Large corporates R'000	GROUP 2024 Foreign debtors R'000	GROUP 2024 Other classes of trade receivables R'000	GROUP 2024 Total R'000	COMPANY 2023 Large corporates R'000	COMPANY 2023 Foreign debtors R'000	COMPANY 2023 Other classes of trade receivables R'000	COMPANY 2023 Total R'000
Opening balance	1 041	887	149	2 077	5 726	99	175	6 000
Exposures settled in the current period	(1 041)	(887)	(149)	(2 077)	(1 055)	(99)	(175)	(1 329)
New financial assets originated or purchased	7 420	1 120	673	9 213	423	887	149	1 459
Amount written off as bad debt	(6 784)	–	–	(6 784)	(4 053)	–	–	*(4 053)*
Closing balance	636	1 120	673	2 429	1 041	887	149	2 077

The fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts due to their short-term nature.

For further details on credit and currency risk, please refer to note 35.

	GROUP		COMPANY	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
19. CASH AND CASH EQUIVALENTS				
Cash and cash equivalents consist of:				
Cash on hand	**2 461**	2 290	**–**	–
Bank balances	**72 595**	94 786	**13**	1
	75 056	97 076	**13**	1
Current assets	**75 056**	97 076	**13**	1
	75 056	97 076	**13**	1

For further details on liquidity, credit and currency risk, please refer to note 35.

Details regarding financing facilities can also be found in note 35.

20. ASSETS CLASSIFIED AS HELD FOR SALE

In the previous financial year a decision was made to exit the company's non-core operation, Insimbi Plastics Proprietary Limited and to dispose of its assets. Management has considered the impact of disclosing the entity as a discontinued operation, however they found it not to be a major line of business or geographical area of operations, as both revenue and and total assets represented less than 2% of group revenue and assets. Furthermore the disclosure as a discontinued operation would not have materially affected EPS or HEPS. Based on this conclusion, management has disclosed assets relating to this operation, still held at year-end by the group and company, as "Assets classified as held for sale". The company was deregistered in March 2023.

	GROUP		COMPANY	
	2024 R'000	2023 R'000	**2023 R'000**	2023 R'000
Assets classified as held for sale consist of:				
Plant and machinery held for sale	**9 748**	8 249	**13 983**	17 770

The difference between company and group value, is the profit made when the assets were sold to holding company, before deregistration of the entity.

The assets were sold intergroup at the fair market value as determined by an independent valuer.

	Opening balance R'000	Disposals R'000	Transfers R'000	Closing balance R'000
GROUP				
2024				
Plant and machinery held for sale	**8 249**	**(1 317)**	**2 816**	**9 748**
2023				
Plant and machinery held for sale	–	–	8 249	8 249

	Opening balance R'000	Additions R'000	Disposals R'000	Transfers R'000	Closing balance R'000
COMPANY					
2024					
Plant and machinery held for sale	**17 770**	**–**	**(6 319)**	**2 532**	**13 983**
2023					
Plant and machinery held for sale	–	17 770	–	–	17 770

	GROUP 2024 R'000	GROUP 2023 R'000	COMPANY 2024 R'000	COMPANY 2023 R'000
21. SHARE CAPITAL				
Authorised				
12 000 000 000 ordinary shares of 0,000025 cents each	**3**	3	**3**	3
Reconciliation of number of shares issued ('000):				
Shares purchased by subsidiaries	**13 355**	12 442	**–**	–
Issue of shares – ordinary shares	**363 843**	372 031	**–**	–
	377 198	384 473	**–**	–
Issued (R'000)				
Share premium	**206 047**	214 813	**203 899**	212 665
Share issue costs written off against share premium	**(8 244)**	(8 618)	**(8 244)**	(8 618)
Treasury shares/held by subsidiaries	**(10 635)**	(9 959)	**(676)**	–
	187 168	196 236	**194 979**	204 047

Unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

A total of 7 274 815 (2023: 25 527 088) shares with a value of R8 392 412 (2023: R23 931 984) previously held in treasury (or repurchased in the current year), were delisted and cancelled.

In the prior year, 11 538 462 shares issued as part of the Treppo acquisition were also delisted and cancelled, since the post-acquisition profit targets were not met. The group obtained a JSE ruling regarding this transaction.

In the current year 8 132 976 (2023: 11 368 853) shares were repurchased from the market for an amount of R9 067 680 (2023: R11 765 596). The average price paid was R1,11 (2023: R1,06).

Shares held in treasury amounted to R10 635 707 (2023: R9 958 998) at year-end, which are disclosed as a reduction of equity in the statement of changes in equity.

22. SHARE-BASED PAYMENTS

In the 2017 financial year Insimbi entered into agreements for the implementation of an employee share participation transaction and a management share participation transaction in terms of which eligible employees of Insimbi (other than directors and prescribed officers of the group) collectively obtained an approximate 5,22% indirect shareholding interest in Insimbi Industrial Holdings Limited. This equates to 22 968 015 shares. There have been no changes to the number of securities used for the purposes of this scheme since the inception. The exercise price of the granted option is R1,14 and the value is R0,78 on the date of the grant.

Options are conditional on the employee completing five years' service (the vesting period), whereafter the options may be exercised in three one-year tranches (In 2022, 2023 and 2024). The group has no legal or constructive obligation to repurchase or settle the options in cash.

	2024		2023	
Share option group	**Number**	**Total value**	Number	Total value
Outstanding at the beginning of the year	**4 079 867**	**3 182 296**	22 835 887	17 814 059
Exercised during the year	**(1 166 667)**	**(143 296)**	(18 756 020)	(14 631 763)
Outstanding at the end of the year	**2 913 200**	**3 039 000**	4 079 867	3 182 296

Weighted average share price at exercise date of options (8 June 2022) was R1 (2023: R1).

In the previous financial year, Insimbi decided to accelerate the vesting period and employees had the choice to exercise all of their options in the current year. Most of the employees elected to exercise all of their options, and the options were settled in cash.

22. SHARE-BASED PAYMENTS CONTINUED

Information on options granted during the year

Fair value was determined using the Black-Scholes valuation model. The following inputs were used:

- Weighted average share price – R1,00
- Exercise price – R1,14
- Expected volatility – 67,9%
- Option life – 8 years
- Expected dividends – 7,62%
- The risk–free interest rate – 8,52%

Volatility has been determined by considering the historical volatility of the Insimbi Industrial Holdings Limited share, calculated as the annualised standard deviation of the continuously compounded daily returns of the underlying share under the assumption that the share is log-normally distributed. This is calculated over a period commensurate with the term of each tranche.

As a result of the accelerated vesting, and due to underperformance of the Insimbi shares in the period related to the scheme, R1 327 991 (2023: R3 565 909) of expenses previously recognised were reversed in the current year on the exercise date.

23. REVALUATION RESERVE

In 2013 the group changed its accounting policy for the treatment of land and buildings to the revaluation method in terms of IAS 16: Property, plant and equipment. The group has revalued its land and buildings under the revaluation model and the effect was as follows:

	GROUP		COMPANY	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
Surplus on revaluation of land and buildings	**52 560**	52 560	**–**	–
Deferred taxation	**(10 417)**	(10 417)	**–**	–
	42 143	42 143	**–**	–
In the previous year, one of the properties were sold. This resulted in a transfer from the revaluation reserve to retained earnings, amounting to R4,4 million, as disclosed in the Statement of changes in esquity.				

24. DIVIDENDS PAID

	GROUP 2024 R'000	GROUP 2023 R'000	COMPANY 2024 R'000	COMPANY 2023 R'000
Dividends	**(27 514)**	(11 367)	**(28 300)**	(12 060)

Dividends are from capital profits. An interim dividend of 2.5 cents (2023: 3 cents) per share was declared on 16 October 2023, and paid on 20 November 2023.

No final dividend (2023: 5 cents per share) was declared. The prior year final dividend was paid on 10 July 2023.

25. RETIREMENT BENEFITS

Defined contribution plan

The employees of the group are members of a defined contribution plan, which is administered by Alexander Forbes Retirement Fund. The fund is governed by the Pension Fund Act of 1956.

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity.

The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as and expensed when they are due. The group expense recognised during the year was R9 685 475 (2023: R9 624 574). The company expense recognised during the year was R1 683 232 (2023: R1 605 123) . Please refer note 4.

	GROUP		COMPANY	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
26. FINANCIAL LIABILITIES AT AMORTISED COST				
Held at amortised cost				
Secured				
Absa Bank Limited – term loan 3	**78 400**	100 800	**78 400**	100 800
Absa Bank Limited – term loan 4	**48 000**	48 000	**48 000**	48 000
Absa Bank Limited – primary lending facilty	**213 124**	211 580	**167 701**	181 057
Absa Bank Limited – receivables financing facility	**149 948**	101 997	**–**	–
First Rand Bank Limited – mortgage bonds	**15 417**	22 339	**–**	–
Absa Bank Limited – mortgage bonds	**18 160**	20 624	**–**	–
Redeemable preference shares	**554**	511	**–**	–
Instalment sales	**19 428**	22 972	**–**	856
	543 031	528 823	**294 101**	330 713
Split between non-current and current portions				
Non-current liabilities	**139 400**	173 794	**104 000**	126 400
Current liabilities	**403 631**	355 029	**190 101**	204 313
	543 031	528 823	**294 101**	330 713
Non-current liabilities				
Absa Bank Limited – term loan 3	**56 000**	78 400	**56 000**	78 400
Absa Bank Limited – term loan 4	**48 000**	48 000	**48 000**	48 000
First Rand Bank Limited – mortgage bonds	**7 718**	15 271	**–**	–
ABSA Bank Limited – mortgage bonds	**15 825**	18 405	**–**	–
Redeemable preference shares	**554**	511	**–**	–
Instalment sales	**11 303**	13 207	**–**	–
	139 400	173 794	**104 000**	126 400
Current liabilities			**–**	
Absa Bank Limited – term loan 3	**22 400**	22 400	**22 400**	22 400
Absa Bank Limited – term loan 4	**–**	–	**–**	–
First Rand Bank Limited – mortgage bonds	**7 699**	7 068	**–**	–
ABSA Bank Limited – mortgage bonds	**2 335**	2 219	**–**	–
Absa Bank Limited – primary lending facilty	**213 124**	211 580	**167 701**	181 057
Absa Bank Limited – receivables financing facility	**149 948**	101 997	**–**	–
Instalment sales	**8 125**	9 765	**–**	856
	403 631	355 029	**190 101**	204 313
	543 031	528 823	**294 101**	330 713

26. FINANCIAL LIABILITIES AT AMORTISED COST CONTINUED

Refer to note 31 – Changes in liabilities arising from financing activities for details of the movement in the borrowings during the reporting period. Refer to note 35 for liquidity risk disclosures and securities.

Absa Bank Limited – term loan 3

Interest rate – JIBAR + 280 basis points. The monthly capital repayment is R1 866 667 (2023: R1 866 667). The interest rate at year end was 11,058% (2023: 10,125%). The last repayment falls due on 31 August 2027.

Absa Bank Limited – term loan 4

Interest rate – JIBAR + 350 basis points. There was no fixed monthly repayment, but interest was serviced monthly. The interest rate at year-end was 11,758% (2023: 10,825%). The repayment falls due on 31 August 2027.

Absa Bank Limited – primary lending facility

Interest rate – prime less 1%. The maximum amount that is permitted is R335 000 000 (2023: R325 000 000). The balance varies from month to month depending on the cash flow of the group and the company. The interest rate at year-end was 10,75% (2023: 9,75%).

Absa Bank Limited – receivables financing facility

Interest rate – prime less 1% (2023: prime plus 0,35%). The maximum amount that is permitted is R350 000 000 (2023: R250 000 000). The facility was implemented in June 2021 as it better suited the nature of business of Treppo Group Proprietary Limited and its subsidiaries. The facility cannot be shared with other entities in the group, and debtors are funded in line with credit insurance limits. The balance varies from month to month depending on the invoicing and debtors' collections of Treppo Group Proprietary Limited. The interest rate at year-end was 10,75% (2023: 11,1%).

FirstRand Bank Limited – mortgage bonds

Interest rate – prime less 0,25%. The monthly repayment is R641 598 (2023: R542 333). The loan is secured by the property held in Atlantis, Western Cape, the property held in Teakwood Road, Jacobs, KwaZulu-Natal, as well as the properties in Crocker Road, Wadeville. The interest rate at year-end was 11,5% (2023: 10,5%). The last repayment falls due on 1 July 2025.

Absa Bank Limited – mortgage bonds

Interest rate – prime less 0,25%. The monthly repayment is R358 555 (2023: R356 395). The loan is secured by Erven 123 and 309 Phoenix Industrial Park, KwaZulu-Natal, and Erf 3499 Queensburgh Extension 20, KwaZulu-Natal. The interest rate at year-end was 11,5% (2023: 10,5%). The last repayment falls due on 7 November 2029.

Redeemable preference shares

Coupon rate – prime less 2,25%, multiplied by 72% per annum, compounded monthly in arrears. The redemption of the remaining preference share will be as follows:

– 5 December 2029: R500 000 plus coupon on outstanding amount.

Instalment sale agreements

Interest rate – prime linked at 11,75% (2023: 10,75%). The agreements are secured by motor vehicles and plant and equipment with a net book value of R43 681 759 (2023: R48 742 517) and repayable in monthly instalments of R833 547 (2023: R1 020 382).

Borrowing powers

In terms of the memorandum of incorporation, article 61, the borrowing powers of the company are unlimited.

Fair value

For all the liabilities the fair values are not materially different from their carrying amounts since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

	GROUP		COMPANY	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
27. TRADE AND OTHER PAYABLES				
Financial instruments:				
Trade payables	**267 364**	247 564	**1 366**	583
Accrued audit fees	**3 111**	3 116	**844**	729
Other accrued expenses	**3 595**	8 469	**(27)**	2 044
Trade payables at amortised cost	**274 070**	259 149	**2 183**	3 356
Non-financial instruments:				
Accrued leave pay	**3 794**	4 437	**947**	932
Accrued bonus	**–**	10 972	**–**	1 869
Income received in advance	**16 671**	–	**–**	–
VAT Payable	**5 080**	4 326	**2 162**	–
	299 615	278 884	**5 292**	6 157
Fair value of trade and other payables The fair value of trade and other payables approximates their carrying amounts due to their short-term nature.				
28. LOANS FROM GROUP COMPANIES				
Subsidiaries				
	–	–	**79 556**	27 818
The loans are unsecured, interest free, and have no fixed terms of repayment.				
Split between non-current and current portions				
Current liabilities	**–**	–	**79 556**	27 818

Refer to note 31 – Changes in liabilities arising from financing activities for details of the movement in loans from group companies during the reporting period.

Fair value

The fair values disclosed above are not materially different from their carrying amounts due to their short-term nature.

	GROUP		COMPANY	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
29. CASH GENERATED FROM OPERATIONS				
Profit before tax	**58 590**	146 865	**2 267**	31 750
Adjustments for:				
Depreciation and amortisation	**29 309**	35 588	**876**	645
Losses/(gains) on disposals of property, plant and equipment	**3 363**	(2 016)	**6 321**	–
Fair value on foreign exchange contracts	**1 198**	(2 804)	**–**	–
Income from equity-accounted investments	**(6 005)**	(5 067)	**–**	–
Investment income	**(2 582)**	(611)	**(24 196)**	(37 163)
Finance costs	**73 255**	58 604	**46 585**	24 526
Gain on extinguishment of other financial liabilities	**–**	(19 952)	**–**	(19 952)
Gain on lease modification and derecognition	**–**	(198)	**–**	–
Reversal of contingent consideration	**–**	(870)	**–**	–
Expected credit losses	**352**	(3 923)	**–**	–
Inventory write-downs	**(1 230)**	(3 245)	**–**	–
Share-based payments	**–**	(3 566)	**–**	(3 566)
Other non-cash items	**–**	2 018	**(463)**	(599)
Impairment of loan to group companies (refer note 17)	**–**	–	**–**	22 325
Rent not paid in cash	**–**	–	**–**	1 001
Management fees and other cross charges not received in cash	**–**	–	**(44 315)**	(52 168)
Changes in working capital:				
Inventories	**(29 570)**	26 362	**–**	–
Trade and other receivables	**(25 888)**	15 347	**(3 439)**	(3 998)
Trade and other payables	**20 731**	(84 784)	**(35)**	(11 504)
	121 523	157 748	**(16 398)**	(48 703)

	GROUP		COMPANY	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
30. TAX PAID				
Balance at beginning of the year	**(11 855)**	(6 875)	**(1 345)**	(2 943)
Current tax for the year recognised in profit or loss	**(17 075)**	(35 767)	**–**	–
Other non-cash movement	**–**	3 238	**–**	–
Balance at end of the year	**6 762**	11 855	**323**	1 345
	(22 168)	(27 549)	**(1 022)**	(1 598)

31. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Reconciliation of liabilities arising from financing activities

	Note	Opening balance R'000	Instal-ment sales R'000	Lease modifi-cation R'0000	Other non-cash move-ments R'000	Total non-cash move-ments R'000	Cash flows R'000	Closing balance R'000
GROUP								
2024								
Financial liabilities at amortised cost	26	**528 823**	**5 110**	**–**	**–**	**5 110**	**9 098**	**543 031**
Derivatives		**2 492**	**–**	**–**	**1 198**	**1 198**	**(3 690)**	**–**
Lease liabilities	10	**14 471**	**–**	**(457)**	**1 305**	**848**	**(3 876)**	**11 443**
		545 786	**5 110**	**(457)**	**2 503**	**7 156**	**1 532**	**554 474**
2023								
Financial liabilities at amortised cost	26	550 088	16 296	–	(19 952)*	(3 656)	(17 609)	528 823
Derivatives		312	–	–	2 492	2 492	(312)	2 492
Lease liabilities	10	17 534	–	(198)	(130)	(328)	(2 735)	14 471
		567 934	16 296	(198)	(17 590)	(1 492)	(20 656)	545 786

* *The non-cash item represents a gain on extinguishment of loan, please refer to note 2.*

	Note	Opening balance R'000	Other non-cash movements R'000	Cash flows R'000	Closing balance R'000
COMPANY					
2024					
Financial liabilities at amortised cost	26	**330 713**	**–**	**(36 612)**	**294 101**
Loans from group companies	28	**27 818**	**(32 362)**	**84 100**	**79 556**
Total liabilities from financing activities		**358 531**	**(32 362)**	**47 488**	**373 657**
2023					
Financial liabilities at amortised cost	26	301 139	(19 952)*	49 526	330 713
Loans from group companies	28	1 027	27 818	(1 027)	27 818
Total liabilities from financing activities		302 166	7 866	48 499	358 531

* *The non-cash item represents a gain on extinguishment of loan, please refer to note 2.*

32. RELATED PARTIES

Relationships

Subsidiaries	Refer to note 13
Joint ventures	Refer to note 14
Members of key management	Directors of the group as per note 33 meet the definition of key management personnel.

	Note	GROUP 2024 R'000	GROUP 2023 R'000	COMPANY 2024 R'000	COMPANY 2023 R'000
32.1 Transactions and balance with subsidiaries:					
Related party balances					
Loan accounts – owing (to)/by subsidiaries					
Amalgamated Metals Group Holdings Proprietary Limited	17	–	–	**11 490**	2 227
Amalgamated Metals Recycling Proprietary Limited	28	–	–	**(79 556)**	(27 818)
Insimbi Alloy Properties Proprietary Limited	17	–	–	**25 966**	20 296
Insimbi Alloy Supplies Proprietary Limited	17	–	–	**182 248**	189 296
Insimbi Aluminium Alloys Proprietary Limited	17	–	–	**58 371**	65 800
Treppo Group Proprietary Limited	17	–	–	**46 696**	74 662
Fragcorp Proprietary Limited	17	–	–	**12 000**	12 000
Trade and other receivables/(payables) due from/(to) subsidiaries					
Insimbi Alloy Supplies Proprietary Limited	18	–	–	**–**	36
Amalgamated Metals Recycling Proprietary Limited	18	–	–	**295**	252
Treppo Group Proprietary Limited	18	–	–	**1 489**	307
Related party transactions					
Administration fees received from subsidiaries					
Amalgamated Metals Recycling Proprietary Limited	1	–	–	**(25 451)**	(15 972)
Insimbi Alloy Supplies Proprietary Limited	1	–	–	**(24 360)**	(13 500)
Sales of goods to subsidiaries					
Insimbi Alloy Supplies Proprietary Limited	1	–	–	**(90)**	(256)
Insimbi Aluminium Alloys Proprietary Limited	1	–	–	**–**	(2)
Minerals2Metals Proprietary Limited	1	–	–	**–**	(21)
Interest (received from)/paid to subsidiaries					
Insimbi Alloy Supplies Proprietary Limited	5	–	–	**(16 800)**	(8 157)
Insimbi Aluminium Alloys Proprietary Limited	5	–	–	**–**	(7 294)
Treppo Group Proprietary Limited	5	–	–	**(5 984)**	–
Fragcorp Proprietary Limited	5	–	–	**(775)**	–
Amalgamated Metals Recycling Proprietary Limited	6	–	–	**6 675**	–
Dividends received from subsidiaries					
Insimbi Alloy Supplies Proprietary Limited	5	–	–	**–**	(9 423)
Insimbi Alloy Properties Proprietary Limited	5	–	–	**–**	(9 980)
Insimbi ManCo Proprietary Limited	5	–	–	**(637)**	–
Insimbi EmployeeCo Proprietary Limited	5	–	–	**–**	(10 790)
Rent paid to subsidiaries					
Insimbi Alloy Properties Proprietary Limited	4	–	–	**940**	1 001

For credit and liquidity risk disclosures, pelase refer to note 35.

33. DIRECTORS' EMOLUMENTS AND INTERESTS

Directors' and prescribed officers' emoluments

Emoluments paid to directors and prescribed officers of the group are as set out below:

	Fees 2024 R'000	Salary 2024 R'000	Expense allowances* 2024 R'000	Pension fund contributions 2024 R'000	Incentive bonus 2024 R'000	Share-based payments 2024 R'000	Total 2024 R'000	Total 2023 R'000
Executive								
F Botha	–	3 898	1 407	–	1 185	–	6 490	9 712
C Coombs[1]	–	–	–	–	–	–	–	7 268
N Winde	–	2 662	–	272	605	–	3 539	4 888
Total executive	–	6 560	1 407	272	1 790	–	10 029	21 868
Non-executive								
RI Dickerson	759	–	–	–	–	–	759	676
IP Mogotlane[2]	–	–	–	–	–	–	–	314
N Mwale	501	–	–	–	–	–	501	393
C Ntshingila	528	–	–	–	–	–	528	455
Total non-executive	1 788	–	–	–	–	–	1 788	1 838
Prescribed officers								
EP Liechti[3]	–	1 165	111	–	2 237	–	3 513	6 313
CF Botha	–	2 616	582	–	294	–	3 492	3 604
D de Beer[4]	–	438	7	–	257	782	1 484	3 499
S Green	–	2 586	299	278	–	–	3 163	3 506
M Dlamini[5]	–	395	–	38	–	–	433	–
C Coombs[1]	–	4 014	60	–	2 861	–	6 935	–
CM Lindeque[6]	–	–	–	–	–	–	–	3 064
M Oppert[7]	–	–	–	–	–	–	–	1 733
A Oppert[8]	–	–	–	–	–	–	–	893
B Antonio[9]	–	3 804	110	–	39	–	3 953	1 991
K Rossouw[10]	–	1 501	–	–	–	–	1 501	763
Total prescribed officers[11]	–	11 214	1 059	316	5 649	782	24 474	25 366
Total	1 788	17 774	2 466	588	7 439	782	36 291	49 072

* *Includes medical aid and travel allowances.*
[1] *Resigned as director on 6 February 2023 to maintain the balanced composition and level of independence of the Board.*
[2] *Resigned 18 January 2023.*
[3] *Retired 30 June 2023.*
[4] *Retired 31 March 2023.*
[5] *Appointed as director of subsidiary on 1 September 2023.*
[6] *Resigned 15 December 2022.*
[7] *Retired 30 August 2022.*
[8] *Retired 30 August 2022.*
[9] *Appointed as director of subsidiary on 1 September 2022.*
[10] *Appointed as director of subsidiary on 1 September 2022.*
[11] *Paid by the relevant subsidiary.*

33. DIRECTORS' EMOLUMENTS AND INTERESTS CONTINUED

Directors' and prescribed officers' interests

As at 29 February 2024, the directors' and prescribed officers' beneficial and non-beneficial, direct and indirect interests in the issued share capital of the company amounted to 47,89% (2023: 47,89%) in aggregate. The interests of the directors and prescribed officers are as follows:

	Beneficial				Non-beneficial			
	Direct		Indirect		Direct		Indirect	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
Directors								
F Botha	**–**	–	**36 847 300**	36 847 300	**–**	–	**673**	288 376
C Coombs	**–**	–	**21 950 200**	21 950 200	**–**	–		–
N Mwale	**–**	–	**–**	–	**–**	–	**82 000 000***	82 000 000*
IP Mogotlane^	**–**	–	**–**	–	**–**	–	**–**	82 000 000*
RI Dickerson	**–**	–	**–**	–	**–**	–	**82 000 000***	82 000 000*
Prescribed officers								
CF Botha	**23 680 754**	23 680 754	**–**	–	**–**	–	**250 000**	250 000
EP Liechti#	**–**	19 517 724	**–**	–	**–**	–	**–**	250 000
S Green	**113 426**	113 426	**–**	–	**–**	–	**–**	–
Total	**23 794 180**	43 311 904	**58 797 500**	58 797 500	**–**	–	**82 250 673**	82 788 376

* *82 000 000 shares held by New Seasons Investment Holdings Proprietary Limited; not by individual directors (now K2017289277 (South Africa) Proprietary Limited – NS InvestCo).*
\# *Retired on 30 June 2023.*
^ *Resigned on 18 January 2023.*

As at the date of preparation of this report, no directors or prescribed officers have disposed of any of the shares held by them as at 29 February 2024.

The current EmployeeCo and ManCo share ownership schemes do not involve direct ownership in Insimbi by management, as the portion of shares that have vested, had been settled in cash, and not in shares.

34. SUBSEQUENT EVENTS AND GOING CONCERN

When assessing the group's ability to continue as a going concern, management has prepared various scenarios and models to assess the future of the group.

During these assessments management revised forecast sales and profits on an ongoing basis as new information became available. Management also assessed the impact on the supply chain and customer base, as well as any potential impacts on commodity prices (including oil and metal prices) and fluctuating exchange rates.

Some of the group's financial liabilities at amortised cost (refer note 26) are subject to covenant clauses, whereby the group is required to meet certain key financial ratios. When the covenant clause is breached, the lender is contractually entitled to request immediate repayment of the outstanding loan amount.

At year-end, the group breached the interest cover ratio (Earnings before interest and tax (EBITDA) divided by total interest should exceed 3). The ratio at year-end was 2.34. The group has obtained a waiver from ABSA for this breach, and ABSA has confirmed that it would not affect the availability of facilities.

Management is also forecasting this breach to continue for the May, August and November 2024 measurement periods, as well as a breach in the Leverage ratio (Consolidated net borrowings divided by EBITDA should not exceed 2.75) for the May measurement period. Management has also renegotiated these covenants for the 2025 financial year and are comfortable that the renegotiated covenants will not be breached.

Management is comfortable that the group will be able to continue as a going concern and the annual financial statements have been prepared based on accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors are not aware of any other material events after the reporting date that warrants disclosure.

35. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

35.1 Capital risk management

The group and company's objectives when managing capital are to safeguard the group and company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the group and company consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 26 and 28, cash and cash equivalents disclosed in note 19, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

There have been no changes to what the group manages as capital or the strategy for capital maintenance. There are externally imposed capital requirements by ABSA Bank (refer to note 35.2.2).

		GROUP		COMPANY	
	Notes	**2024 R'000**	2023 R'000	**2024 R'000**	2023 R'000
Total borrowings					
Loans from group companies	28	**–**	–	**79 556**	27 818
Financial liabilities at amortised cost	26	**543 031**	528 823	**294 101**	330 713
Net debt (excluding IFRS 16 lease liabilities)		**543 031**	528 823	**373 657**	358 531
Minus: Cash and cash equivalents	19	**(75 056)**	(97 076)	**(13)**	(1)
Net debt		**467 975**	431 747	**373 645**	358 530
Total equity		**708 435**	702 141	**123 927**	157 330
Gearing ratio (%)		**66%**	61%	**302%**	228%

The company is the main lender for the group, and acts as treasury. It is therefore not unexpected for the company to have a high gearing ratio.

35.2 Financial risk management

The group's activities expose it to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. The group uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by management under policies approved by the board of directors. Management identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. The group does not apply hedge accounting, but makes use of economic hedges.

The board of directors provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

There have been no substantive changes to the group's exposure to financial instruments risks, its objectives, policies and processes for managing those risks or the methods used to measure them from the previous periods unless otherwise stated in this note. Information disclosed has been disaggregated where the financial information used by the company has different economic characteristics and market conditions.

35. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

35.2 Financial risk management continued

35.2.1 Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The group is exposed to credit risk on lease receivables, trade and other receivables, and cash and cash equivalents. The company is further also exposed to credit risk on loans to group companies.

The group reviews the recoverable amount of their financial assets at each statement of financial position date to ensure that adequate impairment losses are made for irrecoverable amounts. In order to mitigate the risk of financial loss from defaults, the group only deals with reputable counterparties with consistent payment histories. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The exposure to credit risk and the creditworthiness of counterparties are continuously monitored.

To mitigate this risk, a significant portion of the group trade receivables have been insured, resulting in a lower "loss given default" (LGD) as the credit loss would not be more than 20%. Due to this insurance, the loss allowance is lower than the gross carrying amount.

In the current financial year, the class relating to large corporate customers includes a debtor, against which legal action has been taken. This debtor is covered by insurance and the claim has been assessed and approved by the credit insurance. Subsequent to year-end the debtor made payment in full.

The maximum exposure to credit is the carrying amount as presented below:

		2024			2023		
	Notes	**Gross carrying amount R'000**	**Credit loss allowance R'000**	**Amortised cost/fair value R'000**	Gross carrying amount R'000	Credit loss allowance R'000	Amortised cost/fair value R'000
GROUP							
Lease receivables	10	**2 085**	**–**	**2 085**	2 520	–	2 520
Trade and other receivables	18	**594 005**	**(2 429)**	**591 577**	560 933	(2 077)	558 856
Cash and cash equivalents	19	**75 056**	**–**	**75 056**	97 076	–	97 076
		671 146	**(2 429)**	**668 718**	660 529	(2 077)	658 452
COMPANY							
Loans to group companies	17	**336 771**	**–**	**336 771**	364 281	–	364 281
Trade and other receivables	18	**5 169**	**–**	**5 169**	1 018	–	1 018
Cash and cash equivalents	19	**13**	**–**	**13**	1	–	1
		341 952	**–**	**341 952**	365 300	–	365 300

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

Lease receivables:
The balance of lease receivables and the credit risk thereon is not considered to be material.

35. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

35.2 Financial risk management continued

35.2.1 Credit risk continued

Trade receivables:

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Geographically there is concentration of credit risk in the South African market. The group has a credit policy in terms of which each new customer is analysed individually for creditworthiness before payment and delivery terms and conditions are offered. Debtors insurance is obtained on all customers, where possible. Customer credit limits are in place and are reviewed and approved by credit management committees. Customer who fail to meet the creditworthiness criteria may transact on a cash-on-delivery basis.

The group establishes a credit loss allowance for expected credit losses in respect of trade receivables by applying the simplified approach of IFRS 9, measuring the credit loss allowance based on lifetime expected credit loss. The group then uses a provision matrix to calculate the credit loss, by multiplying the outstanding balance with the probability of default and loss given defaults, as explained in the accounting policies (refer page 21.2 on page 51).

Cash and cash equivalents:

The credit risk exposure arising on cash and cash equivalents is limited because the cash and cash equivalents are composed of deposits with major banks who have strong credit ratings (BB+) assigned by international credit rating agencies and have low risk of default.

Loans to group companies:

The loss allowance for loans from group companies is calculated based on 12-month expected credit losses (ECLs), if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either 12-month or lifetime ECLs at each reporting date based on changes in the credit risk since initial recognition.

The expected credit loss in relation to the loans to group companies was considered and concluded not to be material due to the existence of sufficient underlying net assets which can be realised to settle the loans. The subsidiaries have sufficient liquid assets (net working capital) that can be realised in the short term to settle their obligations.

Internal credit ratings assisgned to these loans range between B+ and B- and are aligned with those used by global rating agencies.

35.2.2 Liquidity risk

The group is exposed to liquidity risk, which is the risk that the group will encounter difficulties in meeting its obligations as they become due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, management maintains flexibility in funding by maintaining availability under committed credit lines.

The group manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows.

The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements. Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored, and the group maintains agreed facilities with reputable financial institutions. Furthermore, security has been provided for long-term loans and instalment sale liabilities.

Regular meetings are held with the group's bankers to discuss facilities required to meet the group's financial obligations and where agreed overdraft and loan facilities are amended. Summaries of the group's and company's bank accounts are prepared daily prepared daily for review, and based on these summaries, decisions are made to transfer excess funds from the main current account (in the name of the company) to other facilities in order to reduce the interest cost to the group and company.

The group has financial risk management policies in place to ensure that all payables are paid within the credit time frame, which is generally 30 days in respect of local suppliers and 90 to 180 days in respect of foreign suppliers.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

35. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

35.2 Financial risk management continued

35.2.2 Liquidity risk continued

Maturity analysis

The maturity profile of contractual cash flows of non-derivative financial liabilities held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts, based on the earliest date on which the group may be required to make payment. The cash flows inlcude interest and principal cash flows

	Notes	Less than 1 year R'000	2 to 3 years R'000	4 to 5 years R'000	Over 5 years R'000	Total R'000	Carrying amount R'000
GROUP							
2024							
Non-current liabilities							
Lease liabilities	10	**–**	**6 395**	**3 931**	**–**	**10 326**	**8 773**
Financial liabilities at amortised cost	26	**–**	**91 189**	**71 510**	**4 016**	**166 715**	**139 400**
Current liabilities							
Lease liabilities	10	**3 720**	**–**	**–**	**–**	**3 720**	**2 670**
Financial liabilities at amortised cost	26	**421 218**	**–**	**–**	**–**	**421 218**	**403 631**
Trade and other payables	27	**274 070**	**–**	**–**	**–**	**274 070**	**274 070**
		699 008	**97 584**	**75 441**	**4 016**	**876 049**	**828 545**
2023							
Non-current liabilities							
Lease liabilities	10	–	7 673	5 787	1 080	14 540	11 997
Financial liabilities at amortised cost	26	–	132 433	75 173	7 484	215 090	173 794
Current liabilities							
Lease liabilities	10	3 977	–	–	–	3 977	2 474
Financial liabilities at amortised cost	26	376 696	–	–	–	376 696	355 029
Trade and other payables	27	259 149	–	–	–	259 149	259 149
		639 822	140 106	80 960	8 564	869 452	802 443
COMPANY							
2024							
Non-current liabilities							
Financial liabilities at amortised cost	26	**–**	**62 352**	**62 019**	**–**	**124 371**	**104 000**
Current liabilities							
Financial liabilities at amortised cost	26	**202 447**	**–**	**–**	**–**	**202 447**	**190 101**
Trade and other payables	27	**2 183**	**–**	**–**	**–**	**2 183**	**2 183**
Loans from group companies	28	**79 556**	**–**	**–**	**–**	**79 556**	**79 556**
		284 186	**62 352**	**62 019**	**–**	**408 557**	**375 841**
2023							
Non-current liabilities							
Financial liabilities at amortised cost	26	–	97 098	62 120	–	159 218	126 400
Current liabilities							
Financial liabilities at amortised cost	26	219 115	–	–	–	219 115	204 313
Trade and other payables	27	6 157	–	–	–	6 157	6 157
Loans from group companies	28	27 818	–	–	–	27 818	27 818
		253 090	97 098	62 120	–	412 308	364 688

35. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

Financing facilities and security

At year-end the group had drawn R489 million (2023: R462 million) from its total facilities. The group had R383 million (2023: R273 million) available in unutilised facilities. This amount can be utilised to settle trade payables should it be necessary. The facility can also be used for future expansion of the business.

All the ABSA facilities are secured by a general notarial bond of R516 million over moveable assets, as well as cession of all loan accounts and debtors.

Insimbi Industrial Holdings Limited, Insimbi Alloy Supplies Proprietary Limited, Insimbi Aluminium Alloys Proprietary Limited, Insimbi Alloy Properties Proprietary Limited, Amalgamated Group Holdings Proprietary Limited, Group Wreck International Non-Ferrous Proprietary Limited and Treppo Group Proprietary Limited have signed a cross-deed of suretyship whereby each company bound themselves jointly and severally as surety and co-principle debtor to ABSA Bank Limited.

The First Rand Bank Limited mortgage bonds are secured by the properties in Atlantis, the property 174 Teakwood Road, Jacobs, Durban; and the properties at 359 and 360 Crocker Road, Wadeville.

The ABSA Bank Limited mortgage bonds are secured by the properties Phoenix and Queensburgh.

The fire insurance policy entered into between the company and Santam Insurance Company Limited has been endorsed in favour of the relevant banks' interest in regard to the general notarial covering bond over properties.

The group has certain covenants to comply with in terms of its borrowing agreements with ABSA Bank. These covenants include gearing ratio and interest cover ration. The group was in breach of the interest cover ratio at year end. Please refer to note 34 for further details.

35.2.3 Foreign currency risk

The group operates internationally and is exposed to foreign currency risk as a result of certain transactions which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the group deals primarily are US Dollar, British pound and Euro.

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

Exchange rates used at year-end to translate balances:

		GROUP		COMPANY	
	Notes	**2024**	2023	**2024**	2023
Rand per unit of foreign currency:					
British pound		**24,42**	–	**–**	–
US Dollar		**19,29**	18,41	**–**	–
Euro		**20,91**	19,47	**–**	–
Exposure to currency risk		**R'000**	R'000	**R'000**	R'000
Trade Receivables					
Rand amount					
Rand		**542 154**	542 953	**5 165**	1 018
US Dollar		**49 423**	14 640	**–**	–
Euro		**–**	1 263	**–**	–
	18	**591 577**	558 856	**5 165**	1 018
Foreign currency amount					
US Dollar		**2 561**	795	**–**	–
Euro		**–**	65	**–**	–

35. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

35.2.3 Foreign currency risk continued

Exchange rates used at year-end to translate balances:

	Notes	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
Cash and cash equivalents:					
Rand amount					
Rand		**45 896**	63 683	**13**	–
US Dollar		**26 448**	33 393	**–**	–
Euro		**2 712**	–	**–**	–
	19	**75 056**	97 076	**13**	–
Foreign currency amount:					
US Dollar		**1 371**	1 813	**–**	–
Euro		**130**	–	**–**	–
Trade payables:					
Rand amount					
Rand		**199 852**	207 185	**2 183**	3 356
British pound		**435**	–	**–**	–
US Dollar		**68 928**	6 144	**–**	–
Euro		**4 855**	45 820	**–**	–
	27	**274 070**	259 149	**2 183**	3 356
Foreign currency amount					
British pound		**18**	–	**–**	–
US Dollar		**252**	334	**–**	–
Euro		**3 297**	2 354	**–**	–

Forward exchange contracts

Fair value risk arises on the mark to market of forward exchange contracts. The effect of this risk is shown below. The major risk lies in exposure to the US Dollar and Euro. The assumptions used are consistent with the prior year and represent management's best estimate of potential fluctuations in exchange rates.

The group reviews its foreign exchange exposure on an ongoing basis. The notional principal amounts of the outstanding forward exchange rate contracts at year-end were R116 021 360 (2023: R89 506 423) and are expected to mature within the next 12 months.

The derivative instruments are held at fair value and have significant inputs other than quoted prices that are either directly or indirectly observable for the instruments. This results in the fair value measure of these instruments being classified as level 2 in the fair value ranking.

Foreign currency sensitivity analysis

The following information presents the sensitivity of the group to an increase or decrease in the respective currencies it is exposed to. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. The impact shown is after taking into account the effect of tax. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

35. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

Foreign currency sensitivity analysis continued

Increase or decrease in rate	2024 Increase R'000	2024 Decrease R'000	2023 Increase R'000	2023 Decrease R'000
GROUP				
Impact on foreign trade payables				
British Pound 5%	(1)	1	(17)	17
US Dollar 5% (2023: 5%)	(13)	13	(17)	17
Euro 5% (2023: 5%)	(165)	165	(118)	118
Impact on foreign trade receivables				
US Dollar 5% (20232: 5%)	128	(128)	40	(40)
Euro 5% (2023: 5%)	–	–	3	(3)
Impact on foreign bank				
US Dollar 5% (2023: 5%)	69	(69)	91	(91)
Euro 5%	7	(7)	–	–

35.2.4 Interest rate risk

The group's interest rate risk arises from the use of variable interest rate instalment sale liabilities, variable short and long-term borrowings and bank accounts that are carried at amortised cost. Future changes to prime lending rates will have a direct impact on the future cash payments towards the settlement of the financial obligations. The risk remains unhedged at the reporting date. Exposure to interest rate risk is monitored month to month and on a case-by-case basis, which includes consideration of fixed versus floating interest rates.

Certain interest rates at year-end were linked to the prime overdraft rates. The prime overdraft rate at year-end was 11,75% (2023: 10,75%).

Interest rates on all borrowings compare favourably with those rates available in the market.

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

At 29 February 2024, if the interest rate (JIBAR or prime) had been 2% per annum (2023: 2%) higher or lower during the period, with all other variables held constant, profit or loss for the year would have been R8 877 060 (2023: R3 770 523) lower and R8 877 060 (2023: R3 770 523) higher.

The group is sensitive to the movements in the ZAR interest rates which are the primary interest rates to which the group is exposed. The group has used a sensitivity analysis technique that measures the estimated change to the statement of comprehensive income of an instantaneous increase or decrease, as detailed above, in market interest rates on financial liabilities from the applicable rate as at year-end, for each class of financial instrument with all other variables remaining constant. It has been established by management that interest rate fluctuations on cash denominated in foreign currencies are immaterial. The calculations were determined with reference to the outstanding financial liability and financial asset balances. This represents no change from the prior period in the method and assumptions used.

The above sensitivity analysis is for illustrative purposes only and represents management's best estimate of reasonably possible changes in interest rates.

SEGMENTAL REPORT
for the year ended 29 February 2024

The management Executive Committee is the group's chief operations decision-making unit.

Management considered a combination of factors, including geographical, product types and managerial structure, to determine the operating and reporting segments. The operating and reporting segments for the group are the same. Management has determined the operating segments based on the reports reviewed and this is supported by management reporting disciplines, which include monthly variance reporting. The management Executive Committee assesses the performance of the operating segments based on sales, gross profit margin and operating profit.

The main industries serviced by the Insimbi Group are the non-ferrous, ferrous, plastics and refractory industries. These are the operating segments of the group whose results are regularly reviewed by the Executive Committee. The group sells to a diverse customer base. The group has two customers who represents more than 10% of total revenue for the group. These customers both fall within the non-ferrous operating segment, and the revenue earned from these customers during the current year amounted to R909 million and R868 million respectively (2023: one customer with revenues totalling R1 billion).

Non-ferrous – Consists of the divisions which service the foundry and non-ferrous industry, both automotive and heavy aluminium industry (mainly deoxidation market), and the powder coating industry. This now also includes the supply of various Non-ferrous recycled metals.

Refractory – Consists of the divisions that service the steel and cement industry's refractory requirements as well as the supply of industrial heat resistant textiles.

Ferrous – This segment supplies both steel and polypropylene fibres, services the welding and optical industries and supplies in the steel industry's raw material requirements. This now also includes the supply of various ferrous-based recycled metals.

Plastics – Consists of the divisions that service the plastic packaging industry, including chemical, agricultural and food industries. Insimbi Plastics Proprietary Limited has been deregistered in the current year.

The segments reported on in the annual report

	Non-ferrous R'000	Ferrous R'000	Refractory R'000	Plastics R'000	Total R'000
2024					
Revenue					
Sale of goods – local	3 443 825	1 349 006	160 695	–	4 953 526
Sale of goods – exports	504 413	65 522	8 291	–	578 226
Rendering of services – transport and insurance	16 329	37 961	2 858	–	57 148
Rendering of services – sample analysis	1 394	–	–	–	1 394
	3 965 961	1 452 489	171 844	–	5 590 294
Cost of sales	(3 655 576)	(1 329 663)	(154 092)	–	(5 139 331)
Gross profit	310 385	122 826	17 752	–	450 963
Other income and operating gains or (losses)	(579)	–	–	–	(579)
Profit before operating and administration expenses	309 806	122 826	17 752	–	450 384
Operating and administration expenses and operating losses					
Communication	1 762	1 271	80	–	3 113
Employee cost	126 187	41 813	2 733	–	170 733
Motor vehicle expenses	32 709	4 021	266	–	36 996
Occupancy	26 384	7 468	–	–	33 852
Other expenses*	58 092	22 662	1 677	–	82 431
	245 134	77 235	4 756	–	327 125
Operating profit	64 672	45 591	12 996	–	123 259

* *Includes depreciation, repairs and maintenance, impairments and other operating expenses.*

SEGMENTAL REPORT *continued*

for the year ended 29 February 2024

	Non-ferrous R'000	Ferrous R'000	Refractory R'000	Plastics R'000	Total R'000
2023					
Revenue					
Sale of goods – local	2 708 434	1 541 962	150 172	18 051	4 418 619
Sale of goods – exports	975 181	252 767	–	–	1 227 948
Rendering of services – transport and insurance	30 877	53 203	64	–	84 144
Rendering of services – sample analysis	712	–	–	–	712
	3 715 204	1 847 932	150 236	18 051	5 731 423
Cost of sales	(3 324 608)	(1 727 864)	(134 767)	(16 527)	(5 203 766)
Gross profit	390 596	120 068	15 469	1 524	527 657
Other income and operating gains	18 315	2 345	–	–	20 660
Profit before operating and administration expenses	408 911	122 413	15 469	1 524	548 317
Operating and administration expenses and operating losses					
Communication	2 826	338	67	105	3 336
Employee cost	141 755	36 909	2 555	3 574	184 793
Motor vehicle expenses	39 678	2 027	137	656	42 498
Occupancy	28 578	6 687	–	1 998	37 263
Other expenses*	58 075	20 898	264	1 399	80 636
	270 912	66 859	3 023	7 732	348 526
Operating profit	137 999	55 554	12 446	(6 208)	199 791

* *Includes depreciation, repairs and maintenance, impairments and other operating expenses.*

GEOGRAPHICAL INFORMATION

Revenues from external customers by country, based on the destination of the customer.

	2024 R'000	2023 R'000
Cyprus	**80 491**	69 972
Democratic Republic of the Congo	**31 128**	37 031
India	**29 705**	65 768
Mozambique	**–**	34 557
Singapore	**118 390**	287 770
Swiitzerland	**100 749**	321 590
United Arab Emirates	**44 333**	191 730
United Kingdom	**7 303**	83 946
United States of America	**80 946**	14 174
Other countries	**80 136**	121 410
South Africa	**5 017 113**	4 503 475
	5 590 294	5 731 423

SHAREHOLDER ANALYSIS

for the year ended 29 February 2024

	Number of shareholdings	%	Number of shares	%
Shareholder spread				
1 – 5 000 shares	4 219	90,44	1 038 921	0,28
5 001 – 50 000 shares	334	7,16	6 691 984	1,77
50 001 – 100 000 shares	36	0,77	2 703 900	0,72
100 001 – 250 000 shares	36	0,77	5 679 741	1,51
250 001 – 500 000 shares	11	0,24	4 041 239	1,07
500 001 – 1 000 000 shares	7	0,15	5 751 000	1,52
1 000 001 shares and over	22	0,47	351 291 312	93,13
Totals	**4 665**	**100,00**	**377 198 097**	**100,00**
Distribution of shareholders				
Banks/Brokers	12	0,26	64 477 713	17,09
Close Corporations	11	0,24	394 000	0,10
Employee and Management Schemes	1	0,02	10 106 915	2,68
Endowment funds	2	0,04	17 444	0,00
Individuals	4 566	97,88	111 467 080	29,55
Mutual funds	1	0,02	11 499 868	3,05
Other corporations	12	0,26	120 372	0,03
Private companies	29	0,62	172 811 662	45,81
Public companies	1	0,02	708	0,00
Treasury stock	1	0,02	3 249 341	0,86
Trusts	29	0,62	3 052 994	0,81
Totals	**4 665**	**100,00**	**377 198 097**	**100,00**
Public/non–public shareholders				
Non–public shareholders	**18**	**0,39**	**240 382 109**	**63,73**
Directors and associates of the company	6	0,13	79 911 727	21,19
Prescribed Officers of the company	1	0,02	113 426	0,03
Strategic holder (more than 10%)	1	0,02	82 000 000	21,74
Treasury shares	1	0,02	3 249 341	0,86
Employee and management schemes	1	0,02	10 106 915	2,68
Related holdings	8	0,17	65 000 700	17,23
Public shareholders	**4 647**	**99,61**	**136 815 988**	**36,27**
Totals	**4 665**	**100,00**	**377 198 097**	**100,00**
Beneficial shareholders including those holding 5% or more				
NS Investco			82 000 000	21,74
African Goshawk Proprietary Limited			36 847 300	9,77
Pruta Securities			34 410 000	9,12
Jacana Assets Limited			24 992 242	6,63
Botha, CF			23 930 754	6,34
Casterly Rock Investments Proprietary Limited			22 416 125	5,94
Golden Griffin Investments Proprietary Limited			20 770 100	5,51
Credit Suisse Zurich			20 765 100	5,51
Crimson Clover Investments Proprietary Limited			19 880 100	5,27
Liechti, EP			19 133 000	5,07
			305 144 721	**80,90**

NOTICE OF ANNUAL GENERAL MEETING

for the year ended 29 February 2024

INSIMBI INDUSTRIAL HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2002/029821/06)
Share code: ISB ISIN: ZAE000116828
("Insimbi" or "the company")

Notice is hereby given that the 17th Annual General Meeting of shareholders will be held virtually, on Monday, 8 July 2024 at 10:00 **(AGM)**, to conduct the business set out below and to consider and, if deemed fit, adopt, with or without modification, the ordinary and special resolutions set out in this notice. Insimbi will be assisted by Computershare Investor Services Proprietary Limited (**the company's Transfer Secretaries**) who will also act as scrutineers.

Salient dates

The following dates apply to the AGM:

- The Record date for purposes of determining which shareholders are entitled to receive this notice is Friday, 24 May 2024.
- The Last day to trade in order to be eligible to participate and vote at the AGM is Tuesday, 25 June 2024.
- The Record date for shareholders to be recorded in the securities register of Insimbi in order to be able to attend, participate and vote at the AGM is Friday, 28 June 2024.
- Shareholders to lodge forms of proxy by 10:00 on Thursday 4 July 2024.

Electronic participation at the AGM (section 61(10) of the Companies Act, 2008 No.71 of 2008 (the Act)

1. Shareholders wishing to participate electronically at the meeting are required to deliver written notice to the Company Secretary, with a copy to the company's Transfer Secretaries, by no later than 48 hours before the meeting (i.e. by 10:00 on Thursday, 4 July 2024), stating that they wish to participate via electronic communication at the meeting **(the electronic notice)**.
2. Note that shareholders will merely be able to participate, but not vote, via electronic communication.
3. In order for the electronic notice to be valid it must contain:
   - 3.1. If the shareholder is an individual, a certified copy of his/her identity document and/or passport;
   - 3.2. If the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution. The relevant resolution must set out which individual from the relevant entity is authorised to represent the relevant entity at the AGM via electronic communication; and
   - 3.3. A valid email address and/or facsimile number **(the contact address/number)**.
4. The company shall use its reasonable endeavours to communicate with each shareholder who/which has delivered a valid electronic notice by notifying such shareholder at its contact address/number of the relevant details through which the shareholder may participate via electronic communication.
5. The company reserves the right not to provide electronic participation at the meeting in the event that it proves impractical to do so. The costs of accessing any means of electronic participation provided by the company will be borne by the shareholder accessing the electronic participation. This document is important; please read the notes at the end of this notice, which contain important information regarding shareholders' participation at the AGM.

ORDINARY RESOLUTIONS

Unless otherwise indicated, in order for each of the ordinary resolutions to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders, present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution, is required.

The purpose of the AGM is to consider and, if deemed fit, pass the following resolutions with or without modification as ordinary resolutions:

Adoption of the annual financial statements

The audited annual financial statements for the year ended 29 February 2024, as set out in the annual report and which can be found on the company's website at www.insimbi-group.co.za will be presented to the shareholders.

Ordinary resolution number one

"**Resolved that** the audited group and company annual financial statements for the year ended 29 February 2024, including the reports of the directors, the auditor and the Audit and Risk Committee, be and are hereby received and approved."

ORDINARY RESOLUTIONS CONTINUED

Adoption of the annual financial statements continued

***Ordinary resolution number one** continued*

The company's memorandum of incorporation **(MoI)** stipulates that:

- The appointment of any director to fill a vacancy or as an addition to the board must be confirmed at the next AGM;
- At each AGM at least one-third of the non-executive directors shall retire from office, the directors so retiring being those who have been longest in office since their last election; and
- The retiring directors shall be eligible for re-election.

The board has considered the performance of the directors standing for re-election and found them suitable for re-appointment.

Ordinary resolution two is accordingly proposed in respect of:

- The re-appointment of the only other non-executive director who retires by rotation in accordance with the MoI, being Mr RI Dickerson but who has made himself available for re-election.

A brief *résumé* of Mr RI Dickerson appears on page 16 of the integrated annual report to which this AGM notice is attached.

Ordinary resolution number two

"**Resolved that** Mr RI Dickerson, who retires by rotation in terms of the company's MoI, and being eligible, offers himself for re-election, be and is hereby re-elected as non-executive director of the company."

Appointment of Audit and Risk Committee

Section 94 of the Act requires that at each AGM shareholders of the company elect an Audit and Risk Committee comprising at least three members, all of whom must be non-executive directors. The board has considered the performance of the following Audit and Risk Committee members standing for re-election and has found them suitable for appointment:

- Mr RI Dickerson
- Mr N Mwale
- Mrs CS Ntshingila

Mr RI Dickerson is also Chairman of the board and, notwithstanding the principles of the King Report on Corporate Governance in South Africa **(King IV)**, is appointed a member of the Audit and Risk Committee, as permitted by the JSE Limited Listings Requirements **(the Listings Requirements)**. His financial and business experience over a number of years and across a number of industries is invaluable to the committee.

Ordinary resolutions numbers three to five are accordingly proposed in respect of the appointment of Mr RI Dickerson, Mr N Mwale and Mrs CS Ntshingila as members of the Audit and Risk Committee for the ensuing year. Brief *résumés* of Mr RI Dickerson, Mr N Mwale and Mrs CS Ntshingila appear on pages 16 to 17 of the integrated report to which this notice of AGM is attached.

Ordinary resolution number three

"**Resolved that** Mr RI Dickerson be and is hereby elected as a member of the Audit and Risk Committee in terms of the Act, to remain in office until the conclusion of the next AGM."

Ordinary resolution number four

"**Resolved that** Mr N Mwale be and is hereby elected as a member of the Audit and Risk Committee in terms of the Act, to remain in office until the conclusion of the next AGM."

Ordinary resolution number five

"**Resolved that** Mrs CS Ntshingila be and is hereby elected as a member and Chairperson of the Audit and Risk Committee in terms of the Act, to remain in office until the conclusion of the next AGM."

Appointment of auditor

In accordance with section 90 of the Act and the Listings Requirements, the board appointed Moore Cape Town Inc. as external auditor for the financial year ended February 2024 to remain in office until the conclusion of the next annual general meeting.

The Audit and Risk Committee has considered the independence and suitability of Moore Cape Town Inc., and recommended that Moore Cape Town Inc. be appointed as external auditor of the group for the financial year ending 28 February 2025.

ORDINARY RESOLUTIONS CONTINUED

Appointment of auditor continued

Ordinary resolution number six

"**Resolved that**, on recommendation of the Audit and Risk Committee, Moore Cape Town Inc. be and is hereby appointed as external auditor of the group for the financial year ending 28 February 2025, to remain in office until the conclusion of the next AGM, with Mr Ferdinand Hoffman as the designated auditor."

Indemnification of directors

Section 78 of the Act allows for the company to indemnify directors, subject to the provisions of the company's MoI, except as may be prohibited by law.

Ordinary resolution number seven

"**Resolved that** the company hereby indemnifies each of the directors and officers of the group from time to time from any cost, damage, fine or loss of whatsoever nature which they may incur whilst acting bona fide in the course and scope of their duties, save to the extent that such indemnification is prohibited by the Act or any other law."

General authority to issue shares/convertible shares or options for cash

Ordinary resolution number eight

"**Resolved that** the directors of the company be and are hereby authorised by way of a general authority to issue all or any of the authorised but unissued shares in the capital of the company, including options shares, as and when they in their discretion deem fit, subject to the Act, the MoI and the Listings Requirements, provided that such issues for cash may not, in the aggregate, in any 1 (one) financial year, exceed 10% (ten percent) of the number of shares of the relevant class of shares issued prior to such issue."

Additional requirements imposed by the Listings Requirements

The company may only make an issue of shares (as defined in the Listings Requirements) for cash under the above general authority if the following Listings Requirements are met:

a) The shares, which are the subject of the issue for cash, must be of a class already in issue, or where this is not the case, must be limited to such equity shares or rights that are convertible into a class already in issue.
b) The general authority shall only be valid until the company's next annual general meeting or for 15 (fifteen) months from the date of passing of this ordinary resolution, whichever period is shorter.
c) That issues in the aggregate in any 1 (one) financial year may not exceed 10% (ten percent) of the number of the shares of the company in issue of that class of shares as at the date of the AGM (less treasury shares), being 363 841 841 shares, taking into account the dilution effect of convertible equity shares and options in accordance with the Listings Requirements.
d) In determining the price at which an issue of shares may be made in terms of this general authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price on the JSE of those shares measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed to between the company and the party/ies subscribing for the shares.
e) Any issue will only be made to "public shareholders" as defined by the Listings Requirements and not to related parties, save therefore that related parties may participate in a general issue for cash through a bookbuild process provided that (i) related parties may only participate with a maximum bid price at which they are prepared to take-up shares or at book close price. In the event of a maximum bid price and the book closes at a higher price the relevant related party will be "out of the book" and not be allocated shares; and (ii) equity securities must be allocated equitably "in the book" through the bookbuild process and the measures to be applied must be disclosed in the SENS announcement launching the bookbuild.
f) In the event that the shares issued represent, on a cumulative basis, 5% or more of the number of shares in issue prior to that issue, an announcement containing the full details of such issue shall be published on SENS.

Notwithstanding that this is an ordinary resolution, the minimum percentage of voting rights that is required for this resolution to be adopted is 75% (seventy-five percent) of the voting rights to be cast on the resolution.

Non-binding advisory votes

King Codes on Corporate Governance recommend that the company's remuneration policy be tabled for a non-binding advisory vote by shareholders at every AGM, thus providing the shareholders with an opportunity to express their views on the company's remuneration policies. The report of the Remuneration Committee is set out on page 21 to 22 of the integrated report to which this notice of AGM is attached.

ORDINARY RESOLUTIONS CONTINUED

Non–binding advisory votes continued

Non-binding advisory vote 1 – remuneration policy

"**Resolved that** the company's remuneration policy, as set out in the annual integrated report, be and is hereby endorsed by way of a non-binding advisory vote."

Non-binding advisory vote 2 – implementation report

"**Resolved that** the company's implementation report, as set out in the annual integrated report, be and is hereby endorsed by way of a non-binding advisory vote."

Non-binding advisory vote 3– Executive Employee Share Incentive Scheme

"**Resolved that** the proposed Executive Employee Share Incentive Scheme, be and is hereby endorsed by way of a non-binding advisory vote". Detail Executive Employee Share Incentive Scheme structure is set out on page 101 to 102 of the integrated report to which this notice of AGM is attached.

There is currently no minimum percentage of voting rights that is required in respect of this advisory votes and the votes are not binding on the group. Non-binding advisory votes 1 and 2 are of an advisory nature only and failure to pass these votes will therefore not have any legal consequences to existing remuneration agreements. If the remuneration policy or the implementation report, or both are voted against by 25% or more of the voting rights exercised, the board will, as recommended by King IV and required by the JSE, take the outcome of the vote into consideration when considering amendments to the remuneration policy and implementation report.

Non-binding advisory vote 3 is of advisory nature, as they are no requirements stipulated in either JSE listing requirements nor Companies Act that Executive Employee Share Incentive Scheme must be voted for by the Shareholders. The board felt that it is prudent to bring the proposed scheme to the attention of the shareholders for non-binding advisory vote.

SPECIAL RESOLUTIONS

Unless otherwise indicated, in order for each of the special resolutions to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders, present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution, is required.

The purpose of the AGM is to consider and, if deemed fit, pass the following resolutions with or without modification as special resolutions:

Non-executive directors' fees for the year ending 28 February 2025

The Act requires that prior shareholder approval be obtained in respect of fees payable to directors. The board has proposed that these fees by increased by 5,5% in line with inflation for the ensuing year.

Special resolution number one

"**Resolved** as a special resolution that the payment of the following fees to the non-executive directors for their services to the company for the year 1 March 2024 to 28 February 2025 be and is hereby approved:

	Retainer fee (pa) R	Per meeting attended R
Board or committee		
Board member	199 644	19 964
Audcom member	53 238	9 317
Remcom/Nomcom member	33 274	9 317
SECcom member	26 619	9 317
Investcom member	53 238	9 317
Additional amount payable to chairperson of the board/committee		
Chairperson of board	133 096	15 139
Audcom chairperson	33 274	6 655
Remcom/Nomcom chairperson	33 274	6 655
SECcom chairperson	33 274	6 655
Investcom/Audcom chairperson	33 274	6 655
Consultancy		R3 992 30 per hour

SPECIAL RESOLUTIONS CONTINUED

General approval to repurchase company shares

Special resolution number two is proposed to authorise the acquisition by the company or any of its subsidiaries of shares issued by the company, the issued share capital is 377 198 097 shares. The board's intention is for the shareholders to pass a special resolution granting the company or its subsidiaries general authority to acquire ordinary shares issued by the company, subject to the requirements of the Act, the Listings Requirements and the company's MoI, should the board consider that it would be in the interest of the company or its subsidiaries to acquire such shares while the general authority exists.

Special resolution number two

"**Resolved that**, subject to compliance with the Listings Requirements, the Act and the MoI, the directors be authorised at their discretion to instruct the company or its subsidiaries to acquire or repurchase ordinary shares issued by the company, provided that:

- The number of ordinary shares acquired in any one financial year shall not exceed 20% of the ordinary shares in issue at the date on which this resolution is passed;
- Such acquisitions may only be effected through the order book operated by the JSE trading system and done without any understanding or arrangement between the company and the counterparty (reported trades are prohibited);
- An announcement must be published as soon as the company as acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue on the date that this authority is granted, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;
- The company may not affect a repurchase during any prohibited period as defined in terms of the Listings Requirements unless there is a repurchase program in place, which program has been submitted to the JSE in writing prior to the commencement of the prohibited period and executed by an independent third party as contemplated in terms of paragraph 5.72(h) of the Listings Requirements;
- At any point in time, the company may only appoint one agent to effect any repurchase(s) on the company's behalf;
- This authority will lapse on the earlier of the date of the next AGM or 15 months after the date on which this resolution is passed; and
- The price paid per ordinary share may not be greater than 10% above the weighted average of the market value for the securities for the five business days immediately preceding the date on which the repurchase is made.

The directors of the company undertake that they will not implement the repurchase as contemplated in this special resolution while this general authority is valid, unless:

- The consolidated assets of the company and the group, fairly valued in accordance with International Financial Reporting Standards and in accordance with the accounting policies used in the company and group annual financial statements for the year ending 28 February 2025, will exceed the consolidated liabilities of the company and group immediately following such purchase or 12 months after the date of the AGM, whichever is the later;
- The company and the group will be able to pay their debts as they become due in the ordinary course of business for a period of 12 months after the date of the notice of the AGM, or a period of 12 months after the date on which the board considers that the purchase will satisfy the immediately preceding requirement and this requirement, whichever is the later;
- The issued share capital and reserves of the company and the group will be adequate for the purposes of the business of the company and the group for a period of 12 months after the date of the notice of the AGM;
- The company and the group will have adequate working capital for ordinary business purposes for a period of 12 months after the date of the notice of the AGM;
- A resolution is passed by the board that it has authorised the repurchase, that the company and its subsidiaries have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the group; and
- The requirements contained in the Listings Requirements are complied with.

In terms of section 48(2)(b)(i) of the Act, subsidiaries may not hold more than 10%, in aggregate, of the number of the issued shares of any class of a company. For the avoidance of doubt, (i) a pro rata repurchase by the company from all its shareholders; and (ii) intra-group repurchases by the company of its shares from wholly-owned subsidiaries, share incentive schemes pursuant to Schedule 14 of the Listings Requirements and/or nondilutive share incentive schemes controlled by the company, where such repurchased shares are to be cancelled, will not require shareholder approval, save to the extent as may be required by the Act.

SPECIAL RESOLUTIONS CONTINUED

Further explanatory notes to special resolution number two:

Information required in terms of the Listings Requirements with regard to the general authority for the company or any of its subsidiaries to repurchase the company's securities (special resolution number two) appears in the annual financial statements, available on www.insimbi-group.co.za as indicated below:

- Major shareholders: page 65 of the annual financial statements.
- Share capital of the company: page 74 of the annual financial statements.

The directors, whose names are given on pages 16 to 17 of the integrated report, collectively and individually accept full responsibility for the accuracy of the information given in this notice 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, and that all reasonable enquiries to ascertain such facts have been made and that the integrated report and this notice contains all information required by law and the Listings Requirements. No material change in the financial or trading position of the company and its subsidiaries has occurred since 29 February 2024.

Inter-company financial assistance and financial assistance for the subscription and/or purchase of shares in the company or a related or inter-related company.

Special resolution number three

"**Resolved** as a special resolution, in accordance with sections 45(2) and 45(3) of the Act, that the directors of the company be and they are hereby authorised to provide direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in Sections 45(1) of the Act) that the board may deem fit to any related or inter-related company or corporation, or to a member of a related or inter-related corporation ("related" and "inter-related" will herein have the meaning attributed to it in section 2 of the Act), provided that the aforementioned approval shall be valid until the date of the next AGM of the company".

Special resolution number four

"**Resolved**, in terms of Section 44(3)(a)(ii) of the Act of, as a general approval, that the board be and is hereby authorised to approve that the company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in Sections 44(1) and 44(2) of the Act) that the board may deem fit to any company that is related or inter-related to the company ("related" and "inter-related" will herein have the meaning attributed to it in section 2 of the Act), on the terms and conditions and for amounts that the board may determine for the purpose of, or in connection with the subscription of any option, or any shares or other securities, issued or to be issued by the company or a related or inter-related company, or for the purchase of any shares or securities of the company or a related or inter-related company, provided that the aforementioned approval shall be valid until the date of the next AGM of the company".

VOTING AND PROXIES

For an ordinary resolution to be approved by the shareholders, it must be supported by more than 50% of the voting rights exercised on the resolution. For a special resolution to be approved by the shareholders, it must be supported by at least 75% of the voting rights exercised on the resolution.

Voting will be via a poll; every shareholder of the company shall have one vote for every share held in the company by such shareholder.

A shareholder entitled to participate and vote at the AGM is entitled to appoint a proxy or proxies to participate, speak and vote in his/her stead. A proxy need not be a shareholder of the company.

Accordingly, shareholders are strongly encouraged to submit votes by proxy in advance of the AGM, by completing the form of proxy and lodging this form with the company's Transfer Secretaries by no later than Thursday, 4 July 2024 at 10:00 by:

- delivery to the company's Transfer Secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank; or
- email to proxy@computershare.co.za.

Any forms of proxy not submitted by this time can still be lodged by email to proxy@computershare.co.za prior to the commencement of the meeting.

SPECIAL RESOLUTIONS CONTINUED

Dematerialised shareholders without 'own name' registration

Dematerialised shareholders, other than those with 'own name' registration, who wish to participate in the AGM, should instruct their Central Securities Depository Participant **(CSDP)** or Broker to issue them with the necessary letter of representation to participate in the AGM, in the manner stipulated in the relevant custody agreement. If these shareholders do not wish to participate in the AGM in person, they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

Certificated shareholders and dematerialised shareholders with "own name" registration

Those Certificated Shareholders and Dematerialised Shareholders with own name registration, who wish to participate in the AGM (either in person or represented by proxy), must submit complete the attached form of proxy and deliver it to the company's Transfer Secretaries by no later than Thursday, 4 July 2024 at 10:00.

M Madhlophe
Company Secretary
Johannesburg
30 May 2024

EXECUTIVE EMPLOYEE SHARE INCENTIVE SCHEME

Salient Terms	Direct Share Ownership Scheme
Nature of the Scheme	Direct Share Ownership Scheme in terms of which eligible executive employees are awarded options which, subject to vesting, entitles the holder to receive Insimbi shares. The exercised options may be settled in one of the following ways: • by Insimbi delivering such number of (existing) Insimbi shares to be acquired on market for this purpose; or • failing which (due to liquidity constraints or otherwise), in cash (equal to the market value of the corresponding number of Insimbi shares as at the relevant vesting date less any tax provision amount). In order to exercise the option(s), participants will be required to pay a nominal option exercise fee (i.e. R100,00 in respect of each tranche). The number of Insimbi shares to be acquired and delivered to the participants shall be calculated with reference to the number of vested options exercised and the market value of the corresponding number of Insimbi shares as at the relevant vesting date less any tax provision amount.
Term of the Scheme	5 years from the commencement date.
Eligibility Criteria	Subject to the Insimbi board's remuneration committee's determination, senior executive employees of the Insimbi group.
Vesting	Options will vest in three equal tranches over a three-year period and shall be subject to the condition that the eligible executive employee must be in the employment of the Insimbi group as at the relevant vesting date.
Performance conditions	No
Approvals required	On the basis that the scheme does not contemplate the issue of Insimbi shares or the grant of options to subscribe for Insimbi shares or other rights exercisable for Insimbi shares as envisaged in section 41 of the Companies Act and is not a "dilutive" scheme as contemplated in Schedule 14 of the JSE Listings Requirements: • the scheme will not require the approval of Insimbi shareholders (by special resolution) and will only require the approval of the Insimbi board; • the scheme rules will not require the approval of the JSE and will only require the approval of the Insimbi board. *Note:* • *in terms of sections 44 and 45 of the Companies Act, the board may not authorise the company to provide direct or indirect financial assistance to a director or prescribed officer of the company or of a related or inter-related company, or to a related or inter-related company or corporation, or to a member of a related or inter-related corporation, or to a person related to any such company, corporation, director, prescribed officer or member, unless the particular financial assistance is pursuant to: (i) a section 97 employee share scheme (please see Annexe A for an overview of the requirements for a section 97 employee share scheme); or (ii) a special resolution of shareholders adopted within the previous two years, which approved such assistance for the specific recipient or generally for a category of potential recipients, and the specific recipient falls within that category;*

EXECUTIVE EMPLOYEE SHARE INCENTIVE SCHEME *continued*

Salient Terms	Direct Share Ownership Scheme
Approvals required continued	*Note:* • we have considered the standing financial assistance resolutions contained in the 2023 AGM notice and we are of the view that the resolutions are not broad enough to cover financial assistance provided to directors and prescribed officers of Insimbi or of any company or corporation related or inter-related to Insimbi and, therefore, any financial assistance to be provided by Insimbi to the eligible executive employees for purposes of the scheme would need to be specifically approved by the shareholders at the upcoming AGM or the financial assistance resolutions would need to be amended to cover financial assistance to directors and prescribed officers of Insimbi or of any company or corporation related or inter-related to Insimbi; • therefore, in order to avoid going to shareholders for the financial assistance approval or for the amendment of the standing financial assistance resolutions: (i) to the extent possible, the scheme would need to comply with the requirements of section 97; and (ii) the scheme rules may need to contain provisions which record that the options/wards granted to eligible executive employees pursuant to the scheme and the settlement thereof by Insimbi shares (acquired on market for this purpose) will comprise of the remuneration package of the relevant eligible executive employee and, as such, will not constitute the provision financial assistance within the meaning in sections 44 and 45 of the Companies Act.
Settlement Mechanic	Subject to vesting occurring: • Insimbi will appoint a broker/nominee to acquire shares in the market for and on behalf of the participants (into whose name(s) the acquired shares will (directly) be transferred); or • as a fallback option, and in the event that there is insufficient liquidity in the market to settle vested options by means of on-market acquisition, Insimbi will cash settle the vested options. *Note:* • *the scheme rules will provide that cash settlement will be at Insimbi's or remcom's sole discretion/election, participants will not have a choice in this regard;* • *in the event that there is insufficient liquidity in the market to settle vested options, unless the directors (and/or any member of the executive management team wishing to sell their shares) are in possession of "price sensitive information" (as defined in the JSE Listings Requirements) or "inside information" (as defined in the Financial Markets Act, 2012 (FMA)) , any member of the executive management team who holds Insimbi shares and who wishes to realise their value may sell, and Insimbi may acquire (through a broker appointed for this purposes), their shares on the open market for an on behalf of the relevant participant, provided that the price on which the transaction is entered into is not fixed as between the selling executive and Insimbi. The transaction price must be based on the trading share price of Insimbi share on the relevant date and will therefore be subject to influence from other market participants, otherwise there is a risk that the relevant seller director(s) may be accused of market manipulation under the FMA. Other than the requirement for a director to first obtain clearance to deal in Insimbi shares (para 3.66 of the JSE Listings Requirements), this will not trigger any approval requirement under the JSE Listings Requirements; however, details of the transaction would need to be disclosed on SENS as required in terms paragraph 3.63 of the JSE Listings Requirements.*
Termination of Employment	Vesting is subject to good and bad leaver provisions.

SHAREHOLDERS' DIARY

for the year ended 29 February 2024

Record date to receive notice of AGM	Friday, 24 May 2024
Release of the results on SENS	Friday, 31 May 2024
Publication of the annual reports (mailed to shareholders)	Friday, 31 May 2024
Last day to trade in order to be eligible to participate and vote at the AGM	Tuesday, 25 June 2024
Record date for voting purposes	Friday, 28 June 2024
Proxy date and time	Wednesday, 3 July 2024 at 10:00
Annual general meeting	**Monday, 8 July 2024 at 10:00**
Financial year–end	Last day of February
Half year–end	Last day of August

Notes:

The above dates and times are subject to change. Any changes will be released on SENS.

FORM OF PROXY

for the year ended 29 February 2024

INSIMBI

INDUSTRIAL HOLDINGS LIMITED

INSIMBI INDUSTRIAL HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2002/029821/06) Share code: ISB ISIN: ZAE000116828

("**Insimbi**" or "**the company**")

(For use by certificated shareholders and own name dematerialised shareholders)

Form of proxy for the annual general meeting of Insimbi to be held at Insimbi Offices at 359 Crocker Road, Wadeville, Germiston, on Monday 8 July 2024 at 10:00 ("annual general meeting").

This form of proxy is not to be used by beneficial owners of shares who have dematerialised their shares ("dematerialised shares") through a Central Securities Depository Participant (CSDP) or broker, as the case may be, unless you are recorded on the sub-register as an "own name" dematerialised shareholder. Generally, you will not be an own name dematerialised shareholder unless you have specifically requested your CSDP to record you as the holder of the shares in your own name in the company's sub-register.

This form of proxy is only for use by certificated, "own name" dematerialised shareholders and CSDPs or brokers (or their nominees) registered in the company's sub-register as the holder of dematerialised ordinary shares.

Each shareholder entitled to attend and vote at the annual general meeting is entitled to appoint a proxy (who need not be a shareholder of the company) to attend, participate in and speak and vote in place of that shareholder at the annual general meeting, and at any adjournment thereafter.

Please note the following:
- The appointment of your proxy may be suspended at any time to the extent that you choose to act directly and in person in the exercise of your rights as a shareholder at the annual general meeting;
- The appointment of the proxy is revocable; and
- You may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the company.

Please note that any shareholder of the company that is a company may authorise any person to act as its representative at the annual general meeting. Please also note that section 63(1) of the Companies Act 71 of 2008 requires that persons wishing to participate in the annual general meeting (including the aforementioned representative) provide satisfactory identification before they may so participate.

Note that voting will be performed by way of a poll so each member present or represented by way of proxy will be entitled to one vote in respect of every share held or represented.

I/We (name in block letters)

of (address)

Telephone: Work ( ) Telephone: Home ( ) Cellphone number

being the holder/s of ordinary shares in the company, hereby appoint (refer to note 1)

1. or failing him/her

2. or failing him/her

the Chairperson of the annual general meeting
as my/our proxy to attend, speak, vote and act for me/us on my/our behalf at the annual general meeting which will be held for the purpose of considering and, if deemed fit, passing the resolutions to be proposed thereat and at any adjournment thereof and to vote for or against such resolutions or to abstain from voting in respect of the shares in the issued capital of the company registered in my/our name/s, in accordance with the following instructions (refer to note 2).

My/our proxy may delegate to another person his/her authority to act on my/our behalf at the annual general meeting, provided that my/our proxy:
- must provide written notification to the transfer secretaries of the company, namely Computershare Investor Services Proprietary Limited, of the delegation by my/our proxy of his/her authority to act on my/our behalf at the annual general meeting by no later than Thursday, 4 July 2024 at 10:00 being 48 (forty–eight) hours before the annual general meeting to be held at 10:00 on Monday, 8 July 2024; and
- must provide to his/her proxy with a copy of his/her authority to delegate his/her authority to act on my/our behalf at the general meeting.

	Number of votes on a poll (one vote per ordinary share)		
	In favour	Against	Abstain
Ordinary resolutions			
1. Adoption of annual financial statements			
Confirmation and re–election of directors			
2. Confirmation of appointment of Mr RI Dickerson			
Appointment of Audit and Risk Committee			
3. Appointment of Mr RI Dickerson to the Audit and Risk Committee			
4. Appointment of Mr N Mwale to the Audit and Risk Committee			
5. Appointment of Ms CS Ntshingila to the Audit and Risk Committee			
6. Appointment of Moore Cape Town Inc. as external auditor			
7. Indemnification of directors			
8. General authority to issue shares or options for cash			
Non–binding advisory vote			
1. Remuneration policy			
2. Implementation report			
3. Executive Employee Share Incentive Scheme			
Special resolutions			
1. Approval of non–executive directors' fees			
2. General approval to repurchase company shares			
3. Inter–company financial assistance in terms of Section 45 of the Companies Act			
4. Financial assistance for the subscription and/or purchase of shares to related or inter–related companies in terms of Section 44 of the Companies Act			

Signed at on 2024.

Signature

(Authority of signatory to be attached if applicable – see note 7)

Please also read the notes overleaf.

NOTES TO THE FORM OF PROXY

for the year ended 29 February 2024

1. The person whose name stands first on the proxy form and who is present at the annual general meeting will be entitled to act as a proxy to the exclusion of those whose names follow thereafter.
2. If no proxy is inserted in the spaces provided, then the Chairperson shall be deemed to be appointed as the proxy to vote or abstain as the Chairperson deems fit.
3. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate box provided. If there is no clear indication as to the voting instructions to the proxy, the proxy form will be deemed to authorise the proxy to vote, or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat.
4. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by his/her proxy. A proxy shall be entitled to demand that voting take place on a poll.
5. Shareholders or their duly appointed proxies are required to provide satisfactory identification before being entitled to participate in the Annual General Meeting.
6. Documentary evidence establishing the authority of a person signing this proxy form in a representative capacity must be attached to this proxy form, unless previously recorded by the Company Secretary or waived by the Chairperson of the annual general meeting. CSDPs or brokers registered in the company's sub-register voting on instructions from beneficial owners of shares registered in the company's sub-register, are requested that they identify the beneficial owner in the sub-register on whose behalf they are voting and return a copy of the instruction from such owner to the company Secretary or to the transfer secretaries, together with this form of proxy.
7. Any alteration or correction made to this proxy form must be initialled by the signatory/ies, but may not be accepted by the Chairperson.
8. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company Secretary.
9. Completed Forms of Proxy must be e-mailed to proxy@computershare.co.za to be received by Computershare Investor Services Proprietary Limited by no later than Thursday, 4 July 2024 at 10:00. Any forms of proxy not submitted by this time can still be lodged by email to proxy@computershare.co.za prior to the commencement of the meeting.

SUMMARY OF SHAREHOLDERS' RIGHTS IN RESPECT OF PROXY APPOINTMENTS AS CONTAINED IN SECTION 58 OF THE COMPANIES ACT, 71 OF 2008

Please note that in terms of section 58 of the Act:

- this proxy form must be dated and signed by the shareholder appointing the proxy;
- you may appoint an individual as a proxy, including an individual who is not a shareholder of the company, to participate in and speak and vote at a shareholders' meeting on your behalf;
- your proxy may delegate his/her authority to act on your behalf to another person, subject to any restriction set out in this proxy form;
- this proxy form must be delivered to the company or to the transfer secretaries of the company namely Computershare Investor Services Proprietary Limited, before your proxy exercises any of your rights as a shareholder at the annual general meeting;
- the appointment of your proxy or proxies will be suspended at any time to the extent that you choose to act directly and in person in the exercise of any of your rights as a shareholder at the annual general meeting;
- the appointment of your proxy is revocable unless you expressly state otherwise in this proxy form;
- as the appointment of your proxy is revocable, you may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the company. Please note the revocation of a proxy appointment constitutes a complete and final cancellation of your proxy's authority to act on your behalf as of the later of (i) the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered to the company and the proxy as aforesaid;
- if this proxy form has been delivered to the company, as long as that appointment remains in effect, any notice that is required by the Act, or the company's memorandum of incorporation, to be delivered by the company to you, will be delivered by the company to you or your proxy or proxies, if you have directed the company to do so, in writing, and paid any reasonable fee charged by the company for doing so;
- your proxy is entitled to exercise, or abstain from exercising, any voting right of yours at the annual general meeting, but only as directed by you on this proxy form; and
- the appointment of your proxy remains valid only until the end of the annual general meeting or any adjournment or postponement thereof or for a period of six months, whichever is shorter, unless it is revoked by you before then on the basis set out above.

ADMINISTRATION

DIRECTORS	F Botha N Winde RI Dickerson N Mwale CS Ntshingila
REGISTERED OFFICE	359 Crocker Road Wadeville, Extension 4 Germiston 1407 Gauteng
BUSINESS ADDRESS	359 Crocker Road Wadeville, Extension 4 Germiston 1407 Gauteng
POSTAL ADDRESS	PO Box 14676 Wadeville Germiston 1422 Gauteng
BANKER	ABSA Bank
AUDITOR	Moore Cape Town Inc. Registered Auditor
SPONSOR	PSG Capital
COMPANY SECRETARY	M Madhlophe
COMPANY REGISTRATION NUMBER	2002/029821/06
TAX REFERENCE NUMBER	9078/488/15/3
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INDUSTRIAL
HOLDINGS

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