



# INSIMBI

INDUSTRIAL  
HOLDINGS

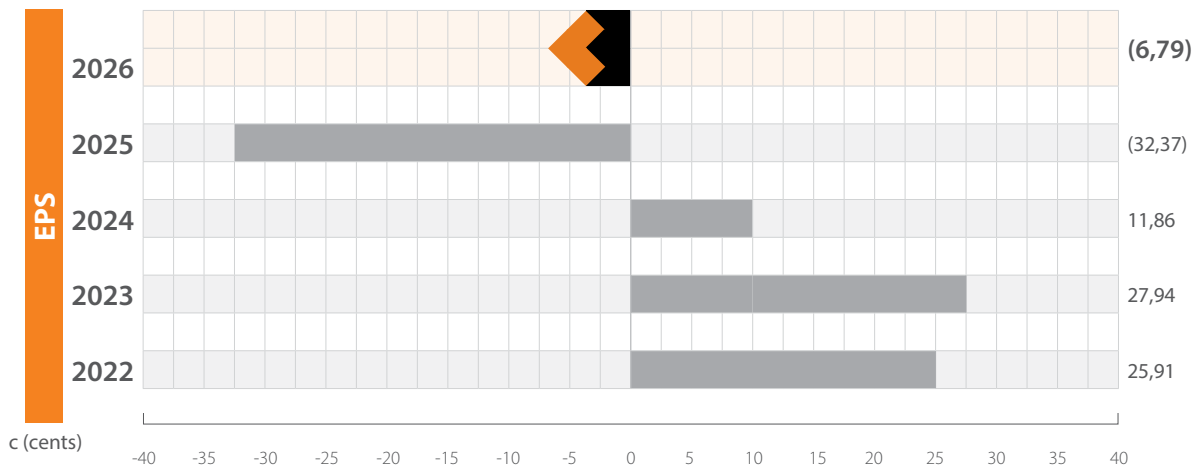
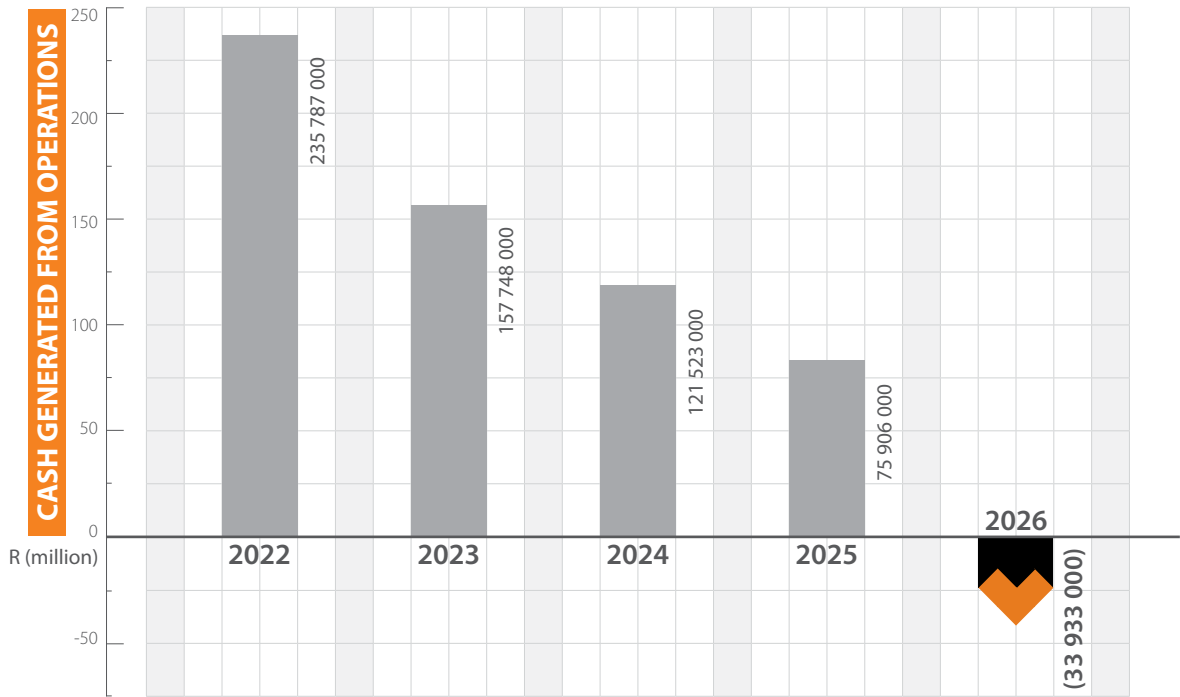
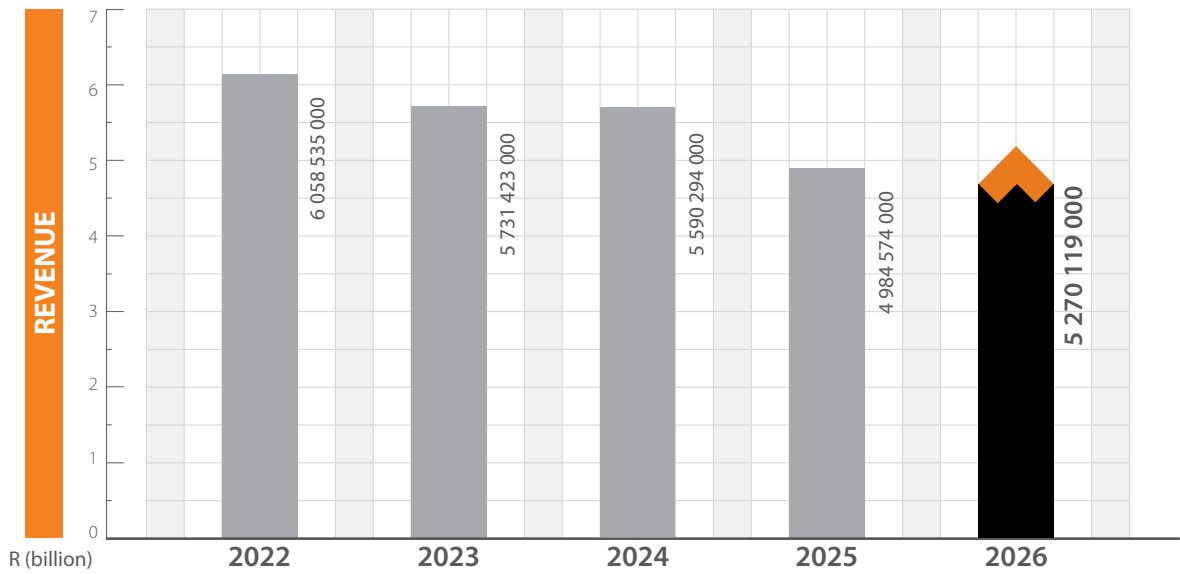
# 2026

AUDITED  
FINANCIAL  
STATEMENTS

[INSIMBI-GROUP.CO.ZA](http://INSIMBI-GROUP.CO.ZA)

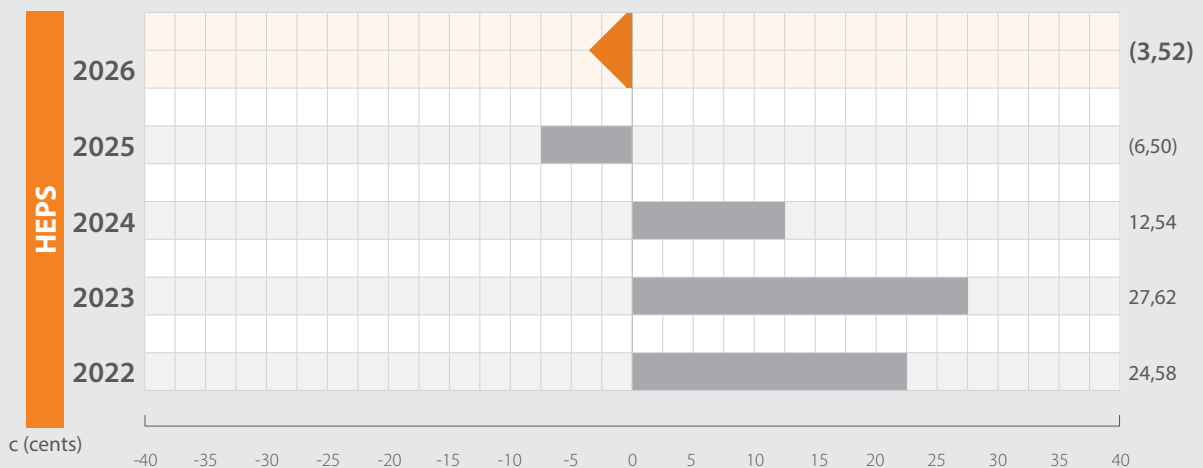
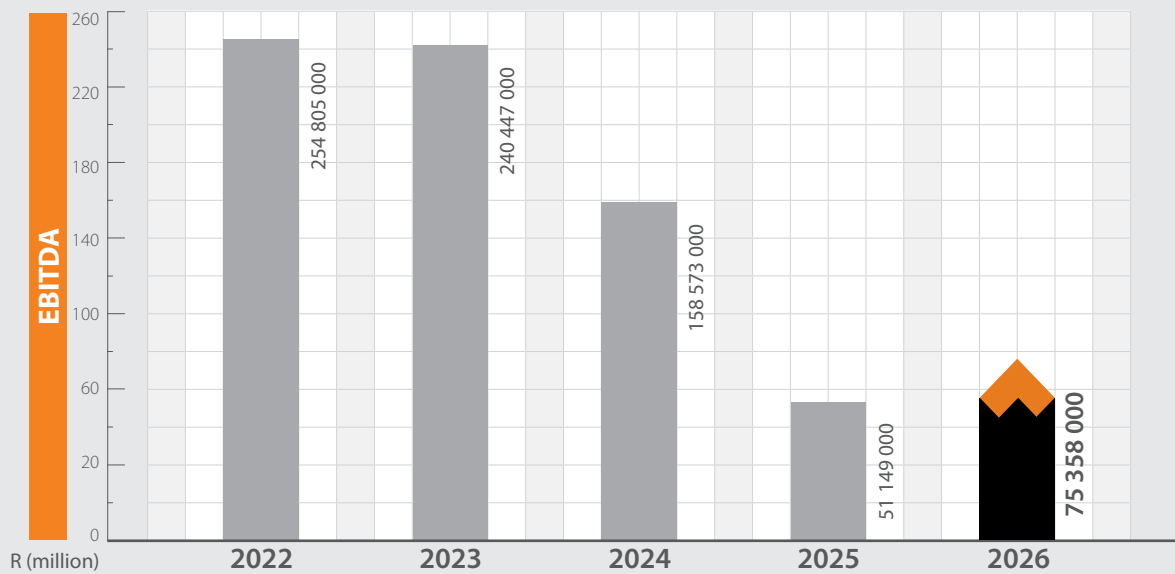
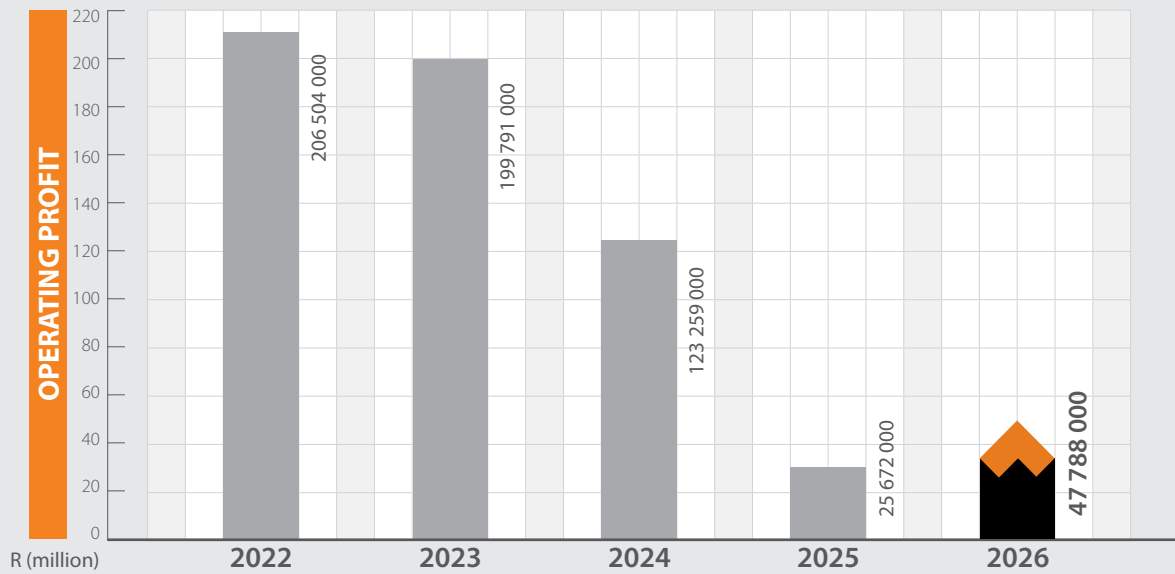


# FINANCIAL INDICATORS: 5-YEAR HISTORY





## FINANCIAL INDICATORS: 5-YEAR HISTORY *continued*





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## 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 (AFS) and related financial information included in this report. It is their responsibility to ensure that the AFS 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 International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The external auditor is engaged to express an independent opinion on the AFS.

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 AFS. 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 2027 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 AFS have been examined by the group's external auditor and their report is presented on pages 8 to 12.

The annual financial statements set out on pages 17 to 66 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 29 May 2026 and signed on its behalf by:

**F Botha**  
Chief Executive Officer  
Johannesburg  
29 May 2026

**N Winde**  
Chief Financial Officer  
Johannesburg  
29 May 2026



## 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 28 February 2026, and that all such returns and notices are true, correct and up to date.

**N Legodi**  
Company Secretary  
Johannesburg  
29 May 2026



## 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 17 to 66, 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 Insimbi;
- d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, and we have fulfilled our role and function as 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  
29 May 2026

**N Winde**  
Chief Financial Officer  
Johannesburg  
29 May 2026



# AUDIT AND RISK COMMITTEE REPORT

## PURPOSE

The Audit and Risk Committee play a central role in supporting the board's stewardship responsibilities by strengthening confidence in the quality of financial reporting, the robustness of risk management, and the integrity of the control environment. In fulfilling this role, the committee applies the requirements of the Companies Act, embraces the outcomes based philosophy of King IV, and ensures alignment with the JSE Listings Requirements.

Throughout the year, the committee focused on preserving value, protecting stakeholder interests, and reinforcing trust through effective oversight and independent judgement.

## COMPOSITION

The Audit and Risk Committee comprises three independent non-executive directors:

- Mrs CS Ntshingila (Chairperson)
- Mr E Kwindu (incoming)
- Mr RI Dickerson (outgoing)
- Mr N Mwale

Further details on the committee's composition are disclosed in the integrated annual report. The re-appointment of the committee members will be submitted to shareholders for approval at the annual general meeting scheduled for 9 July 2026.

The committee operates independently and provides assurance to the board and shareholders on the integrity of financial reporting, risk governance, and internal control.

## ROLE AND RESPONSIBILITIES

In line with section 94 of the Companies Act, the principles of King IV, and the JSE Listings Requirements, the committee supports the board in promoting ethical and effective governance. Its key responsibilities include:

- Ensuring the integrity and reliability of the annual and interim financial statements and related disclosures.
- Assisting the board with oversight of risk management and the effectiveness of internal financial controls.
- Providing oversight of information and technology governance, including cybersecurity and data privacy.
- Overseeing the combined assurance framework to ensure a coordinated approach to assurance activities.
- Reviewing the scope, plan, and results of the external audit and recommending the appointment or re appointment of the external auditor.

The committee met twice during the year under review, on 28 May 2025 and 26 November 2025.

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 considered the competence, qualifications, and experience of the Chief Financial Officer, Mrs N Winde, and is satisfied that she has the appropriate expertise to fulfil her responsibilities.

### JSE compliance

The committee reviewed the annual financial statements and considered the JSE's proactive monitoring findings relating to compliance with IFRS Accounting Standards. Relevant focus areas were taken into account during the review process.

### Risk and Internal Control

The committee oversaw the implementation of the group's risk management framework and monitored key and emerging risks, supported by the Head of Internal Audit. It also reviewed the effectiveness of internal financial controls based on information provided by management, internal audit activities, and discussion with the external auditor. The company identified its material risks, which are disclosed on its website and may be accessed via the following link: <https://insimbi-group.co.za/>



## AUDIT AND RISK COMMITTEE REPORT *continued*

### External Audit

The committee reviewed and recommended for board approval the external audit engagement letter, audit plan, and audit fees. It assessed the performance and independence of the external auditor and confirmed receipt of the required independence declaration.

The committee recommended the re-appointment of Moore Cape Town Inc. as the external auditor for the ensuing financial year, with Mr Ferdinand Hoffman as the designated audit partner, subject to shareholder approval at the annual general meeting.

### Financial statements, accounting practices and going concern

The committee is satisfied that the consolidated annual financial statements for the year under review have been prepared in accordance with the Companies Act and IFRS Accounting Standards and present, in all material respects, a fair view of the group's financial position and performance. The committee has reviewed the group's cash flow forecasts, funding facilities and liquidity position and is satisfied that the group has adequate resources to continue operating for the foreseeable future. Based on the information reviewed, the committee concurs with the board's assessment that the group continues to operate as a going concern.

### STATUTORY CONFIRMATION

The committee confirms that it has carried out its duties in accordance with section 94 of the Companies Act and paragraph 5.7(h) of the JSE Listings Requirements, applying the outcomes-based governance principles set out in King IV.

### On behalf of the Audit and Risk Committee

**CS Ntshingila**

Chair: Audit and Risk Committee

29 May 2026



# 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 and its subsidiaries (the group and company) set out on pages 17 to 66, which comprise the consolidated and separate statements of financial position as at 28 February 2026; 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 28 February 2026, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) 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.

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

### FINAL MATERIALITY

The scope of our audit is influenced by our application of materiality in line with the requirements and guidance per Moore South Africa Policy, consistently applied for previous financial periods. Our audit has been designed to obtain reasonable assurance whether the consolidated and separate financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated and separate financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the final materiality for the consolidated and separate financial statements as set out in the table below. These, together with qualitative considerations, assisted us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated and separate financial statements.

	Consolidated Financial Statements	Separate Financial Statements
<b>Final materiality</b>	R75 million	R8 million
<b>How materiality was determined</b>	2% of consolidated revenue	2% of total assets
<b>Rationale for the materiality benchmark applied</b>	We have consistently selected consolidated revenue as the benchmark as, in our view, this is the key benchmark against which the performance of the Group is most commonly measured by the users of the consolidated financial statements and is fairly stable. Profit before tax contains considerable volatility and therefore was not considered the most appropriate benchmark.	We selected total assets as the benchmark, considering that this is an investment holding company and thus is the key benchmark against which the performance of the Company is most commonly measured by the users of the separate financial statements.



# INDEPENDENT AUDITOR'S REPORT *continued*

## GROUP AUDIT SCOPE

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates. The Group provides the steel, aluminium, cement, foundry, 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. All entities are subject to IFRS Accounting Standards.

Our assessment of audit risk, evaluation of materiality and allocation of performance materiality determines our audit scope for each component within the Group. We take into account the size and risk profile of the components in the Group. Our process focuses on identifying and assessing the risk of material misstatement of the Group financial statements as a whole including the consolidation process.

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the group audit engagement team. We have not involved component auditors as all work performed for purposes of the Group audit has been performed by the group engagement team.

In selecting components, we perform risk assessment activities across the Group and its components to identify risks of material misstatement. We identify how the nature and size of the relevant classes of transactions, account balances or disclosures at the components contribute to those risks and thus determine which account balances require an audit response within the components. We then consider for each component the degree of risk identified (whether pervasive or not) and the number of accounts requiring audit responses to assign either a full or specific scope to each component.

In our assessment of the residual account balances not covered by the audit procedures, we considered specific audit requirements in respect of these balances, including whether these could give rise to a risk of material misstatement of the Group financial statements. This assessment included performing overall analytical procedures at Group level.

Of the 18 components selected, we identified:

- 6 components ("full scope audit engagements") for which we have performed procedures on what we considered to be the entire financial information of each component. Our selections were based on the statutory requirements of these components, including their size and risk profile in comparison to the rest of the components in the group as described below. These components make up the majority of the total revenue, assets and profit/(loss) before tax amounts for the Group. Performance materiality used for these components were based on the financial information of the specific component and is therefore below the final performance materiality for Group.
- 12 components ("specific scope engagements") where our procedures were more focussed or limited to specific classes of transactions, account balances and disclosures of these components. Audit procedures were performed, where appropriate, on one or more line items, based on materiality considerations and nature of items in these components, which we considered had the potential for the greatest impact on the material accounts in the financial statements given the specific risks identified.

At Group level we assessed the consolidation process and completed centralised testing over share-based payments and impairment testing of goodwill. Moore Cape Town Advisory, our independent auditor's expert, has been engaged to perform the audit procedures on the share-based payment calculations and impairment testing of goodwill.

## 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. We have determined that there are no key audit matters to communicate in respect of the separate financial statements.

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



## INDEPENDENT AUDITOR'S REPORT *continued*

Key audit matters (Group)	How our audit addressed the key audit matters
<p>Annual impairment assessment of goodwill - Refer to Accounting Policy Note 5, 14 and Note 9.</p> <p>Goodwill comprises 6.4% of total assets of the Group in the consolidated statement of financial position.</p> <p>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.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• Revenue growth (including forecast profits of the cash-generating units and forecast sales);</li> <li>• Forecast profit and profit growth;</li> <li>• Perpetuity growth rates; and</li> <li>• The discount rates applied to the projected future cash flows.</li> </ul> <p>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.</p>	<p>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, amongst others:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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:</li> <li>• To evaluate and re-calculate the discount rates and evaluate the perpetuity growth rates in relation to external market data, and</li> <li>• 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 procedures on the projected cash flows as described below.</li> <li>• 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.</li> <li>• 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.</li> <li>• Subjecting the key assumptions to sensitivity analyses.</li> <li>• Evaluating the adequacy of the financial statement disclosures, including the disclosure of key assumptions made by the directors.</li> </ul> <p>Based on our work performed we noted no material differences and concluded that management's forecasts, key assumptions and relevant inputs are reasonable.</p> <p>We concluded that disclosures relating to Accounting Policy Note 5, 14 and Note 9 have been appropriately disclosed.</p>



# INDEPENDENT AUDITOR'S REPORT *continued*

## 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 2026 Integrated Annual Report", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate, as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

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

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

## RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group and the 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 the 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and/or 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.



## INDEPENDENT AUDITOR'S REPORT *continued*

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

#### Audit Tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Moore Cape Town Inc. has been the auditor of Insimbi Industrial Holdings Limited for 6 years.

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

**Per: Ferdinand Wessel Hoffman**  
**Director**  
Registered Auditor

29 May 2026

2<sup>nd</sup> 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 28 February 2026. The consolidated financial statements for the year ended 28 February 2026 were approved by the directors at a meeting held on 28 May 2026.

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, 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 Germiston, Benoni and Devland in Johannesburg, Jacobs and Queensburgh in KwaZulu-Natal and Atlantis in Cape Town. Insimbi has exported goods and materials across the world, including South America, Australia, New Zealand, Middle East, China and Asia, Europe and other countries across Africa.

The financial results of the group and the company for the year ended 28 February 2026 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 330 898 356 shares.

## DIVIDEND

No interim or final dividend for the 2026 financial year has been declared.

## EVENTS AFTER THE REPORTING PERIOD

There are no material facts or circumstances after 28 February 2026 that will affect the results being reported.

## COMPLIANCE WITH KING CODE

The board recognises its responsibility to ensure the application of sound and effective corporate governance practices and confirms that the Insimbi Group substantially applies the principles of the King IV Report on Corporate Governance. During the forthcoming financial year, the board continues to align the group's Corporate Governance frameworks with the Companies Act, as amended, the JSE listing requirements and King IV, and will oversee the implementation of a structured governance improvement initiative to address any areas identified for refinement.

## SPECIAL RESOLUTIONS ADOPTED BY THE COMPANY

At the annual general meeting held on 10 July 2025, the following special resolutions were passed. It was resolved that:

- The non-executive directors' fees be increased by 5,4%.
- 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 28 February 2026, Insimbi held the following interests in the subsidiaries listed below (refer to note 10):

Name of subsidiary	Par value of issued shares	Percentage holding	Percentage holding	Indebtedness	Indebtedness
		2026 %	2025 %	2026 R'000	2025 R'000
Insimbi Alloy Supplies Proprietary Limited	100 ordinary shares of R1 each	100	100	281 175	231 756
Insimbi Alloy Properties Proprietary Limited	100 ordinary shares of R1 each	100	100	14 945	19 490
Insimbi ManCo Proprietary Limited <sup>^</sup>	1 000 ordinary shares of no par value	0,02	0,02	–	–
Amalgamated Metal Group Holdings Proprietary Limited <sup>*</sup>	20 000 ordinary shares of no par value	23,31	23,31	–	–
Treppo Group Proprietary Limited	283 ordinary shares of R1 each	100	100	(80 881)	(17 627)



## DIRECTORS' REPORT *continued*

### INTERESTS IN SUBSIDIARIES CONTINUED

Name of subsidiary	Par value of issued shares	Percentage holding	Percentage holding	Indebtedness	Indebtedness
		2026 %	2025 %	2026 R'000	2025 R'000
<b>Interest in subsidiaries through Insimbi Alloy Supplies Proprietary Limited</b>					
Insimbi Aluminium Alloys Proprietary Limited	100 ordinary shares of R1 each	100	100	153 063	102 625
Insimbi Nano Milling Proprietary Limited	100 ordinary shares of no par value	100	100	–	33
Amalgamated Metals Group Holdings Proprietary Limited*	65 808 ordinary shares of no par value	76,69	76,69	11 490	11 490
<b>Interest in subsidiaries through Insimbi Alloy Properties Proprietary Limited</b>					
M2M Properties Proprietary Limited	100 ordinary shares of no par value	100	100	–	–
<b>Interest in subsidiaries through Insimbi Aluminium Alloys Proprietary Limited</b>					
Minerals 2 Metals Proprietary Limited	1 000 ordinary shares of R1 each	100	100	–	–
<b>Interests in subsidiaries through Amalgamated Metals Group Holdings Proprietary Limited*</b>					
Group Wreck International Non-ferrous Proprietary Limited	3 060 B Class shares with no par value	100	100	(9 792)	–
Amalgamated Metals Recycling Proprietary Limited	100 ordinary shares of no par value	100	100	(90 253)	(109 054)
Amalgamated Metals Recycling 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	–	–
<b>Interest in subsidiaries through Treppo Group Proprietary Limited</b>					
Bulk Ferrous Exports Proprietary Limited	100 ordinary shares of R1 each	100	100	–	–
Fragcorp Proprietary Limited	100 ordinary shares of R1 each	100	100	12 314	12 000
Metfurco Trading Proprietary Limited <sup>5</sup>	100 ordinary shares of R1 each	–	100	–	–
Steelco Broking Proprietary Limited	200 ordinary shares of R1 each	100	100	–	–

\* Effectively 100% holding within the group.

<sup>^</sup> Special purpose entities under control of the group.

<sup>5</sup> The company was dormant, and has been deregistered in the current financial year, therefore the shareholding is zero.



## DIRECTORS' REPORT *continued*

### DIRECTORATE

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

### DIRECTORS' AND PRESCRIBED OFFICERS' INTERESTS

#### Directors' and prescribed officers' interests

As at 28 February 2026, the directors' and prescribed officers' beneficial and non-beneficial, direct and indirect interests in the issued share capital of the company amounted to 42,70% (2025: 42,81%) in aggregate. The interests of the directors and prescribed officers are as follows (refer to note 29):

Number of shares:	Beneficial				Non-beneficial			
	Direct		Indirect		Direct		Indirect	
	2026	2025	2026	2025	2026	2025	2026	2025
<b>Directors</b>								
F Botha	–	–	36 847 300	36 847 300	–	673	673	673
N Winde	500 000	500 000	–	–	–	–	–	–
N Mwale <sup>1</sup>	–	–	–	–	–	–	–	82 000 000*
RI Dickerson	–	–	–	–	–	–	82 000 000*	82 000 000*
<b>Prescribed officers</b>								
C Coombs	–	–	21 950 200	21 950 200	–	–	–	–
CF Botha <sup>#</sup>	–	–	–	–	–	–	–	250 000
S Green	–	113 426	–	–	–	–	–	–
<b>Total</b>	<b>500 000</b>	<b>613 426</b>	<b>58 797 500</b>	<b>58 797 500</b>	<b>–</b>	<b>673</b>	<b>82 000 673</b>	<b>82 250 673</b>

<sup>1</sup> The director has since ceased their association with NS InvestCo Limited and accordingly no non-beneficial interest is disclosed in the current year.

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

<sup>#</sup> Resigned 31 December 2024.

As at the date of preparation of this report, no directors nor prescribed officers have disposed of any of the shares held by them as at 28 February 2026.

The current ManCo share ownership schemes does 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 (refer to note 29):

	Fees (Short-term) 2026 R'000	Salary (Short-term) 2026 R'000	Expense allow- ances* (Short-term) 2026 R'000	Pension fund contri- butions (Post retire- ment) 2026 R'000	Incentive bonus (Short- term) 2026 R'000	Total 2026 R'000	Total 2025 R'000
<b>Executive</b>							
F Botha	–	4 401	1 489	–	582	6 472	6 278
N Winde	–	3 188	–	331	324	3 843	3 783
<b>Total executive</b>	<b>–</b>	<b>7 589</b>	<b>1 489</b>	<b>331</b>	<b>906</b>	<b>10 315</b>	<b>10 061</b>
<b>Non-executive</b>							
RI Dickerson	847	–	–	–	–	847	872
N Mwale	546	–	–	–	–	546	567
C Ntshingila	547	–	–	–	–	547	569
<b>Total non-executive</b>	<b>1 940</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 940</b>	<b>2 008</b>



# DIRECTORS' REPORT *continued*

## DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS CONTINUED

	Fees (Short- term) 2026 R'000	Salary (Short- term) 2026 R'000	Expense allow- ances* (Short- term) 2026 R'000	Pension fund contri- butions (Post retire- ment) 2026 R'000	Incentive bonus (Short- term) 2026 R'000	Total 2026 R'000	Total 2025 R'000
<b>Prescribed officers</b>							
CF Botha <sup>1</sup>	–	–	–	–	–	–	4 733
S Green	–	3 249	323	350	–	3 922	3 723
M Dlamini <sup>2</sup>	–	–	–	–	–	–	277
C Coombs	–	4 679	223	–	–	4 902	4 384
B Antonio <sup>3</sup>	–	–	–	–	–	–	5 879
K Rossouw <sup>4</sup>	–	817	–	–	–	817	1 938
J Jansen <sup>5</sup>	–	2 747	281	–	–	3 028	1 446
N Strachan <sup>6</sup>	–	1 534	168	32	–	1 734	503
L Ncube <sup>7</sup>	–	773	–	–	85	858	–
<b>Total prescribed officers<sup>8</sup></b>	–	13 799	995	382	85	15 261	22 883
<b>Total</b>	<b>1 940</b>	<b>21 388</b>	<b>2 484</b>	<b>713</b>	<b>991</b>	<b>27 516</b>	<b>34 952</b>

\* Includes medical aid, travel allowances and severance packages.

<sup>1</sup> Resigned 31 December 2024.

<sup>2</sup> Resigned on 31 May 2024.

<sup>3</sup> Resigned 30 September 2024.

<sup>4</sup> Resigned 30 June 2025.

<sup>5</sup> Appointed as director of subsidiary on 1 October 2024. Resigned 31 December 2025.

<sup>6</sup> Appointed as director of a subsidiary on 1 September 2024.

<sup>7</sup> Appointed as director of a subsidiary on 1 March 2025.

<sup>8</sup> Paid by the relevant subsidiary.

### AUDITOR

Moore Cape Town Incorporated continues as the group auditor for the 2026 financial year end.

### GOING CONCERN

The directors have reviewed the group's cash flow forecast for the year to 31 May 2026 and, considering 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 22) are subject to covenant clauses, whereby the group is required to meet certain key financial ratios. Covenants are measured at the end of every financial quarter. When the covenant clause is breached, the lender is contractually entitled to request immediate repayment of the outstanding loan amount.

Throughout the year, the group breached the interest cover ratio (Earnings before interest and tax (EBITDA) divided by total interest should exceed the benchmark) and the leverage ratio (Consolidated total net borrowings divided by EBITDA should not exceed the benchmark). The group has obtained waivers from ABSA for these breaches, and ABSA has confirmed that it will not affect the availability of facilities. Please refer to note 30 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 28 February 2026

	Note	GROUP		COMPANY	
		2026 R'000	2025 R'000	2026 R'000	2025 R'000
Revenue	1	5 270 119	4 984 574	48 960	49 834
Cost of sales		(4 953 244)	(4 645 362)	–	(68)
<b>Gross profit</b>		<b>316 875</b>	339 212	<b>48 960</b>	49 766
Other operating income		9 644	9 042	–	54
Other operating losses	2	(9 879)	(12 738)	(4 086)	(6 386)
Other operating expenses		(268 852)	(309 844)	(6 436)	(9 212)
<b>Operating profit</b>	3	<b>47 788</b>	25 672	<b>38 438</b>	34 222
Investment income		952	3 887	27 227	24 779
Finance costs	4	(66 652)	(66 445)	(49 182)	(50 075)
Impairment of goodwill	9	–	(77 816)	–	–
Income from equity-accounted investments		2 366	3 276	–	–
<b>(Loss)/profit before taxation</b>		<b>(15 546)</b>	(111 426)	<b>16 483</b>	8 926
Taxation	5	(6 245)	881	(4 333)	(4 199)
<b>(Loss)/profit for the year for the year</b>		<b>(21 791)</b>	(110 545)	<b>12 150</b>	4 727
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss:</b>					
Gains on property revaluation (net of taxation)	19	22 398	–	–	–
<b>Total comprehensive income/(loss) for the year</b>		<b>607</b>	(110 545)	<b>12 150</b>	4 727
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the parent		607	(110 545)	12 150	4 727
<b>Earnings per share for profit attributable to equity holders</b>					
<b>Per share information</b>					
Basic earnings per share (cents)	6	(6,79)	(32,37)	–	–
Diluted earnings per share (cents)	6	(6,67)	(32,03)	–	–

The accounting policies on pages 21 to 29 and the notes on pages 30 to 66 form an integral part of the annual financial statements.



# STATEMENTS OF FINANCIAL POSITION

for the year ended 28 February 2026

	Note	GROUP		COMPANY	
		2026 R'000	2025 R'000	2026 R'000	2025 R'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	7	298 916	295 908	2 688	3 034
Right-of-use assets	8	1 036	2 401	–	–
Goodwill	9	92 668	92 668	–	–
Intangible assets		11 068	12 346	5 881	6 663
Investments in subsidiaries	10	–	–	123 746	123 746
Investments in joint ventures		3 107	3 513	–	–
Lease receivables	8	139	916	–	–
Deferred taxation	11	11 963	6 437	–	4 370
		<b>418 897</b>	<b>414 189</b>	<b>132 315</b>	<b>137 813</b>
<b>Current assets</b>					
Inventories	12	334 357	330 109	–	–
Lease receivables	8	777	643	–	–
Loans to group companies	13	–	–	472 987	377 394
Trade and other receivables	14	619 518	567 024	7 490	22 016
Current taxation receivable		1 526	4 591	–	–
Cash and cash equivalents	15	58 452	31 998	1	4
Assets in disposal groups classified as held for sale	16	3 847	24 878	5 982	11 613
		<b>1 018 477</b>	<b>959 243</b>	<b>486 460</b>	<b>411 027</b>
<b>Total assets</b>		<b>1 437 374</b>	<b>1 373 432</b>	<b>618 775</b>	<b>548 840</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Share capital	17	145 516	145 516	150 828	150 828
Reserves		67 250	44 852	2 709	2 709
Retained income		344 079	365 870	(56 883)	(69 033)
		<b>556 845</b>	<b>556 238</b>	<b>96 654</b>	<b>84 504</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Financial liabilities at amortised cost	22	80 967	121 441	50 400	81 600
Lease liabilities	8	1 512	2 765	–	–
Deferred taxation	11	38 495	27 379	3 502	4 619
		<b>120 974</b>	<b>151 585</b>	<b>53 902</b>	<b>86 219</b>
<b>Current liabilities</b>					
Financial liabilities at amortised cost	22	560 869	415 813	280 961	240 313
Trade and other payables	23	195 714	246 635	4 819	10 831
Loans from group companies	24	–	–	180 926	126 681
Derivatives		1 719	964	–	–
Lease liabilities	8	1 253	2 197	–	–
Current taxation payable		–	–	1 513	292
		<b>759 555</b>	<b>665 609</b>	<b>468 219</b>	<b>378 117</b>
<b>Total liabilities</b>		<b>880 529</b>	<b>817 194</b>	<b>522 121</b>	<b>464 336</b>
<b>Total equity and liabilities</b>		<b>1 437 374</b>	<b>1 373 432</b>	<b>618 775</b>	<b>548 840</b>

The accounting policies on pages 21 to 29 and the notes on pages 30 to 66 form an integral part of the annual financial statements.



# STATEMENTS OF CHANGES IN EQUITY

for the year ended 28 February 2026

	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
<b>GROUP</b>							
Balance at 29 February 2024	197 803	(10 635)	187 168	42 143	3 039	476 085	708 435
Total comprehensive income for the year	–	–	–	–	–	(110 545)	(110 545)
Shares delisted and cancelled	(44 827)	3 175	(41 652)	–	–	–	(41 652)
Transfer between reserves	–	–	–	–	(330)	330	–
Total changes	(44 827)	3 175	(41 652)	–	(330)	(110 215)	(152 197)
Balance at 28 February 2025	152 976	(7 460)	145 516	42 143	2 709	365 870	556 238
<b>Total comprehensive income for the year</b>	–	–	–	<b>22 398</b>	–	<b>(21 791)</b>	<b>607</b>
<b>Total changes</b>	–	–	–	<b>22 398</b>	–	<b>(21 791)</b>	<b>607</b>
<b>Balance at 28 February 2026</b>	<b>152 976</b>	<b>(7 460)</b>	<b>145 516</b>	<b>64 541</b>	<b>2 709</b>	<b>344 079</b>	<b>556 845</b>
Note			17	19	18		
<b>COMPANY</b>							
Balance at 29 February 2024	195 655	(676)	194 979	–	3 039	(74 090)	123 928
Total comprehensive income for the year	–	–	–	–	–	4 727	4 727
Shares delisted and cancelled	(44 827)	676	(44 151)	–	–	–	(44 151)
Realisation of reserves	–	–	–	–	(330)	330	–
Total changes	(44 827)	676	(44 151)	–	(330)	5 057	(39 424)
Balance at 28 February 2025	150 828	–	150 828	–	2 709	(69 033)	84 504
<b>Total comprehensive income for the year</b>	–	–	–	–	–	<b>12 150</b>	<b>12 150</b>
<b>Total changes</b>	–	–	–	–	–	<b>12 150</b>	<b>12 150</b>
<b>Balance at 28 February 2026</b>	<b>150 828</b>	–	<b>150 828</b>	–	<b>2 709</b>	<b>(56 883)</b>	<b>96 654</b>
Note			17		18		

The accounting policies on pages 21 to 29 and the notes on pages 30 to 66 form an integral part of the annual financial statements.



# STATEMENTS OF CASH FLOWS

for the year ended 28 February 2026

	Note	GROUP		COMPANY	
		2026 R'000	2025 R'000	2026 R'000	2025 R'000
<b>Cash flow from operating activities</b>					
Cash generated from/(utilised in) operations	25	(30 980)	75 906	(5 601)	(26 726)
Interest income		822	3 697	2 036	132
Tax paid	26	(3 775)	(18 060)	141	(376)
<b>Net cash from/(utilised in) operating activities</b>		<b>(33 933)</b>	61 543	<b>(3 424)</b>	(26 970)
<b>Cash flow from investing activities</b>					
Additions to property, plant and equipment	7	(13 477)	(7 965)	–	–
Proceeds on disposal of property, plant and equipment	7	19 766	20 445	–	1 803
Proceeds on disposal of assets classified as held for sale	16	1 545	2 448	1 545	2 448
Dividend from investment in joint venture		2 773	6 102	–	–
Loans advanced to group companies	13	–	–	(761 546)	(1 241 295)
Loans advanced to group companies repaid	13	–	–	695 388	1 227 654
Cash received from finance lease receivable		773	–	–	–
<b>Net cash from investing activities</b>		<b>11 380</b>	21 030	<b>(64 613)</b>	(9 390)
<b>Cash flow from financing activities</b>					
Purchase of treasury shares	17	–	(41 652)	–	(44 151)
Proceeds from financial liabilities	22	163 092	17 500	40 648	50 212
Repayment of financial liabilities	22	(45 236)	(33 726)	(31 200)	(22 400)
Proceeds from loans from group companies	24	–	–	555 400	665 804
Repayment of loans from group companies	24	–	–	(447 632)	(567 000)
Finance costs	4	(66 255)	(65 822)	(49 182)	(46 114)
Lease payments	8	(2 594)	(1 931)	–	–
<b>Net cash (utilised in)/from financing activities</b>		<b>49 007</b>	(125 631)	<b>68 034</b>	36 351
<b>Total cash movement for the year</b>		<b>26 454</b>	(43 058)	<b>(3)</b>	(9)
Cash at the beginning of the year	15	31 998	75 056	4	13
<b>Total cash at end of the year</b>		<b>58 452</b>	31 998	<b>1</b>	4

The accounting policies on pages 21 to 29 and the notes on pages 30 to 66 form an integral part of the annual financial statements.



# ACCOUNTING POLICIES

for the year ended 28 February 2026

## 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 28 February 2026 were authorised for issue in accordance with a resolution of the directors on 27 May 2026.

### 1. STATEMENT OF COMPLIANCE

The consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB and comply with interpretations developed by the IFRIC<sup>®</sup> Interpretations 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 where IFRS requires or permits an alternative measurement basis, as set out below.

The accounting policies applied are consistent with the prior year, except where otherwise indicated.

### 3. BASIS OF CONSOLIDATION

The group financial statements incorporate the annual financial statements of the company and entities over which the group exercises control. Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Subsidiaries are consolidated from the date control commences 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 South African Rand (ZAR), which is also the functional currency of all group entities.

### 5. CRITICAL JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with IFRS Accounting Standards requires management 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 historical experience and various other factors. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a continuous basis. Revisions to accounting estimates are recognised prospectively in the period of revision and in any future periods affected, if applicable.

Key areas of judgement and estimation uncertainty include:

- Impairment of non-financial assets –refer notes 7 and 9.
- Impairment of financial assets –refer notes 10, 13 and 14.
- Realisation of deferred tax assets –refer note 11.

### 6. REVENUE

The group generates revenue from the sale of commodities and related services to industrial customers in the steel, aluminium, cement, foundry, plastics, paper and pulp sectors. Revenue is recognised when control of goods or services is transferred to customers at an amount that reflects the consideration to which the group expects to be entitled. Contracts generally contain a single performance obligation, unless transport or insurance services are explicitly contracted as distinct services.



## ACCOUNTING POLICIES *continued*

for the year ended 28 February 2026

### 6. REVENUE CONTINUED

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

#### Sale of goods –local

Revenue is recognised at the point in time when control passes to the customer, typically on delivery or collection, evidenced by:

- Transfer of physical possession;
- acceptance by the customer;
- a present right to payment is established; and
- probable collectability.

#### Sale of goods –exports

Revenue is recognised when control transfers in accordance with the applicable Incoterms, which determine the point at which risks and rewards and control pass to the customer.

#### Rendering of services –transport and insurance revenue

In certain group contracts, transport and insurance services are not treated as a separate performance obligation, as they are not distinct within the context of the contract. These contracts do not separately identify transport, and pricing does not vary based on whether transport is provided. Although delivery may occur, transport is not specifically negotiated.

In other contracts, transport and insurance are distinct performance obligations, separately agreed upon and charged. Where transport is treated as a separate obligation, revenue is recognised at a point in time—specifically when the delivery vehicle is weighed at the client’s premises, confirming delivery. The obligation is only fulfilled once the vehicle is weighed both loaded and unloaded.

#### Administration and management fees

Revenue from management services is recognised over time, as services are rendered, using an output-based measure. The output method is based on time elapsed, as services are provided evenly over the contract period.

This method provides a faithful depiction of performance as the level of service delivered is consistent over the contract period, and the measure of progress directly corresponds to the value transferred to the customer.

### 7. COST OF SALES

Cost of sales comprises cost of inventories sold, direct costs of services rendered, normal production losses, and reversals.

Inventory write-downs to net realisable value and reversals thereof are recognised in profit or loss in the period incurred.

### 8. EMPLOYEE BENEFITS

#### Short-term employee benefits

The cost of short-term employee benefits, (including salaries, wages, bonuses, paid leave and other non-monetary benefits expected to be settled within 12 months), is recognised as an expense in the period in which the related service is rendered. These amounts are measured on an undiscounted basis.

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.

A liability is recognised for bonus and profit-sharing arrangements when the group has a present legal or constructive obligation as a result of past service, and a reliable estimate of the obligation can be made.

#### Defined contribution plans

Contributions to defined contribution retirement benefit plans are recognised as an expense in profit or loss in the period in which the related service is rendered. The group has no obligation beyond its fixed contributions to such plans. Please refer to note 21 for further details.



# ACCOUNTING POLICIES *continued*

for the year ended 28 February 2026

## 9. BORROWING COSTS

Borrowing costs are expensed as incurred, as the group does not capitalise borrowing costs to qualifying assets.

## 10. TRANSLATION OF FOREIGN CURRENCIES

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

At the end of the reporting period:

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

Exchange differences arising on the settlement of monetary items are recognised in profit or loss in the period in which they arise.

Cash flows in foreign currencies are translated at the exchange rates at the dates of the cash flows.

Details of foreign currency risk exposure and the management thereof are provided in note 31.

## 11. TAX

### Current tax assets and liabilities

Current tax is recognised as a liability to the extent unpaid, or as an asset where amounts paid exceed the amount due. Current tax is measured at the amount expected to be paid to or recovered from the tax authorities using enacted or substantively enacted tax rates at the reporting date.

### Deferred tax assets and liabilities

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax liabilities are recognised for all taxable temporary differences, except on initial recognition of an asset or liability in a transaction that does not affect accounting or taxable profit.

Deferred tax assets are recognised for deductible temporary differences and assessed tax losses to the extent that it is probable that future taxable profits will be available.

Deferred tax is measured using tax rates expected to apply when the asset is realised or the liability is settled, based on enacted or substantively enacted rates at the reporting date.

### 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 they relate to items recognised in other comprehensive income, or directly in equity. Tax relating to items recognised in other comprehensive income or directly in equity is recognised in those respective components.

## 12. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is initially measured at cost including directly attributable costs to bring the asset to its intended use.

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 (fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses).

Revaluations are performed with sufficient regularity to ensure that carrying amounts do not differ materially from fair value.

Revaluation increases are recognised in other comprehensive income and accumulated in a revaluation surplus in equity and are transferred to retained earnings on disposal. Decreases are recognised in profit or loss, except to the extent that they reverse a previous revaluation surplus.

Land is not depreciated.



## ACCOUNTING POLICIES *continued*

for the year ended 28 February 2026

### 12. PROPERTY, PLANT AND EQUIPMENT CONTINUED

Depreciation is recognised on a straight-line basis over the estimated useful lives of assets, commencing when the asset is available for use, and 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

*The wide range on Plant and machinery reflects the heterogeneous nature of the asset base, which includes both high-wear processing equipment and longer-life infrastructure. Assets subject to intensive use and operational wear are depreciated over shorter periods (typically 3 –7 years), while more durable plant with lower utilisation levels is depreciated over longer periods (up to 20 years).*

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. Gains or losses on derecognition are recognised in profit or loss.

The group assesses annually whether there is any indication of impairment. Where such indication exists, the recoverable amount is estimated as the higher of fair value less costs of disposal and value in use.

Impairment losses are recognised in profit or loss, except for revalued assets where the loss is treated as a revaluation decrease in other comprehensive income to the extent of any existing surplus.

Impairment losses are reversed where there has been a change in estimates, with the reversal recognised in profit or loss (or other comprehensive income for revalued assets), limited to the asset's carrying amount had no impairment been recognised.

### 13. LEASES

At inception, contracts are assessed to determine whether they contain a lease. 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.

Leases are recognised as right-of-use assets and lease liabilities in the statement of financial position at commencement date. The right-of-use asset is initially measured at cost and is adjusted for certain remeasurements of the lease liability. Right-of-use assets are depreciated over the lease terms, which are shorter than the underlying assets' useful lives.

Lease liabilities are measured at the present value of lease payments, discounted using the incremental borrowing rate where the implicit rate is not readily determinable.

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 an 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.



# ACCOUNTING POLICIES *continued*

for the year ended 28 February 2026

## 13. LEASES CONTINUED

### Lease accounting – lessor

Where the group is an intermediate lessor, it accounts for the head lease and the sub-lease as separate arrangements. The classification of the sub-lease is determined with reference to the right-of-use asset arising from the head lease rather than the underlying asset. On commencement of a sub-lease classified as a finance lease, the group derecognises the portion of the right-of-use asset transferred and recognises a corresponding lease receivable. Lease payments received are allocated between a reduction of the net investment in the lease and finance income, using a rate that reflects a constant periodic return on the net investment.

The lease receivable is presented separately in the statement of financial position. Finance income is included in investment income in profit or loss.

Lease receivables are exposed to credit risk. The group manages this risk by transacting with creditworthy counterparties and monitoring payment performance. The underlying leased assets serve as collateral, with values broadly aligned to the outstanding receivables. The balance of lease receivables, together with the associated credits risk and expected credit loss (ECL), is not considered material.

## 14. 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.

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 9.

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* based on the carrying amount of each asset in the unit.

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

## 15. 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.

## 16. 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.



# ACCOUNTING POLICIES *continued*

for the year ended 28 February 2026

## 17. FINANCIAL ASSETS

The group and company initially recognised a financial asset when it becomes party to the contractual provisions of the instrument. Financial assets are classified on initial recognition based on the group's business model for managing the assets and the contractual cash flow characteristics.

### 17.1 Financial assets at fair value through profit and loss

Derivative financial instruments are classified at fair value through profit or loss. They are measured at fair value at initial recognition and subsequently, with gains and losses recognised in profit or loss. Transaction costs are recognised in profit or loss.

### 17.2 Financial assets at amortised cost

Financial assets are measured at amortised cost, where the contractual cash flows represent solely payments of principal and interest; and the assets are held within a business model to collect contractual cash flows. This category includes loans, trade and other receivables, lease receivables and cash and cash equivalents.

#### Recognition and measurement

Financial assets at amortised cost are initially recognised at fair value plus transaction costs and are subsequently measured at amortised cost using the effective interest rate method. Interest income is recognised in profit or loss in investment income.

#### Foreign currency

Foreign currency financial assets are translated at the reporting date exchange rate, with exchange differences recognised in profit or loss.

#### Impairment

The group recognises expected credit losses (ECLs) on financial assets measured at amortised cost using a forward-looking approach.

ECLs reflect probability-weighted estimates of credit losses, measured as the present value of expected cash shortfalls.

Expected credit loss allowances are measured as lifetime expected credit losses, representing the losses 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 the probability of default method to calculate the expected credit loss.

The expected credit loss allowance is determined using portfolio impairment adjustments derived from historical loss experience observed in the market, calibrated and applied to the group's receivable portfolios. These adjustments are segmented into credit risk clusters, including small and medium entities, large corporate entities, and foreign entities, to reflect differing risk characteristics across the book. The resulting expected credit losses incorporate forward-looking macroeconomic assumptions and are recognised in operating expenses in profit or loss.



# ACCOUNTING POLICIES *continued*

for the year ended 28 February 2026

## 17. FINANCIAL ASSETS CONTINUED

### 17.2 Financial assets at amortised cost continued

#### Impairment continued

Category	Definition
<b>Large corporate entities</b>	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 0,10% (2025: 0,07%) and 7,60% (2025: 4,34%). Loss given default rates for entities within this category generally range between 13,3% (2025: 25,65%) and 43,4% (2025: 36,55%).
<b>Foreign debtors</b>	This category of customers is 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 1% (2025: 2%) and 83% (2025: 64%). Loss given default rates for entities in this category range between 15% (2025: 25%) and 100% (2025: 35%).
<b>Small and medium entities</b>	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 0,10% (2025: 0,10%) and 6,9% (2025: 3,99%). Loss given default rates for entities within this category generally range between 10,4% (2025: 17,89%) and 30,9% (2025: 26,75%).
<b>Foreign entities - Africa</b>	This category of customers is generally represented by companies outside of South Africa, but on the African continent. The main countries represented are DRC, Swaziland, Ghana, Zambia, Botswana, Mozambique, Senegal and Zimbabwe. Different internal credit risk ratings are assigned to different countries and range between equivalent A- and CCC+. Probabilities of default for entities in this category range between 35% (2025: 10%) and 75% (2025: 82%). Loss given default rates for entities within this category generally range between 15% (2025: 20%) and 100% (2025: 100%).

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

For other financial assets measured at amortised cost, loans to group companies, deposits and other receivables as disclosed in note 14, the group and company based the ECL on the lifetime expected credit loss allowance. The group considers a financial asset to be in default if the counter party is more than 90 days past due. The 90 days past due criterion aligns with historical credit risk experience and industry practice and is consistent with the group's internal credit risk management framework. If a financial asset is in default, it is assumed that the credit risk has increased. 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. The group does not have any assets that have been written off, but that are still subject to enforcement activity.

#### Derecognition

Financial assets are derecognised when the rights to receive cash flows expire or are transferred and substantially all risks and rewards of ownership are transferred. Any gain or loss on derecognition is recognised in profit or loss.



# ACCOUNTING POLICIES *continued*

for the year ended 28 February 2026

## 18. 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 Accounting Standards (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.

## 19. SHARE CAPITAL AND EQUITY

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

## 20. 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.

## 21. FINANCIAL LIABILITIES

Financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. Financial liabilities are classified at initial recognition as either measured at fair value through profit or loss or at amortised cost.

### 21.1 Financial liabilities at fair value through profit and loss

Derivative financial liabilities are classified at fair value through profit or loss. They are measured at fair value at initial recognition and subsequently, with gains and losses recognised in profit or loss. Transaction costs are recognised in profit or loss.

### 21.2 Financial liabilities at amortised cost

Financial liabilities are measured at amortised cost unless they are required to be measured at fair value through profit or loss. This category includes borrowings, trade and other payables and loans from group companies.



# ACCOUNTING POLICIES *continued*

for the year ended 28 February 2026

## 21. FINANCIAL LIABILITIES CONTINUED

### 21.2 Financial liabilities at amortised cost *continued*

#### Recognition and measurement

Financial liabilities at amortised cost are initially recognised at fair value, net of transaction costs, and subsequently measured at amortised cost using the effective interest rate method.

Interest expense is included in profit or loss in finance costs (refer to note 4).

Financial liabilities at amortised cost expose the group to liquidity risk and interest rate risk. Refer to note 31 for details of risk exposure and management thereof.

#### Derecognition and modification

A substantial modification of a financial liability is accounted for as an extinguishment of the original liability and the recognition of a new liability. Financial liabilities are derecognised when the obligations are discharged, cancelled, or expire. Any difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

## 22. NEW STANDARDS AND INTERPRETATIONS

### 22.1 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.

### 22.2 Standards and interpretations issued but not effective

The following standards and amendments are not expected to have a material impact on the group and company's financial statements but may result in additional disclosure. The group and company do not plan to adopt these early:

- IFRS 18 Presentation and Disclosures in Financial Statements (effective for annual periods beginning on or after 1 January 2027), which introduces revised presentation requirements and enhanced disclosures, including management-defined performance measures.
- Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments, which clarify classification requirements and enhance related disclosures.
- IFRS 7: Annual Improvements to IFRS Accounting Standards – Volume 11 – Gain or loss on derecognition, which clarifies disclosure of derecognition gains and losses.
- IAS 7: Annual Improvements to IFRS Accounting Standards – Volume 11 – Cost method, which clarifies the application of the cost method in limited scenarios.
- Annual Improvements to IFRS Accounting Standards – Volume 11, which introduces minor clarifications and consistency improvements across standards.
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, which clarify the recognition of gains or losses on such transactions.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures, which permits eligible subsidiaries to apply reduced disclosure requirements.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2026

	GROUP		COMPANY	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
<b>1. REVENUE</b>				
<b>Revenue from contracts with customers:</b>				
Sale of goods	5 239 019	4 946 699	–	–
Rendering of services	31 100	37 875	48 960	49 834
	<b>5 270 119</b>	<b>4 984 574</b>	<b>48 960</b>	<b>49 834</b>
<b>Disaggregation of revenue from contracts with customers:</b>				
<b>Sale of goods</b>				
Sale of goods –Local	4 650 946	4 301 919	–	–
Sale of goods –Exports	588 073	644 780	–	–
	<b>5 239 019</b>	<b>4 946 699</b>	<b>–</b>	<b>–</b>
<b>Rendering of services</b>				
Administration and management fees received	–	–	48 960	49 834
Services revenue –Transport and insurance	31 100	37 875	–	–
	<b>31 100</b>	<b>37 875</b>	<b>48 960</b>	<b>49 834</b>
<b>Total revenue from contracts with customers</b>	<b>5 270 119</b>	<b>4 984 574</b>	<b>48 960</b>	<b>49 834</b>
<b>Timing of revenue recognition</b>				
<b>At a point in time</b>				
Sale of goods	5 239 019	4 946 699	–	–
Rendering of services	31 100	37 875	–	–
<b>Over time</b>				
Rendering of services	–	–	48 960	49 834
<b>Total revenue from contracts with customers</b>	<b>5 270 119</b>	<b>4 984 574</b>	<b>48 960</b>	<b>49 834</b>
Refer to segment report on page 65 for further disaggregation by nature of product and geographical destination.				
<b>2. OTHER OPERATING LOSSES</b>				
<b>Gains/(losses) on disposals</b>				
Property, plant and equipment	7	(952)	–	10
Assets in disposal groups classified as held for sale	16	(1 986)	–	–
		<b>(2 938)</b>	<b>(4 086)</b>	<b>10</b>
<b>Foreign exchange losses</b>				
Foreign exchange losses		(6 941)	–	–
<b>Impairment of investments in subsidiaries</b>	10	–	–	(6 396)
<b>Total other operating losses</b>		<b>(9 879)</b>	<b>(4 086)</b>	<b>(6 386)</b>



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

	GROUP		COMPANY	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
<b>3. OPERATING PROFIT/(LOSS)</b>				
<b>Operating profit for the year is stated after charging/(crediting) the following, amongst others:</b>				
<b>Cost of sales</b>				
Cost of goods sold	4 800 735	4 484 332	–	68
Transport, freight and railage costs	45 406	69 689	–	–
Processing costs	33 292	34 364	–	–
Duties and customs fees	34 143	41 261	–	–
Normal production loss	12 39 668	15 716	–	–
<b>Total cost of sales</b>	<b>4 953 244</b>	<b>4 645 362</b>	<b>–</b>	<b>68</b>
<b>Auditor's remuneration –external</b>				
Audit fees	4 062	3 801	1 355	1 396
<b>Remuneration, other than to employees</b>				
Consulting and professional services	6 482	9 747	2 738	2 754
<b>Employee costs</b>				
Salaries and wages	115 392	145 488	21 739	22 007
Salaries recovered from group entities*	–	–	(29 274)	(30 524)
Motor vehicle allowance	2 506	2 702	1 347	1 334
Medical aid contribution	2 487	2 946	421	437
Bonus and 13 <sup>th</sup> cheque	3 917	5 707	–	1 273
Staff welfare	796	1 509	79	372
Retirement benefit plans: defined contribution expense	8 338	9 034	1 586	1 538
Skills development levy and UIF	1 612	1 721	283	289
<b>Total employee costs</b>	<b>135 048</b>	<b>169 107</b>	<b>(3 819)</b>	<b>(3 274)</b>
<b>Depreciation and amortisation</b>				
Depreciation of property, plant and equipment	7 22 561	19 388	324	452
Depreciation of right-of-use assets	8 1 365	1 533	–	–
Amortisation of intangible assets	1 278	1 281	784	789
<b>Total depreciation and amortisation</b>	<b>25 204</b>	<b>22 202</b>	<b>1 108</b>	<b>1 241</b>
<b>Impairment losses</b>				
Recognition/(reversal) of expected credit losses	14 3 343	456	–	–
<b>Other expenses</b>				
Repairs and maintenance	14 705	22 697	127	169
Utilities	16 235	14 202	–	4
Insurance	12 920	13 151	979	1 370
Fuel and vehicle related expenses	16 113	19 934	325	375
Other administrative expenses	34 740	34 548	3 623	5 178
	<b>5 222 096</b>	<b>4 955 206</b>	<b>6 436</b>	<b>9 280</b>

\* The reduction in salary costs reflects the recovery of employee-related expenses from subsidiaries. These recoveries are recognised as a reimbursement of costs incurred in providing services to the subsidiaries and are presented against employee costs. The recoveries exceed the salary expense recognised in the company, as the expense reflects only the company's own payroll, whereas the recharges include payroll costs attributable to services rendered to subsidiaries.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

	Note	GROUP		COMPANY	
		2026 R'000	2025 R'000	2026 R'000	2025 R'000
<b>4. FINANCE COSTS</b>					
Leases	8	397	623	–	–
Working capital facilities		47 369	41 219	24 891	25 389
Borrowings		18 860	24 494	9 583	13 491
Loans from subsidiaries		–	–	14 708	11 105
Late payment to tax authorities		26	109	–	90
<b>Total finance costs</b>		<b>66 652</b>	<b>66 445</b>	<b>49 182</b>	<b>50 075</b>
<b>5. TAXATION</b>					
<b>Major components of the tax expense</b>					
<b>Current</b>					
Local income tax –current period		6 841	6 707	1 080	345
		<b>6 841</b>	<b>6 707</b>	<b>1 080</b>	<b>345</b>
<b>Deferred</b>					
Originating and reversing temporary differences		(596)	(7 588)	3 253	3 854
		<b>(596)</b>	<b>(7 588)</b>	<b>3 253</b>	<b>3 854</b>
		<b>6 245</b>	<b>(881)</b>	<b>4 333</b>	<b>4 199</b>
		%	%	%	%
<b>Reconciliation of the tax expense</b>					
Reconciliation between applicable tax rate and average effective tax rate.					
Applicable tax rate		27,00	27,00	27,00	27,00
Current year losses for which a deferred tax asset was not raised		(55,38)	(5,15)	–	–
Allowances relating to learnerships implemented		2,19	0,29	(0,63)	(1,10)
Non-taxable capital gains portion		2,38	(0,14)	–	1,64
Disallowable charges*		(13,09)	(21,41)	0,06	19,92
Prior period adjustments arising from final income tax submissions		(3,27)	0,24	(0,14)	(0,42)
		<b>(40,17)</b>	<b>0,83</b>	<b>26,29</b>	<b>47,04</b>
* Relates to impairments and expenses of a capital nature such as legal fees, share-based payment expenses and entertainment.					



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

## 6. 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 2026 R'000	GROUP 2025 R'000
<b>Basic earnings per share</b>	<b>(6,79)</b>	<b>(32,37)</b>
Basic earnings per share was based on a loss of R21,8 million (2025: loss of R110,6 million) and a weighted average number of shares of 320 791 441 (2025: 341 549 990).		
<b>Reconciliation of profit or loss for the year to basic earnings (R'000)</b>		
Profit for the year	<b>(21 791)</b>	(110 545)
<b>Reconciliation of weighted average number of shares ('000)</b>		
Weighted number of shares in issue at the end of the year*	<b>330 898</b>	352 974
Less: Weighted number of treasury shares held in a subsidiary at the end of the period	<b>(10 107)</b>	(11 424)
	<b>320 791</b>	341 550
<b>Headline earnings per share</b>		
Headline earnings are determined by adjusting basic earnings by excluding separately identifiable remeasurement items. Headline earnings are presented after tax.	<b>(3,52)</b>	(6,50)

\* Refer note 21 for reduction in shares in issue

	Gross 2026 R'000	Nett 2026 R'000	Gross 2025 R'000	Nett 2025 R'000
<b>Reconciliation between earnings and headline earnings</b>				
Basic earnings		<b>(21 791)</b>		(110 545)
<b>Adjusted for:</b>				
(Profit) or loss on sale/scrapping of assets	2	<b>2 938</b>	4 906	10 541
Impairment of goodwill	9	-	77 816	77 816
Headline earnings		<b>(11 296)</b>		(22 188)

### 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.

	2026 R'000	2025 R'000
Weighted average number of ordinary shares in issue ('000)	<b>320 791</b>	341 550
Adjusted for: Share options ('000)	<b>6 038</b>	3 571
Weighted average number of ordinary shares for diluted earnings per share ('000)	<b>326 829</b>	345 121
	<b>cents</b>	cents
Diluted earnings per share	<b>(6,67)</b>	(32,03)
Diluted headline earnings per share	<b>(3,46)</b>	(6,43)



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

## 7. PROPERTY, PLANT AND EQUIPMENT

	Cost or revaluation R'000	2026 Accu- mulated depreciation R'000	Carrying value R'000	Cost or revaluation R'000	2025 Accu- mulated depreciation R'000	Carrying value R'000
<b>GROUP</b>						
Land	47 482	–	47 482	47 482	–	47 482
Buildings	115 909	(4 500)	111 409	97 963	(9 205)	88 758
Plant and machinery	175 916	(75 105)	100 811	197 362	(82 100)	115 262
Furniture and fixtures	26 988	(10 535)	16 453	23 022	(9 200)	13 822
Motor vehicles	62 416	(46 048)	16 368	63 322	(44 350)	18 972
IT equipment	7 341	(5 226)	2 115	12 009	(9 806)	2 203
Capital work in progress	4 278	–	4 278	9 409	–	9 409
<b>Total</b>	<b>440 330</b>	<b>(141 414)</b>	<b>298 916</b>	<b>450 569</b>	<b>(154 661)</b>	<b>295 908</b>
<b>COMPANY</b>						
Plant and machinery	3 363	(1 140)	2 223	3 363	(970)	2 393
Furniture and fixtures	219	(56)	163	306	(132)	174
IT equipment	708	(406)	302	878	(411)	467
<b>Total</b>	<b>4 290</b>	<b>(1 602)</b>	<b>2 688</b>	<b>4 547</b>	<b>(1 513)</b>	<b>3 034</b>

### Reconciliation of property, plant and equipment

	Opening balance R'000	Additions R'000	Disposals R'000	Transfers R'000	Revalua- tions R'000	Depre- ciation R'000	Total R'000
<b>GROUP</b>							
<b>2026</b>							
Land	47 482	–	–	–	–	–	47 482
Buildings	88 762	1 016	(2 923)	–	28 584	(4 030)	111 409
Plant and machinery	115 263	15 758	(19 602)	1 450	–	(12 058)	100 811
Furniture and fixtures	13 818	808	(203)	4 468	–	(2 438)	16 453
Motor vehicles	18 971	759	(4)	–	–	(3 358)	16 368
IT equipment	2 203	599	(10)	–	–	(677)	2 115
Capital work in progress	9 409	787	–	(5 918)	–	–	4 278
	<b>295 908</b>	<b>19 727</b>	<b>(22 742)</b>	<b>–</b>	<b>28 584</b>	<b>(22 561)</b>	<b>298 916</b>

	Opening balance R'000	Additions R'000	Disposals R'000	Transfers R'000	Classified as held-for- sale R'000	Depre- ciation R'000	Total R'000
<b>2025</b>							
Land	54 582	–	–	–	(7 100)	–	47 482
Buildings	102 959	–	–	–	(10 400)	(3 797)	88 762
Plant and machinery	132 307	3 920	(17 477)	6 482	–	(9 969)	115 263
Furniture and fixtures	12 824	3 534	(1 072)	–	–	(1 468)	13 818
Motor vehicles	26 914	2 016	(6 585)	–	–	(3 374)	18 971
IT equipment	3 036	244	(297)	–	–	(780)	2 203
Capital work in progress	7 190	8 701	–	(6 482)	–	–	9 409
	<b>339 812</b>	<b>18 415</b>	<b>(25 431)</b>	<b>–</b>	<b>(17 500)</b>	<b>(19 388)</b>	<b>295 908</b>



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

## 7. PROPERTY, PLANT AND EQUIPMENT CONTINUED

### Reconciliation of property, plant and equipment

	Opening balance R'000	Disposals R'000	Depreciation R'000	Total R'000
<b>COMPANY</b>				
<b>2026</b>				
Plant and machinery	2 393	–	(170)	2 223
Furniture and fixtures	174	–	(11)	163
Motor vehicles	–	–	–	–
IT equipment	467	(22)	(143)	302
	<b>3 034</b>	<b>(22)</b>	<b>(324)</b>	<b>2 688</b>
<b>2025</b>				
Plant and machinery	4 528	(1 868)	(267)	2 393
Furniture and fixtures	218	(2)	(42)	174
Motor vehicles	–	–	–	–
IT equipment	610	–	(143)	467
	<b>5 356</b>	<b>(1 870)</b>	<b>(452)</b>	<b>3 034</b>

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 22).

Group additions include plant and machinery through instalment sales of R1,9 million (2025: R3,4 million), motor vehicles include vehicles through instalment sales of R1 million (2025: R1,9 million) and Capital WIP through instalment sales of Rnil (2025: R5,1 million). All other group additions were from cash.

### Revaluations

The property portfolio of the group has been revalued as at 28 February 2026. Revaluations were performed by various independent valuers, who are not connected to the group. The valuers are professional valuers registered without restriction in terms of section 20(2)(a) of the Property Valuers Professional Act 47 of 2000.

The valuations were 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. The comparable sales approach and replacement cost approach was used as supporting methods. Key unobservable inputs applied across the portfolio include market rentals, capitalisation rates and price per m<sup>2</sup> derived from open market values. These inputs were adjusted after taking into account the locality, the age and condition of the property, the utility and configuration of the facilities. Capitalisation rates ranging between 9,7% and 11,7% were used, as well as market related rentals for similar properties in similar areas.

The fair values of land and buildings are categorised as Level 3 in terms of IFRS 13 Fair Value Measurement, due to the use of significant unobservable inputs.

The valuation of land and buildings are sensitive to changes in key unobservable inputs, including market rentals and capitalisation rates. In particular, an increase in capitalisation rates would decrease fair value. An increase in market rentals or price per m<sup>2</sup> would increase fair value. Management has performed sensitivity analyses on the key valuation inputs, applying reasonably possible changes in capitalisation rates and market rentals based on observable market data and the range of assumptions applied by the independent valuers. The sensitivity ranges applied are based on observable market evidence and are consistent with those used by independent external valuers. Capitalisation rates are typically provided within valuation ranges of approximately 50 – 100 basis points, and accordingly a sensitivity of ±0,5% has been applied as a reasonable reflection of potential yield movements in the current market. Market rental sensitivities of ±5% have been used to reflect reasonably possible changes in rental levels, taking into account current leasing conditions, renewal risk and comparable market data. These assumptions are aligned with those commonly applied by JSE-listed property companies and are considered appropriate for assessing the impact of changes in key unobservable inputs on fair value in accordance with IFRS 13. The resulting impact on portfolio valuations was assessed against the group's materiality thresholds. Based on this assessment, no reasonably possible change in these key assumptions would result in a material change to the reported fair values of the land and buildings at the reporting date.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

## 7. PROPERTY, PLANT AND EQUIPMENT CONTINUED

### Revaluations continued

The effective valuation dates fall between December 2025 and February 2026, depending on the property. Management has assessed that these values are representative of fair value at the reporting date. 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 significantly different valuation.

The group performs revaluations with sufficient regularity to ensure that carrying amounts do not differ materially from fair value and the next revaluation will be performed on 28 February 2029.

A revaluation surplus of R28,6 million less deferred tax of R6,2 million was recognised in other comprehensive income in the current financial year (refer note 19).

The carrying amount of land under the cost model would have been R5,5 million (2025: R5,5 million) and the carrying amount of buildings under the cost model would have been R42,6 million (2025: R48,1 million).

## 8. LEASES

	<b>GROUP</b>	
	<b>2026</b>	2025
	<b>R'000</b>	R'000
The consolidated statement of financial position discloses the following items pertaining to leases:		
<b>Right-of-use assets*</b>		
Non-current assets	<b>1 036</b>	2 401
<b>Lease receivables</b>		
Non-current assets	<b>139</b>	916
Current assets	<b>777</b>	643
	<b>916</b>	1 559
<b>Lease liabilities:</b>		
Non-current liabilities	<b>(1 512)</b>	(2 765)
Current liabilities	<b>(1 253)</b>	(2 197)
	<b>(2 765)</b>	(4 962)

	Opening balance R'000	Lease modifi- cation# R'0000	Derecog- nition R'000	De- preciation R'000	Interest compo- nent R'000	Lease payments R'000	Total R'000
<b>GROUP</b>							
<b>2026</b>							
Right-of-use assets*	2 401	-	-	(1 365)	-	-	1 036
Lease receivables	1 559	-	-	-	130	(773)	916
Lease liabilities	(4 962)	-	-	-	(397)	2 594	(2 765)
Notes				3	4		
<b>2025</b>							
Right-of-use assets*	7 419	-	(3 485)	(1 533)	-	-	2 401
Lease receivables	2 085	-	-	-	190	(716)	1 559
Lease liabilities	(11 443)	369	4 088	-	(623)	2 647	(4 962)
Notes				3	4		

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

The group has used the incremental borrowing rate of 10,25% (2025: 10,25%) at the time the leases were recognised.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

## 9. GOODWILL

	2026			2025		
	Cost R'000	Accu- mulated impairment R'000	Carrying value R'000	Cost R'000	Accu- mulated impairment R'000	Carrying value R'000
<b>GROUP</b>						
Goodwill	180 530	(87 862)	92 668	180 530	(87 862)	92 668

### Reconciliation of goodwill

	Opening balance R'000	Impairment loss R'000	Total R'000
<b>GROUP</b>			
<b>2026</b>			
Goodwill	92 668	–	92 668
<b>2025</b>			
Goodwill	170 484	(77 816)	92 668

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

	2026			2025		
	Opening balance R'000	Additions/ (impair- ments) R'000	Closing balance R'000	Opening balance R'000	Additions/ (impair- ments) R'000	Closing balance R'000
<b>Allocation of goodwill by CGU</b>						
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)	–
Insimbi Alloy Supplies Proprietary Limited	29 653	–	29 653	29 653	–	29 653
Other CGUs	–	–	–	17 151	(17 151)	–
	<b>92 668</b>	<b>–</b>	<b>92 668</b>	<b>170 484</b>	<b>(77 816)</b>	<b>92 668</b>

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

	2026		2025		
	Amalgamated Metals Recycling Proprietary Limited	Insimbi Alloy Supplies Proprietary Limited	Amalgamated Metals Recycling Proprietary Limited	Group Wreck International Non-Ferrous Proprietary Limited	Insimbi Alloy Supplies Proprietary Limited
Terminal growth rate	4,8	4,8	4,8	4,8	4,8
Discount rate	23,52%	23,00%	24,04%	22,49%	19,96%



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

## 9. 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) and cost of debt. The WACC rate has been adjusted for risks specific to each CGU. As the material CGU's operate in similar industries and are exposed to the same factors, the discount rates are similar.

### **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.

During the prior year, the group recognised a total impairment loss of R77,8 million relating to goodwill. This included:

- R61 million impairment recognised in respect of the Group Wreck CGU, and
- R17,1 million collectively recognised across two other CGUs, each individually immaterial.

The impairment charge is presented separately in the consolidated statement of profit or loss.

The impairments recognised in the prior year were primarily due to a decline in expected market demand, regulatory changes and lower-than-expected operating performance.

### **Sensitivity analysis**

#### ***Amalgamated Metals Recycling Proprietary Limited***

The headroom in this CGU is R50 million (2025: R81 million). If the discount rate in this CGU was 1,8% (2025: 3,1%) higher, the recoverable amount would be equal to the carrying amount in this CGU.

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

#### ***Insimbi Alloy Supplies Proprietary Limited***

The headroom in this CGU is R39 million (2025: R65 million). If the discount rate in this CGU was 3,9% (2025: 7,3%) higher, the recoverable amount would be equal to the carrying amount in this CGU.

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



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

## 10. INVESTMENTS IN SUBSIDIARIES

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

Name of company	Held by	Holding		COMPANY	
		2026 %	2025 %	Carrying amount 2026 R'000	Carrying amount 2025 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 ManCo Proprietary Limited*	Insimbi Industrial Holdings Limited	0,02	0,02	8 405	8 405
Amalgamated Metals Group Holdings Proprietary Limited#1	Insimbi Industrial Holdings Limited	23,31	23,31	53 116	53 116
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	–	–
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	–	–
Minerals 2 Metals 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	–	–



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

## 10. INVESTMENTS IN SUBSIDIARIES CONTINUED

Name of company	Held by	COMPANY			
		Holding 2026 %	Holding 2025 %	Carrying amount 2026 R'000	Carrying amount 2025 R'000
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 <sup>2</sup>	Treppo Group Proprietary Limited	–	100,00	–	–
Steelco Broking Proprietary Limited	Treppo Group Proprietary Limited	100,00	100,00	–	–
				<b>123 746</b>	123 746

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

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

<sup>1</sup> With the disposal of the West Rand and Booysens branches in the previous financial year, the group has followed a conservative approach by impairing the investment on a pro rata basis.

<sup>2</sup> The company was dormant, and was deregistered in the current year, therefore the shareholding is 0%.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

	GROUP		COMPANY	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
<b>11. DEFERRED TAXATION</b>				
<b>Deferred tax liability</b>				
Accelerated tax depreciation	(19 119)	(22 044)	(3 531)	(4 578)
Revaluation of property, plant and equipment	(16 679)	(10 417)	–	–
Fair value uplift on property, plant and equipment through business combination	(8 270)	(8 270)	–	–
Prepayment	(829)	(685)	(123)	(41)
Right-of-use assets	(527)	(1 069)	–	–
<b>Total deferred tax liability</b>	<b>(45 424)</b>	<b>(42 485)</b>	<b>(3 654)</b>	<b>(4 619)</b>
<b>Deferred tax assets</b>				
Accrued expenses	4 329	2 874	152	433
Tax losses available for offset against future taxable income	13 431	16 399	–	3 937
Income received in advance	385	930	–	–
Lease liabilities	747	1 340	–	–
<b>Total deferred tax asset</b>	<b>18 892</b>	<b>21 543</b>	<b>152</b>	<b>4 370</b>
<b>Total net deferred tax</b>	<b>(26 532)</b>	<b>(20 942)</b>	<b>(3 502)</b>	<b>(249)</b>
Disclosed as net deferred tax asset	11 963	6 437	–	(249)
Disclosed as net deferred tax liability	(38 495)	(27 379)	(3 502)	–
<b>The gross movement on the deferred tax account is as follows:</b>				
Opening balance	(20 942)	(28 530)	(249)	3 605
(Credited)/charged to profit and loss	596	7 588	(3 253)	(3 854)
Charged/(credited) to other comprehensive income	(6 186)	–	–	–
<b>Closing balances</b>	<b>(26 532)</b>	<b>(20 942)</b>	<b>(3 502)</b>	<b>(249)</b>

Deferred tax assets of R20,2 million (2025: R16,4 million) have been recognised in respect of assessed tax losses to the extent that it is probable that future taxable profits will be available against which the losses can be utilised. This judgement is based on board-approved budgets and medium-term forecasts, which incorporate expected increases in production capacity, improvements in operating margins and the impact of cost optimisation initiatives. Management has considered the group's recent loss history and relies on objective evidence supporting a return to profitability, including improved trading performance and increased throughput.

The group's assessed tax losses do not expire under current tax legislation; however, their utilisation is limited to 80% of taxable income in any given year (subject to a minimum threshold of R1 million). The recognised losses are expected to be utilised over a period of 4–5 years.

Deferred tax assets of R36,1 million (2025: R32,3 million) have not been recognised in respect of losses amounting to R133 million (2025: R120 million), as the realisation of the related tax benefit is considered uncertain.

The recognition of deferred tax assets requires significant judgement, particularly in relation to the timing and level of future taxable profits, and is reassessed at each reporting date.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

## 11. DEFERRED TAXATION CONTINUED

	Accrued expenses R'000	Tax losses available for set-off R'000	Income received in advance R'000	Lease liabilities R'000	Total assets R'000
<b>GROUP</b>					
The movement in deferred tax assets during the year is as follows:					
At 29 February 2024	3 893	6 851	4 601	1 986	17 331
Charged/(credited) to profit and loss	(1 019)	9 548	(3 671)	(646)	4 212
At 28 February 2025	2 874	16 399	930	1 340	21 543
<b>Charged/(credited) to profit and loss</b>	<b>1 455</b>	<b>(2 968)</b>	<b>(545)</b>	<b>(593)</b>	<b>(2 651)</b>
<b>At 28 February 2026</b>	<b>4 329</b>	<b>13 431</b>	<b>385</b>	<b>747</b>	<b>18 892</b>

	Accelerated tax depreciation R'000	Revaluation of property, plant and equipment R'000	Fair value gains through business combination R'000	Right of use assets R'000	Pre-payments R'000	Total liabilities R'000
<b>GROUP</b>						
The movement in deferred tax liabilities during the year is as follows:						
At 29 February 2024	(23 566)	(10 417)	(8 270)	(1 625)	(1 983)	(45 861)
Charged/(credited) to profit and loss	1 522	–	–	556	1 298	3 376
At 28 February 2025	(22 044)	(10 417)	(8 270)	(1 069)	(685)	(42 485)
<b>Charged/(credited) to profit and loss</b>	<b>2 925</b>	<b>(76)</b>	<b>–</b>	<b>542</b>	<b>(144)</b>	<b>3 247</b>
<b>Charged/(credited) to other comprehensive income</b>	<b>–</b>	<b>(6 186)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(6 186)</b>
<b>At 28 February 2026</b>	<b>(19 119)</b>	<b>(16 679)</b>	<b>(8 270)</b>	<b>(527)</b>	<b>(829)</b>	<b>(45 424)</b>



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

## 11. DEFERRED TAXATION CONTINUED

	Tax losses R'000	Provisions R'000	Total assets R'000
<b>COMPANY</b>			
The movement in deferred tax assets and liabilities during the year is as follows:			
At 29 February 2024	5 432	578	6 010
(Credited)/charged to profit and loss	(1 495)	(145)	(1 640)
At 28 February 2025	3 937	433	4 370
<b>(Credited)/charged to profit and loss</b>	<b>(3 937)</b>	<b>(281)</b>	<b>(4 218)</b>
<b>At 28 February 2026</b>	<b>–</b>	<b>152</b>	<b>152</b>

	Accelerated tax depre- ciation R'000	Pre- payments R'000	Total liabilities R'000
At 29 February 2024	(2 376)	(29)	(2 405)
(Credited)/charged to profit and loss	(2 202)	(12)	(2 214)
At 28 February 2025	(4 578)	(41)	(4 619)
<b>(Credited)/charged to profit and loss</b>	<b>1 047</b>	<b>(82)</b>	<b>965</b>
<b>At 28 February 2026</b>	<b>(3 531)</b>	<b>(123)</b>	<b>(3 654)</b>

	GROUP		COMPANY	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
<b>12. INVENTORIES</b>				
Raw materials, components	18 350	25 109	–	–
Finished goods	316 550	305 000	–	–
	334 900	330 109	–	–
Provision for normal production loss	(543)	–	–	–
	334 357	330 109	–	–

The total normal production loss for the year of R39,7 million (2025: R15,7 million) was included in cost of sales.

Cost of inventory expensed during the year was R5 001 444 823 (2025: R4 497 711 129).

The inventory balances do not include any spare parts.

Inventories have been pledged as security for short-term facilities. Please refer note 31.2.2 for further details.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

	GROUP		COMPANY	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
<b>13. LOANS TO GROUP COMPANIES</b>				
<b>Subsidiaries</b>				
Insimbi Alloy Supplies Proprietary Limited	–	–	281 175	231 756
Insimbi Aluminium Alloys Proprietary Limited	–	–	153 063	102 625
Insimbi Nano Milling Proprietary Limited	–	–	–	33
Amalgamated Metals Group Holdings Proprietary Limited	–	–	11 490	11 490
Insimbi Alloy Properties Proprietary Limited	–	–	14 945	19 490
Fragcorp Proprietary Limited	–	–	12 314	12 000
	–	–	472 987	377 394

The loans are unsecured and interest free unless agreed upon between related parties (2025: 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		COMPANY	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
<b>Split between non-current and current portions</b>				
Current assets	–	–	472 987	377 394

#### **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 in 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 subsidiaries hold sufficient highly liquid assets and demonstrate the ability to settle obligations as they fall due, the resulting expected credit loss is assessed as immaterial and no allowance has been recognised.

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, assuming that the group would allow the subsidiary to continue trading or to sell assets over a period of 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 include a review of cash flow forecasts to give an indication of the expected cashflows and/or liquid assets expected to be generated during the recovery period.

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.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

	GROUP		COMPANY	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
<b>14. TRADE AND OTHER RECEIVABLES</b>				
<b>Financial assets:</b>				
Trade receivables	581 673	499 126	5 877	19 523
Deposits	1 987	2 501	–	–
Other receivables	22 793	39 572	646	2 054
Loss allowance	(3 936)	(2 885)	–	–
Trade receivables at amortised cost	602 517	538 314	6 523	21 577
<b>Non-financial assets:</b>				
VAT Receivable	13 178	25 387	–	–
Employee costs in advance	239	261	–	–
Prepayments	3 584	3 062	967	439
<b>Total trade and other receivables</b>	<b>619 518</b>	<b>567 024</b>	<b>7 490</b>	<b>22 016</b>
<b>Split between non-current and current portions</b>				
Current assets	619 518	567 024	7 490	22 016
<b>Categorisation of trade and other receivables</b>				
Trade and other receivables are categorised as follows in accordance with IFRS 9 Financial Instruments:				
Financial assets	602 517	538 314	6 523	21 577
Non-financial assets	17 001	28 710	967	439
	619 518	567 024	7 490	22 016

#### Trade and other receivables pledged as security

Trade and other receivables have been pledged as security for short-term facilities. Refer to note 31.2 for further details.

The group's credit terms vary by customer and product, ranging from cash on delivery (COD) to 120 days from month-end. The average collection period for trade receivables was 39 days (2025: 37 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 18.2 of the accounting policies. 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:

	2026				2025			
	Gross trade receivables	Expected credit lossratio	Expected credit loss	Estimated net carrying amount	Gross trade receivables	Expected credit loss ratio	Expected credit loss	Estimated net carrying amount
Large corporates								
<30 days	342 113	0,01%	44	342 069	312 047	0,14%	446	311 601
31 –60 days	108 151	0,02%	20	108 131	48 350	0,22%	106	48 244
61 –90 days	33 656	0,02%	7	33 649	3 827	0,29%	11	3 816
Over 90 days	10 329	0,02%	2	10 327	20 645	0,26%	54	20 591
	494 249		73	494 176	384 869		617	384 252



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

## 14. TRADE AND OTHER RECEIVABLES CONTINUED

### Loss allowance on trade receivables continued

Foreign debtors	2026				2025			
	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	4 313	0,60%	26	4 287	4 334	0,28%	12	4 322
31 –60 days	3 705	1,16%	43	3 662	6 459	0,03%	2	6 457
61 –90 days	–	0,00%	–	–	1 347	0,15%	2	1 345
Over 90 days	4 606	1,80%	83	4 523	17 293	1,04%	180	17 113
	<b>12 624</b>		<b>152</b>	<b>12 472</b>	<b>29 433</b>		<b>196</b>	<b>29 237</b>

Small and Medium Entities (SME's)	2026				2025			
	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	41 818	0,14%	57	41 761	56 338	0,16%	88	56 250
31 –60 days	5 707	0,28%	16	5 691	2 493	0,20%	5	2 488
61 –90 days	1 499	0,27%	4	1 495	607	0,00%	–	607
Over 90 days	1 857	0,11%	2	1 855	3 550	0,68%	24	3 526
	<b>50 881</b>		<b>79</b>	<b>50 802</b>	<b>62 988</b>		<b>117</b>	<b>62 871</b>
<b>Other classes of trade receivables*</b>	<b>23 919</b>	<b>15,18%</b>	<b>3 632</b>	<b>20 287</b>	<b>21 836</b>	<b>8,96%</b>	<b>1 955</b>	<b>19 880</b>

\* 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

As the gross balances of other receivables and deposits are deemed not material, the ECL on these balances are also immaterial and 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 receivables:

	GROUP 2026					GROUP 2025				
	Large corporates R'000	Foreign debtors R'000	SME's R'000	Other classes of trade receivables R'000	Total R'000	Large corporates R'000	Foreign debtors R'000	SME's R'000	Other classes of trade receivables R'000	Total R'000
Opening balance	617	196	117	1 955	2 885	636	1 120	47	626	2 429
Movement in ECL recognised in profit or loss	871	(44)	786	1 730	3 343	1 403	(924)	208	1 329	2 016
Amount written off as bad debt	(1 415)	–	(824)	(53)	(2 292)	(1 422)	–	(138)	–	(1 560)
<b>Closing balance</b>	<b>73</b>	<b>152</b>	<b>79</b>	<b>3 632</b>	<b>3 936</b>	<b>617</b>	<b>196</b>	<b>117</b>	<b>1 955</b>	<b>2 885</b>

### 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 31.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

	GROUP		COMPANY	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
<b>15. CASH AND CASH EQUIVALENTS</b>				
<b>Cash and cash equivalents consist of:</b>				
Cash on hand	550	680	–	–
Bank balances	57 902	31 318	1	4
	<b>58 452</b>	31 998	<b>1</b>	4
Current assets	<b>58 452</b>	31 998	<b>1</b>	4

For further details on liquidity, credit and currency risk, please refer to note 31.

Details regarding financing facilities can also be found in note 31.

## 16. ASSETS IN DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

In the prior year the group entered in to a transaction to repurchase shares and dispose of certain business assets as explained in the circular published on SENS on 11 July 2024. The sale of the moveable property was concluded in August 2024, however the transfer of the immovable property was completed in the 2026 financial year. The group recognised a loss on disposal of the assets amounting to R5,9 million, which has been disclosed in "Other operating losses" in profit and loss in the previous financial year.

Management has considered the impact of disclosing the assets 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 total assets represented less than 2% of group revenue and assets. Furthermore the disclosure as a discontinued operation would not have affected materially EPS or HEPS.

In 2022 a decision was made to exit the company's non-core operation, Insimbi Plastics Proprietary Limited and to dispose of its assets. The company was deregistered in March 2023.

The company managed to sell some of the assets in the current year, and recognised a loss on disposal of the assets amounting to R4 million, which has been disclosed in "Other operating losses" in profit and loss in the current financial year.

Although the disposal process has extended beyond one year, this is primarily due to challenging market conditions and limited buyer demand, which are factors outside of the group's control. The assets remain available for immediate sale in their present condition and continue to be actively marketed at prices considered reasonable in the current market environment.

Management remains committed to the disposal plan and expects the remaining assets to be sold during the 2027 financial year. Accordingly, the criteria for classification as held for sale continue to be met at the reporting date.

	GROUP		COMPANY	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
<b>Assets in disposal groups classified as held for sale consist of:</b>				
Properties held for sale	–	17 500	–	–
Plant and machinery held for sale	3 847	7 378	5 982	11 613
	<b>3 847</b>	24 878	<b>5 982</b>	11 613

The difference between the company and group held-for-sale balances arises from intragroup transfers of assets at fair value, with the resulting unrealised profit eliminated on consolidation, leading to a lower carrying amount at group level.

The group has assessed these assets in accordance with IFRS 5 and concluded that they are appropriately measured at the lower of carrying amount and fair value less costs to sell.

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



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

## 16. ASSETS IN DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE CONTINUED

	Opening balance R'000	Disposals R'000	Transfers R'000	Closing balance R'000
<b>GROUP</b>				
<b>2026</b>				
Properties held for sale	17 500	(17 500)	–	–
Plant and machinery held for sale	7 378	(3 531)	–	3 847
	<b>24 878</b>	<b>(21 031)</b>	<b>–</b>	<b>3 847</b>
<b>2025</b>				
Properties held for sale	–	–	17 500	17 500
Plant and machinery held for sale	9 748	(2 370)	–	7 378
	9 748	(2 370)	17 500	24 878
		<b>Opening balance R'000</b>	<b>Disposals R'000</b>	<b>Closing balance R'000</b>
<b>COMPANY</b>				
<b>2026</b>				
Plant and machinery held for sale		11 613	(5 631)	5 982
<b>2025</b>				
Plant and machinery held for sale		13 983	(2 370)	11 613
	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2026</b>	<b>2025</b>	<b>2026</b>	<b>2025</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>17. SHARE CAPITAL</b>				
<b>Authorised</b>				
12 000 000 000 ordinary shares of 0,000025 cents each	3	3	3	3
<b>Reconciliation of number of shares issued ('000):</b>				
Shares held by subsidiaries	10 107	10 107	–	–
Issue of shares –ordinary shares	320 791	320 791	–	–
	<b>330 898</b>	330 898	–	–
<b>Issued (R'000)</b>				
Share premium	161 220	161 220	159 072	159 072
Share issue costs written off against share premium	(8 244)	(8 244)	(8 244)	(8 244)
Held by subsidiaries	(7 460)	(7 460)	–	–
	<b>145 516</b>	145 516	<b>150 828</b>	150 828

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.

In the current year no shares were repurchased from the market.

In the prior year, the group entered in to a transaction to repurchase shares and dispose of certain business assets as explained in the circular published on SENS on 11 July 2024.

As part of this transaction 43 050 400 shares were repurchased, and were delisted and cancelled.

In the prior year, no other shares were repurchased from the market, and total of 3 249 341 shares with a value of R3 175 239 previously held in treasury, were delisted and cancelled.

Shares held by subsidiaries amounted to R7 460 910 (2025: R7 460 910) at year-end, which are disclosed as a reduction of equity in the statement of changes in equity.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

## 18. 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). These options have vested and do not have an expiry date. The group has no legal or constructive obligation to repurchase or settle the options in cash.

Share option group	2026		2025	
	Number	Total value	Number	Total value
Outstanding at the beginning of the year	2 913 200	2 709 276	2 913 200	3 039 000
Exercised during the year	–	–	–	–
Change in value	–	–	–	(329 724)
Outstanding at the end of the year	2 913 200	2 709 276	2 913 200	2 709 276

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

Neither the group, nor the remaining participants have exercised their options.

### Information on options

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

- Weighted average share price – R0,73 (2025: R1,00)
- Exercise price – R1,14
- Expected volatility – 73,08% (2025: 67,9%)
- Option life – 8 years
- Expected dividends – 13,91% (2025: 7,62%)
- The risk-free interest rate – 8,36% (2025: 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.

## 19. REVALUATION RESERVE

	GROUP		COMPANY	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
Surplus on revaluation of land and buildings	81 129	52 560	–	–
Deferred taxation	(16 588)	(10 417)	–	–
	64 541	42 143	–	–

Movement in Revaluation Surplus:

	Opening balance R'000	Revaluation gains recognised in OCI R'000	Deferred tax on revaluation R'000	Closing balance R'000
<b>GROUP</b>				
2026				
Revaluation surplus	42 143	28 584	(6 186)	64 541

For further detail on the revaluation, please refer to note 7.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

	GROUP		COMPANY	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
<b>20. DIVIDENDS PAID</b>				
Dividends	–	–	–	–

Dividends are from capital profits.

No interim or final dividend was declared in 2026 or 2025.

## 21. 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 expense recognised during the year was R8 338 245 (2025: R9 034 420).

This value has decreased in the current year, in line with the reduction in head count.

	GROUP		COMPANY	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
<b>22. FINANCIAL LIABILITIES AT AMORTISED COST</b>				
<b>Held at amortised cost</b>				
<b>Secured</b>				
Absa Bank Limited –term loan 3	33 600	56 000	33 600	56 000
Absa Bank Limited –term loan 4	39 200	48 000	39 200	48 000
Absa Bank Limited –primary lending facility	295 353	267 376	258 561	217 913
Absa Bank Limited –receivables financing facility	230 218	95 102	–	–
Absa Bank Limited –mortgage bonds	28 976	34 075	–	–
Redeemable preference shares	641	602	–	–
Casterly Rock Properties Proprietary Limited	–	17 500	–	–
Instalment sales	13 848	18 599	–	–
	<b>641 836</b>	<b>537 254</b>	<b>331 361</b>	<b>321 913</b>
<b>Split between non-current and current portions</b>				
Non-current liabilities	80 967	121 441	50 400	81 600
Current liabilities	560 869	415 813	280 961	240 313
	<b>641 836</b>	<b>537 254</b>	<b>331 361</b>	<b>321 913</b>
<b>Non-current liabilities</b>				
Absa Bank Limited –term loan 3	11 200	33 600	11 200	33 600
Absa Bank Limited –term loan 4	39 200	48 000	39 200	48 000
ABSA Bank Limited –mortgage bonds	22 677	28 733	–	–
Redeemable preference shares	641	602	–	–
Instalment sales	7 249	10 506	–	–
	<b>80 967</b>	<b>121 441</b>	<b>50 400</b>	<b>81 600</b>
<b>Current liabilities</b>				
Absa Bank Limited –term loan 3	22 400	22 400	22 400	22 400
ABSA Bank Limited –mortgage bonds	6 299	5 342	–	–
Absa Bank Limited –primary lending facility	295 353	267 376	258 561	217 913
Absa Bank Limited –receivables financing facility	230 218	95 102	–	–
Casterly Rock Properties Proprietary Limited	–	17 500	–	–
Instalment sales	6 599	8 093	–	–
	<b>560 869</b>	<b>415 813</b>	<b>280 961</b>	<b>240 313</b>
	<b>641 836</b>	<b>537 254</b>	<b>331 361</b>	<b>321 913</b>



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

## 22. FINANCIAL LIABILITIES AT AMORTISED COST CONTINUED

Refer to note 27 –Changes in liabilities arising from financing activities for details of the movement in the borrowings during the reporting period. Refer to note 31 for liquidity risk disclosures

### Absa Bank Limited –term loan 3

Interest rate –Risk-free rate plus 305 basis points (2025: JIBAR plus 305 basis points). The reference to JIBAR has been updated in lender reporting to ZAR-JIBAR-1M, which represents the continuation of the same underlying benchmark and does not affect the economic terms of the facility. The monthly capital repayment is R1 866 666,67 (2025: R1 866 666,67). The interest rate at year end was 9,687% (2025: 10,517%). The last repayment falls due on 31 August 2027.

### Absa Bank Limited –term loan 4

Interest rate –Risk-free rate plus 375 basis points (2025: JIBAR plus 375 basis points). The reference to JIBAR has been updated in lender reporting to ZAR-JIBAR-1M, which represents the continuation of the same underlying benchmark and does not affect the economic terms of the facility. There was no fixed monthly repayment, but interest was serviced monthly. Further, the group chose to voluntarily prepay a portion of the term loan in the current financial year. The total prepayment amounted to R8,8 million and did not incur any penalties. The interest rate at year-end was 10,387% (2025: 11,217%). 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 (2025: R346 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 9,25% (2025: 10,25%).

### Absa Bank Limited –receivables financing facility

Interest rate –prime less 1%. The maximum amount that is permitted is R280 000 000 (2025: R350 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 9,25% (2025: 10,25%).

### Absa Bank Limited –mortgage bonds

Interest rate –prime less 0,25%. The monthly repayment is R445 200 (2025: R358 555). The loan is secured by Erven 123 and 309 Phoenix Industrial Park, KwaZulu-Natal, Erf 3499 Queensburgh Extension 20, KwaZulu-Natal and Erf 756 Wadeville, Germiston. The interest rate at year-end was 11% (2025: 11%). 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.

### Casterly Rock Properties Proprietary Limited

Interest rate –prime linked at 11,25%. The loan was a result of the transaction in the prior year, in which some business assets were sold for which the consideration has been received, but the ownership of assets has not yet been transferred (refer note 16). The loan bore interest at R171 354 per month and was settled upon the transfer of the properties classified as held-for-sale. The transfer was completed in the 2026 financial year.

### Instalment sale agreements

Interest rate –prime linked at 10,25% (2025: 11,25%) The agreements are secured by motor vehicles and plant and equipment with a net book value of R22 732 483 (2025: R22 709 454) and repayable in monthly instalments of R712 152 (2025: R702 403). The agreements have staggered maturity dates and form a rolling balance, whereby maturities are continually renewed or replaced over time.

### 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.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

	GROUP		COMPANY	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
<b>23. TRADE AND OTHER PAYABLES</b>				
<b>Financial instruments:</b>				
Trade payables	177 079	231 947	1 961	6 341
Accrued audit fees	2 489	2 269	590	535
Other accrued expenses	637	3 960	864	1 536
Trade payables as amortised cost	180 205	238 176	3 415	8 412
<b>Non-financial instruments:</b>				
Accrued leave pay	2 476	3 047	475	564
Accrued bonus	–	–	–	–
Income received in advance	6 819	–	–	–
VAT Payable	6 214	5 412	929	1 855
	195 714	246 635	4 819	10 831
<b>Fair value of trade and other payables</b>				
The fair value of trade and other payables approximates their carrying amounts due to their short-term nature.				
<b>24. LOANS FROM GROUP COMPANIES</b>				
<b>Subsidiaries</b>				
Amalgamated Metals Recycling Proprietary Limited	–	–	90 253	109 054
Group Wreck International Non-Ferrous Proprietary Limited	–	–	9 792	–
Treppo Group Proprietary Limited	–	–	80 881	17 627
	–	–	180 926	126 681
The loans are unsecured, interest free unless agreed upon between related parties, and have no fixed terms of repayment.				
<b>Split between non-current and current portions</b>				
Current liabilities	–	–	180 926	126 681
Refer to note 27– Changes in liabilities arising from financing activities for details of the movement in loans from group companies during the reporting period.				
<b>Fair value</b>				
The fair values disclosed above are not materially different from their carrying amounts due to their short-term nature.				



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

	GROUP		COMPANY	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
<b>25. CASH GENERATED FROM OPERATIONS</b>				
Profit before tax	(15 546)	(111 426)	16 483	8 926
<b>Adjustments for:</b>				
Depreciation and amortisation	25 204	22 202	1 108	1 238
Losses/(gains) on disposals of property, plant and equipment	952	4 906	–	(10)
Losses on disposals of assets in disposal groups classified as held for sale	1 986	–	4 086	–
Fair value on foreign exchange contracts	754	2 257	–	–
Income from equity-accounted investments	(2 366)	(3 275)	–	–
Investment income	(952)	(3 887)	(27 227)	(24 779)
Finance costs	66 652	66 445	49 182	50 075
Impairment of investment in subsidiaries	–	–	–	6 396
Gain on lease modification and derecognition	–	(972)	–	–
Impairment of goodwill	–	77 816	–	–
Movement in expected credit losses	1 051	457	–	–
Normal production losses	39 668	15 716	–	–
Other non-cash items	–	–	–	(5 303)
Impairment of intercompany loans (refer note 17)	–	–	33	–
Management fees and other cross charges not received in cash	–	–	(57 780)	(52 670)
<b>Changes in working capital:</b>				
Inventories	(43 916)	(10 429)	–	–
Trade and other receivables	(53 545)	69 076	14 526	(16 138)
Trade and other payables	(50 921)	(52 980)	(6 012)	5 539
	(30 980)	75 906	(5 601)	(26 726)
<b>26. TAX PAID</b>				
Balance at beginning of the year	4 591	(6 762)	(292)	(323)
Current tax for the year recognised in profit or loss	(6 840)	(6 707)	(1 080)	(136)
Balance at end of the year	(1 526)	(4 591)	1 513	255
	(3 775)	(18 060)	141	(204)



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

## 27. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Reconciliation of liabilities arising from financing activities

	Note	Opening balance R'000	Instal- ment sales R'000	New leases 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
<b>GROUP</b>									
<b>2026</b>									
Financial liabilities at amortised cost	22	537 254	4 226	–	–	(17 500)	(13 274)	117 856	641 836
Derivatives		963	–	–	–	755	755	–	1 718
Lease liabilities	8	4 962	–	–	–	397	397	(2 594)	2 765
		<b>554 474</b>	<b>4 226</b>	<b>–</b>	<b>–</b>	<b>(16 348)</b>	<b>(12 122)</b>	<b>115 262</b>	<b>(646 319)</b>
<b>2025</b>									
Financial liabilities at amortised cost	22	543 031	10 449	–	–	–	10 449	(16 226)	537 254
Derivatives		–	–	–	–	963	963	–	963
Lease liabilities	8	11 443	–	(4 088)	(369)	623	(3 834)	(2 647)	4 962
		<b>554 474</b>	<b>10 449</b>	<b>(4 088)</b>	<b>(369)</b>	<b>1 586</b>	<b>7 578</b>	<b>(18 873)</b>	<b>543 179</b>
	Note								
<b>COMPANY</b>									
<b>2026</b>									
Financial liabilities at amortised cost	22					321 913	–	9 448	331 361
Loans from group companies	24					126 681	(53 523)	107 768	180 926
<b>Total liabilities from financing activities</b>						<b>448 594</b>	<b>(53 523)</b>	<b>117 216</b>	<b>512 287</b>
<b>2025</b>									
Financial liabilities at amortised cost	22					294 101	–	27 812	321 913
Loans from group companies	24					79 556	(51 679)	98 804	126 681
<b>Total liabilities from financing activities</b>						<b>373 657</b>	<b>(51 679)</b>	<b>126 616</b>	<b>448 594</b>



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

## 28. RELATED PARTIES

### Relationships

Subsidiaries	Refer to note 10
Joint Ventures	Cronimet Two Joint Venture
Members of key management	Directors of the group as per note 29 meet the definition of key management personnel.

	Note	GROUP		COMPANY	
		2026 R'000	2025 R'000	2026 R'000	2025 R'000
<b>28.1 Transactions and balances with subsidiaries:</b>					
<b>Related party balances</b>					
<b>Loan accounts – owing (to)/by subsidiaries</b>					
Amalgamated Metals Group Holdings Proprietary Limited	13	–	–	11 490	11 490
Amalgamated Metals Recycling Proprietary Limited	24	–	–	(90 253)	(109 054)
Group Wreck International Non-Ferrous Proprietary Limited	24	–	–	(9 792)	–
Insimbi Alloy Properties Proprietary Limited	13	–	–	14 945	19 490
Insimbi Alloy Supplies Proprietary Limited	13	–	–	281 175	231 756
Insimbi Aluminium Alloys Proprietary Limited	13	–	–	153 063	102 625
Treppo Group Proprietary Limited	13, 24	–	–	(80 881)	–
Fragcorp Proprietary Limited	13	–	–	12 314	12 000
<b>Trade and other receivables/(payables) due from/(to) subsidiaries</b>					
Amalgamated Metals Recycling Proprietary Limited	14	–	–	343	1 015
Group Wreck International Non-Ferrous Proprietary Limited	14	–	–	–	50
Insimbi Alloy Properties Proprietary Limited	23	–	–	–	(90)
Insimbi Alloy Supplies Proprietary Limited	14	–	–	4 179	18 411
Insimbi Aluminium Alloys Proprietary Limited	23	–	–	74	(4 596)
Minerals 2 Metals Proprietary Limited	14	–	–	6	46
Minerals 2 Metals Proprietary Limited	23	–	–	1 260	–
Treppo Group Proprietary Limited	23	–	–	(749)	(449)
<b>Related party transactions</b>					
<b>Administration fees received from subsidiaries</b>					
Amalgamated Metals Recycling Proprietary Limited	1	–	–	(36 960)	(41 438)
Insimbi Alloy Supplies Proprietary Limited	1	–	–	(12 000)	(8 396)
<b>Interest (received from)/paid to subsidiaries</b>					
Insimbi Alloy Supplies Proprietary Limited		–	–	(24 876)	(19 101)
Insimbi Aluminium Alloys Proprietary Limited		–	–	–	(3 304)
Treppo Group Proprietary Limited		–	–	(1 610)	(1 610)
Fragcorp Proprietary Limited		–	–	(1 152)	(764)
Amalgamated Metals Recycling Proprietary Limited	4	–	–	8 708	9 061
Treppo Group Proprietary Limited	4	–	–	6 000	2 044
<b>Dividends received from subsidiaries</b>					
Insimbi ManCo Proprietary Limited		–	–	–	(637)
<b>Rent paid to subsidiaries</b>					
Insimbi Alloy Properties Proprietary Limited		–	–	–	940
<b>Income from equity-accounted investments</b>					
Cronimet Two Joint Venture		2 366	3 276	–	–

For credit and liquidity risk disclosures, please refer to note 31.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

## 29. 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 (Short- term) 2026 R'000	Salary (Short- term) 2026 R'000	Expense allow- ances* (Short- term) 2026 R'000	Pension fund contri- butions (Post retire- ment) 2026 R'000	Incentive bonus (Short- term) 2026 R'000	Total 2026 R'000	Total 2025 R'000
<b>Executive</b>							
F Botha	–	4 401	1 489	–	582	6 472	6 278
N Winde	–	3 188	–	331	324	3 843	3 783
<b>Total executive</b>	–	7 589	1 489	331	906	10 315	10 061
<b>Non-executive</b>							
Ri Dickerson	847	–	–	–	–	847	872
N Mwale	546	–	–	–	–	546	567
C Ntshingila	547	–	–	–	–	547	569
<b>Total non-executive</b>	1 940	–	–	–	–	1 940	2 008
<b>Prescribed officers</b>							
CF Botha <sup>1</sup>	–	–	–	–	–	–	4 733
S Green	–	3 249	323	350	–	3 922	3 723
M Dlamini <sup>2</sup>	–	–	–	–	–	–	277
C Coombs	–	4 679	223	–	–	4 902	4 384
B Antonio <sup>3</sup>	–	–	–	–	–	–	5 879
K Rossouw <sup>4</sup>	–	817	–	–	–	817	1 938
J Jansen <sup>5</sup>	–	2 747	281	–	–	3 028	1 446
N Strachan <sup>6</sup>	–	1 534	168	32	–	1 734	503
L Ncube <sup>7</sup>	–	773	–	–	85	858	–
<b>Total prescribed officers<sup>8</sup></b>	–	13 799	995	382	85	15 261	22 883
<b>Total</b>	1 940	21 388	2 484	713	991	27 516	34 952

\* Includes medical aid, travel allowances and severance packages.

<sup>1</sup> Resigned 31 December 2024.

<sup>2</sup> Resigned on 31 May 2024.

<sup>3</sup> Resigned 30 September 2024.

<sup>4</sup> Resigned 30 June 2025.

<sup>5</sup> Appointed as director of subsidiary on 1 October 2024. Resigned 31 December 2025.

<sup>6</sup> Appointed as director of a subsidiary on 1 September 2024.

<sup>7</sup> Appointed as director of a subsidiary on 1 March 2025.

<sup>8</sup> Paid by the relevant subsidiary.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

## 29. DIRECTORS' EMOLUMENTS AND INTERESTS CONTINUED

### Directors' and prescribed officers' interests

As at 28 February 2026, the directors' and prescribed officers' beneficial and non-beneficial, direct and indirect interests in the issued share capital of the company amounted to 42,78% (2025: 42,81%) in aggregate. The interests of the directors and prescribed officers are as follows:

	Beneficial				Non-beneficial			
	Direct		Indirect		Direct		Indirect	
	2026	2025	2026	2025	2026	2025	2026	2025
<b>Directors</b>								
F Botha	–	–	36 847 300	36 847 300	–	–	673	673
N Winde	500 000	500 000	–	–	–	–	–	–
N Mwale <sup>1</sup>	–	–	–	–	–	–	–	82 000 000*
RI Dickerson	–	–	–	–	–	–	82 000 000*	82 000 000*
<b>Prescribed officers</b>								
C Coombs	–	–	21 950 200	21 950 200	–	–	–	–
CF Botha <sup>#</sup>	–	–	–	–	–	–	–	250 000
S Green	–	113 426	–	–	–	–	–	–
<b>Total</b>	<b>500 000</b>	<b>613 426</b>	<b>58 797 500</b>	<b>58 797 500</b>	<b>–</b>	<b>–</b>	<b>82 000 673</b>	<b>82 250 673</b>

<sup>1</sup> The director has since ceased their association with NS InvestCo Limited and accordingly no non-beneficial interest is disclosed in the current year.

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

<sup>#</sup> Resigned 31 December 2024.

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 28 February 2026.

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.

## 30. 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 22) are subject to covenant clauses, whereby the group is required to meet certain key financial ratios. Covenants are measured at the end of every financial quarter. When the covenant clause is breached, the lender is contractually entitled to request immediate repayment of the outstanding loan amount.

Throughout the year, the group breached the interest cover ratio (Earnings before interest and tax (EBITDA) divided by total interest should exceed the benchmark) and the leverage ratio (Consolidated total net borrowings divided by EBITDA should not exceed the benchmark). The group has obtained waivers from ABSA for these breaches, and ABSA has confirmed that it will not affect the availability of facilities.

ABSA has agreed to relaxed covenants up to February 2027.

	May 25		Aug 25		Nov 25		Feb 26	
	Benchmark	Achieved	Benchmark	Achieved	Benchmark	Achieved	Benchmark	Achieved
Interest cover ratio	>1,4	0,97	>1,6	1,17	>1,6	1,15	>1,8	1,24
Leverage ratio	<7	8,81	<6	7,31	<5,5	6,05	<4,5	5,50

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.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

## 31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### 31.1 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 22 and 24, cash and cash equivalents disclosed in note 15, 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. The group targets a gearing ratio of less than 100% for the overall group.

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.

The gearing ratio at year-end was 105%, indicating that the target was not achieved for the current reporting period. The variance is primarily due to higher net debt relative to equity arising from working capital movements and timing of cash flows during the year.

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 31.2.2).

	Notes	GROUP		COMPANY	
		2026 R'000	2025 R'000	2026 R'000	2025 R'000
<b>Total borrowings</b>					
Loans from group companies	24	–	–	<b>180 926</b>	126 681
Financial liabilities at amortised cost	22	<b>641 836</b>	537 254	<b>331 361</b>	321 913
Net debt (excluding IFRS 16 lease liabilities)		<b>641 836</b>	537 254	<b>512 287</b>	448 594
<i>Minus: Cash and cash equivalents</i>	15	<b>(58 452)</b>	(31 998)	<b>(1)</b>	(4)
Net debt		<b>583 384</b>	505 256	<b>512 286</b>	448 590
Total equity		<b>556 845</b>	556 238	<b>96 654</b>	84 504
Gearing ratio (%)		<b>105%</b>	91%	<b>530%</b>	531%

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.

### 31.2 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



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

## 31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

### 31.2 Financial risk management *continued*

stated in this note. Information disclosed has been disaggregated where the financial information used by the company has different economic characteristics and market conditions.

#### 31.2.1 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.

A significant portion of the group's trade receivables is covered by credit insurance arrangements, which mitigate credit risk exposure. These arrangements reduce the expected credit loss allowance through lower loss given default assumptions on insured balances, subject to policy terms and limits. The insurance cover applies to all classes of trade receivables. The credit insurance impact is considered in the determination of the ECL allowance in accordance with IFRS 9.

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

	Notes	2026			2025		
		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
<b>GROUP</b>							
Lease receivables	8	916	–	916	1 559	–	1 559
Trade and other receivables	14	606 453	(3 936)	602 517	541 199	(2 885)	538 314
Cash and cash equivalents	15	58 452	–	58 452	31 998	–	31 998
		<b>665 821</b>	<b>(3 936)</b>	<b>661 885</b>	574 756	(2 885)	571 871
<b>COMPANY</b>							
Loans to group companies	13	472 987	–	472 987	377 394	–	377 394
Trade and other receivables	14	6 523	–	6 523	21 577	–	21 577
Cash and cash equivalents	15	1	–	1	4	–	4
		<b>479 511</b>	<b>–</b>	<b>479 511</b>	398 975	–	398 975

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, together with the associated credit risk and expected credit loss (ECL), is not considered material.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

## 31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

### 31.2 Financial risk management *continued*

#### 31.2.1 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. Customers 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 the probability of default method 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 policy 18.2).

##### **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 to group companies are calculated based on lifetime expected credit losses.

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 assigned to these loans range between B+ and B- and are aligned with those used by global rating agencies.

#### 31.2.2 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 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 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.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

## 31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

### 31.2 Financial risk management *continued*

#### 31.2.2 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 include 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
<b>GROUP</b>							
<b>2026</b>							
<b>Non-current liabilities</b>							
Lease liabilities	8	–	1 597	–	–	1 597	1 512
Financial liabilities at amortised cost	22	–	79 439	8 132	–	87 571	80 967
<b>Current liabilities</b>							
Derivatives		1 719	–	–	–	1 719	1 719
Lease liabilities	8	1 479	–	–	–	1 479	1 253
Financial liabilities at amortised cost	22	570 960	–	–	–	570 960	560 869
Trade and other payables	23	180 205	–	–	–	180 205	180 205
		<b>754 363</b>	<b>81 036</b>	<b>8 132</b>	<b>–</b>	<b>843 531</b>	<b>826 525</b>
<b>2025</b>							
<b>Non-current liabilities</b>							
Lease liabilities	8	–	5 170	2 206	–	7 376	2 765
Financial liabilities at amortised cost	22	–	119 360	20 104	67	139 531	121 441
<b>Current liabilities</b>							
Derivatives		964	–	–	–	964	964
Lease liabilities	8	3 567	–	–	–	3 567	2 197
Financial liabilities at amortised cost	22	431 329	–	–	–	431 329	415 813
Trade and other payables	23	238 176	–	–	–	238 176	238 176
		<b>674 036</b>	<b>124 530</b>	<b>22 310</b>	<b>67</b>	<b>820 943</b>	<b>781 356</b>
<b>COMPANY</b>							
<b>2026</b>							
<b>Non-current liabilities</b>							
Financial liabilities at amortised cost	22	–	52 771	–	–	52 771	50 400
<b>Current liabilities</b>							
Financial liabilities at amortised cost	22	287 300	–	–	–	287 300	280 961
Trade and other payables	23	3 415	–	–	–	3 415	3 415
Loans from group companies	24	180 926	–	–	–	180 926	180 926
		<b>471 641</b>	<b>52 771</b>	<b>–</b>	<b>–</b>	<b>524 412</b>	<b>515 702</b>
<b>2025</b>							
<b>Non-current liabilities</b>							
Financial liabilities at amortised cost	22	–	92 177	–	–	92 177	81 600
<b>Current liabilities</b>							
Financial liabilities at amortised cost	22	250 490	–	–	–	250 490	240 313
Trade and other payables	23	8 411	–	–	–	8 411	8 411
Loans from group companies	24	126 681	–	–	–	126 681	126 681
		<b>385 582</b>	<b>92 177</b>	<b>–</b>	<b>–</b>	<b>477 759</b>	<b>457 005</b>



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

## 31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

### 31.2 Financial risk management *continued*

#### Financing facilities and security

At year-end the group had drawn R540 million (2025: R466 million) from its total facilities. The group had R156 million (2025: R334 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 (notes 7, 12 and 16), as well as cession of all loan accounts and debtors (notes 13 and 14).

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 ABSA Bank Limited mortgage bonds are secured by the properties Phoenix and Queensburgh. An additional bond was taken over 359 Crocker Road, Wadeville, once the FNB bonds had been settled.

The fire insurance policy entered into between the company and Tranquille Intermediary Services 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 ratio. The group was in breach of the covenants throughout the financial year. Please refer to note 30 for further details.

#### 31.2.3 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 British pound, US Dollar 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:

	Notes	GROUP		COMPANY	
		2026	2025	2026	2025
<b>Rand per unit of foreign currency:</b>					
British pound		21,48	23,31	–	–
US Dollar		15,93	18,51	–	–
Euro		18,81	19,25	–	–
<b>Exposure to currency risk</b>					
<b>Trade receivables</b>					
<b>Rand amount</b>					
Rand		581 452	509 761	6 523	21 577
US Dollar		20 849	26 999	–	–
Euro		216	1 554	–	–
	14	602 517	538 314	6 523	21 577
<b>Foreign currency amount</b>					
US Dollar		1 309	1 459	–	–
Euro		11	81	–	–



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

## 31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

### 31.2.3 Foreign currency risk *continued*

Exchange rates used at year-end to translate balances:

	Notes	GROUP		COMPANY	
		2026	2025	2026	2025
<b>Cash and cash equivalents:</b>					
<b>Rand amount</b>					
Rand		43 799	27 913	1	4
US Dollar		14 652	4 075	–	–
Euro		1	10	–	–
	15	<b>58 452</b>	<b>31 998</b>	<b>1</b>	<b>4</b>
<b>Foreign currency amount:</b>					
US Dollar		920	215	–	–
Euro		–	–	–	–
<b>Trade payables:</b>					
<b>Rand amount</b>					
Rand		134 820	185 201	3 415	8 411
British pound		200	–	–	–
US Dollar		7 113	11 543	–	–
Euro		38 072	41 432	–	–
	23	<b>180 205</b>	<b>238 176</b>	<b>3 415</b>	<b>8 411</b>
<b>Foreign currency amount</b>					
British pound		9	–	–	–
US Dollar		446	624	–	–
Euro		2 024	2 153	–	–

#### 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 R80 931 260 (2025: R109 687 568) 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 on profit and loss below 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.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2026

## 31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

### 31.2.3 Foreign currency risk *continued*

#### Foreign currency sensitivity analysis *continued*

	2026 Increase R'000	2026 Decrease R'000	2025 Increase R'000	2025 Decrease R'000
<b>Impact of increase or decrease in rate on profit and loss</b>				
<b>GROUP</b>				
<b>Impact on foreign trade payables</b>				
British Pound 5%	–	–	–	–
US Dollar 5% (2025: 5%)	(22)	22	(31)	31
Euro 5% (2025: 5%)	(101)	101	(108)	108
<b>Impact on foreign trade receivables</b>				
US Dollar 5% (2025: 5%)	65	(65)	131	(131)
Euro 5% (2025: 5%)	1	(1)	4	(4)
<b>Impact on foreign bank</b>				
US Dollar 5% (2025: 5%)	46	(46)	11	(11)
Euro 5% (2025: 5%)	–	–	–	–

### 31.2.4 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 10,25% (2025: 11,25%).

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 28 February 2026, if the interest rate (Risk free rate or prime) had been 2% per annum (2025: 2%) higher or lower during the period, with all other variables held constant, profit or loss for the year would have been R9 437 315 (2025: R8 542 119) lower and R9 437 315 (2025: R8 542 119) 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 28 February 2026

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

Management has identified the group's operating and reportable segments based on the information reviewed by the chief operating decision maker (Executive Committee) for the purposes of allocating resources and assessing performance. In applying judgement, management considered the aggregation criteria in IFRS 8, including the nature of products and services, geographical location, customer types, and the managerial and reporting structure of the group.

The operating segments are supported by the group's internal reporting framework, which includes monthly variance analysis and performance reporting. The Executive Committee assesses segment performance based on sales, gross profit, and operating profit.

The group's main operating segments comprise the non-ferrous, ferrous, and refractory industries. These operating segments are regularly reviewed by the Executive Committee and have been aggregated into the group's reportable segments based on similar economic characteristics and long-term financial performance trends. The group sells to a diverse customer base. The group has one customer who represents more than 10% of total revenue for the group. This customer falls within the non-ferrous operating segment, and the revenue earned from this customer during the current year amounted to R1,35 billion (2025: one customer with revenue of 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.

The segments reported on in the annual report are identical to the operating segments identified and management is satisfied that the operating segments are appropriately aggregated.

	Non-ferrous R'000	Ferrous R'000	Refractory R'000	Total R'000
<b>2026</b>				
<b>Revenue</b>				
Sale of goods – local	3 555 683	961 497	133 766	4 650 946
Sale of goods – exports	537 627	25 933	24 513	588 073
Rendering of services – transport and insurance	15 704	15 265	131	31 100
	4 109 014	1 002 695	158 410	5 270 119
<b>Cost of sales</b>	(3 875 795)	(939 438)	(138 011)	(4 953 244)
<b>Gross profit</b>	233 219	63 257	20 399	316 875
Other income and operating gains or (losses)	(7 455)	8 044	(824)	(235)
<b>Profit before operating and administration expenses</b>	225 764	71 301	19 575	316 640
<b>Operating and administration expenses and operating losses</b>				
Communication	(3 249)	(626)	(10)	(3 885)
Employee cost	(101 090)	(30 470)	(3 488)	(135 048)
Motor vehicle expenses	(17 557)	(2 068)	(11)	(19 636)
Occupancy	(27 609)	(7 757)	(3)	(35 369)
Other expenses*	(58 949)	(15 752)	(213)	(74 914)
	(208 454)	(56 673)	(3 725)	(268 852)
<b>Operating profit</b>	17 310	14 628	15 850	47 788

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



## SEGMENTAL REPORT *continued*

for the year ended 28 February 2026

	Non-ferrous R'000	Ferrous R'000	Refractory R'000	Total R'000
<b>2025</b>				
<b>Revenue</b>				
Sale of goods – local	3 129 841	1 057 933	114 145	4 301 919
Sale of goods – exports	565 448	67 127	12 205	644 780
Rendering of services – transport and insurance	23 215	14 660	–	37 875
	3 718 504	1 139 720	126 350	4 984 574
<b>Cost of sales</b>				
	(3 470 993)	(1 061 575)	(112 794)	(4 645 362)
<b>Gross profit</b>				
	247 511	78 145	13 556	339 212
Other income and operating gains or (losses)	(4 885)	1 189	–	(3 696)
<b>Profit before operating and administration expenses</b>				
	242 626	79 334	13 556	335 516
<b>Operating and administration expenses and operating losses</b>				
Communication	(3 286)	(632)	(7)	(3 925)
Employee cost	(125 011)	(40 987)	(3 110)	(169 108)
Motor vehicle expenses	(22 373)	(3 133)	(145)	(25 651)
Occupancy	(30 969)	(9 167)	(1)	(40 137)
Other expenses*	(54 896)	(15 774)	(353)	(71 023)
	(236 535)	(69 693)	(3 616)	(309 844)
<b>Operating profit</b>				
	6 091	9 641	9 940	25 672

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

### GEOGRAPHICAL INFORMATION

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

	2026 R'000	2025 R'000
Botswana	7 301	1 401
Cyprus	25 719	106 308
Democratic Republic of the Congo	30 061	44 479
France	–	18 832
Germany	5 032	3 470
Hong Kong	17 843	24 272
India	5 310	1 542
Kingdom of Saudi Arabia	8 657	–
Mozambique	41 166	2 637
Singapore	272 375	223 839
South Korea	11 377	–
Switzerland	37 133	48 369
United Arab Emirates	27 572	77 630
United Kingdom	2 151	11 188
United States of America	4 213	–
Zambia	14 101	13 630
Zimbabwe	55 594	22 031
Other countries	22 468	45 154
South Africa	4 682 046	4 339 794
	5 270 119	4 984 574

Non-current assets are measured based on their physical and operational location. All non-current assets are located within South Africa, being the group's country of domicile. Accordingly, no geographical disaggregation between foreign countries is required.



# CORPORATE INFORMATION

## COMPANY REGISTRATION

Incorporated in the Republic of South Africa  
Registration number 2002/029821/06  
Share code: ISB  
ISIN: ZAE000116828

## REGISTERED OFFICE

359 Crocker Rd, Wadeville, Germiston, 1422

## POSTAL ADDRESS

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Telephone: +27 (0)11 865 8800  
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## INTERNET ADDRESS

<https://insimbi-group.co.za/>

## COMPANY SECRETARY

N Legodi  
359 Crocker Road, Wadeville, Germiston, 1422

## SPONSOR

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## AUDITORS

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## TRANSFER SECRETARIES

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