20
25

BUILDING BLOCKS FOR GROWTH

INTEGRATED ANNUAL REPORT

SEPHAKU
HOLDINGS LTD

WELCOME TO SEPHAKU'S 2025 INTEGRATED ANNUAL REPORT

Métier and Sephaku Cement maintained resilient financial performance and achieved key strategic objectives. This was achieved by pursuing operational efficiencies and capitalising on available market opportunities, despite declines in sales volumes in a persistently low-demand environment.

INDEX

View this report online: www.sephakuholdings.com

SEPHOLD AT A GLANCE

OUR INVESTMENT PROPOSITION

Sephaku Holdings Limited (SepHold or the Company) is an investment holding company listed on the Johannesburg Stock Exchange Limited (JSE), with a valuable portfolio of assets focused on the building and construction materials industry. SepHold's investment portfolio comprises:

- A 100% subsidiary, Métier Mixed Concrete Proprietary Limited (Métier or the Subsidiary).
- A 36% associate, Dangote Cement South Africa Proprietary Limited (Sephaku Cement, SepCem or the Associate).

These entities are collectively referred to as Sephaku or the Group. Our investments in South Africa's cement production and ready-mixed concrete sectors position the Group to capitalise on future infrastructure development opportunities.

Distinct competitive advantages

Technologically advanced production **plants** with **higher cost efficiencies** enhance competitiveness.	**Profitable concrete operations** with distinctive technical skills and solutions deliver **solid earnings and positive cash flows.**	**Long-term strategic focus** on the building materials sector contributes to **infrastructure development and economic growth.**	**Deep industry skills** in key operational management positions.	**Sound balance sheets with low gearing** that enable a nimble approach to new opportunities.

PERFORMANCE AT A GLANCE

Group

Revenue[1]	EBITDA[2]	EBIT[3]
R1,18 billion FY 2024: R1,16 billion	**R145,6 million** FY 2024: R130,8 million	**R103,2 million** FY 2024: R94,5 million
Equity-accounted profit[4]	**Net profit after tax**	**HEPS[5]**
R14,6 million profit FY 2024: R14,6 million	**R73,6 million** FY 2024: R66,6 million	**31.52 cents** FY 2024: 25.71 cents
Normalised HEPS	**NAV[6] per share**	**Debt/equity**
31.72 cents FY 2024: 25.87 cents	**556.31 cents** FY 2024: 509.19 cents	**0.23** FY 2024: 0.19

Métier

EBITDA	EBIT	Net profit after tax
R146 million FY 2024: R133,3 million	**R104,5 million** FY 2024: R97,0 million	**R76 million** FY 2024: R69 million
Safety	**Employee development**	**Supplier development**
1.85 LTIFR Zero fatalities FY 2024: 0.41 LTIFR; zero fatalities	**R0,6 million in training** for 34% of workforce, 92% of whom are HDSAs[7] FY 2024: R0,6 million	**R3,2 million** FY 2024: R2,6 million

SepCem**

Revenue	Volume growth	EBITDA
R2,78 billion CY 2023: R2,82 billion	**4% decrease** CY 2023: 9% increase	**R321,9 million** CY 2023: R361,2 million
EBIT	**Net profit after tax**	**Safety**
R160,9 million CY 2023: R182,0 million	**R42,63 million** CY 2023: R41,92 million	**0.66 Aganang LTIFR** **0.0 Delmas LTIFR** Zero fatalities CY 2023: LTIFR 0.18; 0.00; zero fatalities
Employee development	**Decarbonisation**	**Supplier development**
R4,8 million in training CY 2023: R3,9 million	**25% thermal substitution rate** CY 2023: 42% Target: 9%	**R120 million** spent with 24 black-owned community SMMEs[8] CY 2023: R125 million; 26 SMMEs

[1] *All Group revenue is attributable to Métier's operations as the 100% subsidiary of SepHold.*
[2] *EBITDA: Earnings before interest, taxes, depreciation and amortisation.*
[3] *EBIT: Earnings before interest and taxes.*
[4] *SepCem is a subsidiary of Dangote Cement PLC with a December year-end (CY 2024). Therefore, the equity-accounted profit included in this report relates to SepCem's results from 1 January 2024 to 31 December 2024 and CY 2023 figures are for the period 1 January 2023 to 31 December 2023.*
[5] *HEPS: Headline earnings per share.*
[6] *NAV: Net asset value.*
[7] *HDSAs: Historically disadvantaged South Africans.*
[8] *SMMEs: Small, medium and micro enterprises.*

ABOUT OUR REPORT

Scope and boundary

We report on our performance for the financial year from 1 April 2024 to 31 March 2025 (FY 2025 or the year). As SepCem is a subsidiary of Dangote Cement PLC with a December year-end (CY 2024), the equity-accounted profit included in this report relates to SepCem's results from 1 January 2024 to 31 December 2024.

The integrated annual report covers the financial and non-financial performance of Métier and SepCem. It demonstrates how the operating environment influenced the performance and outlook. We provide information on the Group's strategy and how Métier and SepCem performed in relation to the Group's strategic objectives and governance requirements, which are monitored by the board.

Assurance

SepHold complies with the JSE Listings Requirements and the Companies Act of South Africa No 71 of 2008, as amended from time to time (Companies Act).

Assurance over the report is obtained through management reviews and attestation, internal controls, and internal audits. The Broad-Based Black Economic Empowerment (BBBEE) performances of Métier and SepCem were verified by South African National Accreditation System agencies. SepHold's annual financial statements were independently audited by an external auditor, PricewaterhouseCoopers Incorporated (PwC), and received an unqualified audit opinion.

Preparation and approval

The report's preparation and contents are guided by the Integrated Reporting Framework and the King Report on Corporate Governance™ for South Africa, 2016 (King IV).[1]

We apply the principles of materiality in assessing what information to include in the report. This report focuses on the challenges and opportunities that substantially influence the Group's sustainability in a challenging operating environment. Additional information on our material matters is available on page 11.

The SepHold board, assisted by board committees, assessed the report and believes that it presents a balanced account of the Group's performance and prospects. The board approved the report on 23 July 2025.

Brent Williams *Chairperson*	**Kenneth Capes** *Chief executive officer*	**Neil Crafford-Lazarus** *Financial director*

Stay informed

The integrated annual report (IAR), annual financial statements (AFS), notice of annual general meeting (AGM), proxy form and AGM electronic participation form are available at https://sephakuholdings.com/investor-centre/results-and-reports. The King IV application register is available at https://sephakuholdings.com/corporate-governance/governance-documents.

Feedback on this report

We value your feedback on this report. Please send your queries and comments to: info@sephold.co.za

Forward-looking statements

This report contains forward-looking statements about Sephaku's anticipated performance, operations, and prospects. These are based on estimates and assumptions made by Sephaku. Although Sephaku believes that these are reasonable, they are subject to known and unknown risks and uncertainties that could adversely impact our business and financial performance. Undue reliance should not be placed on opinions, forecasts, or data in this report.

Forward-looking statements apply to the date on which they are made. Sephaku does not undertake any obligation to publicly update or revise any of its opinions or forward-looking statements, whether to reflect new data or future events or circumstances. Financial information on which forward-looking statements are based has not been audited or reported on by SepHold's independent external auditor.

[1] *Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.*

OUR STRATEGY AND RISK MANAGEMENT

OUR VALUES

The Group's core values underpin its codes of ethics, committing the board, executive management, and employees to conduct business ethically with stakeholders.

Respect	Integrity	Accountability	Transparency	Honesty

OUR INVESTMENTS

Sephaku Cement

SepCem manufactures and sells high-quality cement of various strengths to a range of customers in the broader construction industry. SepCem operates from its Aganang plant in the North West Province and Delmas plant in Mpumalanga. The Aganang plant comprises a limestone open-cast mine, with a proven life of more than 30 years calculated in December 2021, and an integrated clinker and cement manufacturing plant. Aganang and the Delmas grinding plant have a combined cement capacity of 2,5 million to 2,8 million tonnes per annum.

Bagged cement, which accounted for 65% to 70% of sales volumes in CY 2024, is distributed through hardware retailers, ranging from large groups to small independent retailers. Bulk sales account for the balance of sales volumes. SepCem's primary geographic markets are in Gauteng, Limpopo, Mpumalanga, North West, Free State, Northern Cape, Botswana, Eswatini and parts of KwaZulu-Natal (KZN).

SepCem has limestone projects at various stages of licensing in Limpopo (Dwaalboom and Groblersdal) and the Western Cape (Vanrhynsdorp) that offer a pipeline for growth. The Groblersdal and Dwaalboom mining rights have been granted. Further engagement with authorities is in progress.

Vanrhynsdorp comprises two resources – a mining right applied for in 2020 and a prospecting right applied for in 2021. The mining right has been granted, and execution is in progress. The prospecting right environmental authorisation has been granted, and further engagement with authorities is in progress.

Dangote Cement PLC, a company listed on the Nigerian Stock Exchange with cement operations in Nigeria and nine other African countries, owns 64% of SepCem. Refer to www.dangotecement.com for more information.

Métier

Métier manufactures ready-mixed concrete products for construction projects in industrial, commercial, civil and residential markets, and offers concrete pumping services to clients' projects. The Subsidiary is well-positioned as the ready-mixed concrete brand of choice in South Africa.

Métier has operations in the Gauteng, KZN and Western Cape provinces. The geographic spread of the operations reduces market concentration risk.

CREATING SUSTAINABLE BUSINESSES

Métier and SepCem create sustainable businesses by managing stakeholder relationships, growing their customer bases and mitigating adverse environmental or community impacts caused by their operations. They contribute to local economic development and uplift the communities surrounding their operations by investing in local infrastructure and businesses, and sponsoring educational programmes.

SepHold provides strategic and governance insights to operational executive management and facilitates access to funding from lenders and investors. The Company continually investigates and assesses opportunities to create value for shareholders and underpin sustainable futures for Métier and SepCem.

Sephaku Cement

SepCem's upstream operation extracts limestone from the mine next to the Aganang plant and processes it to clinker using advanced production technologies. The clinker is ground and blended with other inputs to produce consistently high-quality bagged and bulk cement in five different strength classes (32,5N, 32,5R, 42,5N, 42,5R, 52,5N). Bagged cement is distributed through retail channels to cement end-users, while bulk users, such as ready-mixed concrete manufacturers, purchase cement directly from SepCem for various construction activities.

SepCem's executive committee boasts more than 260 years of combined management experience in cement manufacturing, marketing, and project management. SepCem manages and monitors environmental management parameters to conserve water and energy resources, mitigate atmospheric emissions from its operations and reduce its carbon footprint. An enterprise and supplier development (ESD) programme contributes to the local economies of the North West and Mpumalanga provinces by supporting entrepreneurs to build small, medium and micro enterprises (SMMEs). Regular engagement with relevant government authorities and independent experts ensures compliance with licence conditions.

Métier

Métier harnesses downstream synergies by using the cement manufactured by SepCem, among others, to produce ready-mixed concrete. The Subsidiary's executive committee has over 120 years of combined management experience in ready-mixed concrete manufacturing, mining and technology. It maintains the requisite technical and sales skills to enhance the value creation process.

Through sales representatives, Métier sells its ready-mixed concrete to customers across the spectrum of building contractors, civil contractors, residential developers, and government organisations. Targeted, value-added product and service offerings help retain customers and support margins.

Technical skills and deep industry experience

The leadership teams of Métier and SepCem have the requisite technical skills and extensive experience in the ready-mixed concrete and cement industries. Both operations invest in training, development, and succession management to maintain the skills and workplace culture necessary to supply consistently high-quality products and services to customers. A limited pool of technical skills stretches available resources and increases the risk of losing talent to competitors or international markets.

BUSINESS FUNDAMENTALS

Sephaku has clear competitive advantages, which are the foundation of its earnings and growth.

Technical skills and deep industry experience	Leading technologies	Strategic relationships and deal-making abilities	Service excellence	Sustainability
Technical skills are essential to our ability to produce consistent, high-quality building materials. Deep-rooted industry experience enhances our understanding of market dynamics and how to sustain business and maximise profitability.	Advanced production technologies enable the efficient production of cement and ready-mixed concrete.	Management's ability to forge mutually beneficial relationships with customers, retailers and suppliers positions the Group as a major South African manufacturer of building materials.	The Group's ability to offer exceptional service to all its customers, driven by an ingrained high-performance culture, distinguishes it from competitors by enhancing its value proposition.	Our commitment to sustainability is instilled through the adoption of practices that minimise negative environmental and social impacts. Practices with positive impacts are promoted throughout the Group.

Leading technologies

Both Métier's and SepCem's manufacturing processes use integrated digital platforms for precise quality control. Effective troubleshooting enables efficient manufacturing, and optimal profitability and service. SepCem has a modern integrated plant with vertical mills and a five-stage pre-heater with an in-line calciner. Automated manufacturing processes, anchored in advanced information management systems, improve plant reliability. SepCem continually evaluates technological advances to enhance efficiency.

Both operations manage emissions from manufacturing processes within regulatory requirements and preserve energy and water resources. SepCem is implementing a decarbonisation plan to reduce its carbon footprint. It developed a decarbonisation roadmap detailing targets, timelines, and strategies to reduce greenhouse gas emissions and improve energy efficiency.

Strategic relationships and deal-making abilities

The strategic relationship between Métier and SepCem and the partnerships they build and maintain with key customers contribute to revenue growth, customer retention, and repeat business. Long-term mutually beneficial agreements negotiated with transporters and other suppliers of critical inputs improve efficiency and cost control.

Service excellence

The values-driven Métier Way is deeply embedded in Métier's culture and is evident in all areas of its business, from customer service to ensuring safe working environments. SepCem uses digital technology to enhance operational efficiency, sales performance, and service excellence.

A synergistic relationship between SepCem and Métier yields customer feedback on the technical performance of the cement produced, enabling early warning and timely management of customer concerns.

Sustainability

Health, safety and environmental management plans at all Métier plants are overseen by executive management. Métier has a sound safety track record. Dust emissions are monitored with dust suppression in place, and wastewater is recycled and re-used at all operations.

Measures to strengthen SepCem's safety management and culture contribute to improvements in safety performance. SepCem complies with all applicable permits and licences governing environmental management and is implementing its environmental management system in line with the ISO 14001 standard.

A social and labour plan (SLP) is in place to support SepCem's mining subsidiary's social licence to operate. Investments in sustainability practices and carbon taxes impact profitability.

Decarbonisation efforts remain a focus, reducing greenhouse gas emissions by improving energy efficiency, switching to cleaner fuels, and implementing effective operational practices. We are making progress on all three fronts.

Read more in the business reviews from page 20.

STRATEGY IMPLEMENTATION

Sephaku's strategy is reviewed annually by the board and amended, where necessary, in response to changes in the Group's operating environment.

Strategic objectives are implemented to enhance the Group's financial sustainability, product quality and operational efficiency. Performance against these objectives is summarised in the following table, with additional reporting in the leadership reviews from page 13.

			Métier				SepCem			
Strategic objectives	**Management initiatives**	**Measures of success**	**FY 2025**	FY 2024	FY 2023	FY 2022	**CY 2024**	CY 2023	CY 2022	CY 2021
Maintain sustainable sales volumes	Implemented sales strategies to sustain or grow market share.	Sales volume growth (%)	**(8)**	11	25	18	**(4)**	9	(12)	(1)
Maximise margins	Improved cost efficiencies.	EBITDA margin (%)	**12.4**	11.5	10.0	9.6	**11.6**	12.8	11.3	14.5
		EBIT margin (%)	**8.8**	8.3	6.5	6.2	**5.8**	6.4	4.3	8.6
		Net profit margin (%)	**6.4**	6.0	4.4	3.8	**1.6**	1.5	(0.2)	3.2
Strengthen the balance sheets	Settled bank debt and renegotiated new facilities at more favourable rates.	Total debt at year-end (Rm)*	**124**	65	47	79	**1 008**	1 041	1 088	1 302
		Bank debt principal at year-end (Rm)	**0**	0	0	48	**135**	269	400	666
		Book value equity at year-end (Rm)	**313**	267	215	186	**1 894**	1 851	1 812	1 816
		Net debt/equity ratio	**0.31**	0.20	0.29	0.29	**0.22**	0.34	0.54	0.54

* *FY 2025 Métier's total debt comprises instalment sales liabilities of R111 million (FY 2024: R65 million), while FY 2022 total debt comprises the term loan principal and instalment sales liabilities.*

STAKEHOLDER RELATIONSHIPS

Group executives manage stakeholder engagement and report regularly to the board committees on stakeholder matters. Stakeholder matters are considered in the Group's determination and assessment of risks, opportunities and material matters.

Stakeholder and stakeholder interests	Context	Our response
Customers *Regular engagement* Customers require: • Consistent product quality. • Punctual delivery and accessible after-sales service. • Fair pricing. • Credit terms to provide stability during uncertain times.	***Métier*** • Ready-mixed concrete customers are technical end-users who need consistent quality concrete at competitive pricing. • Punctual deliveries cut downtime, enabling customers to meet construction budgets and timelines. • Market fragmentation increases the number of small to medium-sized, price-sensitive construction customers. ***SepCem*** • Bulk cement users buy cement directly from cement manufacturers. • Bagged cement accounts for the larger share of the sales mix and is distributed through building materials merchants. • Excess installed cement capacity leads to competitive pricing.	***Métier*** • Applies its technical ability and knowledge to produce consistently high-quality concrete. • Communicates effectively to deliver on the promise of superior service. • Engages with customers to ensure they make informed purchasing decisions and receive appropriate product specifications. ***SepCem*** • Our sales strategy and customer engagement allow us to understand and respond to customer needs better. • Coordinates sales and logistics functions to ensure timely delivery of cement. • Highly skilled employees maintain consistency by managing product quality assurance.
Employees and trade unions *Regular engagement* Employees require: • Employment security. • Development and career progression opportunities. Trade unions require: • Fair remuneration. • Safe working environments. • Skills development.	***Métier*** • Strong coordination between various functions to support a lean employee structure. • Employees understand the competitive trading environment and are committed to maintaining Métier's brand value. • Employees are highly qualified and experienced in their functions, and are loyal to the Métier Way. ***SepCem*** • Technical skills support effective strategy implementation and efficient operations. • Employees' primary concerns are fair remuneration, career progression and transformation.	***Métier*** • Facilitates regular engagement through various platforms to ensure prompt feedback. • Maintains continuity of technical experience with internal training, graduate development and mentoring programmes. ***SepCem*** • Engaged with unions and employees to provide insight into operating constraints. • A long-term incentive scheme is in place to retain key personnel. • Leadership development and succession build a sustainable talent pipeline. • The Tokafatso programme embeds a high-performance culture.
Investors *Regular engagement* SepHold shareholders expect: • Adequate returns on their investment. • Precise, timely and complete information to accurately assess the Group's value. Lenders require: • Adherence to agreed repayment terms. • Assurance over the ability to repay debt.	***Métier and SepCem*** • Shareholders are concerned about the achievement of targeted profit margins in the current operating environment. • Shareholders are concerned about the market undervaluation of investment holding companies such as SepHold.	***Métier and SepCem*** • Demonstrated sound financial performance and debt management in challenging market conditions. ***Métier*** • No bank debt. • Instalment sales liabilities of R111 million to fund fleet renewal. • Debt/equity ratio of 0.31. ***SepCem*** • Reduced the outstanding capital balance of the three-year term loan to 135 million. • An unutilised working capital facility of R200 million. • The Dangote Cement PLC shareholder loan had a balance of R872 million at 31 December 2024.

Stakeholder and stakeholder interests	Context	Our response
Suppliers *Regular engagement* • Suppliers expect competitive raw materials and haulage rates. • Transporters require commitment to lucrative base loads.	***Métier and SepCem*** • Transport and energy cost increases eased, but electricity increases remained above inflation.	***Métier and SepCem*** • Maintained mutually beneficial long-term arrangements with transport partners and suppliers of key operating inputs. • Supplier and transportation arrangements enable price negotiation.
Neighbouring communities *Regular engagement* Communities expect: • Adequate livestock grazing. • More procurement opportunities for local SMMEs. • Employment opportunities.	***SepCem*** • Mining operations and cement plants are subject to laws governing environmental impact management and workplace safety. • The SLP substantiates SepCem's social licence to operate.	***SepCem*** • Engaged extensively with communities. • Provide supplier development and procurement opportunities. • SLP and Torosesha social investment projects benefit communities in the North West Province.
Government and legislative authorities *Regular engagement* This stakeholder grouping requires compliance with requisite regulations, including: • BBBEE accreditation. • Compliance with the requisite bylaws (Métier). • Compliance with mining and environmental licensing conditions (SepCem).	***Métier*** • BBBEE accreditation is required for participation in government construction projects. • The environmental impact of Métier's plants is measured against municipal bylaws applicable in the areas where they are located. ***SepCem*** • Laws on environmental impact management and workplace safety govern mining operations and cement plants. • The SLP stems from legislation (see communities above).	***Métier*** • Maintained Level 4 BBBEE contributor status. • Maintains compliance by implementing health and safety and environmental plans at each plant. ***SepCem*** • Maintained Level 5 BBBEE status. • Strengthened relationship with the Department of Mineral Resources and Energy by demonstrating commitment to health and safety compliance. • Forging partnerships with communities to resolve grievances and minimise conflict. • Implementing social investment projects in compliance with the SLP.
Industry association *Ad hoc engagement* Following the decision to wind up the Cement and Concrete South Africa NPC, integrated cement producers agreed in principle to set up an industry body to engage the government on issues of common interest.	***SepCem*** Integrated cement producers require an industry body to represent their interests and lobby government regarding: • Enforcement of cement quality standards across all industry participants. • Safeguards against cement imports. • The carbon tax regime. • Unreliable electricity and rail infrastructure.	***SepCem*** • Actively participates in the industry association.

RISK MANAGEMENT

SepHold actively monitors and oversees the management of risks and opportunities in the operating environments of SepCem and Métier.

The board, assisted by the audit and risk committee, is ultimately responsible for risk and delegates responsibility for risk management to the executive management of Métier. It influences responsibility for SepCem through representation on the board and committees. The board ensures that the risks taken by SepCem and Métier are within SepHold's risk appetite and tolerance levels, and that adequate controls are in place to manage and mitigate these risks.

The Group maintains a high level of focus on:

- the control and compliance environment, including combined assurance;
- business continuity and disaster recovery plans; and
- a sound risk culture, with an emphasis on instilling ethics and preventing fraud.

Read more about compliance and assurance processes in the governance report on page 34.

Métier

Approach to risk management

Executive management identifies, measures, mitigates, and monitors material risks to its operations. They report on them regularly to the board and the audit and risk committee. The digital automation and integration of Métier's technical, sales, financial and health, safety and environmental management systems enable early warning and timely management of risks through operational and maintenance management.

The audit and risk committee reviews the effectiveness of Métier's risk framework and advises executives on measures to strengthen it, when relevant.

The key risks Métier managed or mitigated during the year are below.

KEY RISKS	Métier's response
Industry competition The ready-mixed concrete market remains highly competitive as the construction industry continues to contract and high interest rates impact growth in the residential building sector. With low barriers to entry, many smaller operators have entered the market, resulting in fragmentation and downward pressure on prices in an inflationary environment.	• The focus on the civil construction sector compensates for lower growth in residential building. • Maintained quality service and bespoke customer solutions – competitive differentiators that enable customer retention and protect profit margins. • Sales of specialist solution-driven higher margin products and services.
Skills shortages Métier relies on technical skills and industry expertise to consistently maintain high standards for its products and services. As the construction industry shrinks, construction and related skills are lost to other sectors or international markets that offer better opportunities for growth and security. Trained employees are more mobile in a competitive labour market, compounding the challenge of retaining talent.	• Manage the employee complement and focus on regional skills to support growth in the civil construction order book. • Internal training for specific roles. • Amended approach to internships to strengthen retention by focusing on technical skills and designing a programme of growth for interns in FY 2025.
Raw material supply challenges Métier faces several challenges in its raw material supply, including: • The closure of a major sand supplier in KZN. • The rising threat of the "construction mafia," which lacks the requisite skills and resources to meet industry standards but uses intimidation and violence to gain participation at various stages of project supply chains, including sand supply. • The negative impacts of loadshedding on fly ash supply from Eskom. • The closure of ArcelorMittal's long-steel plants, a vital source of slagment that has been used to compensate for fly ash shortages.	• Remain committed to supporting licensed sand suppliers.
Cybercrime • Cybercrime is rising year-on-year, as is its sophistication.	• Developed a cybercrime risk action and mitigation plan. • Introduced enhanced security measures, including improved password and multifactor authentication across networks and software solutions. • Implemented proactive measures in terms of training and awareness programmes backed up with software monitoring and control systems. • Deployed an intrusion detection and prevention system to provide better control and monitoring of access by endpoint devices on the network.

SepCem

Approach to risk management

Risk and opportunity management is guided by SepCem's board-approved enterprise risk management framework. The SepCem board, assisted by its audit and risk committee, is responsible for risk governance and oversight.

Lines of defence

Executive management represents the first line of defence, with accountability for managing enterprise risks. Sub-committees assist management in discharging oversight responsibilities for credit management, economic crime, health and safety, social and environmental risks. Management conducts scenario validation to review the Associate's response to critical risks.

Risk and compliance functions work together as the second line of defence, overseeing, reviewing and interrogating risks that breach board-defined levels of risk appetite. They work in partnership with internal audit, which forms the third line of defence. External assurance providers such as insurance companies, banks and the Associate's external auditor, provide an additional layer of assurance. Findings raised during assurance processes are incorporated into the risk process and managed together with the risk owners.

Focus areas in CY 2024

- Improving the risk management culture by targeting specific interventions based on their risk assessment, with an emphasis on making the business resilient against emerging risks, such as cyber threats.
- Increasing business resilience against cyber threats by increasing awareness and understanding among employees.
- Strengthening the health and safety risk culture by entrenching "visible felt leadership" and behaviour-based safety training as well as standardising processes and automating health and safety-related procedures, such as employee induction.
- Enhancing business continuity management, including undertaking Level 2 testing with the involvement of key service providers to test the effectiveness of business continuity plans under realistic conditions.

The Associate's risk framework classifies risk into operational, strategic and financial categories. SepCem's key risks and actions taken to manage and mitigate them are disclosed below.

KEY RISKS	SepCem's response
Macro-economic risk South Africa's construction industry continues to grapple with weak economic growth and low levels of infrastructure investment. Gross domestic product (GDP) growth in 2024 was only 0.6%, with the rate of inflation easing from 6% in 2023 to 4.5%. Although consumers' disposable income remained under pressure, private sector and retail sales improved. This was partly bolstered by the introduction of the two-pot retirement system in September 2024. In contrast, bulk sales continued to decline as few major building projects were undertaken in CY 2024, contributing to further contraction in the cement industry.	• Aligned product output with market demand. • Focused on high-strength technical products. • Concentrated on customer retention. • Maintained cost controls.
Competition in an overtraded market The South African cement market remains overtraded, with an excessive number of players, including blenders and imports. Installed production capacity in the local cement industry outstrips market demand. A combination of deteriorating economic conditions and new market entrants with low overheads compounds the industry's challenges. New integrated producers and low-cost independent blenders add more capacity to an oversupplied industry. At the same time, cement imports continue to flow into South Africa without local industry protection against countries other than Pakistan. During 2024, cement imports increased by 22% to 1,2 million tonnes.	• Leveraged digital market intelligence to align the pricing strategy with market demand and protect market share. • Strengthened engagement with industrial customers to support volume. • Negotiated reasonable price increases in target markets. • Prioritised higher margin products and markets where SepCem has a competitive advantage.
Social and community tension Communities adjacent to SepCem's Aganang plant are affected by deteriorating economic conditions, rising unemployment, and a reliance on local businesses for employment and SMME opportunities. Local farmers face challenges related to livestock overgrazing and mortality. This creates friction between the community and the plant, which can lead to disruption of operations and vandalism of plant infrastructure.	• Ongoing community engagement and partnership. • Developed an integrated plan to address community livestock grazing challenges. • Working with the Department of Agriculture, Land Reform and Rural Development and community leadership to acquire alternative grazing land. • Increased preferential procurement and supplier development opportunities for local SMMEs. • Overcame some challenges to the implementation of social investment projects through participation in the Ditsobotla Cement Manufacturers Forum.

Mitigating cyber risk

SepCem manages cyber security by conducting vulnerability testing and implementing other measures to protect against cyber risks. These include cyber security detection and monitoring software, migrating users to a cloud-based platform and conducting cyber risk awareness training for employees.

Cyber resilience was a key priority for SepCem in CY 2024. The effort was led by the launch of an initiative aimed at raising awareness and educating employees about cyber threats. This included the launch of an educational podcast, which effectively conveyed important cybersecurity messages. Cybersecurity messages were also communicated to factory employees via structured engagement meetings (SepComs) and the dissemination of short video clips from the podcast.

A training programme to supplement the podcast was launched in partnership with information security specialists, Mimecast. The programme educates employees about the latest methods used by cyber criminals to improve their cybersecurity awareness. It includes monthly training sessions covering various cybersecurity topics, and employees are given 30 days to complete each training module.

The disaster recovery plan was reviewed and refined to ensure SepCem's resilience in the event of a cybersecurity attack. This included subjecting the plan to an insurance audit and incorporating lessons learned into the podcast series.

OUR MATERIAL MATTERS

The Group determines its material matters by analysing the external operating environment, the needs and concerns of significant stakeholders and key risks and opportunities identified through the risk management processes.

The materiality determination process is based on feedback from operational executives and is approved by SepHold executive management. The material matters are presented to the audit and risk committee (ARC), which is tasked by the board to oversee the compilation of the IAR. Following the ARC's approval of the material matters, they are included in the report for final board review and sign-off.

The following material matters were identified and approved by the board in FY 2025 and have not changed since FY 2024. However, the risk of power unavailability has decreased.

MATERIAL MATTER	Why it is material	Strategic objective impacted
Low demand *High risk* Increasing level of impact or probability for SepCem.	Cement capacity in South Africa has exceeded demand for several years due to a combination of limited investment in infrastructure development, competition from new market entrants with lower cost structures and rising imports. Sustained economic weakness compounds oversupply by reducing demand for cement. This, in turn, limits the ability of cement producers to recover above-inflation cost increases through pricing.	• Maintain sustainable sales volumes. • Maximise margins. • Increase free cash flow. • Strengthen balance sheets.
Cost pressure *Medium risk* Lower level of impact or probability for SepCem and Métier.	While overall inflation continued to moderate during the year, double-digit electricity tariff increases, coupled with an escalation in maintenance costs associated with plant breakdowns and outages, intensified production cost pressures. At the same time, high interest rates reduced the disposable income of large retail segments of the cement and mixed concrete markets. Intermittent loadshedding and water outages in some regions, together with above-inflation increases in electricity rates, compounded cost pressures for businesses and retail customers.	• Maintain sustainable sales volumes. • Maximise margins.
Shortage of technical skills *High risk* Increasing level of impact and probability for Métier and SepCem.	Métier and SepCem both require technical skills to operate production facilities, maintain consistent product and service quality, and manage sales. Several factors contribute to skills shortages in the construction materials industry, including an outflow of skills from a shrinking construction market to other sectors, an outflow of professionals to international markets, intense competition for talent in a concentrated market where a limited number of participants compete for talent, and difficulty retaining talent in remote locations. While Métier and SepCem mitigate this risk through targeted recruitment, talent retention measures, and internal skills training, attracting and retaining technical skills in a competitive labour market remains a material threat to both operations.	• Maintain sustainable sales volumes. • Maximise margins.

MATERIAL MATTER	Why it is material	Strategic objective impacted
Evolving regulatory environment *Medium risk* Increasing level of impact and probability for SepCem.	SepCem complies with mining and environmental licensing requirements, but is subject to increasing regulatory scrutiny of its health, safety, and environmental practices. As Scope 1 emitters, cement producers are subject to a carbon tax on carbon emissions from cement production. A carbon tax was levied at an applicable rate of R159 per tonne of carbon dioxide equivalent (tCO2e) in 2023, and paid in 2024. This amount is set to increase progressively to R462/tCO2e by 2030. SepCem is implementing a decarbonisation plan to improve energy efficiency and reduce its carbon footprint. However, this is unlikely to fully mitigate the increasing carbon tax burden, which poses a material threat to SepCem's longer-term financial sustainability.	• Business continuity.
Community disruption *High risk* Increasing level of impact or probability for SepCem.	The communities adjacent to the Aganang plant depend on local businesses for employment and procurement opportunities. Local farmers rely on the provision of land for livestock grazing, and inadequate agricultural practices lead to overgrazing and livestock mortality. Deteriorating economic conditions increase the demand for socio-economic support, but the lack of formalised leadership structures impedes decision-making and progress in delivering social investment projects. Community protests threaten business continuity if they disrupt operations.	• Business continuity.
Unavailability of power *Low risk* Lower level of impact or probability for SepCem and Métier.	Although easing in FY 2025, electricity loadshedding remains a threat. It disrupts operations and increases expenditure on alternative power sources. Métier has installed generators at all plants, and SepCem has longer-term plans related to solar photovoltaic technology to mitigate loadshedding. During loadshedding, manufacturers curtail electricity usage based on the daily requirements of the national grid. However, a national blackout would increase the risk of equipment failure and business interruption. In a worst-case scenario, SepCem would be able to continue supplying customers uninterrupted for several days, but may incur costs to repair and restart equipment. Loadshedding affects small business suppliers or customers who are unable to afford alternative power sources to sustain their operations.	• Maintain sustainable sales volumes. • Maximise margins.
Concentrated SepHold investment portfolio *High risk*	The Group is exposed to industry and country-specific risk due to the concentration of its investments in the South African construction materials industry. SepHold focuses on protecting shareholder value by strengthening the financial resilience of its investments and exploring opportunities for revenue diversification to enhance value.	• Maximise margins. • Strengthen balance sheets.

LEADERSHIP REVIEWS OF FY 2025

Brent Williams
Chairperson

In the face of continued market challenges, the board remained focused on supporting effective strategy implementation and maintaining sound governance oversight to protect and enhance shareholder value.

BOARD CHAIRPERSON'S REPORT

Overview

Having navigated another year of sustained economic pressure, weak infrastructure rollout and growing competition from foreign cement imports, I am pleased that SepHold has once again produced a solid financial performance.

Métier and SepCem responded to a subdued demand environment and declining sales volumes by concentrating on cost containment, debt reduction, efficient raw material sourcing, and operational agility. An enhanced focus on product quality, service excellence, and specialisation has become a critical part of Métier and SepCem's customer value proposition. This is aligned with our commitment to optimising margins and asset productivity while delivering sustainable outcomes, rather than pursuing volume growth at all costs.

When Sephaku invested in new productive capacity in South Africa's cement industry more than a decade ago, we had a vision of contributing to the restoration and growth of South Africa's deteriorating economic and social infrastructure.

Sustained economic weakness and a lack of significant infrastructure investment have instead resulted in an industry that struggles under the weight of oversupply and intense competition for diminishing demand. Despite this, and with conditions now compounded by growing volumes of imported cement, we remain hopeful that our patience, and that of our stakeholders, will be rewarded.

Detailed information on the performances of Métier and SepCem is available in the SepHold CEO and FD reports on pages 15 and 17, as well as in the business reviews starting from page 20.

Board priorities in FY 2025

The board's focus areas included operational and strategic priorities, which, given the enduring macroeconomic challenges, were led by significant cost-cutting and debt reduction efforts. Maintaining an efficient, low-cost structure is a competitive advantage for both operations, and we further optimised operational efficiencies.

Given their reliance on stable raw material supplies, both entities improved sourcing strategies. SepCem notably increased the substitution of clinker with limestone, while Métier secured consistent access to sand and aggregates. Construction activities and business opportunities have taken on an increasingly regional dimension. While development remains slow in Gauteng and other inland provinces, progress is being made in KZN, thanks to road improvements and infrastructure rebuilding following the 2022 floods. The Western Cape is also emerging as a construction and infrastructure growth hub. We responded by expanding Métier's footprint in the Western Cape and strengthening its market presence in KZN.

Métier continues its focus on the Western Cape in line with our strategic plan. With most large infrastructure projects being too far from SepCem's plants, the Associate focused on its high-strength technical products, reinforcing client relationships and expanding its customer base.

Decarbonisation efforts remain a focus, particularly at SepCem. Reducing greenhouse gas emissions entails improving energy efficiency, switching to cleaner fuels, and implementing effective operational practices. We are making progress on all three fronts. This is reflected in our new decarbonisation roadmap, which aims to achieve a 16% reduction in CO_2 emissions at Aganang and a 39% reduction at Delmas by 2030.

For more information on SepCem's decarbonisation plan and roadmap, see page 29.

Unlocking shareholder value

SepHold continues to explore opportunities to improve value for shareholders and other stakeholders while enhancing the sustainability of Métier and SepCem.

We remain committed to unlocking value for shareholders and strengthening the long-term sustainability of Métier and SepCem. Consolidation is a natural strategy in an industry facing sustained low demand, and we remain open to opportunities for strategic partnerships or mergers that can enhance value. As with many listed investment holding companies, SepHold's shares are undervalued and trade at a discount to the net asset value of the underlying operations. To improve value for shareholders, a plan to repurchase up to 20% of SepHold's shares at prices below the Group's intrinsic value was approved at the 2023 AGM.

In FY 2025, SepHold and Métier acquired an additional 8 910 707 shares, increasing the Group's holding to 8.9%.

The share buyback programme is discussed further in the FD's report on page 19.

JSE listing

The board regularly considers options to enhance shareholder value, including SepHold's listing on the JSE. In March 2025, the Company transferred its listing to the new General Segment of the JSE's Main Board. This reduces the regulatory and cost burdens on issuers while maintaining transparency and disclosure.

Notwithstanding the immediate advantages of moving to the JSE's General Segment, the board continues to evaluate the merits of delisting to reduce costs and enhance shareholder value.

Levelling the playing field

The ongoing influx of unregulated cement imports remains a significant threat to the cement industry.

Imported cement is exempt from the carbon tax, and the significant costs associated with necessary compliance that domestic producers bear. This disparity weakens local manufacturing, undermines job security, and compromises environmental responsibility. Regulatory action is essential to secure the future of the local industry. Recent announcements of the closure of a major long-steel producer and major tyre producer underscore the profound real-world consequences of failing to protect key local industries necessary for infrastructure development and which are also significant contributors to the employment creation value chain.

Ensuring effective governance

I am satisfied that the board effectively discharged its fiduciary and governance oversight duties during FY 2025. The board maintains strong continuity, with only one change made to its composition.

Bukelwa Bulo did not make herself available for re-election at the AGM in September 2024. We thank her for her valuable contribution to the board and audit committee.

Mabatho Sedikela was elected to the board as an independent non-executive director at the AGM. Mabatho is a seasoned executive with extensive experience in audit, taxation, compliance and risk management.

We believe it is prudent to have a small, diverse, and efficient board.

Our five non-executive directors bring a valuable balance of skills and experience, which, combined with the financial and industry acumen of our two executive directors, makes for a strong and cohesive governing body. All board members are highly engaged and diligent. The three board committees enhance governance by assisting the board in its oversight of financial and risk management, environmental and social stewardship, and remuneration and nominations.

For more information, refer to the governance report on page 34.

Outlook and priorities for FY 2026

Amid growing global geopolitical uncertainty and the enduring failure of government to deliver on its promises of meaningful infrastructure investment, SepHold will continue focusing on disciplined cost management and taking advantage of expansion opportunities, especially in the ready-mix segment.

Métier and SepCem are well-positioned to capitalise on new opportunities as they emerge.

The energy-intensive nature of the cement industry means that decarbonisation will always be a high priority. The board will continue to support and closely monitor the implementation of the decarbonisation roadmap, as it delivers dual benefits of reduced greenhouse gas emissions and lower costs.

Beyond prioritising operational excellence, we will continue advocating for government intervention regarding cement imports and product standards. We will also continue exploring ways to enhance shareholder value, whether through delisting, industry consolidation, or other methods.

Above all else, the board will continue to prioritise risk mitigation to prevent value erosion in a challenging market environment and while providing guidance on opportunities that are value-enhancing for shareholders and other stakeholders.

A word of thanks

In a year when they managed to deliver solid results despite over-supply challenges and wider macroeconomic difficulties, I am deeply grateful to our executives, management and operational teams for their outstanding performance.

Without our customers and suppliers, we would not exist. I acknowledge your vital role in sustaining our viability. And to our shareholder, Dangote Cement PLC, your partnership continues to be invaluable.

Lastly, I acknowledge my board colleagues for their steadfast support and unwavering commitment to effective governance.

Brent Williams
SepHold Chairperson

Kenneth Capes
Chief executive officer

Kenneth Capes discusses the multidimensional challenges facing Métier and SepCem, as well as the strategic actions taken to capitalise on opportunities in their markets.

IN CONVERSATION WITH SEPHOLD'S CHIEF EXECUTIVE OFFICER

It was a challenging year for Sephaku, the construction industry and South Africa in general. What were the most significant risks and opportunities?

The construction sector, which contracted by an estimated 4.2% during the year, continued to feel the impact of weak investment, rising input costs, and a lack of momentum in large-scale public infrastructure projects.

Macroeconomic conditions were once again defined by subdued growth and persistent structural constraints. Real GDP grew by just 0.6%, weighed down by political uncertainty leading up to the general elections and geopolitical instability. Inflation, however, moderated to an average of 4.5%, and investor sentiment began to recover in the latter half of the CY 2024, following the establishment of the Government of National Unity. The first quarter of 2025, however, saw a reversal in the positive sentiment for the GNU.

Within this tough macroeconomic context, both the building and construction materials sectors operated under intense pressure. With elevated fuel prices and a 7.5% rise in construction material costs (in the first seven months), demand across both sectors remained subdued for much of the year. Residential construction slowed further, and civil projects continued to be delayed or underfunded.

Imports of substandard cement and over-capacity continued to distort pricing in the domestic market, exacerbating pressure on local producers.

The cement industry is facing increased headwinds at a time when markets are severely subdued. Cement imports, high electricity tariffs, a dysfunctional rail system, above-inflation increases in carbon tax rates, and the proliferation of substandard cement in the local market all weighed on producers. It is in the best interests of the industry to lobby the government on these issues to ensure sustainability and protect jobs.

We continued to monitor several systemic risks closely:

- **Import competition.** Dumping of cement into the local market continues to threaten the viability of domestic manufacturing. Importers do not face the same constraints as local producers, including BEE requirements, labour legislation (Employment Equity Act), rising electricity costs, and carbon taxes, as well as the large, fixed costs associated with running cement plants.
- **Infrastructure delays.** Slow progress in rolling out large-scale public works constrained overall sector recovery. Although there have been a few awards in infrastructure projects, these are localised to specific areas of the country.

That said, the year also revealed emerging opportunities:

- **Infrastructure pipeline.** The government's long-term infrastructure and renewable energy ambitions, if effectively implemented, offer significant upside. The country needs a large amount of infrastructure spending, and at some point, this must gain momentum.
- **Alternative fuels.** SepCem continues to use various alternative fuels to lower carbon emissions and costs. SepCem tendered improved energy cost and higher offtakes in response to the Waste Bureau's request to the current off-takers of waste tyres. Additional capital projects are earmarked for implementation during CY 2025, which will further bolster the substitution of conventional fuels.
- **Expansion.** Métier continued its expansion in the Western Cape and is pursuing a sensible and cautious rate of growth.

How did Métier and SepCem respond to ensure their sustainability?

We responded to the turbulent operating environment by focusing on factors within our control – resilience, operational efficiency, and strategic positioning – to ensure long-term sustainability and growth.

We maintained a disciplined approach to cost management, enhanced asset utilisation, and targeted capital investment. Where possible, we accelerated maintenance and plant upgrades during quieter periods and enhanced logistics coordination to protect service levels. Commercially, we deepened our relationships with core clients and expanded technical support offerings to add value beyond the product.

Sephaku is not simply chasing top-line growth; it is focused on quality, cost management, and creating long-term value.

Looking ahead, our strategic focus is on agility and continuing effective cost controls. FY 2026 is expected to be a year of gradual recovery, despite the year starting with ongoing political uncertainty and severe rain that hampered sales efforts.

While the pace of growth remains modest and the operating environment is still constrained, we are well-positioned to capture emerging opportunities through our operational network, our commitment to resilience, service excellence, and long-term value creation.

What are your expectations of the operating environment over the short to medium term?

The South African construction sector operates in a complex and evolving environment. While government-led infrastructure initiatives and growing demand for sustainable development present tangible opportunities, the industry remains vulnerable to structural and operational risks that necessitate strategic mitigation. The outlook for the short to medium term (2025/2026) remains cautiously optimistic, underpinned by targeted public investment and emerging private-sector collaboration.

Key risks to Sephaku remain primarily the macro environment, which is influenced by the lack of local political will and geopolitical issues, which impact investment. We must remain agile and react to opportunities quickly, as the volatile market conditions will make fewer of these available, and we must not miss them.

What will you prioritise in the upcoming year?

A critical focus will be a thorough review of our continued listing on the JSE. The regulatory, financial, and administrative burdens associated with keeping our listed status have increasingly outweighed the benefits for a business of our size and structure. In the current environment, we believe the listed platform may no longer be the best vehicle to unlock shareholder value or support long-term strategic growth.

The review of our continued listing on the JSE forms part of a broader strategic effort to simplify our operating model, improve capital efficiency, and enhance our agility in responding to market opportunities.

As such, we will explore the feasibility and implications of a potential delisting, with a clear view on how this may better serve the interests of our stakeholders – including employees, shareholders, and customers. This process will be conducted with due diligence, transparency, and appropriate engagement with all relevant parties.

Who would you like to acknowledge for this year's achievements?

I want to express my sincere appreciation to all our staff at Métier and Sephaku. Operating in South Africa's demanding and often unpredictable business environment is no small feat; yet, each year, our teams rise to the challenge with resilience, dedication, and an unwavering belief in a better future for our country.

Your commitment, hard work, and loyalty have been the foundation of our continued progress. Thank you for your contributions over the past year – your efforts truly make a difference, and they do not go unnoticed.

Kenneth Capes
SepHold CEO

Neil Crafford-Lazarus
Financial Director

Métier and SepCem pursued strategies for regional expansion, operational optimisation, and market responsiveness to take advantage of opportunities in the market. The operations improved efficiencies and maintained careful cash and debt management, positioning themselves for a potential infrastructure recovery that has yet to materialise.

SEPHOLD FINANCIAL DIRECTOR'S REPORT

The Group's financial performance in FY 2025 reflects effective strategy implementation to maintain sustainable sales volumes, maximise margins, increase cash flow and strengthen balance sheets.

Revenue and profitability

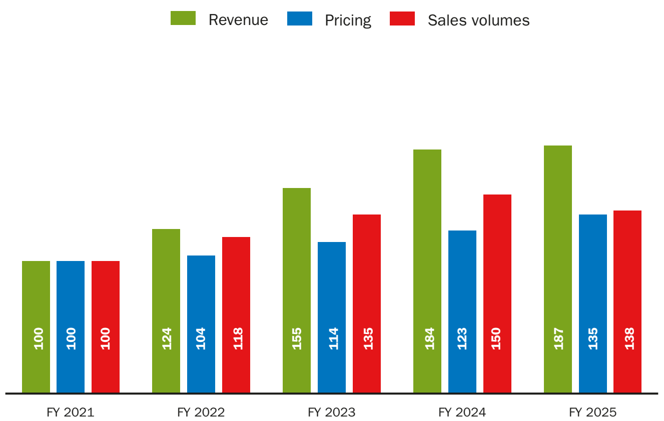
Sephaku Holdings summarised statement of profit and loss

Figures in rand	2025	2024
Revenue	**1 182 844 822**	1 163 603 065
Other operating income	**1 015 747**	6 188 798
Other operating losses	**(6 622)**	(200 000)
Movement in credit loss allowances	**1 047 994**	(929 961)
Raw materials	**(706 002 253)**	(724 030 739)
Transportation	**(146 341 586)**	(146 953 255)
Production expenses	**(28 986 737)**	(28 747 130)
Employee benefit expenses	**(111 871 889)**	(102 757 446)
Depreciation on property, plant and equipment	**(41 930 448)**	(36 316 965)
Other operating expenses	**(61 266 964)**	(50 018 351)
Operating profit	**88 502 064**	79 838 016
Investment income	**2 794 863**	2 575 336
Finance costs	**(15 484 113)**	(11 590 195)
Income from equity-accounted investments	**14 663 520**	14 621 040
Profit before taxation	**90 476 334**	85 444 197
Taxation	**(16 925 027)**	(18 819 253)
Profit for the year	**73 551 307**	66 624 944

Métier

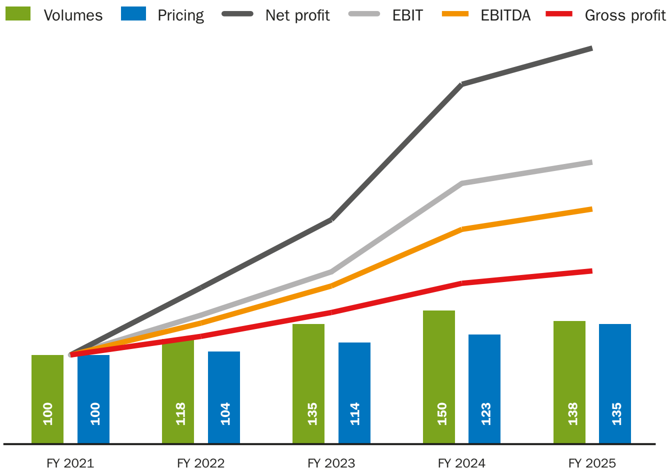
Métier's revenue increased by 2% year-on-year to R1,18 billion (FY 2024: R1,16 billion) despite an 8% volume decline. This was due to a combination of price increases and greater product segmentation. There was a 9% increase in pricing on the back of strategic price management and product mix. A focus on tight mix controls and product mix supported margin growth. Pump volumes increased by 15% due to a change in product segment. Every region improved margins above inflation. Métier maintained its track record of profitable growth by positioning its operations for new market opportunities and leveraging its reputation as a trusted partner to customers in the construction industry.

Five-year trend: Métier



As SepHold's operational subsidiary, Métier is the primary contributor to the group's income statement. Its stable revenue performance in a subdued market reflects tight cost controls and growth in its specialised concrete offerings, which command higher margins.

Indexed costs and profitability trend: Métier



Price increases mitigated above-inflation input costs, while customers' technical product specifications and complex logistical requirements on large infrastructure projects supported revenues.

While Métier maintained tight control of input costs, it also increased operational resources to accommodate growth opportunities. A fleet renewal programme implemented over the past three years continued to reduce the fleet's age and improve its efficiency. This contributed to better management of transport costs, which account for about one-third of the cost of delivering concrete to customers. Métier continues to invest in its extensive plant network.

Métier's earnings before interest, tax, depreciation and amortisation (EBITDA) grew by 11% to R146 million (FY 2024: R133 million), and EBIT increased by 8% from R97 million to R104 million. Net profit after tax increased by 10%, from R69 million to R76 million, due to the improved margins and repayments from the shareholder loans.

Price increases applied in March 2024 were sustained, and Métier intends to continue with tight cost controls and grow its value-added offerings. The Métier team is committed to increasing profitability in FY 2026 by maintaining tight cost controls and growing its value-added offerings, without being naive about the construction headwinds the country is experiencing.

SepCem

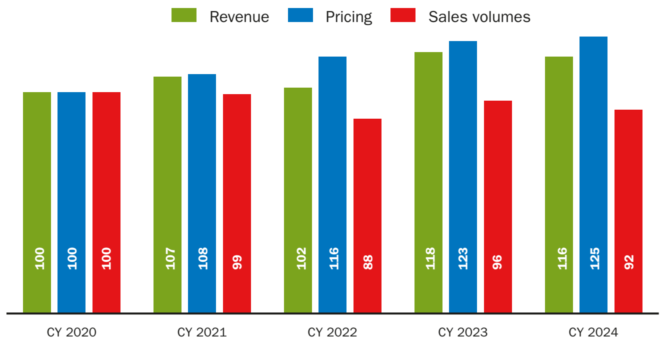
SepCem's financial year is from 1 January to 31 December 2024 (CY 2024), which differs from the 1 April 2024 to 31 March 2025 (FY 2025) reporting period of the Group and Métier.

SepCem saw a 1% reduction in revenue to R2,78 billion (CY 2023: R2,82 billion) against a 4% decline in sales volumes during the year to 31 December 2024 (CY 2023: 9% increase).

Reduced volumes negatively impact EBITDA as SepCem's capital-intensive nature (fixed cost) raises unit costs. This resulted in an 11% decrease in EBITDA to R321,9 million (CY 2023: R361,2 million) at a margin of 11.6% (CY 2023: 12.8%).

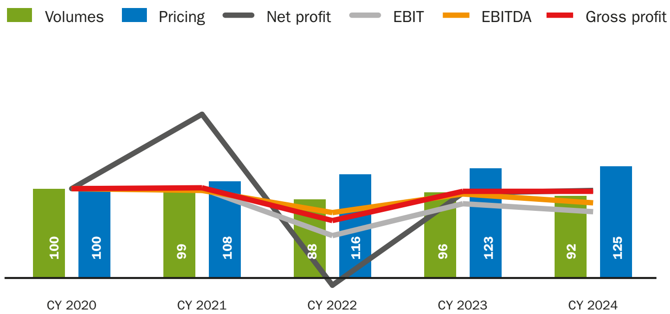
However, there was a marginal increase in net profit after tax from R41,9 million to R42,6 million (1.6%). This resulted from reductions in depreciation, interest payments due to reduced debt, and taxation due to lower earnings.

Five-year trend: SepCem



SepCem's revenue declined by 1% to R2,78 billion (CY 2023: R2,82 billion). This was driven mainly by a 4% decline in sales volumes during the year to 31 December 2024.

Indexed costs and profitability trend: SepCem



Despite challenging macroeconomic conditions and a persistently difficult cement market, SepCem maintained its competitive position and improved its financial performance by increasing net profit after tax to R42,6 million.

A higher-for-longer interest rate environment and other constraints have seen the construction sector contract. This has been characterised by a slow pace of private sector recovery, delayed public projects, weak economic growth and consistent challenges in the public sector, particularly at the local government level.

Unless we see an economic recovery and the implementation of infrastructure development plans, we anticipate another year of low demand and weak volumes. However, when an upswing does arrive, SepCem will make the most of the opportunity.

Sales volumes decreased by 4% during the year to 31 December 2024 (CY 2023: 9% increase) in line with SepCem's estimates of overall market performance. As a result, raw material and production costs per tonne increased because of fixed cost absorption, with fewer tonnes produced. A change in sales mix was also experienced, with slightly lower bulk sales than bags. SepCem saw intense competition in bag pricing due to the depressed market, with an overall net delivered price per tonne that was about 4.2% higher than CY 2023.

Sound financial position

The Group made further progress in strengthening its financial position by generating cash and reducing debt.

Métier

Métier repaid its bank term loan during FY 2023 and replaced it with an overdraft facility that was unutilised at the end of the last two financial years. The unutilised portion of the overdraft leaves enough headroom to service debts for the foreseeable future.

Borrowings increased to R124 million (FY 2024: R65 million) to fund the fleet renewal and loader programme and purchase a new property. Finance charges increased from R11,6 million to R15,5 million year-on-year due to the increase in total debt.

Debtor management was well controlled, and no extraordinary customer credit risks were experienced.

Métier used cash generated by its operations to buy back undervalued SepHold shares.

SepCem

The refinanced project loan bullet instalment of R377 million due in November 2022 was converted into a three-year term loan of R400 million at a rate of JIBAR plus 3.25%. This was serviced according to the repayment profile and stood at R135 million at SepCem year-end CY 2024. The regular quarterly payment was made during the first quarter, and the outstanding amount on 31 March 2025 was R101 million. This will be settled in three more payments in April, July and October 2025.

The R200 million revolving working capital facility remained unutilised during the year at a rate of prime minus 0.5% from one of the original major lenders.

The Dangote Cement PLC shareholder loan that accrues interest at JIBAR plus 4% capitalised against the loan had a balance of R898 million by year-end.

Once the bank debt is settled, we will address the shareholder loan, which we anticipate will take seven years to pay off.

Equity buyback plan

Following shareholder approval of the plan for the Group to repurchase up to 20% of SepHold's issued share capital, and for Métier to repurchase up to 10% of the shares, Métier purchased 22,7 million of SepHold's 254,5 million shares in issue between 21 December 2023 and 13 June 2024. Using available cash resources, Métier paid an aggregate value of R13,9 million for the shares, including transaction costs of R92 779.

The plan specifies that repurchases may not be made at a price more than 10% above the weighted average of the shares' market value during the five business days preceding each transaction.

As a wholly owned subsidiary repurchased the shares, they remain listed and held in treasury. No shares were repurchased in the second half of the financial year due to a focus on cash preservation.

Share buybacks have reduced the number of shares in issue from 254 million to 231 million, contributing to a 22% increase in earnings per share in FY 2025, against a 10% increase in net profit.

Share repurchases (21 December 2023 – 13 June 2024)

Date of repurchases	Aggregate number of shares repurchased	Highest price per share repurchased (cents)	Lowest price per share repurchased (cents)	Aggregate value, excluding transaction costs (R)
21 December 2023 – 31 March 2024	13 789 293	105	90	13 822 195
1 April 2024 – 13 June 2024	8 910 707	110	98	9 649 270
Total	22 700 000			23 471 465

Métier is entitled to repurchase a further 2,7 million shares (1.08%) before reaching the 10% limit. The Subsidiary intends to continue repurchasing shares while it considers that there is value in doing so at the current prices, subject to capital allocation requirements associated with its expansion plans.

Share buybacks could resume after the Group's FY 2025 financial results are published.

Post-period performance and outlook

SepCem's revenue decreased by 12% year-on-year to R526 million in the first quarter of CY 2025 (Q1 2024: R596 million). This was driven by reduced sales volumes with adverse weather conditions and the sluggish economic environment weighing down construction activity.

SepCem's quarterly EBITDA increased to R101 million (Q1 2024: R58,5 million). This was mainly due to comparative inventory increases as production units performed well. This was further bolstered by a once-off insurance claim settlement.

With optimism about the Government of National Unity flagging, fixed investment levels have been contracting since the third quarter of 2024. This, together with a significant increase in cement imports and fierce inland competition for market share, is placing pressure on pricing.

Lower inflation and a further reduction in interest rates will provide some relief for retail consumers. But, given global tensions, government policies, and expected economic growth of only 0.5%, we do not anticipate a recovery in the construction industry.

SepCem's performance continues to be constrained by lower retail cement sales and limited opportunities in the bulk cement market.

In response, the Associate will continue to focus on cost controls and maintaining market share in a challenging environment. It will also remain active to address key issues and work towards a greener future for the South African cement industry.

Talk of new infrastructure projects in South Africa has increased, but implementation remains slow. Nevertheless, any additional infrastructure investment in SepCem's geographic markets will bode well for growth in sales volumes.

The outlook for Métier remains promising with growth expectations, especially in the Western Cape, driven by plans to expand the plant footprint based on a promising project pipeline. Price increases applied in January 2025 were sustained, and Métier intends to secure project work outside of traditional commercial hubs by offering technical expertise and resources. It also plans to grow the Métier "Build Mix" product line into the residential market.

Neil Crafford-Lazarus
SepHold FD

BUSINESS REVIEW – MÉTIER MIXED CONCRETE

Kenneth Capes
CEO

Métier improved on its record of consistent performance and profitable growth by focusing on quality revenue, product and service specialisation, and cost efficiency, while taking advantage of new opportunities and strengthening its client relationships.

CHIEF EXECUTIVE OFFICER'S REPORT

Key focus areas in FY 2025

- Delivering on our customer promise of product quality and service excellence.
- Ensuring that Métier is adequately equipped with the requisite skills base and operations to deliver new technical projects.
- Expanding operations in KZN to meet the requirements of newly awarded contracts.
- Expanding operations in the Western Cape to cater for growing demand.

Operational performance

Métier delivered a resilient financial performance despite persistent subdued economic conditions and ongoing challenges in the construction sector. This result was achieved primarily through cost-saving and efficiency measures, together with a shift in product lines and increased focus on value-added client services, which contributed significantly to improved margins.

Efficiency and operational discipline drive results

Métier management is single-minded about not simply chasing growth, but building efficient and sustainable outcomes. Operational discipline and decentralised accountability drove business results with ongoing plant-level optimisation and fleet renewal continuing to improve efficiency and reduce breakdowns.

Although sales volumes declined by 8% year on year, which was in line with expectations given the economic environment, revenue grew by 2%. This is a result of Métier's overall product selling price and the improved contribution of the pumping services division.

The company's EBITDA improved by 17.3%, and its EBITDA margin increased to 9.4%, the fifth consecutive year of margin growth.

Debtor management also improved on prior years, with the finance department continually engaging with clients. This helped to keep our bad debts below 0.06% of revenue, which is the best Métier has ever achieved.

Civil construction enhances performance

Métier's shift in focus to civil construction continues to pay off, as the company's technical, solution-driven products and services are still key drivers of growth in sales and profit margins.

Capitalising on Métier's reputation for being consistently reliable, the company further deepened client relationships and reinforced key contracts on infrastructure projects by further expanding its technical support offerings.

Prudent expansion and renewal

Despite challenging trading conditions, Métier continued to grow its footprint with the construction of another batch plant in the Western Cape and the purchase of three batch plants in KZN. A new batch plant was also constructed to support the construction of the Ngwadini Dam in KZN.

Métier purchased the property in Phoenix, where a batch plant is already located, and will relocate its regional workshop to this site.

Enhanced asset utilisation was complemented by targeted capital investment, including the replacement of equipment such as loaders, mixer units, and concrete pumps. Where possible, maintenance was accelerated, plant upgrades were made during quieter periods, and logistics coordination was enhanced to protect service levels.

Métier's approach remains being sensible and cautious in its capital allocation.

Capitalising on our brand strength

Métier's growing brand reputation is built on offering in-depth product knowledge, responsiveness to market changes and customer needs, and strong customer relationships based on service excellence, deep product knowledge, and on-time delivery. Our committed employees and enduring supplier relationships built over many years, underpin product quality and continuity of supply.

Broad-based black economic empowerment

Métier maintained a Level 4 BBBEE contributor status.

Being a responsible corporate citizen

Safety, health, and environmental performance are closely managed and monitored by an executive committee (Exco) member who is directly involved at the operational level.

Métier's lost-time injury frequency rate declined during the year, but fortunately, there were no serious injuries or fatalities. The company continued to implement a range of initiatives to maintain a culture of safety awareness. Three annual audits are conducted at each operation to ensure compliance with Métier's environmental management programme.

We continue to integrate sustainability into our operations through initiatives focused on water recycling, dust and noise control, and energy efficiency.

Looking ahead

We expect the year ahead to see a gradual economic recovery, despite continuing political uncertainty and heavy summer rains that hampered sales efforts. While the pace of growth remains modest, and the operating environment remains constrained, Métier is well-positioned to capture emerging opportunities through our operational network, our commitment to resilience, service excellence, and long-term value creation.

We believe our reputation as a consistently reliable supplier of choice positions us well to secure new contracts in the civil infrastructure sector. Our strategic focus remains on being agile and continuing to control costs effectively.

Kenneth Capes
CEO

HUMAN CAPITAL

Métier's employee value proposition is underpinned by the Métier Way and the company's values and ethics. This differentiates us from our competitors. It is also reflected in our commitment to ensure that staff work in safe environments and that we conduct our business effectively by delivering service excellence, accountability, quality, and reliability.

Métier strives to be an employer with fair and transparent practices. Employees are rewarded for the value of their work, competence and performance, based on the board-approved remuneration framework to ensure non-discrimination.

Métier focused on:

- **Employee engagement.** We rolled out Jem, an HR software platform that integrates with WhatsApp to provide HR, payroll and other functionality to employees.
- **Hiring and staff transfers.** New plants in KZN and the Western Cape required the transfer of some employees to other sites and the hiring of additional personnel.
- **Training and development.** We are prioritising artisan and technical training (e.g. concrete technicians) with phased trade testing and upskilling strategies in place.

Ethics and integrity

Métier promotes a values-driven culture anchored in the Métier Way. The company's codes of ethics and conduct outline the required standards of conduct, ensuring that employees are aligned with a common set of values. Elements of the code of conduct are included in the employee performance management process to emphasise their importance.

Métier promotes a culture of honesty by providing an externally managed whistle-blowing line for reporting unethical and unfair practices. The service provides stakeholders with a channel to report employee and management fraud, as well as unethical conduct. An internal grievance procedure enables employees to report unethical behaviour in the workplace to either their direct line manager, the human resources department, or the CEO.

Employee profile

The Subsidiary's workforce grew to 295 employees (FY 2022: 264) to accommodate an increase in operational footprint and workload.

Employment equity

Métier is committed to and supportive of the Employment Equity Act. Métier continued to implement succession planning, recruitment, training, and promotion to gradually address gaps in achieving its employment equity targets at all levels of the company.

During FY 2025, 23 employees were promoted, of whom 10 are African males in the junior management and unskilled categories, 2 are Indian males in senior and junior management, and 1 is a white male in senior management. The employment equity committee met twice to track progress on affirmative action measures and assigned targets.

Employee race and gender breakdown

	Male				Female				Foreign nationals		
Occupational level	**African**	**Coloured**	**Indian**	**White**	**African**	**Coloured**	**Indian**	**White**	**Male**	**Female**	**Total**
Top management	**1**	**0**	**0**	**4**	**0**	**0**	**0**	**1**	**0**	**0**	**6**
Senior management	**2**	**0**	**6**	**13**	**0**	**0**	**1**	**0**	**0**	**0**	**22**
Professionally qualified and experienced specialists and mid-management	**9**	**3**	**4**	**11**	**2**	**0**	**2**	**4**		**0**	**24**
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	**28**	**4**	**9**	**3**	**9**	**0**	**3**	**6**	**2**	**0**	**64**
Semi-skilled and discretionary decision-making	**70**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**6**	**0**	**77**
Unskilled and defined decision-making	**79**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**80**
Temporary employees	**5**	**0**	**0**	**0**	**6**	**0**	**0**	**0**	**0**	**0**	**11**
Total	**194**	**7**	**19**	**32**	**18**	**0**	**6**	**11**	**8**	**0**	**295**

Employment equity

Occupational level	**Target HDSA** %	**Actual HDSA** %
Top management	**2**	**2**
Senior management	**9**	**9**
Professionally qualified and experienced specialists and mid-management	**26**	**24**
Junior management	**54**	**61**
Total	**91**	**96**

Employee wellness

Employee wellness is a growing focus area for Métier, as we recognise its importance across both office and plant environments. The permanent appointment of a health and safety officer has enabled the company to enhance its safety, health, environment, and quality programmes. Meanwhile, with an engagement rate of nearly 90%, the Jem platform offers new avenues for implementing practical and inclusive wellness initiatives for all employees.

Training and development

Métier invested R0,6 million in training (FY 2024: R0,6 million), focusing on building technical capacity, retaining scarce skills, and promoting internal growth opportunities. Artisan and technical training were prioritised with phased trade testing and upskilling strategies in place to minimise operational disruption.

Mandatory training was provided in first aid, basic firefighting and working at heights. In addition, employees were given defensive driver training and front-end loader training, as well as training in legal liability, hazard identification, risk and management,

Approximately one-third (34%) of the total employee base participated in the training (FY 2024: 29%), with 92% of participants (FY 2024: 73%) being HDSAs, and including both male and female employees.

Bursary programme

The bursary programme aims to develop and retain high-performance employees or those with key technical skills who are interested in developing their careers through further study in their field of expertise. The programme is open to all staff, with strong uptake among administrative employees. Non-completion of courses converts bursaries into repayable loans, ensuring accountability.

Métier awarded tertiary studies bursaries to five employees during FY 2025 (FY 2024: five).

Production technology learnerships

These learnerships equip learners with the knowledge and skills that enhance their prospects of securing permanent employment at Métier or other companies. During FY 2025, Métier supported eight people with disabilities (FY 2023: six) who will complete Level 5 production technology learnerships in the South African Qualifications Authority's National Qualifications Framework in September 2025.

Eight candidates have been selected to participate in the learnerships in FY 2026.

Building Blocks mentorship programme

Métier's mentorship programme guides graduates during the early years of their career to establish a foundation of strong work ethics and enhanced performance. Entry-level employees receive assistance from colleagues to improve or develop skills that strengthen their performance. The Building Blocks programme, which spans six to 18 months, provides graduates in the fields of construction, civil engineering, and marketing with the opportunity to gain technical experience.

Succession planning

Métier conducts talent mapping to identify gaps in the technical skills required to implement future business objectives and provides the necessary training to develop these skills.

The outcomes of the talent mapping process inform the development of a succession plan and talent pipeline. This drives the transformation, career advancement and retention of future leaders, ensuring continuity of leadership and technical expertise.

HEALTH, SAFETY AND ENVIRONMENT

Métier's health, safety and environmental (HSE) programme is overseen by an executive committee member and implemented by regional management, supported by safety representatives and committees. The programme raises awareness among employees about the company's impact on its operating environment and promotes continuous improvement in managing HSE impacts.

Each Métier operation is audited internally three times a year to ensure compliance with relevant HSE laws and regulations, and to drive continuous improvement in performance. Safety and environmental compliance audits were conducted by the Department of Labour and municipalities, respectively.

Métier promotes safe work environments with a strong focus on operational activities and employee behaviour. Monthly health and safety meetings (Toolbox Talks) are held at all operations to reinforce standard protocols.

Although there were no fatalities or major injuries, Métier's lost time injury frequency rate declined to 1.85 (FY 2024: 0.41). Métier's key safety risks are incorrect operation of heavy machinery, absent-mindedness and falling. Depending on the incident, employees may be provided with additional safety training or issued a warning in cases of negligence.

Internal safety audits confirmed broad compliance with all safety procedures, meetings, and record-keeping.

Environmental management

Métier maintains a proactive and compliant approach to environmental management across its operations. Environmental audits are conducted three times a year internally, and external inspections by municipal authorities, particularly in Johannesburg and eThekwini, confirm compliance with environmental standards.

Métier conducted 49 environmental audits (FY 2024: 52) to monitor and minimise the environmental impact on the areas surrounding the operations. The audits identified Métier's main environmental impacts as dust emissions from silos and aggregate stockpiles, washout concrete residue, and wash water management.

In line with Métier's commitment to zero tolerance for non-compliance with environmental and safety protocols, it incurs ongoing costs to mitigate and manage impacts. For instance, noise at the Centurion and Mobeni sites was mitigated by installing sacrificial plastic liners in aggregate scales, which significantly reduces impact noise during tipping. Mitigatory measures and audits are overseen and undertaken by an Exco member.

Dust emissions

Métier employs dust suppression sprinklers to ensure that stockpiles remain damp, minimising emissions. Filters and screens are used to control dust levels from silos and loading bays. The Subsidiary also regularly monitors and audits dust emissions to ensure that dust levels remain within acceptable limits and comply with environmental regulations.

Water management

Métier recycles and re-uses between 85% and 90% of all excess water generated on-site during production. The Subsidiary uses water from the municipal supply to produce ready-mixed concrete.

Water used for washing trucks and for general cleaning of plant premises, as well as rainwater, is recycled through the settlement ponds and re-used in ready-mixed concrete production. Métier ensures that any excess water that is not recycled is maintained at a minimum to be cleaned and released into the municipal systems.

In response to the growing unreliability of municipal water supplies, Métier has installed backup storage tanks to ensure operational continuity. If necessary, water tankers are used to top up the tanks.

Waste management

Métier focused on maintaining efficient waste management at all plants and correct disposal in line with municipal bylaws. Waste is categorised and allocated to separate disposal bins as stipulated by the legislative framework. All plants have washout facilities that include recycling units.

Métier collects the recycled concrete residue for delivery to approved quarries, where it is recycled back into aggregates for further use.

BUSINESS REVIEW – SEPHAKU CEMENT

SepCem's financial year runs from January 1 to December 31, 2024 (CY 2024). This differs from the 1 April 2024 to 31 March 2025 (FY 2025) financial year of the Group and Métier.

Duan Claassen
CEO

SepCem continued to implement austerity measures and pursue strategies to retain and protect market share. It focused on customer relationships and service levels to maintain its competitive position and improve financial performance in a challenging market.

CHIEF EXECUTIVE OFFICER'S REPORT

Key focus areas in CY 2024

- Delivering quality products, excellent service and customer engagement to drive revenue growth.
- Maintaining disciplined cost controls, increasing sales of quality technical products and using technology to optimise supply chain management.
- Preserving SepCem's social licence to operate by engaging effectively with community and government stakeholders, and maintaining sound environmental, social and governance practices.
- Maintaining a lean organisation adequately equipped to achieve continuous performance improvement.
- Being ready to meet demand should the government execute plans for new infrastructure.

SepCem maintained its competitive position and marginally improved its financial performance despite operational challenges, a tough cement market and a subdued economic environment.

Having experienced strong earnings growth in the first half of CY 2024, the impact of unplanned kiln repair stoppages resulted in overheads being absorbed by lower production levels. Our high-strength technical products performed consistently well.

Navigating a challenging operating environment

Very few major building projects were undertaken in CY 2024, with most demand coming from the private sector, particularly retail. Renewable energy projects continue, albeit at a slower pace. Meanwhile, the infrastructure backlog is growing, necessitating significant government-led investment in the medium term.

An improvement in the retail sector towards the end of the year partly offset subdued conditions in the construction industry. As a result, SepCem experienced a minor shift in product mix, as bulk sales contracted at a rate exceeding that of bags. SepCem continues to implement various cost-saving initiatives to mitigate the negative impact of low market demand.

The combination of oversupply and sluggish demand continues to place downward pricing pressure. This is exacerbated by the emergence of several new local cement blenders and an increase in cement imports. These dynamics make it difficult for cement producers to recover material increases in input costs, resulting in further erosion of profit margins.

[1] *Econometrix*

Maintaining lean and efficient operations

SepCem's low cost structure remains a competitive advantage, and we have made further strides in maintaining lean operations. This included focusing on route-to-market optimisation, plant efficiency improvements, the use of alternative fuels and skills development. While we achieved encouraging savings in overhead costs (-5% year-on-year) and lower-than-inflation increases in variable costs, this was insufficient to offset the increased expenses arising from plant repairs and maintenance.

We continue to expand the use of artificial intelligence in various areas of the business, including the haulage of minerals in our mine, predictive maintenance, and, more recently, process control. We plan to continue rolling out artificial intelligence in CY 2025, covering all our roller mill grinding operations. Business-intelligence tools continued to aid real-time decision-making and route-to-market optimisation, delivering tangible benefits.

Focus on customer service

Customer retention remains a key strategic objective, particularly in light of the subdued market conditions and low growth potential. We prioritise excellent customer service in respect of sales contacts, relationship development, and delivery. These elements are managed and measured through automated processes to ensure objectivity and accuracy. Any deterioration in service on any front is investigated immediately, with corrective actions implemented.

Communities, safety, health and the environment

SepCem continued to strengthen its social licence to operate by engaging effectively with community and government stakeholders, and maintaining sound environmental, social and governance practices.

Community engagement

SepCem's collaborative approach to working with communities, government and industry stakeholders in implementing community upliftment projects enhances our competitive edge by building trust, ensuring operational stability, and reinforcing our social licence to operate.

Our community engagement efforts focused on empowering unemployed youth through skills development, employment opportunities, and enterprise and supplier development. We are collaborating with government to improve local infrastructure to enhance service delivery in the areas of health and education.

Health and safety

SepCem made encouraging progress toward our zero-harm workplace goal by maintaining our strong record in road safety and medical treatment injuries. However, we faced a setback when four contractor employees were seriously injured.

Incident investigations found that most safety incidents were linked to unsafe behaviours. SepCem responded by strengthening its foundational behaviour-based safety programme, rolling out targeted training, and delivering impactful industrial theatre sessions to convey the safety message effectively. The executive visible felt leadership was enhanced, with participation from Exco members to deepen leadership visibility and engagement in promoting a strong safety culture.

Environmental management

SepCem's primary focus centred on reducing its carbon footprint, increasing the use and lowering the cost of alternative fuels, improving efficiency, managing electrical energy, and optimising carbon tax.

SepCem implemented a waste tyre feeding system on its kiln in 2022. The waste tyre thermal substitution rate has been further increased with the installation of an automated tyre feeding system, completed in December 2024. SepCem also progressed with investigations into liquid fuel and refuse-derived fuel feeding systems, as well as exploring options for renewable electricity delivered through wheeling.

Broad-based black economic empowerment

SepCem maintained a Level 5 BBBEE contributor status.

Looking ahead

We remain cautiously optimistic about the future, as we prepare ourselves for potential improvements in the macroeconomic environment while improving SepCem's efficiencies.

In CY 2025, we will focus on:

- Partnering with cement industry players to lobby the South African Government to find meaningful solutions to industry challenges such as cement imports and decarbonisation.
- Pursuing our strategic objectives by driving austerity measures and cost-efficiencies using alternative fuels and artificial intelligence, skills retention and development and securing our social licence to operate in partnership with communities.

Duan Claassen
CEO

HUMAN CAPITAL

The Associate relies on a highly skilled workforce to run its operations. It is committed to growing its talent pool through learning and development initiatives, as well as active succession management.

SepCem's remuneration and reward practices are market-related, reflect the context in which it operates, and are guided by a board-approved remuneration policy and framework.

During CY 2024, SepCem focused on:

- Strategic training and leadership development to address technical skills gaps and strengthen the leadership pipeline.
- Succession and mentorship programmes for leadership development and skills transfer.
- Employee engagement through multiple communication platforms and employee events.
- Stable labour relations through active engagement and conclusion of a collective bargaining agreement.
- Employment equity performance improvement and compliance.

Entrenching a high performance culture

SepCem made encouraging progress in embedding the Project Tokafatso, which aims to achieve the strategic objective of entrenching a high-performance culture. SepComs provide a platform for managers, employees, and teams to assess performance against key performance indicators and address obstacles inhibiting their achievement.

Learning and focus topics are shared during SepComs as part of upskilling the workforce. Employees are recognised for their contribution towards the achievement of team or divisional goals during the SepComs and also through the monthly newsletter.

SepCem is increasingly using town hall meetings as an effective communications channel for engagement between employees and leadership teams.

Employee profile

The employee complement increased marginally to 373 people (CY 2023: 369). Employee turnover stabilised to 9% (CY 2023: 33%) following restructuring in the previous year. Voluntary departures made up 48% of the total turnover.

Employee profile for race and gender

	Male				Female				Foreign nationals	Total
Occupational level	**African**	**Coloured**	**Indian**	**White**	**African**	**Coloured**	**Indian**	**White**	**Male**	**Total**
Top management	3	0	0	3	1	0	0	2	1	10
Senior management	2	1	0	7	3	0	0	3	1	17
Professionally qualified	12	3	4	10	1	1	1	5	1	38
Skilled technical	63	3	0	11	34	2	4	6	0	123
Semi-skilled	31	1	1	0	27	0	0	0	0	60
Unskilled	92	2	0	0	29	1	0	1	0	125
Total	**203**	**10**	**5**	**31**	**95**	**4**	**5**	**17**	**3**	**373**
Fixed-term contractors	0	0	0	0	0	0	0	0	0	0
Total	**203**	**10**	**5**	**31**	**95**	**4**	**5**	**17**	**3**	**373**

Employment equity

SepCem elected and trained a new employment equity and skills development committee during CY 2024. The committee is actively tracking employment equity performance and has submitted all statutory reports in accordance with the two-year employment equity plan approved by the Department of Employment and Labour in the previous reporting period.

SepCem continues to focus on appointing candidates from under-represented demographic groups across all occupational levels, so that its workforce better reflects South Africa's economically active population. There was a slight reduction in over-represented groups, a sign that progress is being made.

SepCem achieved 91% representation of HDSA employees in the skilled technical occupational level, compared to 89% in CY 2023. This improvement is a result of recruitment processes that intentionally target candidates from under-represented groups and go beyond one round of interviews to source diverse candidates. Of all 14 promotions, 100% were from designated groups.

SepCem's employee profile comprises 68% males and 32% females, with 1.3% of employees being people living with disabilities. The Associate will continue to focus on gender, diversity, and inclusion in CY 2025. This will include formulating measures to ensure a conducive workplace environment for female employees and employees living with disabilities.

Learning and development

SepCem increased its investment in training by 23% to R4,8 million (CY 2023: R3,9 million) with an emphasis on mandatory and leadership training. Features of the learning and development activities included:

- Rolled out a management advancement programme, a new managers programme and supervisory training. Thirteen leaders participated in these programmes in CY 2024.
- Launched internal and external engineering learnerships both internally and externally to address technical skills gaps. Six learnerships started in CY 2024.
- Implemented a formal mentorship programme aimed at facilitating skills transfer and supporting employee advancement. At year-end, it consisted of seven mentors and nine mentees.
- Conducted mandatory training (including Codes of Practice) at the Aganang plant to comply with Department of Mineral Resources and Energy requirements for core skills in occupational health, safety and environmental management.
- Increased the number of education assistance beneficiaries to 14 (CY 2023: 12). These employees pursued studies in various fields, including engineering, business management, credit management, supply chain management and accounting.
- Fostered a culture of continuous learning by encouraging employees to engage in ongoing development opportunities.

Succession planning

SepCem focuses on succession planning to build leadership capacity and ensure an adequate pipeline of suitable candidates for future roles.

Developing a talent pipeline for the future

The shortage of technical skills and cement-specific experience in South Africa presents a material risk for SepCem. This risk is compounded by the difficulty in attracting specialist talent to remote areas and retaining talent in a competitive labour market. Therefore, SepCem continues to build leadership capacity through mentorship and skills development interventions, and has a detailed succession management programme.

In CY 2024, we filled 10 of the 17 positions – millwright handyman (3), junior DCS engineer, mechanical handyman, electrical handyman and millwright apprentice (4).

Employee wellness

SepCem's employee assistance programme (EAP) is managed by an external service provider, which offers employees and their immediate family members access to psychosocial support. Towards the end of the financial year, SepCem contracted a new EAP provider and wellness days were held at all sites during the launch.

During the wellness days, employees had the opportunity to assess their physical well-being and engage with service providers for financial, psychosocial, mental health, and health management support. The EAP utilisation rate will be monitored from CY 2025.

Labour relations

SepCem had no recognised union for collective bargaining since January 2021. This changed in CY 2024 when the Association of Mineworkers and Construction Union (AMCU) and the National Union of Mineworkers (NUM) agreed to act jointly for collective bargaining purposes, thereby meeting the required representation threshold for unskilled and semi-skilled occupational levels.

A new one-year collective bargaining wage agreement was agreed upon with the AMCU and the NUM acting jointly. The agreement is valid until June 2025.

Effective engagement between management and union representatives facilitated the maintenance of a stable employee relations climate, and there were no work stoppages during the year.

HEALTH, SAFETY AND ENVIRONMENT

SepCem improved health and safety management by strengthening its foundational behaviour-based safety and visible felt leadership programmes in response to two serious injury incidents.

Further progress was made in enhancing SepCem's environmental management system, aligning it with the ISO 14001 standard, while also effectively managing water, waste, and emissions.

Health and safety

Protecting people is at the heart of how SepCem operates and is underpinned by visible felt leadership and a firmly established behaviour-based safety ethos, all aimed at achieving zero harm and a healthy workforce.

During CY 2024, SepCem experienced both progress and setbacks in its health and safety performance, reflecting our ongoing journey toward a zero-harm workplace goal. We maintained a strong record in road safety, with no transport-related accidents or injuries reported in the last two years. Operationally, there was a slight improvement in medical treatment injuries, which decreased to 10 (CY 2023: 11).

However, we had two incidents that seriously injured four contractor employees at Aganang. As a result, lost-time injuries rose to four (CY 2023: one), which translated into a lost-time injury frequency rate of 0.66 in CY 2024 (CY 2023: 0.18), based on incidents per two hundred thousand hours worked.

Incident investigation and root cause analysis found that most safety incidents were linked to unsafe behaviours. In response, SepCem strengthened its foundational behaviour-based safety programme, rolling out targeted training and partnering with an external partner to deliver impactful industrial theatre sessions.

Additionally, the executive visible felt leadership programme was enhanced, with participation from Exco members to deepen leadership visibility and engagement in promoting a strong safety culture.

Environmental management

SepCem recognises that its cement production facilities have a negative environmental impact and is committed to implementing management strategies to address and reduce this impact. Moreover, SepCem complies with all applicable permits and licences governing environmental management. No directives, fines or legal compliance notices were issued.

SepCem mitigates environmental impacts by proactively measuring, monitoring, and reporting on its environmental performance, rectifying non-compliance identified during audits and site inspections, and adopting innovative approaches to mitigate its impacts. SepCem remains up-to-date with rapidly changing regulatory requirements.

During CY 2024, SepCem focused on:

- Finalised the atmospheric emission licence for the Aganang operation to enable the use of alternative fuels and resources.
- Developed SepCem's decarbonisation roadmap.
- Progressed towards ISO 14001 certification standards, including capacity building (ISO 14001 training).
- Maintained its licence to operate.

Performance areas	2024	2023	2022	2021
Carbon emissions				
CO_2 per tonne of clinker produced (tCO_2e/tonne)*	**0.71 – 0.76**	0.71 – 0.75	0.72 – 0.77	0.72 – 0.80
Net CO_2 per tonne of cementitious produced (kg tCO_2e/tonne)**	**539**	532	548	545
Nitrous oxide emissions				
Milligrams of nitrous oxide emissions per normal cubic metre (mg/Nm³)	**600 – 735**	570 – 600	600 – 700	1 100 – 1 300
Water usage				
Water abstracted from boreholes (m³)	**133 821**	99 656	82 534	130 591
Water recycled (m³)				
– Aganang	**80 180**	115 759	158 579	108 703
– Delmas	**5 716**	7 039	17 077	–
Waste generated and disposed of				
General waste (t)				
Hazardous waste (t)				
Total waste generated (t)	**496.87**	345.65	614.84	502.49
Total waste disposed (t)	**307.04**	150.94	296.11	264.90
Total waste recycled (%)	**62**	56.33	51.84	40.59

* *Includes all Scope 1 emissions.*
** *Includes all Scope 1 emissions.*

Community and regulator engagement

- SepCem's engagement with authorities, such as the Department of Forestry, Fisheries and Environment and the Department of Water and Sanitation, is proactive and transparent.
- Community concerns are addressed through effective communication, active engagement and the implementation of community-focused initiatives that respond to their concerns and provide feedback.
- SepCem builds stakeholder trust by maintaining transparency, addressing stakeholder concerns promptly and demonstrating a strong commitment to corporate social responsibility.

Atmospheric emissions

Atmospheric emissions from cement production are a significant environmental concern due to the release of pollutants such as carbon dioxide (CO_2), particulate matter (PM), nitrogen oxides (NO_x), and sulphur oxides (SO_x). SepCem recognises the importance of addressing these emissions as part of our broader commitment to reducing our environmental impact.

The Aganang and Delmas operations employ continuous and periodic emission monitoring methods to track emissions and assess results against the atmospheric emission licences. Improvements are made through a process of informed decision-making to optimise processes and target specific sources of emissions for reduction, and their effectiveness is measured. Additionally, regular emission monitoring ensures the facilities remain compliant with regulatory requirements, maintain their licence to operate and demonstrate our commitment to environmental responsibility.

Nitrous oxide

NOx exceedances in terms of atmospheric emission licence limits at Aganang were communicated proactively with licensing bodies, and regular maintenance of dust control equipment was conducted to ensure optimal performance. The plant utilises lower-nitrogen-content fuels to reduce NOx formation and continuously ensures that burners are functioning efficiently and combustion parameters are optimised.

Monitoring systems facilitated the prompt detection of exceedances and operational adjustments. The plant uses fuels with lower nitrogen content to reduce NOx formation and continuously ensures that burners are functioning efficiently and combustion parameters are optimised.

Dust

Fugitive dust is a primary concern for communities, especially those located near haul roads and crushing plants. Dust mitigation measures include spray bars and water tankers, as well as dust suppression at stockpiles, and PM10 and PM2.5 monitoring units installed at Aganang.

In the Delmas operation, exceedances were recorded in terms of fallout dust. However, these were found to be caused by heavy truck traffic on unpaved roads that are outside SepCem's operational boundary.

Carbon emissions

SepCem proactively measures its carbon dioxide (CO_2) emissions to manage its carbon footprint. Emissions remained in the 0.71 tCO_2e and 0.76 tCO_2e per tonne of clinker produced (CY 2023: between 0.71 tCO_2e and 0.75 tCO_2e per tonne).

Net CO_2 emissions produced per tonne of cementitious product (kg CO_2/tonne) increased to 539 kg CO_2/tonne (CY 2023: 532 kg CO_2/tonne). The variation in CO_2/tonne of cementitious product is a result of product mix due to market requirements.

Carbon tax

As a Scope 1 emitter, SepCem is subject to a carbon tax for its direct emissions from combustion. The rate will continue to increase annually to R236/tCO_2e in 2025 when phase 1 ends. Carbon tax phase 2 is scheduled to commence in 2026, with rates growing annually from R308/tCO_2e in 2026 to R462/tCO_2e by 2030.

SepCem monitors amendments to carbon tax requirements to ensure compliance and adapts processes where possible to reduce tax liability through offsets. It also participates in voluntary budgeting for carbon tax.

Decarbonisation plan implementation

SepCem's commitment to sustainability includes implementing a decarbonisation plan at its operations. The plan involves validating and verifying the Associate's Scope 1 and Scope 2 emissions, and implementing a decarbonisation roadmap.

An external specialist was appointed to develop the decarbonisation roadmap. This roadmap highlights targets, timelines, and strategies to reduce greenhouse gas emissions. CO_2 reduction initiatives focus on thermal energy substitution, the use of alternative fuel resources, clinker substitution, electrical energy management, and operational efficiency improvements.

The decarbonisation roadmap developed for Aganang aims to achieve a 16% reduction in CO_2 emissions by 2030 through the implementation of the above measures. Delmas aims for a 39% CO_2 reduction by 2030, utilising various levers, including the adoption of renewable energy.

Shift to alternative fuels

SepCem uses alternative fuels in its kiln to substitute for and reduce its dependence on conventional fossil fuels, lowering carbon taxes and mitigating energy costs. However, balancing the use of alternative fuels with compliance with different emission limits remains an ongoing challenge.

SepCem's atmospheric emission licence for the use of alternative fuels and resources at Aganang was renewed for a five-year term in February 2024.

An automated tyre feeding system was constructed at the Aganang plant in CY 2024. SepCem's thermal substitution rate was impacted by the availability of ultrafine coal waste during 2024, resulting in a TSR of 25% (2023: 42%) for the year.

Investigations into the viability of liquid fuel and refuse-derived fuel as additional substitute fuels were conducted in CY 2024, with implementation planned for 2025.

Water management

With South Africa being a water-scarce country, our commitment to sustainability focuses on minimising resource consumption. We continue to re-use water from return water dams and silt traps as process water, offsetting the use of borehole and municipal water.

SepCem conserves water by monitoring water quality, separating clean and contaminated water streams, recycling contaminated streams, and treating water, as necessary. Water quality compliance is measured against applicable water use licence limits assigned for each discharge to the receiving environment.

Aganang recycled 80 180 m^3 (CY 2023: 115 759 m^3) from the return water dam for use in processing. The Delmas plant recycled 5 716 m^3 (CY 2023: 7 039 m^3).

At the Delmas plant, a hydrogeological assessment concluded that groundwater would meet the plant's water requirements with no significant impact on the surrounding environment. SepCem is applying to the Department of Water and Sanitation for authorisation of groundwater abstraction.

Waste management

Commitment to zero waste and circular economy principles directly supports environmentally responsible construction practices. Operational efficiencies are improved by reducing the waste produced from SepCem's processes and promoting recycling. Waste that cannot be recycled is safely disposed of at appropriate waste facilities.

Each plant maintains waste inventories that detail the source, volume, and type of waste generated by each process, as well as the method of disposal. The plants are registered on the South African Waste Information System, and the volume and type of waste generated and disposed of are reported monthly.

SepCem generated 496.87 tonnes of waste (CY 2023: 345.7 tonnes) and disposed of 307.04 tonnes of waste (CY 2023: 150.9 tonnes). 62% of waste was recycled compared to 56.33% in CY 2023.

General waste is separated at the plant into component waste streams, including domestic waste, ready-mixed recyclables, wood, steel, and rubber. Waste for recycling and re-use is collected from internal transfer areas by an independent contractor for re-use, recycling, and disposal of the residual domestic waste stream.

Hazardous waste, such as used oil, is recycled through specialist service providers, and oil-contaminated material, including used filters, is delivered to registered waste disposal facilities. SepCem's disposal of waste and recyclables complied with the conditions of its waste management licence.

Biodiversity and land use

SepCem monitors biodiversity at its Aganang site. Progressive rehabilitation is practised, including backfilling and vegetation cover in unused sections of the site.

Aligning environmental management with international best practice

SepCem made significant progress in implementing the ISO 14001 standard for environmental management systems (EMS) during CY 2024. This included the development of the EMS and associated policies and procedures, as well as the training of all employees on the EMS.

An internal gap analysis was conducted during an earlier phase of the project. These are currently being addressed.

While the implementation of ISO 14001 is enabling SepCem to establish a well-structured environmental management system for systematic improvement and compliance, there is currently no intention to seek certification.

During CY 2025, SepCem will focus on:

- Progress on ISO 14001 implementation.
- Decarbonisation roadmap implementation.
- Compliance and the continuous improvement of performance on air quality, waste management, water consumption, and energy efficiency.
- Data integrity evaluation.
- Enhanced ESG reporting.
- Renewed atmospheric emissions licences for Delmas and Aganang.
- Submission of water use licence application amendment for the Delmas operation to the Department of Waste and Sanitation.

SOCIAL CAPITAL

SepCem strives to maintain harmonious relationships and mutually beneficial partnerships with local communities. The Associate complies with regulations governing its environmental and social impacts and engages extensively with communities through their leadership structures, local municipalities, grassroots organisations and key government departments.

During CY 2024, SepCem focused on:

- Community relations with continuous stakeholder engagement to address grievances related to livestock grazing and community expectations of procurement and employment opportunities.
- Working with cement industry peers to coordinate infrastructure support and deliver community projects.
- Improving SLP project execution through collaboration.
- Broad-based black economic empowerment initiatives to strengthen preferential procurement and supplier development opportunities for local SMMEs.

Aganang

Mining on state land held in trust for the community has led to ongoing conflict over land rights, grazing availability, and leadership legitimacy, as local communities believe they are not benefiting from or included in land-use decisions. SepCem held 69 formal stakeholder meetings with community stakeholders during the year, focusing primarily on livestock grazing and the provision of social infrastructure projects, as well as employment opportunities and preferential procurement opportunities for local SMMEs.

Fragmentation of community representation and leadership remains a significant challenge, continuing to hinder the effective implementation of social projects and other development initiatives. To address this, SepCem was directed by the Department of Agriculture, Land Reform and Rural Development to collaborate with the Kopano Community Authority to facilitate participatory processes that improve engagement and address related issues. This has delivered some positive results.

Development of a sustainable livestock grazing plan

SepCem made further progress in developing a sustainable solution for approximately 285 livestock farmers affected by the mining area in the Verdwaal and Springbokpan communities. As an interim measure, while preparing a long-term grazing plan, SepCem provides approximately 750 hectares of grazing land, equivalent to the area affected by its mining operations. However, the land is overstocked, resulting in overgrazing. Research by an agricultural expert found that poor livestock management, overstocking and overgrazing are the leading causes of stock mortality.

Key actions in the development of an integrated five-year plan to address this challenge include:

- Creating a database of livestock owners affected by mining operations, livestock quantities and the number of stock mortalities per owner.
- Developing a proposal for a sustainable grazing plan, based on a professional assessment of the land's carrying capacity. The plan proposes short-term relief for livestock losses, a phased reduction in livestock numbers, and the implementation of viable agricultural management practices, supported by training and awareness programmes. The proposal was submitted to the SepCem board for review, with approval expected during the third quarter of 2025.
- Engaging with the National Department of Agriculture, Land Reform and Rural Development to lobby for government support of the sustainable grazing plan and provision of interventions, such as vaccination programmes, to support the livestock farmers.
- Once the sustainable grazing plan has been approved by the SepCem board, SepCem will make an offer to the Department of Land Reform and Rural Development as the landowner for the conclusion of the surface lease agreement with respect to the Aganang mining land.

Implementation of SLP projects

Collaboration with other industry participants (AfriSam and Afrimat) through the Ditsobotla Cement Manufacturers Forum gained momentum with the formalisation of a plan to support the local municipality and implement SLP projects, starting with the refurbishment of the two classrooms to establish a resource centre at Taletso Technical Vocational Education and Training College. Planning has also been finalised for the construction of a clinic in Springbokpan, with work scheduled to commence during the third quarter of 2025. This project has received overwhelming community support.

Project implementation was scheduled to commence in early 2024, but was delayed due to the requirement to integrate the different procurement practices of the individual partners and ongoing community challenges.

Project	Activities	Timeframe	Budget*
Support Taletso Technical Vocational Education and Training College.	Renovate two classrooms to create a modern resource centre, fully equipped with computers, a television, cameras, an inverter and essential furniture.	The project was completed in the first quarter of 2025 and handed over to the Department of Higher Education and Training in the second quarter.	R0,90 million
	Build an auditorium to be used for various student activities and as an examination centre.	The procurement process is expected to start in the third quarter of 2025, with the contractor to be appointed in the fourth quarter.	R3,98 million
Establish brick-making project to upgrade internal roads.	Set up a brick-making project to manufacture bricks and paving materials for upgrading internal roads in the Ditsobotla area.	The project has been moved to 2026 in line with revised SLP timelines.	R0,76 million
Refurbishment of the Verdwaal Community Hall and Bakery.	Painting, building maintenance and provision of services.	Ongoing	R0,20 million
Community Skills Development.	Rock dump truck operator, code 14 driver's licence, livestock management.	Ongoing	R0,35 million
Support Ditsobotla Municipality in addressing service delivery challenges.	Formal participation in municipal governance structures. Formalise capacity building of officials and municipal workers where practical.	SepCem provided technical support and infrastructure, including the loan of a generator to pump water to enable service delivery.	

* *SepCem's share of the budget is recognised as part of SepCem's SLP commitment.*

Torosesha

Established as an empowerment entity to benefit the Verdwaal and Springbokpan communities, Torosesha has a 15% shareholding in SepCem's mining subsidiary, Sephaku Development Proprietary Limited (SepDev).

Since mining operations commenced 10 years ago, the communities have received R10 million in dividends from Sephaku Development Proprietary Limited, with 42.50% allocated to Springbokpan, 21.25% to Verdwaal 1, 21.25% to Verdwaal 2, and 15% allocated for administrative expenses (including legal fees, audit, and general administration).

Implementation of mining community projects

Verdwaal community centres

Work continued on the construction of Torosesha-funded multi-purpose community centres at Verdwaal 2. The Verdwaal 1 community centre project is on hold as the Torosesha board seeks community resolution for the use of alternative building materials after the brick-and-mortar structure could not proceed due to community disruptions and a local contractor's poor performance.

The community centres will provide space for a range of community activities and services, including a waiting room for the mobile healthcare clinic, offices for Torosesha and community leadership offices, skills development, employment and SMME recruitment and advisory services, and a general information centre.

Both Verdwaal 1 and Verdwaal 2 facilities are scheduled for completion in the third quarter of 2025. The project's cost is R3,8 million.

Springbokpan clinic

Planning is currently underway for the implementation of the Springbokpan clinic project. The clinic will be operated by the North West Department of Health, which will provide staff and medical equipment to provide primary care services to the community. Torosesha is applying lessons learnt from the Verdwaal projects to eliminate or minimise community disruptions during the construction process. This includes considering the use of alternative building methodologies to ensure faster project delivery. Construction of the project is scheduled to start in Q3 of 2025.

Employment opportunities

SepCem applies established recruitment and procurement processes to ensure that members of the communities adjacent to the Aganang and Delmas operations benefit from employment opportunities at its operating plants.

During CY 2024:

- 82% of people employed at the Aganang plant were from communities in the Ditsobotla Local Municipality.
- 56% of people employed at the Delmas plant were from communities in the Victor Khanye Local Municipality.

SepCem focused on creating community employment opportunities at the SLP projects and initiated a machine operator training programme in collaboration with a mining contractor. Twenty unemployed people were trained to operate heavy mining equipment.

Supply opportunities

SepCem continues to support local economic development by procuring goods and services from local SMMEs. Through our ESD initiative, we provide entrepreneurs by providing small businesses with training, mentorship and coaching on business administration to strengthen their capabilities and sustainability.

During CY 2024, SepCem retained 26 local SMME suppliers contracted to provide services to its operating plants, consistent with 2023. All were sourced from local communities, with 19 of these based in the Ditsobotla Local Municipality. All 19 were black-owned SMMEs (CY 2023: 26). Fifteen million rand was spent on services delivered by seven black-owned SMMEs supporting the Delmas plant in the Victor Khanye Local Municipality.

The procurement expenditure with SMMEs from the Ditsobotla Municipality amounted to R120 million (CY 2023: R140 million).

The services delivered by these local SMMEs under the supplier development programme included:

- Plant maintenance.
- Plant cleaning and housekeeping.
- Alternative energy resource handling.
- Pallet handling and repairs.
- Employee transport.
- Office cleaning.
- Materials handling.
- Raw materials transport.
- Landscaping and garden services.
- Fly ash plant operations.
- Canteen management.

An internal compliance audit of SMMEs participating in the SepCem supplier development programme confirmed that by year-end, 85% of the SMMEs (CY 2023: 90%) complied with all statutory requirements, exceeding the 80% target.

Community disruption of operations

SepCem experienced low levels of community disruption at Aganang during the year, with 10 reported incidents (CY 2023: nine), none of which resulted in operational stoppages. Ten formal grievances were recorded.

SepCem defines community disruption incidents as incidents that affect the smooth running of operations, including blocking access and impacting delivery of raw materials or cement products, or gaining unauthorised access to the active mining area.

Community engagement and protests have become better managed and more constructive during the year, thanks to the formation of a stakeholder forum facilitated by the Kopano Community Authority. Mining Affected Communities United in Action, a grassroots organisation representing and advancing the rights and interests of mine-affected communities across South Africa, has also become involved in the communities surrounding Aganang. Their participation has led to engagements becoming more structured and protests becoming more organised and peaceful.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT

SepCem retained its Level 5 BBBEE contributor status in CY 2024. SepCem achieved maximum points and a bonus point for socio-economic development and improved its performance in preferential procurement and supplier development within local communities. Skills development was identified as a key area for future improvement.

Skills development was identified as a key area for future improvement, as is focusing on procuring from Qualifying Small Enterprises.

CORPORATE GOVERNANCE OVERVIEW

GOVERNANCE REPORT

SepHold strives to uphold the highest governance standards, business integrity, ethical conduct and accountability. These principles underpin the Group's goals and strategies, creating transparency and building trust while creating value for our material stakeholders.

Governance framework

Our governance framework fosters effective and responsible leadership and decision-making. The board, assisted by board committees, is the custodian of the Group's corporate governance practices. It delegates responsibility for instilling ethical practices and integrity across the Group to executive management. A board charter aligned with King IV regulates board members' conduct. The charter defines the board's authority and role in governance, assigning it ultimate accountability and responsibility for the Group's conduct and performance.

The board approves the Group's strategy and governance policies and oversees their implementation. The board delegates authority to the executive directors to manage the Group's operations in accordance with the approved strategy and policies.

The board is satisfied that it has fulfilled its responsibilities as outlined in the board charter for FY 2025.

SEPHOLD BOARD		
The SepHold board is assisted by three committees that discharge their statutory responsibilities in accordance with the terms of reference and the board charter. The board delegates responsibility for the governance of certain operational matters to Métier and SepCem, enabling it to focus on overarching Group-related matters.		
Audit and risk committee (ARC)	**Social and ethics committee (SEC)**	**Remuneration and nomination committee (REMCO)**
Métier board	Membership comprises the Métier and SepHold CEO, the SepHold FD and a non-executive director.	
SepCem board	Membership comprises 10 main members and four alternates, including the SepHold CEO and FD, a non-executive director, and the SepCem CEO. Dangote Cement PLC's Chairman chairs the SepCem board.	

An overview of the Board's focus areas

April to June 2024	July to September 2024	October to December 2024	January to March 2025
• Reviewed and approved the annual financial statements for FY 2024. • Considered a sensitivity analysis of scenarios for ash availability and its impact on cement production. • Approved reappointment of auditors.	• Reviewed and approved the FY 2024 integrated annual report. • Reviewed and approved Notice of AGM. • Oversaw the going concern assessment, noting the resilience of the Group's financial position. • Reviewed and approved proposal for establishment of new Métier plant. • Discussed the potential of moving SepHold's listing to the new Main Board segment on the JSE.	• Reviewed and approved the FY 2025 interim financial results. • Oversaw the going concern assessment, and resolved that the Group is a going concern for the next 12 months.	• Reviewed and approved delegation of authority policies. • Reviewed and approved executive director remuneration. • Reviewed SepCem CY 2025 and FY 2026 budgets for Métier and SepHold. • Approved move of listing from Prime to General segment of JSE.

ENSURING EFFECTIVE LEADERSHIP

Board evaluation and independence

The board is constituted of four independent non-executive directors, one non-executive director and two executive directors. SepHold evaluates the effectiveness and performance of the board, its committees, and individual directors every two years. Formal board and committee evaluations are conducted every other year in the form of an electronic questionnaire and written responses from each board member. Every other year, an opportunity for consideration, reflection, and discussion relating to the performance of the chairperson, the board, and its committees is scheduled. The last formal board and committee evaluation was conducted in 2023, with the next evaluation scheduled for FY 2026.

Brent Williams, Moses Ngoasheng and Bukelwa Bulo retired by rotation at the FY 2024 AGM. Both Brent and Moses stood for re-election at the September 2024 AGM, which was approved alongside the appointment of Mabatho Sedikela as an independent non-executive director.

Brent Williams, Moses Ngoasheng and Martie Janse van Rensburg will retire by rotation at the FY 2025 AGM.

Board diversity

SepHold's diversity policy focuses on gender and race while promoting attributes such as age, skills, experience and culture. The board is committed to increasing the number of female members by ensuring that female applicants are considered for vacant board positions.

As at 31 March 2025, female representation stood at 28%, while African, Coloured, and Indian representation reached 57%, in line with the diversity policy. The average age of all directors was 62, with the youngest 47 and the oldest 68. The average age of executive directors was 61. Directors possess skills and experience across a wide range of disciplines, including law, finance and accounting, business and entrepreneurship, mining and construction materials, economics and politics.

The diversity policy can be accessed on our website at www.sephakuholdings.com/corporate-governance/governance-documents/

Induction and training

New directors are inducted by the company secretary and SepHold executives. The induction process enhances their understanding of Group operations, the business environment, building and construction materials markets and sustainability matters. Directors are briefed on their fiduciary and statutory responsibilities, including the JSE Listings Requirements. An induction pack was prepared and sent to the new director with an induction session in February 2025.

Training includes ongoing support and information provided in board and committee meeting documentation, as well as updates on amendments to applicable laws and legislation. The board engages the services of external facilitators for training in specialised governance practices such as cybersecurity and IT governance. Members attended training on JSE regulatory updates for the year.

Company secretary

SepHold's company secretary, Acorim, represented by Nikita Hunter, advises the directors on regulatory requirements, governance procedures and the discharge of their duties and responsibilities. The board's arrangements regarding accessing Acorim's services and enabling Ms Hunter's unfettered access are effective. Acorim maintains an arm's length relationship with the Group and its boards.

In its evaluation, the board considered the independence of Acorim and its collective qualifications and track record. The company secretarial services were assessed, and the board is satisfied that the Acorim team has the requisite knowledge, skills, and discipline to perform the functions and duties of the company secretary.

Insider trading and conflict of interest

In addition to the regulatory requirements, the board charter:

- sets out the approval process for dealing in SepHold securities;
- sets out the required notification process of share transactions in terms of the JSE Listings Requirements; and
- prohibits directors from dealing in SepHold shares when in possession of non-public, price-sensitive information.

Board members are required to disclose their trading in SepHold shares and compliance with the regulatory requirements to the board chairperson or CEO.

Directors are required to formally update their directorships and other relevant interests at least annually. Standard declarations of interest in contracts are conducted during board meetings. Directors are immediately notified when the company enters a closed financial period and receive reminders at board meetings. Executive managers are reminded, at least biannually and during financial results close periods, that trading in Company shares is prohibited when in possession of price-sensitive information.

Information on share trading related to the SepHold share repurchase plan is available in the SepHold FD's report on page 17 and the Group's SENS announcements at https://sephakuholdings.com/investor-centre.

DIRECTORATE

Non-executive directors

Brent Williams (61)

Chairperson and independent non-executive director

BA (University of Cape Town), BProc (University of Western Cape), LLM (Harvard University Law School).

Brent was appointed as director and chairperson of SepHold on 3 March 2012. He was admitted as an attorney in 1992 and has held several key positions. He is currently the CEO of Cliffe Dekker Hofmeyer.

Martie Jacoba Janse van Rensburg (68)

Independent non-executive director

BCom (University of the Free State), BCompt (Hons) (University of South Africa), CA(SA), Executive Programme in Strategy and Organisation (Stanford University Business School), TCTA Leadership Development Programme (Gordon Institute of Business Science), AltX Director Programme (JSE and Wits Business School).

Martie was appointed a director of SepHold on 22 September 2016. Between 1994 and 2008, she was the chief financial officer (five years) and then CEO (10 years) of the Trans-Caledon Tunnel Authority (TCTA). Martie served as a non-executive director and member or chairperson of audit committees for the Bond Exchange of South Africa, Airports Company South Africa, Etion Limited, Johannesburg Water SOC, Denel SOC, the Independent Regulatory Board of Auditors and FirstRand Wholesale Credit Committee. She is a non-executive member of the FirstRand Wholesale Credit Committee and the Ashburton Investment Credit Committee.

Current roles include Interim Chairman of the Development Bank of Southern Africa, Independent Non-Executive Director and Chairman of the Audit and Risk Committee and Compensation Committee of Ivanhoe Mines Ltd, Independent Chairman of the Ashburton Investment Credit Committee and Advisory Council Member of the Botswana National Planning Commission.

Moses Modidima Ngoasheng (67)

Independent non-executive director

BA (Economics and International Politics) (University of South Africa), BSocSci (Hons) (University of KZN), MPhil (University of Sussex).

Moses was appointed a director of SepHold on 1 February 2008. He was instrumental in shaping the industrial policy of the African National Congress and an economic advisor to President Thabo Mbeki from 1995 to 2000. He consulted for the World Bank and National Housing Forum (South Africa) on aspects of South African economic policy. Moses is the CEO, deputy chairman, and co-founder of Safika Holdings, an investment holding company with a range of interests in the mining, industrial, gaming, financial services, telecommunications and technology sectors. Among other appointments, he serves as a board member and chairman of the South African Breweries Foundation.

Bukelwa Bulo (46)

Independent non-executive director

BBusSc (Finance) and PGDip in Accounting (University of Cape Town), CFA, Leadership Development Program (Harvard Business School).

Bukelwa was appointed a director of SepHold on 26 October 2018. She has over 17 years' experience in private equity with exposure to a wide spectrum of sectors, including industrial services and retail. Bukelwa has expertise in investment and divestment evaluation, deal structuring, and strategic and stakeholder management. She is a cofounder of Jade Capital Partners, an investment holding company focused primarily on the property, industrial, construction and building materials sectors. Her current directorships include non-executive directorships on the boards of Capital Appreciation and Netcare.

Mase Mabatho Sedikela (47)

Independent non-executive director

BCom (University of Cape Town), BCompt (Hons) (University of Natal), Master of Commerce Taxation (South Africa and International Taxation) (University of Johannesburg).

Mabatho was appointed as a director of SepHold on 12 September 2024. She is a seasoned Chartered Accountant [CA(SA)] and executive with over 20 years of experience spanning both public and private sector. Mabatho's previously served as Head of Audit – Provincial at the Auditor General South Africa (AGSA) and held several executive roles within AGSA.

Her governance experience includes having served on the African Union Board of External Auditors, the Accounting Standards Board, the board of South African Institute of Chartered Accountants (SAICA), and the Audit Committee of the Southern African Development Community (SADAC).

Mabatho brings extensive experience in leadership, strategy, risk, compliance, and public sector governance.

Non-executive directors (continued)

Dr. Lelau Mohuba (68)

Non-executive director

MBChB (Nelson Mandela School of Medicine, former University of Natal).

Lelau is a founding member of SepHold. He retired from the medical practice in 2001 after a 22-year career span. He was the original chairperson on 3 February 2005 and CEO on 28 March 2012. Retired from the CEO position in 2019 but remained a non-executive member to date. He also serves as Chairman for SepFluor Limited; INSA Coal and Incubex Minerals Ltd; all of which he cofounded.

Executive directors

Neil Robus Crafford-Lazarus (65)

Executive director, SepHold FD

BCompt (University of the Free State), BCompt (Hons) (University of South Africa), CA(SA).

Neil was appointed a director and the CEO of SepHold on 1 June 2007 and became the FD on 28 March 2012. He began his career in mining finance in 1988 and held various senior positions in taxation, business development, and corporate finance with Anglo American, Gencor Ltd, and BHP Billiton. He was the FD of Xstrata South Africa between 1998 and 2005.

Kenneth Capes (57)

Executive director, SepHold CEO and Métier CEO

Kenneth has over 36 years' experience in the mining and construction materials industries. He has extensive knowledge of ready-mixed concrete, mining aggregates and calcium carbonate for the construction and allied industries. Kenneth held various senior management positions within these industries and founded Métier in 2007. He has been a Métier and SepHold director since SepHold acquired Métier and was appointed SepHold CEO in April 2023.

Changes to the board

The composition of the board changed following the retirement of Bukelwa Bulo as an independent non-executive director from the board and the audit and risk committee. Mabatho Sedikela was elected to the board as an independent non-executive director and as a member of the audit and risk committee at the September 2024 AGM.

Board meeting attendance

Director	Board	ARC	REMCO	SEC	Directors up for rotation
B Williams	3*/4	2/4	5/5	2/2	Yes
MJ Janse van Rensburg	4/4	4*/4	4/5	N/A	Yes
MM Ngoasheng	2/4	N/A	4*/5	N/A	Yes
B Bulo	2/2	2/4	N/A	N/A	No
M Sedikela	1/2	2/4	N/A	N/A	No
Dr L Mohuba	4/4	N/A	5-Invitee	2*/2	No
NR Crafford-Lazarus	4/4	4-Invitee	5-Invitee	2/2	No
K Capes	4/4	4-Invitee	5-Invitee	2/2	No

* *Denotes the position of chairperson.*

COMPLIANCE

SepHold complies with several codes and regulations, including the Companies Act, the JSE Listings Requirements and King IV.

Compliance arrangements

The board tasks the board committees to monitor compliance with applicable regulations within their respective focus areas and areas of expertise. The REMCO and SEC monitor matters related to labour regulations, while the ARC monitors compliance with financial regulations. Compliance with applicable laws is reported on by the Group's companies at all board meetings. Non-compliance with any Group policies, standards or procedures by employees and executives is subject to disciplinary action or dismissal.

SepCem's compliance is monitored by the SepHold CEO and Dr. Mohuba through their participation in the SepCem board. The Associate reports directly to all SepHold committees, enabling the monitoring of compliance management.

The JSE sponsor provides a critical oversight service to ensure that SepHold complies with the JSE Listings Requirements. The company secretary ensures that the board broadly prioritises compliance.

Combined assurance

SepHold applies components of combined assurance as recommended by the King IV framework. The combined assurance model coordinates and aligns risk management to assurance processes. The Group's corporate governance framework provides four lines of defence:

- functions that own and manage risks as part of their day-to-day activities are the first line of defence;
- functions related to monitoring risk management practices constitute the second line of defence;
- functions providing independent assurance, such as internal audit, provide the third line of defence; and
- the board and its committees fulfil a broad oversight function as the fourth and final line of defence.

BOARD COMMITTEES

Board committees strengthen governance by assisting the board in discharging its statutory duties. All committees reviewed their responsibilities as outlined in their terms of reference and are satisfied that they fulfilled them during the year.

Audit and risk committee

Martie Janse van Rensburg
Chairperson

Role: The ARC is an independent statutory committee appointed by the shareholders. The ARC's primary function is to oversee the Group's risk management and internal financial controls. The committee advises the Group on:

- the external audit function and statutory and regulatory compliance;
- financial reporting;
- internal audit functions; and
- risk management and combined assurance.

Composition

Members

- MJ Janse van Rensburg (Chairperson)
- B Williams
- B Bulo (resigned 3 September 2024)
- M Sedikela (appointed 3 September 2024)
- SepHold and Métier CEO*
- SepHold FD*

* *Standing invitees to all ARC meetings to execute the ARC's mandate.*

The ARC fulfilled its primary functions as mentioned in its role above and has executed the responsibilities set out in 3.84(g) of the JSE Listings Requirements.

Feedback on key focus areas in FY 2025

- Financial reporting for the interim and annual results.
- Ensured compliance with JSE Listings Requirements 3.84(g) and 3.84(k) by monitoring internal financial controls.
- Reviewed the combined assurance strategy.
- Maintained a strong emphasis on governance and compliance.
- Undertook ongoing review and tracking of the Company's solvency and liquidity position.

In FY 2026, the committee will continue to focus on

- Financial reporting for the interim and annual results.
- Ensuring compliance with JSE Listings Requirements 3.84(g) and 3.84(k) by monitoring internal financial controls.
- Reviewing the combined assurance strategy.
- Maintaining a strong emphasis on governance and compliance.
- Ongoing review and tracking of the Company's solvency and liquidity position.

Social and ethics committee

Dr Lelau Mohuba
Chairperson

Role: The SEC focuses on Group compliance-related matters regarding:

- environmental management;
- health and safety management at all operations;
- stakeholder management in line with good corporate citizenship;
- labour unions and employee relations;
- black economic transformation; and
- ethical conduct.

The SEC oversees and evaluates management's performance against the board's goals for each of these matters.

Composition

Members

- Dr L Mohuba (Chairperson)
- B Williams
- NR Crafford-Lazarus
- K Capes
- SepCem CEO*
- SepCem CFO*
- SepCem Sustainability manager*
- SepCem Organisational performance manager*
- SepCem Head of Risk*

* *Invitees to SEC meetings.*

The SEC fulfilled its primary functions outlined in the role description above.

Feedback on key focus areas in FY 2025

- Established a stakeholder engagement task team to respond to all community grievances by the end of 2025. The intention is to be as inclusive as possible, to minimise protests, and respond comprehensively to common complaints such as dead cattle and cracked houses.
- Continued to engage with all stakeholders to find a workable solution to implementing the sustainable livestock grazing plan, which remains a challenge despite multiple efforts.
- Engaged with the Department of Agriculture, Land Reform and Rural Development, Kopano Community Authority and local communities to implement a livestock grazing plan and surface lease agreement regarding the Aganang mining land.
- Monitored SepCem's participation in the Ditsobotla Cement Forum's social investment projects.
- Worked to align the Ditsobotla Cement Forum projects with SepCem's SLP to improve our SLP spend.
- Supported the Ditsobotla Local Municipality to improve service delivery and aligned this support with our SLP in collaboration with the Department of Mineral Resources and Energy to improve our spend.
- Established an SLP task team to monitor progress and share information regarding SLP alignment. We are yet to complete the Springbokpan Clinic and two community centres at Verdwaal 1 and Verdwaal 2. All these projects need to be aligned with our SLP spend.
- Oversaw SepCem's plan to improve its Level 5 BBBEE contributor status by focusing on skills development and supplier development.
- Oversaw refocus of Torosesha social investments from infrastructure projects to education, training and capacity development projects, following full consultation with beneficiaries. The Kopano Community Authority has accepted the proposal in principle and it is awaiting final approval by the SepDev and SepCem boards.

In FY 2026, the committee will continue to focus on

- Overseeing board approval and implementation of the sustainable livestock grazing plan.
- Overseeing engagement with the Ministry of Agriculture, Land Reform and Rural Development to achieve government approval of the livestock grazing plan and the surface lease agreement in respect of the Aganang mining land.
- Monitoring engagement with cement industry partners to facilitate further progress on social investment projects.
- Overseeing the refocus of Torosesha social investments towards education, training and capacity development projects.
- Monitoring SepCem's plan to improve its BBBEE contributor status.
- Monitoring environmental compliance licence audits by Internal Audit.
- Decarbonisation.

Remuneration and nominations committee

Moses Modidima Ngoasheng
Chairperson

Role: The REMCO deals with the nomination and appointment of new directors, the appropriateness of the board's composition and succession planning. Furthermore, the REMCO decides on remuneration and incentives, and recommends long-term incentives for the executive directors.

The REMCO submits all policy amendments to the board for approval.

Composition

Members

- MM Ngoasheng (Chairperson, Remuneration)
- B Williams (Chairperson, Nominations)
- MJ Janse van Rensburg
- SepHold FD*
- L Mohuba*
- SepHold CEO*

* *Invitee to REMCO meetings.*

The REMCO fulfilled its primary functions outlined in the role description above.

Feedback on key focus areas in FY 2025

- Undertook ongoing engagement with stakeholders.
- Evaluated key performance indicators to ensure their continued relevance.
- Supervised succession planning to ensure skills transfer and business continuity.
- Assessed the composition of the board and committees to align with SepHold's needs.

In FY 2026, the committee will continue to focus on

- Ongoing engagement with stakeholders.
- Regular evaluation of KPIs to ensure their continued relevance.
- Supervising succession planning to ensure skill transfer and business continuity.
- Assessing the composition of the board and committees to align with the Company's needs.

REMUNERATION REPORT

The Group applies a total-cost-to-company approach to employee remuneration. The main objectives of our remuneration framework are to:

- Reward employees appropriately for the services they provide.
- Ensure equitable and fair remuneration.
- Ensure that variable remuneration is aligned with performance.
- Implement a competitive remuneration structure that:
  - is tailored to the specific circumstances of the Group;
  - is referenced to appropriate benchmarks; and
  - reflects the market and industry practices.
- Comply with all relevant legal requirements.

The total guaranteed package (TGP) is based on an employee's level of demonstrated competency, qualifications, experience, and performance. The TGP of new employees is typically below the median of the salary range. As an employee demonstrates increased experience, learning and performance, their package is adjusted based on the objective outcome of performance reviews.

The following performance measurement criteria are used:

- **Entry point:** New to the job or building the skill.
- **Needs improvement:** The skill requires enhancement to improve performance.
- **Effective:** Meets expectations.
- **Excellent:** Exceeds expectations.
- **World-class:** Expert and fully competent.

The table below summarises the main components of the reward package for Group employees. SepCem applies a different framework as a subsidiary of Dangote Cement PLC.

Component	Objective	Practice
TGP	• Remunerate above the market and industry average for key positions. • Remunerate market-related salaries for all other positions. • Review TGP annually in November.	• The level of skill and experience, the scope of responsibility and the total remuneration package are considered when rewarding employees. • Appropriate market percentiles based on skills, experience and competitiveness are applied.
Short-term incentive (STI)	• To motivate employees and incentivise performance delivery over the financial year. • The appropriateness of measures and weightings is reviewed annually to ensure ongoing support of the strategy.	• Performance over the financial year is measured against targets set in balanced scorecards. • Target bonus (30%, 50% and 70%) of TGP aligned with the level achieved as defined in the performance management policy. • The executive committee's annual bonus is paid in cash in the third quarter of each year for performance over the previous financial year.
Long-term incentive (LTI)	• To motivate and incentivise delivery over the long term. • Continued support of the Company's strategy through awards relating to total shareholder return. These awards are vested against a pre-determined framework.	• Performance over three financial years is measured against targets for the performance period, with vesting ranging between 0%, 50%, 100% and 200% of the TGP. The award will consist of a share award bought in the open market.
Termination benefits	• To retain executive management.	• The CEO and FD roles are on a permanent contract, and there are no unusual obligations for the Group at retirement. • The SepHold CEO's and FD's employment contracts have a provision for a minimum payment equivalent to annual remuneration on termination of employment due to a change of control. • The LTI scheme also provides for early vesting in case of a change of control.

Determination of the SepHold executive management fixed TGP

As in prior years, the REMCO utilised the PwC executive directors' practices and remuneration trends report for 1 March 2023 to 28 February 2024 to review SepHold's executive management TGP. The report focuses on JSE-listed entities and includes analyses of the seven sub-Saharan African stock exchanges. The data used in the report was obtained from publicly available information on 29 February 2024. There were no remuneration consultants engaged during the year.

The appropriate industry sector benchmark for SepHold's executive remuneration is the small-cap industrial sector, with the remuneration profiles for the CEO, CFO, and executive director indicated in the table below. Therefore, based on the TGP ranges for the sector, REMCO was satisfied that the current executive remuneration is appropriately within the median to upper quartile bands.

JSE industrial industry small-cap TGP ranges for the period 1 March 2021 to 28 February 2023: R'million

	Chief executive officer	Chief financial officer	Executive director
Upper quartile	**8,66**	**5,18**	**6,07**
Median	**6,14**	**3,63**	**4,29**
Lower quartile	**3,84**	**3,02**	**3,28**

The 2024 PwC report did not provide the same level of detail as displayed above for the previous year, but concluded that the average increase in 2024 was 6%. During FY 2025, both executive directors received a TGP of R4,8 million (between the lower quartile and median of two years earlier). The increase for FY 2026 is 6%, as indicated by the 2024 PwC report, which is always implemented one year in arrears.

Lower quartile remuneration for the Top 200 companies in PwC's 2024 report was R5,6 million for CEOs and the median remuneration for CFOs was R5,127 million. Both of these amounts are higher than the SepHold TGP for FY 2026 of R5,088 million for both executive directors.

Determination of the SepHold executive management variable remuneration

The board-approved performance indicators to measure executive management's performance are reviewed annually. The indicators are broadly categorised into financial (75%) and non-financial measures (25%).

SHORT-TERM INCENTIVES SCORECARD

Financial measures (75%)

Performance indicator	Weighting %	Performance condition detail	Minimum (30%)	Target (50%)	Stretch (70%)
Real* growth in HEPS.	**37.5**	HEPS growth above inflation over the previous year.	Real* growth in HEPS.	Real HEPS growth greater than 4% per annum.	Real HEPS growth greater than 8% per annum.
Gearing, debt covenants and free cash flow.	**37.5**	Measuring: • Debt to EBITDA. • Debt service coverage ratio. • Free cash flow.	Company-specific.	Company-specific.	Company-specific.

* *Real relative to CPI.*

Non-financial measures (25%)			
Performance indicator	**Weighting %**	**Performance criteria**	**Executive(s) responsible**
Implementation of environment, social and governance (ESG) best practices.	**10**	Level of Group compliance and standards achieved:	FD
		• JSE Listings Requirements and King IV.	CEO & FD
		• Attainment of BBBEE, diversity, fairness and employment equity.	CEO
		• Achievement of safety and environmental targets, as determined by the Company, will be measured against a portfolio of evidence.	
Achievement of job-specific personal goals. The achievement of job-specific personal goals as determined by the Company will be measured against a portfolio of evidence.	**15**	Stakeholder engagement and relationship management.	CEO & FD
		Strategy development and implementation.	CEO & FD
		Optimisation of Group funding structures to enable sustainability during a negative cycle and value-accretive expansion during a positive cycle.	FD
		Operational matters:	CEO
		• Utilise and maintain core competencies.	
		• Develop human capital and sustain an effective high-performance organisational culture.	
		• Promote ethical practices.	
		• Establish robust organisational controls.	

* *Real relative to CPI.*

LONG-TERM INCENTIVES SCORECARD					
Performance indicator	**Weighting %**	**Performance condition detail**	**Minimum (50%)**	**Target (100%)**	**Stretch (200%)**
Total shareholder return.	**100**	Total shareholder return is measured against the median of six comparable companies.	Median	Median +15%	Median +40%

SepHold executive management performance criteria

The executive remuneration comprises the TGP and variable short-term and long-term incentives, which are based on performance against key performance indicators. The determination of the appropriate TGP is based on the executive's level of experience, responsibilities, prevailing trading conditions and comparative level for JSE-listed companies in the same sector.

The table below summarises the assumptions for the delivery of minimum, target, and stretch performance achievement in total remuneration for the SepHold CEO and FD, presented in a single total figure.

	SepHold CEO			
2025	**TGP R**	**STI R**	**LTI R**	**Total R**
Base	**4 800 000**	**–**	**–**	**4 800 000**
Threshold	**4 800 000**	**1 440 000**	**2 400 000**	**8 640 000**
Target	**4 800 000**	**2 400 000**	**4 800 000**	**12 000 000**
Stretch	**4 800 000**	**3 360 000**	**9 600 000**	**17 760 000**

	SepHold FD			
2025	**TGP R**	**STI R**	**LTI R**	**Total R**
Base	**4 800 000**	**–**	**–**	**4 800 000**
Threshold	**4 800 000**	**1 440 000**	**2 400 000**	**8 640 000**
Target	**4 800 000**	**2 400 000**	**4 800 000**	**12 000 000**
Stretch	**4 800 000**	**3 360 000**	**9 600 000**	**17 760 000**

NON-EXECUTIVE DIRECTORS' REMUNERATION

Elements and purpose

The Group aims to attract and retain suitably skilled and experienced non-executive directors. An appropriate level of competitive remuneration is necessary to reward them for their time and commitment. The non-executive directors are remunerated by an annual fee paid in recognition of board and committee membership. The non-executive directors, including the Group's chairperson, do not receive any other employment benefits, performance-related remuneration, or any form of compensation for loss of office.

The fee structure is reviewed and benchmarked annually to ensure that the proposed fees are aligned with market levels, thereby attracting and retaining high-quality individuals. SepHold has recommended an increase of 6% for FY 2025 to be decided by the shareholders at the September 2025 AGM.

Service contracts

None of the non-executive directors has a written service contract with the Group, and all directors rotate in accordance with the memorandum of incorporation.

IMPLEMENTATION REPORT

Short-term incentives

The Group's performance during FY 2025, for the 12 months ended 31 March 2025, warranted the awarding of bonuses to the SepHold executive directors, to be paid in FY 2026, in line with the remuneration policy. The following FY 2025 performance parameters were considered in the decision to award the short-term incentives:

FY 2025 SHORT-TERM INCENTIVES SCORECARD

Financial measures (75%)

Performance indicator	Weighting %	Performance condition detail	Achieved growth	Achieved score	Bonus allocation as % of TGP
Real* growth in HEPS.	**37.5**	HEPS growth over the previous year above inflation.	22%	70%	26.25%
Gearing.	**37.5**	Debt to EBITDA.	0.7 to 0.4	50%/70%	18.75 – 26.25
Free cash flow.		Free cash flow.	Positive before expansion capex	50%/70%	
Debt ratios.		Debt service coverage ratio.	1.5 to 2.0	50%/70%	

* *Real relative to CPI.*

Non-financial measures (25%)

Performance indicator	Weighting %	Performance achieved	Achieved score	Bonus allocation as % of TGP
Implementation of corporate governance best practices.	**10**	Target	50%	5%
Achievement of job-specific personal goals. The achievement of job-specific personal goals as determined by the company will be measured against a portfolio of evidence.	**15**	CEO – Stretch FD – Target	70% 50%	10.5% 7.5%

The total bonus against the TGP is 70% for the CEO and R55% for the FD.

- SepHold CEO at 70% of R4,8 million = R3,36 million.
- SepHold FD at 55% of R4,8 million = R2,64 million.

The self-imposed limit to the bonus pool of 10% of earnings did not restrict the bonuses for FY 2025. This will be paid in the current financial year, as the previous bonuses were paid in the last financial year, as indicated in the emoluments table below.

FY 2025 long-term incentive scheme

The Group's performance during FY 2024 for the 36 months ended 31 March 2024 did not warrant the awarding of bonuses to the SepHold CEO and Métier CEO to be paid in FY 2024. This is primarily because current-year results are not reflected in total shareholders' return at year-end, but only after results are made public.

Directors’ and prescribed officers’ emoluments

Executive

	TPG R	Prior year performance bonuses* R	Travel allowances R	Pension fund R	Long-term share incentives R	Total R
2025						
NR Crafford-Lazarus	**4 299 000**	**2 767 500**	**150 000**	**351 000**	**–**	**7 567 500**
KJ Capes	**4 403 670**	**2 767 500**	**–**	**396 330**	**–**	**7 567 500**

	TGP R	Prior year performance bonuses* R	Travel allowances R	Pension fund R	Long-term share incentives R	Total R
2024						
NR Crafford-Lazarus	4 112 000	1 200 000	150 000	351 000	2 275 000	8 088 000
KJ Capes	3 445 494	1 300 000	–	310 095	1 995 000	7 050 589

* *The bonus paid in FY 2025 relates to the FY 2024 performance and the FY 2024 amount to FY 2023.*

Non-executive

	Fees for services as a director R	Total R
2025		
B Williams	**500 000**	**500 000**
MM Ngoasheng	**415 000**	**415 000**
MJ Janse van Rensburg	**415 000**	**415 000**
MM Sedikela	**207 500**	**207 500**
Dr L Mohuba	**415 000**	**415 000**
B Bulo	**207 500**	**207 500**
2024		
B Williams	475 000	475 000
MM Ngoasheng	390 000	390 000
MJ Janse van Rensburg	390 000	390 000
B Bulo	390 000	390 000
Dr L Mohuba	390 000	390 000

Non-binding remuneration resolutions shareholder advisory vote

In accordance with JSE Listings Requirements 3.84(j), the remuneration policy must record the measures that the board commits to taking if the non-binding resolutions of shareholder approval of the remuneration policy and the implementation report are voted against by 25% or more of the voting rights exercised.

SepHold will:

- invite dissenting shareholders (those who voted against the policy and/or the implementation report) to engage with the Group; and
- provide details on the manner and timing of such engagement.

Subsequently, the REMCO and executive management will engage with the shareholders to address matters of concern.

ANNUAL FINANCIAL STATEMENTS

INDEX

The reports and statements set out below comprise the financial statements presented to the shareholder:

The following supplementary information does not form part of the financial statements and is unaudited:

The financial statements have been audited by PricewaterhouseCoopers Incorporated in compliance with the applicable requirements of the Companies Act, 71of 2008 of South Africa, as amended, and have been prepared under the supervision of NR Crafford-Lazarus CA(SA).

Published

30 June 2025

STATEMENT OF COMPLIANCE BY AUDIT AND RISK COMMITTEE

1. MANDATE AND TERMS OF REFERENCE

The audit and risk committee (ARC) has executed its duties and responsibilities in accordance with its terms of reference which are inferred by the Companies Act of South Africa, paragraph 3.84(g) of the JSE Limited Listings Requirements (JSE Listings Requirements) and the King Report on Corporate Governance™ for South Africa, 2016 (King IV)*, except for the chairperson being part of the audit committee, and are approved by the board. In addition, the audit committee ensured compliance with JSE Listings Requirements paragraph 7.F.6. dealing with compliance with the laws of establishment and the memorandum of incorporation (MOI) of the Group.

The members of the ARC are all independent non-executive directors of the Group and include:

Name
MJ Janse van Rensburg (chairperson)
MM Sedikela
B Williams

The committee is satisfied that the members thereof have the required knowledge and experience as set out in section 94(5) of the Companies Act of South Africa and Regulation 42 of the Companies Regulation, 2011.

2. COMPOSITION AND ATTENDANCE AT MEETINGS

There was a change to the committee members during the year. B Bulo resigned on 12 September 2024 as non-executive director. MM Sedikela was appointed in her place on the same date. In addition, the chief executive officer (CEO) and financial director (FD) are permanent invitees to meetings. The committee performs the duties laid upon it by section 94(7) of the Companies Act by holding meetings at least three times per annum and special committee meetings are convened as required.

The external auditor attended and reported at all meetings of the committee. The external auditor have unrestricted access to the committee.

Full details of the attendance and dates of the meetings are disclosed in the corporate governance section of the integrated annual report.

3. STATUTORY DUTIES

The committee's roles and responsibilities include its statutory duties as per the Companies Act and the responsibilities assigned to it by the board, which are reviewed annually.

The committee has performed the following statutory duties:

- Nominated and recommended the appointment of PricewaterhouseCoopers Incorporated as the external auditor of Sephaku Holdings Limited (SepHold), with Y Kharwa as the lead engagement partner. PricewaterhouseCoopers Incorporated is, in the opinion of the committee, independent of the Group.
- Reviewed and agreed to the fees to be paid to the external auditor and their terms of engagement in consultation with executive management.
- Ensured that the appointment of the external auditor complies with the Companies Act and any other legislation relating to the appointment of an auditor.
- Determined the nature and extent of allowable non-audit services and pre-approved any proposed agreement with the external auditor for the provision of non-audit services to SepHold.
- Attended to any complaints relating to the accounting practices, the auditing or content of annual financial statements, and the internal financial controls of SepHold.
- Considered and, when appropriate, made recommendations to the board on internal financial controls, accounting policies, records and reporting.
- Ensure, on an annual basis, that the financial director has the appropriate expertise and experience.
- Ensure that the Group and the Company has established appropriate financial reporting procedures and that those procedures are operating.
- Ensure suitability of the appointment of external auditor and the designated individual partner, specifically taking into account any information pursuant to paragraph 22.15(h) of the JSE Listings Requirements.

4. EXTERNAL AUDITOR

The ARC has nominated PricewaterhouseCoopers Incorporated as the independent auditor and Y Kharwa as the designated partner, who is a registered independent auditor, for appointment of the FY 2025 audit.

The ARC in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

The external auditor is invited to and attends all committee meetings. Findings by the external auditor arising from his annual statutory audit are tabled and presented at a committee meeting following the audit. The external auditor has expressed an unqualified opinion on the financial statements for the year ended 31 March 2025. This will be presented at the annual general meeting.

SepHold has satisfied itself of the independence, suitability and accreditation of PricewaterhouseCoopers Incorporated and Y Kharwa. The committee also acted according to the JSE Listings Requirements and the auditor approval process per 3.84(g) in requesting from the audit firm (and if necessary consulting with the audit firm on) the information detailed in paragraph 3.84(g) in their assessment of the suitability for appointment of their current or a prospective audit firm and designated individual partner both when they are appointed for the first time and thereafter annually for every re-appointment as well as for an applicant issuer prior to listing.

5. INTERNAL FINANCIAL CONTROLS

The committee has reviewed:

- the effectiveness of the risk management, controls and governance processes, including receiving assurance from management and external audit;
- significant issues raised by the external audit process; and
- policies and procedures for preventing and detecting fraud.

The committee believes that internal financial controls are effective and form a sound basis for the preparation of reliable annual financial statements. No findings have come to the attention of the committee to indicate that any material breakdown in internal financial controls has occurred during the financial year.

6. ANNUAL FINANCIAL STATEMENTS

The committee reviews the annual financial statements, preliminary results announcements, interim financial information and integrated annual report – this culminates in a recommendation to the board to approve them. The annual financial statements were prepared in accordance with the IFRS® Accounting Standards (IFRS Accounting Standards), the JSE Listings Requirements and the requirements of the Companies Act.

7. GOING CONCERN

The committee reviewed a documented assessment by management of the going concern premise of the Group and the Company. Based on this assessment, the committee agrees with management's assessment that the Group and the Company will be a going concern in the foreseeable future. Refer to note 33 for further details.

8. EXPERTISE AND EXPERIENCE OF FINANCIAL DIRECTOR AND THE FINANCE FUNCTION

The committee has satisfied itself that the financial director of SepHold, Mr. NR Crafford-Lazarus, has appropriate expertise and experience to meet his responsibilities in that position as required in terms of the JSE Listings Requirements.

The committee also satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function of the Company.

9. DUTIES ASSIGNED BY THE BOARD

The duties and responsibilities of the members of the committee are set out in the committee's terms of reference which are approved by the board. The committee fulfils an oversight role regarding SepHold's integrated annual report and the reporting process, including the system of internal financial control.

The committee is satisfied that it has complied in all material respects with its legal, regulatory and other responsibilities during the year, which includes consideration of the JSE's findings contained in the latest monitoring report when preparing the annual financial statements for the year under review.

10. INTERNAL AUDIT

Due to the nature and size of the head office, the accounting function is structured to accommodate current requirements and as such, the committee does not believe that an internal audit function is viable at this stage. The committee believes that new appointments should strengthen the accounting function and improve control through the division of duties. As such, this is better suited to the Company's needs than the performance of an internal audit function. On an operational level, Dangote Cement South Africa Proprietary Limited (SepCem) has a functional internal audit department that reports to the SepCem audit committee on which SepHold is also represented. The internal audit reports for Métier Mixed Concrete Proprietary Limited (Métier) are reviewed annually.

11. RISK MANAGEMENT

The committee discussed and reviewed the following:

- Recommending to the board SepHold's risk appetite.
- Monitoring the emerging risk profile of SepHold on a regular basis and reporting its findings to the board.
- Receiving and reviewing reports that assess the nature and extent of the risks facing SepHold.
- Ensuring steps are taken by executive management to embed risk management practices within the day-to-day operations of the business.
- Monitoring the level of available capital and reporting to the board on the adequacy of the available capital relative to the emerging risk profile of SepHold.
- Ensuring that risk and capital management policies, processes and practices are adopted in SepHold and reviewing the adequacy and effectiveness of the risk-type control frameworks and policies.

12. IT GOVERNANCE

The committee considered and reviewed the information technology (IT) policy and governance framework approved in the previous financial year and recommended to the board that no changes were required. While business continuity is not at risk the committee further reviewed the need for system upgrades for the Subsidiary.

13. RECOMMENDATION OF THE ANNUAL FINANCIAL STATEMENTS FOR APPROVAL BY THE BOARD

The committee met with PricewaterhouseCoopers Incorporated prior to the commencement of the audit to discuss the potential key audit matters. The independent auditor's report on pages 59 to 63 details the following key audit matters:

- Impairment assessment of goodwill (group) and investments in subsidiaries (company).
- Impairment assessment of investment in associate (group).

The committee is satisfied that the key audit matters were adequately and appropriately addressed in the content of the audit and appropriately disclosed in the notes to the financial statements. The committee held a meeting on 18 June 2025 at which time they reviewed and recommended the annual financial statements for approval by the board.

On behalf of the audit committee

MJ Janse van Rensburg
Chairperson

STATEMENT OF RESPONSIBILITY BY THE BOARD

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

The financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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 directors set 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 pre-determined 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Group's and Company's cash flow forecast for the year to 31 March 2026 and considered other relevant factors and, in light of this review and the current financial position, they are satisfied that the Group and the Company has or had 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 and the Company's financial statements. The financial statements have been examined by the Group's and the Company's external auditor and their report is presented on pages 59 to 63.

The financial statements set out on pages 63 to 105, which have been prepared on the going concern basis, were approved and authorised by the board on 25 June 2025 and were signed on their behalf by:

KJ Capes
Chief executive officer

B Williams
Chairperson – non-executive director

Centurion, South Africa
Wednesday, 25 June 2025

CHIEF EXECUTIVE OFFICER AND FINANCIAL DIRECTOR RESPONSIBILITY STATEMENT

The CEO and the financial director, whose names are stated below, hereby confirm that:

a) the consolidated financial statements set out on pages 63 to 105, fairly present in all material respects the financial position, financial performance and cash flows of the Group in terms of IFRS Accounting Standards;
b) to the best of their knowledge and belief, no facts have been omitted or untrue statements made that would make the consolidated financial statements false or misleading;
c) internal financial controls have been put in place to ensure that material information relating to the Group and its subsidiaries have been provided to effectively prepare the consolidated financial statements of the Group;
d) the internal financial controls are adequate and effective and can be relied upon in compiling the consolidated financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
e) where we are not satisfied, we have disclosed to the audit committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action, and
f) we are not aware of any fraud involving directors.

KJ Capes
Chief executive officer

NR Crafford-Lazarus
Financial director

Centurion, South Africa
Wednesday, 25 June 2025

STATEMENT OF COMPLIANCE BY THE COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act of South Africa (the Companies Act), I declare that to the best of my knowledge, for the year ended 31 March 2025, that the Group has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.

Acorim

Acorim Proprietary Limited
Company secretary

Centurion, South Africa
Wednesday, 25 June 2025

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the financial statements of Sephaku Holdings Limited and its subsidiaries and the Group for the year ended 31 March 2025.

1. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

Main business and operations

SepHold ("the Company") offers investors a portfolio of assets focused on the construction materials value chain. SepHold's active investment portfolio comprises the 100% owned subsidiary, Métier ("the Subsidiary") and the 36% owned associate, SepCem ("the Associate"), which are collectively referred to as "the Group". As a subsidiary of Dangote Cement PLC (DCP), SepCem has a 31 December year-end, therefore the equity-accounted profit included in this report relates to SepCem's results in the period 1 January 2024 to 31 December 2024.

Métier is a leading supplier in quality ready-mix concrete and pumping services that range from standard ready-mixed concrete to highly specialised concrete.

SepCem is engaged in mining, exploration and the production and sale of cement.

Group

The salient features of the Group for the reporting period was as follows:

Group consolidated revenue: R1,18 billion (FY 2024: R1,16 billion)
Net profit after tax: R74 million (FY 2024: R67 million)
Basic earnings per share: 31.57 cents (FY 2024: 26.54 cents)
Diluted earnings per share: 31.57 cents (FY 2024: 26.54 cents)
Headline earnings per share: 31.52 cents (FY 2024: 25.71 cents)
Normalised headline earnings per share: 31.72 cents (FY 2024: 25.87 cents)

SepHold

During the year under review Ms. B Bulo, an independent non-executive director of SepHold and a member of the audit and risk committee, did not make herself available for re-election at the AGM on 12 September 2024. Ms. MM Sedikela was appointed as an independent non- executive director of the Company and a member of the audit and risk committee on that date.

Métier

Sales volumes

Total concrete sales volume decreased by 8% year-on-year (YoY) on the back of prior sales volume increases of 11% in FY 2024 and the 25% increase in FY 2023. Pump volumes increased by 15% due to a change in product segment. Volumes were negatively impacted by rainfall in the last three months of the year.

Métier maintained its track record of profitable growth by positioning its operations for new market opportunities and leveraging its reputation as a trusted partner to customers in the construction industry.

In a competitive, fragmented market with limited market data Métier estimates it retained market share in the regions it operates in.

Revenue and profitability

Métier's revenue increased by 2% YoY to R1,18 billion (FY 2024: R1,16 billion) due to a combination of price increases and product segmentation. Margin growth has been achieved through the Batch Accuracy programme and the focus on tight mix controls. Every region has improved margins above inflation. Consequently the EBITDA increased by 11% to R146 million (FY 2024: R133 million), and EBIT increased by 8% from R97 million to R104 million. Net profit after tax increased by 10%, from R69 million to R76 million, due to the improved margins and repayments from the shareholder loans.

Price increases applied in March were sustained, and Métier intends to continue with tight cost controls and grow its specialised concrete offerings. The team at Métier is committed to growing profitability in FY 2026 without being naive at the construction headwinds the country is experiencing.

Bank debt management

Métier repaid its bank term loan during FY 2023 and replaced it with an overdraft facility that was unutilised at the end of the last two financial years.

Borrowings increased to R124 million (FY 2024: R65 million) to fund the fleet renewal and loader programme, as well as the purchase of the new property. Finance charges increased from R11,6 million to R15,5 million year-on-year due to the increase in total debt.

Debtor management was well controlled and no extraordinary customer credit risks were experienced during the year. The unutilised portion of the overdraft leaves enough headroom for servicing of all debts during this period.

Métier used cash generated by its operations to buy back undervalued SepHold shares.

1. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES (CONTINUED)

SepCem

SepCem maintained its competitive position and improved financial performance in a persistently difficult cement market and a lacklustre economic environment. Despite 75 basis point interest rate cuts since Sep 24, SA construction sector is experiencing a challenging landscape characterised by slow pace in private sector recovery, delayed public projects, weak momentum in economic recovery and consistent challenges at local government level. Public sector continuing to disappoint, with some rebound in private sector demand for building construction.

Sales volumes

Sales volumes decreased by 4% during the year to 31 December 2024 (CY 2023: 9% increase) in line with SepCem's estimates of the overall market performance. A change in sales mix were also experienced with slightly lower bulk sales proportions as compared with bags. SepCem saw strong competition in bag pricing due to the depressed market with an overall net delivered price per ton that was more than CY 2023 by about 4.2%.

Revenue and profitability

SepCem saw a reduction in its revenue by 1% to R2,78 billion (CY 2023: R2,82 billion). A reduction in volumes always impacts negatively on EBITDA as the fixed cost element of a capital-intensive industry raises production costs per ton. This resulted in an 11% decrease in EBITDA at R321,9 million (CY 2023: R361,2 million) at a margin of 11.6% (CY 2023: 12.8%). However, profitability still showed a marginal increase from R41,9 million to R42,6 million (1.6%) in net profit after tax, due to reductions in depreciation, net finance cost and taxation.

Debt management

The refinanced project loan bullet instalment of R377 million due in November 2022 was converted into a three-year term loan of R400 million at a rate of JIBAR plus 3.25%. This was serviced according to the repayment profile and stood at R135 million at SepCem year-end CY 2024. The normal quarterly payment was made during Q1 and the outstanding amount on 31 March was R101 million. This will be settled in three more payments April, July and October.

The R200 million revolving working capital facility remained unutilised during the year at a rate of prime minus 0.5% from one of the original major lenders.

The DCP shareholder loan that accrues interest at JIBAR plus 4% capitalised against the loan had a balance of R898 million by year-end.

Group focus

The Group will focus on cost management to ensure that the gains achieved from the numerous initiatives during FY 2025 are sustained. SepCem and Métier will continue to focus on strengthening their balance sheets by managing debt levels while seeking diversification opportunities within the construction value chain.

2. SHARE CAPITAL

There have been no changes to the authorised or issued share capital during the year under review.

During the year under review the Subsidiary purchased a total of 8 910 707 (2024: 13 789 293) SepHold ordinary shares at a total amount of R9 714 135 (2024: R13 914 974), including transaction costs of R64 865 (2024: R92 779), under an approved share buyback scheme. The ultimate intention of management is to cancel the shares once the approved number has been reached.

All the authorised and issued shares have no par value.

Refer to note 16 of the financial statements for further details on authorised and issued stated capital.

3. DIVIDENDS

No dividends were declared or paid to shareholders during the current year (2024: Rnil).

4. SHARE INCENTIVE SCHEME

The remaining share options of 1 705 000 expired on 1 July 2024.

A total amount of R2 738 696 was transferred from the share-based payment reserve for share options to retained income during the current period.

Refer to note 17 of the consolidated financial statements for details of the Group share incentive scheme.

5. DIRECTORATE

The directors in office at the date of this report are as follows:

Directors	Office	Designation	Changes
B Williams	Chairperson – Board	Independent non-executive	
MJ Janse van Rensburg	Chairperson – Audit committee	Independent non-executive	
MM Sedikela	Member – Audit committee	Independent non-executive	Appointed Thursday, 12 September 2024
MM Ngoasheng	Chairperson – Remuneration and nomination committee	Independent non-executive	
Dr. L Mohuba	Chairperson – Social and ethics committee	Non-executive	
KJ Capes	Chief executive officer – Métier & SepHold	Executive	
NR Crafford-Lazarus	Financial director	Executive	

Resignation of director

During the financial year Ms. B Bulo, an independent non-executive director of SepHold and a member of the audit and risk committee, did not make herself available for re-election at the AGM on 12 September 2024.

6. SHAREHOLDERS' INFORMATION

An analysis of shareholders and the respective percentage shareholdings appear in the shareholders' analysis section on page 105.

As at 31 March 2025, the directors of the Company held direct and indirect beneficial interests of 14% (2024: 14%) of its issued ordinary shares, as set out below.

Beneficial shareholdings of directors, directors' associates and prescribed officer:

	2025			2024		
Director/prescribed officer	**Direct number of shares**	**Indirect number of shares**	**Associates' number of shares**	Direct number of shares	Indirect number of shares	Associates' number of shares
Dr. L Mohuba	**87 202**	**8 363 767**	**40 000**	87 202	8 363 767	40 000
NR Crafford-Lazarus	**4 211 985**	**–**	**108 679**	4 211 985	–	–
KJ Capes	**11 581 481**	**–**	**–**	11 581 481	–	–
MM Ngoasheng*	**–**	**12 515 569**	**–**	–	12 515 569	–
	15 880 668	**20 879 336**	**148 679**	15 880 668	20 879 336	40 000

* *He holds his indirect beneficial interest through an indirect beneficial interest in Safika Resources Proprietary Limited ("Safika"), who holds 19.56% SepHold shares. Safika is however not an associate of the director as defined in the JSE Listings Requirements.*

There have been no changes in the beneficial interests of the directors, directors' associates and prescribed officers in the stated capital between the end of the financial year and the date of approval of these annual financial statements.

Directors' interest in share options:

2025	**Opening balance number of share options**	**Exercise price**	**Options expired**	**Date expired**	**Market price on exercise date**	**Options vested at year-end**	**Closing balance number of share options**
Dr. L Mohuba							
Granted 01/07/2017	**475 000**	**R 3.00**	**(475 000)**	**01/07/2024**	**–**	**–**	**–**
NR Crafford-Lazarus							
Granted 01/07/2017	**475 000**	**R 3.00**	**(475 000)**	**01/07/2024**	**–**	**–**	**–**
	950 000		**(950 000)**			**–**	**–**

6. SHAREHOLDERS' INFORMATION (CONTINUED)

Directors' interest in share options (continued)

2024	Opening balance number of share options	Exercise price	Options expired	Date expired	Market price on exercise date	Options vested at year-end	Closing balance number of share options
Dr. L Mohuba							
Granted 01/07/2017	475 000	R 3.00	–	–	–	475 000	475 000
NR Crafford-Lazarus							
Granted 01/07/2017	475 000	R 3.00	–	–	–	475 000	475 000
	950 000		–			950 000	950 000

Refer to note 17 for more details on share options and the vesting conditions.

The register of interests of directors and others in shares of the Company is available to the shareholder on request.

There have been no changes in beneficial interest that occurred between the end of the reporting period and the date of this report.

7. NON-CURRENT ASSETS

There was no change in the nature of the property, plant and equipment of the Group or in the policy regarding their use.

At 31 March 2025 the Group's investment in property, plant and equipment amounted to R282 068 060 (2024: R 189 868 104), of which R124 278 075 (2024: R 54 023 419) was added in the current year through additions.

Refer to note 3 of the consolidated financial statements for further details.

8. INTERESTS IN SUBSIDIARIES AND ASSOCIATE

Details of material interests in subsidiary companies and associate are presented in the consolidated financial statements in notes 6 and 7.

There were no significant acquisitions or divestitures during the year ended 31 March 2025.

9. BORROWING POWERS

In terms of the memorandum of incorporation of the Company, the directors may exercise all the powers of the Company to borrow money, as they consider appropriate. The memorandum of incorporation authorises unlimited borrowing powers.

10. SPECIAL RESOLUTIONS

No special resolutions of material interest or of a substantive nature were made by the Group or any of its subsidiaries during the period covered by this report.

11. EVENTS AFTER THE REPORTING PERIOD

Business Interruption Insurance Claim

On 26 March 2025, after the reporting period of SepCem it was agreed that the business interruption claim stemming from the COVID-19 hard lockdown would be settled at an amount of R46 million. This would be recognised in SepCem's CY 2025 and reported in the SepHold FY 2026 as final agreements have not yet been signed and payment is still outstanding.

12. GOING CONCERN

The financial statements have been prepared on the basis of 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 believe that the Group and the Company have adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the Group and the Company are in a sound financial position and have access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Company's current liabilities exceed the current assets, however if the loan from the Subsidiary is required to be repaid, the board will approve Métier to pay a dividend to SepHold. The dividend received will be utilised to repay the loan in full. The directors are not aware of any new material changes that may adversely impact the Group and the Company.

Métier's term loan was repaid during FY 2023 and replaced with an overdraft facility of R80 million. The R80 million overdraft facility provides enough headroom to ensure that all foreseeable cash requirements will be met.

The refinancing of the SepCem Nedbank and consortium loan of R376 714 000 was granted by Nedbank and Standard Bank during FY 2023. The loan was serviced according to the repayment profile and will be settled in full by Q4 of CY 2025. The working capital facility of R200 million remains unutilised and SepCem therefore also has enough headroom to ensure that all foreseeable cash requirements will be met.

The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Group and the Company.

13. AUDITORS

PricewaterhouseCoopers Incorporated continued in office as auditor for the Company and its subsidiaries for 2025.

At the AGM, the shareholders will be requested to re-appoint PricewaterhouseCoopers Incorporated as the independent external auditor of the Company and to confirm Y Kharwa as the designated lead audit partner for the 2026 financial year.

A total audit fee of R1 205 000 (2024: R1 212 000) was agreed for SepHold and Métier. PricewaterhouseCoopers Incorporated did not perform any non-audit services for these companies during the period under review.

14. SECRETARY

The company secretary is Acorim Proprietary Limited.

Postal address:	PO Box 41480 Craighall, 2024
Business address:	13th Floor, Illovo Point 68 Melville Road Illovo Sandton 2196

The company secretary provides the board with guidance in respect of the discharge of directors' duties and their responsibilities, and regarding legislation, regulatory and governance procedures and requirements. The board has access to, and is aware of, the responsibilities and duties of the company secretary and has committed itself to ensure that the company secretary is afforded the support required to perform its duties.

The company secretary acts as secretary to board-appointed committees. The board is satisfied that Acorim, represented by Ms. N Hunter, has the required knowledge, skill and discipline to perform the functions and duties of the company secretary. The board has concluded that Acorim maintains an arm's length relationship with the Company and its board.

No Acorim employees are directors of the Company, nor do they have any other interests or relations that may affect independence. In making this assessment, the board considered the independence of Acorim directors, shareholders and employees, as well as Acorim's collective qualifications and track record.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF SEPHAKU HOLDINGS LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Sephaku Holdings Limited (the Company) and its subsidiaries (together the Group) as at 31 March 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Sephaku Holdings Limited's consolidated and separate financial statements set out on pages 63 to 105 comprise:

- the consolidated and separate statements of financial position as at 31 March 2025;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

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.

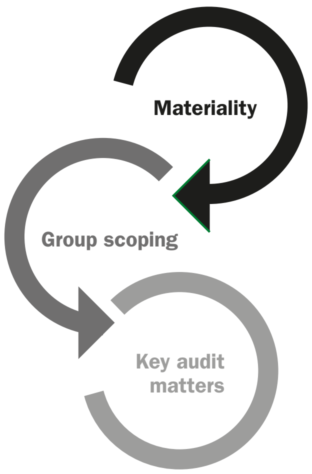
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group 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)*.

Our audit approach

Overview



Final materiality

- *Overall group materiality of R9,5 million which represents 0.8% of consolidated revenue.*
- *Overall company materiality of R10 million which represents 1% of total assets.*

Group audit scope

- *The Group comprises four components, which include one wholly-owned subsidiary that produces ready-mix concrete, an associate that produces cement, the head office entity and one dormant entity.*
- *We performed full scope audits on three of the components.*

Key audit matters

- *Impairment assessment of goodwill and investments in subsidiaries.*
- *Impairment assessment of investment in associate.*

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 (EAR Rule), we report final materiality and group audit scope below.

Final materiality

The scope of our audit was influenced by our application of materiality. An audit is 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 if 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 a whole as set out in the table below. These, together with qualitative considerations, helped 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 as a whole.

	Consolidated financial statements	Separate financial statements
Final materiality	*R9,5 million*	*R10 million*
How we determined it	*0.8% of consolidated revenue*	*1% of total assets*
Rationale for the materiality benchmark applied	*We selected consolidated revenue as the benchmark for materiality because, in our view, it is a benchmark against which the performance of the Group can be consistently measured in circumstances of volatile year-on-year earnings.* *We chose 0.8% based on our professional judgement, after consideration of the range of quantitative materiality thresholds that we would typically apply when using revenue as a benchmark in calculating materiality.*	*We chose total assets as the benchmark as the company's purpose is to serve as an investment holding company within the Group and is the key benchmark against which the performance of the Company is most commonly measured by the users of the separate financial statements.* *We chose 1% based on our professional judgement, which is consistent with quantitative materiality thresholds used for companies of this nature*

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.

We considered the Group's legal structure and its financial reporting processes when identifying components for purposes of planning and performing audit procedures.

The group consists of four components, which include one wholly-owned subsidiary that produces ready-mix concrete, an associate that produces cement, the head office entity and one dormant entity. Each component identified has a discrete set of financial information that is consolidated into the group results. Our scoping assessment included consideration of the financial significance of the components (based on contribution to consolidated assets, revenue and profit before taxation), whether the component contains financial statement line items that present a significant or elevated risk in the Group financial statements as well as any other additional risk factors impacting the component. Following this assessment, we identified three components that were considered to be significant due to size or risk. and one component that is inconsequential to the Group.

We have determined that full scope audits will be performed over all significant components. There will be no further work performed over the inconsequential component.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed by the Group engagement team and a non-PwC firm acting under our instruction. The Group engagement team was directly responsible for the audit of the Group consolidation and the full scope audit of the Company and one subsidiary.

Where the work was performed by the component auditor, we determined the level of involvement we needed to have in the audit work of that component to be able to conclude on whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole.

We issued group audit instructions and had various interactions with the component audit team, where we outlined key aspects such as recent developments at the component, audit risks, materiality, the scope of the audit and audit approaches. We discussed the report of the component team, the findings of their procedures and other matters which could be of relevance for the consolidated financial statements.

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.

In terms of ISA 701 *Communicating key audit matters in the independent auditor's report* I the EAR Rule (as applicable), we are required to report key audit matters and the outcome of audit procedures or key observations with respect to the key audit matters, and these are included below.

Key audit matter	How our audit addressed the key audit matter

Impairment assessment of goodwill and investments in subsidiaries

This key audit matter relates to the consolidated and separate financial statements.

Refer to the following accounting policies and notes to the separate and consolidated financial statements for disclosures as it relates to this key audit matter:

- Material accounting policies 1.4: Impairment of investment in subsidiaries and associate
- Material accounting policies 1.20: Goodwill;
- Note 5: Goodwill; and
- Note 6: Investments in subsidiaries.

As at 31 March 2025 the Group's consolidated statement of financial position included goodwill with a closing net book value of R223,4 million.

The company's separate statement of financial position included investments in subsidiaries, with a carrying amount of R299,4 million.

In accordance with IAS 36, Impairment of Assets ("IAS 36"), the Group reviews goodwill annually for impairment, or more frequently if there is an indication that goodwill might be impaired.

Investments in subsidiaries are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Reduced profitability and general economic downturn in the construction industry were identified as indicators of impairment on the investments in subsidiaries.

Goodwill arose on the acquisition of Metier Mixed Concrete Proprietary Limited ("Metier") and the impairment assessment was performed at a Metier level, with Metier identified as the cash-generating unit ("Metier CGU"). The recoverable amount of the Metier CGU was determined based on a value-in-use calculation.

Management performed their annual impairment assessment on the Metier CGU to which goodwill was allocated and based their assessment on the value-in-use discounted cash flow model in assessing the carrying value of goodwill. The value-in-use discounted cash flow model was applied in assessing the carrying value of goodwill. Cash flows were projected over a three-year period, and a projected terminal year, based on financial budgets or forecasts approved by management.

In determining the value-in-use of the Metier CGU, the following key assumptions were applied by management:

- Discount rate; and
- Terminal value growth rate.

Management's impairment testing performed over goodwill and the investment in Metier indicated that the respective carrying values were lower than the recoverable amounts, resulting in no impairment charge recognised on these assets.

The impairment assessment of goodwill and the investment in Metier is considered to be a matter of most significance to our current year audit of the consolidated and separate financial statements due to:

- the significant judgement applied by management with regard to determining the key assumptions and future cash flows that are included in the value-in-use calculation; and
- the magnitude of these financial statement line items in relation to the consolidated and separate financial statements for the year ended 31 March 2025.

Our audit addressed this key audit matter as follows:

- We assessed the reasonableness of the valuation methodology applied by management by comparing the valuation methodology to generally accepted valuation methodology, and found this to be consistent;
- We tested the mathematical accuracy of the value-in-use calculation and the discounted cash flow model prepared by management, noting no material differences;
- We agreed management's cash flow forecast in respect of the first year of the forecast period to the 2026 Board approved budget, noting no material exceptions;
- We compared the cash flow forecasts over the projected forecast periods to historically achieved sales growth rates, margins and net working capital. We noted that the forecasts used were within a reasonable range of historically achieved results;
- We compared the prior year Board approved budget to the actual results to evaluate whether forecasted cash flows are reliable based on past experience. We obtained explanations from management for variances identified. We accepted the budgeting inputs used;
- Making use of our internal valuation expertise, we independently calculated a weighted average cost of capital discount rate range, taking into account independently obtained data such as the cost of debt, the risk-free rate, market risk premiums, debt/equity ratios and the beta of comparable companies. We noted that the discount rate used by management was slightly outside PwC's range. We have performed a sensitivity analysis using the PwC discount rate range and noted that there is still sufficient headroom such that no impairment will be required;
- We compared the terminal value growth rate used by management to long-term inflation rates obtained from independent sources. The independently determined rate was incorporated into our stress testing referred to below in order to assess the impact of any difference on the valuation results;
- We performed stress testing on the value-in use model to determine the degree by which the key inputs and assumptions would need to fluctuate before an impairment was triggered and considered the likelihood of such fluctuations occurring as a reasonableness test. Based on the results of our assessment we accepted this to be unlikely; and
- We assessed the disclosures in the notes to the consolidated financial statements, including disclosures relating to sensitivity analysis, against the requirements of IAS 36, Impairment of assets, and we found them to be appropriate.

The below additional procedures were performed specifically on the Investments in subsidiaries:

- We obtained an understanding of the approach followed by management in assessing the recoverable amount of the investment in Metier, and noted that the approach followed by management was reasonable;
- We assessed the recoverable amount of the investment in Metier based on the value-in-use calculation performed in respect of the impairment assessment of goodwill as noted in the audit procedures outlined above. The key assumptions used by management were the same as those noted above in the value-in-use calculations for the impairment of goodwill, and the audit procedures have therefore not been duplicated here; and
- We recalculated and compared the recoverable amount of the value-in-use calculation to the carrying value of the investment in Metier and found management's conclusion in recognising no impairment charge to be appropriate.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of investment in associate *This key audit matter relates to the consolidated financial statements only.* Refer to the following accounting policies and notes to the consolidated financial statements for disclosures as it relates to this key audit matter: • Material accounting policies 1.6: Investment in associates; and • Note 7: Investment in associates. The Group has an equity-accounted investment in Dangote Cement South Africa Proprietary Limited that has been accounted for as an Associate in the consolidated financial statements. As at 31 March 2025, the Group's consolidated statement of financial position included the investment in associate with a closing net book value of R865,6 million. In terms of IAS 36, Impairment of assets, an impairment assessment should be performed if any indicators of impairment are identified. Reduced profitability experienced by the associate over the past few years and the continued economic downturn in the construction industry were factors indicating that the Group's investment in associate may be impaired. A value-in-use discounted cash flow model was applied in assessing the carrying value of the equity-accounted associate. Cash flows were projected over a three-year period, and a projected terminal year, based on financial budgets or forecasts approved by management. Management's impairment assessment was based on a value-in-use calculation, which has been estimated using a discounted cash flow model to derive an enterprise value attributable to the associate. The Group's ownership interest was then applied to this enterprise value in order to determine the recoverable amount of the investment in associate. In determining the value-in-use of the Group's investment in associate, the following key assumptions were used by management: • Discount rate; and • Terminal value growth rate. Management's impairment testing performed over the investment in associate indicated that the respective carrying value of the investment was lower than the recoverable amount, resulting in no impairment charge recognised. The impairment assessment of the investment in associate is considered to be a matter of most significance to the current year audit due to: • the significant judgement applied by management with regard to determining the key assumptions and future cash flows of the associate which are included in the value-in use calculation; and • the magnitude of the investment in associate in relation to the consolidated financial statements.	Our audit addressed this key audit matter as follows: • We assessed the reasonableness of the valuation methodology applied by management by comparing the valuation methodology to generally accepted valuation methodology, and found this to be consistent; • We tested the mathematical accuracy of the value-in-use calculation and the discounted cash flow model prepared by management, noting no material exceptions; • We agreed management's cash flow forecast in respect of the first year of the forecast period to the 2025 Board approved budget, noting no material exceptions; • We compared the cash flow forecasts over the projected forecast periods to historically achieved sales growth rates, margins and net working capital. We noted that the forecasts used were within a reasonable range of historically achieved results; • We compared the prior year Board approved budget to the actual results to evaluate whether forecasted cash flows are reliable based on past experience. We obtained explanations from management for variances identified. We accepted the budgeting inputs used; • Making use of our internal valuation expertise, we independently calculated a weighted average cost of capital discount rate range, taking into account independently obtained data such as the cost of debt, the risk-free rate, market risk premiums, debt/equity ratios and the beta of comparable companies. We found the discount rate used by management to be within a reasonable range of our independently computed discount rate; • We compared the associate's actual results for the first quarter of the new financial year to the Board approved budget, in order to assess the reasonableness of the budget used in the forecast cash flows. We obtained explanations from management for variances in excess of 5% and considered the impact of these variances on the forecast cash flows; • We compared the terminal value growth rate used by management to long-term inflation rates obtained from independent sources. The independently determined rate was incorporated into our stress testing referred to below in order to assess the impact of any difference on the valuation results; • We performed stress testing on the value-in use model to determine the degree by which the key inputs and assumptions would need to fluctuate before an impairment was triggered and considered the likelihood of such fluctuations occurring as a reasonableness test. Based on the results of our assessment we accepted this to be unlikely; and • We assessed the disclosures in the notes to the consolidated financial statements, including disclosures relating to sensitivity analysis, against the requirements of IAS 36, Impairment of assets, and we found them to be appropriate.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Sephaku Holdings Limited Annual Financial Statements for the year ended 31 March 2025", which includes the Directors' report, the Statement of Compliance by Audit and Risk Committee and the Statement of Compliance by the company secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the document titled "Sephaku Holdings Limited Integrated Annual Report 2025", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the consolidated and separate financial statements

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

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group's 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's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/ or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the Group, as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Audit tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Sephaku Holdings Limited for 2 year(s).

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Y Kharwa
Registered Auditor

Durban, South Africa
25 June 2025

The examination of controls over the maintenance and integrity of the Group's website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

STATEMENTS OF FINANCIAL POSITION

as at 31 March 2025

		Group		Company	
	Note(s)	**2025 R**	2024 R	**2025 R**	2024 R
ASSETS					
Non-current assets					
Property, plant and equipment	3	**282 068 060**	189 868 104	**62 865**	7 950
Right-of-use assets	4	**28 196 013**	39 710 108	**–**	–
Goodwill	5	**223 421 981**	223 421 981	**–**	–
Investments in subsidiaries	6	**–**	–	**299 378 029**	299 378 029
Investments in associates	7	**865 605 033**	850 941 513	**683 689 159**	683 689 159
Other financial assets	12	**7 272 626**	10 138 140	**7 272 626**	10 138 140
Other investment	13	**800 000**	800 000	**800 000**	800 000
		1 407 363 713	1 314 879 846	**991 202 679**	994 013 278
Current assets					
Inventories	14	**24 575 616**	21 177 622	**–**	–
Loans to group companies	8	**–**	–	**12 229**	12 229
Loans receivable (at amortised cost)	9	**94 279**	–	**–**	–
Trade and other receivables	10	**122 175 340**	108 242 273	**2 152 863**	146 550
Current tax receivable		**–**	561 275	**–**	31 520
Cash and cash equivalents	15	**29 768 153**	13 404 463	**2 389 367**	2 675 840
		176 613 388	143 385 633	**4 554 459**	2 866 139
Total assets		**1 583 977 101**	1 458 265 479	**995 757 138**	996 879 417
EQUITY AND LIABILITIES					
Equity					
Share capital	16	**682 965 910**	682 965 910	**682 965 910**	682 965 910
Other equity		**(23 629 110)**	(13 914 974)	**–**	–
Reserves		**–**	2 738 696	**–**	2 738 696
Retained income		**630 116 442**	553 826 439	**216 477 001**	197 127 769
		1 289 453 242	1 225 616 071	**899 442 911**	882 832 375
Liabilities					
Non-current liabilities					
Borrowings	19	**92 034 257**	47 708 556	**–**	–
Lease liabilities	4	**18 920 220**	33 956 392	**–**	–
Deferred tax	11	**27 608 027**	21 274 525	**–**	–
		138 562 504	102 939 473	**–**	–
Current liabilities					
Trade and other payables	21	**104 603 283**	94 071 474	**1 775 780**	1 175 722
Loans from group companies	18	**–**	–	**94 523 036**	112 871 320
Borrowings	19	**32 337 153**	16 902 056	**–**	–
Lease liabilities	4	**18 642 280**	18 736 405	**–**	–
Current tax payable		**378 639**	–	**15 411**	–
		155 961 355	129 709 935	**96 314 227**	114 047 042
Total liabilities		**294 523 859**	232 649 408	**96 314 227**	114 047 042
Total equity and liabilities		**1 583 977 101**	1 458 265 479	**995 757 138**	996 879 417

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2025

		Group		Company	
	Note(s)	**2025 R**	2024 R	**2025 R**	2024 R
Revenue	22	**1 182 844 822**	1 163 603 065	**41 137 358**	23 470 000
Other operating income	23	**1 015 747**	6 188 798	**–**	–
Other operating losses	24	**(6 622)**	(200 000)	**(6 622)**	(200 000)
Movement in credit loss allowances		**1 047 994**	(929 961)	**(473 054)**	(200 000)
Raw materials		**(706 002 253)**	(724 030 739)	**–**	–
Transportation		**(146 341 586)**	(146 953 255)	**–**	–
Production expenses		**(28 986 737)**	(28 747 130)	**–**	–
Employee benefit expenses		**(111 871 889)**	(102 757 446)	**(18 212 144)**	(18 214 163)
Depreciation on property, plant and equipment		**(41 930 448)**	(36 316 965)	**(15 536)**	(7 946)
Other operating expenses		**(61 266 964)**	(50 018 351)	**(4 843 327)**	(3 564 374)
Operating profit		**88 502 064**	79 838 016	**17 586 675**	1 283 517
Investment income	25	**2 794 863**	2 575 336	**1 193**	252
Finance costs	26	**(15 484 113)**	(11 590 195)	**(564)**	(1)
Income from equity-accounted investments		**14 663 520**	14 621 040	**–**	–
Profit before taxation		**90 476 334**	85 444 197	**17 587 304**	1 283 768
Taxation	27	**(16 925 027)**	(18 819 253)	**(976 768)**	(155 061)
Profit for the year		**73 551 307**	66 624 944	**16 610 536**	1 128 707
Other comprehensive income		**–**	–	**–**	–
Total comprehensive income for the year		**73 551 307**	66 624 944	**16 610 536**	1 128 707
Basic earnings per share (cents)	35	**31.57**	26.54		
Diluted earnings per share (cents)	35	**31.57**	26.54		

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 March 2025

Group	Share capital R	Other equity R	Total share capital R	Other NDR R	Retained income R	Total equity R
Balance at 1 April 2023	682 965 910	–	682 965 910	2 738 696	487 201 495	1 172 906 101
Profit for the year	–	–	–	–	66 624 944	66 624 944
Other comprehensive income	–	–	–	–	–	–
Total comprehensive income for the year	–	–	–	–	66 624 944	66 624 944
Purchase of treasury shares	–	(13 914 974)	(13 914 974)	–	–	(13 914 974)
Total contributions by and distributions to owners of company recognised directly in equity	–	(13 914 974)	(13 914 974)	–	–	(13 914 974)
Balance at 1 April 2024	682 965 910	(13 914 974)	669 050 936	2 738 696	553 826 439	1 225 616 071
Profit for the year	**–**	**–**	**–**	**–**	**73 551 307**	**73 551 307**
Other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**73 551 307**	**73 551 307**
Purchase of treasury shares	**–**	**(9 714 136)**	**(9 714 136)**	**–**	**–**	**(9 714 136)**
Employees share option scheme	**–**	**–**	**–**	**(2 738 696)**	**2 738 696**	**–**
Total contributions by and distributions to owners of company recognised directly in equity	**–**	**(9 714 136)**	**(9 714 136)**	**(2 738 696)**	**2 738 696**	**(9 714 136)**
Balance at 31 March 2025	**682 965 910**	**(23 629 110)**	**659 336 800**	**–**	**630 116 442**	**1 289 453 242**
Note(s)	16	16	16			

Company	Share capital R	Other equity R	Total share capital R	Other NDR R	Retained income R	Total equity R
Balance at 1 April 2023	682 965 910	–	682 965 910	2 738 696	195 999 062	881 703 668
Profit for the year	–	–	–	–	1 128 707	1 128 707
Other comprehensive income	–	–	–	–	–	–
Total comprehensive income for the year	–	–	–	–	1 128 707	1 128 707
Balance at 1 April 2024	682 965 910	–	682 965 910	2 738 696	197 127 769	882 832 375
Profit for the year	**–**	**–**	**–**	**–**	**16 610 536**	**16 610 536**
Other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**16 610 536**	**16 610 536**
Employees share option scheme	**–**	**–**	**–**	**(2 738 696)**	**2 738 696**	**–**
Total contributions by and distributions to owners of company recognised directly in equity	**–**	**–**	**–**	**(2 738 696)**	**2 738 696**	**–**
Balance at 31 March 2025	**682 965 910**	**–**	**682 965 910**	**–**	**216 477 001**	**899 442 911**
Note(s)	16	16	16			

STATEMENTS OF CASH FLOWS

for the year ended 31 March 2025

		Group		Company	
	Note(s)	**2025 R**	2024 R	**2025 R**	2024 R
Cash flows from operating activities					
Cash generated from operations	28	**125 203 986**	117 533 011	**16 675 633**	1 290 963
Interest received		**1 905 289**	1 714 283	**1 193**	252
Interest paid		**(285 501)**	(143 331)	**(564)**	(1)
Taxation paid	29	**(9 651 612)**	(19 815 922)	**(929 837)**	(186 581)
Net cash from operating activities		**117 172 162**	99 288 041	**15 746 425**	1 104 633
Cash flows from investing activities					
Purchase of property, plant and equipment	3	**(55 594 511)**	(23 869 648)	**(77 074)**	–
Proceeds from sale of property, plant and equipment	3	**4 753 684**	5 289 640	**–**	–
Cash advanced in loans receivable (at amortised cost)	9	**–**	(150)	**–**	(1 000)
Cash receipts on repayments of loans receivable (at amortised cost)	12	**2 392 460**	–	**2 392 460**	–
Net cash (used in)/from investing activities		**(48 448 367)**	(18 580 158)	**2 315 386**	(1 000)
Cash flows from financing activities					
Acquisition of treasury shares	16	**(9 714 136)**	(13 914 974)	**–**	–
Proceeds from external borrowings	20	**14 000 000**	–	**–**	–
Repayments of loans from group companies	18	**–**	–	**(18 348 284)**	–
Repayments of principal on instalment sales	20	**(22 881 134)**	(12 387 755)	**–**	–
Repayments of interest on instalment sales	20	**(10 132 347)**	(6 266 400)	**–**	–
Repayments of principal on external borrowings	20	**(653 686)**	–	**–**	–
Repayments of interest on external borrowings	20	**(866 581)**	–	**–**	–
Payment of principal on lease liabilities	4	**(17 912 537)**	(16 095 809)	**–**	–
Payment of interest on lease liabilities	4	**(4 199 684)**	(5 071 287)	**–**	–
Net cash (used in)/from financing activities		**(52 360 105)**	(53 736 225)	**(18 348 284)**	–
Total cash movement for the year		**16 363 690**	26 971 658	**(286 473)**	1 103 633
Cash and cash equivalents at the beginning of the year		**13 404 463**	(13 567 195)	**2 675 840**	1 572 207
Cash and cash equivalents at the end of the year	15	**29 768 153**	13 404 463	**2 389 367**	2 675 840

MATERIAL ACCOUNTING POLICIES

1. MATERIAL ACCOUNTING POLICIES

1.1 Basis of preparation

The consolidated and separate annual financial statements have been prepared in accordance with IFRS Accounting Standards and its interpretations adopted by the International Accounting Standards Board (IASB), the South African Institute of Chartered Accountants (SAICA), Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the requirements of the Companies Act of South Africa and the JSE Listings Requirements.

The consolidated and separate annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the FRSC.

The financial statements have been prepared on the historic cost convention, except for certain financial assets, such as other investments and the equity method of accounting for investments in associate. They incorporate the principal accounting policies set out below and are presented in South African Rands, which is the Group and the Company's functional currency. Accounting policies that refer to "consolidated or group", apply equally to the Company financial statements where relevant.

These accounting policies are consistent with the previous period.

1.2 Consolidation

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all subsidiaries. Subsidiaries are entities which are controlled by the Group. Accounting policies are applied consistently in all group companies.

The results of subsidiaries are included in the consolidated financial statements for the duration of the period in which the Group exercised control over the subsidiaries.

Business combinations are accounted for using the acquisition method as the acquisition date – ie, when control is transferred to SepHold. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Investments in subsidiaries

Company annual financial statements

In the Company's separate annual financial statements, investments in subsidiaries are carried at cost less any accumulated impairment. Investments in subsidiaries are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Any impairment suffered is reviewed for possible reversal of the impairment at the end of each reporting period.

1.4 Significant judgements and sources of estimation uncertainty

The key assumptions and sources of estimation uncertainty at the reporting date that could have significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the new financial year are listed below:

Useful lives and residual values of assets

Items of property, plant and equipment are depreciated over their useful lives taking into account residual values, where applicable.

Useful lives and residual values are reviewed annually, taking into account factors such as the expected usage, physical output, market demand for the output of the assets and legal or similar limits on the assets.

Goodwill

Goodwill is considered for impairment at least annually. Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit (CGU) to which goodwill has been allocated. The recoverable amount is determined as the higher of the value-in-use and fair value less cost to sell of the CGU. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value of future cash flows. Management estimates the discount rate using pre-tax rates that reflect current market assessments of the time value of money and risks specific to the CGU. The growth rates are based on industry growth forecasts. The key assumptions used in the calculations and a sensitivity analysis are disclosed in note 5 of the consolidated financial statements.

Impairment of investment in subsidiaries and associate

The indicators and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of investment in subsidiaries and associate are highlighted in note 6 and 7.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.4 Significant judgements and sources of estimation uncertainty (continued)

Trade and other receivables

The Group makes use of a simplified approach in accounting for trade receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. Refer to note 10 Trade receivables for more details. The approach remained consistent with the prior year.

1.5 Property, plant and equipment

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets, where appropriate.

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using the straight-line method. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount.

Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The estimation of the useful lives of assets is based on historic performance as well as expectations about future use, and therefore requires a significant degree of judgement to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of plant and machinery, motor vehicles, furniture and fixtures and computer equipment are determined based on group replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements. When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

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

Item	Average useful life
Land	*
Plant and machinery	10 – 20 years
Furniture and fixtures	6 – 8 years
Motor vehicles	5 – 10 years
Computer equipment	2 – 6 years

* *Land is not depreciated as it has an indefinite useful life.*

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. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

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

Capital work in progress represent the construction of a new plant. These assets are measured at cost and are not depreciated until they are available for use. The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. No material changes were made.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.6 Investments in associates

Group annual financial statements
In the financial statements, investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the after-tax profit or loss of the investee after the date of acquisition. The year-end of SepCem is 31 December 2024. The use of the different date in applying the equity method is due to the practicality of obtaining the audited March 2024 results timeously.

As a result, "lag reporting" has been applied where the audited financial information of the Associate for the period from 1 January 2024 to 31 December 2024 has been used for equity accounting purposes. The impact of any significant transactions that occur in the period from 1 January 2025 to 31 March 2025 are adjusted for when equity accounting.

Company annual financial statement
In the financial statements, investments in associates are carried at cost less any accumulated impairment losses. The Company's investment in associates includes goodwill identified on acquisition.

1.7 Financial instruments

Financial instruments held by the Group are classified in accordance with IFRS 9 *Financial Instruments* and are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group are presented below:

Classification and initial measurement of financial assets
Other than for financial assets classified as at fair value through profit and loss, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:

- Amortised cost;
- Fair value through profit or loss (FVTPL); and
- Fair value through other comprehensive income (FVOCI).

During the period the financial assets consisted of trade and other receivables, loans receivable, cash and cash equivalents, other financial assets and other investments. In the periods presented the Group does not have any financial assets categorised as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented separately on the statement of profit or loss and other comprehensive income.

Subsequent measurement
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

The Group's cash and cash equivalents, trade and loan receivables and the Company's loans to group companies fall into this category of financial instruments.

Loans receivable
Loans receivable are subject to the impairment provisions of IFRS 9 *Financial Instruments*, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for loans receivable is calculated based on 12-month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either 12-month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a loan is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition. On the other hand, if a loan is in arrears more than 90 days, then it is assumed that there has been a significant increase in credit risk since initial recognition.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and pre- payments. The amount of expected credit losses is updated at each reporting date.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.7 Financial instruments (continued)

Impairment of financial assets (continued)

The Group measures the loss allowance for trade and other receivables which do not contain a significant financing component at an amount equal to lifetime expected credit losses (lifetime ECL). The loss allowance for all other trade and other receivables is measured at lifetime ECL when there has been a significant increase in credit risk since initial recognition. If the credit risk on these receivables has not increased significantly since initial recognition, then the loss allowance for those receivables is measured at 12-month expected credit losses (12-month ECL).

The impairment requirements use more forward-looking information to recognise expected credit losses – the expected credit loss (ECL) model.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (Stage 1);
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (Stage 2); and
- financial assets that have objective evidence of impairment at the reporting date. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan (stage 3).

In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on trade receivables that are possible within 12 months after the reporting date.

Trade and other receivables

The Group makes use of a simplified approach in accounting for trade receivables, as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics and they have been grouped based on the days past due. Refer to note 10 for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

The accounting policy for impairment of trade and other receivables is set out in the loss allowances and write-offs accounting policy.

Significant increase in credit risk

In assessing whether the credit risk on a receivable or group of receivables has increased significantly since initial recognition, the Group compares the risk of a default occurring as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The Group considers qualitative information by reference to the customers' cash flow and liquid asset position, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

By contrast, if a receivable is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of default

The Group considers that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account). This is assessed based on a number of factors including various liquidity and solvency ratios.

Measurement and recognition of expected credit losses

The Group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade receivables in totality. Details of the provision matrix is presented in note 10.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is presented separately on the face of the statement of profit or loss and other comprehensive income as a "movement in loss allowances".

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.7 Financial instruments (continued)

Write-off policy

The Group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, eg when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Trade and other payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities.

Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value and, where applicable, adjusted for transaction costs.

Trade and other payables (note 21), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

The Group's financial liabilities include trade and other payables, bank overdraft, loans from group companies, lease obligations, instalment sales, external borrowings and other financial liabilities.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method. All interest-related charges are included within finance costs or finance income.

Cash and cash equivalents

Cash and cash equivalents are initially stated at fair value, and subsequently carried at amortised cost which is deemed to be fair value. Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are included in current liabilities on the statement of financial position.

Derecognition

Financial assets

Financial assets (or a portion thereof) are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and the Group has substantially transferred all risks and rewards of ownership. On derecognition, the difference between the carrying amount of the financial asset and the proceeds receivable is included in the income statement.

Financial liabilities

The Group derecognises financial liabilities when, and only when, the Group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.8 Taxation

Current taxation assets and liabilities

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

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

Deferred taxation assets and liabilities

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and joint ventures where the Group is able to control timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

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

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.8 Taxation (continued)

Deferred taxation assets and liabilities (continued)
Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable group company; or
- different group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

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

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

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

1.9 Leases

The Group assesses whether a contract is, or contains a lease, at the inception of the contract.

No contracts were identified that required specific judgement as to whether they contained leases.

Group as lessee
The Group assesses whether a contract is, or contains a lease, at the inception of the contract.

The Group recognises right-of-use assets and lease liabilities at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The right-of-use assets include land and buildings. These right-of-use assets are measured at cost comprising of the initial measurement of the lease liability, initial direct cost, any lease payments made at or before the commencement date less any incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses and are depreciated over the shorter period between the lease term and the useful life of the asset on a straight-line basis. Depreciation is recognised on the shorter of the lease term or useful life of the leased asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease. For right-of-use assets which are depreciated over their useful lives, the useful lives are determined by the lease term of the asset. 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. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

The useful lives of items of right-of-use assets have been assessed as follows in line with the lease terms:

Item	Depreciation method	Average useful life
Land	Straight line	3 to 10 years
Buildings	Straight line	2 to 8 years

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments.
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amounts expected to be payable under a residual value guarantee.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's and the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Group or the Company change their assessment of whether it will exercise a purchase, extension or terminate 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, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.9 Leases (continued)

Short-term leases and leases of low-value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including computer and office equipment. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1.10 Inventories

Inventories are measured at the lower of cost and net realisable value. Costs include expenditure incurred in acquiring the inventories and bringing them to their present location and condition, all direct production costs and an appropriate portion of overheads.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

Slow-moving stock assessed where the net realised value is lower than the cost to be impaired or obsolete is written down. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.11 Impairment of non-financial assets

The Group assesses at each end of the reporting period whether there is any indication that goodwill and property, plant and equipment may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value-in-use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Irrespective of whether there is any indication of impairment, the Group also tests goodwill acquired in a business combination for impairment annually.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit; and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

The Group assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss.

1.12 Share capital and equity

Ordinary shares are recognised at par value and classified as “share capital” in equity. Dividends are recognised as a liability in the year in which they are declared.

1.13 Share-based payments

Services received or acquired in a share-based payment transaction are recognised when the services are received.

When the services received or acquired in a share-based payment transaction they are recognised as expenses.

Vesting conditions which are not market-related (ie service conditions and non-market-related performance conditions) are not taken into consideration when determining the fair value of the equity instruments granted. Instead they are 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 is based on the number of equity instruments that eventually vest. Market conditions, such as a target share price, are taken into account when estimating the fair value of the equity instruments granted. The number of equity instruments are not adjusted to reflect equity instruments which are not expected to vest or do not vest because the market condition is not achieved.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.13 Share-based payments (continued)

Share-based payments are limited to a short-term incentive scheme for employees which will terminate on 30 June 2024. Since the fair values of the services received are employee services, their value and the corresponding increase in equity are measured, indirectly, by reference to the fair value of the equity instruments granted.

If the share-based payments granted do not vest until the counterparty completes a specified period of service, the Group accounts for those services as they are rendered by the counterparty during the vesting period (or on a straight-line basis over the vesting period).

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

For all equity-settled share-based payment transactions, management assesses, at each reporting period, the number of options expected to vest until vesting. Changes in the estimated number of options expected to vest are accounted for as part of the cost recognised in each period with the corresponding adjustment taken to equity.

For equity-settled share-based payment transactions, the fair values of the options are determined on grant date and are not subsequently adjusted.

1.14 Other equity

Where any group company purchases the Company's equity instruments, for example as the result of a share buyback or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the owners of SepHold as treasury shares until the shares are cancelled or re-issued.

Where such ordinary shares are subsequently re-issued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of SepHold.

1.15 Employee benefits

Short-term employee benefits

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

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

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

Retirement benefits

Post-employment benefits

For defined contribution plans, the amount charged to the profit or loss are the contributions paid or payable during the reporting period.

1.16 Revenue from contracts with customers

Revenue comprises income arising in the course of the Group's ordinary activities. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or when services are rendered to a customer. Revenue is recognised net of value added tax, returns, rebates, discounts and other allowances.

Sales of goods (at a Group level) comprise the sale of ready-mix concrete, arising mainly from the sale of a variety of standard and specialised high-value concrete products to the construction industry. This includes the manufacture and supply of quality ready-mixed concrete products for the residential, commercial and industrial markets in South Africa. Revenue from the sale of goods includes concrete pumping services and these sales are identified as being a single performance obligation. Revenue is recognised only once all performance obligations of the Group to the customer have been satisfied and to the extent that it is highly probable that a significant reversal will not occur. Revenue is recognised when or as the Group transfers control of the asset at a point in time to the customer on the day the goods are delivered to the customer together with a signed delivery note. There are no variable considerations included in contracts. The transaction price for the sale of ready-mix concrete is based on a price per cubic metre sold for concrete. The transaction price for concrete pumping services is based on set rates for pump establishments and varies based on the quantity pumped.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position.

Revenue from the sale of services (Company) relate to management fees rendered. The Company recognises revenue from management fees over the time the services are rendered.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.16 Revenue from contracts with customers (continued)

The management fee represents compensation for administrative and oversight services provided by the Company, including strategic planning, operational support, governance-related activities and procurement support services.

The following payment terms are applicable to the Group:

- Sale of goods: 30 days or cash on delivery
- Sale of services: payable on presentation of the invoice

1.17 Instalment sales liabilities

Instalment sale agreements are treated similarly to finance leases, meaning they are recognised as liabilities on the statement of financial position. The liability is recorded at the present value of the future instalments.

Interest paid is recognised separately from the principal repayment on the Statement of profit or loss and other comprehensive income.

The Group discloses the details of the instalment sale agreements, including interest rates and repayment terms (refer to note 19 Instalment sale liabilities).

1.18 Earnings per share

Basic and diluted earnings per share (EPS)

Basic EPS is calculated in accordance with IAS 33, considering net income attributable to ordinary equity holders and the weighted average number of ordinary shares outstanding.

The diluted EPS calculation considers the potential impact of dilutive securities (like convertible debt, options, or warrants) on EPS.

EPS is presented on the face of the Statement of Profit or Loss and Other Comprehensive Income for both basic and diluted EPS.

Headline earnings per share (HEPS)

Headline Earnings is the adjusted earnings figure that excludes certain non-recurring items, providing a clearer view of core profitability. The Group takes into account the “look-through” adjustments of the equity-accounted associate when calculating the HEPS.

Normalised headline earnings per share

Normalised headline earnings is calculated as an additional performance indicator, to take into account the effect of business- defined exceptional items that have affected headline earnings during the year. This is calculated as headline earnings, adjusted for fair value adjustments to financial liabilities or losses on financial liabilities and business acquisitions costs.

The full details of HEPS and normalised headline earnings are disclosed in note 35 Net asset value per share and earnings per share.

1.19 Operating segments

Operating segments are reported on in a manner consistent with internal reporting provided to the chief operating decision maker.

The business manages and reports on ready-mix concrete and head office as the two main segments.

Ready-mix concrete – this part of the business manufactures and sells ready-mixed concrete in South Africa.

Head office – executive management function of the Group and involved in the management of investments held at SepHold level.

The chief operating decision maker, who is responsible for allocating resources and assessing performance of the reportable operating segment, has been identified as the executive board members of the Group.

1.20 Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group’s interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree. It is reported in the statement of financial position as a non-current asset and carried at cost less accumulated impairment losses. Goodwill is allocated to each of the cash-generating units (CGUs) that are expected to benefit from the synergies of the combination. Each CGU to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at a CGU level. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment.

The carrying value of goodwill is compared to the recoverable amount, which is the higher of value-in-use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

NOTES TO THE FINANCIAL STATEMENTS

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Amendments to Supplier Finance Arrangements (IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosure*)

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

The effective date of the amendment is for years beginning on or after 1 January 2024.

The Group has adopted the amendment for the first time in the FY 2025 annual financial statements.

The impact of the amendment did not result in any material disclosure updates.

Classification of Liabilities as Current or Non-Current – Amendment to IAS 1

The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period, to defer settlement of a liability for at least 12 months after the reporting period, then the liability is classified as non-current.

If this right is subject to conditions imposed on the entity, then the right only exists if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within 12 months of the reporting period. Additional disclosures would be required in such circumstances.

The effective date of the amendment is for years beginning on or after 1 January 2024.

The Group has adopted the amendment for the first time in the FY 2025 annual financial statements.

2.2 Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 1 April 2025 or later periods:

Amendment to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* – Classification and Measurement of Financial Instruments

The amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial assets meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

The effective date of the amendment is for years beginning on or after 1 January 2026.

The Group does not envisage the adoption of the amendment until such time as it becomes applicable to the Group's operations.

The adoption of this amendment is not expected to impact on the results of the Group, but may result in more disclosure than is currently provided in the annual financial statements.

The Group expects to adopt the amendment for the first time in the FY 2027 financial statements.

IFRS 18 *Presentation and disclosure in Financial statements*

The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements* and focuses on updates to the statement of profit or loss with a focus on the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

Many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its "operating profit or loss".

The effective date of the amendment is for years beginning on or after 1 January 2027.

The Group expects to adopt the amendment for the first time in the FY 2028 financial statements.

3. PROPERTY, PLANT AND EQUIPMENT

Group	2025 Cost R	2025 Accumulated depreciation R	2025 Carrying value R	2024 Cost R	2024 Accumulated depreciation R	2024 Carrying value R
Land	**29 626 309**	**–**	**29 626 309**	2 666 309	–	2 666 309
Plant and machinery	**162 393 525**	**(77 507 070)**	**84 886 455**	117 165 731	(69 014 717)	48 151 014
Furniture and fixtures	**1 002 998**	**(934 062)**	**68 936**	1 002 998	(906 122)	96 876
Motor vehicles	**239 085 160**	**(80 824 143)**	**158 261 017**	203 095 078	(75 649 728)	127 445 350
Computer equipment	**4 595 221**	**(4 263 349)**	**331 872**	4 426 806	(4 087 819)	338 987
Capital – Work in progress	**8 893 471**	**–**	**8 893 471**	11 169 568	–	11 169 568
Total	**445 596 684**	**(163 528 624)**	**282 068 060**	339 526 490	(149 658 386)	189 868 104

Company	2025 Cost R	2025 Accumulated depreciation R	2025 Carrying value R	2024 Cost R	2024 Accumulated depreciation R	2024 Carrying value R
Computer equipment	**140 592**	**(77 727)**	**62 865**	155 255	(147 306)	7 949

Reconciliation of property, plant and equipment

Group	Opening balance R	Additions – cash R	Additions – non-cash R	Disposals R	Transfers R	Depreciation R	Total R
2025							
Land	**2 666 309**	**26 960 000**	**–**	**–**	**–**	**–**	**29 626 309**
Plant and machinery	**48 151 014**	**712 563**	**–**	**–**	**44 515 231**	**(8 492 353)**	**84 886 455**
Furniture and fixtures	**96 876**	**–**	**–**	**–**	**–**	**(27 940)**	**68 936**
Motor vehicles	**127 445 350**	**5 997 997**	**46 895 939**	**(3 237 385)**	**–**	**(18 840 884)**	**158 261 017**
Computer equipment	**338 987**	**272 442**	**–**	**(6 622)**	**–**	**(272 935)**	**331 872**
Capital – work in progress	**11 169 568**	**21 651 509**	**21 787 625**	**(1 200 000)**	**(44 515 231)**	**–**	**8 893 471**
	189 868 104	**55 594 511**	**68 683 564**	**(4 444 007)**	**–**	**(27 634 112)**	**282 068 060**

	Opening balance R	Additions – cash R	Additions – non-cash R	Disposals R	Depreciation R	Total R
2024						
Land	2 666 309	–	–	–	–	2 666 309
Plant and machinery	52 226 369	1 955 897	–	(77 401)	(5 953 851)	48 151 014
Furniture and fixtures	172 947	–	–	(11 960)	(64 111)	96 876
Motor vehicles	104 685 441	10 569 171	30 153 770	(2 860 477)	(15 102 555)	127 445 350
Computer equipment	519 010	175 012	–	(2)	(355 033)	338 987
Capital – Work in progress	–	11 169 568	–	–	–	11 169 568
	160 270 076	23 869 648	30 153 770	(2 949 840)	(21 475 550)	189 868 104

The non-cash additions of R68 683 564 (2024: R30 153 770) relate to the purchase of motor vehicles through instalment sale agreements of R46 895 939 (2024: R30 153 770) and the purchase of assets under construction of R21 787 625 (2024: Rnil).

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of property, plant and equipment (continued)

Company	Opening balance R	Additions R	Disposals R	Depreciation R	Total R
2025					
Computer equipment	**7 949**	**77 074**	**(6 622)**	**(15 536)**	**62 865**

	Opening balance R	Additions R	Disposals R	Depreciation R	Total R
2024					
Computer equipment	15 895	–	–	(7 946)	7 949

Details of properties

	Group		Company	
	2025 R	2024 R	**2025 R**	2024 R
Portion 0 of Erf 233, Phoenix Industrial Park				
– Purchase price: 12 June 2009	**2 400 000**	2 400 000	**–**	–
– Additions since purchase	**266 309**	266 309	**–**	–
	2 666 309	2 666 309	**–**	–
Erf 126 Phoenix Industrial Park				
– Purchase price: 8 May 2024	**21 000 000**	–	**–**	–

Pledged as security

Refer to note 15 Cash and cash equivalents and note 19 Borrowings for details of property, plant and equipment encumbered as security for borrowings.

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the Company and its respective subsidiaries.

4. RIGHT-OF-USE ASSETS

The Group entered into leasing arrangements for several assets, including land and buildings. The average lease term is six years (2024: seven years) and the incremental borrowing rate is prime lending rate.

Details pertaining to leasing arrangements, where the Group is lessee are presented below:

	2025			2024		
Group	**Cost R**	**Accumulated depreciation R**	**Carrying value R**	Cost R	Accumulated depreciation R	Carrying value R
Land	**55 870 176**	**(37 172 147)**	**18 698 029**	60 911 273	(35 511 195)	25 400 078
Buildings	**36 890 915**	**(27 392 931)**	**9 497 984**	36 890 915	(22 580 885)	14 310 030
Total	**92 761 091**	**(64 565 078)**	**28 196 013**	97 802 188	(58 092 080)	39 710 108

4. RIGHT-OF-USE ASSETS (CONTINUED)

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are included in the following line items:

	Group		Company	
	2025 R	2024 R	**2025 R**	2024 R
Land	**18 698 029**	25 400 078	**–**	–
Buildings	**9 497 984**	14 310 030	**–**	–
	28 196 013	39 710 108	**–**	–

Additions to right-of-use assets

During the current year, the Group entered into one (2024: one) new lease agreement. The average lease term for this new agreement is five (2024: four) years. There are no specific restrictions or covenants imposed by the leases, no variable lease payments and no residual value guarantees. There are no leases that have not yet commenced to which the Group is committed.

	Group		Company	
	2025 R	2024 R	**2025 R**	2024 R
Land	**2 782 240**	5 279 853	**–**	–

Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss, as well as depreciation which has been capitalised to the cost of other assets.

	Group		Company	
	2025 R	2024 R	**2025 R**	2024 R
Land	**9 484 290**	10 043 067	**–**	–
Buildings	**4 812 046**	4 798 348	**–**	–
	14 296 336	14 841 415	**–**	–
Other disclosures				
Interest expense on lease liabilities	**4 199 684**	5 071 287	**–**	–

Interest is at prime lending rate.

Payments associated with short-term leases of offices are recognised on a straight-line basis as an expense in profit or loss. At 31 March 2025, the Group included an amount of R243 101 (2024: R231 525) within operating expenses in the statement of profit or loss and other comprehensive income. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

Lease liabilities

Lease liabilities have been included in the lease liabilities line item on the statement of financial position.

The maturity analysis of lease liabilities is as follows:

	Group		Company	
	2025 R	2024 R	**2025 R**	2024 R
Minimum lease payments due				
Within one year	**21 162 638**	22 711 496	**–**	–
Two to five years	**20 830 604**	38 667 951	**–**	–
	41 993 242	61 379 447	**–**	–
Less finance charges component	**(4 430 742)**	(8 686 650)	**–**	–
Present value of lease payments	**37 562 500**	52 692 797	**–**	–
Non-current liabilities	**18 920 220**	33 956 392	**–**	–
Current liabilities	**18 642 280**	18 736 405	**–**	–
	37 562 500	52 692 797	**–**	–

4. RIGHT-OF-USE ASSETS (CONTINUED)

Reconciliation of lease liabilities

Group	Opening balance R	Additions R	Finance costs R	Repayments – principal element on leases R	Repayments – interest element on leases R	Total R
2025						
Lease liabilities	**52 692 797**	**2 782 240**	**4 199 684**	**(17 912 537)**	**(4 199 684)**	**37 562 500**

Group	Opening balance R	Additions R	Finance costs R	Repayments – principal element on leases R	Repayments – interest element on leases R	Total R
2024						
Lease liabilities	63 508 752	5 279 854	5 071 287	(16 095 809)	(5 071 287)	52 692 797

Lease liabilities terms and conditions

The Group entered into leasing arrangements for certain of its assets, including land and buildings. The average lease term is six years (2024: seven years) and the incremental borrowing rate is the prime lending rate (2024: incremental borrowing rate was the prime lending rate). The leases entered into do not provide flexibility in the form of termination options but there are options to renew the leases. There are no specific restrictions or covenants imposed by the leases, no variable lease payments and no residual value guarantees. There are no leases that have not yet commenced to which the Group is committed.

Lease term per category – land and buildings
Land 3 – 10 years
Building 2 – 8 years

The Group's obligations under leases are secured by the lessor's charge over the leased assets.

5. GOODWILL

	2025			2024		
Group	**Cost R**	**Accumulated impairment R**	**Carrying value R**	Cost R	Accumulated impairment R	Carrying value R
Goodwill	**223 421 981**	**–**	**223 421 981**	223 421 981	–	223 421 981

Reconciliation of goodwill

Group	Opening balance R	Additions R	Total R
2025			
Goodwill	**223 421 981**	**–**	**223 421 981**

Group	Opening balance R	Additions R	Total R
2024			
Goodwill	223 421 981	–	223 421 981

5. GOODWILL (CONTINUED)

Impairment testing

In accordance with IAS 36, Impairment of Assets, goodwill is reviewed annually for impairment, or more frequently if there is an indication that goodwill might be impaired. Goodwill arose on the acquisition of Métier and the impairment assessment is performed at a Métier level, with Métier identified as the cash-generating unit (CGU). The recoverable amount of the CGU was determined based on a value-in-use calculation.

The value-in-use discounted cash flow model was applied in assessing the carrying value of goodwill. Cash flows were projected over a three- year period, and a projected terminal year, based on financial budgets or forecasts approved by management. The following approach was followed in forecasting cash flows:

- future profits were estimated using historical financial results achieved and approved three-year budgets;
- costs were assumed to grow in line with the projected growth of the CGU and expected inflation;
- sales growth forecasts were largely driven by increased volumes resulting from additional capacity projected for the forecast period, with cautious increases in pricing estimated; and
- capital expenditure was limited to replacement capital expenditure spend, in line with the CGUs maintenance programmes.

The following rates were applied in determining the value-in-use:

	2025 **%**	2024 %
Pre-tax discount rate	**20.26**	22.79
Terminal value growth rate	**4.6**	4.6

Discount rates and terminal value growth rates applied are consistent with external sources.

No impairment losses were required in the current financial year based on the value-in-use computation.

A sensitivity analysis of the key assumptions have been presented below:

2025	**Movement**	**Impact on Headroom amount (R'million)**	**Impairment**
Discount rate	**+1%**	**(70)**	**Nil**
Terminal value growth rate	**-1%**	**(60)**	**Nil**
2024			
Discount rate	+1%	(41)	Nil
Terminal value growth rate	-1%	(34)	Nil

6. INVESTMENTS IN SUBSIDIARIES

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

Company

Name of company	Held by	**% holding 2025**	% holding 2024	**Carrying amount 2025 R**	Carrying amount 2024 R
Sephaku Investment Holdings Proprietary Holdings		**100.00**	100.00	**1**	1
Métier Mixed Concrete Proprietary Holdings		**100.00**	100.00	**299 378 028**	299 378 028
				299 378 029	299 378 029

Impairment testing

Subsidiaries are shown at carrying amounts, net of impairment.

Refer to note 5 above for the full details on the assumptions applied by management when reviewing investment in subsidiaries for impairment.

All the subsidiaries are registered and operate within South Africa. Reduced profitability and general economic downturn in the construction industry were identified as indicators of impairment. The same assumptions were applied as with the test for goodwill impairment in the performance of an impairment test on the investment.

7. INVESTMENTS IN ASSOCIATES

Sephaku Holdings Limited has a 36% ownership interest in Dangote Cement South Africa Proprietary Limited. The Associate is unlisted and is registered and operates within South Africa. SepCem is engaged in mining, exploration and the production and sale of cement.

Group

Summary of the Group's interest in associate	Carrying amount 2025 R	Carrying amount 2024 R
Cost of investment in associate	**635 117 284**	635 117 284
Proportional increase in investment	**48 571 875**	48 571 875
Equity-accounted earnings – prior years	**167 252 354**	152 631 314
Group level: Opening balance of carrying value	**850 941 513**	836 320 473
Equity-accounted earnings – current years	**14 663 520**	14 621 040
Group level: Carrying value of investment in associate	**865 605 033**	850 941 513

Due to the fact that the debt service ratio was 1.225 during the 2017 year instead of the required 1.3, negotiations were entered into with Nedbank to reshape the payment profile. This was successfully completed during the second half of 2017 and required a further R95 million contribution by shareholders. SepCem started the CY 2020 financial year with a cash balance of R500 million and was in the process of agreeing a pre-payment of R200 million on its bank debt in order to get relief of R25 million per payment on the next eight scheduled payments. Just before the payment was made, the government-enforced lockdown due to COVID-19 commenced and the overhead costs during this period required all these excess funds. It was envisaged that the impact of COVID-19 on SepCem could be a reduction in EBITDA levels that would not be able to service debt for the current year. The lenders were approached to waive capital payments for the balance of 2020 and receive interest only, but this was only to be considered if shareholders made a contribution of R125 million.

DCP undertook to make this contribution in August 2020 and shareholders have agreed to treat this as a shareholders' loan.

Impairment testing

In terms of IAS 36, *Impairment of assets*, an impairment assessment should be performed if any indicators of impairment are identified. Reduced profitability experienced by the Associate over the past few years and the continued economic downturn in the construction industry were factors indicating that the Group's investment in associate may be impaired.

The recoverable amount of the investment in the Associate was determined based on a value-in-use calculation.

The value-in-use discounted cash flow model was applied in assessing the carrying value of equity-accounted associate. Cash flows were projected over a three-year period, and a projected terminal year, based on financial budgets or forecasts approved by management.

The following approach was followed in forecasting cash flows:

- future profits were estimated using historical financial results achieved and approved three-year budgets;
- costs were assumed to grow in line with the projected growth of the CGU and expected inflation;
- sales growth forecasts were largely based on inflationary price increases with cautious increases in volumes based on growth in the industry; and
- capital expenditure was limited to replacement capital expenditure spend, in line with the Associate's maintenance programmes.

The following rates were applied in determining the value-in-use:

	2025 %	2024 %
Pre-tax discount rate	**17.5**	20.1
Terminal value growth rate	**4.6**	4.6

Discount rates and terminal value growth rate applied are consistent with external sources.

No impairment losses were required in the current financial year based on the value-in-use computation.

7. INVESTMENTS IN ASSOCIATES (CONTINUED)

A sensitivity analysis of the key assumptions have been presented below:

2025	Movement	Impact on Headroom amount (R'million)	Impairment
Discount rate	**+1%**	**(108)**	**Nil**
Terminal value growth rate	**-1%**	**(94)**	**Nil**
2024			
Discount rate	+1%	(68)	Nil
Terminal value growth rate	-1%	(57)	Nil

Summarised financial information of material associates

Summarised Statement of Profit or Loss and Other Comprehensive Income

	2025 R'000	2024 R'000
Revenue	**2 785 449**	2 823 157
Cost of sales	**(2 442 885)**	(2 453 914)
Gross profit	**342 564**	369 243
Profit before tax	**58 057**	62 806
Tax expense	**(15 480)**	(20 880)
Profit from continuing operations	**42 577**	41 926
Non-controlling interest	**(1 845)**	(1 312)
Total comprehensive income	**40 732**	40 614

Summarised Statement of Financial Position

	2025 R'000	2024 R'000
Assets		
Non-current	**2 503 073**	2 560 371
Current	**1 152 578**	1 037 481
Total assets	**3 655 651**	3 597 852
Liabilities		
Non-current	**949 028**	974 279
Current	**812 755**	772 282
Total liabilities	**1 761 783**	1 746 561
Total net assets	**1 893 868**	1 851 291

* *SepCem has a December year-end so as to agree with DCP's year-end. In line with the requirements of IAS 28, the audited year-end results of SepCem as at 31 December 2024 have been included in these financial statements. The use of the different date in applying the equity method is due to the practicality of obtaining the audited March 2025 results timeously.*

The summarised information presented above reflects the financial statements of the Associate after adjusting for differences in accounting policies between the Group and the Associate. No adjustments to the financial information of SepCem used in the equity accounting at SepHold group level for the period from 1 January 2025 to 31 March 2025, was considered necessary.

	Group		Company	
	2025 R	2024 R	**2025 R**	2024 R
8. LOANS TO GROUP COMPANIES				
Subsidiaries				
Sephaku Investment Holdings Proprietary Limited	**–**	–	**12 229**	12 229
The loan is unsecured, interest free and is repayable on demand. If there is an expected credit loss allowance it is assumed immaterial.				

The fair values of the loan is substantially the same as the carrying amounts reflected on the statement of financial position.

Split between non-current and current portions				
Current assets	**–**	–	**12 229**	12 229

Exposure to credit risk

Loans receivable inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if counterparties fail to make payments as they fall due.

Loans receivable are subject to the impairment provisions of IFRS 9 *Financial Instruments*, which requires a loss allowance to be recognised for all exposures to credit risk.

In determining the amount of expected credit losses, the Group has taken into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the industries in which the counterparties operate.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The credit risk of the loan has not changed and no allowance has been made for ECL as it is deemed insignificant.

9. LOANS RECEIVABLE

Loans receivable are presented at amortised cost at Stage 1 with no loss allowance, as follows:

	Group		Company	
	2025 R	2024 R	**2025 R**	2024 R
YC Naidoo	**94 279**	–	**–**	–
The above loan is unsecured, bears interest at 1% per annum and is repayable in 13 equal instalments of R47 389.				
Split between non-current and current portions				
Current assets	**94 279**	–	**–**	–

Exposure to credit risk

Loans receivable inherently exposes the Group to credit risk, being the risk that the Group will incur financial loss if counterparties fail to make payments as they fall due.

	Group		Company	
	2025 R	2024 R	**2025 R**	2024 R
10. TRADE AND OTHER RECEIVABLES				
Financial instruments:				
Trade receivables	**118 468 561**	106 069 862	**1 996 707**	–
Deposits	**3 467 980**	2 007 410	**–**	–
Sundry customers	**21 644**	10 976	**–**	–
Non-financial instruments:				
Pre-payments	**217 155**	154 025	**156 156**	146 550
Total trade and other receivables	**122 175 340**	108 242 273	**2 152 863**	146 550

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade and other receivables pledged as security

Trade and other receivables of R121 958 185 (2024: R108 095 723) were pledged as security for overdraft facilities of the Group as per note 15.

Exposure to credit risk

Trade receivables inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if customers fail to make payments as they fall due.

To mitigate the risk of financial loss from defaults, the Group only deals with reputable customers who have a consistent history of timely payment. Where appropriate, sufficient collateral or guarantees are obtained. Each customer is analysed individually for creditworthiness before credit terms are extended. This assessment includes the use of statistical credit scoring models that consider both customer-submitted data and external bureau information (where available). Credit limits are established for all customers and are reviewed and approved by credit management committees.

The Group continually monitors exposure to credit risk and customer creditworthiness. Credit losses are proactively managed through stringent credit controls and policies. These include converting defaulting customers to cash-only terms, limiting credit to new customers and requiring upfront payments before order fulfilment. These measures have contributed to effective debt collection and minimal financial losses.

Trade receivables are insured through a credit risk insurance policy with Santam, effective 01 March 2021. As at 31 March 2025, the total general cover was up to R11,1 million (2024: R3,6 million). This insurance applies broadly to customer defaults, regardless of specific accounts or ageing categories, and supports the assessment of credit risk exposure under IFRS 9.

Following IFRS 9 *Financial Instruments*, the Group recognises a loss allowance for all trade receivables using the simplified approach. This involves calculating lifetime expected credit losses (ECL) using a provision matrix informed by historical default rates, forward-looking information, and relevant economic conditions such as interest rates and inflation.

Credit losses for the 2024 financial year amounted to less than 1% of turnover, reflecting effective management of debtors and strong credit control practices. Based on improvements in the construction industry and the Group's continued success in debt recovery, credit risk policies were refined, and the expected credit loss rate was adjusted downward accordingly, with no provision held in the balance sheet, as the impact of the application of historical loss rates and forward-looking information is not considered to be material.

At each reporting date, the Group assesses whether there has been a significant increase in credit risk since initial recognition. If so, the loss allowance is measured at lifetime expected credit losses; otherwise, it is measured at 12-month expected credit losses.

During the reporting period, credit losses on trade receivables were minimal and well within expected levels. As a result of sound credit assessments and continuous monitoring of counterparties, the Group did not experience any material impairment losses related to trade receivables.

Where applicable, credit losses recognised on trade receivable are included under "Bad Debts written off" in the Statement of Profit or Loss and Other Comprehensive Income, and any loss allowances are presented as a deduction from the carrying amount of the related trade receivable on the Statement of Financial Position.

There have been no other significant changes to the Group's credit risk management policies since the previous reporting period. Historical credit loss experience does not indicate significantly different loss patterns across customer segments; therefore, the provision for credit losses is based on ageing status rather than further risk segmentation.

The loss allowance provision is determined as follows:

	2025		**2024**	
Group	**Gross carrying amount R**	**Loss allowance (Lifetime expected credit loss) R**	Gross carrying amount R	Loss allowance (Lifetime expected credit loss) R
Expected credit loss rate:				
Current: 0% (2024: 0%)	**90 077 493**	**–**	85 706 728	–
31 – 60 days past due: 0% (2024: 0%)	**25 236 464**	**–**	19 136 354	–
61 – 90 days past due: 0% (2024: 90%)	**741 953**	**–**	457 676	413 219
91 – 120 days past due: 0% (2024: 100%)	**1 046 048**	**–**	287 426	287 426
More than 120 days past due: 0% (2024: 41%)	**1 366 603**	**–**	2 002 726	820 403
Total	**118 468 561**	**–**	107 590 910	1 521 048

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

Reconciliation of loss allowances

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

	Group		Company	
	2025 R	2024 R	**2025 R**	2024 R
Opening balance in accordance with IFRS 9	**1 521 048**	791 087	**–**	–
Provision raised on trade receivables	**660 000**	729 961	**–**	–
Provisions reversed on settled trade receivables	**(2 181 048)**	–	**–**	–
Closing balance	**–**	1 521 048	**–**	–

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

	Group		Company	
	2025 R	2024 R	**2025 R**	2024 R
11. DEFERRED TAX				
Deferred tax liability				
Property plant and equipment	**(32 657 941)**	(26 487 853)	**–**	–
Pre-payments	**(16 469)**	(1 877)	**–**	–
Right-of-use assets	**(6 187 363)**	(10 721 728)	**–**	–
Total deferred tax liability	**(38 861 773)**	(37 211 458)	**–**	–
Deferred tax asset				
Lease liabilities	**8 716 314**	14 227 055	**–**	–
Expected credit loss allowance	**–**	246 408	**–**	–
Income received in advance and section 24C allowances	**1 245 515**	288 750	**–**	–
Accrual for leave pay	**503 480**	516 846	**–**	–
Bonus accrual	**788 437**	657 874	**–**	–
Total deferred tax asset	**11 253 746**	15 936 933	**–**	–

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

	Group 2025 R	Group 2024 R	Company 2025 R	Company 2024 R
Deferred tax liability	**(38 861 773)**	(37 211 458)	**–**	–
Deferred tax asset	**11 253 746**	15 936 933	**–**	–
Total net deferred tax liability	**(27 608 027)**	(21 274 525)	**–**	–
Reconciliation of deferred tax liability				
At beginning of year	**(21 274 525)**	(19 432 371)	**–**	–
Property, plant and equipment	**(6 170 087)**	(1 630 959)	**–**	–
Income received in advance and section 24C allowance	**956 765**	(169 181)	**–**	–
Accrual for leave pay	**(13 366)**	76 194	**–**	–
Right-of-use assets	**4 534 365**	2 581 623	**–**	–
Lease liability	**(5 510 741)**	(2 920 308)	**–**	–
Pre-payments	**(14 593)**	11 351	**–**	–
Bonus accrual	**130 563**	90 874	**–**	–
Doubtful debts	**(246 408)**	118 252	**–**	–
	(27 608 027)	(21 274 525)	**–**	–
Unrecognised deferred tax asset				
Unused tax losses not recognised as deferred tax assets	**117 877 684**	132 348 317	**117 877 684**	132 348 317

	Group		Company	
	2025 **R**	2024 R	**2025** **R**	2024 R

12. OTHER FINANCIAL ASSETS

Other long-term financial assets

Union Atlantic Minerals Limited (UAM) (stage 3)	**1 073 054**	1 073 054	**1 073 054**	1 073 054
Cross Company Management Proprietary Limited (CCM) (stage 2)	**7 272 626**	9 665 086	**7 272 626**	9 665 086
	8 345 680	10 738 140	**8 345 680**	10 738 140
Less: Impairment	**(1 073 054**	(600 000)	**(1 073 054)**	(600 000)
Closing balance	**7 272 626**	10 138 140	**7 272 626**	10 138 140

These loans are unsecured, bear no interest and are repayable on demand.

The UAM loan is in default, however, management is continuously involved in a process of raising finance to advance the prospecting assets that the company has. There was a firm commitment that the loan would be repaid from the first tranche of funding raised. An updated UAM SENS announcement from them (UAM) was released on 12 October 2022 indicating yet another postponement of the first funding received. As a result management did not receive payment as the other items were crucial to the continuance of the process. Management was hopeful that funds would be raised and that payment would be received, but with this further postponement management believes that an expected credit loss (ECL) should be provided for a portion of the loan unlikely to be recovered until such time that funding has been received and exploration can commence.

Management reviewed the impairment of the loan and decided during the current year to recognise the remaining portion of the loan of R473 054 (2024: R200 000) as a loss allowance, bringing the full provision to R1 073 054 (2024: R600 000). UAM management is continuing to look for investors to progress the exploration projects and unlock further value in the company.

New investors are being targeted but SepHold management decided to provide for the full loan amount while still putting value on the rights held by the Company.

The CCM loan is supported by shares in companies that were funded through the application of funds made available. Management has assessed the value of these underlying shares and are satisfied that the loan would be recoverable in full in the foreseeable future. While the individual loans might not match the specific investments in value, the total value of the shares could cover the loan. Based on this it was decided not to recognise a further loss allowance on this loan.

Reconciliation of loss allowances

The following table shows the movement in the loss allowance:

Opening balance in accordance with IFRS 9	**600 000**	400 000	**600 000**	400 000
Impairment of other financial assets	**473 054**	200 000	**473 054**	200 000
Closing balance	**1 073 054**	600 000	**1 073 054**	600 000

Non-current assets

At amortised cost	**7 272 626**	10 138 140	**7 272 626**	10 138 140

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

It is not management’s intention to call for the loans in the next 12 months.

	Group		Company	
	2025 **R**	2024 R	**2025** **R**	2024 R

13. OTHER INVESTMENT

Union Atlantic Minerals Limited	**2 000 000**	2 000 000	**2 000 000**	2 000 000
Less: Impairment	**(1 200 000)**	(1 200 000)	**(1 200 000)**	(1 200 000)
Carrying amount	**800 000**	800 000	**800 000**	800 000
Level 3 Union Atlantic Minerals Limited	**800 000**	800 000	**800 000**	800 000

13. OTHER INVESTMENT (CONTINUED)

During FY 2019 Union Atlantic Minerals Limited issued 50 000 000 shares at R0.04 per share to CCM on behalf of SepHold. The last price before suspension of trade on the stock exchange was 4 cps.

During the previous financial year management reviewed the value of the investment in UAM. Although the mining right application has been advanced for the asset and funds are being raised to complete the project, management decided to adjust the suspended price to 4 cps as a starting point by applying the equity raise dilution to the value of the company. The impairment raised on these principles resulted in 60% or 1.6c in the value of R800 000.

The maximum exposure to market risk at the reporting date is the carrying amount of the financial assets.

14. INVENTORIES

	Group		Company	
	2025 R	2024 R	**2025 R**	2024 R
Raw materials, components	**14 456 614**	11 218 574	–	–
Diesel	**4 022 221**	4 318 495	–	–
Spare parts	**6 096 781**	5 640 553	–	–
	24 575 616	21 177 622	–	–

Inventories recognised as an expense during the year ended 31 March 2025 amounted to R706 002 253 (2024: R724 030 739).

Inventory pledged as security

Inventory is pledged as security for overdraft facilities of the Group. At year-end, the overdraft was undrawn.

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2025 R	2024 R	**2025 R**	2024 R
Cash and cash equivalents consist of:				
Cash on hand	**184 512**	168 524	**–**	–
Bank balances	**29 526 042**	13 235 939	**2 389 367**	2 675 840
Other cash and cash equivalents	**57 599**	–	**–**	–
	29 768 153	13 404 463	**2 389 367**	2 675 840

The fair values of cash and cash equivalents are considered to be equal to the carrying value.

There is an overdraft facility of R40 000 000 (2024: R80 000 000) with First National Bank. Refer to note 32 for credit risk disclosure.

The total amount of undrawn facilities available for future operating activities and commitments	**40 000 000**	80 000 000	**–**	–

Security

The First National Bank (the debt guarantor) overdraft facility is secured as follows:

- General notarial bond to be granted by Métier in favour of the debt guarantor over all its movable assets (including inventory) to the value of R40 000 000.
- Suretyship by SepHold in favour of the debt guarantor for the obligations of Métier to the value of R140 000 000.
- Cession of short-term insurance policies by Métier in favour of the debt guarantor, in terms of which Métier cedes in securitatem debiti to the debt guarantor all of its right, title and interest in and to all short-term insurances over its assets.
- Cession of debts by Métier in favour of the debt guarantor, in terms of which Métier cedes in securitatem debiti to the debt guarantor, all of its right, title and interest in and to all of its debtors.

The facility agreement includes a covenant relating to the ratio of interest-bearing debt to earnings before EBITDA. Métier is in compliance with this covenant.

The fair values of the financial liabilities are substantially the same as the carrying amounts reflected on the statement of financial position as they bear interest at market-related rates.

	Group		Company	
	2025 R	2024 R	**2025 R**	2024 R

16. SHARE CAPITAL

Authorised

1 000 000 000 ordinary shares with no par value issued and fully paid				
254 486 436 (2024: 254 486 436) shares at beginning and end of period	**682 965 910**	682 965 910	**682 965 910**	682 965 910
	682 965 910	682 965 910	**682 965 910**	682 965 910

No new shares were issued during the current or prior financial year.

The 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.

Other equity

22 700 000 (2024: 13 789 293) Treasury shares held by subsidiary	**(23 629 110)**	(13 914 974)	**–**	–

During the year under review the Subsidiary acquired a total of 8 910 707 (2024: 13 789 293) ordinary shares at an average share price of 108 cents (2024: 100 cents) per share in SepHold for a total amount of R9 714 136 (2024: R13 914 974), including transaction costs of R64 865 (2024: R92 779). The repurchased equity shares were acquired under an approved share buyback scheme. The ultimate intention of management is to cancel the shares once the approved number has been reached.

17. SHARE-BASED PAYMENTS

Share options granted on 30 June 2017

	Number R	Weighted exercise price R	Total value R
Outstanding at the beginning of the year	1 705 000	3.00	5 115 000
Expired during the year	1 705 000	3.00	5 115 000
Outstanding at the end of the year	–	–	–

Information on options granted on 1 July 2017

On 1 July 2017, 1 905 000 American-style share options with an exercise price of R3.00 were granted. During FY 2023, 200 000 share options were cancelled due to a resignation. The last remaining share options of 1 705 000 expired on 1 July 2024.

General share options information

At the start of the 2015 financial year, five million share options were available for distribution under the share option scheme. These share options were distributed as follows:

- 1 565 000 share options granted on 10 December 2014,
- 1 630 000 share options granted on 31 March 2016,
- (100 000) share options returned due to resignation during 2017,
- 1 905 000 share options granted on 1 July 2017,
- (241 665) share options returned due to resignation during 2021,
- (3 053 335) share options expired during 2022 and 2023, and
- (1 705 000) share options expired on 1 July 2024.

All vesting expenses for the expired share options were accounted for in FY 2023. For the current year there was R2 738 696 (2024: Rnil) transferred from the reserve account to retained income.

	Group		Company	
	2025 R	2024 R	**2025 R**	2024 R
18. LOANS FROM GROUP COMPANIES				
Subsidiaries				
Métier Mixed Concrete Proprietary Limited	**–**	–	**94 523 036**	112 871 320
The loan is unsecured, interest free and is repayable on demand. During the year the Company decided to repay a variable amount per month which reduced the loan balance with R18 348 284.				
Reconciliation of loan from subsidiary				
The following table shows the movement in the loan from subsidiary:				
Opening balance in accordance with IAS 7	**–**	–	**112 871 320**	112 871 320
Repayments during the year	**–**	–	**(18 348 284)**	–
Closing balance	**–**	–	**94 523 036**	112 871 320
Split between non-current and current portions				
Current liabilities	**–**	–	**94 523 036**	112 871 320

The loan from group company will be settled through a dividend payment from the Subsidiary's retained income of R313 345 616 (2024: R265 414 474).

	Group		Company	
	2025 R	2024 R	**2025 R**	2024 R
19. BORROWINGS				
Held at amortised cost				
Instalment sale liabilities				
WesBank Vehicle Finance	**56 831 264**	12 262 770	**–**	–
During the year, the Group entered into fifty (2024: twenty-four) instalment sale agreements with WesBank Vehicle Finance. It bears interest at rates linked to prime and is repayable over a term of 60 months with an average monthly repayment of R10 948 per vehicle. The Group has access to an approved asset finance facility with a limit of R60 000 000, which may be utilised for the acquisition of movable assets.				
The liability is secured by motor vehicles and plant and machinery with a carrying amount of R36 700 954 (2024: R21 111 911) and R27 459 499 (2024: Rnil) respectively. Refer to note 3 Property, plant and equipment for further details.				
Komatsu Africa Holdings (Pty) Ltd	**21 761 355**	10 924 969	**–**	–
During the year, the Group entered into seven (2024: five) instalment sale agreements with Komatsu Africa Holdings (Pty) Ltd. It bears interest at rates linked to prime and is repayable over a term of 48 months with an average monthly repayment of R46 131 per vehicle (2024: R48 920 per vehicle). The Group has access to an approved asset based funding facility with a limit of R30 000 000, which may be utilised for the acquisition of various new Komatsu plant and equipment.				
The liability is secured by motor vehicles with a carrying amount of R26 789 745 (2024: R11 372 549). Refer to note 3 Property, plant and equipment for further details.				
Mercedes-Benz Financial Services	**32 432 055**	41 422 873	**–**	–
During the year, the Group entered into two (2024: two) instalment sale agreements with Mercedes-Benz Financial Services. It bears interest at rates linked to prime and is repayable over a term of 60 months with an average monthly repayment of R42 318 per vehicle (2024: R35 082 per vehicle). The Group has access to an approved credit facility with a limit of R70 000 000 which may be utilised for the acquisition of approved vehicles.				
The liability is secured by motor vehicles with a carrying amount of R50 292 298 (2024: R51 631 749). Refer to note 3 Property, plant and equipment and note 20 below for further details.				

	Group		Company	
	2025 R	2024 R	**2025 R**	2024 R

19. BORROWINGS (CONTINUED)

External borrowings

First National Bank Commercial Property Finance	**13 346 736**	–	**–**	–
During the year, the Group purchased a property partially financed by First National Bank Commercial Property Finance. The liability is secured by land and buildings with a carrying amount of R21 000 000. It bears interest at rates linked to prime and is repayable over a terms of 96 months with an average monthly repayment of R217 181. Refer to note 3 Property, plant and equipment for further details.				
	124 371 410	64 610 612	**–**	–
Split between non-current and current portions				
Non-current liabilities	**92 034 257**	47 708 556	**–**	–
Current liabilities	**32 337 153**	16 902 056	**–**	–
	124 371 410	64 610 612	**–**	–

Lease liabilities

Refer to note 4 Right-of-use assets for details of leasing activities.

20. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the Group's liabilities arising from financing activities can be classified as follows:

Reconciliation of liabilities arising from financing activities – 2025	**Opening balance R**	**Finance costs R**	**Non-cash additions* R**	**Cash additions R**	**Cash flows principal and interest R**	**Closing balance R**
Borrowings						
Instalment sale liabilities	**64 610 612**	**10 132 347**	**69 295 618**	**–**	**(33 013 481)**	**111 025 096**
External borrowings	**–**	**866 581**	**–**	**14 000 000**	**(1 520 267)**	**13 346 314**
	64 610 612	**10 998 928**	**69 295 618**	**14 000 000**	**(34 533 748)**	**124 371 410**

Reconciliation of liabilities arising from financing activities – 2024	Opening balance R	Finance costs R	Non-cash additions* R	Cash flows principal and interest R	Closing balance R
Borrowings					
Instalment sale liabilities	46 735 419	6 266 400	30 262 948	(18 654 155)	64 610 612

Lease liabilities also form part of financing activities. For the reconciliation refer to note 4.

* *Total non-cash movements of R69 295 618 (2024: R30 262 948) are additions in respect of instalment sale liabilities.*

	Group		Company	
	2025 **R**	2024 R	**2025** **R**	2024 R
21. TRADE AND OTHER PAYABLES				
Financial instruments:				
Trade payables	**83 166 637**	78 575 964	**125 945**	109 404
Credit cards liabilities	**653**	649	**653**	649
Accrued expenses	**33 108**	729 761	**–**	–
Accrued audit fees	**1 093 000**	500 000	**449 200**	500 000
Sundry suppliers	**961 672**	4 212 042	**–**	–
Non-financial instruments:				
Accrual for salary-related expenses	**5 244 057**	4 740 730	**459 178**	389 912
Value added taxation	**2 571 612**	2 638 717	**740 804**	175 757
Income received in advance	**11 532 544**	2 673 611	**–**	–
	104 603 283	94 071 474	**1 775 780**	1 175 722
Financial instrument and non-financial instrument components of trade and other payables				
At amortised cost	**85 255 086**	84 018 415	**575 796**	610 051
Non-financial instruments	**19 348 213**	10 053 058	**1 199 982**	565 669
	104 603 299	94 071 473	**1 775 778**	1 175 720

Fair value of trade and other payables

The fair value of trade and other payables is substantially the same as the carrying amounts reflected on the statement of financial position, as the financial instruments are short-term in nature.

	Group		Company	
	2025 **R**	2024 R	**2025** **R**	2024 R
22. REVENUE				
Disaggregation of revenue from contracts with customers				
The Group disaggregates revenue from customers as follows:				
Sale of goods				
Revenue from the sale of goods	**1 182 844 822**	1 163 603 065	**–**	–
Rendering of services				
Management fees received	**–**	–	**41 137 358**	23 470 000
Total revenue from contracts with customers	**1 182 844 822**	1 163 603 065	**41 137 358**	23 470 000
Timing of revenue recognition				
At a point in time				
Revenue from the sale of goods	**1 182 844 822**	1 163 603 065	**–**	–
Over time				
Management fees received	**–**	–	**41 137 358**	23 470 000
Total revenue from contracts with customers	**1 182 844 822**	1 163 603 065	**41 137 358**	23 470 000
23. OTHER OPERATING INCOME				
Bad debts recovered	**305 745**	211 262	**–**	–
Other sundry income	**213 053**	69 428	**–**	–
Rent received	**660 601**	617 196	**–**	–
(Loss)/profit on sale of property, plant and equipment	**(295 755)**	2 339 801	**–**	–
Income received in advanced written off	**132 103**	2 951 111	**–**	–
	1 015 747	6 188 798	**–**	–

	Note(s)	Group 2025 R	Group 2024 R	Company 2025 R	Company 2024 R
24. OTHER OPERATING LOSSES					
Losses on disposals, scrappings and settlements					
Property, plant and equipment	3	**(6 622)**	–	**(6 622)**	–
		–	231 121	**–**	(26)
Fair value losses					
Financial assets designated as at fair value through profit or loss		**–**	(200 000)	**–**	(200 000)
Total other operating losses		**(6 622)**	(200 000)	**(6 622)**	(200 000)
25. INVESTMENT INCOME					
Interest income					
Investments in financial assets:					
Bank and other cash		**1 905 289**	1 714 283	**128**	252
Trade and other receivables		**888 509**	861 053	**–**	–
Other financial assets		**1 065**	–	**1 065**	–
Total interest income		**2 794 863**	2 575 336	**1 193**	252
26. FINANCE COSTS					
Lease liabilities		**4 199 684**	5 071 287	**–**	–
Bank overdraft		**101 950**	143 331	**7**	1
SARS interest		**183 551**	–	**557**	–
Borrowings		**10 998 928**	6 375 577	**–**	–
Total finance costs		**15 484 113**	11 590 195	**564**	1
27. TAXATION					
Major components of the tax expense					
Current					
Local income tax – current period		**10 530 852**	16 910 896	**976 768**	88 857
Adjustments in respect of prior years		**60 674**	66 204	**–**	66 204
		10 591 526	16 977 100	**976 768**	155 061
Deferred					
Originating and reversing temporary differences		**6 333 501**	1 842 153	**–**	–
		16 925 027	18 819 253	**976 768**	155 061
Reconciliation of the taxation expense					
Reconciliation between accounting profit and tax expense.					
Accounting profit		**90 476 334**	85 444 197	**17 587 304**	1 283 768
Tax at the applicable tax rate of 27% (2024: 27%)		**24 428 610**	23 069 933	**4 748 572**	346 617
Tax effect of adjustments on taxable income					
Under provision of income tax prior year		**60 674**	66 204	**–**	66 204
Other grants and incentives		**(64 886)**	(5 110)	**–**	–
Fair value adjustment		**–**	54 000	**–**	54 000
Utilisation of assessed loss		**(3 909 664)**	(366 588)	**(3 909 664)**	(366 817)
Profit from equity-accounted investment		**(3 959 150)**	(3 947 681)	**–**	–
Donations		**2 008**	2 174	**–**	–
Capital loss		**325 787**	20 864	**1 787**	–
Interest and penalties relating to taxes		**57 756**	1 057	**8 348**	1 057
Impairment of loan		**127 725**	54 000	**127 725**	54 000
Other items		**(35 833)**	–	**–**	–
Learnership allowance		**(108 000)**	(129 600)	**–**	–
		16 925 027	18 819 253	**976 768**	155 061

The estimated tax loss available for set off against future taxable income is R117 877 685 (2024: R132 348 518).

	Group		Company	
	2025 R	2024 R	**2025 R**	2024 R

28. CASH GENERATED FROM OPERATIONS

	Group 2025 R	Group 2024 R	Company 2025 R	Company 2024 R
Profit before taxation	**90 476 334**	85 444 197	**17 587 304**	1 283 768
Adjustments for non-cash items:				
Depreciation, amortisation, impairments and reversals of impairments	**41 930 448**	36 316 965	**15 536**	7 946
Fair value losses	**–**	200 000	**–**	200 000
Share of profit of equity-accounted investments	**(14 663 520)**	(14 621 040)	**–**	–
Impairments and movements in credit loss allowances	**(1 047 994)**	929 961	**473 054**	200 000
Loss/(profit) on sale of property, plant and equipment	**302 377**	(2 339 801)	**6 622**	–
Adjust for items which are presented separately:				
Interest income	**(2 794 863)**	(2 575 336)	**(1 193)**	(252)
Finance costs	**15 484 113**	11 590 195	**564**	1
Changes in working capital:				
Increase in inventories	**(3 397 994)**	(672 729)	**–**	–
(Increase)/decrease in trade and other receivables	**(12 412 019)**	12 957 613	**(2 006 313)**	(559)
Increase/(decrease) in trade and other payables	**10 531 809**	(11 519 240)	**600 059**	(399 941)
Increase in loans receivables	**795 295**	1 822 226	**–**	–
	125 203 986	117 533 011	**16 675 633**	1 290 963

29. TAXATION PAID

	Group 2025 R	Group 2024 R	Company 2025 R	Company 2024 R
Balance at the beginning of the year	**561 275**	(2 277 547)	**31 520**	–
Current taxation for the period recognised in profit or loss	**(10 591 526)**	(16 977 100)	**(976 768)**	(155 061)
Balance at the end of the year	**378 639**	(561 275)	**15 411**	(31 520)
	(9 651 612)	(19 815 922)	**(929 837)**	(186 581)

30. RELATED PARTIES

Relationships

Subsidiaries	Refer to note 6
Associates	Refer to note 7
Major shareholder of SepCem	Dangote Industries Limited
Companies with common shareholders	Incubex Minerals Limited SepFluor Limited
Key management personnel of the Group	Refer to directors as listed below
Companies with common directors	Cross Company Management Proprietary Limited Cato Ridge Quarry Proprietary Limited Union Atlantic Minerals Limited WKRD Properties Proprietary Limited Plazatique Corp 27 CC
Directors	B Williams MM Ngoasheng MJ Janse van Rensburg MM Sedikela Dr. L Mohuba KJ Capes NR Crafford-Lazarus

	Group 2025 R	Group 2024 R	Company 2025 R	Company 2024 R

30. RELATED PARTIES (CONTINUED)

	Group 2025 R	Group 2024 R	Company 2025 R	Company 2024 R
Related party balances				
Loan accounts – Owing (to) by related parties				
Métier Mixed Concrete Proprietary Limited	**–**	–	**(94 532 036)**	(112 871 320)
Union Atlantic Minerals Proprietary Limited	**–**	473 054	**–**	473 054
Cross Company Management Proprietary Limited	**7 272 626**	9 665 086	**7 272 626**	9 665 086
Sephaku Investment Holdings Proprietary Limited	**–**	–	**12 229**	12 229
Amounts included in Trade receivable (Trade Payable) regarding related parties				
Dangote Cement South Africa Proprietary Limited^	**(8 707 855)**	(11 897 342)	**–**	–
Related party transactions				
Purchases from (sales to) related parties including VAT				
Dangote Cement South Africa Proprietary Limited	**102 704 930**	167 000 547	**–**	–
Rent paid to (received from) related parties				
Plazatique Corp 27 CC^^	**1 337 931**	1 268 181	**–**	–
WKRD Properties Proprietary Limited^^	**1 233 638**	1 147 570	**–**	–
Management fees paid to (received from) related parties^^^				
Métier Mixed Concrete Proprietary Limited	**–**	–	**(41 137 358)**	(23 470 000)
Utilities paid to related parties				
Plazatique Corp 27 CC	**1 048 583**	872 899	**–**	–
WKRD Properties Proprietary Limited	**1 062 890**	1 049 305	**–**	–

^ Goods were purchased from the Associate during the year based on price lists in force and terms that would be available to third parties.
^^ The amounts included represent the actual transactions as per the lease agreements. The IFRS 16 treatment for these form part of note 4.
^^^ Management services were received on a cost-plus basis. All other transactions were made on normal commercial terms.

All other transactions were made on normal commercial terms.

31. DIRECTORS' EMOLUMENTS

Executive

Directors' emoluments	Basic salary R	Prior year performance bonuses* R	Travel allowances R	Pension fund R	Total R
2025					
Services as director					
KJ Capes	**4 403 670**	**2 767 500**	**–**	**396 330**	**7 567 500**
NR Crafford-Lazarus	**4 299 000**	**2 767 500**	**150 000**	**351 000**	**7 567 500**
	8 702 670	**5 535 000**	**150 000**	**747 330**	**15 135 000**

Directors' emoluments	Basic salary R	Prior year performance bonuses* R	Travel allowances R	Pension fund R	IFRS 2 share-based payments expense (note 19) R	Total R
2024						
Services as director						
KJ Capes	3 445 494	1 300 000	–	310 095	1 995 000	7 050 589
NR Crafford-Lazarus	4 112 000	1 200 000	150 000	351 000	2 275 000	8 088 000
	7 557 494	2 500 000	150 000	661 095	4 270 000	15 138 589

** The bonus paid in FY 2025 relates to the FY 2024 performance.*

31. DIRECTORS' EMOLUMENTS (CONTINUED)

Non-executive

Directors' emoluments	Fees for services as director R	Total R
2025		
Services as director or prescribed officer		
B Williams	**500 000**	**500 000**
MJ Janse van Rensburg	**415 000**	**415 000**
MM Sedikela	**207 500**	**207 500**
MM Ngoasheng	**415 000**	**415 000**
Dr. L Mohuba	**415 000**	**415 000**
B Bulo	**207 500**	**207 500**
	2 160 000	**2 160 000**

Directors' emoluments	Fees for services as director R	Total R
2024		
Services as director		
B Williams	475 000	475 000
MJ Janse van Rensburg	390 000	390 000
MM Ngoasheng	390 000	390 000
Dr. L Mohuba	390 000	390 000
B Bulo	390 000	390 000
	2 035 000	2 035 000

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of financial instruments

Categories of financial assets

Group	Note(s)	Assets at fair value (level 3) R	Amortised cost R	Non-financial instruments R	Total R
2025					
Loans receivable	9	**–**	**94 279**	**–**	**94 279**
Trade and other receivables	10	**–**	**121 958 185**	**217 155**	**122 175 340**
Cash and cash equivalents	15	**–**	**29 768 153**	**–**	**29 768 153**
Other financial assets	12	**–**	**7 272 626**	**–**	**7 272 626**
Other investments	13	**800 000**	**–**	**–**	**800 000**
		800 000	**159 093 243**	**217 155**	**160 110 398**
2024					
Trade and other receivables	10	–	108 088 248	154 025	108 242 273
Cash and cash equivalents	15	–	13 404 463	–	13 404 463
Other financial assets	12	–	10 138 140	–	10 138 140
Other investments	13	800 000	–	–	800 000
		800 000	131 630 851	154 025	132 584 876

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Categories of financial instruments (continued)

Categories of financial assets (continued)

Company	Note(s)	Assets at fair value (level 3) R	Amortised cost R	Non-financial instruments R	Total R
2025					
Loans to group companies	8	**–**	**12 229**	**–**	**12 229**
Trade and other receivables	10	**–**	**1 996 707**	**156 156**	**2 152 863**
Cash and cash equivalents	15	**–**	**2 389 367**	**–**	**2 389 367**
Other financial assets	12	**–**	**7 272 626**	**–**	**7 272 626**
Other investments	13	**800 000**	**–**	**–**	**800 000**
		800 000	**11 670 929**	**156 156**	**12 627 085**
2024					
Loans to group companies	8	–	12 229	–	12 229
Trade and other receivables	10	–	–	146 550	146 550
Cash and cash equivalents	15	–	2 675 840	–	2 675 840
Other financial assets		–	10 138 140	–	10 138 140
Other investments		800 000	–	–	800 000
		800 000	12 826 209	146 550	13 772 759

Categories of financial liabilities

Group	Note(s)	Non-financial instruments R	Amortised cost R	Leases R	Total R
2025					
Trade and other payables	21	**19 348 213**	**85 255 070**	**–**	**104 603 283**
Borrowings	19	**–**	**124 371 410**	**–**	**124 371 410**
Lease liabilities	4	**–**	**–**	**37 562 500**	**37 562 500**
		19 348 213	**209 626 480**	**37 562 500**	**266 537 193**
2024					
Trade and other payables	21	10 053 058	84 018 416	–	94 071 474
Borrowings	19	–	64 610 612	–	64 610 612
Lease liabilities	4	–	–	52 692 797	52 692 797
		10 053 058	148 629 028	52 692 797	211 374 883

Company	Note(s)	Non-financial instruments R	Amortised cost R	Total R
2025				
Trade and other payables	21	**1 199 982**	**575 798**	**1 775 780**
Loans from group companies	18	**–**	**94 523 036**	**94 523 036**
		1 199 982	**95 098 834**	**96 298 816**
2024				
Trade and other payables	21	565 669	610 052	1 175 721
Loans from group companies	18	–	112 871 320	112 871 320
		565 669	113 481 372	114 047 041

The Group believes that the carrying value of the financial instruments approximates the fair value.

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Capital risk management

The Group's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the Group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The Group monitors capital utilising a number of measures, including the gearing ratio. The gearing ratio is calculated as net borrowings (total borrowings less cash) divided by shareholders' equity. The Group's gearing ratio of 18% is well below the Group comfort ratio of 25%.

The capital structure and gearing ratio of the Group at the reporting date was as follows:

		Group		Company	
	Note(s)	**2025 R**	2024 R	**2025 R**	2024 R
Loans from group companies	18	**–**	–	**94 523 036**	112 871 320
Borrowings	19	**124 371 410**	64 610 612	**–**	–
Lease liabilities	4	**37 562 500**	52 692 797	**–**	–
Trade and other payables	21	**104 603 283**	94 071 476	**1 775 778**	1 175 721
Total borrowings		**266 537 193**	211 374 885	**96 298 814**	114 047 041
Cash and cash equivalents	15	**(29 768 153)**	(13 404 463)	**(2 389 367)**	(2 675 840)
Net borrowings		**236 769 040**	197 970 422	**93 909 447**	111 371 201
Equity		**1 289 453 242**	1 225 616 071	**899 442 911**	882 832 375
Gearing ratio		**18%**	16%	**10%**	13%

Financial risk management

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 loans receivable (at amortised cost), trade and other receivables, cash and cash equivalents and loan commitments.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The Group only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the Group through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instrument.

Trade receivables

Trade receivables consist of a large number of customers mainly in the construction industry. Due to a number of hardships experienced in the construction industry over the past year management increased its risk management efforts on trade receivables by obtaining general risk cover from Santam for non-specific customers. The Group applies the IFRS 9 simplified approach in measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. These lifetime ECL are estimated using a provision matrix. The provision matrix has been developed by making use of historical default experience of debtors but also incorporates forward-looking information and general economic conditions of the industry as at the reporting date. In order to mitigate the risk of financial loss from defaults, management has reacted differently to prior years and were stricter on credit controls with customer credit limits being in place, reviewed and approved by credit management committees. Defaulting customers were converted to cash customers and credit limits for new customers were limited. More upfront payments are required prior to commencing orders.

The exposure to credit risk and the creditworthiness of customers are continuously monitored.

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Financial risk management (continued)

Loans receivable

The Group recognises a loss allowance for ECL on all loans receivable measured at amortised cost in accordance with IFRS 9. The amount of ECL is updated at each reporting date to reflect the changes in credit risk since initial recognition of the respective loans. The Group measures the loss allowance at an amount equal to lifetime ECL when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, the loss allowance for that loan is measured at 12-month expected credit losses (12-month ECL).

For trade receivables and contract assets which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments.

The maximum exposure to credit risk is presented in the table below:

		2025			2024		
Group	Note(s)	**Gross carrying amount R**	**Credit loss allowance R**	**Amortised cost /fair value R**	Gross carrying amount R	Credit loss allowance R	Amortised cost /fair value R
Loans receivable	9	**94 279**	**–**	**94 279**	–	–	–
Trade and other receivables	10	**122 175 340**	**–**	**122 175 340**	109 609 296	(1 521 048)	108 088 248
Cash and cash equivalents	15	**29 768 153**	**–**	**29 768 153**	13 404 463	–	13 404 463
		152 037 772	**–**	**152 037 772**	123 013 759	(1 521 048)	121 492 711

		2025			2024		
Company	Note(s)	**Gross carrying amount R**	**Credit loss allowance R**	**Amortised cost /fair value R**	Gross carrying amount R	Credit loss allowance R	Amortised cost /fair value R
Loans to group companies	8	**12 229**	**–**	**12 229**	12 229	–	12 229
Trade and other receivables	10	**2 152 863**	**–**	**2 152 863**	146 550	–	146 550
Cash and cash equivalents	15	**2 389 367**	**–**	**2 389 367**	2 675 840	–	2 675 840
		4 554 459	**–**	**4 554 459**	2 834 619	–	2 834 619

The carrying amount of financial assets represents the maximum exposure to credit risk.

Liquidity risk

The Group's risk to liquidity is a result of the funds available to cover future commitments. The Group manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The tables that follow analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The cash flows are undiscounted contractual amounts.

Group	Note(s)	**Less than 1 year R**	**1 to 2 years R**	**2 to 3 years R**	**3 to 5 years R**	**Total R**	**Carrying amount R**
2025							
Non-current liabilities							
Borrowings	19	**–**	**54 863 040**	**27 528 400**	**26 818 636**	**109 210 076**	**92 034 257**
Lease liabilities	4	**–**	**10 201 866**	**7 205 292**	**3 462 580**	**20 869 738**	**18 920 220**
Current liabilities							
Trade and other payables	21	**85 255 070**	**–**	**–**	**–**	**85 255 070**	**85 255 070**
Borrowings	19	**44 832 432**	**–**	**–**	**–**	**44 832 432**	**32 337 153**
Lease liabilities	4	**21 536 251**	**–**	**–**	**–**	**21 536 251**	**18 642 280**
		151 623 753	**65 064 906**	**34 733 692**	**30 281 216**	**281 703 567**	**247 188 980**

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

Group	Note(s)	Less than 1 year R	1 to 2 years R	2 to 3 years R	3 to 5 years R	Total R	Carrying amount R
2024							
Non-current liabilities							
Borrowings	19	–	23 670 862	19 682 048	12 020 696	55 373 606	47 708 556
Lease liabilities	4	–	20 431 428	9 474 282	8 762 241	38 667 951	33 956 392
Current liabilities							
Trade and other payables	21	91 433 004	–	–	–	91 433 004	91 433 004
Borrowings	19	23 656 561	–	–	–	23 656 561	16 902 056
Lease liabilities	4	22 711 496	–	–	–	22 711 496	18 736 405
		137 801 061	44 102 290	29 156 330	20 782 937	231 842 618	208 736 413

Company	Note(s)	Less than 1 year R	Total R	Carrying amount R
2025				
Current liabilities				
Trade and other payables	21	**1 316 602**	**1 316 602**	**1 316 602**
Loans from group companies	18	**94 523 036**	**94 523 036**	**94 523 036**
2024				
Current liabilities				
Trade and other payables	21	999 963	999 963	999 963
Loans from group companies	18	112 871 320	112 871 320	112 881 320

Without the Subsidiary loan the Company does not face any liquidity risk and are able to settle their current obligations as they become due.

This is discussed in detail in note 33 Going concern.

Interest rate risk

The Company and the Group are exposed to interest rate risk through their variable rate cash balances, as well as their other financial liabilities, instalment sale liabilities and external borrowings. Surplus cash flows exposed to interest rate risk are placed with institutions and facilities which yield the highest rate of return.

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.

Group

At 31 March 2025, if the interest rates on cash and cash equivalents had been 1% (2024: 1%) higher or lower during the period, with all other variables held constant, pre-taxation profit for the year would have been R526 068 (2024: R515 067) higher or lower, mainly as a result of higher or lower interest income on funds invested on call. The resulting taxation effect would have been R142 038 (2024: R139 068).

At 31 March 2025, if the interest rates on borrowings had been 1% per annum (2024: 1%) higher or lower during the period, with all other variables held constant, pre-taxation profit for the year would have been R1 548 356 (2024: R1 159 019) higher or lower, as a result of higher or lower interest expense on floating rate borrowings. The resulting taxation effect would have been R418 056 (2024: R312 935).

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Company

At 31 March 2025, if the interest rates on cash and cash equivalents had been 1% (2024: 1%) higher or lower during the period, with all other variables held constant, pre-taxation profit for the year would have been R239 (2024: R50) higher or lower, mainly as a result of higher or lower interest income on funds invested on call. The resulting taxation effect would have been Rnil.

At 31 March 2025, if the interest rates on borrowings had been 1% per annum (2024: 1%) higher or lower during the period, with all other variables held constant, pre-taxation profit for the year would have been Rnil (2024: Rnil) higher or lower, as a result of higher or lower interest expense on floating rate borrowings. The resulting taxation effect would have been Rnil.

33. GOING CONCERN

The annual financial statements have been prepared on the basis of 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 believe that the Group and the Company have adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the Group and the Company are in a sound financial position and have access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Company's current liabilities exceeds the current assets, however if the loan from the Subsidiary is required to be repaid, the board will approve Métier to pay a dividend to SepHold. The dividend received will be utilised to repay the loan in full. The directors are not aware of any new material changes that may adversely impact the Group and the Company.

Métier's term loan was repaid during FY 2023 and replaced with an overdraft facility of R80 million. The R80 million overdraft facility provides enough headroom to ensure that all foreseeable cash requirements will be met.

The refinancing of the SepCem Nedbank and consortium loan of R376 714 000 was granted by Nedbank and Standard Bank during FY 2023. The loan was serviced according to the repayment profile and will be settled in full by Q4 of CY 2025. The working capital facility of R200 million remains unutilised and SepCem therefore also has enough headroom to ensure that all foreseeable cash requirements will be met.

The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Group and the Company.

34. EVENTS AFTER THE REPORTING PERIOD

Business interruption insurance claim

On 26 March 2025, after the reporting period of SepCem it was agreed that the business interruption claim stemming from the COVID-19 hard lockdown would be settled at an amount of R46 million. This would be recognised in SepCem's CY 2025 and reported in the SepHold FY 2026. Final agreements have not yet been signed and payment is still outstanding as at SepHold's year ended 31 March 2025. As a result, this was treated as a non-adjusting post balance sheet event.

35. NET ASSET VALUE PER SHARE AND EARNINGS PER SHARE

	Group	
	2025 R	2024 R
Net asset value and tangible net asset value per share		
Total assets	**1 583 977 101**	1 458 265 479
Total liabilities	**(294 523 859)**	(232 649 408)
Net asset value attributable to equity holders of parent	**1 289 453 242**	1 225 616 071
Goodwill	**(223 421 981)**	(223 421 981)
Tangible net asset value	**1 066 031 261**	1 002 194 090
Shares in issue	**254 486 436**	254 486 436
Less: Treasury shares	**(22 700 000)**	(13 789 293)
Total shares outstanding	**231 786 436**	240 697 143
Net asset value per share (cents)	**556.31**	509.19
Tangible net asset value per share (cents)	**459.92**	416.37

35. NET ASSET VALUE PER SHARE AND EARNINGS PER SHARE (CONTINUED)

	Group			
	2025 Gross R	**2025 Net R**	2024 Gross R	2024 Net R
Reconciliation of basic earnings to diluted earnings, headline earnings and normalised earnings:				
Profit attributable to ordinary equity holders of the parent entity		**73 551 307**		66 624 944
IAS 33 earnings		**73 551 307**		66 624 944
Less loss/(profit) on the disposal of plant and equipment (note 23 and 24)	**302 377**	**220 735**	(2 339 801)	(1 708 055)
Less share of "look-through" adjustments of associate:	**(460 080)**	**(335 858)**	(491 086)	(358 493)
– (Profit)/loss on the disposal of plant and equipment	**(460 080)**	**(335 858)**	(236 160)	(172 397)
– Insurance proceeds on plant and equipment	**–**	**–**	(254 926)	(186 096)
Headline earnings and diluted headline earnings attributable to equity holders of parent		**73 436 184**		64 558 396
Add IFRS 9 equity investment measured at fair value through profit or loss (note 13) – impairment		**–**		200 000
Add IFRS 9 loan receivable at amortised cost (note 12) – impairment		**473 054**		200 000
Normalised headline earnings attributable to equity holders of parent		**73 909 238**		64 958 396
Basic weighted average number of shares		**232 995 700**		251 080 413
Diluted weighted average number of shares		**232 995 700**		251 080 413
Basic earnings per share (cents)		**31.57**		26.54
Diluted earnings per share (cents)		**31.57**		26.54
Headline earnings per share (cents)		**31.52**		25.71
Normalised headline earnings per share (cents)		**31.72**		25.87
Diluted headline earnings per share (cents)		**31.52**		25.71

36. SEGMENT INFORMATION

	Ready-mix concrete R	**Head office R**	**Group totals R**
2025			
Segment revenue – external revenue	**1 182 844 822**	**–**	**1 182 844 822**
Segment raw materials	**(706 002 253)**	**–**	**(706 002 253)**
Segment transportation	**(146 341 586)**	**–**	**(146 341 586)**
Segment production expenses	**(28 986 737)**	**–**	**(28 986 737)**
Segment employee benefit expenses	**(101 227 245)**	**(10 644 644)**	**(111 871 889)**
Segment administration and other operating expenses	**(56 423 635)**	**(4 843 327)**	**(61 266 962)**
Profit from equity-accounted investment	**–**	**14 663 520**	**14 663 520**
Loss on sale of property, plant and equipment	**(295 755)**	**–**	**(295 755)**
Segment profit/(loss) after taxation	**75 847 115**	**(2 295 808)**	**73 551 307**
Taxation	**(15 948 259)**	**(976 768)**	**(16 925 027)**
Interest received	**2 793 670**	**1 193**	**2 794 863**
Interest paid	**(15 483 548)**	**(564)**	**(15 484 112)**
Depreciation and amortisation	**(41 914 912)**	**(15 536)**	**(41 930 448)**
Segment assets	**484 269 073**	**1 099 708 028**	**1 583 977 101**
Investment in associate included in the above total segment assets	**–**	**865 605 033**	**865 605 033**
Capital expenditure included in segment assets	**123 913 054**	**77 074**	**123 990 128**
Segment liabilities	**(292 732 668)**	**(1 791 191)**	**(294 523 859)**

36. SEGMENT INFORMATION (CONTINUED)

2024

	Ready-mix concrete R	Head office R	Group totals R
Segment revenue – external revenue	1 163 603 065	–	1 163 603 065
Segment raw materials	(724 030 739)	–	(724 030 739)
Segment transportation	(146 953 255)	–	(146 953 255)
Segment production expenses	(28 747 130)	–	(28 747 130)
Segment employee benefit expenses	(89 598 872)	(13 158 574)	(102 757 446)
Segment administration and other operating expenses	(46 453 126)	(3 565 225)	(50 018 351)
Profit from equity-accounted investment	–	14 621 040	14 621 040
Profit on sale of property, plant and equipment	2 339 801	–	2 339 801
Segment profit/(loss) after taxation	69 290 157	(2 665 213)	66 624 944
Taxation	(18 664 192)	(155 061)	(18 819 253)
Interest received	2 575 084	252	2 575 336
Interest paid	(11 590 194)	(1)	(11 590 195)
Depreciation and amortisation	(36 309 019)	(7 946)	(36 316 965)
Segment assets	369 701 968	1 088 563 511	1 458 265 479
Investment in associate included in above total segment assets	–	850 941 513	850 941 513
Capital expenditure included in segment assets	54 023 418	–	54 023 418
Segment liabilities	(231 473 707)	(1 175 701)	(232 649 408)

The only commodity actively managed by Métier is ready-mixed concrete.

The Group does not rely on any single external customer or group of entities under common control for 10% or more of the Group's revenue.

SepCem is an associate of SepHold. No segment report has been presented for cement (the commodity) as the amounts attributable to cement (the commodity) have been included in the head office segment.

SUPPLEMENTARY INFORMATION

1. SHAREHOLDERS' ANALYSIS

Ordinary shares as at 31 March 2025

Number of ordinary shares in issue during the financial year:	**254 486 436**
Total holders:	**8 386**

Issued capital

Type of shares	Number of shareholders	% of shareholders	Number of shares
Certificated shares	**120**	**1.43**	**26 960 401**
Dematerialised shares	**8 266**	**98.57**	**227 526 035**
Total issued capital	**8 386**	**100.00**	**254 486 436**

Shareholders holding greater than 5% of the issued share capital at year-end	Number of shares	%
Safika Resources Proprietary Limited (Dematerialised)	**30 734 981**	**12.08**
Citiclient Nominees No8 NY GW	**25 612 705**	**10.06**
Métier Mixed Concrete Proprietary Limited	**22 700 000**	**8.92**
Safika Resources Proprietary Limited (Certificated)	**19 043 228**	**7.48**
Mr. D Fraser	**16 300 000**	**6.41**
Mr. RC Williams	**13 756 492**	**5.41**

Range of shareholdings

Share range	Number of shareholders	% of shareholders	Number of shares
1 – 1 000	**7 130**	**85.02**	**722 251**
1 001 – 10 000	**737**	**8.79**	**2 769 770**
10 001 – 50 000	**296**	**3.53**	**7 124 107**
50 001 – 100 000	**90**	**1.07**	**6 518 315**
100 001 – 500 000	**91**	**1.09**	**21 102 345**
500 001 – 1 000 000	**14**	**0.17**	**10 051 005**
1 000 001 shares and over	**28**	**0.33**	**206 198 643**
Total	**8 386**	**100.00**	**254 486 436**

Breakdown by domicile

Domicile	Number of shareholders	% of shareholders	Number of shares
Non-resident shareholders	**59**	**0.70**	**38 544 074**
Resident shareholders	**8 327**	**99.30**	**215 942 362**
Total	**8 386**	**100.00**	**254 486 436**

Public and non-public shareholders	Shares held	%	Number of shareholders
Public	**194 877 753**	**76.58**	**8 378**
Non-public	**59 608 683**	**23.42**	**8**
– Directors' direct holdings	**15 880 668**	**6.24**	**3**
– Directors' indirect holdings	**20 879 336**	**8.20**	**2**
– Directors' associates	**148 679**	**0.06**	**2**
– Treasury shares	**22 700 000**	**8.92**	**1**
Total issued capital	**254 486 436**	**100.00**	**8 386**

The supplementary information presented does not form part of the financial statements and is unaudited.

NOTICE OF ANNUAL GENERAL MEETING

11 September 2025

INDEX

LETTER TO SHAREHOLDERS

We invite you to attend the Sephaku Holdings Limited annual general meeting (AGM), which will be held electronically on Thursday, 11 September 2025 at 10:00HS SAST. We encourage you to participate and vote in the AGM electronically and, for administrative ease, to make use of proxy voting as outlined in the notice of AGM (notice). The AGM is your opportunity to engage with company executives regarding the group's performance for the year ended 31 March 2025.

The AGM will only be accessible through electronic communication, in accordance with the provisions of the Companies Act, 71 of 2008, as amended (the Companies Act) and the company's memorandum of incorporation (MOI). The company has retained the services of The Meeting Specialist Proprietary Limited (TMS) to remotely host the AGM on an interactive electronic platform, to facilitate remote participation and voting by shareholders. TMS will also act as scrutineer for the purposes of the AGM.

The integrated annual report will not be mailed to shareholders as part of our strategy to contain costs. However, all the information that you may require for voting at the AGM is included in this booklet, including the detailed notice, the summarised consolidated financial statements and other supporting documentation. The integrated annual report is available on https://sephakuholdings.com/investor-centre/ results-and-reports/.

If you are not able to participate in the AGM, you may vote by proxy according to the instructions in the notice and form of proxy. For a summary of the shareholders' rights in respect of proxy appointments as contained in section 58 of the Companies Act refer to the notes to the form of proxy on page 115.

Yours sincerely

Acorim

Acorim Proprietary Limited
Group company secretary

31 July 2025

NOTICE OF ANNUAL GENERAL MEETING

Sephaku Holdings Limited
Incorporated in the Republic of South Africa
Registration number: 2005/003306/06
JSE share code: SEP
ISIN: ZAE000138459

In terms of section 62(3)(a) of the Companies Act, 71 of 2008, as amended (the Companies Act) and, subject to any cancellation, postponement or adjournment, notice is hereby given to shareholders of Sephaku Holdings Limited ("SepHold" or "the company") that the annual general meeting (AGM) will be held by way of electronic communication on Thursday, 11 September 2025 at 10:00HS.

The AGM is for SepHold shareholders to (i) consider and, if deemed fit, adopt with or without modification, the ordinary and special resolutions as set out in this notice of AGM (notice) in the manner required by the Companies Act, as read with the JSE Listings Requirements and (ii) deal with such other business as may lawfully be dealt with at the AGM.

RECORD DATES

The board of directors of SepHold (the Board) has determined in terms of section 62(3)(a), read together with section 59(1)(b) of the Companies Act, the record date on which a shareholder must be in the securities register of SepHold for the purpose of determining which shareholders are entitled to:

- receive notice of the AGM is Friday, 25 July 2025; and
- participate in, and vote on the resolutions to be proposed at the AGM by Friday, 5 September 2025.

Accordingly, the last day to trade SepHold shares to be entitled to participate in and vote during the AGM will be Tuesday, 2 September 2025.

ACTION BY SHAREHOLDERS

Certificated shareholders or "own name" registered dematerialised shareholders are entitled to participate and vote during the AGM or any adjournment thereof or may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a shareholder or member of the board. Completion of a form of proxy will not preclude such shareholder from participating and voting (in preference to that shareholder's proxy) during the AGM or any adjournment thereof.

Dematerialised shareholders (not with "own name" registration) must notify their Central Securities Depository Participant (CSDP) or broker of their intention to participate in the AGM for such CSDP or broker to be able to issue them with the necessary letter of representation to enable them to participate in the AGM or should the dematerialised shareholder not wish to participate in the AGM, they should provide their CSDP or broker with their voting instructions.

For administrative purposes only, we request that completed forms be emailed to proxy@tmsmeetings.co.za by Tuesday, 9 September 2025.

Forms of proxy may also be submitted electronically to the chairperson before the start of the AGM or voting on any resolution commences as set out in this notice. During the AGM, each shareholder will have voting rights determined in terms of the shares held by such shareholder as set out in the memorandum of incorporation of the company (MOI). AGM participants will be required to provide identification to the reasonable satisfaction of the chairperson of the AGM.

An official identification document issued by the South African Department of Home Affairs, a driver's licence or a valid passport will be accepted as sufficient identification. Shareholders who have any doubt as to the action they are required to take in respect of the following resolutions should consult their CSDP, broker, banker, attorney, accountant, or other professional advisers immediately.

ELECTRONIC PARTICIPATION

Shareholders who wish to participate electronically in and/or vote at the AGM are required to contact The Meeting Specialist Proprietary Limited (TMS) on proxy@tmsmeetings.co.za as soon as possible, but in any event no later than 10:00HS on Tuesday, 9 September 2025. TMS will assist shareholders with the requirements for electronic participation in, and/or voting at, the AGM.

In terms of section 61(10) read with sections 63(2) and (3) of the Companies Act, every shareholder meeting of a public company must be reasonably accessible within South Africa for electronic participation by shareholders. The application form with details on how to participate electronically forms part of this notice and can be accessed from the company website on: www.sephakuholdings.com.

PURPOSE

The purpose of the AGM is for the following business to be transacted:

- The board will present the consolidated audited annual financial statements of SepHold and its subsidiaries (as approved by the board) for the financial year ended 31 March 2025 (2025 AFS), including the reports of the independent auditors, the directors, the remuneration and nomination committee, the social and ethics committee and the audit and risk committee to shareholders;
- The shareholders will consider and, if deemed fit, pass, with or without modification, the ordinary and special resolutions (resolutions) set out in this notice (which are to be proposed at the AGM) per the requirements of the MOI of SepHold, the Companies Act, the JSE Listings Requirements, and to the extent applicable, the principles and recommended practices set out in the King Report on Corporate Governance™ for South Africa, 2016 (King IV); and
- Consider all matters of SepHold as may lawfully be dealt with at the AGM.

Shareholders will be liable for their own network charges, and it will not be for the expense of the JSE, SepHold or TMS. Neither the JSE, SepHold or TMS can be held accountable in the case of loss of network connectivity or network failure including, but not limited to, insufficient airtime, internet connectivity or power outages which would prevent you from voting or participating in the virtual AGM.

AGENDA

Presentation of 2025 AFS

The FY2025 SepHold integrated annual report and AFS were made available to shareholders on 31 July 2025. The 2025 AFS together with the report of the independent auditors and the reports of the directors and the audit and risk committee and the social and ethics committee will be presented to the shareholders at the AGM as required in terms of the Companies Act, read with the Companies Regulations, 2011. The complete 2025 AFS and the integrated annual report of which this notice is part are available on the Company's website: www.sephakuholdings.com.

Report from the social and ethics committee

In accordance with Regulation 43(5)(c) of the Companies Regulations, 2011 promulgated under the Companies Act, a member of the social and ethics committee (the committee) is required to report to shareholders on the matters within the mandate of the committee. The committee's report is contained in the 2025 integrated report available at www.sephakuholdings.com.

ORDINARY RESOLUTIONS

To consider and, if deemed fit, to pass, with or without modification, all the ordinary resolutions relating to the business set out below. Unless otherwise stated, the minimum percentage of voting rights required for each of the ordinary resolutions set out below to be adopted is more than 50% (fifty percent) of the voting rights exercised on each of the resolutions by shareholders present or represented by a proxy at the AGM.

Ordinary resolution number 5.1 and ordinary resolution number 5.2 are non-binding resolutions which are of an advisory nature only, and failure to pass these resolutions will not have any legal consequences relating to existing arrangements. In terms of the JSE Listings Requirements, ordinary resolution number 8 must be passed by at least 75% (seventy-five percent) majority of the votes cast in favour of the resolution by shareholders present or represented by a form of proxy at the AGM.

ORDINARY RESOLUTION NUMBER 1

Re-appointment of independent external auditors

"**Resolved** that on the recommendation of the current audit and risk committee, PwC South Africa Incorporated be and is hereby appointed as the independent external auditors of SepHold (until the conclusion of the next AGM of SepHold), and Yusuf Kharwa, as the individual designated registered auditor, and that the audit and risk committee be and is hereby authorised to determine the auditor's remuneration."

Explanatory note

The audit and risk committee assessed the performance and accreditation of the proposed independent auditor and the proposed individual registered auditor (the designated auditor) in terms of the applicable regulations and legislation and is satisfied with their independence, accreditation, and performance. The agreed audit fees for FY2025 for both SepHold and the subsidiary of Métier Mixed Concrete was R1,205 million.

ORDINARY RESOLUTION NUMBER 2

Appointment and re-election of directors

"**Resolved** to individually re-elect each of the following directors (ordinary resolutions 2.1 to 2.3 to be voted on and adopted as separate resolutions). The board recommends the re-election of these directors."

Ordinary resolution 2.1: "Resolved that the re-election of Ms. Martie Janse van Rensburg, as an independent director, who retires by rotation at this AGM, but being eligible to do so, offers herself for re-election, is hereby confirmed."

Ordinary resolution 2.2: "Resolved that the re-election of Mr. Brent Williams, as a non-executive director, who retires by rotation at this AGM, but being eligible to do so, offers himself for re-election, is hereby confirmed."

Ordinary resolution 2.3: "Resolved that the re-election of Mr. Moses Ngoasheng, as a non-executive director, who retires by rotation at this AGM, but being eligible to do so, offers himself for re-election, is hereby confirmed."

Explanatory note

Under the MOI of SepHold, one-third of all non-executive directors are required to retire at the AGM and according to the Board charter, a director serving more than 9 years will be subject to an annual re-election by shareholders at the AGM. Accordingly, Ms. Martie Janse Van Rensburg, Mr. Brent Williams and Mr. Moses Ngoasheng will retire and being eligible, offer themselves for re-election to serve as directors of SepHold.

The remuneration and nomination committee reviewed the composition of the board against corporate governance, individual performance and diversity requirements and has recommended the re-election and appointment of the directors listed above. The performance of each retiring director has been assessed.

The board recognises that Mr. Moses Ngoasheng has been a member of the board for 16 years and Mr. Brent Williams has been a member of the Board for 13 years. Mr. Ngoasheng's and Mr. William's independence has been scrutinised by the board with the assistance of the remuneration and nomination committee.

Although Mr. Ngoasheng is a shareholder of SepHold through Safika Resources Proprietary Limited, the board is satisfied that his ownership constitutes a small portion of his overall wealth and is unlikely to influence his independence. The assessment highlighted that Mr. Ngoasheng's extensive knowledge in deal structuring and the building materials sector is valuable to SepHold's strategic intent. The board values the depth of his experience and concluded that his independence of character and judgement is not in any way affected or impaired by his years of service to SepHold.

Following such review, the board recommends to shareholders the re-election of the directors mentioned above, by way of a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, as required under section 68(2) of the Companies Act.

Abbreviated curricula vitae in respect of each director listed above appears on page 36 of the IAR.

ORDINARY RESOLUTION NUMBER 3

Appointment of the chairperson and members of the audit and risk committee

"Resolved to individually elect the following independent non-executive directors (ordinary resolutions 3.1 to 3.3) of SepHold as the chairperson and members of the audit and risk committee until the conclusion of the next AGM of SepHold. The board recommends the appointment of these members."

Ordinary resolution 3.1: "Resolved that the re-election of Ms. Martie Janse van Rensburg as a member and chairperson of the audit and risk committee, be and is hereby confirmed, subject to the passing of ordinary resolution 2.1."

Ordinary resolution 3.2: "Resolved that the re-election of Mr. Brent Williams as a member of the audit and risk committee, be and is hereby confirmed, subject to the passing of ordinary resolution 2.2."

Ordinary resolution 3.3: "Resolved that the re-election of Ms. Mabatho Sedikela as a member of the audit and risk committee, be and is hereby confirmed.

Explanatory note

In terms of section 94(2) of the Companies Act, an audit committee comprising at least 3 (three) members must be elected by shareholders at each AGM of a public company. Further, in terms of regulation 42 of the Companies Regulations, 2011, at least one-third of the members of a public company's audit committee members at any time must have appropriate academic qualifications or experience in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs, or human resource management.

Having reviewed the composition of the audit and risk committee, the remuneration and nomination committee satisfied itself that the members of the audit and risk committee continue to meet the requirements of the Companies Act.

The board recognises that King IV recommends against the appointment of a board chairperson to the audit committee. The decision to re-appoint Mr. Brent Williams to the audit and risk committee was informed by the number of independent, non-executive directors on the board and their availability. Consideration was also made of the SepHold cost reduction programme in deciding not to appoint a new board member to fill the position. The remuneration and nomination committee decided that Mr. Brent Williams is best qualified to fulfil the position without the appointment of an additional independent, non- executive director to comply with the requisites of the composition of the committee.

The remuneration and nomination committee, with the support of the board, unanimously recommends and supports the re-election of Ms. Martie Janse van Rensburg, Mr. Brent Williams, and Ms. Mabatho Sedikela to the audit and risk committee. Abbreviated curricula vitae in respect of each member of the audit and risk committee, appears on page 36 of the IAR.

ORDINARY RESOLUTION NUMBER 4

Appointment of the chairperson and members of the social and ethics committee

"Resolved to individually elect the following independent non-executive directors (ordinary resolutions 4.1 to 4.4) of SepHold as the chairperson and members of the social and ethics committee until the conclusion of the next AGM of SepHold. The board recommends the appointment of these members."

Ordinary resolution 4.1: "Resolved that the re-election of Mr. Lelau Mohuba as a member and chairperson of the social and ethics committee, be and is hereby confirmed."

Ordinary resolution 4.2: "Resolved that the re-election of Mr. Brent Williams as a member of the social and ethics committee, be and is hereby confirmed, subject to the passing of ordinary resolution 2.2."

Ordinary resolution 4.3: "Resolved that the re-election of Mr. Kenneth Capes as a member of the social and ethics committee, be and is hereby confirmed."

Explanatory note

Following the Proclamation issued by the President of the Republic of South Africa and published in Government Gazette Vol. 714 Notice No. 51837 on 27 December 2024, certain amendments to the Companies Act, No. 71 of 2008 (Companies Act) made under the Companies Amendment Act, No. 16 of 2024 and the Companies Second Amendment Act, No. 17 of 2024 came into effect (Companies Act Amendments).

Pursuant to the Companies Act Amendments, section 61(8)(c)(iii) read with section 72(9A)(a) of the Companies Act requires that public companies elect a social and ethics committee at each AGM. Abbreviated curricula vitae in respect of each member of the social and ethics committee, appears from page 36 of the IAR.

NON-BINDING ADVISORY VOTES (COMPRISING NON-BINDING ADVISORY VOTE NUMBERS 5.1 AND 5.2, ALL INCLUSIVE)

Non-binding advisory votes on the SepHold remuneration policy and implementation report

Ordinary resolution 5.1: "Resolved that as a separate non-binding advisory vote that SepHold's remuneration policy, as set out on page 42 of the IAR, be and is hereby approved."

Ordinary resolution 5.2: "Resolved that as a separate non-binding advisory vote that the implementation report, as set out on page 46 of the IAR, be and is hereby approved."

Explanatory note

In terms of King IV, read with the JSE Listings Requirements, the company's remuneration policy and implementation report must each be tabled to shareholders for a non-binding advisory vote at each AGM of the company. These non-binding advisory votes enable shareholders to express their views on the company's remuneration policy and on how the company implements the remuneration policy.

The non-binding resolutions are of an advisory nature only, and failure to pass these resolutions will not have any legal consequences relating to existing arrangements. The board will take the outcome of each of the non-binding advisory votes in consideration when considering SepHold's future remuneration policy and remuneration implementation report. In terms of paragraph 3.84 (j) of the JSE Listings Requirements, the remuneration policy must record the measures that the board commits to take in the event these non-binding resolutions are voted against by 25% (twenty-five percent) or more of the voting rights exercised. SepHold will, as recommended by King IV and required by the JSE, implement certain measures, including:

- an invitation to dissenting shareholders (those who voted against the remuneration policy and/or implementation report) to engage with the company; and
- the manner and timing of such engagement.

After that, the company will engage with the dissenting shareholders to address the matters of concern.

ORDINARY RESOLUTION NUMBER 6

Signature of documents

"Resolved that each director of SepHold, or the company secretary, be and is hereby individually authorised to sign all such documents and do all such things as may be necessary for, or incidental to, the implementation of those resolutions set out in this notice."

ORDINARY RESOLUTION NUMBER 7

Control of authorised but unissued ordinary shares

"Resolved that the authorised but unissued ordinary shares in the capital of the company be and are hereby placed under the control and authority of the directors of the company ("directors") and that the directors be and are hereby authorised and empowered to allot and issue all or any of such ordinary shares, or to issue any options in respect of all or any of such ordinary shares, to such person/s on such terms and conditions and at such times as the directors may from time to time and in their discretion deem fit, subject to the provisions of sections 36 and 38 of the Companies Act, clause 8.7 of the company's MOI and the provisions of the JSE Listings Requirements, when applicable."

ORDINARY RESOLUTION NUMBER 8

General authority to issue shares for cash

"Resolved that, subject to the Companies Act and the JSE Listings Requirements, SepHold be and is hereby given a general authority to allot and issue the unissued ordinary shares in the capital of SepHold (or options to subscribe for, or securities that are convertible into such ordinary shares) as an issue for cash as and when suitable situations arise and, on such terms, and conditions as they deem fit, subject to the following:

- the authority shall be valid until the date of the next AGM of SepHold, provided it shall not extend beyond 15 (fifteen) months from the date of this AGM;
- issues in terms of this authority will not, in any financial year, in aggregate, exceed 5% (five percent) of the number of ordinary shares in SepHold's issued share capital as at the date of this notice being 11 589 322 shares. In the event of a subdivision or consolidation of issued equity securities, this authority must be adjusted accordingly to represent the same allocation ratio;
- the shares, which are the subject of the issue for cash, must be of a class already in issue or, where this is not the case, must be limited to such equity securities or rights that are convertible into a class already in issue;
- the shares must be issued only to public shareholders (as defined in the JSE Listings Requirements) and not to related parties, save therefore that related parties may participate in a general issue for cash through a bookbuild process provided that (i) related parties may only participate with a maximum bid price at which they are prepared to take-up shares or at book close price. In the event of a maximum bid price and the book closes at a higher price the relevant related party will be "out of the book" and not be allocated shares; and (ii) equity securities must be allocated equitably "in the book" through the bookbuild process and the measures to be applied must be disclosed in the JSE's Stock Exchange News Service ("SENS") announcement launching the bookbuild;
- the maximum discount at which such shares may be issued is 10% (ten percent) of the weighted average traded price of the company's shares over the 30 (thirty) business days before the date that the price of the issue is agreed between the company and the party subscribing for the securities;
- upon any issue of shares for cash which, on a cumulative basis within the validity period of this general authority, constitute 5% (five percent) or more of the number of shares of the class in issue as at the date of this AGM, the company shall by way of an announcement on SENS, give full details thereof in compliance with the JSE Listings Requirements;
- this resolution and the restrictions contained herein do not apply to any pro rata rights offer to shareholders, in terms of the JSE Listings Requirements, and
- this resolution requires more than 75% (seventy-five percent) of the voting rights in favour thereof to be adopted.

Explanatory note
The purpose of this ordinary resolution number 8 is to obtain a general authority for, and to authorise, SepHold by way of a general authority in terms of the JSE Listings Requirements and the Companies Act, to issue ordinary shares for cash in SepHold. The effect of the passing of this ordinary resolution will be to authorise SepHold, from time to time, to issue ordinary shares as may be required, inter alia, in terms of capital raising exercises.

SPECIAL RESOLUTIONS

To consider and, if deemed fit, to pass, with or without modification, all the special resolutions relating to the business set out below. At least 75% (seventy-five percent) of the voting rights exercised on each resolution must be exercised in favour of those resolutions for it to be validly adopted.

SPECIAL RESOLUTION NUMBER 1

Non-executive directors' remuneration
"**Resolved** that to the extent applicable in terms of section 66(9) of the Companies Act, the payment by SepHold of remuneration to its non-executive directors for their services as non-executive directors of SepHold during the financial year ending 31 March 2025 be approved."

FY 2025 annual fee	
Chairperson of the board	**R500 000**
Independent non-executive	**R415 000**
FY 2026 proposed annual fee	
Chairperson of the board	**R530 000**
Independent non-executive	**R440 000**

Explanatory note
The Companies Act requires that fees paid to directors for their services as directors be authorised by shareholders by way of a special resolution. The passing of this special resolution will have the effect of approving the directors' fees payable by SepHold for the year ending 31 March 2025, per section 66(9) of the Companies Act.

SPECIAL RESOLUTION NUMBER 2

Financial assistance for any beneficiary participating in any SepHold incentive scheme
"Resolved that the Board be and is hereby authorised, by way of a general approval, in terms of section 44(3)(a)(ii) of the Act and the MOI of the Company, to authorise the Company to provide direct or indirect financial assistance by way of loan, guarantee, the provision of security or otherwise to any person for the purpose of or in connection with the subscription of any options or securities, issued or to be issued by the Company or a related or inter-related company or for the purchase of any securities of the Company or a related or inter-related company."

Explanatory note
The Board considers that such a general authority should be put in place in order to assist the Company inter alia to make loans to any persons, as well as to grant letters of support and guarantees in appropriate circumstances, for the purpose of the subscription or purchase of any option or securities of the Company or related or inter-related companies. The existence of a general authority would avoid the need to refer each instance to Shareholders for approval. This general authority would be valid up to and including the 2026 annual general meeting.

Any section 44 Board resolution will be subject to and effective to the extent that Special Resolution Number 3 is adopted by Shareholders and the provision of any such direct or indirect financial assistance by the Company, pursuant to such resolution, will always be subject to the Board being satisfied that immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity test as referred to in section 2 of the Companies Act; and that terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

The effect of Special Resolution Number 3 and the reason therefore is to grant the Board the general authority to provide direct or indirect financial assistance by way of a loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company or for the purchase of any securities of the Company or a related or inter-related company."

SPECIAL RESOLUTION NUMBER 3

Financial assistance for present or future related or inter-related companies and corporations
"Resolved that shareholders hereby approve, in terms of section 45 of the Companies Act, of the provision by SepHold of direct or indirect financial assistance to any of its related or inter-related companies or corporations and future foreign subsidiaries."

Special resolutions 3 and 4 are hereby approved provided that no such financial assistance may be provided at any time in terms of this authority after the expiry of 2 (two) years from the date of the adoption of the special resolutions (for the avoidance of doubt, these special resolutions above will be voted on by the shareholders as separate special resolutions) and provided that:

- the recipient(s) of such financial assistance, the form, nature and extent of such financial assistance, and the terms and conditions under which such financial assistance is provided, are determined by the board of SepHold from time to time;
- the board may not authorise SepHold to provide any financial assistance according to these special resolutions unless the board meets all those requirements of sections 44 and 45 of the Companies Act, which it is required to meet to authorise SepHold to provide such financial assistance; and
- such financial assistance to a recipient thereof is, in the opinion of the board, required for meeting all or any of such recipient's operating expenses (including capital expenditure), and/or funding the growth, expansion, re-organisation or restructuring of the businesses or operations of such recipient, and/or funding such recipient for any other purpose which, in the opinion of the board of SepHold, is directly or indirectly in the interests of SepHold.

Explanatory note
Section 45 of the Companies Act provides, among other things, that any financial assistance to related or inter-related companies and corporations, including, inter alia, to foreign subsidiaries of the company, must be provided only according to a special resolution of the shareholders, adopted within the previous 2 (two) years, which approved such assistance either for the specific recipient or generally for a category of potential recipients. If a specific recipient falls within that category, the Board of directors must be satisfied that;

- immediately after providing the financial assistance, SepHold would satisfy the solvency and liquidity test, as defined in section 4 of the Companies Act;
- the terms under which the financial assistance is proposed to be given are fair and reasonable to the company; and
- any conditions or restrictions in respect of the granting of financial assistance set out in SepHold's MOI have been satisfied.

As part of the ordinary conduct of the business, SepHold, where necessary, may provide guarantees and other support undertakings to third parties which enter into financial agreements with its foreign subsidiaries and joint ventures in which the company or members of the group have an interest. In the circumstances and to, among other things, ensure that the group and other related and inter-related companies and entities continue to have access to financing for purposes of refinancing existing facilities and funding their corporate and working capital requirements, it is necessary to obtain approval of the shareholders as set out in this special resolution.

This will allow the board, always subject to applicable law, the solvency and liquidity requirements as set out in the Companies Act, to provide financial assistance to any person for the purposes envisaged in section 44(2) of the Companies Act.

Other business
To transact such other business as may be transacted at an AGM or raised by shareholders with or without advance notice to SepHold.

By order of the board

31 July 2025

FORM OF PROXY

For use only by shareholders who:

- hold shares in certificated form (certificated ordinary shareholders); or
- have dematerialised their ordinary shares (dematerialised ordinary shareholders) and are registered with "own name" registration, at the annual general meeting (AGM) to be held electronically on Thursday, 11 September 2025 at 10:00HS.

Dematerialised ordinary shareholders holding ordinary shares other than with "own name" registration who wish to attend the AGM by way of electronic communication must inform their Central Securities Depository Participant (CSDP) or broker of their intention to attend the AGM and request their CSDP or broker to issue them with the relevant Letter of Representation to participate electronically at the AGM or by proxy. If they do not wish to attend the AGM or by proxy, they must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered between them and the CSDP or broker.

These ordinary shareholders must not use this form of proxy.

Participants will be able to vote during the AGM through an electronic participation platform. Such Participants, should they wish to have their vote(s) counted at the AGM, must provide The Meeting Specialist Proprietary Limited with the information as set out in the Electronic Participation Form, forming part of the notice. Each Participant, who has complied with the requirements as set out in the Electronic Participation Form, forming part of the notice, will be contacted during the course of business on 10 September 2025 via email or mobile number and will be provided with a unique link to enable them to participate in the virtual AGM.

SEPHAKU
HOLDINGS LTD

Sephaku Holdings Limited
Incorporated in the Republic of South Africa
Registration number: 2005/003306/06
JSE share code: SEP
ISIN: ZAE000138459

I/we (please print names in full) ____________________

of (address) ____________________

Contact numbers (landline) ____________________

(mobile) ____________________

Email address ____________________

being the registered holder(s) of ____________________ ordinary shares in the capital of Sephaku Holdings does hereby appoint:

1. ____________________ or failing him/her;

2. ____________________ or failing him/her;

the chairperson of the AGM as my/our proxy to act for me/us and on my/our behalf at the AGM for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name/s, in accordance with the following instructions:

	Number of ordinary shares		
	For	Against	Abstain
Ordinary resolutions			
1. Re-appointment of independent external auditors			
2. Re-election of directors			
2.1 Re-election of Ms. Martie Janse van Rensburg			
2.2 Re-election of Mr. Brent Williams as a director			
2.3 Re-election of Mr. Moses Ngoasheng as a director			
3. Appointment of the chairperson and members of the audit and risk committee			
3.1 Appointment of Ms. Martie Janse van Rensburg as a member and chairperson of the audit and risk committee subject to the passing of resolution 2.1			
3.2 Appointment of Mr. Brent Williams as a member of the audit and risk committee subject to the passing of resolution 2.2			
3.3 Appointment of Ms. Mabatho Sedikela as a member of the audit and risk committee			
4. Appointment of the chairperson and members of the social and ethics committee			
4.1 Appointment of Mr. Lelau Mohuba as a member and chairperson of the social and ethics committee			
4.2 Appointment of Mr. Brent Williams as a member of the social and ethics committee subject to the passing of resolution 2.2			
4.3 Appointment of Mr. Kenneth Capes as a member of the social and ethics committee			
5. Advisory endorsement of remuneration policy and implementation report			
5.1 Endorsement of the remuneration policy			
5.2 Endorsement of the remuneration implementation report			
6. Signature of documents			
7. Control of authorised but unissued ordinary shares			
8. General authority to issue shares for cash			
Special resolutions			
1. Non-executive directors' remuneration			
2. Financial assistance for any beneficiary participating in any Sephaku Holdings group share incentive scheme			
3. Financial assistance for present or future related or inter-related companies and corporations			

Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable. A member entitled to participate in and vote at the AGM may appoint one or more proxies to attend and act in his stead. A proxy so appointed need not be a member of SepHold.

Signed at ____________________ on ____________________ 2025

Signature: ____________________

Assisted by me (where applicable) ____________________

Landline number ____________________ Mobile number ____________________

NOTES TO THE FORM OF PROXY

1. The form of proxy must only be completed by shareholders who hold shares in certificated form or who are recorded on the sub-register in electronic form in "own name".
2. All other beneficial owners who have dematerialised their shares through a CSDP or broker and wish to attend the AGM must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered between them and the CSDP or broker.
3. A shareholder entitled to attend and vote at the AGM may insert the name of a proxy or the names of two alternate proxies (none of whom need be a shareholder of the company) of the shareholder's choice in the space provided, with or without deleting "the chairperson of the meeting". The person whose name stands first on this form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those proxy(ies) whose names follow. Should this space be left blank, the proxy will be exercised by the chairperson of the meeting.
4. A shareholder is entitled to one vote on a poll and one vote in respect of each ordinary share held. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. If an "X" has been inserted in one of the blocks to a particular resolution, it will indicate the voting of all the shares held by the shareholder concerned. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholders or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
5. A vote given in terms of an instrument of proxy shall be valid in relation to the AGM notwithstanding the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the ordinary shares in respect of which the proxy is given. For administrative purposes only, we request that forms of proxy be emailed to TMS on proxy@tmsmeetings.co.za, by no later than 10:00HS, Thursday, 9 September 2025 (or 48 hours before any adjournments of the AGM, which date, if necessary, will be notified on the Stock Exchange News Service). Forms of proxy may also be submitted electronically to the chairperson via email to proxy@tmsmeetings.co.za before the start of the AGM.
6. If a shareholder does not indicate on this form that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the AGM be proposed, such proxy shall be entitled to vote as he/she thinks fit.
7. The chairperson of the AGM may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
8. A shareholder's authorisation to the proxy including the chairperson of the AGM, to vote on such shareholder's behalf, shall be deemed to include the authority to vote on procedural matters at the AGM.
9. The completion and lodging of this form of proxy will not preclude the relevant shareholder from participating at the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.

Attention is also drawn to the "Notes to the Form of Proxy".

10. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the company's transfer secretaries or waived by the chairperson of the AGM.
11. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the transfer secretaries of the company.
12. Where there are joint holders of ordinary shares:
    - any one holder may sign the form of proxy;
    - the vote(s) of the senior ordinary shareholders (for that purpose seniority will be determined by the order in which the names of ordinary shareholders appear in the company's register of ordinary shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
13. Forms of proxy should be emailed to TMS at proxy@tmsmeetings.co.za.
14. A deletion of any printed matter and the completion of any blank space need not be signed or initialled. Any alteration or correction must be signed and not merely initialled.
15. Summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Companies Act, 71 of 2008, as amended:
    - A proxy appointment must be in writing, dated and signed by the shareholder appointing a proxy, and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the relevant shareholders meeting.
    - A proxy may delegate the proxy's authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.

    The appointment of a proxy is suspended at any time and to the extent that the shareholder who appointed such proxy chooses to act directly and in person in the exercise of any rights as a shareholder.

    The appointment of a proxy is revocable by the shareholder in question cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of (a) the date stated in the revocation instrument, if any; and (b) the date on which the revocation instrument is delivered to the company as required in the first sentence of this paragraph. If the instrument appointing the proxy or proxies has been delivered to the company, as long as that appointment remains in effect, any notice that is required by the companies Act or the company's memorandum of incorporation to be delivered by the company to the shareholder, must be delivered by the company to (a) the shareholder, or (b) the proxy or proxies, if the shareholder has (i) directed the company to do so in writing; and (ii) paid any reasonable fee charged by the company for doing so.

ELECTRONIC PARTICIPATION IN THE SEPHAKU HOLDINGS LIMITED ANNUAL GENERAL MEETING (AGM)

SEPHAKU HOLDINGS LTD

Sephaku Holdings Limited
Incorporated in the Republic of South Africa
Registration number: 2005/003306/06
JSE share code: SEP
ISIN: ZAE000138459

Shareholders or their proxies who wish to participate in the AGM by way of electronic communication (Participants) must notify the company's meeting scrutineers by submitting the form below (the application) via email to the company's meeting scrutineers The Meeting Specialist Proprietary Limited (TMS) to proxy@tmsmeetings.co.za by no later than 10:00HS on Tuesday, 9 September 2025.

- Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with "own name" registration, should contact their Central Securities Depository Participant (CSDP), broker or custodian in the manner and time stipulated in their agreement with their CSDP, broker or custodian:
  - to furnish them with their voting instructions; and
  - in the event that they wish to participate in the AGM electronically, to obtain the necessary authority to do so.
- Participants will be able to vote during the AGM through an electronic participation platform. Such Participants, should they wish to have their vote(s) counted at the AGM, must provide TMS with the information requested below.
- Each Participant, who has complied with the requirements below, will be contacted during the course of business on Wednesday, 10 September 2025 via email or mobile number with a unique link to enable them to participate in the virtual AGM.
- The cost of the Participant's phone call or data usage will be at his/her own expense and will be billed separately by his/her own telephone or internet service provider.
- For administrative purposes, participants are requested to submit the application by 10:00HS on Tuesday, 9 September 2025.
- The Participant's unique access credentials will be forwarded to the email or mobile number provided below.

APPLICATION FORM	
Full name of shareholder	
Full name of shareholder representative (if applicable)	
Registration number/identity number/passport of shareholder or representative	
Email address	
Mobile number	
Telephone number	
Name of CSDP, broker or custodian (If shares are held in dematerialised format)	
Shareholder number/SCA number/broker account number/own name account number or custodian account number	
Number of shares	
Signature	
Date	

By signing this form, I agree and consent to the processing of my personal information above for the purpose of participation in the AGM.

Important: You are required to attach a copy of your identity/passport document when submitting the application.

TERMS AND CONDITIONS FOR PARTICIPATION AT THE SEPHAKU HOLDINGS LIMITED AGM VIA ELECTRONIC COMMUNICATION

- The cost of dialling in using a telecommunication line/webcast/web streaming to participate in the AGM is for the expense of the Participant and will be billed separately by the Participant's own telephone or internet service provider.
- The Participant acknowledges that the telecommunication lines/webcast/web streaming are provided by a third-party service provider and indemnifies Sephaku Holdings Limited, JSE Limited and TMS and/or its third-party service providers against any loss, injury, damage, penalty, or claim arising in any way from the use of the telecommunication lines/webcast/web streaming, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against, and indemnifies Sephaku Holdings Limited, JSE Limited and TMS and/or its third-party service providers, whether for consequential damages or otherwise, arising from the use of the telecommunication lines/webcast/web streaming or any defect in it or from total or partial failure of the telecommunication lines/webcast/web streaming and connections linking the telecommunication lines/webcast/web streaming to the AGM.
- Participants will be able to vote during the AGM through an electronic participation platform. Such Participants, should they wish to have their vote(s) counted at the AGM, must act in accordance with the requirements set out above.
- Once the Participant has received the link to the electronic participation platform and/or the electronic voting platform, the onus to safeguard this information remains with the Participant.
- The application will only be deemed successful if this application form has been fully completed and signed by the Participant and delivered or emailed to TMS at proxy@tmsmeetings.co.za.

Shareholder name: ______________________________

Signature: ______________________________

Date: ______________________________

ABBREVIATIONS

AFS	Annual financial statements
AGM	Annual general meeting
AGSA	Auditor General South Africa
ARC	Audit and risk committee
BBBEE	Broad-based black economic empowerment
BEE	Black economic empowerment
CEO	Chief executive officer
CFO	Chief financial officer
Companies Act	Companies Act of South Africa No 71 of 2008
EBITDA	Earnings before interest, taxes, depreciation and amortisation
EBIT	Earnings before interest and taxes
EPS	Earnings per share
Exco	Executive committee
CY	Calendar year
EBIT	Earnings before interest and taxes
ESD	Enterprise and supplier development
ESG	Environment, social and governance
EMS	Environmental management systems
FD	Financial director
FRSC	Financial Reporting Standards Council
FY	Financial year
GDP	Gross domestic product
HDSA	Historically disadvantaged South African
HEPS	Headline earnings per share
HSE	Health, safety and environmental
HR	Human Resources
IAR	Integrated annual report
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
IT	Information technology
JIBAR	Johannesburg Interbank Average Rate
JSE	Johannesburg Stock Exchange
JSE Listings Requirements	JSE Limited Listings Requirements
King IV	King Report on Corporate Governance™ for South Africa, 2016
KPI	Key performance indicator
KZN	KwaZulu-Natal
LTI	Long-term incentive

LTIFR	Lost time injury frequency rate
Métier	Métier Mixed Concrete Proprietary Limited
MOI	Memorandum of incorporation
NAV	Net asset value
NPC	Non-profit company
PM10	Particulate matter with a diameter of 10 micrometres or less
PM2.5	Particulate matter with a diameter of 2.5 micrometres or less.
REMCO	Remuneration and nomination committee
SADAC	Southern African Development Community
SAICA	South African Institute of Chartered Accountants
SEC	Social and ethics committee
SepCem	Dangote Cement South Africa Proprietary Limited
SepComs	Structured engagement meetings
SepDev	Sephaku Development Proprietary Limited
Sephaku	Sephaku Holdings Limited, Métier Mixed Concrete Proprietary Limited and Dangote Cement South Africa Proprietary Limited collectively the Group
SepHold	Sephaku Holdings Limited
SLP	Social and labour plan
SMME	Small, micro, and medium enterprises.
STI	Short-term incentive
TGP	Total guaranteed package
TMS	The Meeting Specialist Proprietary Limited
TSR	Thermal substitution rate

CORPORATE INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Construction materials company
Company registration number	2005/003306/06
Directors	B Williams* Chairperson MJ Janse van Rensburg* MM Sedikela* MM Ngoasheng* NR Crafford-Lazarus*** FD Dr L Mohuba** KJ Capes*** CEO * *Independent non-executive.* ** *Non-executive.* *** *Executive.*
Company secretary	Acorim Proprietary Limited Email: sephaku@acorim.co.za Telephone: +27 11 325 6363
Registered office	Southdowns Office Park First floor, Block A Cnr Karee and John Vorster Streets Irene X54, Pretoria 0062
Postal address	PO Box 7651 Centurion 0046 Website: www.sephakuholdings.com
Transfer secretaries	Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196 Private Bag X9000, Saxonwold, 2131 Telephone: +27 11 370 5000
JSE sponsor	Questco Corporate Advisory Proprietary Limited Telephone: +27 63 482 3802
Auditors	PricewaterhouseCoopers Incorporated (PWC) Chartered Accountants (SA) Registered Auditors
Preparer	The financial statements were internally compiled under the supervision of: NR Crafford-Lazarus CA(SA)
Banker	Nedbank
Métier Mixed Concrete (wholly owned subsidiary)	Physical address: Romead Business Park, 23 Malone Road, Maxmead, 3610 Postal address: Postnet Suite #546, Private Bag X4, Kloof, 3640 Telephone: +27 31 716 3600/0861 638 437 Website: www.metiersa.co.za
Dangote Cement South Africa Proprietary Limited (Associate)	Physical address: Southdowns Office Park, Block A, Ground Floor Cnr Karee and John Vorster Streets, Irene, X54, 0062 Postal address: PO Box 68149, Highveld, 0169 Telephone: +27 12 684 6300 Website: www.sephakucement.co.za
Investor relations officer	NR Crafford-Lazarus Email: info@sepman.co.za Telephone: +27 12 684 6300

SEPHAKU
HOLDINGS LTD

www.sephakuholdings.com