2026

BUILDING BLOCKS FOR GROWTH

INTEGRATED ANNUAL REPORT

SEPHAKU
HOLDINGS LTD

WELCOME TO SEPHAKU'S 2026 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

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SEPHOLD AT A GLANCE

OUR INVESTMENT PROPOSITION

Sephaku Holdings Limited (SepHold or the Company) is an investment holding company listed on the JSE Limited (JSE), with a productive 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-mix 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 that deliver industry-leading efficiency and technical expertise.	**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]
R1,29 billion FY 2025: R1,18 billion	**R182,7 million** FY 2025: R145,6 million	**R131,9 million** FY 2025: R103,2 million
Equity-accounted profit[1]	**Net profit after tax**	**HEPS[4]**
R8,2 million profit FY 2025: R14,7 million	**R93 million** FY 2025: R74 million	**37,91 cents** FY 2025: 31,52 cents
Basic EPS	**NAV[5] per share**	**Debt/equity**
40,5 cents FY 2025: 31,57 cents	**598,14 cents** FY 2025: 556,31 cents	**0.10** FY 2025: 0.07

Métier

EBITDA	EBIT	Net profit after tax
R196 million FY 2025: R146 million	**R145 million** FY 2025: R104,5 million	**R107 million** FY 2025: R76 million
Safety	**Employee development**	**Supplier development**
1.45 LTIFR[6] Zero fatalities FY 2025: 1.85 LTIFR; zero fatalities	**R1,25 million in training** for 56% of workforce FY 2025: R0,6 million	**R2,15 million** FY 2025: R3,2 million

SepCem[8]

Revenue	Volume growth	EBITDA
R2,66 billion CY 2024: R2,78 billion	**4.4% decrease** CY 2024: 4% increase	**R301,1 million** CY 2024: R321,9 million
EBIT	**Net profit after tax**	**Safety**
R119 million CY 2024: R160,9 million	**R24,5 million** CY 2024: R42,63 million	**0.15 Aganang LTIFR[9]** **0.00 Delmas LTIFR** Zero fatalities CY 2024: LTIFR 0.66; 0.00; zero fatalities
Employee development	**Decarbonisation**	**Supplier development**
R5,1 million in training CY 2024: R4,8 million	**40% thermal substitution rate** CY 2024: 25% Target: 38%	**R96 million** spent with 26 black-owned community SMMEs[10] CY 2024: R120 million; 24 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 *HEPS: Headline earnings per share.*
5 *NAV: Net asset value.*
6 *LTIFR: Lost Time Injury Frequency Rate*
7 *HDSAs: Historically disadvantaged South Africans.*
8 *SepCem is a subsidiary of Dangote Cement PLC with a December year-end (CY 2025). The equity-accounted profit included in this report relates to SepCem's results from 1 January 2025 to 31 December 2025. CY 2024 figures are for the period 1 January 2024 to 31 December 2024.*
9 *Injuries per 200 000 hours worked.*
10 *SMMEs: Small, medium and micro enterprises.*

ABOUT OUR REPORT

Scope and boundary

We report on our performance for the financial year from 1 April 2025 to 31 March 2026 (FY 2026 or the year). As SepCem is a subsidiary of Dangote Cement PLC (DCP) with a December year-end (CY 2025), the equity-accounted profit included in this report relates to SepCem's results from 1 January 2025 to 31 December 2025.

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. It provides information on the Group's strategy and on how Métier and SepCem performed relative 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. Rand Mutual Assurance conducted quarterly reviews on HSE on all SepCem sites. The Broad-Based Black Economic Empowerment (BBBEE) performance of Métier and SepCem was 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 2026.

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, future events, or other circumstances. Financial information on which forward-looking statements are based has not been audited or reported on by SepHold's independent external auditor.

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 plants in Aganang, North West Province, and Delmas, Mpumalanga. The Aganang plant comprises a limestone open-cast mine with a proven life of more than 30 years (as of December 2025) and an integrated clinker and cement manufacturing plant. Aganang and the Delmas grinding plant have a combined cement capacity of 2.5 – 2.8 million tonnes per annum.

Bagged cement, which accounted for 73% – 76% of sales volumes in CY 2025, is distributed through hardware retailers, ranging from large groups to small independent traders. Bulk sales account for the remaining sales volume. SepCem's primary geographic markets are in Gauteng, Limpopo, Mpumalanga, North West, Free State, Northern Cape, Botswana, Eswatini and parts of KwaZulu-Natal.

SepCem has limestone projects at various stages of licensing in Limpopo (Dwaalboom and Groblersdal) and the Western Cape (Vanrhynsdorp), providing 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 executed. The prospecting right environmental authorisation has been granted, and further engagement with authorities is in progress.

DCP, a company listed on the Nigerian Stock Exchange with cement operations in Nigeria and 11 other African countries, owns 64% of SepCem. Refer to www.dangotecement.com for more information.

Métier

Métier manufactures ready-mix 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-mix concrete brand of choice in South Africa.

Métier has operations in the Gauteng, KwaZulu-Natal 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 governance oversight and shares strategic insights with operational executive management. It also facilitates access to funding from lenders and investors. The Company continually investigates and assesses opportunities to create value for shareholders and provides the foundation for 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-mix concrete manufacturers, purchase cement directly from SepCem for various construction activities.

SepCem's executive committee boasts more than 270 years of collective management experience in cement manufacturing, marketing, and project management. SepCem also 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 in building small, medium, and micro enterprises (SMMEs).

Métier

Métier harnesses downstream synergies by using, among others, SepCem's cement to produce ready-mix concrete. The Subsidiary's executive committee has extensive management experience in ready-mix concrete manufacturing, mining and technology.

Métier sells its ready-mix 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

Métier and SepCem's leadership teams have the requisite technical skills and experience in the ready-mix concrete and cement industries. Both operations invest in training, development, and succession management to maintain the skills and workplace culture needed to deliver high-quality products and services to customers consistently. A limited pool of technical skills strains available resources and increases the risk of losing talent to local or overseas competitors.

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 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-mix 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 its high-performance culture, distinguishes it from competitors and enhances its value proposition.	Our commitment to sustainability is reflected in our 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.

Both operations manage emissions from manufacturing processes in line with regulatory requirements and conserve energy and water resources. SepCem is implementing a decarbonisation plan to reduce its total carbon footprint. This plan details 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, along with the partnerships they build and maintain with key customers, contributes 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. It 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 their cement, 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.

SepCem's initiatives to reinforce safety management and workplace culture have led to improved safety outcomes. In addition, the Associate adheres to all relevant environmental permits and licences. It is advancing the implementation of its environmental management system in accordance with ISO 14001 requirements.

SepCem's mining subsidiary operates under a Social and Labour Plan (SLP) designed to uphold its social licence to operate. Continued investment in sustainability practices, together with the financial implications of carbon taxes, directly impacts profitability.

Decarbonisation remains a focus, with efforts to reduce 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 21.

STRATEGY IMPLEMENTATION

Sephaku's strategy is reviewed annually by the board and amended 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 2026**	FY 2025	FY 2024	FY 2023	**CY 2025**	CY 2024	CY 2023	CY 2022
Maintain sustainable sales volumes	Project-focused, while not ignoring long-term customers	Sales volume growth (%)	**3**	(8)	11	25	**(5)**	(4)	9	(12)
Maximise margins	Grow services	EBITDA margin (%)	**15.2**	12.4	11.5	10.0	**11.3**	11.6	12.8	11.3
		EBIT margin (%)	**11.2**	8.8	8.3	6.5	**4.4**	5.8	6.4	4.3
		Net profit margin (%)	**8.3**	6.4	6.0	4.4	**0.9**	1.6	1.5	(0.2)
Increase cash flow		Cash generated from operations (Rm)	**126**	109	116	65	**122**	343	580	181
		Cash balance at year-end (Rm)	**27**	27	11	3	**388**	504	407	92
Strengthen the balance sheets		Total debt at year-end (Rm)	**163**	124	65	47	**916**	1 008	1 041	1 088
		Bank debt principal at year-end (Rm)	**0**	0	0	0	**0**	135	269	400
		Book value equity at year-end (Rm)	**393**	313	267	215	**1 918**	1 894	1 851	1 812
		Net debt/equity ratio	**0.35**	0.31	0.20	0.20	**0.28**	0.27	0.34	0.54

[1] *FY 2026 Métier's total debt comprises instalment sales liabilities of R163 million (FY 2025: R124 million).*

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-mix concrete customers are technical end users who need consistent-quality concrete at competitive prices. • 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 in the industry leads to more 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 effectively. • We coordinate sales and logistics functions to ensure the 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*** • Engages 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 planning 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 achieving 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*** • Demonstrate sound financial performance and debt management in challenging market conditions. ***Métier*** • No bank debt. • Instalment sales liabilities of R124 million to fund fleet renewal. • Net debt/equity ratio of 25%. ***SepCem*** • Paid off the three-year R400 million term loan in October 2025. • An unutilised working capital facility of R200 million. • The DCP shareholder loan had a balance of R898 million at 31 December 2025. • Initiated the process to refinance shareholder debt as bank debt.

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. • Provides 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 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*** • Regained 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 Cement and Concrete South Africa NPC, integrated cement producers agreed in principle to establish 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 engagements with the government on industry issues.

RISK MANAGEMENT

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

The board, supported by the audit and risk committee, remains accountable for risk and delegates risk management to Métier's executive management.

The board exercises oversight of SepCem through its representation on its 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. SepHold, through its Audit and Risk Committee, annually reviews its risk appetite and risk tolerance levels.

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 that emphasises instilling ethics and preventing fraud.

Read more about compliance and assurance processes in the governance report on page 36.

Métier

Approach to risk management

Executive management identifies, measures, mitigates, and monitors material risks to its operations. It regularly reports on these 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 risk management through operational and maintenance management.

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

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

KEY RISKS	Métier's response
Industry competition The ready-mix concrete market remains highly competitive, as the construction industry remains constrained. With low barriers to entry, many smaller operators have entered the market, leading to fragmentation and downward price pressure.	• Focus on the civil construction sector to offset slower residential construction growth. • Maintain quality service and bespoke customer solutions – competitive differentiators that enable customer retention and protect profit margins. • Focus on sales of specialist, solutions-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.	• Effectively manage the workforce and focus on regional skills to support growth in the civil construction order book. • Internal training for specific roles. • Focus on internships and skills development to strengthen retention by focusing on technical skills.
Raw material supply challenges Métier faces several challenges in its raw material supply, including: • The closure of a major pit sand supplier in KwaZulu-Natal due to extortion factors. • The 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.	• Remained committed to supporting licensed sand suppliers in a market where many sand operations are illegal. • Supported a supplier in the start-up of a new source in a different area.
Cybercrime • Cybercrime is rising year on year, as is its sophistication.	• Developed and implemented a cyber risk action and mitigation plan. • Introduced enhanced security measures, including improved password and multifactor authentication across networks and software solutions. • Implemented proactive training and awareness programmes backed by software monitoring and control systems. • Deployed an intrusion detection and prevention system to control and monitor access of endpoint devices on the network. • Implemented recommendations from PwC and Numata, focusing on monthly user training and upgrading hardware/software to eliminate vulnerabilities related to end-of-life systems.

SepCem

Approach to risk management

Risk and opportunity management is guided by SepCem's board-approved enterprise risk management (ERM) framework, which provides a structured approach to identifying, assessing, managing, monitoring, and reporting enterprise risks and opportunities.

The board is ultimately accountable for risk governance and oversees the effectiveness of the Associate's risk management framework, with support from the audit and risk committee. The framework aligns with SepCem's strategic objectives and risk appetite, enabling informed decision-making, enhancing organisational resilience, and supporting the creation and preservation of value for stakeholders.

Lines of defence

SepCem applies the Three Lines of Defence Model to provide a structured approach to governance, risk management, and assurance. The model reinforces accountability, enhances risk oversight, and supports effective risk management to achieve its strategic objectives.

Management represents the first line of defence and is accountable for managing enterprise risks. Sub-committees assist management in discharging oversight responsibilities for credit management, economic crime, health and safety, and 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 risk appetite levels. 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 2026

- 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 and macroeconomic factors.
- 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.
- Advancing AI governance to strengthen the management of AI-related risks while enabling innovation and operational efficiency.

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 was 1.1% in 2025, with inflation easing from 4.5% in 2024 to 3.2%. The construction industry contracted by 1.3% in 2025. Bulk sales continued to decline as few major construction projects were undertaken, further contracting the cement industry.	• Aligned product output with market demand. • Concentrated on customer retention. • Maintained cost controls. • Optimised sourcing from plants to minimise distribution costs. • Focused on improving the performance of high-strength technical products for niche markets.
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 constrained economic conditions and new market entrants with low overheads compounds the industry's challenges. New integrated producers and low-overhead independent blenders add capacity to an oversupplied industry. At the same time, cement imports continue to flow into South Africa, most recently from Mozambique, without local industry protection against imports from any country other than Pakistan. During 2025, cement imports increased by 25% over 2024 to 1,49 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. • Engaged government regarding safeguards against cement imports and standards enforcement of quality.
Social and community tension Communities adjacent to SepCem's Aganang plant are affected by deteriorating economic conditions, persistent 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 operational disruptions 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 Land Reform and Rural Development and community leadership to acquire alternative grazing land. • Increased preferential procurement and supplier development opportunities for local SMMEs. • Overcame challenges in implementing social investment projects through participation in the Ditsobotla Cement Manufacturers Forum.

Mitigating cyber risk

SepCem manages cybersecurity through regular vulnerability testing and a range of protective measures, including detection and monitoring software, migration to a cloud-based platform, and employee awareness training.

In 2025, cybersecurity and digital risk management became a primary strategic focus for SepCem, reflecting a broader effort to improve its risk culture. The approach expanded from relying solely on technical network protections to addressing the human element, recognising that employees are often targeted as the weakest link by cyber threat actors.

SepCem introduced several cyber security initiatives. In partnership with Mimecast, 10 specialised training modules were rolled out to all staff. Employees consistently achieved higher scores than industry peers. Complementing this, a digital risk podcast series launched in 2024 gained strong momentum in 2025, providing regular content on cyber security, digital risk, online financial threats, and emerging dangers such as AI-driven deepfakes and risks associated with tools like ChatGPT.

Alongside its human-focused strategy, SepCem maintained robust technical governance. Its systems and network protections have previously been audited against ISO 27001 standards, and significant attention has been given to disaster recovery planning.

With increasing cyber threat sophistication, the Dangote Group has applied considerable rigour to its Disaster Recovery Plan (DRP), which has undergone at least two audits by insurers, ultimately enabling SepCem to secure more favourable insurance premiums.

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. Material matters are presented to the audit and risk committee (ARC), which is tasked by the board with overseeing 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 cement demand. This, in turn, limits cement producers' ability 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 higher 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 of R159 per tonne of carbon dioxide equivalent (tCO_2e) was levied in 2023, with payment due in 2024. This amount is set to increase progressively to R462/tCO_2e 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 land for livestock grazing, and poor agricultural practices lead to overgrazing and livestock mortality. Deteriorating economic conditions increase the demand for socio-economic support. However, the lack of formalised leadership structures impedes decision-making and the delivery of 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 could 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 2026

Brent Williams
SepHold board chairperson

Against a backdrop of persistent market pressure, the board prioritised effective strategic execution and strong governance oversight to protect and enhance shareholder value.

BOARD CHAIRPERSON'S REPORT

SepHold delivered another year of improved performance despite operating in one of the most challenging environments in recent years across the construction and cement sectors. The Group's resilience reflects disciplined execution, sound governance and a continued focus on protecting and creating shareholder value.

Economic conditions remained subdued throughout FY 2026. While easing inflation and lower interest rates contributed to some improvement in business confidence toward the end of the calendar year, activity levels across the construction sector remained weak, and there was limited evidence of a meaningful infrastructure-led recovery. At the same time, cement imports reached record levels, placing additional pressure on local producers.

Against this backdrop, the Group continued to strengthen its performance. This achievement demonstrates the quality of our businesses, the commitment of our employees and the effectiveness of management's focus on operational excellence and cost discipline. While the broader industry continued to face significant headwinds, SepHold remained focused on the factors within its control and delivered another year of progress.

Strategic priorities and industry developments

Given prevailing market conditions, the board's primary focus during the year was preserving and enhancing long-term shareholder value. This included maintaining prudent oversight of capital allocation, supporting operational efficiency initiatives and ensuring that the Group remained financially resilient.

The competitive environment remains demanding. One of the most significant developments affecting the sector is the increasing participation of foreign competitors across the construction and cement value chain, particularly from China. This includes growing import volumes, investment in local production assets and the use of funding structures that can significantly influence project awards and market dynamics.

The continued influx of imported cement remains a concern for the domestic industry. Together with other industry participants, SepHold has engaged constructively with government and relevant stakeholders to support interventions that promote fair competition and safeguard the long-term sustainability of local cement manufacturing. A competitive and sustainable domestic cement industry remains essential to South Africa's economic growth and its ambitions for infrastructure development.

Lobbying for import protection
SepCem has become a lead partner in lobbying the South African Government and regulators for anti-dumping duties and protectionist measures against unrestricted cement imports. It is vital to engage authorities at the right level of seniority to ensure they understand the industry's challenges. SepHold will continue to support SepCem in this regard.

Unlocking shareholder value

The board remains focused on evaluating opportunities to enhance shareholder value and position the Group for long-term growth.

As part of this ongoing review, the board considered whether SepHold's current listing status remains the most appropriate structure for maximising shareholder value. This assessment includes consideration of regulatory costs, market liquidity, access to capital and strategic flexibility. While no decisions have been made, the board will continue to evaluate all available options for the Group, taking into account evolving market conditions and shareholder interests.

The board also assessed opportunities arising from the changing industry landscape. Increasing consolidation and strategic repositioning in the sector may create opportunities to strengthen the Group's market position and enhance long-term value creation. We remain disciplined in evaluating any potential corporate actions. We will pursue opportunities only where they align with our strategic objectives and investment criteria.

Effective governance

I am satisfied that the board effectively discharged its fiduciary duties and governance responsibilities throughout FY 2026.

Board composition remained unchanged during the year, providing continuity and stability at a time when the Group faced challenging market conditions. Our lean board structure continues to facilitate focused deliberation, efficient decision-making and effective oversight. Importantly, the board benefits from substantial industry knowledge and institutional memory, enabling informed consideration of both risks and opportunities facing the Group.

The board's five non-executive directors provide a broad range of skills, experience and independence, complemented by the operational and industry expertise of our two executive directors. Together, they form a well-balanced and effective governing body. The board's three committees continue to play an important role in supporting oversight responsibilities relating to audit and risk management, sustainability and stakeholder matters, and remuneration and nominations.

During the year, the board further strengthened its environmental, social and governance (ESG) capabilities. Training and development initiatives were undertaken to deepen understanding of sustainability-related risks and opportunities and to support the further integration of ESG considerations into strategy, risk management and decision-making processes. The board recognises that responsible business practices are fundamental to long-term value creation and stakeholder trust.

The Group's governance framework, ethical culture and internal controls remain robust. I am satisfied that appropriate policies, systems and oversight mechanisms are in place to support ethical conduct, manage risk and protect the Group's reputation. No material governance or ethical issues arose during the year that would adversely impact stakeholder confidence.

Further information is provided in the governance report on page 36.

Looking ahead

While my outlook remains cautious, I am increasingly optimistic about our industry's long-term prospects. South Africa's infrastructure requirements remain substantial, and investment in essential infrastructure cannot be postponed indefinitely. Over time, this should support increased demand for construction materials and create growth opportunities for the sector.

In the year ahead, SepHold will continue to focus on disciplined capital allocation, balance sheet strength and operational excellence. Following the successful repayment of bank debt, attention will shift toward further reducing shareholder debt while maintaining financial flexibility. The board also remains committed to creating conditions that will support sustainable returns to shareholders over the longer term.

We will continue to evaluate strategic opportunities arising from industry developments, including potential consolidation opportunities and investments that could strengthen the Group's competitive position and enhance shareholder value.

Although market conditions remain challenging, SepHold is well positioned to benefit from any improvement in the operating environment. The board remains committed to providing strong governance, strategic oversight and responsible stewardship as we continue to build a stronger and more sustainable business for the benefit of all stakeholders.

Thanks

It has become increasingly evident over recent years that SepHold's resilient performance is underpinned by the dedication, expertise and commitment of our people. I therefore extend my sincere appreciation to the executive management team and employees across the Group, whose focus on operational excellence, efficiency and innovation continues to drive our success.

On behalf of the Group, I express my appreciation to our co-shareholder in SepCem, the Dangote Group, for its unwavering support and ongoing commitment to our enterprise.

I thank my fellow board members for their valued counsel and commitment to ensuring the board and its committees fulfil the Group's purpose effectively.

Kenneth Capes
SepHold chief executive officer

SepHold CEO Kenneth Capes answers questions about how SepCem and Métier navigated a challenging operating environment, strengthened their competitive positions and continued creating value despite persistent pressure on the construction and cement sectors.

IN CONVERSATION WITH SEPHOLD'S CHIEF EXECUTIVE OFFICER

It was another difficult year for the South African construction industry. What were the most significant risks and opportunities, and how did SepCem and Métier respond?

The operating environment remained challenging throughout FY 2026. While the broader South African economy showed signs of gradual improvement, the construction sector continued to face subdued demand, project delays and ongoing cost pressures.

Public-sector infrastructure commitments remain significant, with substantial funding allocated to infrastructure development over the medium term. However, the pace of implementation remains slower than anticipated, and delays in project execution continue to constrain demand for construction materials. Although residential construction activity showed early signs of recovery, the commercial and retail segments remained under pressure.

At the same time, cement imports increased materially, placing further pressure on pricing and margins across the local industry.

Against this backdrop, our focus remained firmly on the factors within our control. Over several years, SepHold has built a culture of operational discipline, technical excellence and continuous improvement. These capabilities have enabled us to improve performance despite increasingly difficult market conditions.

SepCem continued to enhance operational efficiency and cost competitiveness. A key focus has been increasing the use of alternative fuels, which reached 40% of thermal energy requirements during the year. This has reduced both input costs and carbon emissions while improving resilience against energy-related cost pressures. Ongoing capital projects will further increase the utilisation of alternative fuels and enhance operational sustainability.

Métier continued to demonstrate the strength of its differentiated business model. Through its focus on specialised products, customer service, operational excellence and disciplined execution, the business increased revenue by 9.2% despite relatively flat market volumes. Cost increases were contained below inflation, supported by ongoing fleet and plant renewal initiatives. The business also continued to expand its presence in selected growth markets within the Western Cape and KwaZulu-Natal.

One of the defining features of SepHold in recent years has been its ability to improve performance, even as many participants in the sector have faced increasing pressure. This reflects the quality of our assets, the strength of our people, our customer relationships and our relentless focus on efficiency and execution.

Cement imports remain a significant issue for local producers. Why is this important, and how are you responding?

The continued growth in cement imports remains one of the most significant challenges facing the South African cement industry.

Imports have increased substantially in recent years, reaching approximately 1.5 million tonnes in 2025. This increase has occurred at a time when domestic demand remains soft, creating additional pressure on local producers' market share, pricing and profitability.

A particular concern is the unequal regulatory environment under which local and imported cement compete. South African producers are subject to carbon taxes and other regulatory requirements that are often not borne by imported products. As carbon tax obligations continue to increase, the competitive disadvantage faced by local manufacturers becomes more pronounced.

The implications extend beyond individual companies. A sustainable domestic cement industry is essential to support infrastructure development, employment, industrial activity and long-term economic growth. Continued import penetration risks reducing local investment and manufacturing capacity over time.

Our response has been twofold. Firstly, we are focused on ensuring that SepCem remains as competitive as possible through cost optimisation, improved efficiency, alternative fuel initiatives and ongoing operational improvements. Secondly, we continue to support industry efforts to create a more level competitive landscape. This includes participation in the industry's application to the International Trade Administration Commission (ITAC) and constructive engagement with government and other stakeholders regarding the future sustainability of local cement manufacturing.

Regardless of the policy outcome, our objective remains clear: to continue improving our competitiveness and strengthening our position in the market.

What are your expectations for the operating environment over the short to medium term?
While we expect market conditions to remain challenging in the near term, there are reasons for cautious optimism.

South Africa's infrastructure requirements remain substantial, and significant investment will be required to address maintenance backlogs, expand capacity and support economic growth. Encouragingly, government infrastructure programmes, increased public-private partnerships, renewable energy investment and logistics reforms all have the potential to stimulate future construction activity.

Lower interest rates and improving residential building activity should also provide some support to market demand over time.

The timing and pace of recovery remain uncertain, particularly given ongoing geopolitical tensions, inflationary pressures and execution challenges within the public sector. However, our strategy is not dependent on predicting the market cycle.

Instead, we have focused on building a stronger, more efficient and more resilient business. Over recent years, we have improved operating efficiencies, reduced costs, increased alternative fuel utilisation, strengthened customer relationships, invested in our asset base and expanded Métier's market footprint.

As a result, both SepCem and Métier are better positioned today than they were several years ago. We believe these capabilities will enable the Group not only to navigate current conditions successfully but also to participate meaningfully in South Africa's future infrastructure development and construction growth.

Importantly, we have maintained manufacturing capacity, technical expertise, and operational capability to support increased demand as infrastructure investment accelerates. This positions SepHold to respond quickly when market conditions improve.

What are your priorities for FY 2027?
Our priorities remain focused on strengthening the business while positioning it for future growth opportunities.

At SepCem, we will continue to improve operational efficiency, optimise production costs, increase the utilisation of alternative fuels, and enhance supply chain resilience. These initiatives support both competitiveness and sustainability while strengthening our long-term position within the market.

Métier will continue to pursue selective expansion opportunities and build on its differentiated customer offering, which has contributed to its consistent performance. We believe the business remains well positioned to benefit from future growth in both infrastructure and private-sector construction activity.

Across the Group, disciplined capital allocation remains a key priority. Further strengthening the balance sheet by reducing debt will improve financial flexibility and support long-term value creation. We remain focused on ensuring that capital is deployed efficiently and in a manner that maximises shareholder returns.

The Group will also continue supporting industry initiatives to establish a fair and sustainable competitive environment for local cement manufacturers.

In addition, we continue to evaluate strategic opportunities arising from the evolving industry landscape. The South African cement sector is likely to experience further consolidation as participants seek more sustainable operating structures.

We will continue working closely with our partner, Dangote Cement, to evaluate pathways to create value and strengthen the long-term sustainability of the cement business.

Whom would you like to acknowledge for this year's achievements?
The progress achieved during FY 2026 is a direct reflection of the commitment, resilience and professionalism of our people.

The past year has again demonstrated that SepHold's greatest strength lies in the quality of its employees and leadership teams across both SepCem and Métier. Despite operating in one of the most challenging environments the industry has experienced, our teams remained focused on serving customers, controlling costs, improving efficiencies and executing our strategy.

Their ability to adapt, innovate and maintain high standards of performance has enabled the Group to continue improving its results while many parts of the industry have come under increasing pressure.

I would like to sincerely thank all our employees for their dedication and contribution during the year. I also thank our customers, suppliers, business partners and shareholders for their continued support and confidence.

While market conditions may remain challenging in the period ahead, I am confident that the strengths we have built over many years—our operational capability, experienced teams, strong customer relationships and disciplined approach to execution—will continue to support our performance.

These strengths position SepHold not only to withstand current pressures but also to capitalise on future opportunities and play a meaningful role in supporting South Africa's infrastructure development and economic growth.

Neil Crafford-Lazarus
SepHold financial director

Métier and SepCem pursued strategies to optimise operations and enhance market responsiveness in a challenging market. Both operations improved efficiencies and maintained disciplined cash and debt management, positioning themselves for a potential infrastructure recovery.

SEPHOLD FINANCIAL DIRECTOR'S REPORT

Overview

The Group delivered a resilient financial performance during FY 2026 despite continued weakness in the South African construction sector and ongoing pressure on cement demand. Strong earnings from Métier offset weaker performance from SepCem, demonstrating the benefits of the Group's diversified exposure to construction materials markets.

Management remained focused on protecting margins, generating cash and strengthening the balance sheet. Continued cost discipline, disciplined capital allocation and prudent debt management resulted in further progress in improving the Group's financial position.

Financial performance

The Group's financial performance reflects the successful execution of initiatives aimed at sustaining revenue, protecting profitability and improving cash generation despite challenging market conditions.

Métier continued to be the primary contributor to profitability, delivering strong revenue growth and margin expansion. SepCem's performance remained constrained by a weak cement market characterised by declining demand, excess industry capacity and pricing pressure.

Métier
Métier delivered another strong performance, increasing revenue by 9.2% to R1,29 billion (FY 2025: R1,18 billion).

A combination of pricing initiatives and a favourable product mix supported revenue growth. Despite subdued construction activity, the business increased profitability through disciplined margin management and continued focus on higher-value specialised products.

EBITDA increased by 34.2% to R196 million (FY 2025: R146 million), while EBIT increased by 39.4% to R145 million (FY 2025: R104 million). Net profit after tax increased by 41% to R107 million (FY 2025: R76 million).

The business continued to demonstrate strong operating leverage, converting revenue growth into improved earnings and cash generation.

SepCem
SepCem reported a weaker performance for the year ended 31 December 2025.

Revenue declined by 4.4% to R2.66 billion (CY2024: R2,78 billion), primarily due to lower sales volumes. Market conditions remained challenging, with subdued construction activity, particularly within the infrastructure and bulk cement segments.

EBITDA decreased by 9.3% to R301,1 million (CY2024: R321,9 million), while EBITDA margin declined to 11.3% (CY2024: 11.6%).

Net profit after tax decreased to R24,5 million (CY2024: R42,6 million), reflecting lower profitability resulting from reduced volumes and ongoing pricing pressure.

Although the operating environment remains challenging, SepCem continued to generate positive cash flows and maintained its market position.

Cash flow and capital allocation

The Group remained focused on cash generation and disciplined capital allocation during the year.

Métier continued to invest selectively in productive operating assets to support future growth opportunities and enhance operational capacity. Capital expenditure remained aligned with the Group's return requirements and cash generation objectives.

Available cash resources were prioritised toward strategic balance sheet initiatives, including a R34,7 million equity injection into SepCem to support its capital restructuring process.

This disciplined capital allocation supports both near-term financial stability and long-term value creation.

Funding and balance sheet

Métier
Métier maintained a strong liquidity position throughout the year.

The R40 million overdraft facility remained undrawn, providing sufficient liquidity headroom for foreseeable funding requirements.

Borrowings increased to R163 million (FY 2025: R124 million), reflecting financing raised to support asset investments. The increase remains well supported by earnings and cash generation, with finance costs representing less than 10% of EBITDA.

Working capital management remained robust and no material credit losses were experienced during the year.

SepCem

A significant milestone was achieved through the full repayment of SepCem's long-term bank loan during October 2025.

Following the settlement of the bank facility, SepCem's primary funding obligation is shareholder funding from Dangote Cement PLC. At year-end, the shareholder loan balance amounted to R898 million.

Management is progressing plans to refinance shareholder debt into a conventional banking structure. This refinancing is expected to simplify the capital structure, improve debt servicing flexibility and strengthen the platform for future distributions.

Importantly, SepCem continues to generate sufficient operating cash flows to meet its funding obligations and has not utilised its available working capital facilities.

Capital management

The Group continues to manage capital with a focus on preserving financial flexibility while maximising long-term shareholder value.

During the year, no shares were repurchased under the approved buyback programme as available cash resources were directed toward supporting SepCem's restructuring requirements.

At year-end, the Group held 23.6 million treasury shares, representing approximately 9.3% of its issued share capital.

The board remains committed to evaluating capital allocation opportunities that enhance shareholder value while maintaining an appropriate balance between liquidity, growth investment and debt reduction.

Outlook

The operating environment remains uncertain. Despite lower inflation and easing interest rates, construction activity has yet to show meaningful recovery. Infrastructure project announcements have increased, but implementation remains slower than anticipated.

SepCem is expected to continue operating in a highly competitive and oversupplied cement market. Management's focus remains on preserving margins, maintaining market share and advancing the refinancing of shareholder debt.

Métier enters FY 2027 from a position of strength. The business is expected to continue benefiting from its leading market positions, specialised product offering and proven ability to generate profitable growth.

The Group remains focused on cash generation, balance sheet strength and disciplined capital allocation, positioning it well to benefit from a recovery in construction and infrastructure markets.

Revenue and profitability

Sephaku Holdings summarised statement of profit and loss

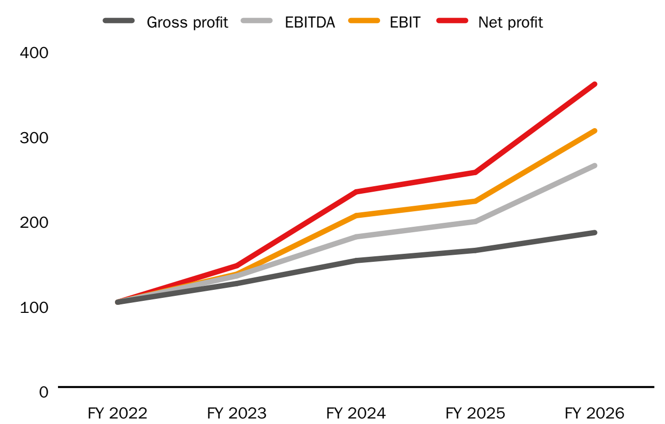
Figures in rand	2026	2025
Revenue	1 291 486 841	1 182 844 822
Other operating income	8 938 032	1 015 747
Other operating losses	–	(6 622)
Movement in credit loss allowances	–	1 047 994
Raw materials	(745 239 628)	(706 002 253)
Transportation	(154 882 964)	(146 341 586)
Production expenses	(29 077 811)	(28 986 737)
Employee benefit expenses	(134 271 239)	(111 871 889)
Depreciation on property, plant and equipment	(50 714 969)	(41 930 448)
Other operating expenses	(62 447 875)	(61 266 964)
Operating profit	123 790 387	88 502 064
Investment income	5 363 175	2 794 863
Finance costs	(18 124 506)	(15 484 113)
Income from equity-accounted investments	8 152 920	14 663 520
Profit before taxation	119 181 976	90 476 334
Taxation	(25 868 175)	(16 925 027)
Profit for the year	93 313 801	73 551 307

Métier

Métier delivered strong results, with revenue rising 9.2% year-on-year to R1,29 billion (FY 2025: R1,18 billion). Growth was achieved through a combination of price increases and product segmentation, with volumes fluctuating by region.

Métier sustained its track record of profitable growth by positioning its operations to capitalise on new market opportunities and leveraging its reputation as a trusted partner to customers in the construction industry. Minor volume improvement came from Métier's strategic plant expansion programme, which helped keep transport costs below inflation and contributed to margin growth.

Indexed costs and profitability trend: Métier



Price increases mitigated rises in input costs. Highly specialised product needs and complex logistical requirements for large infrastructure projects supported revenue growth.

Métier maintained disciplined control over input costs while expanding its operational footprint to capitalise on growth opportunities. The fleet renewal programme, implemented over the past four years, has successfully reduced the fleet's age and improved its efficiency. This helped minimise transport costs, which account for about one-third of input costs. Métier continues to invest in its plant network to improve productivity and support its safety and environmental performance.

Métier's EBITDA increased by 34.2% to R196 million (FY 2025: R146 million), and EBIT increased by 39.4% from R104 million to R145 million. Net profit after tax increased by 41%, from R76 million to R107 million, driven by improved margins and repayments of shareholder loans.

Looking ahead, Métier remains committed to maintaining disciplined cost controls while expanding its operational footprint and strengthening its portfolio of specialised concrete offerings.

The team is focused on driving profitability in FY 2026, while remaining mindful of the ongoing challenges within the construction sector. This balanced approach underscores Métier's ability to pursue growth opportunities responsibly, ensuring resilience and long-term value creation.

SepCem

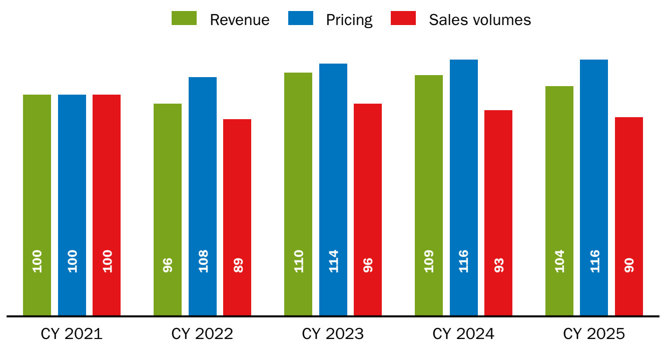
SepCem's financial year was from 1 January to 31 December 2025 (CY 2025), which differs from the Group and Métier's reporting period of 1 April 2025 to 31 March 2026 (FY 2026).

SepCem experienced a 4.4% reduction in revenue to R2,66 billion (CY 2024: R2,78 billion) as sales volumes declined by 4.5% (CY 2024: 4% decrease).

Reduced volumes negatively impact EBITDA, as SepCem's capital-intensive nature (fixed costs) raises per-unit production costs. This resulted in a 9.3% decrease in EBITDA to R301,1 million (CY 2024: R321,9 million), with a margin of 11.3% (CY 2024: 11.6%).

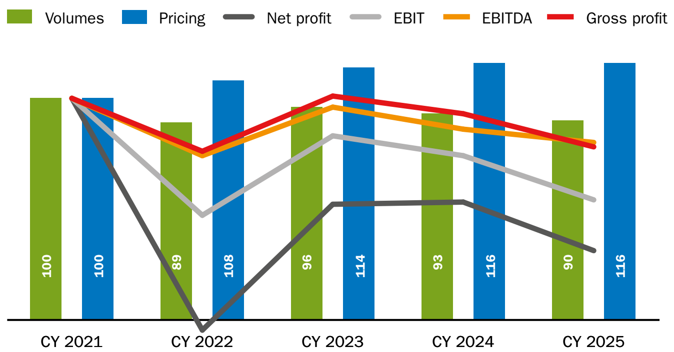
Net profit after tax decreased by 42.5% to R24,5 million from R42,6 million in CY 2025, due to reductions in depreciation, net finance cost and taxation.

Indexed five-year trend: SepCem



SepCem's revenue declined by 4.4% to R2,66 billion (CY 2024: R2,78 billion). This was driven by a 4.5% decline in sales volumes.

Indexed costs and profitability trend: SepCem



In the face of intense pricing and volume pressure, SepCem experienced a downturn in its financial performance, with net profit after tax reduced to R24,5 million.

Flat economic growth contributed to a further contraction in the construction sector.

This was reflected in a 30% decline in bulk cement volumes linked to weak civil construction activity.

Sales volumes decreased by 4.5% (CY 2024: 4% decrease) in line with SepCem's estimates of the overall market performance. A change in sales mix was also observed, with a lower proportion of bulk sales as bagged cement rose to 74.5% of sales. Strong competition in bag pricing due to an oversupplied market resulted in an overall net delivered price per ton that was 1.1% lower than CY 2024.

Sound financial position

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

Métier

Métier's term loan was repaid during FY 2023 and replaced with a R40 million overdraft facility. The facility provides sufficient headroom to meet all foreseeable cash requirements, reinforcing the Group's financial flexibility. Importantly, this facility has remained unutilised for the last two financial years.

Métier has shifted towards asset-specific financing to fund the fleet expansion, plant upgrades and the acquisitions of new property.

Borrowings increased to R163 million (FY 2024: R124 million) as the Subsidiary entered into several new financing agreements for movable assets. Each facility is secured against the specific motor vehicles or plant and equipment being funded, ensuring that debt is directly linked to productive, income-generating assets. This strategy supports expanding operational capacity while maintaining prudent financial management.

Finance charges increased from R15,5 million to R18,1 million year-on-year, driven by higher total debt, but remain low at below 10% of EBITDA.

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

SepCem

SepCem reached a significant milestone by fully repaying its 10-year bank loan. Originally refinanced in 2022 as a R400 million term loan, the loan was serviced in line with its profile. It had been reduced to R135 million at the end of CY 2024.

The loan was settled through quarterly payments, with the final payment made in October 2025.

Following the repayment of the bank debt, SepCem's primary remaining liability is its shareholder loan from its majority shareholder, DCP. At year-end, the shareholder loan balance was R898 million, with accrued interest at the Johannesburg Interbank Average Rate (JIBAR) plus 4%. To meet its shareholder commitments, SepHold injected R34,7 million in cash into SepCem, funded through cash generated by Métier.

Because the bank debt was settled, the shareholder loan was no longer subordinated. It became due and payable for tax purposes. This triggered a 7.5% withholding tax on interest (approximately R51 million), which was paid to the South African Revenue Service (SARS) in November 2025. This reduced the nominal outstanding amount.

SepCem is in the process of refinancing the shareholder debt into a bank loan.

This will be used to repay all existing shareholder loans and settle R125 million in equity deposits made by DCP during the COVID-19 pandemic. The objective is for SepCem to eliminate all shareholder debt or equity deposits remaining by mid-2026, leaving the bank as the sole creditor.

This restructuring will make debt servicing more manageable while creating a clear path to resuming dividend payments sooner than would be possible under the previous debt structure. SepCem has generated sufficient cash from operations to meet its debt obligations and does not anticipate drawing down its separate R200 million revolving working capital facility.

Equity buyback plan

Métier did not acquire any further ordinary shares in the Company in FY 2026

Management decided not to conduct buybacks during this period because the available cash from Métier was prioritised to fund a R34,7 million equity injection into SepCem.

Métier currently holds 22 700 000 treasury shares. Following the acquisition of Cross Company Management as a subsidiary on 1 April 2025, an additional 876 710 shares were added to the Group's treasury holdings.

The total number of treasury shares held by the Group at year-end was 23 576 710, representing approximately 9.26% of the issued capital.

Post-period performance and outlook

SepCem's revenue increased by 7.4% year-on-year to R566 million in the first quarter of CY 2026 (Q1 2025: R526 million). This was driven by improved bag sales volumes, less severe adverse weather and continued retail demand resilience, which supported growth.

SepCem's quarterly EBITDA was again heavily impacted by stock-movement effects, as the planned annual kiln and mill outages were completed in Q1 2026. EBITDA was recorded at R13,3 million (Q1 2025: R101 million). The prior year's performance was bolstered by a once-off insurance claim settlement and inventory accumulation, as the kiln shutdown was spread across two quarters during 2025.

While inflation reached its lowest level in 21 years in 2025 and interest rates declined by 75 basis points during FY 2026, private-sector spending and the construction sector did not show a meaningful rebound. Looking ahead to FY 2027, the impact of the Middle East conflict on fuel prices has reversed the downward trend in inflation. Against this backdrop of uncertainty caused by the conflict and the already slow pace of activity, we anticipate weak momentum in the construction sector to persist.

SepCem's performance continues to be constrained in an oversupplied market

This results in lower cement prices and volumes, and limited opportunities in the bulk cement segment. The Associate will continue to focus on cost discipline and maintaining market share in the challenging environment. Together with other integrated cement producers, it will continue to lobby the government and regulators to level the field for the local industry against untaxed cement imports.

Although announcements of new infrastructure projects in South Africa have increased, implementation remains slow, particularly in SepCem's geographic markets.

Any additional infrastructure investment in the inland provinces is likely to boost sales volumes.

Métier's outlook is more promising, with growth expectations driven by plans to extend the plant footprint to meet demand, notably in the Western Cape, and from a strong project pipeline.

BUSINESS REVIEW – MÉTIER MIXED CONCRETE

Kenneth Capes
Chief Executive Officer

Métier achieved a record financial performance in FY 2026, demonstrating the resilience of our business model and the effectiveness of our strategy despite continued weakness in the South African construction sector.

CHIEF EXECUTIVE OFFICER'S REPORT

Delivering record results in a challenging market

In a market characterised by flat volumes, cautious private-sector investment and intense competition, we remained focused on the factors within our control: operational excellence, technical differentiation, disciplined cost management and exceptional customer service. This approach enabled us to achieve strong revenue growth, meaningful margin expansion and record profitability.

Revenue increased by 9.2% to R1,29 billion, while net profit after tax increased by more than 41% to R107 million. EBITDA increased by 34.2%, with the EBITDA margin improving from 12.4% to 15.2%.

These results reflect the strength of our strategy of pursuing technically demanding and specialised projects where our expertise, product quality and service capabilities create value for customers and differentiate Métier from its competitors.

Strategic priorities

During the year, we remained focused on five key strategic priorities:

- Driving operational efficiency and disciplined cost management.
- Developing and retaining critical technical and leadership skills.
- Expanding our technical capabilities and specialised product offering.
- Delivering industry-leading quality, service and reliability.
- Selectively expanding our operational footprint to support future growth.

Our performance during FY 2026 demonstrates the successful execution of these priorities.

Creating value through differentiation

Métier's competitive advantage is built on technical expertise, customer trust and the ability to deliver complex projects consistently and reliably.

As infrastructure and commercial projects become increasingly specialised, customers continue to seek suppliers capable of providing technical support and innovative solutions in addition to quality products. Our investments in technical capability and customer service enabled us to secure a growing proportion of higher-margin specialised work during the year.

While market conditions remained subdued, this differentiated positioning contributed to strong revenue growth and improved profitability.

Cost discipline remained a key focus. Continuous improvement initiatives, together with ongoing investment in modern, efficient operating assets, supported productivity gains and helped contain cost increases below inflation across several areas of the business. These efficiencies contributed significantly to margin expansion during the year.

Métier also maintained strong credit controls, with bad debts remaining exceptionally low at below 0.03% of revenue.

Investing for sustainable growth

Long-term value creation requires disciplined investment.

During FY 2026, Métier invested R119 million in expanding its production footprint and renewing key operating assets. These investments are designed to support future growth opportunities, improve productivity and strengthen our ability to serve customers efficiently across our markets.

We continue to evaluate opportunities to expand strategically in selected regions where demand fundamentals and customer requirements support attractive long-term returns.

Our capital allocation philosophy remains unchanged: invest prudently in opportunities that support sustainable growth, strengthen competitive advantages and enhance long-term shareholder value.

Recognised for excellence

A key measure of any business is the confidence that customers place in its products and services.

I am proud that Métier was ranked South Africa's leading ready-mix concrete company by PMR Africa for the second consecutive year. This recognition reflects the dedication of our employees and our unwavering commitment to quality, service and reliability.

The strength of the Métier brand remains one of our most valuable assets. It continues to support customer retention, new business opportunities and long-term growth.

Investing in our people

Our people remain central to our success.

The construction sector continues to face shortages of specialised technical and leadership skills. In response, Métier has intensified its focus on talent development, succession planning and skills retention to ensure a sustainable pipeline of future leaders and technical specialists.

During the year, we significantly increased investment in training and development, with a strong focus on technical capability, leadership development and compliance skills. We also continued to strengthen our talent mapping and succession planning processes to support long-term organisational resilience.

Transformation remains an important priority. While progress against certain Employment Equity objectives remains gradual, we continue to focus on developing internal talent and broadening opportunities for under-represented groups within the organisation.

We maintained our Level 4 BBBEE contributor status during the year.

Safety and environmental stewardship

Safety remains our highest operational priority.

I am pleased that there were no fatalities or serious injuries during the reporting period. Our safety culture is built on personal accountability, ongoing education and leadership commitment across all levels of the organisation.

Environmental stewardship is equally important to ensuring the long-term sustainability of our business. We continue to invest in initiatives that reduce our environmental impact while supporting operational efficiency. These include industry-leading water recycling systems, resource recovery initiatives and proactive environmental management practices.

All operations remained fully compliant with environmental requirements during the year, with no reportable environmental incidents.

Outlook

The operating environment remains uncertain. While inflationary pressures moderated for much of the year, post-period geopolitical developments have contributed to renewed fuel price volatility and increased uncertainty across the construction sector.

Despite these challenges, Métier enters FY 2027 from a position of strength.

Our differentiated market position, strong customer relationships, disciplined cost culture and healthy balance sheet provide a solid platform for continued growth. We will continue to expand our specialised offering, invest selectively in growth opportunities and deepen relationships with both existing and emerging customers.

While we remain cautious regarding short-term market conditions, we are encouraged by the increasing pipeline of infrastructure opportunities and believe Métier is well positioned to benefit as construction activity improves.

I thank our employees, customers, suppliers and stakeholders for their continued support and contribution to another exceptional year. The commitment and dedication of our people remain the foundation of Métier's success.

HUMAN CAPITAL

Building capability for sustainable growth

Métier's ability to consistently deliver quality products, technical expertise and superior customer service is underpinned by the strength of its people and organisational culture.

The Subsidiary's employee value proposition is rooted in the Métier Way, which defines the behaviours, standards and values that shape how employees engage with customers, colleagues and stakeholders. The Métier Way promotes accountability, professionalism, service excellence and a commitment to delivering on promises, fostering a strong sense of shared purpose across the organisation.

Métier is committed to providing a fair, inclusive and performance-driven workplace in which employees are recognised and rewarded based on competence, contribution and performance in accordance with the board-approved remuneration framework.

During FY 2026, our people priorities focused on:

- Maintaining regulatory and transformation compliance.
- Strengthening skills development and workforce capability.
- Enhancing employee well-being and engagement.
- Developing future leaders and critical technical skills.
- Supporting a high-performance culture aligned with our strategic objectives.

Ethics and integrity

Integrity remains fundamental to the way Métier conducts business.

The Métier Way provides the foundation for ethical conduct throughout the organisation. It reinforces the values of honesty, accountability, reliability and service excellence.

Employees are guided by Métier's code of ethics and code of conduct, which establish clear standards of behaviour and decision-making.

Métier promotes a culture of transparency and accountability through an independently managed whistle-blowing hotline that allows employees and external stakeholders to report unethical conduct, fraud or other inappropriate behaviour. Employees may also raise concerns through formal internal grievance channels.

Workforce profile

Métier's workforce increased to 302 employees (FY 2025: 295) as it expanded its operational footprint and supported increased business activity.

The workforce remains a key competitive advantage, providing the technical expertise and operational capability required to service increasingly specialised customer requirements.

Employee race and gender profile

Occupational level	Male				Female				Foreign nationals		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	1	0	0	4	0	0	0	1	0	0	6
Senior management	2	1	5	15	0	0	1	0	0	0	24
Professionally qualified and experienced specialists and mid-management	11	3	6	9	1	0	3	5	0	0	38
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	31	5	5	4	12	0	3	7	2	0	69
Semi-skilled and discretionary decision-making	77	0	0	1	0	0	0	0	1	0	79
Unskilled and defined decision-making	83	2	0	0	1	0	0	0	0	0	86
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Total	**205**	**11**	**16**	**33**	**14**	**0**	**7**	**13**	**3**	**0**	**302**

Transformation and employment equity

Transformation remains an important strategic priority and is integral to Métier's long-term sustainability objectives.

The Subsidiary continued to advance its Employment Equity programme during the year while adapting to evolving sectoral targets and regulatory requirements. Progress was made in strengthening representation across several occupational levels and in advancing women into management positions.

Maintaining a sustainable pipeline of diverse talent remains a key focus area, supported by targeted development initiatives, succession planning and internal promotion opportunities.

Métier retained its Level 4 BBBEE contributor status during FY 2026, reflecting continued commitment to transformation and inclusive growth.

Employment equity performance

Occupational level	Target HDSA %	Actual HDSA %
Top management	2	2
Senior management	12	9
Professionally qualified and experienced specialists and mid-management	27	29
Junior management	67	63
Total	**108**	**103**

Employee well-being

The well-being of employees remains central to maintaining a productive, engaged and resilient workforce.

Métier continues to promote employee well-being through initiatives that support both physical and psychological health. Particular attention is being given to mental health and psychosocial well-being, recognising the increasing importance of providing employees with appropriate support structures in a demanding operating environment.

During FY 2027, Métier intends to introduce a structured mental wellness programme to increase awareness, reduce stigma and encourage employees to seek assistance when needed.

The Subsidiary's well-being initiatives are designed to support employee engagement, retention and long-term workforce sustainability.

Training and development

Developing employee capability remains one of Métier's most important investments.

Expenditure increased to R1,25 million (FY 2025: R0,6 million), reflecting the Subsidiary's commitment to strengthening technical capability, leadership development, compliance and operational excellence.

More than 56% of employees participated in training and development initiatives during the year (FY 2025: 34%). Importantly, 79% of participants were HDSA employees (FY 2025: 73%).

Training initiatives focused on:

- Technical and operational skills.
- Leadership development.
- Health and safety.
- Regulatory compliance.
- Professional development.

The increased investment in learning and development supports operational performance, employee progression and long-term organisational sustainability.

Building future talent

Bursaries and further education

Métier continues to invest in employee development through its bursary programme, which supports employees pursuing tertiary studies relevant to their careers and the Subsidiary's future skills requirements.

During FY 2026, bursaries were awarded to **seven employees** (FY 2025: five).

The programme supports both employee development and the retention of critical skills within the organisation.

Learnerships

Skills development remains an important contributor to both transformation and capability building.

During the year:

- All artisans participating in trade qualification programmes successfully obtained Red Seal certification.
- **Eight learners** participated in disability learnership programmes.
- Métier continued to support the development of vocational and technical skills aligned with future workforce requirements.

These initiatives expand opportunities for employees while strengthening Métier's future skills pipeline.

Mentorship

Métier continued to strengthen leadership and technical capability through its mentorship programme.

During the reporting period:

- Five mentees participated in the programme.
- Five female candidates were included as part of the Subsidiary's broader objective of improving leadership diversity and creating sustainable career pathways.

The programme facilitates the transfer of practical skills, career development and leadership readiness.

Succession planning and leadership development

The shortage of specialised technical and leadership skills remains one of the most significant risks facing the construction sector.

Métier's succession strategy is therefore focused on developing talent internally and creating a sustainable pipeline of future leaders.

The Subsidiary maintains a formal talent mapping process that identifies high-potential employees and critical positions across the organisation. This process supports leadership continuity, transformation objectives, employee retention and long-term organisational resilience.

Succession plans are reviewed annually by executive management to ensure alignment with future business requirements and strategic growth opportunities.

During FY 2027, management will continue to strengthen its focus on skills gap analysis and leadership pipeline development to mitigate future recruitment and succession risks.

HEALTH, SAFETY AND ENVIRONMENT

Safety

The health, safety and well-being of employees remain paramount.

Métier's health and safety programme promotes a culture of personal accountability, continuous improvement and proactive risk management across all operations.

The company maintained a strong safety performance during the year, with:

- No fatalities.
- No serious injuries.
- Continued focus on reducing workplace incidents and improving safety awareness.

The Lost Time Injury Frequency Rate was 1.45 (FY 2025: 1.85).

Safety initiatives continue to focus on managing operational risks associated with heavy equipment, vehicle movements and workplace behaviour through ongoing training, monitoring and leadership engagement.

Environmental stewardship

Responsible environmental management remains an integral component of Métier's operating philosophy.

Métier maintained full compliance with environmental regulations throughout the reporting period and recorded no reportable environmental incidents.

Environmental management efforts focus on:

- Water conservation and recycling.
- Dust and noise mitigation.
- Resource recovery and waste reduction.
- Compliance with environmental legislation.
- Minimising operational impacts on surrounding communities.

Water management

Water is a critical operational resource.

Métier operates advanced water recycling systems that recover and reuse water within the production process, reducing freshwater consumption and supporting operational resilience.

The Subsidiary also maintains contingency measures to mitigate water supply disruptions and protect production continuity.

Waste management and resource recovery

Métier seeks to maximise resource recovery from its operations and minimise waste sent to landfill.

Concrete washout materials are recovered and repurposed wherever possible. Hazardous waste streams are managed through accredited service providers in accordance with applicable environmental requirements.

These initiatives support both environmental stewardship and operational efficiency.

Looking ahead

Métier's human capital strategy remains focused on attracting, developing and retaining the skills required to support sustainable growth.

The company will continue to invest in leadership development, technical training, employee well-being, succession planning and transformation initiatives to ensure that it maintains the workforce capability required to support its long-term strategic objectives.

Our people remain at the heart of Métier's success and will continue to be a critical driver of value creation for all stakeholders.

BUSINESS REVIEW – SEPHAKU CEMENT

SepCem's financial year ran from 1 January to 31 December 2025 (CY 2025). This differs from the Group and Métier's financial year, which ran from 1 April 2025 to 31 March 2026 (FY 2026).

Duan Claassen
SepCem chief executive officer

SepCem focused on cost reduction and supply chain optimisation to maintain its financial performance in a challenging cement market. Facing unprecedented pricing pressure and subdued demand, it protected its market share, maintained a stable customer base and engaged with regulators to address challenges arising from cement imports.

CHIEF EXECUTIVE OFFICER'S REPORT

Key focus areas in CY 2025

- Delivering quality products, excellent service and customer engagement to drive sales.
- Implementing cost-curtailment measures, optimising logistics and energy usage, and using advanced technology to drive process efficiencies.
- Advancing decarbonisation and environmental management by increasing thermal substitution with the use of alternative fuel.
- Enhancing health and safety through visible felt leadership and behaviour-based safety initiatives.
- Preserving SepCem's social licence to operate by engaging effectively with community and government stakeholders, providing agricultural, community and SMME support, and maintaining sound environmental, social and governance practices.
- Partnering with other local integrated cement producers to lobby the government to address cement dumping, substandard cement proliferation, high energy costs, and the unequal burden of the carbon tax.

SepCem fought hard to maintain its competitive position during a year characterised by rising cement imports, declining cement prices and lower demand.

Financial and operational performance

The 2025 financial year was marked by contrasting performance. In the first half, unusually high rainfall across inland regions suppressed demand and weighed on results. The second half saw a strong rebound, with volumes and margins improving on the back of enhanced operational efficiency, disciplined cost management, and robust sales growth.

Despite the recovery, total sales volumes declined by 4.5% year on year.

This was largely driven by a 20% contraction in bulk cement volumes linked to weak civil construction activity. Bagged cement was more resilient, supported by retail demand and ongoing road construction projects.

A major positive was SepCem's disciplined cost management. Strict austerity measures limited increases in plant fixed costs to 1.9% and in variable costs to 0.3%, both significantly below the Consumer Price Index (CPI) inflation rate.

Net profit after tax for CY 2025 was R24,5 million, 42.5% lower than in CY 2024.

Market dynamics

There were several market disruptions, including an unprecedented nominal decline in cement prices that eroded overall market value. Price pressure intensified due to aggressive competition, particularly as one newly acquired producer sought to expand its market share.

It was the first time we had experienced a reduction in cement prices, which came as a shock.

A 25% year-on-year increase in imports exacerbated the situation, with imports from Mozambique particularly encroaching on inland markets. Even relatively small volumes of imported cement can destabilise the market by resetting price expectations at unsustainably low levels.

The Climate Change Act 22 of 2024 came into force in March 2025.

The Act imposes emissions limits, and monitoring and reporting requirements. It also paves the way for penalties for carbon emissions exceedances and other infringements. This, together with the carbon tax, which escalated by 30,5% to R308/tCO_2e in January 2026, places the local Industry at a further competitive disadvantage. Local producers shoulder the costs of carbon compliance and social licences. Yet, cement imports from regions without such taxes continue to enter South Africa duty-free.

Industry action

In response to pressures on the local cement industry that threaten its viability, SepCem has been actively involved in industry-wide efforts to restore more balanced market conditions. Some of the major local cement producers, including SepCem, submitted anti-dumping applications to ITAC targeting imports from Mozambique and Vietnam in early 2026.

With local industry players coming together, I am hopeful that the authorities are finally beginning to take notice.

Engagement with government has also intensified, with a significant December 2025 meeting between DCP representatives and the Presidency helping to revive high-level attention to the sector's challenges. Key issues raised included the need for a level playing field, the implications of carbon tax policies, and concerns about the proliferation of substandard cement.

Driving efficiencies

Leveraging technology to optimise operations is critical in countering intense pricing pressure and escalating energy costs. At the Delmas grinding station, we enhanced efficiency by deploying artificial intelligence (AI) for mill control, with plans underway to extend this innovation to Aganang. We also used AI for process optimisation, notably in managing the complexities of increasing thermal substitution. The Aganang plant has utilised advanced condition-monitoring systems over the past three years to ensure equipment reliability. We will continue to evaluate and adopt other technologies that can benefit our operations.

Technology and efficient logistics supported a 94% on-time delivery service level during the year. Our focus will remain on supply chain and logistics optimisation to counteract high transportation costs.

Our progress in using alternative fuels supported our decarbonisation goals and reduced input costs.

Reducing SepCem's reliance on fossil fuels is a critical efficiency lever. We achieved a significant increase in the thermal substitution rate, moving from 25% to 40% by replacing coal with alternative fuels. This will be enhanced in CY 2026 with the completion of a liquid-fuel feeding system for waste oil.

Improved efficiency and increased alternative-fuel use contributed to a reduction in variable costs despite the inflationary environment.

Health and safety

SepCem delivered a significant improvement in safety performance, advancing the Associate's zero-harm goal. LTIFR fell from 2.98 per million hours worked in 2024 to 0.70 in 2025. This was largely the result of intensified implementation of the integrated health and safety management system. Key elements included a behaviour-based safety programme and Exco's participation in visible, felt leadership engagements on-site to reinforce accountability and leadership visibility. The Delmas plant achieved its fourth consecutive year without a lost-time injury, reflecting sustained safety discipline and management commitment.

Broad-based black economic empowerment

SepCem achieved Level 4 BBBEE contributor status (CY2025: Level 5)

Community engagement

Operational challenges at the Aganang mine are closely linked to unresolved land tenure issues and complex community dynamics. SepCem has operated as a tenant under a signed community resolution granting access to the mining surface area. Finalisation of a formal lease with the landowner (the state) has been delayed by bureaucratic processes.

Community engagement is further complicated by fragmented leadership structures and the emergence of small groups unlawfully accessing mining areas to force operational stoppages. To mitigate tensions, particularly around grazing land, SepCem implemented a five-year interim agreement to provide supplemental feed to local farmers, helping to de-escalate conflict.

Looking ahead

The 2026 financial year began from a stronger position than 2025, supported by improved sentiment, easing inflation, stable interest rates, and lower fuel costs. These factors bolstered consumer confidence and pointed to a more favourable demand environment for construction materials. However, the outbreak of conflict in the Middle East on 28 February has disrupted global markets, creating volatility in energy prices and supply chains. The extent of its impact on the cement industry will depend on how prolonged and widespread the geopolitical and economic repercussions prove to be.

Addressing the challenge of cement imports remains a priority.

Following constructive engagement with regulators, we are optimistic about the potential introduction of measures to curb cement imports and enforce higher quality standards. Such interventions would safeguard buyers while ensuring fair competition for local integrated producers.

In the near term, however, economic forecasts and structural headwinds in the construction sector point to a challenging environment. Against this backdrop, SepCem remains focused on strengthening resilience by driving cost efficiencies, expanding the use of alternative fuels, optimising logistics, and accelerating the roll-out of advanced technologies to enhance performance. At the same time, we continue to prioritise engagement with communities and regulators to secure and sustain our social licence to operate, recognising that long-term success depends on balancing compliance, competitiveness, and stakeholder trust.

HUMAN CAPITAL

In light of the challenging trading and operational environments, SepCem focused this year on building internal technical capacity, entrenching a high-performance culture, and managing our lean workforce. We maintained regular communication with employees, emphasising the Associate's strategic objectives in our messaging.

During CY 2025, SepCem focused on:

- Investing more in learning and development to build our own talent and strengthen the leadership pipeline.
- Succession management by identifying and preparing high-potential employees for critical technical and leadership roles.
- Promoting a safety culture through behaviour-based safety initiatives.
- Maintaining workforce engagement, particularly when challenging economic conditions limit financial rewards, such as short-term incentives.
- Entrenching a high-performance culture through the implementation of Project Tokafatso.
- Progressing Employment Equity targets in line with gazetted sectoral targets.
- Supporting employee wellness through awareness campaigns and support services.

Employee value proposition and retention

SepCem relies on a highly skilled workforce to run its operations. Our remuneration and reward practices are market-related, reflect our operating context, and are guided by a board-approved remuneration policy and framework.

The Associate's employee value proposition is designed to attract, retain, and motivate talent.

SepCem provides flexible benefits, allowing employees to choose from three medical aid schemes, each with multiple plans and a pension fund, with contribution levels that vary to suit their financial circumstances. Flexible benefits enable employees to structure their remuneration packages to suit their personal and financial circumstances, contributing to an attractive employee value proposition.

SepCem's employee value proposition contributed to a reduction in turnover during FY 2025.

Employee turnover stabilised to 4.83% (CY 2024: 9%). Voluntary departures accounted for 2.14% of total staff turnover. Management regards the reduction in turnover as evidence that its employee value proposition, enhanced by learning, development, and engagement initiatives, is yielding positive results.

Talent strategy and succession planning

SepCem recognises employees' value creation and deep technical skills as key competitive differentiators in a difficult business environment. To combat a longstanding shortage of specialised cement, engineering and leadership skills, SepCem has adopted a philosophy of developing its own talent:

- **Mentorship programme:** SepCem continues to mature its mentorship programme, focusing on quality discussions and implementing individual development plans to prepare employees for future technical and leadership roles. In CY 2025, 11 mentors and 18 mentees participated. This investment also contributes to the entrenchment of a high-performance culture.
- **Engineering skills development programme:** A key goal to future-proof the business is to develop engineering graduates and artisans (including millwrights) internally over the next five to six years to reduce reliance on an expensive, small external talent pool. The Associate appointed one engineering graduate trainee and three engineering learners in CY 2025, continuing its return to formal learnership programmes. This brings the total number of engineering learnerships to three internal and seven external. The internal learners are millwright learners, with two expected to qualify in CY 2026. The external learners comprise four millwrights, two electricians and one boilermaker.

SepCem's focus on skills development and succession planning is building leadership and technical capacity, ensuring an adequate pipeline of suitable candidates for future roles.

Developing our people today, securing SepCem tomorrow

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

Learning and development

SepCem increased training investment by 4.5% to R5,1 million (CY 2024: R4,8 million). This investment is central to the talent strategy. It facilitates the development and training of future leaders, enhances employees' competency levels, and ensures compliance through mandatory training.

There was a notable increase in employees embarking on leadership programmes.

These included:

- Supervisory training.
- Fundamental Management Programme.
- Management Advancement Programme.
- Management Development Programme.
- Leadership Acceleration Programme.
- Executive Development Programme.

To comply with the stringent requirements of the Mineral and Petroleum Resources Development Act, training remains a cornerstone of SepCem's health and safety programme. The Associate employs innovative approaches such as industrial theatre and behaviour-based safety modules to embed a proactive safety culture. In response to a broader market-wide decline in basic artisan skills, SepCem has also introduced internal training for new joiners to strengthen foundational capabilities.

SepCem provided staff education assistance through bursaries.

Of the 17 bursaries awarded, 15 were taken up (CY 2024: 14). Recipients pursued studies in various fields, including engineering, business management, credit management, supply chain management, and accounting.

Developing a high-performance culture

SepCem continues to roll out Project Tokafatso to drive organisational transformation and entrench a high-performance culture. The project aims to improve organisational culture over time by aligning individual and team performance with the Associate's long-term objectives.

"SepComs" (structured engagement meetings) provide a platform for managers, employees, and teams to regularly assess performance against key performance indicators and address obstacles to achieving them. Learning and focus topics are shared during these meetings to upskill the workforce. Employees are also recognised for their contributions towards achieving team or divisional goals. Such recognition is showcased in the monthly newsletter, helping to maintain momentum and engagement.

Management conducts self-audits against specific criteria to score SepCom's performance out of 5. The outcomes for the 2025 financial year varied, with the Aganang plant improving to 3.32 and Delmas dipping slightly to 2.9. While management recognises that the project is not intended to achieve transformational change in a short period, they are pleased with the incremental progress made.

Employee profile

The employee headcount was unchanged at 373.

Employee profile by race and gender

	Male				Female				Foreign nationals	Total
Occupational level	**African**	**Coloured**	**Indian**	**White**	**African**	**Coloured**	**Indian**	**White**	**Male**	
Top management	3	0	0	3	1	0	0	2	1	10
Senior management	3	1	0	7	4	0	0	3	1	19
Professionally qualified	13	3	4	8	2	1	1	5	1	38
Skilled technical	62	3	0	11	34	2	3	6	0	121
Semi-skilled	35	1	1	0	26	0	0	0	0	63
Unskilled	89	2	0	0	29	1	0	1	0	122
Total	**205**	**10**	**5**	**29**	**96**	**4**	**4**	**17**	**3**	**373**

Employment equity

SepCem successfully concluded its previous Employment Equity implementation cycle and developed a new five-year Employment Equity Plan, which was presented to the employment equity committee for consultation and duly approved by the chief executive officer.

In its new Employment Equity Plan, SepCem has aligned its focus to sector-specific numerical targets and goals.

While a comprehensive gap analysis revealed that the Associate was performing better than initially expected across several occupational levels, full compliance and workplace transformation remain ongoing processes that require more than just a few strategic appointments.

Specific gaps persist due to low staff turnover at senior levels, an under-representation of African females in middle management, and an under-representation of African and Coloured females in junior management.

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.

SepCem achieved 91% representation of HDSA employees at the skilled technical occupational level, maintaining its CY 2024 achievements. This level of representation attests to the continued focus on ensuring that recruitment processes intentionally target candidates from under-represented groups and go beyond a single round of interviews to source a diverse pool of candidates. Of the eight promotions in CY 2025, seven were from designated groups.

The Associate's employee profile comprises 68% males and 32% females, with 1.34% of employees being people living with disabilities.

The Associate will continue to focus on gender, diversity, and inclusion in CY 2026. This will include formulating measures to foster a conducive workplace environment for female employees and employees living with disabilities.

Improved BBBEE rating

Success in its Employment Equity efforts contributed to SepCem improving its BBBEE rating to Level 4 from Level 5 for the CY 2025 financial year. Key drivers for this improvement included the appointment of a Black female board chairperson and several Black managers, notably within the technical department. This was supported by increased training spend on Black employees across various areas.

Employee wellness

Employee wellness is addressed through a combination of targeted awareness campaigns and formal support systems. The employee assistance programme is managed by an external service provider, which offers employees and their immediate family members access to psychosocial support. In its first full year of implementation with a new service provider, the programme achieved a utilisation rate of 18.5% in December 2025. Aggregated data indicates that relationship, adjustment and family issues are the most common reasons employees seek support, followed by acute stress and grief/bereavement.

Several targeted awareness initiatives were rolled out during the year.

These included a mental health campaign focused on reducing stigma and encouraging employees to seek help. A financial management initiative was introduced to help employees manage their personal finances more effectively.

SepCem has a women-in-mining committee at the Aganang plant to foster a conducive environment for female employees. Its activities include awareness campaigns focused on gender-based violence, femicide, and workplace safety.

The Associate aligned with the national 16 Days of Activism for No Violence against Women and Children Campaign to raise awareness about workplace safety and health for female employees.

SepCem participated in the "Many Masters of Men" programme for male employees. It features monthly talks on various aspects of being a man to empower male colleagues and address their unique wellness needs.

Labour relations

SepCem's labour relations climate was stable in CY 2025, with management regularly engaging union representatives at both shop steward and union official level. A one-year collective bargaining wage agreement was signed between SepCem and the Association of Mineworkers and Construction Union (AMCU) and the National Union of Mineworkers (NUM), acting jointly for collective bargaining purposes. The agreement is valid until June 2026.

HEALTH, SAFETY AND ENVIRONMENT

SepCem continued to improve health and safety management through its foundational behaviour-based safety and visible felt leadership programmes.

SepCem's environmental priorities centred on proactive decarbonisation, rigorous regulatory compliance, and resource efficiency, particularly regarding water management. These efforts aim to mitigate significant external pressures, such as South Africa's increasing carbon tax and evolving climate change legislation.

Health and safety

SepCem is committed to achieving zero harm through an integrated health and safety management system. This is underpinned by visible felt leadership and a firmly established behaviour-based safety ethos. The system, benchmarked against the ISO 45001 international standard, is built on five pillars and focuses on fostering a proactive safety culture.

A top priority was increasing leadership visibility on site to reinforce accountability.

Every Exco member is required to conduct site-based, visible, felt leadership engagements, wear safety gear, and interact directly with employees to ask questions and observe standards. These interactions address the psychosocial element of safety by making employees feel that their well-being is genuinely important to management. The CEO also conducts safety town hall sessions across all sites to share learnings and reinforce expectations.

SepCem has shifted from purely administrative controls to a behaviour-based safety model with peer-to-peer accountability.

Employees and contractors use a card system to recognise positive safety behaviours (green card) or proactively address and correct unsafe practices by their peers (red card). Employees who actively use the system to correct or encourage behaviour were nominated as "Champions" and recognised at year-end.

SepCem's health and safety interventions have led to measurable improvements in safety outcomes:

- The LTIFR per million hours worked improved significantly from 2.98 in CY 2024 to 0.70 in CY 2025.
- Lost time injuries (LTIs) across the plants were reduced to one during the current reporting period from four the previous year
- The Delmas plant achieved a milestone by operating for its fourth consecutive year without an LTI.

Regulators have expressed increased confidence in SepCem's operations, with provincial inspectors in the North West noting they were comfortable with site standards and required only one audit rather than multiple visits.

Environmental management

Cement production has a range of negative environmental impacts. SepCem implements management strategies to mitigate these impacts and complies with all applicable permits and licence requirements governing environmental management. The Associate keeps up to date with rapidly changing regulatory requirements.

No directives, fines or legal compliance notices were issued during the year.

SepCem takes a proactive approach to mitigating its environmental impacts, measuring, monitoring, and reporting on its environmental performance, and rectifying non-compliance identified during audits and site inspections. By maintaining transparency, promptly addressing stakeholder concerns, and demonstrating a strong commitment to corporate responsibility, SepCem builds stakeholder trust.

During CY 2025, SepCem focused on:

- Decarbonisation, carbon tax mitigation, and implementation of SepCem's decarbonisation roadmap.
- Shifting from coal to alternative fuels.
- Water management and resource efficiency.
- Regulatory compliance and management systems.
- Internal and external environmental awareness and advocacy.

Environmental performance

Performance areas	2025	2024	2023	2022
CO_2 per tonne of clinker produced (tCO_2e/tonne)	**0.72 – 0.80***	0.71 – 0.76	0.71 – 0.75	0.72 – 0.80
Net CO_2 per tonne of cementitious produced (kg tCO/tonne)	**613***	539	532	548
Water usage				
Water abstracted from boreholes (m^3)	**154 750**	133 821	99 656	82 534
Water recycled (m^3)				
- Aganang	**160 607**	80 180	115 759	158 579
- Delmas	**6 030**	5 716	7 039	17 077
Waste generated and disposed of				
Total waste generated (t)	**465.32**	496.87	345.65	614.84
Total waste disposed (t)	**211.05**	307.04	150.94	296.11
Total waste recycled (%)	**55**	62	56.33	51.84

* *Includes all Scope 1 and Scope 2 emissions.*
Note: 2022 – 2024 includes only Scope 1 emissions.

Decarbonisation

Decarbonisation is a top strategic priority, made all the more urgent by the implementation of phase 2 of South Africa's carbon tax in January 2026. This introduces a 30.5% higher headline rate, rising from R236 to R308/tCO_2e. This increase significantly affects the competitive positioning of energy-intensive producers, with escalations planned to reach R462/tCO_2e by 2030.

SepCem is implementing a decarbonisation plan to reduce its carbon footprint.

It is also validating and verifying its Scope 1 and Scope 2 emissions. To provide a comprehensive view of its footprint, Scope 2 emissions are included in the Associate's disclosures for the first time in this report. CO_2 performance is now tracked monthly to enable timely identification of areas for improvement.

Decarbonisation roadmap

SepCem is following a decarbonisation roadmap that outlines timelines, targets and strategies to reduce greenhouse gas emissions. The roadmap focuses on thermal energy substitution, alternative fuel use, clinker substitution, electrical energy management, and operational efficiency improvements.

The roadmap aims to achieve a 16% reduction in CO_2 emissions by 2030. The Delmas plant aims to achieve a 39% reduction in CO_2 by 2030 through interventions such as adopting renewable energy.

SepCem's atmospheric emission licence for the use of alternative fuels and resources at Aganang was renewed for five years in February 2024. Alternative fuels are used in cement kilns as substitutes for conventional fossil fuels, reducing dependence on them, lowering carbon taxes, and mitigating energy costs.

High kiln temperatures ensure that alternative fuels are fully consumed, minimising emissions and incorporating the residue into the final cement product.

A tyre feeding system was constructed at the Aganang plant in CY 2024. The plant increased its tyre usage by 3 000 tonnes year on year and has fully implemented automated storage and feeding systems. A new liquid fuel storage and feeding system was commissioned after the reporting period to facilitate the use of waste oil. This will be supplemented by the construction of a refuse-derived fuel feeding system capable of handling biomass.

SepCem increased its thermal substitution rate from 25% in CY 2024 to nearly 40% in 2025.

Atmospheric emissions

Atmospheric emissions from cement production are a significant environmental concern due to the release of pollutants, including carbon dioxide (CO_2), particulate matter (PM), nitrogen oxides (NOx), and sulphur oxides (SOx). SepCem addresses these emissions as part of its broader commitment to reducing its environmental impact.

The Aganang and Delmas operations employ continuous and periodic emission monitoring to track emissions and assess results against the atmospheric emission licences.

Ongoing improvements are made to optimise processes and target specific sources of emissions for reduction. Regular emission monitoring ensures the facilities remain compliant with regulatory requirements, maintain their licence to operate and demonstrate SepCem's commitment to environmental responsibility.

During CY 2025, SepCem made a significant capital investment by replacing filters in the dust collection system at its Aganang plant to ensure compliance with minimum particulate matter emission standards. This proactive replacement reflects its commitment to "doing the right thing" to maintain environmental performance and its best-in-class production facilities.

Nitrous oxide

NOx exceedances against atmospheric emission licence limits at Aganang were proactively communicated to the licensing bodies, and regular maintenance of dust-control equipment was conducted to ensure optimal performance. The plant utilises low-nitrogen-content fuels to reduce NOx formation and continuously ensures that burners operate efficiently and that 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. PM10 and PM2.5 monitoring units are installed at Aganang.

At the Delmas plant, exceedances are recorded as fallout dust. However, these have been caused by heavy truck traffic on unpaved roads that are outside SepCem's operational boundary. Management is in the process of moving the fallout dust monitoring bucket to a more appropriate location.

Carbon emissions

SepCem proactively measures its carbon dioxide (CO_2) emissions to manage its carbon footprint. Emissions remained in the range of 0.72 – 0.80 tCO_2e per tonne of clinker produced (CY 2024: 0.71 – 0.76 tCO_2e per tonne).

Net CO_2 emissions produced per tonne of cementitious product increased to 613 kg CO_2/tonne (CY 2024: 539 kg CO_2/tonne), but this year's figure includes Scope 2 emissions, unlike previous years.

Water management

SepCem focuses on minimising water consumption, recycling and self-sufficiency. It re-uses return water from dams and silt traps as process water as far as possible, offsetting the use of borehole and municipal water. Water quality is monitored at the plants, and contaminated water streams are separated, treated and re-used. Water quality compliance is measured against applicable water use licence limits assigned for each discharge to the receiving environment.

Aganang achieved a water recycling rate of 54.6%.

The plant recycled 160 607 m^3 (CY 2024: 80 180 m^3) from the return water dam. The Delmas plant recycled 6 030 m^3 (CY 2024: 5 716 m^3).

A hydrogeological assessment concluded that available groundwater would meet the Delmas plant's water requirements with no significant impact on the surrounding environment. SepCem has applied to the Department of Water and Sanitation for authorisation to abstract groundwater. The process is ongoing.

Waste management

SepCem continues to improve efficiency by reducing waste generated by its 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, type, and disposal method for each process. 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 465.32 tonnes of waste (CY 2024: 496.87 tonnes) and disposed of 211.05 tonnes of waste (CY 2024: 307.04 tonnes).

SepCem's waste recycling rate was 55%, down from 62% in CY 2024.

General waste is separated at the plant into component waste streams, including domestic waste, ready-mix 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.

Ecosystem management

SepCem practices concurrent rehabilitation at its Aganang mine, restoring land as mining progresses rather than waiting for the end of the mine's life. Actions taken include backfilling and establishing vegetation cover in unused sections of the site. This approach reduces environmental impact by limiting erosion, dust, and visual impact during operations.

Alien invasive species are monitored internally at Aganang in line with the biodiversity plan.

Management is currently in the procurement phase for external monitoring and the development of a formal eradication programme.

Regulatory compliance and management

Maintaining strict compliance is essential to maintaining SepCem's licence to operate and avoiding financial penalties. The Associate operates under valid atmospheric, alternative-fuel, and water-use licences at both Aganang and Delmas. All procedures are being updated to align with ISO 14001 environmental management principles, with an internal implementation audit scheduled for May 2026.

SepCem renewed its Atmospheric Emissions Licence for the Delmas plant.

It has submitted renewal and variation applications for Aganang to expand the scope of alternative fuels.

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

To manage increasingly complex and rapidly changing environmental legislation, SepCem is implementing a new web-based digital register to track legislation and maintain records of its authorisations. The system sends automated alerts for licence renewals and ensures critical compliance knowledge is not lost due to staff turnover.

During CY 2026, SepCem will focus on:

- Progress on ISO 14001 implementation, including an internal ISO 14001 implementation audit.
- Continued implementation of the decarbonisation roadmap to increase the thermal substitution rate, including commissioning of a liquid fuel and waste oil storage and feeding system.
- Seeking approval for a refuse-derived fuel feeding system that can also accommodate carbon-neutral biomass.
- Implementing the web-based environmental legal register to automate compliance tracking and licence renewals.
- Relocating the fallout dust monitoring bucket at the Delmas plant to a residential area to address repeated technical exceedances caused by its proximity to a gravel road.
- Prioritising water recycling in production processes.
- Maintaining concurrent mine rehabilitation and finalising procurement of external monitoring of alien invasive species to develop a formal eradication programme.

SOCIAL CAPITAL

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

High levels of unemployment and socio-economic pressures in surrounding communities continued to heighten expectations of SepCem.

These concerned local employment and procurement opportunities, skills development, and support for community infrastructure. This reinforced the need for ongoing engagement with communities, local business forums, traditional leadership structures, and government stakeholders.

To improve stakeholder coordination and communication, SepCem strengthened engagement by establishing dedicated task teams to address community concerns, such as subcontracting, training, and land ownership, ensuring diverse voices are heard and managing expectations more effectively. Continuous engagement with community and government stakeholders helped resolve issues, maintain operational stability, and support SepCem's social licence to operate.

A social performance manager was appointed at Aganang.

This strengthened SepCem's capacity for day-to-day community engagement, government relations, and effective project implementation, thereby improving its performance in these areas.

During CY 2025, SepCem focused on:

- Strengthening government and community relations in areas where it operates to maintain and enhance its social licence to operate.
- Empowering local communities through skills development programmes and socio-economic infrastructure initiatives that support sustainable community development.
- Promoting sustainable local economic development through enterprise and supplier development programmes that increase the participation of local businesses in the company's procurement processes.
- Ensuring compliance with all statutory and regulatory requirements, including Social and Labour Plan commitments and other governance obligations.
- Enhancing the quality, accuracy, and timeliness of reporting to internal and external stakeholders to strengthen transparency and accountability.

Aganang

SepCem's Agang operation is located within the Ditsobotla Local Municipality, which is regarded as one of South Africa's worst-run municipalities and remained under administration during the year. This affected the municipality's ability to deliver services to communities from which a significant portion of SepCem's employees are drawn. Despite challenges, SepCem continued engaging with municipal leadership and government representatives to support service delivery, maintain stakeholder relations, and advance development initiatives within local communities.

In response to community needs and infrastructure-related challenges, SepCem supported the municipality.

Interventions included providing electrical cables to restore power to areas affected by cable theft. SepCem's contribution helped to maintain community stability and strengthen relationships with local stakeholders.

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. Ongoing community leadership contestation in some host communities has led to the emergence of multiple community structures and competing leadership interests. These continued to influence stakeholder engagement processes and required continuous engagement to ensure alignment, transparency, and operational stability.

Development of a sustainable livestock grazing plan

SepCem implemented a five-year interim livestock grazing agreement to manage the impact of mining operations on local farming communities surrounding the Aganang plant. The agreement was developed as a pragmatic solution to de-escalate long-standing conflicts over shrinking grazing land in the absence of a long-term solution.

An important feature of the agreement is the provision of supplemental animal feed and nutritional support to affected farmers in the Verdwaal and Springbokpan areas. The feed distribution is currently planned for the winter months to assist farmers during periods of natural fodder scarcity. Feed distribution is managed through an agreed-upon model to ensure the programme remains manageable and does not encourage further overstocking.

The agreement has significantly improved relationships with the local community and enabled SepCem, for the first time in a decade, to extend the internal cattle fence within the mining right area, facilitating the planned expansion of the operational mining footprint without disruption.

While this solution is in place, SepCem continues to seek additional grazing land and to work toward a formal surface lease agreement with the Department of Land Reform and Rural Development, as the landowner with respect to the Aganang mining land.

Implementation of SLP projects

SepCem implemented its SLP projects through individual initiatives and in collaboration with other industry participants (AfriSam and Afrimat) in the Ditsobotla Cement Manufacturers Forum. The forum supports the local municipality and implements joint SLP projects.

Following engagement with the Department of Mineral and Petroleum Resources, SepCem is fast-tracking a plan to address project backlogs previously deemed unsustainable or delayed by regulatory approvals.

Project	Activities	Status and timeframe	Budget[1]
Taletso Technical Vocational Education and Training College.[2]	Two classrooms were refurbished and modernised into a digital resource centre equipped with 50 computers, an inverter system, and furniture.	The project was completed and handed over to the Department of Higher Education and Training in June 2025.	R2,53 million
	Build an auditorium for various student activities and as an examination centre.	The design and procurement processes are in progress, and the project will be implemented in the 2026 and 2027 financial years.	R3,98 million
Springbokpan Clinic	Construction of a community primary health care centre in collaboration with Torosesha NPC[3]. The Department of Health will operate the facility.	The Department of Health has approved detailed design plans. The project has 100% community support, and construction is expected to commence in 2026.	R14,5 million
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
Community skills development.	Training in rock dump truck operation, Code 14 driver's licence, agricultural management, life skills, adult education and training, bursaries, and learnerships.	Ongoing	R0,35 million
Support to Ditsobotla Local Municipality	Formal engagement in municipal governance structures; capacity building for municipal officials; provision of materials (e.g., electrical cables).	Ongoing	R0,16 million
SMME training (Delmas and Aganang)	Training, coaching, and mentorship for local SMMEs, including potential community vendors providing services to SepCem.	Aganang completed in December 2025. Delmas to be completed in December 2026.	R0,18 million
Delpark Community Centre	Establishment of a skills development centre to offer life skills and support services to unemployed youth in the Delmas community.	Completed in December 2025.	R0,28 million
Verdwaal 1 Community Centre (Torosesha project)	Construction of a multi-purpose community centre providing: • a waiting area for a mobile clinic; • Torosesha and Headman offices; • skills development, employment, and SMME support services; and a • general information centre.	Community leadership endorsed the proposal to construct the Verdwaal 1 Community Centre using prefabricated construction materials to align with the approved budget. The project is scheduled for completion in December 2026.	R1,9 million
Verdwaal 2 Community Centre (Torosesha Project)	Construction of a multi-purpose community centre providing: • a waiting area for a mobile clinic; • Torosesha and Headman offices; • skills development, employment, and SMME support services; and a • general information centre.	Remedial work is required to address construction defects and structural damage to complete the community centre. To date, Torosesha has spent R1,6 million on the project. The project is scheduled for completion in December 2026.	R0,5 million
Kopano Community Authority general office support	Maintenance of Kopano Office (painting, plumbing and fencing) and logistical support.	Completed in November 2025.	R0,22 million

[1] *SepCem's share of the budget is recognised as part of its SLP commitment.*
[2] *Ditsobotla Cement Manufacturers Forum project.*
[3] *A Sephaku community empowerment structure that receives dividends from Sephaku.*

Torosesha NPC

Torosesha is an empowerment entity established to benefit the Verdwaal and Springbokpan communities. Torosesha has a 15% shareholding in SepCem's mining subsidiary, Sephaku Development Proprietary Limited (SepDev), and receives dividends from SepDev to fund community initiatives.

Mining community projects
While community support for and consensus around the construction of the Springbokpan Clinic have facilitated progress on that project, other community development initiatives have been beset by challenges that have held them back for years. The two community centres in Verdwaal are examples of projects that have been hampered by leadership contestation, protests and conflict among community members competing for subcontracting opportunities.

To avoid these intractable problems, Torosesha is shifting its community investment focus.

In response to the challenges associated with implementing and sustaining community infrastructure projects, Torosesha is realigning its community investment strategy. Rather than prioritising the construction of physical infrastructure, future investments will focus on skills development and individual empowerment through accredited training programmes for members of the host communities.

To maximise the impact of these initiatives, Torosesha will strengthen the capacity of its community directors to provide ongoing coaching and mentorship to programme beneficiaries.

This strategic shift is intended to equip community members with marketable skills that improve their employability and enable them to compete more effectively for employment opportunities within and beyond the mining sector. It reflects Torosesha's commitment to delivering sustainable socio-economic benefits by addressing skills shortages and unemployment, two of South Africa's most significant development challenges.

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 plants.

During CY 2025:

- ±80% of people employed at the Aganang plant were from communities in the Ditsobotla Local Municipality.
- ±60% of people employed at the Delmas plant were from communities in the Victor Khanye Local Municipality.

Supply opportunities

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

During CY 2025, SepCem spent approximately R66 million (CY 2024: R120 million) with SMMEs from the Ditsobotla Municipality and R30 million (CY 2024: 15 million) with SMMEs in the Victor Khanye Local Municipality This investment is central to the Associate's local economic development strategy, particularly within host communities in the Ditsobotla area.

The decline in procurement spend with SMMEs in the Ditsobotla Local Municipality was primarily attributable to reduced expenditure on local raw materials and service providers that transport cement products. These SMMEs faced significant challenges, including rising diesel prices, higher logistics costs, a lack of return loads, and other cost pressures, making their operations financially unsustainable. As a result, several transport SMMEs were unable to continue operating, contributing to the decline in procurement spend during the reporting period.

26 SMMEs directly benefited from ring-fenced local procurement opportunities.

These were offered in several operational areas, including:

- Routine plant maintenance.
- Plant, office, and industrial cleaning and housekeeping.
- Materials handling and alternative energy resource handling.
- Employee transport and landscaping services.
- Canteen management and pallet repairs.

During plant shutdowns, a significant portion of maintenance work was allocated to local SMMEs from Ditsobotla communities, including Springbokpan, provided they met pre-assessed capability and experience requirements.

An internal compliance audit of SMMEs participating in the SepCem supplier development programme confirmed that by year-end, 85% of the SMMEs (CY 2024: 85%) complied with all statutory requirements, exceeding the 80% target.

Mentorship and coaching for local SMMEs at the Aganang plant were completed in December 2025.

To address concerns that tender requirements were perceived to be overly stringent, SepCem conducted procurement workshops to help local businesses better understand the company's requirements and general tendering process.

Additional procurement training workshops are planned for 2026 to strengthen the capacity and procurement readiness of local businesses further.

Community disruption of operations

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

Community disruption of SepCem's operations primarily occurs at the Aganang plant.

The Delmas operation was stable and maintained a constructive relationship with the local mayor's office.

Twice in October 2025, operations at Aganang were disrupted when approximately 30 community members unlawfully entered the mining area to demand payment for land used for mining operations. These disruptions were fuelled by systemic issues related to land tenure, fractured community leadership and resource competition. The stoppages resulted in approximately eight hours of lost production.

The mine's proximity to the Verdwaal community (less than two kilometres) has led to frequent allegations that mining-related blasting has caused structural damage to homes. While independent assessments have attributed these cracks to poor construction, they remain a source of ongoing mobilisation.

SepCem experienced four reported incidents (CY 2024: 10), two of which resulted in operational stoppages (2024: 0). Nine formal grievances were recorded.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT

SepCem regained Level 4 BBBEE contributor status for the 2025 financial year.

Key drivers of this improvement included the appointment of a Black female board chairperson and a few staff movements. SepCem's performance in Skills Development was bolstered by increased training spend and a focused effort to train Black employees in technical and leadership areas. The Associate exceeded its target for Preferential Procurement and Supplier Development, reflecting its robust SMME procurement strategy.

SepCem reported a Black ownership level of 17.09%, with Black women's ownership at 2.26%. Management control improved following key appointments, and the Associate exceeded its Socio-Economic Development target.

During CY 2026, SepCem will focus on:

- Implementation of SLP projects, with a particular focus on the Springbokpan Clinic project and completion of community infrastructure initiatives.
- Stakeholder engagement, including strengthening relationships with local communities, municipalities, traditional and community leadership structures, government departments, and other stakeholders.
- Local economic and supplier development, through increased support for local SMMEs, enterprise development initiatives, and procurement opportunities.
- Land access and tenure security, including the conclusion of the surface lease agreement with the Department of Land Reform and Rural Development.
- Skills development and youth empowerment, through the revitalisation of Torosesha and the implementation of targeted training and development programmes.
- Maintaining a Level 4 BBBEE contributor status and enhancing the impact of socio-economic development programmes.

CORPORATE GOVERNANCE

GOVERNANCE REPORT

SepHold is committed to upholding the highest standards of governance, business integrity, ethical conduct and accountability. These standards shape the Group's goals and strategies, creating transparency and building trust while delivering value for our stakeholders.

Governance framework

SepHold's governance framework promotes 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.

The board is satisfied that the Company has applied the principles of King IV to achieve the intended governance outcomes of ethical culture, good performance, effective control and legitimacy.

The board charter aligns with King IV and governs 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 Company is currently assessing the implications of the newly released King V principles for its governance, risk, and compliance framework. Necessary amendments will be implemented following a gap assessment to align the Company's practices with the new King V principles.

The board is satisfied that it has fulfilled its responsibilities as set out in the board charter and applicable legislation and that it has exercised independent judgement and oversight in key areas, including strategy, risk, performance and compliance.

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 Group-level matters.		
BOARD COMMITTEES		
Audit and risk committee (ARC)	Social and ethics committee (SEC)	Remuneration and nomination committee (REMCO)
SUBSIDIARY AND ASSOCIATE BOARDS		
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. An independent non-executive director nominated by DCP chairs the SepCem board.		

The Board's focus areas in FY 2026

April to June 2025	July to September 2025	October to December 2025	January to March 2026
• Considered the impact of excessive rainfall in early 2025 on construction volumes and monitored cost-cutting measures implemented to sustain profits despite a softening market. • Reviewed and approved the annual financial statements for FY 2025. • Reviewed the Group strategy. • Considered nominations of directors to be appointed at the AGM. • Reviewed changes to the risk register and risk assessments. • Considered training programmes to be attended by directors, specifically on King V and ESG. • Reviewed and approved amendments to the board charter. • Reviewed and approved the delegation-of-authority framework.	• Reviewed and approved the FY 2025 integrated annual report. • Oversaw the expansion of Métier's plant network. • Reviewed and approved the Notice of the AGM. • Oversaw the going concern and capital adequacy assessment and resolved that the Group is a going concern for the next 12 months.	• Reviewed and approved the FY 2026 interim financial results. • Reviewed and approved an unchanged delegation of authority framework. • Reviewed and approved the application for the transfer of the Company's listing from the prime segment to the general segment on the JSE main board. • Reviewed and approved committee charters and work plans.	• Considered and rejected an unsolicited expression of interest regarding a potential delisting and an offer to shareholders. • Considered and approved a proposal to streamline the share register by making an offer to shareholders owning fewer than 500 shares. • Reviewed and approved the delegation of authority policies. • Reviewed SepCem CY 2026 and FY 2027 budgets for Métier and SepHold.

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.

In FY 2025, the board agreed not to conduct a formal Board evaluation for the current year, noting that a comprehensive evaluation had been undertaken in 2023. The board confirms its view that it and its committees are operating effectively and that no material concerns have been raised. A formal board evaluation was conducted in May 2026, and the outcomes will be considered and disclosed in the next reporting cycle.

The board assesses the independence of non-executive directors annually, taking into account the factors set out in King IV.

Lelau Mohuba, Brent Williams and Moss Ngoasheng will retire by rotation at the FY 2026 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 2026, 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 63, with the youngest 48 and the oldest 69. The average age of executive directors was 63. 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 Group diversity policy is available 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.

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 external facilitators to provide training in specialised governance practices, such as cybersecurity and IT governance. Members attended an ESG training session during 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 for 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.

The board has evaluated the competence, qualifications, experience, and independence of the company secretary. It is satisfied that Acorim maintains an arm's-length relationship with the board.

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 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 their compliance with regulatory requirements to the board chairperson or the 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 (62)

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 in March 2012. He was admitted to the bar in 1992 and has held several key positions. He is currently the CEO of Cliffe Dekker Hofmeyer.

Martie Jacoba Janse van Rensburg (69)

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 in September 2016. Between 1994 and 2008, she served as the chief financial officer (5 years) and then as the CEO (10 years) of the Trans-Caledon Tunnel Authority (TCTA). Martie served as a non-executive director and as a 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 Interim Chairman of the Development Bank of Southern Africa. She was an Independent member of the FirstRand Wholesale Credit Committee.

Current roles include 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 (69)

Independent non-executive director

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

Moses was appointed a director of SepHold in February 2008. He was instrumental in shaping the African National Congress's industrial policy and served as 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.

Mase Mabatho Sedikela (48)

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 executive with over 15 years of experience in the private and public sectors.

Mabatho has been Head of Audit – Provincial at the Auditor-General of South Africa since June 2021 and has held various executive positions on several governance structures and boards.

She has extensive experience in leadership, strategic planning and implementation, stakeholder management, and compliance and risk management. She previously held a senior management role in corporate tax at Deloitte.

Dr. Lelau Mohuba (69)

Non-executive director

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

Lelau is a founding member of SepHold. He retired from medical practice in 2001 after a 22-year career. He was the original chairperson, elected in February 2005, and became CEO in March 2012. He retired as CEO in 2019 and has remained a non-executive member to date. He also serves as Chairman of SepFluor LTD, INSA Coal, and Incubex Minerals Ltd, all of which he co-founded.

Executive directors

Neil Robus Crafford-Lazarus (67)

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 in June 2007 and became the FD in March 2012. He began his career in mining finance in 1988. He held various senior positions in taxation, business development, and corporate finance with Anglo American, Glencore Ltd, and BHP Billiton. He was the FD of Xstrata South Africa between 1998 and 2005.

Kenneth Capes (58)

Executive director, SepHold CEO and Métier CEO

Kenneth has nearly 40 years of experience in the mining and construction materials industries. He has extensive knowledge of ready-mix 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. He was appointed SepHold CEO in April 2023.

Board meeting attendance

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

* *Denotes the position of chairperson.*

COMPLIANCE

The board is satisfied that the Company has complied, in all material respects, with applicable laws and regulations, including the Companies Act, King IV and the JSE Listings Requirements.

The board discussed the introduction of King V and has resolved to implement it during the next reporting cycle.

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. The Group's companies report compliance with applicable laws 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 Finance Director 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 a combined assurance model in line with King IV, integrating and coordinating assurance activities across the Group to support effective risk management and internal control.

The Group's corporate governance framework provides four lines of defence:

- **First line of defence:** functions that own and manage risks as part of their day-to-day activities.
- **Second line of defence:** functions related to monitoring risk management practices.
- **Third line of defence:** functions providing independent assurance, such as internal audit.
- **Fourth line of defence:** the board and its committees fulfil a broad oversight function as a 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.

Members

- MJ Janse van Rensburg (Chairperson)
- B Williams
- M Sedikela
- SepHold and Métier CEO*
- SepHold FD*

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

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

Feedback on key focus areas in FY 2026

- Financial reporting for the interim and annual results.
- Ensured compliance with JSE Listings Requirements 5.7(h) and 5.9 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.
- Determined risk appetite settings.
- Oversight over external auditors.

In FY 2027, the committee will focus on

- Financial reporting for the interim and annual results.
- Ensuring compliance with JSE Listings Requirements 5.7(h) and 5.9 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.
- Assessing the implications of King V on the Committee's role and responsibilities.
- Refine risk appetite.
- Oversight over external auditors.

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.

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 2026

- 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 and Petroleum Resources 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 the 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 is awaiting final approval from the SepDev and SepCem boards.

In FY 2027, the committee will 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's 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.
- Assessing the implications of King V on the committee's role, responsibilities and oversight functions.

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 determines remuneration and incentives and recommends long-term incentives for the executive directors.

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

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 2026
• 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 2027, the committee will 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. • Assessing the implications of King V on the committee's role and responsibilities and oversight functions.

REMUNERATION REPORT

Remuneration policy

The Group applies a total-cost-to-company approach to employee remuneration. The main objectives of our remuneration policy 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 outcomes 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 DCP.

Structure of reward packages

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

The REMCO utilised PwC's 2025 Directors' Remuneration and Trends Report to review SepHold's executive management TGP. It covers the period from 1 March 2024 to 28 February 2025. The report focuses on JSE-listed entities and includes analyses of seven sub-Saharan African stock exchanges. The data used in the report was obtained from publicly available information on 28 February 2025. No remuneration consultants were engaged during the year.

The appropriate industry-sector benchmark for SepHold's executive remuneration was the small-cap industrial sector, with the remuneration profiles for the CEO and CFO shown in the table below. Based on the TGP ranges for the sector, the REMCO was satisfied that the current executive remuneration is appropriate relative to the median or average for the comparative period.

JSE Top 200 ranges for the period 1 March 2024 to 28 February 2025: R'million

	Chief executive officer	Chief financial officer
Upper quartile	**11 925**	**7 064**
Median	**8 350**	**5 524**
Lower quartile	**6 002**	**3 982**
Average	**10 681**	**6 324**

Since 2024, PwC has reduced the level of detail provided on industrial small caps for the period under review, but concluded that the average increase in 2025 was 4% for CEOs and 8% for CFOs. During FY 2026, both executive directors received a TGP of R5,088 million (between the lower quartile for the CEO and between the lower quartile and median for the CFO). The increase for FY 2027 was 5.5%, which is within the range for executive directors indicated by the 2025 PwC report. The increase is always implemented one year in arrears.

The lower-quartile remuneration for CEOs in PwC's 2025 report was R6,0 million for the Top 200 companies. The median remuneration for CFOs was R5,524 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 for executive management 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 and 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 and FD
		Strategy development and implementation.	CEO and FD
		Optimisation of Group funding structures to enable sustainability during a negative cycle and value-accretive expansion during a positive cycle.	FD
		Operational matters: • Utilise and maintain core competencies. • Develop human capital and sustain an effective high-performance organisational culture. • Promote ethical practices. • Establish robust organisational controls.	CEO

* *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

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 achieving minimum, target, and stretch performance in total remuneration for the SepHold CEO and FD, presented as a single total figure.

Single figure remuneration thresholds

	SepHold CEO and FD			
2026	**TGP R**	**STI R**	**LTI R**	**Total R**
Base	**5 088 000**	**–**	**–**	**5 088 000**
Threshold	**5 088 000**	**1 526 400**	**2 544 000**	**9 158 400**
Target	**5 088 000**	**2 544 000**	**5 088 000**	**12 720 000**
Stretch	**5 088 000**	**3 561 600**	**10 176 000**	**18 825 600**

	SepHold CEO and 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 with an annual fee in recognition of their board and committee memberships. 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 the proposed fees align with market levels, thereby attracting and retaining high-quality individuals. SepHold has recommended a 5.5% increase for FY 2027, to be decided by the shareholders at the September 2026 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 2026, for the 12 months ended 31 March 2026, warranted the awarding of bonuses to the SepHold executive directors, to be paid in FY 2027, in line with the remuneration policy. The following FY 2026 performance parameters were considered in the decision to award the short-term incentives:

FY 2026 SHORT-TERM INCENTIVES SCORECARD

Financial measures (75%)

Performance indicator	Weighting % CEO[1]	Weighting % FD[2]	Performance condition detail	Results	Achieved score	CEO Bonus allocation as % of TGF	FD Bonus allocation as % of TGF
Real* growth in HEPS.	**37.5**	**37.5**	HEPS growth above inflation over the previous year.	22%	70%	26.25%	26.25%
Gearing	**N/A**	**5**	Net Debt/EBITDA	SepCem 1.63 to 1.84	50		2.50
2.75, 2.25 and 1.75[§]	**15**	**10**		Métier 0.66 to 0.69[†]	70	10.5	7.00
Free cash flow	**N/A**	**5**	Free cash flow (FCF)	SepCem FCF of R123m against EBITDA of R301m	0		0.00
Growth	**15**	**10**		Métier FCF of R163m against EBITDA of R196m.	70	10.5	7.00
Debt ratios	**N/A**	**2.5**	Debt service coverage ratio	SepCem 2.1 to 0.87	0		0.00
1.3, 1.5 and 1.75[‡]	**7.5**	**5**		Métier 3.6 to 3.1	70	5.25	3.50
Total	**37.5%**	**37.5%**				26.25%	20.00%

1 *CEO – Only weighting for Métier applies as limited opportunity to influence SepCem exist.*
2 *FD – One-third of weighting applies to DCSA as influence is limited through SepCem ARC and Board meetings. Two-thirds of weighting applies to Métier as influence is exercised on wholly owned subsidiary.*
* *Real relative to CPI.*
§ *Gearing gatekeepers. No allocation if net debt is more than 2.75 times EBITDA. Stretch requires minimum of 1.75 net debt to EBITDA. Target is set at net debt below 2.25 times EBITDA.*
† *Ratio includes payment of R34m as equity deposit for SepCem. Excluding that, the ratio would be 0.52.*
‡ *Debt service cover ratio gatekeepers. No allocation if DSCR is below 1.3 times. Target DSCR is 1.5 times (no cash lock-up). Stretch DSCR is above 1.75 times.*

Non-financial measures (25%)

Performance indicator	Weighting %	Performance achieved	Achieved score	Bonus allocation as % of TGP	FD Bonus allocation as % of TGP
Implementation of corporate governance best practices.	**10**	CEO – Target FD – Target	50%	5%	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	50% 50%	10.5%	7.5%
Total non-financial				15.5%	12.5%
Total bonus %				68%	58.75%

The total bonus against the TGP is 65% for the CEO and R58.75% for the FD.

- SepHold CEO at 68% of R5,1 million = R3,46 million.
- SepHold FD at 58.75% of R5,1 million = R2,99 million.

The self-imposed limit to the bonus pool of 10% of earnings did not restrict bonuses for FY 2025. These 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 2026 long-term incentive scheme

The Group's performance for the 36 months ended 31 March 2026 showed an increase in total shareholder return of about 220%. The seven comparative companies in the sector delivered similar results, with the mean being 214%. A third company also achieved similar levels. While SepHold exceeded the mean, it did not exceed it by 15%, so the LTI bonus award is awarded at 50% of TGP. The after-tax bonus amount is to be used to acquire SepHold shares on the market. There are only 10 companies in the Construction and Materials sector and three are not typical peer group companies as they represent Property development or building products. Suitable TSR peers are therefore the seven companies that are either in construction or Materials.

Directors' and prescribed officers' emoluments

Executive

	TGP R	Performance bonuses* R	Travel allowances R	Pension fund R	Long-term incentive bonus	Total R
2026						
NR Crafford-Lazarus	**4 573 500**	**2 989 200**	**150 000**	**364 500**	**2 544 000**	**10 621 200**
KJ Capes	**4 667 890**	**3 459 840**	**–**	**420 110**	**2 544 000**	**11 091 840**

	TGP R	Performance bonuses* R	Travel allowances R	Pension fund R	Long-term incentive bonus	Total R
2025						
NR Crafford-Lazarus	4 299 000	2 640 000	150 000	351 000	–	7 440 000
KJ Capes	4 403 670	3 360 000	–	396 330	–	8 160 000

* *The FY 2026 bonus will be paid in FY 2027. The FY 2025 performance bonus was paid in FY2026.*

Non-executive

	Fees for services as a director R	Total R
2026		
B Williams	**530 000**	**530 000**
MM Ngoasheng	**440 000**	**440 000**
MJ Janse van Rensburg	**440 000**	**440 000**
MM Sedikela	**440 000**	**440 000**
Dr L Mohuba	**440 000**	**440 000**
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
B Bulo	207 500	207 500
Dr L Mohuba	415 000	415 000

Pay-gap disclosures

In accordance with Section 30B(3) of the Companies Amendment Act 16 of 2024, SepHold makes the following remuneration and pay gap disclosures for the reporting period:

Total remuneration of the highest-paid employee	**R8 448 000**
Total remuneration of the lowest-paid employee	**R1 232 094**
Average total remuneration of all employees	**R5 802 698**
Median total remuneration of all employees	**R7 728 000**
Ratio between the top 5% highest-paid employees and the bottom 5% lowest-paid employees	**6.9 times**

Pay gaps are influenced by workforce composition and the distribution of employees across occupational levels. The Company remains committed to reducing remuneration inequality through targeted transformation, pay equity reviews and transparent remuneration practices.

Approval of remuneration report at AGM

The remuneration report must be approved by shareholders at the AGM by an ordinary resolution. If not approved, the REMCO must present an explanation at the next annual general meeting of how the shareholders' concerns have been taken into account. The non-executive directors of the company who serve on the REMCO must stand for re-election as members thereof at the AGM at which the explanation is presented.

If at the AGM in the year immediately following the year in which the aforementioned explanation is provided to shareholders, the remuneration report in respect of the previous financial year is also not approved by ordinary resolution of shareholders (subject to having served as members of the REMCO for a period of not less than 12 months in the year under review), the non-executive directors of the company who serve on the REMCO may continue to serve as directors provided they successfully stand for re-election at that AGM. These non-executive directors will not be eligible to serve on the committee for two years thereafter.

Approval of remuneration policy changes at AGM

The remuneration policy set out in the report above is the one applied in the subsequent implementation report and remains substantially the same for the next three years. However, after consultation with major shareholders, it was agreed to introduce new criteria for the long-term incentive policy for the next three years that would be implemented if the policy is approved at the AGM.

Proposed amendments to recalibrate the LTI scheme while maintaining performance alignment.

Key recommendations included:

- Retaining the threshold at median performance.
- Adjusting target from median +15% to median +10%.
- Adjusting stretch from median +40% to median +25%.
- Using the 30-day VWAP at year-end for TSR calculations.
- Revising the LTI performance mix to 50% TSR and 50% HEPS, with the HEPS portion split between Group HEPS and Group HEPS excluding cement (25% each).

The proposed changes aim to reduce distortions caused by the cement asset and better reflect the Group's underlying performance.

SEPHAKU HOLDINGS LIMITED AND ITS SUBSIDIARIES ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

INDEX

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

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

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

Published

30 June 2026

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, 71 of 2008 of South Africa, as amended (the Companies Act), paragraph 5.7(h) of the JSE Limited (JSE) Listings Requirements (JSE Listings Requirements) and the King Report on Corporate Governance™ for South Africa, 2016 (King IV)*, except for the chairperson being a member of the audit committee, and are approved by the board. In addition, the audit committee ensured compliance with JSE Listings Requirements paragraph 11.38(d) 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 and Regulation 42 of the Companies Regulation, 2011.

2. COMPOSITION AND ATTENDANCE AT MEETINGS

There was no change to the committee members during the year. In addition, the chief executive officer (CEO) and financial director (FD) are permanent invitees to meetings. The committee performs its duties in compliance with 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 5.7(h)(iii) 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 2026 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 2026. 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 paragraph 5.7(h)(iii) in requesting from the audit firm (and if necessary consulting with the audit firm on) the information detailed in paragraph 5.7(h)(iii) 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 34 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, 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. Internal control compliance in Métier Mixed Concrete Proprietary Limited (Métier) is monitored by management through an annual programme of review.

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 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.

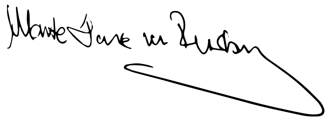
13. RECOMMENDATION OF THE ANNUAL FINANCIAL STATEMENTS FOR APPROVAL BY THE BOARD

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 61 to 66 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 context of the audit and appropriately disclosed in the notes to the financial statements. The committee held a meeting on 17 June 2026 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 annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS® Accounting Standards issued by the International Accounting Standards Board (IASB), including interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC® Interpretations) (IFRS Accounting Standards), 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 external auditor is engaged to express an independent opinion on the financial statements.

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

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the 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 annual 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 the Company's cash flow forecast for the year to 31 March 2027 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 annual 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 61 to 66.

The financial statements set out on pages 67 to 110, which have been prepared on the going concern basis, were approved and authorised by the board on 24 June 2026 and were signed on their behalf by:

KJ Capes
Chief executive officer

B Williams
Chairperson – non-executive director

Centurion, South Africa
Wednesday, 24 June 2026

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 annual financial statements set out on pages 67 to 110, 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 our knowledge and belief, no facts have been omitted or untrue statements made that would make the consolidated annual financial statements false or misleading;
(c) internal financial controls have been put in place to ensure that material information relating to the Company and its consolidated subsidiaries have been provided to effectively prepare the consolidated annual financial statements of the Group;
(d) the internal financial controls are adequate and effective and can be relied upon in compiling the consolidated annual financial statements, and we have fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
(e) where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
(f) we are not aware of any fraud involving directors.

KJ Capes
Chief executive officer

NR Crafford-Lazarus
Chief financial officer

Centurion, South Africa
Wednesday, 24 June 2026

STATEMENT OF COMPLIANCE BY THE COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act, I declare that to the best of my knowledge, for the year ended 31 March 2026, 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, 24 June 2026

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of Sephaku Holdings Limited and its subsidiaries and the Group for the year ended 31 March 2026.

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 2025 to 31 December 2025.

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: R1,29 billion (FY 2025: R1,18 billion)
Net profit after tax: R93 million (FY 2025: R74 million)
Basic earnings per share: 40.50 cents (FY 2025: 31.57 cents)
Diluted earnings per share: 40.50 cents (FY 2025: 31.57 cents)
Headline earnings per share: 37.91 cents (FY 2025: 31.52 cents)

SepHold

During the year under review the Group made a payment of R34,7 million to SepCem as a cash injection previously agreed between shareholders. The percentage shareholding in the Associate is unchanged at 36%.

The Group acquired Cross Company Management (CCM) as a 100% subsidiary on 1 April 2025. CCM was not part of the Group during the prior year and was previously accounted for as a related party due to common directors.

Métier

Sales volumes

Total concrete sales volume increased by 3% year-on-year (YoY), following a decline of 8% in FY 2025 and strong growth of 11% in FY 2024. The current year's improvement reflects a partial recovery in activity levels, albeit from a lower base.

Pump volumes increased significantly by 19%, driven by a shift in project requirements toward more technically complex construction methods requiring specialised pumping services. The growth in total concrete volumes was largely supported by increased demand from key project in which Métier remains actively engaged.

Métier continued to deliver profitable growth during the year, underpinned by its reputation for quality, service and reliability. Despite operating in a highly competitive and fragmented market with limited available industry data, management believes that the Group has maintained its market share across its core operating regions.

Looking ahead, market conditions in 2026 are expected to remain constrained, with subdued infrastructure investment, limited private sector construction activity, and ongoing cost pressures across the industry. While selective project activity and niche demand segments (including specialised concrete applications) may provide opportunities, overall volume growth is likely to remain modest in the short term. In this environment, Métier will continue to focus on operational efficiency, disciplined pricing, and leveraging its service differentiation to sustain performance.

Revenue and profitability

Métier recorded solid financial performance, with revenue increasing by 9.2% year-on-year to R1,29 billion (FY 2025: R1,18 billion). This growth was driven by a combination of inflationary price adjustments, increased services revenue, and continued expansion in the Western Cape.

EBITDA increased by 34.2% to R196 million (FY 2025: R146 million), while EBIT rose by 39.4% to R145 million (FY 2025: R104 million). Net profit after tax improved significantly by 41% to R107 million (FY 2025: R76 million), supported by disciplined cost management and enhanced operating margins.

Looking ahead, revenue growth is expected to track inflation, reflecting a subdued outlook for the construction sector. Management anticipates limited short-term growth opportunities as industry activity remains constrained.

Bank debt management

Métier fully repaid its bank term loan during FY 2023 and replaced it with an overdraft facility, which remained unutilised at the end of both FY 2024 and FY 2025.

Total borrowings increased to R163 million (FY 2025: R124 million), primarily to support fleet renewal, the loader replacement programme, and the installation of an additional batch plant. As a result of the higher debt levels, finance charges increased from R15,5 million to R18,1 million year-on-year.

Debtor management remained effective throughout the period, with no significant or unexpected customer credit risks encountered. The unutilised portion of the overdraft facility provides sufficient headroom to meet all current debt servicing requirements.

1. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES (CONTINUED)

SepCem

SepCem maintained its competitive position in a persistently difficult cement market and a lacklustre economic environment. The construction sub-sector of the South African economy again lagged all other sectors, which impacted bulk sales volumes. Unseasonally wet conditions at the start of 2025 impacted the 1H25 performance, but a much improved 2H, driven by consumer demand resilience, and the positive results from a mid-year turn-around strategy, aided overall financial performance. Pricing suffered throughout the reporting period, as inland competition for market share intensified.

Sales volumes

Sales volumes decreased by 4.5% during the year to 31 December 2025 (CY 2024: 4% decrease) in line with SepCem's estimates of the overall market performance, evidenced by a substantial drop in bulk sales volumes in the inland region. This resulted in a change in sales mix with the bulk sales comprising a smaller proportion overall. SepCem saw strong competition in bag pricing due to the depressed market, exacerbated by extreme rainfall in H1 with an overall net delivered price per ton that was down on CY 2024 by about 1.1%.

Revenue and profitability

SepCem saw a reduction in its revenue by 4.4% to R2,66 billion (CY 2024: R2,78 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 a 9.3% decrease in EBITDA at R301,1 million (CY 2024: R321,9 million) at a margin of 11.3% (CY 2024: 11.6%). Profitability showed a decrease from R42,6 million to R24,5 million (42.5%) in net profit after tax, due to increases in depreciation, while taxation and interest were lower.

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 fully settled in 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 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 continue to focus on disciplined cost management to ensure that the gains achieved from the various initiatives implemented during FY 2026 are sustained. SepCem and Métier will prioritise strengthening their balance sheets through prudent debt management, while actively pursuing opportunities.

In addition, management is selectively targeting ad hoc opportunities that have the potential to enhance long term value creation for both Métier and SepCem. These opportunities are being evaluated with a focus on strategic alignment, sustainability of returns, and their ability to strengthen the Group's market position. Continued engagement with government on duties of imported cement will remain a focus area.

2. SHARE CAPITAL

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

During the period under review Métier did not acquire any further ordinary shares in SepHold. The total number of treasury shares held by Métier to date is 22 700 000 ordinary shares. The repurchased equity shares were acquired under an approved share buyback scheme.

The Group acquired CCM as a 100% subsidiary during the year under review. CCM holds a total of 876 710 ordinary shares in SepHold at a fair value of R1 639 448. These were accounted for under treasury shares in the Group's equity, resulting in a total number of 23 576 710 treasury shares at the end of the financial year.

All the authorised and issued shares have no par value.

Refer to note 16 to 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 (FY 2025: Rnil).

4. SHARE INCENTIVE SCHEME

There are no outstanding share options. The last remaining 1 705 000 share options expired on 1 July 2024. An amount of R2 738 696 was transferred from the share-based payment reserve to retained income during the prior period. No additional share options were issued.

Refer to note 17 of the consolidated annual 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
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
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

6. SHAREHOLDERS' INFORMATION

An analysis of shareholders and the respective percentage shareholdings appear in the shareholders' analysis section on page 111.

As at 31 March 2026, the directors of the Company held direct and indirect beneficial interests of 14.5% (FY 2025: 14.5%) of its issued ordinary shares, as set out below.

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

	2026			2025		
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	**5 366 000**	**–**	**108 679**	4 211 985	–	108 679
KJ Capes	**11 581 481**	**–**	**–**	11 581 481	–	–
MM Ngoasheng*	**–**	**11 356 073**	**–**	–	11 403 893	–
	17 034 683	**19 719 840**	**148 679**	15 880 668	19 767 660	148 679

* *MM Ngoasheng 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:

All share options expired in the prior year. No additional share options were awarded during the current year.

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	R3.00	(475 000)	01/07/2024	–	–	–
NR Crafford-Lazarus							
Granted 01/07/2017	475 000	R3.00	(475 000)	01/07/2024	–	–	–
	950 000		(950 000)			–	–

The register of interests of directors and all shareholders of the Company is available to shareholders 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 2026 the Group's investment in property, plant and equipment amounted to R358 227 608 (2025: R282 068 060), of which R119 885 752 (2025: R124 278 075) 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 annual financial statements in notes 6 and 7.

On 1 April 2025 the Group acquired 100% of the voting equity instruments of Cross Company Management (CCM), a company who owns various investments. The principal reason for this acquisition was to move the investments to the Group and reduce the loan due to SepHold.

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

After the repayment of the Senior bank debt in October 2025, the Associate commenced a process to raise bank finance to repay the Dangote shareholders loan as well as the second equity deposit of R125 million. This process should be completed early in the second quarter of the financial year.

Apart from the abovementioned event in the Associate, the directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

12. GOING CONCERN

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 consider various options, including, but not limited to, the approval of dividends from its subsidiary and the realisation of assets. 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. The R40 million overdraft facility provides enough headroom to ensure that all foreseeable cash requirements will be met.

The refinanced SepCem loan granted by Nedbank and Standard Bank was repaid in full in 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 2026.

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 2027 financial year.

A total audit fee of R1 265 250 (2025: R1 205 000) 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 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 2026, and its consolidated and separate financial performance and its 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 67 to 110 comprise:

- the consolidated and separate statements of financial position as at 31 March 2026;
- 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.

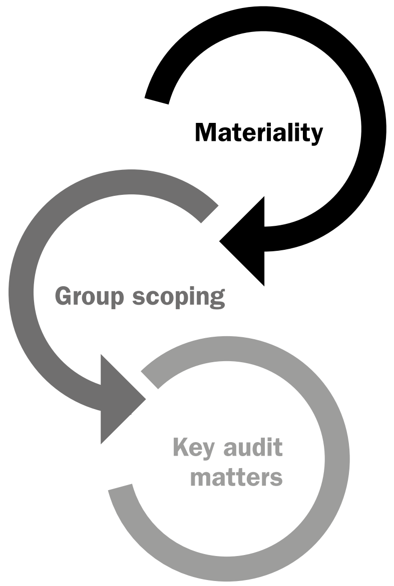
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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), as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards).*

Our audit approach

Overview



Final materiality

- *Group final materiality – R12.9 million for the consolidated financial statements, which represents 1% of consolidated revenue.*
- *Company final materiality – R10.3 million for the separate financial statements, which represents 1% of total assets.*

Group audit scope

The Group comprises five components, which includes one wholly-owned subsidiary that produces ready-mix concrete, an associate that produces cement, the head office entity and two dormant entities.

We performed full-scope audits on three components that were considered significant due to risk or size.

No further audit procedures were performed over the two dormant entities which were considered inconsequential components.

Key audit matters

- *Impairment assessment of goodwill allocated to the Métier Cash Generating Unit and investment in the Métier Mixed Concrete Proprietary Limited ("Métier") subsidiary; and*
- *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	*R12.9 million*	*R10.3 million*
How we determined it	*1% of consolidated revenue.*	*1% of total assets.*
Rationale for the materiality benchmark applied	*We chose consolidated revenue as the benchmark for materiality because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users and is a generally accepted benchmark.* *We chose 1% which is consistent with quantitative materiality thresholds used for profit-orientated companies in this sector.*	*We chose total assets as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most commonly measured by users based on the nature and purpose of the Company and is a generally accepted benchmark.* *We chose 1% which is consistent with quantitative materiality thresholds used for investment holding companies.*

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 five components, which comprises one wholly-owned subsidiary that produces ready-mix concrete, an associate that produces cement, the head office entity and two dormant entities. Each component identified has a discrete set of financial information that is consolidated.

Our scoping assessment included consideration of the Group's significant components due to risk or size (based on contribution to consolidated assets, revenue and profit before tax), whether the component contains financial statement line items that present a significant or elevated risk in the consolidated 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 two components that were considered inconsequential to the Group.

We determined that full-scope audits will be performed over all significant components. No further work was performed over the inconsequential components.

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.

Where the work was performed by the component auditors, 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.

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*/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 allocated to the Métier Cash Generating Unit and the investment in Métier Mixed Concrete Proprietary Limited ("Métier") *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 policy 1.4: *Significant judgements and sources of estimation uncertainty* – Impairment of investment in subsidiaries and associate • Material accounting policy 1.19: *Goodwill*; • Note 5: *Goodwill*; and • Note 6: *Investments in subsidiaries*. As at 31 March 2026, the Group's consolidated statement of financial position included goodwill with a closing net book value of R224.1 million, while 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 performs an annual impairment assessment on goodwill, or more frequently, if there is an indicator of impairment on goodwill. The Company assesses its investments in subsidiaries 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 of the investments in subsidiaries. Management performed an annual impairment assessment on the Métier CGU to which goodwill was allocated, using a value-in-use discounted cash flow model to determine the recoverable amount of the goodwill relating to the Métier CGU. The discounted cash flow model incorporates cash flows over a three-year period, and a projected terminal year, based on financial budgets or forecasts approved by the Board. In determining the value-in-use of the Métier CGU, the following key inputs were applied by management: • Discount rate; • Terminal value growth rate; and • Sales growth rate. Management's impairment assessment over goodwill relating to the Métier CGU and the Company's investment in Métier indicated that the respective carrying values were lower than the recoverable amounts, resulting in no impairment charge recognised. We considered the impairment assessment of goodwill relating to the Métier CGU and the Company's investment in Métier 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 goodwill and investment in subsidiaries balances recognised in relation to the consolidated and separate 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 used by management 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 used in the discounted cash flow model in respect of the first year of the forecast period to the 2027 Board approved budget, noting no material exceptions; • We compared the cash flow forecasts over the projected forecast periods to historically achieved sales growth rates. We noted that the forecasts used were within a reasonable range of historically achieved results; • We assessed the appropriateness of management's budgeting process by comparing the prior year Board approved budget to the actual results. Where variances in excess of our set threshold were identified, we obtained management explanations and inspected underlying supporting documentation. We found that the explanations and inspection of the underlying documentation supported the variances identified; • With the assistance of our internal valuation expertise, we independently calculated a weighted average cost of capital discount rate range, taking into account independently obtained data. We noted that the discount rate used by management was outside of our independently calculated range; • We performed a sensitivity analysis using our independently determined discount rate range and noted sufficient headroom such that no impairment would 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; and • We performed stress testing on the value-in-use model to determine the degree by which the key inputs would need to fluctuate before an impairment was triggered and considered the likelihood of such fluctuations occurring. The results of our stress testing supported the reasonableness of management's conclusion that no impairment was required as at the reporting date.

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 policy 1.6: *Significant judgements and sources of estimation uncertainty* – Investments in associates; and • Note 7: *Investment in associates.* The Group has an investment in Dangote Cement South Africa Proprietary Limited that has been classified as an associate and equity-accounted in the consolidated financial statements. As at 31 March 2026, the Group's consolidated statement of financial position included the investment in associate with a carrying amount of R908.5 million. In terms of IAS 36, 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. The discounted cash flow model incorporates cash flows over a three-year period, and a projected terminal year, based on budgets or forecasts approved by the associate's Board. An enterprise value of the associate is derived from the discounted cash flow model and the Group's ownership interest was then applied to the 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 inputs were applied by management: • Discount rate; • Terminal value growth rate; and • Sales 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. We considered 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 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. We noted that the forecasts used were within a reasonable range of historically achieved results; • We assessed the appropriateness of management's budgeting process by comparing the prior year Board approved budget to the actual results. Where variances in excess of our set threshold were identified we obtained management explanations and inspected underlying supporting documentation. We found that the explanations and inspection of the underlying documentation supported the variances identified; • With the assistance of our internal valuation expertise, we independently calculated a weighted average cost of capital discount rate range, taking into account independently obtained data. We noted that the discount rate used by management was outside of our independently calculated range; • We performed a sensitivity analysis using our independently determined discount rate range and noted sufficient headroom such that no impairment would be required; • We compared the associate's actual results for the first quarter of its new financial year to the Board approved budget. Where variances in excess of our set threshold were identified, we obtained explanations 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; and • We performed stress testing on the value-in-use model to determine the degree by which the key inputs would need to fluctuate before an impairment was triggered and considered the likelihood of such fluctuations occurring. The results of our stress testing supported the reasonableness of management's conclusion that no impairment was required as at the reporting date.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document(s) titled "Sephaku Holdings Limited and its subsidiaries Annual Financial Statements for the year ended 31 March 2026", which include(s) 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(s) titled "Sephaku Holdings Ltd 2026 Integrated Annual Report", 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 3 years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Y Kharwa
Registered Auditor

Durban, South Africa
24 June 2026

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

as at 31 March 2026

		Group		Company	
	Note(s)	**2026 R**	2025 R	**2026 R**	2025 R
ASSETS					
Non-current assets					
Property, plant and equipment	3	**358 227 608**	282 068 060	**37 173**	62 865
Right-of-use assets	4	**41 925 713**	28 196 013	**–**	–
Goodwill	5	**224 063 063**	223 421 981	**–**	–
Investments in subsidiaries	6	**–**	–	**299 378 039**	299 378 029
Investments in associates	7	**908 486 024**	865 605 033	**718 417 230**	683 689 159
Other financial assets	12	**–**	7 272 626	**6 111 226**	7 272 626
Other investments	13	**4 617 366**	800 000	**800 000**	800 000
		1 537 319 774	1 407 363 713	**1 024 743 668**	991 202 679
Current assets					
Inventories	14	**25 095 237**	24 575 616	**–**	–
Loans to group companies	8	**–**	–	**12 229**	12 229
Loans receivable (at amortised cost)	9	**–**	94 279	**–**	–
Trade and other receivables	10	**147 874 512**	122 175 340	**3 694 300**	2 152 863
Current tax receivable		**1 372 472**	–	**–**	–
Cash and cash equivalents	15	**30 058 363**	29 768 153	**3 354 521**	2 389 367
		204 400 584	176 613 388	**7 061 050**	4 554 459
Total assets		**1 741 720 358**	1 583 977 101	**1 031 804 718**	995 757 138
EQUITY AND LIABILITIES					
Equity					
Share capital	16	**682 965 910**	682 965 910	**682 965 910**	682 965 910
Other equity	16	**(25 223 505)**	(23 629 110)	**–**	–
Retained income		**723 430 243**	630 116 442	**235 430 605**	216 477 001
		1 381 172 648	1 289 453 242	**918 396 515**	899 442 911
Liabilities					
Non-current liabilities					
Borrowings	19	**116 558 125**	92 034 257	**–**	–
Lease liabilities	4	**33 687 977**	18 920 220	**–**	–
Deferred tax	11	**39 201 990**	27 608 027	**–**	–
		189 448 092	138 562 504	**–**	–
Current liabilities					
Trade and other payables	21	**111 643 931**	104 603 283	**2 260 350**	1 775 780
Loans from group companies	18	**–**	–	**111 147 853**	94 523 036
Borrowings	19	**46 484 722**	32 337 153	**–**	–
Lease liabilities	4	**12 970 965**	18 642 280	**–**	–
Current tax payable		**–**	378 639	**–**	15 411
		171 099 618	155 961 355	**113 408 203**	96 314 227
Total liabilities		**360 547 710**	294 523 859	**113 408 203**	96 314 227
Total equity and liabilities		**1 741 720 358**	1 583 977 101	**1 031 804 718**	995 757 138

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2026

		Group		Company	
	Note(s)	**2026 R**	2025 R	**2026 R**	2025 R
Revenue	22	**1 291 486 841**	1 182 844 822	**49 681 607**	41 137 358
Other operating income	23	**8 938 032**	1 015 747	**–**	–
Other operating losses	24	**–**	(6 622)	**–**	(6 622)
Movement in credit loss allowances		**–**	1 047 994	**–**	(473 054)
Raw materials		**(745 239 628)**	(706 002 253)	**–**	–
Transportation		**(154 882 964)**	(146 341 586)	**–**	–
Production expenses		**(29 077 811)**	(28 986 737)	**–**	–
Employee benefit expenses		**(134 271 239)**	(111 871 889)	**(24 510 222)**	(18 212 144)
Depreciation on property, plant and equipment		**(50 714 969)**	(41 930 448)	**(25 692)**	(15 536)
Other operating expenses		**(62 447 875)**	(61 266 964)	**(5 097 311)**	(4 843 327)
Operating profit		**123 790 387**	88 502 064	**20 048 382**	17 586 675
Investment income	25	**5 363 175**	2 794 863	**100**	1 193
Finance costs	26	**(18 124 506)**	(15 484 113)	**(677)**	(564)
Income from equity-accounted investments		**8 152 920**	14 663 520	**–**	–
Profit before taxation		**119 181 976**	90 476 334	**20 047 805**	17 587 304
Taxation	27	**(25 868 175)**	(16 925 027)	**(1 094 201)**	(976 768)
Profit for the year		**93 313 801**	73 551 307	**18 953 604**	16 610 536
Other comprehensive income		**–**	–	**–**	–
Total comprehensive income for the year		**93 313 801**	73 551 307	**18 953 604**	16 610 536
Basic earnings per share (cents)	36	**40.50**	31.57		
Diluted earnings per share (cents)	36	**40.50**	31.57		

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 March 2026

Group	Share capital R	Other equity R	Total share capital R	Other NDR R	Retained income R	Total equity R
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)
Transfer between reserves	–	–	–	(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 1 April 2025	682 965 910	(23 629 110)	659 336 800	–	630 116 442	1 289 453 242
Profit for the year	**–**	**–**	**–**	**–**	**93 313 801**	**93 313 801**
Other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**93 313 801**	**93 313 801**
Business combinations – treasury shares	**–**	**(2 777 250)**	**(2 777 250)**	**–**	**–**	**(2 777 250)**
Disposal of treasury shares (CCM)	**–**	**1 182 855**	**1 182 855**	**–**	**–**	**1 182 855**
Total contributions by and distributions to owners of company recognised directly in equity	**–**	**(1 594 395)**	**(1 594 395)**	**–**	**–**	**(1 594 395)**
Balance at 31 March 2026	**682 965 910**	**(25 223 505)**	**657 742 405**	**–**	**723 430 243**	**1 381 172 648**
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 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
Transfer between reserves	–	–	–	(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 1 April 2025	682 965 910	–	682 965 910	–	216 477 001	899 442 911
Profit for the year	**–**	**–**	**–**	**–**	**18 953 604**	**18 953 604**
Other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**18 953 604**	**18 953 604**
Balance at 31 March 2026	**682 965 910**	**–**	**682 965 910**	**–**	**235 430 605**	**918 396 515**
Note(s)	16	16	16			

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS
for the year ended 31 March 2026

		Group		Company	
	Note(s)	**2026** **R**	Restated 2025 R	**2026** **R**	2025 R
Cash flows from operating activities					
Cash generated from operations	28	**148 077 897**	125 203 986	**19 017 197**	16 675 633
Interest received		**5 361 770**	1 905 289	**100**	1 193
Interest paid		**(6 688)**	(285 501)	**(677)**	(564)
Taxation paid	29	**(16 025 323)**	(9 651 612)	**(1 109 612)**	(929 837)
Net cash from operating activities		**137 407 656**	117 172 162	**17 907 008**	15 746 425
Cash flows from investing activities					
Purchase of property, plant and equipment	3	**(119 885 752)**	(124 278 075)	**–**	(77 074)
Proceeds from sale of property, plant and equipment	3	**16 034 088**	4 753 684	**–**	–
Investment in associate	7	**(34 728 071)**	–	**(34 728 071)**	–
Cash received on business combinations	30	**36 675**	–	**–**	–
Cash receipts on repayments of other financial assets	12	**–**	2 392 460	**1 161 400**	2 392 460
Net cash (used in)/from investing activities		**(138 543 060)**	(117 131 931)	**(33 566 671)**	2 315 386
Cash flows from financing activities					
Acquisition of treasury shares	16	**–**	(9 714 136)	**–**	–
Proceeds on sale of treasury shares	16	**1 182 855**	–	**–**	–
Proceeds from external borrowings and instalment sale agreements	20	**76 962 473**	82 683 564	**–**	–
Repayments of loans from group companies	18	**–**	–	**(17 875 183)**	(18 348 284)
Cash advances received on loans from group companies	18	**–**	–	**34 500 000**	–
Repayments of principal on instalment sales	20	**(37 008 165)**	(22 881 134)	**–**	–
Repayments of interest on instalment sales	20	**(13 098 458)**	(10 132 347)	**–**	–
Repayments of principal on external borrowings	20	**(1 282 871)**	(653 686)	**–**	–
Repayments of interest on external borrowings	20	**(1 258 602)**	(866 581)	**–**	–
Payment of principal on lease liabilities	4	**(20 310 860)**	(17 912 537)	**–**	–
Payment of interest on lease liabilities	4	**(3 760 758)**	(4 199 684)	**–**	–
Net cash (used in)/from financing activities		**1 425 614**	16 323 459	**16 624 817**	(18 348 284)
Total cash movement for the year		**290 210**	16 363 690	**965 154**	(286 473)
Cash and cash equivalents at the beginning of the year		**29 768 153**	13 404 463	**2 389 367**	2 675 840
Cash and cash equivalents at the end of the year	15	**30 058 363**	29 768 153	**3 354 521**	2 389 367
			Note A		

Note A: The consolidated statement of cash flows for the prior year has been corrected to disclose the acquisition of Property, plant and equipment (PPE) through instalment sale agreements (ISAs) of R68 683 564 as a cash outflow from investing activities, and the corresponding proceeds from ISAs of R68 683 564 as a cash inflow from financing activities. The resulting impact is an increase in the net cash (used in) investing activities of (R68 683 564) and net cash from financing activities of R68 683 564. Although cash does not flow through the Group's bank account at the time the PPE is acquired, presenting gross cash flows is more reflective of the substance of the cash flow as the lender acts as an agent on behalf of the Group. This adjustment does not impact any of the other primary statements.

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 issued by the International Accounting Standards Board (IASB), including interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC® Interpretations) (IFRS Accounting Standards), 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 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 annual financial statements incorporate the annual 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.

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.

Business combinations
The Group accounts for business combinations 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. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities are recognised at their fair values at acquisition date.

On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for Group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. If, in the case of a bargain purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

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

Key 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.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.4 Significant judgements and sources of estimation uncertainty (continued)

Key sources of estimation uncertainty (continued)

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.

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 to 20 years
Furniture and fixtures	6 to 8 years
Motor vehicles	5 to 10 years
Computer equipment	2 to 6 years

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

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.5 Property, plant and equipment (continued)

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

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. No material changes were made.

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 2025. The use of the different date in applying the equity method is due to the practicality of obtaining the audited March 2026 results timeously.

As a result, "lag reporting" has been applied where the audited financial information of the Associate for the period from 1 January 2025 to 31 December 2025 has been used for equity accounting purposes. The impact of any significant transactions that occur in the period from 1 January 2026 to 31 March 2026 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.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.7 Financial instruments (continued)

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.

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.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.7 Financial instruments (continued)

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".

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.

Trade and other payables also includes income received in advance which represents deposits from customers with no formal credit terms. These do not represent contract liabilities in terms of IFRS 15 as no sales have occurred and these are refundable to customers, if required.

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. Bank overdrafts are included in current liabilities on the statement of financial position.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.7 Financial instruments (continued)

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 associates 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.

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.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.9 Leases (continued)

Group as lessee (continued)

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.

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.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.11 Impairment of non-financial assets (continued)

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 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.

1.14 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.

1.15 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-mix 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.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.15 Revenue from contracts with customers (continued)

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

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 from statement date or cash on delivery; and
- Sale of services: payable on presentation of the invoice.

1.16 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 Borrowings).

1.17 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.

The full details of HEPS are disclosed in note 36 Net asset value per share and earnings per share.

1.18 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 cement as the two main segments.

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

Cement – this equity-accounted associate is an integrated cement and clinker producer in South Africa.

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

1.19 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 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 2026 or later periods:

IFRS 18 *Presentation and Disclosure in Financial Statements*
This is a new standard which replaces IAS 1 *Presentation of Financial Statements* and introduces several new presentation requirements. The first relates to categories and subtotals in the statement of financial performance. Income and expenses will be categorised into operating, investing, financing, income taxes and discontinued operations categories, with two new subtotals, namely "operating profit" and "profit before financing and income taxes" also being required. These categories and sub totals are defined in IFRS 18 for comparability and consistency across entities. The next set of changes requires disclosures about management-defined performance measures in a single note to the financial statements. These include reconciliations of the performance measures to the IFRS defined subtotals, as well as a description of how they are calculated, their purpose and any changes. The third set of requirements enhance the guidance on grouping of information (aggregation and disaggregation) to prevent the obscuring of information.

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 2028 annual financial statements.

The adoption of this amendment is not expected to impact on the results of the Group, but will result in changes to the presentation of the statements of profit or loss and other comprehensive income.

Amendments to IFRS 7 *Financial Instruments: Disclosures*
Annual Improvements to IFRS Accounting Standards – Volume 11 – Gain or loss on derecognition – Amendment to delete an obsolete reference that remained in IFRS 7 after the publication of IFRS 13 *Fair Value Measurement*, as well as to improve consistency of wording of the requirements of IFRS 7 with IFRS 13 concepts regarding disclosure of a gain or loss on derecognition.

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

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

The adoption of this amendment is not expected to impact on the results of the Group.

Amendments to IFRS 9 *Financial Instruments*
Annual Improvements to IFRS Accounting Standards – Volume 11 – Derecognition of lease liabilities. The amendment clarifies that if a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to recognise any resulting gain or loss in profit or loss.

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

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

The impact of this amendment is currently being assessed, but is not expected to have a material impact on the Group's and the Company's results.

Amendments to IFRS 10 *Consolidated Financial Statements*
Annual Improvements to IFRS Accounting Standards – Volume 11 – Determination of a 'de facto agent'. The amendment is to clarify whether a party acts as a de facto agent in assessing control of an investee.

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

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

It is unlikely that the amendment will have a material impact on the Group's annual financial statements.

Amendments to IAS 10 *Statement of Cash flows*
Annual Improvements to IFRS Accounting Standards – Volume 11 – Cost method – Amendment to replace the term 'cost method' with 'at cost' following the earlier removal of the definition of cost method from IFRS Accounting Standards.

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

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

The adoption of this amendment is not expected to impact on the results of the Group.

Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments
The amendments clarify the classification of financial assets with environmental, social and corporate governance (ESG) and similar features, as such features could affect whether the assets are measured at amortised cost or fair value. The amendment also clarifies the date on which a financial asset or financial liability is derecognised in cases where liabilities are settled through electronic payment systems.

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

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

The adoption of this amendment is not expected to impact on the results of the Group.

3. PROPERTY, PLANT AND EQUIPMENT

Group	**2026** Cost R	Accumulated depreciation R	Carrying value R	**2025** Cost R	Accumulated depreciation R	Carrying value R
Land	**26 960 000**	**–**	**26 960 000**	29 626 309	–	29 626 309
Plant and machinery	**213 064 111**	**(88 845 555)**	**124 218 556**	162 393 525	(77 507 070)	84 886 455
Furniture and fixtures	**1 002 998**	**(959 614)**	**43 384**	1 002 998	(934 062)	68 936
Motor vehicles	**280 045 935**	**(81 909 303)**	**198 136 632**	239 085 160	(80 824 143)	158 261 017
Computer equipment	**4 962 337**	**(4 406 266)**	**556 071**	4 595 221	(4 263 349)	331 872
Capital – work in progress (asset under construction – fleet)	**8 312 965**	**–**	**8 312 965**	–	–	–
Capital – work in progress (asset under construction)	**–**	**–**	**–**	8 893 471	–	8 893 471
Total	**534 348 346**	**(176 120 738)**	**358 227 608**	445 596 684	(163 528 624)	282 068 060

Company	**2026** Cost R	Accumulated depreciation R	Carrying value R	**2025** Cost R	Accumulated depreciation R	Carrying value R
Computer equipment	**140 592**	**(103 419)**	**37 173**	140 592	(77 727)	62 865

Reconciliation of property, plant and equipment

Group	Opening balance R	Additions R	Additions – instalment sale agreements R	Disposals R	Transfers R	Depreciation R	Total R
2026							
Land	**29 626 309**	**–**	**–**	**(2 666 309)**	**–**	**–**	**26 960 000**
Plant and machinery	**84 886 455**	**1 238 901**	**–**	**(43 542)**	**49 818 944**	**(11 682 202)**	**124 218 556**
Furniture and fixtures	**68 936**	**–**	**–**	**–**	**–**	**(25 552)**	**43 384**
Motor vehicles	**158 261 017**	**10 315 885**	**39 919 044**	**(5 961 070)**	**18 670 628**	**(23 068 872)**	**198 136 632**
Computer equipment	**331 872**	**502 856**	**–**	**(17 916)**	**–**	**(260 741)**	**556 071**
Capital – work in progress (asset under construction – fleet)	**–**	**3 729 844**	**23 253 749**	**–**	**(18 670 628)**	**–**	**8 312 965**
Capital – work in progress (asset under construction)	**8 893 471**	**27 135 793**	**13 789 680**	**–**	**(49 818 944)**	**–**	**–**
	282 068 060	**42 923 279**	**76 962 473**	**(8 688 837)**	**–**	**(35 037 367)**	**358 227 608**

	Opening balance R	Additions R	Additions – instalment sale agreements 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

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of property, plant and equipment (continued)

Company	Opening balance R	Depreciation R	Total R
2026			
Computer equipment	**62 865**	**(25 692)**	**37 173**

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

Property, plant and equipment encumbered 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.

Additions – instalment sale agreements

Additions of R76 962 473 (2025: R68 683 564) relate to the purchase of motor vehicles through instalment sale agreements R39 919 044 (2025: R46 895 939), the purchase of assets under construction – fleet R23 253 749 (2025: Rnil), the purchase of assets under construction R13 789 680 (2025: R21 787 625) and other non-cash adjustments Rnil (2025: R612 054). Refer to note 19 for further details of the instalment sale agreements. The presentation of additions through instalment sale agreements in the consolidated statement of cash flows has been restated. Refer to the note included in the consolidated statement of cash flows.

Details of properties

	Group		Company	
	2026 R	2025 R	**2026 R**	2025 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	**–**	–
– Disposal	**(2 666 309)**	–	**–**	–
	–	2 666 309	**–**	–
Erf 126 Phoenix Industrial Park				
– Purchase price: 8 May 2024	**21 000 000**	21 000 000	**–**	–
Portion 7 on Erf 1029, Isipingo				
– Purchase price: 6 February 2025	**5 960 000**	5 960 000	**–**	–

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 certain of its assets, including land and buildings. The average lease term is five years (2025: six years) and the incremental borrowing rate is prime lending rate (2025: the incremental borrowing rate is the prime lending rate).

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

	2026			2025		
Group	**Cost R**	**Accumulated depreciation R**	**Carrying value R**	Cost R	Accumulated depreciation R	Carrying value R
Land	**72 931 011**	**(41 871 098)**	**31 059 913**	55 870 176	(37 172 147)	18 698 029
Buildings	**25 513 715**	**(14 647 915)**	**10 865 800**	36 890 915	(27 392 931)	9 497 984
Total	**98 444 726**	**(56 519 013)**	**41 925 713**	92 761 091	(64 565 078)	28 196 013

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	
	2026 R	2025 R	**2026 R**	2025 R
Land	**31 059 913**	18 698 029	**–**	–
Buildings	**10 865 800**	9 497 984	**–**	–
	41 925 713	28 196 013	**–**	–

Additions to right-of-use assets

During the current year, the Group entered into nine (2025: one) new lease agreements. The average lease term for these new agreements are five (2025: six) 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	
	2026 R	2025 R	**2026 R**	2025 R
Land	**22 382 990**	2 782 240	**–**	–
Buildings	**7 024 313**	–	**–**	–
	29 407 303	2 782 240	**–**	–

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	
	2026 R	2025 R	**2026 R**	2025 R
Land	**10 941 892**	9 484 290	**–**	–
Buildings	**4 735 710**	4 812 046	**–**	–
	15 677 602	14 296 336	**–**	–
Other disclosures				
Interest expense on lease liabilities	**3 760 758**	4 199 684	**–**	–

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 2026, the Group included an amount of R435 256 (2025: R243 101) 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.

4. RIGHT-OF-USE ASSETS (CONTINUED)

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	
	2026 R	2025 R	**2026 R**	2025 R
Minimum lease payments due				
Within one year	**17 022 068**	21 162 638	**–**	–
Two to five years	**38 090 163**	20 830 604	**–**	–
More than five years	**2 443 194**	–	**–**	–
	57 555 425	41 993 242	**–**	–
Less finance charges component	**(10 896 483)**	(4 430 742)	**–**	–
Present value of lease payments	**46 658 942**	37 562 500	**–**	–
Non-current liabilities	**33 687 977**	18 920 220	**–**	–
Current liabilities	**12 970 965**	18 642 280	**–**	–
	46 658 942	37 562 500	**–**	–

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**
2026						
Lease liabilities	**37 562 500**	**29 407 303**	**3 760 758**	**(20 310 860)**	**(3 760 758)**	**46 658 942**

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

Lease liabilities terms and conditions

The leases entered into do not provide flexibility in the form of termination options but there are options in some limited instances 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 to 10 years
Building 2 to 8 years

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

5. GOODWILL

	2026			2025		
Group	**Cost R**	**Accumulated impairment R**	**Carrying value R**	Cost R	Accumulated impairment R	Carrying value R
Goodwill	**224 063 063**	**–**	**224 063 063**	223 421 981	–	223 421 981

Reconciliation of goodwill

Group	**Opening balance R**	**Additions through business combinations R**	**Total R**
2026			
Goodwill	**223 421 981**	**641 082**	**224 063 063**

Group	Opening balance R	Additions through business combinations R	Total R
2025			
Goodwill	223 421 981	–	223 421 981

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 the board. 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:

	2026 %	2025 %
Pre-tax discount rate	**14.84**	20.26
Terminal value growth rate	**4.6**	4.6
Sales growth rate (average over forecast period)	**8.97**	13.16

Discount rates applied are consistent with external sources. Specifically, the risk-free rate, market risk premium and betas used in the computation of the discount rate were based on external sources. The discount rate was also adjusted for a specific risk premium based on management's judgement. Sales and terminal value growth rates reflect expected performance.

No impairment losses were required in the current financial year based on the value-in-use computation.

5. GOODWILL (CONTINUED)

Impairment testing (continued)

A sensitivity analysis of the key assumptions have been presented below:

2026	Movement	Impact on Headroom amount (R'million)	Impairment
Discount rate	**+1%**	**(140)**	**Nil**
Terminal value growth rate	**-1%**	**(126)**	**Nil**
Sales growth rate (average over forecast period)	**-2%**	**(241)**	**Nil**
2025			
Discount rate	+1%	(70)	Nil
Terminal value growth rate	-1%	(60)	Nil
Sales growth rate (average over forecast period)	-2%	(80)	Nil

Additions through business combinations

Refer to note 30 Business combinations for the detail on the Goodwill movement relating to the acquisition of CCM as a 100% owned subsidiary during the year.

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	% holding 2026	% holding 2025	Carrying amount 2026 R	Carrying amount 2025 R
Sephaku Investment Holdings Proprietary Limited	**100.00**	100.00	**1**	1
Métier Mixed Concrete Proprietary Holdings	**100.00**	100.00	**299 378 028**	299 378 028
Cross Company Management Proprietary Limited	**100.00**	–	**10**	–
			299 378 039	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.

Changes in ownership interest

The following schedule represents the impact of changes in ownership interest of subsidiaries, on the equity attributable to owners of the Group:

	Group		Company	
	2026 R	2025 R	**2026 R**	2025 R
Purchase of 10 ordinary shares in Cross Company Management, increasing ownership interest from 0% to 100%. Refer note 30 Business combinations for further details.	**–**	–	**10**	–

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 2026 R	Carrying amount 2025 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	**181 915 874**	167 252 354
Group level: Opening balance of carrying value	**865 605 033**	850 941 513
Equity-accounted earnings – current years	**8 152 920**	14 663 520
Equity injection	**34 728 071**	–
Group level: Carrying value of investment in associate	**908 486 024**	865 605 033

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. During the current year SepHold paid its portion of the equity contribution of R34,7 million.

SepCem started the 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 may result in SepCem not being able to service debt during the COVID-19 lockdown period. 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 shareholder's loan.

Associate – events after reporting period

After the repayment of the bank debt in October 2025, the Associate embarked on a process of raising bank funding to repay the Dangote shareholder loan as well as the R125 million referred to above. It is envisaged that this process will be completed during the second quarter of the financial year.

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 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 the board of the Associate.

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:

	2026 %	2025 %
Pre-tax discount rate	**14.2**	17.5
Terminal value growth rate	**4.6**	4.6
Sales growth rate (average over forecast period)	**6.5**	9.3

Discount rates applied are consistent with external sources. Specifically, the risk-free rate, market risk premium and betas used in the computation of the discount rate were based on external sources. The discount rate was also adjusted for a specific risk premium based on management's judgement. Sales and terminal value growth rates reflect expected performance.

No impairment losses were required in the current financial year based on the value-in-use computation.

7. INVESTMENTS IN ASSOCIATES (CONTINUED)

Impairment testing (continued)

A sensitivity analysis of the key assumptions have been presented below:

2026	Movement	Impact on Headroom amount (R'million)	Impairment
Discount rate	**+1%**	**(114)**	**Nil**
Terminal value growth rate	**-1%**	**(102)**	**Nil**
Sales growth rate (average over forecast period)	**-2%**	**(110)**	**Nil**
2025			
Discount rate	+1%	(108)	Nil
Terminal value growth rate	-1%	(94)	Nil
Sales growth rate (average over forecast period)	-2%	(99)	Nil

Summarised financial information of material associates

Summarised Statement of Profit or Loss and Other Comprehensive Income

	2026* R'000	2025 R'000
Revenue	**2 662 789**	2 785 449
Cost of sales	**(2 414 045)**	(2 442 885)
Gross profit	**248 744**	342 564
Profit before tax	**29 503**	58 057
Tax expense	**(5 026)**	(15 480)
Profit from continuing operations	**24 477**	42 577
Non-controlling interest	**(1 830)**	(1 845)
Total comprehensive income	**22 647**	40 732

Summarised Statement of Financial Position

	2026* R'000	2025 R'000
Assets		
Non-current	**2 427 130**	2 503 073
Current	**987 730**	1 152 578
Total assets	**3 414 860**	3 655 651
Liabilities		
Non-current	**1 018 571**	949 028
Current	**477 944**	812 755
Total liabilities	**1 496 515**	1 761 783
Total net assets	**1 918 345**	1 893 868

* *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 2025 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 2026 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 2026 to 31 March 2026, was considered necessary.

8. LOANS TO GROUP COMPANIES

	Group 2026 R	Group 2025 R	Company 2026 R	Company 2025 R
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.

	Group 2026 R	Group 2025 R	Company 2026 R	Company 2025 R
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 2026 R	Group 2025 R	Company 2026 R	Company 2025 R
YC Naidoo	**–**	94 279	**–**	–
The above loan was unsecured, bore interest at 1% per annum and was repaid during the year.				
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.

10. TRADE AND OTHER RECEIVABLES

	Group 2026 R	Group 2025 R	Company 2026 R	Company 2025 R
Financial instruments:				
Trade receivables	**145 663 013**	118 468 561	**3 531 995**	1 996 707
Deposits	**1 938 068**	3 467 980	**–**	–
Sundry customers	**68 776**	21 644	**–**	–
Non-financial instruments:				
Pre-payments	**204 655**	217 155	**162 305**	156 156
Total trade and other receivables	**147 874 512**	122 175 340	**3 694 300**	2 152 863
Split between non-current and current portions				
Current assets	**147 874 512**	122 175 340	**3 694 300**	2 152 863

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade and other receivables pledged as security

Trade and other receivables of R147 669 857 (2025: R121 958 185) 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, the Group engages only with reputable customers who have a consistent history of timely payments. Where appropriate, sufficient collateral or guarantees are obtained. Each customer is individually assessed for creditworthiness before credit terms and conditions 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 the credit management committee.

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 policy with Santam, effective 01 March 2021. During the year, the policy was revised to a total cover of R7,8 million (2025: R11,1 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.

Due to effective management of debtors and strong credit control practices no credit losses were accounted for during the financial year. 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:

Group	2026 Gross carrying amount R	2026 Loss allowance (Lifetime expected credit loss) R	2025 Gross carrying amount R	2025 Loss allowance (Lifetime expected credit loss) R
Expected credit loss rate:				
Current: 0% (2025: 0%)	**109 018 665**	**–**	90 077 493	–
More than 30 days: 0% (2025: 0%)	**34 266 064**	**–**	25 236 464	–
More than 60 days past due: 0% (2025: 0%)	**539 620**	**–**	741 953	–
More than 90 days past due: 0% (2025: 0%)	**401 651**	**–**	1 046 048	–
More than 120 days past due: 0% (2025: 0%)	**1 437 013**	**–**	1 366 603	–
Total	**145 663 013**	**–**	118 468 561	–

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 2026 R	Group 2025 R	Company 2026 R	Company 2025 R
Opening balance in accordance with IFRS 9	**–**	1 521 048	**–**	–
Provision raised on new trade receivables	**–**	660 000	**–**	–
Provisions reversed on settled trade receivables	**–**	(2 181 048)	**–**	–
Closing balance	**–**	–	**–**	–

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

11. DEFERRED TAX

	Group 2026 R	Group 2025 R	Company 2026 R	Company 2025 R
Deferred tax liability				
Property plant and equipment	**(41 712 339)**	(32 657 941)	**–**	–
Pre-payments	**(179 304)**	(16 469)	**–**	–
Right-of-use assets	**(11 319 943)**	(6 187 363)	**–**	–
Total deferred tax liability	**(53 211 586)**	(38 861 773)	**–**	–
Deferred tax asset				
Lease liabilities	**12 597 914**	8 716 314	**–**	–
Income received in advance and section 24C allowances	**–**	1 245 515	**–**	–
Accrual for leave pay	**533 038**	503 480	**–**	–
Bonus accrual	**878 644**	788 437	**–**	–
Total deferred tax asset	**14 009 596**	11 253 746	**–**	–

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction and in respect of the same entity in the Group, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

	Group 2026 R	Group 2025 R	Company 2026 R	Company 2025 R
Deferred tax liability	**(53 211 586)**	(38 861 773)	**–**	–
Deferred tax asset	**14 009 596**	11 253 746	**–**	–
Total net deferred tax liability	**(39 201 990)**	(27 608 027)	**–**	–
Reconciliation of deferred tax liability				
At beginning of year	**(27 608 027)**	(21 274 525)	**–**	–
Property, plant and equipment	**(9 054 399)**	(6 170 087)	**–**	–
Income received in advance and section 24C allowance	**(1 245 515)**	956 765	**–**	–
Accrual for leave pay	**29 558**	(13 366)	**–**	–
Right-of-use assets	**(5 132 579)**	4 534 365	**–**	–
Lease liability	**3 881 599**	(5 510 741)	**–**	–
Pre-payments	**(162 834)**	(14 593)	**–**	–
Bonus accrual	**90 207**	130 563	**–**	–
Doubtful debts	**–**	(246 408)	**–**	–
	(39 201 990)	(27 608 027)	**–**	–
Unrecognised deferred tax asset				
Unused tax losses not recognised as deferred tax assets	**101 843 818**	117 877 684	**101 843 818**	117 877 684

12. OTHER FINANCIAL ASSETS

	Group 2026 R	Group 2025 R	Company 2026 R	Company 2025 R
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	**6 111 226**	7 272 626
Total other long-term financial assets	**1 073 054**	8 345 680	**7 184 280**	8 345 680
Less: Impairment	**(1 073 054)**	(1 073 054)	**(1 073 054)**	(1 073 054)
Closing balance	**–**	7 272 626	**6 111 226**	7 272 626

These loans are unsecured, bear no interest and are repayable on demand.

The UAM loan is in default. During the prior year management reviewed the impairment of the loan and decided to recognise the remaining portion of the loan of R473 054 as a loss allowance, bringing the full provision to R1 073 054. 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.

At a group level the CCM loan is eliminated due to the acquisition of 100% of the voting equity instruments on 1 April 2025. CCM is now a 100% owned subsidiary. At a company level 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. 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:

	Group 2026 R	Group 2025 R	Company 2026 R	Company 2025 R
Opening balance in accordance with IFRS 9	**1 073 054**	600 000	**1 073 054**	600 000
Impairment of other financial assets	**–**	473 054	**–**	473 054
Closing balance	**1 073 054**	1 073 054	**1 073 054**	1 073 054
Non-current assets				
At amortised cost	**–**	7 272 626	**6 111 226**	7 272 626

The maximum exposure to credit risk at the reporting date is the gross carrying amount of the financial assets.

There are no fixed repayment terms on the loans and it is not management's intention to call for the loans in the next 12 months.

13. OTHER INVESTMENTS

	Group 2026 R	Group 2025 R	Company 2026 R	Company 2025 R
Union Atlantic Minerals Limited	**2 672 000**	2 000 000	**2 000 000**	2 000 000
Incubex Minerals Limited (Incubex)	**1 016 534**	–	**–**	–
SepFluor Limited (SepFluor)	**2 128 832**	–	**–**	–
Less: Impairment	**(1 200 000)**	(1 200 000)	**(1 200 000)**	(1 200 000)
Carrying amount	**4 617 366**	800 000	**800 000**	800 000
Level 3 other investments	**4 617 366**	800 000	**800 000**	800 000

The existing investment in UAM increased during the current period due to the acquisition of CCM as a subsidiary. Investments in UAM, Incubex and SepFluor consist of shares in the companies acquired by SepHold in lieu of financial assistance provided prior to the unbundling of Incubex in 2010 and SepFluor in 2012. Shares held in these companies were unbundled and distributed to SepHold shareholders at the time but inter-company loans remained in existence. When these loans were not repaid, shares were issued to SepHold. These shares were revalued in CCM before the purchase by SepHold on 1 April 2025. Management is of the opinion that these are still a fair representation of the current value.

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 and 42 000 000 shares at R0.02 per share directly to CCM.

The last price before suspension of trade on the stock exchange was 4cps.

During the 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 4cps as a starting point by applying the equity raise dilution to the value of the company. The impairment raised to date on these principles resulted in 42.2% (2025: 60%) or 1.60cps (2025: 1.60cps) in the value of R1 472 000 (2025: R800 000). Management believes that the previous loss allowance is sufficient and no further impairment is required for the current year.

Reconciliation of level 3 measurements

The following table shows the movement on the level 3 measurements:

	Group 2026 R	Group 2025 R	Company 2026 R	Company 2025 R
Opening balance in accordance with IFRS 13	**2 000 000**	2 000 000	2 000 000	2 000 000
Acquisitions through business combinations	**3 817 366**	–	–	–
Impairment	**(1 200 000)**	(1 200 000)	(1 200 000)	(1 200 000)
Closing balance	**4 617 366**	800 000	800 000	800 000

The maximum exposure to market risk at the reporting date is the carrying amount of the financial assets.

14. INVENTORIES

	Group 2026 R	Group 2025 R	Company 2026 R	Company 2025 R
Raw materials, components	**14 919 537**	14 456 614	–	–
Diesel	**4 557 844**	4 022 221	–	–
Spare parts	**5 617 856**	6 096 781	–	–
	25 095 237	24 575 616	–	–

Inventories recognised as an expense during the year ended 31 March 2026 amounted to R745 239 628 (2025: R706 002 253).

Inventory pledged as security

Inventory is pledged as security for the bank overdraft facilities of the Group. At year-end, the overdraft was undrawn.

15. CASH AND CASH EQUIVALENTS

	Group 2026 R	Group 2025 R	Company 2026 R	Company 2025 R
Cash and cash equivalents consist of:				
Cash on hand	**458 512**	184 512	**–**	–
Bank balances	**29 539 770**	29 526 042	**3 354 521**	2 389 367
Other cash and cash equivalents	**60 081**	57 599	**–**	–
	30 058 363	29 768 153	**3 354 521**	2 389 367

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 (2025: R40 000 000) with First National Bank (FNB) that was undrawn at year-end.

	Group 2026 R	Group 2025 R	Company 2026 R	Company 2025 R
The total amount of undrawn facilities available for future operating activities and commitments	**40 000 000**	40 000 000	**–**	–

15. CASH AND CASH EQUIVALENTS (CONTINUED)

Security

The First National Bank (the debt guarantor) facility on the bank overdraft, 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.

Métier will ensure that the interest-bearing debt to earnings before EBITDA will not exceed 2.5 times operating income before interest, tax, depreciation and amortisation of any intangibles (excluding extraordinary items), during any period. Métier has complied with the financial covenants of its overdraft facility during both periods presented.

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	
	2026 R	2025 R	**2026 R**	2025 R
16. SHARE CAPITAL				
Authorised				
1 000 000 000 Ordinary shares with no par value issued and fully paid				
254 486 436 (2025: 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				
23 576 710 (2025: 22 700 000) Treasury shares held by subsidiary	**(25 223 505)**	(23 629 110)	**–**	–

During the period under review Métier did not acquire any further ordinary shares in SepHold. The total number of treasury shares held by Métier to date is 22 700 000 ordinary shares. The repurchased equity shares were acquired under an approved share buyback scheme.

The Group acquired CCM as a 100% subsidiary during the period under review. At the date of acquisition CCM held 1 461 710 ordinary shares at a value of R2 777 250 in SepHold. During January and February 585 000 of these shares were sold for R1 182 855. As a result of these transactions CCM held a total of 876 710 ordinary shares at a value of R1 594 395 in the Company at year-end. These were accounted for under treasury shares in the Group's equity, resulting in a total number of 23 576 710 treasury shares at the end of the year under review.

17. SHARE-BASED PAYMENTS

There are no outstanding share options. During the current year no new options were granted. Management do not have plans to grant any new share options in the foreseeable future.

Information on options granted on 1 July 2017

During the prior year the last remaining 1 705 000 share options expired. No new options were issued.

This resulted in R2 738 696 share option expenses transferred from the reserve account to retained income. The movement of which can be found in the Statements of changes in equity.

	Group		Company	
	2026 R	2025 R	**2026 R**	2025 R
18. LOANS FROM GROUP COMPANIES				
Subsidiaries				
Métier Mixed Concrete Proprietary Limited	**–**	–	**111 147 853**	94 523 036
The loan is unsecured, interest free and is repayable on demand. During the year the Company repaid a variable amount per month which reduced the loan balance with R17 875 183 (2025: R18 348 284). There was an advance of R34 500 000 to pay for the proportional increase in the investment in the Associate.				
Reconciliation of loan from subsidiary				
The following table shows the movement in the loan from subsidiary:				
Opening balance in accordance with IAS 7	**–**	–	**94 523 036**	112 871 320
Advances during the year	**–**	–	**34 500 000**	–
Repayments during the year	**–**	–	**(17 875 183)**	(18 348 284)
Closing balance	**–**	–	**111 147 853**	94 523 036
Split between non-current and current portions				
Current liabilities	**–**	–	**111 147 853**	94 523 036

	Group		Company	
	2026 R	2025 R	**2026 R**	2025 R
19. BORROWINGS				
Held at amortised cost				
Instalment sale liabilities				
WesBank Vehicle Finance	**92 644 415**	56 831 264	**–**	–
During the year, the Group entered into thirty eight (2025: fifty) 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 R11 264 per vehicle (2025: R10 948 per vehicle). The Group has access to an approved asset finance facility with a limit of R130 000 000, which may be utilised for the acquisition of movable assets.				
The liability is secured by motor vehicles, plant and machinery and assets under construction – fleet with a carrying amounts of R75 484 658, R44 127 395 and R539 630 respectively (2025: motor vehicles and plant and machinery of R36 700 954 and R27 459 499 respectively). Refer to note 3 Property, plant and equipment for further details.				
Komatsu Africa Holdings Proprietary Limited	**27 019 348**	21 761 355	**–**	–
During the year, the Group entered into six (2025: seven) instalment sale agreements with Komatsu Africa Holdings Proprietary Limited. It bears interest at rates linked to prime and is repayable over a term of 48 months with an average monthly repayment of R37 934 per vehicle (2025: R46 131 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 R36 664 211 (2025: R26 789 745). Refer to note 3 Property, plant and equipment for further details.				
Mercedes-Benz Financial Services	**31 315 360**	32 432 055	**–**	–
During the year, the Group entered into eight (2025: 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 R33 127 per vehicle (202 5: R42 318 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 and assets under construction – fleet with a carrying amount of R70 293 943 and R6 743 520 respectively (2025: motor vehicles with a carrying amount of R50 292 298). Refer to note 3 Property, plant and equipment and note 20 below for further details.				

19. BORROWINGS (CONTINUED)

	Group 2026 R	Group 2025 R	Company 2026 R	Company 2025 R
External borrowings				
First National Bank Commercial Property Finance	**12 063 724**	13 346 736	**–**	–
During the prior 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 R209 999 (2025: R217 181). Refer to note 3 Property, plant and equipment for further details.				
	163 042 847	124 371 410	**–**	–
Split between non-current and current portions				
Non-current liabilities	**116 558 125**	92 034 257	**–**	–
Current liabilities	**46 484 722**	32 337 153	**–**	–
	163 042 847	124 371 410	**–**	–

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 – 2026	**Opening balance R**	**Finance costs R**	**Additions – instalment sale agreements* R**	**Additions R**	**Cash flows principal and interest R**	**Closing balance R**
Borrowings						
Instalment sale liabilities	**111 025 096**	**13 098 458**	**76 962 473**	**–**	**(50 106 623)**	**150 979 404**
External borrowings	**13 346 314**	**1 258 602**	**–**	**–**	**(2 541 473)**	**12 063 443**
	124 371 410	**14 357 060**	**76 962 473**	**–**	**(52 648 096)**	**163 042 847**

Reconciliation of liabilities arising from financing activities – 2025	Opening balance R	Finance costs R	Additions – instalment sale agreements* R	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

Lease liabilities also form part of financing activities. For the reconciliation refer to note 4.

* *Total movements of R76 962 473 (2025: R69 295 618) are additions in respect of instalment sale liabilities. The 'Additions – instalment sale agreements' was previously presented as non-cash in the consolidated statement of cash flows. Refer to the note included in the consolidated statement of cash flows.*

21. TRADE AND OTHER PAYABLES

	Group 2026 R	Group 2025 R	Company 2026 R	Company 2025 R
Financial instruments:				
Trade payables	**84 752 443**	83 166 637	**663 949**	125 945
Other payables	**5 749**	653	**5 749**	653
Accrued expenses	**4 399 458**	2 087 780	**589 575**	449 200
Non-financial instruments:				
Accrual for salary-related expenses	**5 701 526**	5 244 057	**473 075**	459 178
Value added taxation	**3 161 994**	2 571 612	**528 002**	740 804
Income received in advance	**13 622 761**	11 532 544	**–**	–
	111 643 931	104 603 283	**2 260 350**	1 775 780
Financial instrument and non-financial instrument components of trade and other payables				
At amortised cost	**89 157 650**	85 255 070	**1 259 273**	575 798
Non-financial instruments	**22 486 281**	19 348 213	**1 001 077**	1 199 982
	111 643 931	104 603 283	**2 260 350**	1 775 780

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.

22. REVENUE

	Group 2026 R	Group 2025 R	Company 2026 R	Company 2025 R
Disaggregation of revenue from contracts with customers				
The Group disaggregates revenue from customers as follows:				
Sale of goods				
Revenue from the sale of goods	**1 291 486 841**	1 182 844 822	**–**	–
Rendering of services				
Management fees received	**–**	–	**49 681 607**	41 137 358
Total revenue from contracts with customers	**1 291 486 841**	1 182 844 822	**49 681 607**	41 137 358
Timing of revenue recognition				
At a point in time				
Sale of goods	**1 291 486 841**	1 182 844 822	**–**	–
Over time				
Management fees received	**–**	–	**49 681 607**	41 137 358
Total revenue from contracts with customers	**1 291 486 841**	1 182 844 822	**49 681 607**	41 137 358

23. OTHER OPERATING INCOME

	Group 2026 R	Group 2025 R	Company 2026 R	Company 2025 R
Bad debts recovered	**596 741**	305 745	**–**	–
Other sundry income	**170 199**	213 053	**–**	–
Rent received	**766 372**	660 601	**–**	–
Profit/(loss) on sale of property, plant and equipment	**7 344 470**	(295 755)	**–**	–
Income received in advanced written off	**60 250**	132 103	**–**	–
	8 938 032	1 015 747	**–**	–

	Group		Company	
	2026 R	2025 R	**2026 R**	2025 R
24. OTHER OPERATING LOSSES				
Gains (losses) on disposals, scrappings and settlements				
Property, plant and equipment (note 3)	**–**	(6 622)	**–**	(6 622)
25. INVESTMENT INCOME				
Interest income				
Investments in financial assets:				
Bank and other cash	**3 961 960**	1 905 289	**100**	128
Trade and other receivables	**1 401 215**	888 509	**–**	–
Other financial assets	**–**	1 065	**–**	1 065
Total interest income	**5 363 175**	2 794 863	**100**	1 193
26. FINANCE COSTS				
Lease liabilities	**3 760 758**	4 199 684	**–**	–
Bank overdraft	**6 011**	101 950	**–**	7
SARS interest	**677**	183 551	**677**	557
Borrowings	**14 357 060**	10 998 928	**–**	–
Total finance costs	**18 124 506**	15 484 113	**677**	564
27. TAXATION				
Major components of the tax expense				
Current				
Local income tax – current period	**14 274 212**	10 530 852	**1 094 201**	976 768
Adjustments in respect of prior years	**–**	60 674	**–**	–
	14 274 212	10 591 526	**1 094 201**	976 768
Deferred				
Originating and reversing temporary differences	**11 593 963**	6 333 501	**–**	–
	25 868 175	16 925 027	**1 094 201**	976 768
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense.				
Accounting (loss) profit	**119 181 976**	90 476 334	**20 047 805**	17 587 304
Tax at the applicable tax rate of 27% (2025: 27%)	**32 179 134**	24 428 610	**5 412 907**	4 748 572
Tax effect of adjustments on taxable income				
Charitable donations income	**–**	60 674	**–**	–
Overprovision of tax in current year	**11 915**	–	**11 915**	–
Deferred tax effect income	**(57 241)**	(64 886)	**–**	–
Utilisation of assessed loss	**(4 330 804)**	(3 909 664)	**(4 330 804)**	(3 909 664)
Profit from equity-accounted investment	**(2 201 288)**	(3 959 150)	**–**	–
Tax losses carried forward	**175**	2 008	**–**	–
Capital gain	**693 782**	325 787	**–**	1 787
Interest and penalties relating to taxes	**183**	57 756	**183**	8 348
Impairment of loan	**–**	127 725	**–**	127 725
Other items	**(168 481)**	(35 833)	**–**	–
Learnership allowances	**(259 200)**	(108 000)	**–**	–
	25 868 175	16 925 027	**1 094 201**	976 768

The estimated tax loss available for set off against future taxable income is R101 843 818 (2025: R117 877 685).

	Group		Company	
	2026 R	2025 R	**2026 R**	2025 R
28. CASH GENERATED FROM OPERATIONS				
Profit before taxation	**119 181 976**	90 476 334	**20 047 805**	17 587 304
Adjustments for non-cash items:				
Depreciation, amortisation, impairments and reversals of impairments	**50 714 969**	41 930 448	**25 692**	15 536
Share of profit of equity-accounted investments	**(8 152 920)**	(14 663 520)	**–**	–
Impairments and movements in credit loss allowances	**–**	(1 047 994)	**–**	473 054
(Profit)/loss on sale of property, plant and equipment	**(7 344 470)**	302 377	**–**	6 622
Adjust for items which are presented separately:				
Interest income	**(5 363 175)**	(2 794 863)	**(100)**	(1 193)
Finance costs	**18 124 506**	15 484 113	**677**	564
Changes in working capital:				
Increase in inventories	**(519 621)**	(3 397 994)	**–**	–
Increase in trade and other receivables	**(25 699 172)**	(12 412 019)	**(1 541 437)**	(2 006 313)
Increase in trade and other payables	**7 040 121**	10 531 809	**484 560**	600 059
Decrease in loans receivables	**95 683**	795 295	**–**	–
	148 077 897	125 203 986	**19 017 197**	16 675 633
29. TAXATION PAID				
Balance at the beginning of the year	**(378 639)**	561 275	**(15 411)**	31 520
Current taxation for the period recognised in profit or loss	**(14 274 212)**	(10 591 526)	**(1 094 201)**	(976 768)
Balance at the end of the year	**(1 372 472)**	378 639	**–**	15 411
	(16 025 323)	(9 651 612)	**(1 109 612)**	(929 837)

30. BUSINESS COMBINATIONS

Cross Company Management Proprietary Limited (CCM)

On 1 April 2025, the Group acquired 100% of the voting equity interest of CCM which resulted in the Group obtaining control over CCM. CCM is a company who owns various investments. At year-end the loan receivable by SepHold of R6 111 226 is eliminated. On date of acquisition the loan receivable amounted to R7 272 626 of which R1 161 400 was repaid by CCM during the year.

Goodwill of R641 082 arising from the acquisition consists largely of the accumulated loss from previous years. Goodwill is not deductible for income tax purposes.

	Group		Company	
	2026 R	2025 R	**2026 R**	2025 R
Fair value of assets acquired and liabilities assumed				
Investments at fair value	**6 594 615**	–	**–**	–
Current tax receivable	**254**	–	**–**	–
Cash and cash equivalents	**36 675**	–	**–**	–
Borrowings	**(7 272 626)**	–	**–**	–
Total identifiable net assets	**(641 082)**	–	**–**	–
Goodwill	**641 082**	–	**–**	–
	–	–	**–**	–
Net cash outflow on acquisition				
Cash consideration paid	**–**	**–**	**–**	**–**
Cash acquired	**36 675**	–	**–**	–
	36 675	–	–	–

Revenue and profit or loss of Cross Company Management Proprietary Limited (CCM)

Revenue of Rnil and loss after tax of R645 of CCM have been included in the Group's results since the date of acquisition.

31. 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	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		Company	
	2026 R	2025 R	**2026 R**	2025 R
Related party balances				
Loan accounts – Owing (to) by related parties				
Métier Mixed Concrete Proprietary Limited	**–**	–	**(111 147 853)**	(94 532 036)
Cross Company Management Proprietary Limited	**–**	7 272 626	**6 111 226**	7 272 626
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^	**(10 569 432)**	(8 707 855)	**–**	–
Related party transactions				
Purchases from (sales to) related parties including VAT				
Dangote Cement South Africa Proprietary Limited	**116 085 005**	102 704 930	**–**	–
Rent paid to (received from) related parties				
Plazatique Corp 27 CC^^	**1 431 586**	1 337 931	**–**	–
WKRD Properties Proprietary Limited^^	**1 307 168**	1 233 638	**–**	–
Management fees paid to (received from) related parties^^^				
Métier Mixed Concrete Proprietary Limited	**–**	–	**(49 681 607)**	(41 137 358)
Utilities paid to related parties				
Plazatique Corp 27 CC	**1 067 848**	1 048 583	**–**	–
WKRD Properties Proprietary Limited	**1 355 987**	1 062 890	**–**	–

^ *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.

32. DIRECTORS' EMOLUMENTS

Executive

Directors' emoluments	Basic salary R	Prior year performance bonuses* R	Travel allowances R	Pension fund R	Total R
2026					
Services as director					
KJ Capes	**4 667 890**	**3 360 000**	**–**	**420 110**	**8 448 000**
NR Crafford-Lazarus	**4 573 500**	**2 640 000**	**150 000**	**364 500**	**7 728 000**
	9 241 390	**6 000 000**	**150 000**	**784 610**	**16 176 000**

Additional to the directors' emoluments paid above the Group settled the approved Long-Term Incentive scheme for FY 2021, which was approved at the Remco meeting on 9 November 2021. The award entitled the financial director to an amount of R4,5 million, requiring the acquisition of shares equal to the after-tax value. At the time management and Remco agreed to defer settlement to protect liquidity and capital stability. The Group's financial position has improved materially. Settlement during the current year maintains alignment with the original incentive intent and is affordable within the Group's current financial capacity.

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

* *The bonus paid in FY 2026 (FY 2025) relates to the FY 2025 (FY 2024) performance.*

Non-executive

Directors' emoluments	Fees for services as director R	Total R
2026		
Services as director		
B Williams	**530 000**	**530 000**
MJ Janse van Rensburg	**440 000**	**440 000**
MM Sedikela	**440 000**	**440 000**
MM Ngoasheng	**440 000**	**440 000**
Dr. L Mohuba	**440 000**	**440 000**
	2 290 000	**2 290 000**

Directors' emoluments	Fees for services as director R	Total R
2025		
Services as director		
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

33. 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
2026					
Trade and other receivables	10	**–**	**147 669 857**	**204 655**	**147 874 512**
Cash and cash equivalents	15	**–**	**30 058 363**	**–**	**30 058 363**
Other investments	13	**4 785 366**	**–**	**–**	**4 785 366**
		4 785 366	**177 728 220**	**204 655**	**182 718 241**
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

Company	Note(s)	Assets at fair value (level 3) R	Amortised cost R	Non-financial instruments R	Total R
2026					
Loans to group companies	8	**–**	**12 229**	**–**	**12 229**
Trade and other receivables	10	**–**	**3 531 995**	**162 305**	**3 694 300**
Cash and cash equivalents	15	**–**	**3 354 521**	**–**	**3 354 521**
Other financial assets	12	**–**	**6 111 226**	**–**	**6 111 226**
Other investments	13	**800 000**	**–**	**–**	**800 000**
		800 000	**13 009 971**	**162 305**	**13 972 276**
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		–	7 272 626	–	7 272 626
Other investments		800 000	–	–	800 000
		800 000	11 670 929	156 156	12 627 085

Categories of financial liabilities

Group	Note(s)	Non-financial instruments R	Amortised cost R	Leases R	Total R
2026					
Trade and other payables	21	**22 486 281**	**89 157 650**	**–**	**111 643 931**
Borrowings	19	**–**	**163 042 847**	**–**	**163 042 847**
Lease liabilities	4	**–**	**–**	**46 658 942**	**46 658 942**
		22 486 281	**252 200 497**	**46 658 942**	**321 345 720**
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

33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Categories of financial instruments (continued)

Categories of financial liabilities (continued)

Company	Note(s)	Non-financial instruments R	Amortised cost R	Total R
2026				
Trade and other payables	21	**1 001 077**	**1 259 273**	**2 260 350**
Loans from group companies	18	**–**	**111 147 853**	**111 147 853**
		1 001 077	**112 407 126**	**113 408 203**
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

The Group believes that the carrying value of the financial instruments approximates the fair value.

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 21% is 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)	**2026 R**	2025 R	**2026 R**	2025 R
Loans from group companies	18	**–**	–	**111 147 853**	94 523 036
Borrowings	19	**163 042 847**	124 371 410	**–**	–
Lease liabilities	4	**46 658 942**	37 562 500	**–**	–
Trade and other payables	21	**111 643 931**	104 603 283	**2 260 350**	1 775 778
Total borrowings		**321 345 720**	266 537 192	**113 408 203**	96 298 814
Cash and cash equivalents	15	**(30 058 363)**	(29 768 153)	**(3 354 521)**	(2 389 367)
Net borrowings		**291 287 357**	236 769 039	**110 053 682**	93 909 447
Equity		**1 381 172 648**	1 289 453 242	**918 396 514**	899 442 912
Gearing ratio		**21%**	18%	**12%**	10%
Gearing ratio excluding IFRS 16 lease liabilities		**18%**	15%	**12%**	10%

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.

33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Financial risk management (continued)

Credit risk (continued)

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 quality of cash in the bank and short-term deposits, excluding cash on hand (according to Moody's short-term ratings):

Group	Global short-term bank deposit rating	Global short-term issuer rating	Outlook	2026 R	2025 R
	Rating type			**Amount**	
Financial institutions:					
First National Bank	P-3	NP	Stable	**26 187 846**	27 194 274
Nedbank Limited	P-3	NP	Stable	**2 157 618**	2 351 867
ABSA Bank Limited	P-3	NP	Positive	**1 254 386**	37 500
				29 599 850	29 583 641

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss.

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.

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:

Group	Note(s)	2026 Gross carrying amount R	2026 Credit loss allowance R	2026 Amortised cost /fair value R	2025 Gross carrying amount R	2025 Credit loss allowance R	2025 Amortised cost /fair value R
Loans receivable	9	**–**	**–**	**–**	94 279	–	94 279
Trade and other receivables	10	**147 874 512**	**–**	**147 874 512**	122 175 340	–	122 175 340
Cash and cash equivalents	15	**30 058 363**	**–**	**30 058 363**	29 768 153	–	29 768 153
		177 932 875	**–**	**177 932 875**	152 037 772	–	152 037 772

33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Financial risk management (continued)

Loans receivable (continued)

Company	Note(s)	2026 Gross carrying amount R	2026 Credit loss allowance R	2026 Amortised cost /fair value R	2025 Gross carrying amount R	2025 Credit loss allowance R	2025 Amortised cost /fair value R
Loans to group companies	8	**12 229**	**–**	**12 229**	12 229	–	12 229
Trade and other receivables	10	**3 694 300**	**–**	**3 694 300**	2 152 863	–	2 152 863
Cash and cash equivalents	15	**3 354 521**	**–**	**3 354 521**	2 389 367	–	2 389 367
		7 061 050	**–**	**7 061 050**	4 554 459	–	4 554 459

The gross 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	Notes	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
2026							
Non-current liabilities							
Borrowings	19	**–**	**48 302 434**	**75 551 169**	**3 572 800**	**127 426 403**	**116 558 125**
Lease liabilities	4	**–**	**14 239 403**	**23 850 760**	**2 443 194**	**40 533 357**	**33 687 977**
Current liabilities							
Trade and other payables	21	**89 157 649**	**–**	**–**	**–**	**89 157 649**	**89 157 649**
Borrowings	19	**59 030 607**	**–**	**–**	**–**	**59 030 607**	**46 484 722**
Lease liabilities	4	**17 022 068**	**–**	**–**	**–**	**17 022 068**	**12 970 965**
		165 210 324	**62 541 837**	**99 401 929**	**6 015 994**	**333 170 084**	**300 772 374**
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

33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

Company	Notes	Less than 1 year R	Total R	Carrying amount R
2026				
Current liabilities				
Trade and other payables	21	**1 787 275**	**1 787 275**	**1 787 275**
Loans from group companies	18	**111 147 853**	**111 147 853**	**111 147 853**
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

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 34 Going concern.

Market risk

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Market risk arises from the Group's use of interest bearing and tradable financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors.

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 2026, if the interest rates on cash and cash equivalents had been 1% (2025: 1%) higher or lower during the period, with all other variables held constant, pre-taxation profit for the year would have been R792 392 (2025: R526 068) 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 R213 946 (2025: R142 038).

At 31 March 2026, if the interest rates on borrowings had been 1% per annum (2025: 1%) higher or lower during the period, with all other variables held constant, pre-taxation profit for the year would have been R1 1812 383 (2025: R1 548 356) higher or lower, as a result of higher or lower interest expense on floating rate borrowings. The resulting taxation effect would have been R489 343 (2025: R418 056).

Company

At 31 March 2026, if the interest rates on cash and cash equivalents had been 1% (2025: 1%) higher or lower during the period, with all other variables held constant, pre-taxation profit for the year would have been R20 (2025: R239) 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 2026, if the interest rates on borrowings had been 1% per annum (2025: 1%) higher or lower during the period, with all other variables held constant, pre-taxation profit for the year would have been Rnil (2025: 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.

34. 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 consider various options including, but not limited to, the approval of dividends from its subsidiary and the realisation of assets. 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. The R40 million overdraft facility provides enough headroom to ensure that all foreseeable cash requirements will be met.

The refinanced SepCem loan granted by Nedbank and Standard Bank was repaid in full in 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.

35. EVENTS AFTER THE REPORTING PERIOD

Apart from the Associate's event that is disclosed in note 7 Investment in associate, the directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

36. NET ASSET VALUE PER SHARE AND EARNINGS PER SHARE

	Group	
	2026 R	2025 R
Net asset value and tangible net asset value per share		
Total assets	**1 741 720 358**	1 583 977 101
Total liabilities	**(360 547 710)**	(294 523 859)
Net asset value attributable to equity holders of parent	**1 381 172 648**	1 289 453 242
Goodwill	**(224 063 063)**	(223 421 981)
Tangible net asset value	**1 157 109 585**	1 066 031 261
Shares in issue	**254 486 436**	254 486 436
Less: Treasury shares	**(23 576 710)**	(22 700 000)
Total shares outstanding	**230 909 726**	231 786 436
Net asset value per share (cents)	**598.14**	556.31
Tangible net asset value per share (cents)	**501.11**	459.92

36. NET ASSET VALUE PER SHARE AND EARNINGS PER SHARE (CONTINUED)

	Group			
	2026 Gross R	**2026 Net R**	2025 Gross R	2025 Net R
Reconciliation of basic earnings to diluted earnings and headline earnings:				
Profit attributable to ordinary equity holders of the parent entity		**93 313 801**		73 551 307
IAS 33 earnings		**93 313 801**		73 551 307
Less loss/(profit) on the disposal of plant and equipment (note 23 and 24)	**(7 344 470)**	**(5 361 463)**	302 377	220 735
Less share of "look-through" adjustments of associate:	**(806 400)**	**(588 672)**	(460 080)	(335 858)
– (Profit)/loss on the disposal of plant and equipment	**(806 400)**	**(588 672)**	(460 080)	(335 858)
– Insurance proceeds on plant and equipment	**–**	**–**	–	–
Headline earnings and diluted headline earnings attributable to equity holders of parent		**87 363 666**		73 909 238
Basic weighted average number of shares		**230 431 032**		232 995 700
Diluted weighted average number of shares		**230 431 032**		232 995 700
Basic earnings per share (cents)		**40.50**		31.57
Diluted earnings per share (cents)		**40.50**		31.57
Headline earnings per share (cents)		**37.91**		31.52
Diluted headline earnings per share (cents)		**37.91**		31.52

37. SEGMENT INFORMATION

	Ready-mix concrete R	**Head office R**	**Group totals R**
2026			
Segment revenue – external revenue	**1 291 486 841**	**–**	**1 291 486 841**
Segment raw materials	**(745 239 628)**	**–**	**(745 239 628)**
Segment transportation	**(154 882 964)**	**–**	**(154 882 964)**
Segment production expenses	**(29 077 811)**	**–**	**(29 077 811)**
Segment employee benefit expenses	**(118 209 017)**	**(16 062 222)**	**(134 271 239)**
Segment administration and other operating expenses	**(57 347 551)**	**(5 100 325)**	**(62 447 876)**
Profit on sale of property, plant and equipment	**7 344 470**	**–**	**7 344 470**
Segment profit/(loss) after taxation	**107 441 541**	**(22 280 661)**	**93 313 800**
Taxation	**(24 773 974)**	**(1 094 202)**	**(25 868 176)**
Interest received	**5 360 719**	**2 456**	**5 363 175**
Interest paid	**(18 123 830)**	**(676)**	**(18 124 506)**
Depreciation and amortisation	**(50 689 277)**	**(25 691)**	**(50 714 968)**
Segment assets	**600 942 421**	**232 291 913**	**1 741 720 358**
Capital expenditure included in segment assets	**119 885 752**	**–**	**119 885 752**
Segment liabilities	**(358 748 325)**	**(1 799 385)**	**(360 547 710)**

37. SEGMENT INFORMATION (CONTINUED)

	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)
Loss on sale of property, plant and equipment	(295 755)	–	(295 755)
Segment profit/(loss) after taxation	75 847 115	(16 959 328)	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	234 102 995	1 583 977 101
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)

The only commodity actively managed by Métier is ready-mix 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.

The "Head office" financial information presented in the segment information comprises corporate headquarters activities that provide support functions to the Ready-mix concrete operating segment, including accounting and management activities. The revenue earned by Head office, which is eliminated on consolidation, and the expenses incurred are incidental to the entity's business, as these activities exist solely to support the principal operations of the Group. Accordingly, Head office does not represent an operating segment. Head office information is presented separately from the Ready-mix concrete operating segment in order to reconcile the segment information to the consolidated financial statements and to provide additional information that contributes to an understanding of the Group.

Cement segment

SepCem, the Group's equity-accounted associate, is also considered to be a reportable operating segment of the Group. The CODM regularly reviews the financial performance of SepCem, which is an integrated cement and clinker producer.

The segment information of the Cement segment should be considered in conjunction with the segment information in the table above. The total column in the table above is a sum of Ready-mix concrete segment and the Cement segment. Under the equity method of accounting, the Group's consolidated financial statements reflect only the investment in the Associate (in the consolidated statement of financial position) and the share of the Associate's profit or loss (in the consolidated statement of profit or loss and other comprehensive income), rather than the underlying revenue, expenses, assets and liabilities of the Associate on a line-by-line basis.

The financial information of the Cement segment is presented in note 7 Investment in associates, which represents the level of financial information reviewed by the CODM in assessing the performance of this segment.

The measure of the Cement segment's profit or loss and other line items, as reviewed by the CODM, is reconciled to the consolidated financial information of the Group as follows:

37. SEGMENT INFORMATION (CONTINUED)

Cement segment (continued)

	Cement segment R'000	Equity method adjustment R'000	Amount in consolidated financial statements (included in the Group segment information above) R'000
2026			
Segment revenue – external	**2 662 789**	**(2 662 789)**	**–**
Segment cost of sales	**(2 414 045)**	**2 414 045**	**–**
Segment profit after tax (attributable owners of the parent)	**22 647**	**(22 647)**	**8 153 [share of associate's profit]**
Total assets	**3 414 860**	**(3 414 860)**	**908 486 [investment in associate]**
Total liabilities	**1 496 515**	**(1 496 515)**	**–**
2025 (restated)**			
Segment revenue – external	2 785 449	(2 785 449)	–
Segment cost of sales	(2 442 885)	2 442 885	–
Segment profit after tax (attributable owners of the parent)	40 732	(40 732)	14 664 [share of associate's profit]
Total assets	3 655 651	(3 655 651)	865 605 [investment in associate]
Total liabilities	1 761 783	(1 761 783)	–

** *Disclosure in respect of the Cement segment was not included in the prior year. The presentation of financial information relating to the prior year, in respect of the Cement segment, has been included in this note to appropriately present the Cement segment as a separate segment. This correction in presentation has no impact on the primary statements or any other note to the financial statements.*

SUPPLEMENTARY INFORMATION

1. SHAREHOLDERS' ANALYSIS

Ordinary shares as at 31 March 2026

Number of ordinary shares in issue during the financial year:	**254 486 436**
Total holders:	**11 204**

Issued capital

Type of shares	Number of shareholders	% of shareholders	Number of shares
Certificated shares	**119**	**1.06**	**26 426 851**
Dematerialised shares	**11 085**	**98.94**	**228 059 585**
Total issued capital	**11 204**	**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**
Métier Mixed Concrete Proprietary Limited	**22 700 000**	**8.92**
Safika Resources Proprietary Limited (Certificated)	**19 043 228**	**7.48**
Mr. D Fraser	**16 884 724**	**6.63**
Mr. RC Williams	**15 642 920**	**6.15**

Range of shareholdings

Share range	Number of shareholders	% of shareholders	Number of shares
1 – 1 000	**10 032**	**89.54**	**759 477**
1 001 – 10 000	**672**	**6.00**	**2 592 302**
10 001 – 50 000	**272**	**2.43**	**6 677 370**
50 001 – 100 000	**77**	**0.68**	**5 503 023**
100 001 – 500 000	**95**	**0.85**	**22 313 719**
500 001 – 1 000 000	**19**	**0.17**	**13 716 915**
1 000 001 shares and over	**37**	**0.33**	**202 923 630**
Total	**11 204**	**100.00**	**254 486 436**

Breakdown by domicile

Domicile	Number of shareholders	% of shareholders	Number of shares
Non-resident shareholders	**77**	**0.69**	**19 513 921**
Resident shareholders	**11 127**	**99.31**	**234 972 515**
Total	**11 204**	**100.00**	**254 486 436**

Public and non-public shareholders	Shares held	%	Number of shareholders
Public	**194 006 524**	**76.23**	**11 195**
Non-public	**60 479 912**	**23.77**	**9**
– Directors' direct holdings	**17 034 683**	**6.69**	**3**
– Directors' indirect holdings	**19 719 840**	**7.75**	**2**
– Directors' associates	**148 679**	**0.06**	**2**
– Treasury shares	**23 576 710**	**9.27**	**2**
Total issued capital	**254 486 436**	**100.00**	**11 204**

The supplementary information presented does not form part of the annual financial statements and is unaudited.

NOTICE OF ANNUAL GENERAL MEETING

10 September 2026

INDEX

LETTER TO SHAREHOLDERS

We invite you to attend the Sephaku Holdings Limited annual general meeting (AGM), which will be held electronically on Thursday, 10 September 2026 at 11:00HS 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 an opportunity to engage with company executives regarding the group's performance for the year ended 31 March 2026.

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 121.

Yours sincerely

Acorim

Acorim Proprietary Limited
Group company secretary

31 July 2026

NOTICE OF ANNUAL GENERAL MEETING

SEPHAKU
HOLDINGS LTD

Sephaku Holdings Limited
Incorporated in the Republic of South Africa
Registration number: 2005/003306/06
JSE share code: SEP
ISIN: ZAE000138459
Main Board – General Segment

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, 10 September 2026 at 11:00HS.

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 Listings Requirements (Listings Requirements) of the JSE Limited (JSE), 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, 24 July 2026; and
- participate in, and vote on the resolutions to be proposed at the AGM by Friday, 4 September 2026.

Accordingly, the last day to trade SepHold shares to be entitled to participate in and vote during the AGM will be Tuesday, 1 September 2026.

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 8 September 2026.

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 (TMS) on proxy@tmsmeetings.co.za as soon as possible, but in any event no later than 11:00HS on Tuesday 8 September 2026. 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 2026 (2026 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 2026 AFS

The FY 2026 SepHold integrated annual report and consolidated AFS of SepHold and its subsidiaries were made available to shareholders on 31 July 2026. The 2026 AFS together with the report of the independent auditors and the reports of the directors, the audit and risk committee and the social and ethics committee and the remuneration report (inclusive of the company's remuneration policy) 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 2026 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 2026 integrated report on page 41 and is also available at www.sephakuholdings.com.

Presentation of remuneration report

The remuneration report and remuneration policy of SepHold for the year ended 31 March 2026 on pages 43 to 48 of the Integrated Report are presented to shareholders for approval in accordance with sections 30A, 30B and 61(8)(a)(v) of the Companies Act.

Note: The remuneration policy which is incorporated into the remuneration report of SepHold for the year ended 31 March 2026 has also been published on the company's website (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 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 FY2026 for both SepHold and the subsidiary of Métier Mixed Concrete was R1.265 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 Dr. Lelau Mohuba, 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 2.2: "**Resolved** that the re-election of Mr. Brent Williams, as an independent 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 an independent 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, Dr. Lelau Mohuba, 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.

The Board confirms that fit and proper assessments have been conducted in respect of the directors standing for re-election and the Board is satisfied with the outcome of the assessments.

Abbreviated curricula vitae in respect of each director listed above appears on page 38 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."

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 38 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 Dr. Lelau Mohuba as a member and chairperson of the social and ethics committee, be and is hereby confirmed, subject to the passing of ordinary resolution 2.1."

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 38 of the IAR.

ORDINARY RESOLUTION 5 (COMPRISING ORDINARY RESOLUTION 5.1 AND 5.2, ALL INCLUSIVE)

Remuneration policy and implementation report
Ordinary resolution 5.1: "**Resolved** that SepHold's remuneration policy, as set out on page 43 of the IAR, be and is hereby approved."

Ordinary resolution 5.2: "**Resolved** that the remuneration implementation report, as set out on page 46 of the IAR, be and is hereby approved."

Explanatory note
Section 30A of the Companies Act requires that the Company must prepare and present for approval, by shareholders, a remuneration policy for approval, by shareholders, to submit its remuneration policy comprising a background statement, the company's remuneration policy and an implementation report to shareholders for consideration and approval.

Shareholders are referred to the remuneration policy contained in the remuneration report for the year ended 31 March 2026, as set out on pages 43 to 48 of the IAR. The remuneration policy has also been published on the company's website (www.sephakuholdings.com).

The remuneration policy must be presented to and approved by shareholders at the AGM by an ordinary resolution and if not approved must be presented at the next annual general meeting or at a shareholders meeting called for such purpose. It will remain in force for a period of three years from approval and must be approved every three years thereafter. It may be amended prior to the end of the three-year period provided that any material amendment can only be implemented after it is approved by the shareholders by an ordinary resolution at a shareholders meeting called for this purpose or at an annual general meeting.

Section 30B of the Companies Act requires that the company must prepare a remuneration report in respect of the previous financial year for presentation and approval at the AGM. The remuneration report must consist of the following parts: (i) Background statement; (ii) a copy of the company's remuneration policy; and (iii) an implementation report containing details of (a) the total remuneration received by each director and prescribed officer in the company, (b) the total remuneration in respect of the employee with the highest total remuneration, (c) the total remuneration in respect of the employee with the lowest total remuneration in the company and (d) the average total remuneration of all employees, median remuneration of all employees and the remuneration gap reflecting the ratio between the total remuneration of the top five per cent highest paid employees and the total remuneration of the bottom five per cent lowest paid employees of the company.

Shareholders are referred to the remuneration report for the year ended 31 March 2026, as set out on pages 43 to 48 of the IAR.

The remuneration report must be approved by shareholders at the AGM by an ordinary resolution and if not approved, the Remuneration and Nominations Committee must, at the next annual general meeting, present an explanation on the manner in which the shareholders' concerns have been taken into account and the non-executive directors of the company who serve on the Remuneration and Nominations Committee must stand for re-election as members of thereof at the annual general meeting at which the explanation is presented. If at the annual general meeting in the year immediately following the year in which the aforementioned explanation is provided to shareholders, the remuneration report in respect of the previous financial year is also not approved by ordinary resolution of shareholders, (subject to having served as members of the Remuneration (and Nominations) Committee for a period of not less than 12 months in the year under review) the non-executive directors of the company who serve on the Remuneration (and Nominations) Committee may continue to serve as directors provided they successfully stand for re-election at that annual general meeting and these non-executive directors will not be eligible to serve on the committee for a period of two years thereafter.

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 (excluding treasury shares) as at the date of this notice being 11 545 486 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; and
- 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.

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 2026 be approved."

FY 2026 annual fee

Chairperson of the Board	**R530 000**
Independent non-executive	**R440 000**

FY 2027 proposed annual fee

Chairperson of the Board	**R560 000**
Independent non-executive	**R465 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 2026, 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 Companies 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 2027 annual general meeting.

Any section 44 Board resolution will be subject to and effective to the extent that Special Resolution Number 2 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 2 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 2 and 3 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 2026

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, 10 September 2026 at 11:00HS.

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 Tuesday 8 September 2026 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
Main Board – General Segment

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 Dr. Lelau Mohuba			
2.2 Re-election of Mr. Brent Williams as a director			
2.3 Re-election of Mr. Moss 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			
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 subject to the passing of resolution 2.1			
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. Approval of the remuneration policy and implementation report			
5.1 Approval of the remuneration policy			
5.2 Approval 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 ______________________ 2026

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 11:00HS, Tuesday, 8 September 2026 (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
Main Board – General Segment

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 11:00HS on Tuesday, 8 September 2026.

- 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, 9 September 2026 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 11:00HS on Tuesday, 8 September 2026.
- 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
AI	Artificial intelligence
AMCU	Association of Mineworkers and Construction Union
ARC	Audit and risk committee
BBBEE	Broad-Based Black Economic Empowerment
CCM	Cross Company Management
CEO	Chief executive officer
CFO	Chief financial officer
CGU	Cash-generating units
Companies Act	Companies Act of South Africa No 71 of 2008
CPI	Consumer Price Inflation
CSDP	Central Securities Depository Participant
CY	Calendar year
DCP	Dangote Cement PLC
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortisation
ECL	Expected credit losses
EPS	Earnings per share
ESD	Enterprise and supplier development
ESG	Environment, social and governance
Exco	Executive committee
FCF	Free cash flow
FD	Financial director
FNB	First National Bank
FRSC	Financial Reporting Standards Council
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
FY	Financial year
GDP	Gross domestic product
HDSA	Historically Disadvantaged South African
HEPS	Headline earnings per share
IAR	Integrated annual report
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
ISAs	International Standards on Auditing
ISA	Instalment sale agreement

ITAC	International Trade Administration Commission
JIBAR	Johannesburg Interbank Average Rate
JSE	Johannesburg Stock Exchange
King IV	King Report on Corporate Governance™ for South Africa, 2016
KPI	Key performance indicator
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
NUM	National Union of Mineworkers
PM10	Particulate matter with a diameter of 10 micrometres or less
PM2.5	Particulate matter with a diameter of 2.5 micrometres or less.
PPE	Property, plant and equipment
REMCO	Remuneration and nomination committee
SAICA	South African Institute of Chartered Accountants
SARS	South African Revenue Service
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
UAM	Union Atlantic Minerals Limited
YoY	Year-on-year

CORPORATE INFORMATION

Directors	B Williams* (Chairperson) MJ Janse van Rensburg* MM Sedikela* MM Ngoasheng* NR Crafford-Lazarus° (FD) Dr. L Mohuba KJ Capes° (Métier and SepHold CEO) ° *Executive* * *Independent non-executive*
Company secretary	Acorim Proprietary Limited Email: sephaku@acorim.co.za Telephone: +27 11 325 6363
Investor relations	Email: info@sephold.co.za Telephone: +27 12 684 6300
Registered office	Southdowns Office Park, First floor, Block A Cnr Karee and John Vorster Streets Irene X54, 0062 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 78 286 9556
Auditors	PricewaterhouseCoopers Incorporated (PwC) Chartered Accountants (SA) Registered Auditors
Bankers	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

SEPHAKU
HOLDINGS LTD

www.sephakuholdings.com