Salient features

- ArcelorMittal South Africa today is fundamentally different from eighteen months ago
- 2026 is a transition year. While profitability and free cash flow remain under pressure, management has successfully protected liquidity
- The Company's turnaround is gaining momentum with the placing into care and maintenance of the severely loss-making Long steel operation, operational simplification, reliability improvements, procurement savings and fixed cost resizing
- Crude steel production down 35% or 5% down on a like-for-like basis[1]. Revenue declined 30% or 1.4% down on a like-for-like basis. The R/$ exchange rate strength had a material 11% negative impact
- Average realised steel prices decreased by 4% in rand terms (increased by 7% in dollar terms), amid extremely challenging market conditions and elevated imports (at 47% of South Africa's Apparent Steel Consumption), as trade measures remain largely ineffective
- The AMSA raw material basket cost decreased by 10%, reducing to 37% of cash cost per tonne (2025 H1: 42%), while the international raw material basket remained flat in rand terms
- Fixed cost decreased 6% to R2 910 per tonne from R3 109 per tonne
- EBITDA loss increased to R409 million (2025 H1: R110 million loss), including non-recurring costs of R38 million severance- and credit loss charges, R222 million of charges to support liquidity, a R74 million charge to settle a legacy municipal legal dispute, and R237 million relating to mainly the recovery of the blast furnace chilled hearth conditions in January 2026 due to iron ore quality issues
- Normalised EBITDA[2] is trending positively
  - Excluding the non-recurring Long steel operation support in the 2025 comparables, underlying EBITDA improved by over R172 million in H1 2026
  - Quarterly progression of EBITDA excluding Long steel operation support: 2025 Q3: -R1 084 million; Q4: -R639 million; and for 2026: Q1: -R342 million; Q2: -R67 million
- Net finance cost paid decreased from R302 million (2025 H1) to R249 million (2026 H1) due to the reduced Borrowing Based Facility (BBF) and utilisation
- Headline loss amounted to R1 489 million (2025 H1: R1 014 million)
- Free cash outflow for the six months of R1 186 million reflected higher than planned steel inventory levels due to an overstocked market on account of high imports, the wind-down of the Long steel operation, and close-out of a R2 billion legacy trade supplier financial facility
- Net borrowings increased to R7.9 billion (30 June 2025: R4.6 billion; 31 December 2025: R6.8 billion), aligned to the free cash outflow for 2026 H1
- The large-scale sale of non-core assets and operations in care and maintenance has been put on hold pending the outcome of the IDC transaction
- Structural cost base remains too high necessitating the progression of initiatives with Eskom and Transnet, other operational energy and logistics partners, further footprint optimisation, and execution of AI-enabled productivity and automation initiatives
- Restart of smelting activity within the ferrochrome industry will aid recovery of commercial market coke sales in 2026 H2
- Level 3 B-BBEE achieved for 2025[3], improving from Level 7 in 2024

The analysis below relates to the six months ended 30 June 2026 (current period) compared to the six months ended 30 June 2025 (comparative period), except where otherwise indicated.

[1] Like-for-like basis: impact of the Newcastle Works closure removed from 2025 H1 comparable numbers
[2] Normalised EBITDA: impact of Long steel operation support removed
[3] Certified in 2026, with 2024 result certified in 2025

Positive momentum on turnaround despite difficult market conditions

ArcelorMittal South Africa today is fundamentally different from eighteen months ago.

The severely loss-making Long steel operation (specifically Newcastle) has been addressed, costs have been structurally reduced, , and normalised EBITDA is recovering. The pace of recovery will quicken once outstanding trade tariff measures and electricity tariff relief are announced. The Borrowing Base Facility (BBF), a critical working capital support for inventory and receivables financing, is in the process of being renewed. These elements are a runway to a demonstrably stronger balance sheet and significantly lower credit risk profile for the Company in the future.

Customer and market positioning. After a challenging 2025, the Company remains focused on improving product quality, reliability of supply and customer service while strengthening its position in priority domestic markets. More is needed to support our most important stakeholder – our customers – in trying market conditions but the trend is improving.

Structural repositioning and operational improvements are gaining traction. The path to a more competitive structural cost base remains arduous. During the period, the Company continued to improve operational reliability, simplify its operating footprint and implement cost optimisation initiatives aimed at strengthening competitiveness and supporting long-term sustainability.

Government policy environment is becoming more supportive. The Company has noted encouraging progress in several government initiatives aimed at improving the competitiveness of the domestic steel industry, including trade measures and broader industrial support initiatives.

Continued shareholder support. The Company continues to benefit substantially from the ongoing support of its strategic shareholder, ArcelorMittal Group.

Repurposing of assets. Substantial interest has been expressed by interested parties to pursue joint development opportunities. Data centres, pig iron production and export, direct reduced iron production and export, inland port and industrial hub development, renewable energy projects and localisation of mainline rail, are but a few positive options. Opportunities can be pursued more vigorously once there is strategic clarity around the IDC transaction.

2026 is a transition year. While profitability and free cash flow remain under pressure, management has successfully protected liquidity.

Financial results

As anticipated, currency strength has had a material impact on the results, particularly affecting revenue performance. Revenue declined 30% to R12.0 billion (2025 H1: R17.1 billion) following the closure of the Newcastle Works.

China’s export hot rolled coil price of $490 per tonne increased by 7% compared to 2025 H1’s $460 per tonne. The Company’s average dollar steel prices mirrored international trends, increasing by 7% to $843 per tonne from $787 per tonne in 2025 H1 (a 4% decrease in rand terms), amid extremely challenging market conditions and elevated imports.

Financial results *continue*

International raw material basket costs remained flat in rand terms (13% up in dollar terms; R/$ exchange rate strengthened by 11%), while the Company's raw material basket cost decreased by 10% supported by hard-won procurement and logistics initiatives. Raw material basket costs reduced to 37% of cash cost per tonne (2025 H1: 42%).

Geopolitical disruptions in the Middle East increased direct and indirect operating costs by approximately R162 million during the period, and a temporary surcharge was implemented to partially offset these cost pressures, which remains in place pending market normalisation.

Fixed cost decreased 6% to R2 910 per tonne from R3 109 per tonne.

Consumables and auxiliaries constitute 42% of cash cost per tonne (2025 H1: 39%). Benefits from lower alloys, fluxes and electrode cost were lost due to a 12% increase in electricity tariffs.

Steel inventory at 282 000 tonnes compares to December 2025's 286 000 tonnes. It is higher than planned due to an overstocked market resulting from high imports.

The Value Plan delivered benefits of approximately R209 million.

EBITDA loss increased to R409 million (2025 H1: R110 million loss), including non-recurring costs of R38 million severance- and credit loss charges, R222 million of charges to support liquidity, a R74 million charge to settle a legacy municipal legal dispute, and R237 million relating to mainly the recovery of the blast furnace chilled hearth conditions in January 2026 due to iron ore quality issues.

Net finance cost paid decreased from R302 million 2025 H1 to R249 million 2026 H1 due to reduced interest paid on the Borrowing Based Facility. The facility amount reduced from R4 500 million to R3 000 million in December 2025 following the placing of the Long steel operation into care and maintenance, and lower collateralised eligible receivable and inventory available.

Headline loss amounted to R1 489 million (2025 H1: R1 014 million).

Capital expenditure reduced 39% to R282 million (2025 H1: R462 million) following the closure of Newcastle Works.

Operating cash outflow was R1 093 million (2025 H1: inflow of R1 529 million), with free cash outflow of R1 186 million (2025 H1: R925 million inflow) reflecting higher than planned steel inventory levels due to an overstocked market resulting from high imports, the wind-down of the Long steel operation, and the close-out of a R2 billion legacy trade supplier financial facility (straddling 2025 Q4 and 2026 Q1).

Net borrowings increased to R7.9 billion (30 June 2025: R4.6 billion; 31 December 2025: R6.8 billion), aligned to the free cash outflow for 2026 H1.

The R3.0 billion Borrowing Base Facility is in the process of being renewed.

Markets

Global economic growth remained resilient, but global steel demand and market conditions remained subdued.

Excess global steelmaking capacity, elevated exports and continued oversupply from China and other Asian countries placed pressure on prices, margins and trade flows, prompting multiple governments around the world to substantially strengthen trade barriers and trade protection measures in response to unfair trade and import diversion.

Markets *continue*

Carbon-related border measures increasingly influenced global steel competitiveness and investment decisions. Importers into the EU began paying for embedded emissions in 2026. The USA also strengthened its trade regime.

Global production was down 1% at 932 million tonnes[4]. Chinese production fell 3% to 500 million tonnes, with a 54% market share. South Africa's production was 14% lower at 2,1 million tonnes.

Average international hot rolled coil prices increased by 10% to $670 per tonne (2025 H1: $607 per tonne). Chinese export price spreads for Hot Rolled Coil over the international raw material basket cost of $107 per tonne, remains far below sustainable levels ($200-$220 per tonne).

Only 51% of Chinese steel mills are profitable in 2026 H1 (2025 H1: 54%) due to weak domestic demand, overcapacity and margin pressure[5].

In South Africa, sustained imports along the value chain from Far Eastern developing countries in particular, and ongoing circumvention, continued to place pressure on domestic producers, highlighting the need for additional trade protection measures. The key support still required is:

- Safeguard loophole closure with a particular focus on developing countries
- ITAC Steel Review with a specific focus on import controls, applying quotas to ensure domestic capacity utilisation, minimum import pricing, compliance with quality standards remains outstanding
- Cold rolled, galvanised and colour-coated safeguards and anti-dumping measures
- Scrap PPS review and export tax measures

South Africa's 2026 GDP growth rate is expected to reach 1.1%[6], steady against 2025.

Flat Steel Apparent Steel Consumption (ASC)[7] was up 2% at 1.3 million tonnes for 2026 H1, partly driven by elevated Q2 imports, reflecting inventory replenishment and purchases brought forward ahead of anticipated trade measures implementation.

A mixed performance was recorded in key steel-consuming sectors with Construction down 2.2%, Manufacturing down 0.3%, Agriculture up 3.9%, Mining up 3.0% and Machinery & Equipment up 1.1%.

Steel imports[8] at 47% (2025 H1: 50%) of ASC, were down 4% at 629 000 tonnes. Approximately 63% or some 396 000 tonnes of these steel imports are capable of being manufactured locally. Replacing these imports has the potential to raise the sales volumes of local mills by between 33 000 tonnes and 36 000 tonnes per month – which would have a meaningful impact on their sustainability.

With imports expected to reduce in 2026 H2, market demand is anticipated to stabilise, supporting a broadly stable ASC in 2026 (compared to that of 2025), at approximately 2.6 million tonnes.

Government action around unfair trade is gaining momentum to protect and advance the domestic steel industry, including downstream manufacture. However, customers continued to report high inventory levels amid stagnant demand and persistently high imports.

[4] Source: Worldsteel Association
[5] Source: Kalkine Technology, article of 30 June 2026
[6] Source: Econometrix, IMF 2026
[7] ASC is the sum of net industry shipments plus its imports and minus its exports
[8] Source: SARS (June estimated)

Markets *continue*

ArcelorMittal South Africa's localisation and value-added initiatives also progressed positively with the decision to continue operations at the special Bar Mill at Vereeniging, new special-grade developments, and technical partnerships aimed at supporting automotive, mining, engineering and renewable energy steel applications.

Total steel sales volumes declined by 28% to 758 000 tonnes from 1,05 million tonnes in 2025 H1, following the closure of Newcastle Works. Excluding Newcastle Works, sales volumes were down 2% to 750 000 tonnes from 764 000 tonnes in 2025 H1. Flat steel sales volumes increased by 3% to 684 000 tonnes from 667 000 tonnes in 2025 H1, indicating modest growth in customer demand despite challenging market conditions.

Operations

Restoring the Flat steel operation to sustainable profitability is the key 2026 strategic priority, supported by improved execution, productivity, automation and AI-driven efficiencies.

Capacity utilisation in the Flat steel operations decreased from 69% to 66%.

Crude steel production decreased by 35% to 837 000 tonnes from 1,28 million tonnes in 2025 H1, reflecting the impact of footprint optimisation initiatives. Excluding Newcastle Works, crude steel production was down 5% to 837 000 tonnes from 878 000 tonnes in 2025 H1.

Blast furnace C instability which rolled over from 2025 Q4 into 2026 Q1, was successfully addressed in 2026 Q2, returning the furnace to stabilised production. Work continues with suppliers to ensure that the costly iron ore quality issues do not reoccur.

In 2026 Q4, Blast Furnace C will undergo its planned bi-annual shotcrete and stave refurbishment. Timing will depend on market conditions and inventory levels. Should these remain elevated, the stoppage will be extended to manage down working capital levels in the interest of liquidity management.

Asset reliability, refurbishments and quality improvements remain central, supported by ArcelorMittal Group collaboration and targeted product and, specifically, plate and rail supply actions. Intense focus is on the steel-making plant, plate mill, hot strip mill and AMRAS so as to support better customer supply.

Operational priorities remain throughput, quality, efficiency and conversion cost. Conversion cost inflation remains a constant threat as it risks undermining the hard-won raw material basket cost advantage. The Value Plan / Continuous Improvement programme remains central to this initiative, with a specific focus on energy efficiency and logistics cost.

Energy and footprint optimisation initiatives are progressing, including tighter usage control and the temporary pausing of selected cold rolling and galvanising capacity, until imports levels reduce and market activity improves.

Logistics resilience improved despite shipping disruptions and local protest action, with alternative routing, tighter transporter management and rail/inter-modal solutions being pursued.

Lessons learnt at Pretoria- and Saldanha Works, will see efforts continuing in Newcastle with the aim of developing alternative revenue sources to ensure that at minimum, care and maintenance costs are covered.

The Company is positioned to support domestic demand growth and import substitution through competitive, reliable and high-quality local supply to domestic customers in support of market share retention, import replacement and downstream industrial development.

Safety, Environmental, Social and Governance (ESG)

Safety
Safety performance has demonstrated meaningful progress. Total injuries reduced from 113 to 44 and there is continued focus on stronger reporting, proactive risk management and visible leadership. The Company's lost-time injury frequency rate (LTIFR[9]) increased from 0,41 to 0,72 and the total injury frequency rate (TIFR) decreased from 7,8 to 4,5.

Environmental
The Company acquired full control of Collect-a-Can in 2025, which continues to strengthen the Company's contribution to the circular economy by expanding sustainable ferrous scrap recovery and recycling, creating income opportunities for communities.

A reduction in the coke making footprint at Vanderbijlpark reduced the SO_2 footprint by a very substantial 84%. ArcelorMittal South Africa now only contributes some 2% of the SO_2 in the Vaal area. This represents substantial and meaningful progress for our core business in the Vaal.

Several onsite energy projects are under way to optimise the use of internally produced gasses which will reduce the carbon footprint further.

The Company remains committed to pursuing a responsible and economically sustainable decarbonisation pathway, supported by continued improvements in energy efficiency and operational performance.

The capping of the hazardous waste site at the Newcastle facility was completed and the steel-making waste site is scheduled for 2026 H2.

Transformation and Sustainability
The Company achieved Level 3 B-BBEE Contributor status, representing a significant improvement in its empowerment credentials.

Social
Community and skills initiatives delivered the targeted impact, including science centre support to more than 37 500 learners and 1 300 teachers, over 250 000 meals for vulnerable communities, and youth development through the *GetOn* Foundation, which created 296 work opportunities.

A strong training pipeline of 551 learners was maintained including technical apprenticeships, production training and engineering bursaries.

The Company continues to engage constructively with employees, organised labour, customers, suppliers, communities and government stakeholders in support of the long-term sustainability and competitiveness of the business.

Legal and Regulatory Matters

Manngwe Mining Proprietary Limited (Manngwe)
In May 2026, Manngwe lodged a complaint with the Competition Commission and an application for interim relief, alleging, amongst other things, that the Company unlawfully discriminated against Manngwe in its procurement of iron ore, refused to purchase iron ore from Manngwe, that such conduct contributed to the closure of Manngwe's mine, and that the Company entered into anti-competitive arrangements on unfair terms. ArcelorMittal South Africa disputes the allegations and intends to oppose the application and defend the proceedings.

[9] Defined as Lost Time Injuries (LTI) per million worked hours (own personnel and contractors); A LTI is an incident that causes an injury that prevents the person from returning to their next scheduled shift or work period

Legal and Regulatory Matters *continue*

Duferco Steel Processing Proprietary Limited (DSP)
On 13 March 2026, DSP lodged a complaint with the Competition Commission alleging that the Company abused its dominant position by charging excessive prices for hot rolled coil and by supporting additional trade protection measures. The Company disputes the allegations and maintains that its pricing to DSP was commercially reasonable and well below the threshold for excessive pricing.

Changes to the board of directors

No changes to board of directors in 2026 H1.

Dividends

No dividends were declared for the period up to 30 June 2026.

Outlook for the second half of 2026

Safety is the Company's highest priority as it remains committed to Zero Harm. Process safety management improvements currently being piloted will add substantial value.

Local market conditions are expected to remain challenging during the second half of 2026; however, increased infrastructure investment, anticipated policy support and fair trade measures are expected to provide progressively greater support to the steel value chain, particularly moving into 2027.

Having largely completed the wind-down of the Long steel operation, efforts to address the structural cost disadvantage must be accelerated, especially in a weak demand environment. Progressing initiatives with Eskom and Transnet to reduce cost will assertively be pursued as will other operational energy and logistics improvements by partnering with specialist service providers. The implementation of footprint optimisation will continue as will AI-enabled productivity and automation initiatives.

Pursuing alternative income sources, for the substantial non-core asset base and major operations under care and maintenance, through joint development arrangements, to reduce the care and maintenance cost impact for especially Newcastle and Saldanha, will be part of a broader action to improve non-steel EBITDA. Importantly, the progressive restart of smelting activity within the ferrochrome industry, will aid this ambition enabling commercial market coke sales to recover.

Current Rand strength against the Dollar continues to represent a material risk to the second half outlook.

The board of directors of ArcelorMittal South Africa collectively and individually accepts responsibility for the information contained in this further cautionary announcement insofar as it relates to the Company.

On behalf of the board of directors

HJ Verster
Chief Executive Officer

GA Griffiths
Chief Financial Officer

KEY STATISTICS

Unreviewed/unaudited information		
Operational		
Crude steel production	**837**	1 281
Total steel sales (Thousand tonnes)	**758**	1 046
Local steel sales (Thousand tonnes)	**667**	836
Export steel sales (Thousand tonnes)	**91**	210
Capacity utilisation (%)	**40.6**	62.5
Average steel net realised price (R/tonne)	**13 846**	14 451
Commercial coke sales (Thousand tonnes)	**12**	52
Safety		
Lost time injury frequency rate	**0.72**	0.41
Reviewed information		
Financial		
Revenue (R million)	**12 038**	17 118
EBITDA (R million)	**(409)**	(110)
Loss from operations (R million)	**(720)**	(533)
Loss for the period (R million)	**(1 247)**	(932)
Loss per share (cents)	**(112)**	(84)
Headline loss (R million)	**(1 489)**	(1 014)
Headline loss per share (cents)	**(134)**	(91)
Return on ordinary shareholders' equity per annum:		
- Attributable earnings (%)	**(119)**	(51)
- Headline earnings (%)	**(143)**	(55)
EBITDA margin (%)	**(3.4)**	(0.6)
Net borrowings (R million)	**7 938**	4 620
Net borrowings to equity (%)	**(479)**	(447)
Share statistics		
Ordinary shares (thousands):		
- in issue	**1 138 060**	1 138 060
- outstanding	**1 114 612**	1 114 612
- weighted average number of shares	**1 114 612**	1 114 612
- diluted weighted average number of shares	**1 114 612**	1 114 612
Share price (closing) (Rand)	**1.22**	1.05
Market capitalisation (R thousand)	**1 388**	1 195

Reconciliation of earnings before interest, taxation, depreciation, amortisation and impairment of equity-accounted investment

	Six months ended	
In millions of Rands	**30 June 2026 Reviewed**	30 June 2025 Reviewed
Loss from operations	**(720)**	(533)
Adjusted for:		
Depreciation	**304**	417
Amortisation of intangible assets	**7**	4
Impairment of equity-accounted investments	**-**	2
Earnings before interest, taxation, depreciation, amortisation and impairment of equity-accounted investment (EBITDA)	**(409)**	(110)

ArcelorMittal

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In millions of Rands	Note	Six months ended 30 June 2026 Reviewed	 30 June 2025 Reviewed
Revenue	**5**	**12 038**	17 118
Other income	**6**	**190**	1 131
Raw materials and consumables used		**(5 935)**	(10 132)
Employee costs		**(1 421)**	(1 959)
Energy		**(2 467)**	(3 100)
Movement in inventories of finished goods and work-in-progress		**(877)**	(183)
Depreciation		**(304)**	(417)
Amortisation of intangible assets		**(7)**	(4)
(Impairment)/impairment reversal and movement in expected credit losses of trade and other receivables		**(8)**	1
Impairment of equity-accounted investments		**-**	(2)
Other operating expenses		**(1 929)**	(2 986)
Loss from operations		**(720)**	(533)
Finance and investment income	**7**	**61**	192
Finance costs	**8**	**(707)**	(682)
Fair value adjustment of investment properties and asset held-for-sale		**113**	82
Gain on bargain purchase		**-**	1
Income after tax from equity-accounted investments		**8**	8
Loss before taxation		**(1 245)**	(932)
Income taxation expense	**9**	**(2)**	-
Loss for the period		**(1 247)**	(932)
Other comprehensive income/(loss)			
Items that will not be reclassified to income or loss (net of tax):			
Fair value adjustment on equity instruments		**-**	-
Items that may be reclassified subsequently to income or loss (net of tax):			
Share of other comprehensive loss of equity accounted investments		**3**	(2)
Exchange differences on translation of foreign operations		**(1)**	(6)
Other comprehensive income/(loss) for the period		**2**	(8)
Total comprehensive loss for the period		**(1 245)**	(940)
Total comprehensive loss for the period attributable to owners of the company		**(1 245)**	(940)
Basic/diluted loss per share (cents) attributable to owners of the company		**(112)**	(84)

ArcelorMittal

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In millions of Rands	Note	As at 30 June 2026 Reviewed	As at 31 December 2025 Audited
Assets			
Non-current assets		**9 953**	9 978
Property, plant and equipment	**11**	**7 694**	7 717
Investment properties	**12**	**1 273**	1 090
Intangible assets		**62**	60
Equity-accounted investments		**222**	217
Investment held by environmental trust	**13**	**-**	576
Other receivables		**2**	3
Other financial assets	**13**	**700**	315
Current assets		**11 686**	10 966
Inventories		**6 270**	6 682
Trade and other receivables		**3 133**	1 921
Cash, bank balances and restricted cash	**14**	**2 283**	2 363
Asset held-for-sale	**15**	**-**	70
Total assets		**21 639**	21 014
Equity and Liabilities			
Total equity		**(1 659)**	(429)
Stated capital		**4 537**	4 537
Reserves		**(3 122)**	(3 147)
Accumulated loss		**(3 074)**	(1 819)
Non-current liabilities		**3 181**	8 222
Borrowings	**16**	**610**	5 476
Lease liabilities		**182**	194
Provisions	**17**	**1 362**	1 560
Trade and other payables		**196**	209
Other financial liabilities	**18**	**831**	783
Current liabilities		**20 117**	13 221
Borrowings	**16**	**9 611**	3 650
Lease liabilities		**21**	52
Provisions	**17**	**824**	803
Trade and other payables		**9 455**	8 515
Other financial liabilities	**18**	**94**	89
Taxation		**112**	112
Total equity and liabilities		**21 639**	21 014

ArcelorMittal

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

In millions of Rands	Note	Six months ended 30 June 2026 Reviewed	Six months ended 30 June 2025 Reviewed
Cash flows from operating activities		**(1 093)**	1 529
Cash (utilised in)/generated from operations	19	**(842)**	1 823
Finance income		**29**	53
Finance costs	20	**(278)**	(355)
Income taxation (paid)/refunded-		**(2)**	8
Cash flows from investing activities		**(50)**	(585)
Investment to maintain and expand operations		**(356)**	(590)
Proceeds from disposal of property, plant and equipment		**132**	5
Proceeds from disposal of other financial assets	13	**315**	-
Proceeds from disposal of investments held by environmental trust	13	**600**	-
Acquisition of other financial assets	13	**(741)**	-
Cash flows from financing activities		**1 052**	641
Borrowings: Borrowing-base facility raised	16	**314**	3 150
Borrowings: Borrowing-base facility repaid	16	**(214)**	(2 350)
Borrowings: Loan from holding company raised	16	**1 000**	-
Borrowings: Loan from Industrial Development Corporation repaid	16	**(60)**	(140)
Borrowings: Loan Other raised	16	**55**	-
Repayment of principal lease liabilities		**(43)**	(19)
Net (decrease)/increase in cash, cash equivalents and restricted cash		**(91)**	1 585
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash		**11**	(13)
Cash, cash equivalents and restricted cash at the beginning of the period		**2 363**	3 594
Cash, cash equivalents and restricted cash at the end of the period		**2 283**	5 166

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In millions of Rands	Stated Capital	Treasury share equity reserve	Other Reserves	Retained earnings	Total
Six months ended 30 June 2026					
Balance as at 31 December 2025	**4 537**	**(2 065)**	**(1 082)**	**(1 819)**	**(429)**
Total comprehensive loss for the period	**-**	**-**	**2**	**(1 247)**	**(1 245)**
Loss for the period	**-**	**-**	**-**	**(1 247)**	**(1 247)**
Other comprehensive income for the period	**-**	**-**	**2**	**-**	**2**
Share-based payment expenses	**-**	**-**	**15**	**-**	**15**
Transfer between reserves	**-**	**-**	**8**	**(8)**	**-**
Balance as at 30 June 2026 (Reviewed)	**4 537**	**(2 065)**	**(1 057)**	**(3 074)**	**(1 659)**
Six months ended 30 June 2025 (Reviewed)					
Balance as at 31 December 2024	4 537	(2 065)	(1 383)	1 209	2 298
Total comprehensive loss for the period	-	-	(8)	(932)	(940)
Loss for the period	-	-	-	(932)	(932)
Other comprehensive loss for the period	-	-	(8)	-	(8)
Share-based payment expenses	-	-	11	-	11
Transfer between reserves	-	-	8	(8)	-
Balance as at 30 June 2025 (Reviewed)	4 537	(2 065)	(1 372)	269	1 369

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 JUNE 2026

1. Corporate information

ArcelorMittal South Africa Limited is a public limited company incorporated, domiciled in South Africa and listed on the JSE Limited (JSE). These condensed consolidated financial statements for the six months ended 30 June 2026 comprise the Company and its subsidiaries (together referred to as the Group). The Group is one of the largest steel producers on the African continent.

The reviewed condensed consolidated financial statements of the Group for the six months ended 30 June 2026 were authorized for issue in accordance with a resolution of the directors on 28 July 2026.

2. Basis of preparation

The reviewed condensed consolidated financial statements have been prepared under the supervision of GA Griffiths CA(SA), Chief Financial Officer, in accordance with the framework concepts, the recognition and measurement criteria of the IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and International Accounting Standard (IAS 34) Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and Financial Pronouncements as issued by Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the Companies Act of South Africa.

The reviewed condensed consolidated financial statements have been prepared in accordance with historical cost convention except for certain equity instruments which are at fair value through other comprehensive income (FVTOCI), certain equity instruments and derivatives at fair value through profit or loss (FVTPL) and investment properties at fair value. The reviewed condensed consolidated financial statements are presented in Rand, which is the functional and presentation currency of the Group. All financial information presented in Rand has been rounded off to the nearest million.

2.1 Going concern

For the six months ended 30 June 2026, the Group recognised a net loss after tax of R1 247 million, R315 million higher than the R932 million loss after tax reported for 30 June 2025. The net loss after tax reported for 30 June 2025 included Industrial Development Corporation SOC Limited ("IDC") funding support of R1 075 million.

The Group utilised R842 million cash flow from operations compared to R1 823 million cash flow generated for the six months ended 30 June 2025. The R1 823 million generated by the Group to 30 June 2025 included funding support from the IDC of R2 063 million received by the Group.

The current liabilities exceed current assets (excluding assets held for sale) by R8 431 million as at 30 June 2026 (31 December 2025: current liabilities (excluding assets held for sale) exceeded current assets by R2 255 million). Included in the current liabilities as at 30 June 2026 is the subordinated loan of R5 476 million from the holding company which matures in March 2027. After period end a further R874 million of group payables were subordinated in favour of BBF lenders effective 30 June 2026.

The total liabilities of the Group exceed total assets by R1 659 million as at 30 June 2026 (31 December 2025 total liabilities exceeded total assets by R429 million). Net borrowings increased to R7 938 million from R6 763 million as at 31 December 2025.

In assessing the going concern of the Group, the directors have focused on the key risks being immediate liquidity, other actions that can be taken to improve solvency and liquidity, the future capital structure of the Group, and focussing on the forecasted EBITDA and profitability of the Group.

These key risks are collectively interdependent and are considered as such by the directors in their evaluation.

Going concern continued

Liquidity

The Group have complied with all covenants as it pertains to the borrowing-based facility (BBF), as of 30 June 2026. The tangible net worth covenant was temporarily reduced from R6 000 million to R4 500 million for the quarter ended June 2026.

The balance outstanding as at 30 June 2026 on the BBF was R3 000 million (31 December 2025: R 2 900 million). The BBF facility amount was reduced in December 2025 from R4 025 million to R3 000 million following the wind down of the Longs Business and the resultant decrease in the collateralised base available as security for the facility.

The current BBF facility matures on 8 March 2027, and the unwinding of the facility starts on 8 August 2026 over the next 7 months. The facility then reduces by R428 million each month. Given the potential corporate action currently underway, the Group has engaged with the BBF Lenders to refinance the current BBF to support the liquidity of the Group and prevent the start of the unwinding process. The renewal process is progressing but no sign off has been obtained at the date of this report. The amended and restated BBF is expected to have a maturity date of August 2029. At present there are no alternate plans to repay this amount or replace the facility.

On 31 March 2026 ArcelorMittal Holdings AG approved a short-term working capital loan of R1 000 million, with an initial maturity date of 15 June 2026, later extended to 15 December 2026. This was part of a liquidity support package of R1 650 million provided to the Group at 30 June 2026, as further reference below. Before period end, as part of this package, ArcelorMittal Holdings AG and affiliates paid creditors on behalf of the Group amounting to R161 million and a further R330 million subsequent to period end.

The maturity date of the Group's shareholder loan of R5 476 million is expected to be extended to September 2029 on refinance of the BBF facility.

Any corporate action resulting in a change in control will result in the BBF facility being immediately repayable and the True sales of receivable (TSR) facility terminating.

Management and the IDC are currently negotiating a term sheet for a R500 million loan expected to be advanced not later than August 2026. This loan arrangement is separate from the potential equity transaction referred to above and is understood to reflect an agreement with the IDC that the Company will not proceed with the disposal of certain non-core property, plant and equipment while the potential equity transaction continues to be negotiated. The conclusion of the loan is not itself an indication that the potential equity transaction will be concluded or as to its terms.

Additional interventions to support liquidity through optimising ongoing cash management and cost reduction initiatives remains therefore a focus area. Effective working capital management, advance receipts on sales, deferral agreements and plans remain key to all liquidity solutions.

Future capital structure of the Group

Shareholders are referred to the various cautionary announcements released on the Stock Exchange News Service of the JSE Limited, the most recent being released on 3 June 2026, in which we advised as follows:

"Shareholders should note that discussions between ArcelorMittal South Africa, ArcelorMittal Group, and the Industrial Development Corporation Limited continue in respect of a potential transaction, and after some delay in the anticipated timelines, the parties are now at an advanced stage to finalise agreement regarding the potential transaction.

The discussions remain subject to the conclusion of definitive agreements and receipt of various approvals.

Further announcements will be made in relation to these matters as and when appropriate.

Going concern continued

Accordingly, shareholders are advised to continue to exercise caution when dealing in the Company's securities until a further announcement is made".

The BBF facility matures on 8 March 2027 and regardless of the success of any corporate action the facility needs to be refinanced, or a new facility will need to be secured. The Group's shareholder loans of R1 000 million and R5 476 million also mature in December 2026 and March 2027 respectively.

Regardless of the outcome of these discussions, ArcelorMittal South Africa will execute its strategy to return the core business to profitability and liquidity.

Immediate other actions and business plan for profitability

The management and board of ArcelorMittal South Africa have therefore developed reasonable business plans based on the potential future capital structure of the Group:

- The first is aligned to the successful conclusion of a transaction with the IDC
- The second, should the potential IDC transaction be unsuccessful, will focus on restructuring the balance sheet through the sale of non-core properties and non-operating assets, while amending the Group's footprint to focus on higher value flat steel products

These credible business plans contain various critical steps that would then need to be executed in 2026 to generate cash, secure short and long-term financing and restructure the balance sheet. Both plans require reliable and efficient core operations that are cash generative. Post the execution of the plans, the longer-term focus will be returning to profitability.

These business plans remain subject to appropriate statutory and regulatory approvals and processes and there remains uncertainty and risk to the successful and timely conclusion of either of these plans.

As required, the directors have prepared cash flow forecasts for a minimum period of 12 months from the end of the reporting period and release date, based on the most recent forecast and all available information including, but not limited to, the availability of banking facilities, the ongoing support from ArcelorMittal Holdings AG and the repayment of existing obligations including material capital expenditure obligations. These forecasts support the going concern assumption on the basis that the above plans will be successful.

Overall outlook and macro-economic risks

Therefore, it is noted that there are several key risks which give rise to material uncertainty relating to going concern. The primary risks in the short term relate to liquidity and a future sustainable capital structure dependent on whether the potential IDC transaction is successfully concluded or not.

- Successful refinance of the BBF facility
- Negotiating new IDC working capital facilities
- The extension of the cash loans (R1 000 million) and payable support provided by ArcelorMittal Holdings AG and affiliates as noted above, into the future
- Potential future sales of non-core or non-operating assets such as Saldanha Works, Pretoria Works, AMRAS, the Speciality Bar Mill and/or the Tubular business which is only possible should the IDC transaction not be successfully concluded.

Shareholders are also advised that the Group financial performance is further dependent upon the wider economic environment in which the Group operates and the execution, refinement and updates to business plans to return to profitability in the long term.

There are also other factors beyond the control of management, such as volatility of the exchange rate, the Middle East conflict, and the direct and indirect impact on costs, steel demand, and commodity and steel prices.

***Going concern** continued*

Management, in forming the forecasts, have presumed the potential impact of current and expected local tariff and import protection, improvements to local rail service, electricity supply reliability and costing reductions and these assumptions, which have uncertainty, can have a significant impact on the business.

All these matters relating to both liquidity and longer-term profitability indicate the existence of a material uncertainty related to going concern and, as a result, the entity may be unable to realise its assets or discharge its liabilities in the ordinary course of business.

The directors and management have considered the viability of their plans as noted above and believe that the Group has reasonably viable plans and therefore sufficient liquidity to pay debts as they become due over the next 12 months, and as a result, have prepared the condensed consolidated financial statements on a going concern basis.

3. Accounting policies

The accounting policies and methods of computation applied in the preparation of the reviewed condensed consolidated financial statements of the Group are consistent with those applied for the year ended 31 December 2025.

3.1 New standards effective for annual periods beginning on or after 1 January 2026

The following new amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2026, and had been adopted by the Group in the current period.
- *Classification and Measurement of Financial Instruments* (Amendments IFRS 9 and IFRS 7)
- *Annual Improvements – Volume 11* (Amendments to IFRS 1, 7, 9, 10 & IAS 7)
- *Amendments regarding power purchase agreements* (Amendments to IFRS 9 and IFRS 7)

These amendments and interpretations do not have a significant impact on the Group's financial statements.

3.2 New standards, amendments to existing standards and interpretations not yet effective

New standards and amendments to standards and interpretations that are effective for annual periods beginning on or after 1 January 2027, of which an earlier application is permitted, that are relevant to the Group is the new standard *Presentation and Disclosures in Financial Statements* (IFRS 18). The new standard will not be early adopted by the Group in the 2026 financial year. IFRS 18 will have material impact on the presentation and disclosure of the financial statements, through newly specified categories and defined subtotals in the statement of comprehensive income, required disclosures on management-defined performance measures (MPMs) in the notes of the financial statements and enhanced principles of aggregation and disaggregation. However, the standard will not result in a change for recognition and measurement in terms of the Group's accounting policies.

4. Significant assumptions and areas of estimation uncertainty

The preparation of the condensed consolidated interim financial statements in compliance with IFRS Accounting Standards requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results may differ from these estimates. Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which they were revised and in any future periods affected.

Key estimates and assumptions which have the most significant effect on the condensed consolidated interim financial statements include:

- Valuation of investment properties – a level 3 fair value utilising significant unobservable inputs, specifically the capitalisation rate, vacancy provision, expense ratio, market-based gross rental, comparable sales and offers received – refer to note 21.

Significant assumptions and areas of estimation uncertainty *continued*

- Expected credit loss assessment - the exposure to credit risk is insured and mainly underwritten by the Credit Guarantee Insurance Corporation of South Africa. The insurance excess ranges from 0% to 10%. The credit limits of customers were monitored and adjusted where applicable throughout the period. Goods were dispatched to customers in line with the approved credit limits.

  The assessment of expected credit losses was reperformed as at 30 June 2026 and an impairment of R3 million has been recognised (June 2025: R1 million impairment reversal).

- Environmental remediation obligation and asset retirement obligation - specifically the expectation of future cost, discount rate and expected inflation rates. The average discount rate used for environmental remediation obligation is 8.0% (December 2025: 7.6%) and for asset retirement obligation is 7.9% (December 2025: 7.5%). The average escalation rate applied to the current cash flow estimates is 3.6% (December 2025: 3.6%) - refer to note 17.
- Going concern basis - refer to note 2.1.
- Impairment assessment of property, plant and equipment
  At 31 December 2025 the recoverable amounts of the cash generating units (CGU) exceeded its carrying amounts. For reporting purposes an impairment indicator assessment was performed and none of the indicators were triggered that required updated recoverable amounts to be determined at 30 June 2026.

Management does not consider that any reasonably possible changes to the key assumptions would reduce the recoverable amounts to below its carrying values.

The impairment assessment completed for the year ended 31 December 2025 used discounted cash flow models with an explicit forecast period for five years for the Vanderbijlpark CGU, including Coke and Chemicals, and the AMRAS CGU.

The following major assumptions were used:

	Vanderbijlpark	AMRAS
	2025	**2025**
Major assumptions		
Total Pre-tax WACC/discount rate (%USD-based)[1]	17.71	17.79
Total Post-tax WACC/discount rate (%USD-based)[1]	13.52	12.22
Company specific premium (%USD-based)[1]	3.20	1.45
Growth rate (%USD-based)	2.00	2.00
Exchange rate range (R/USD)[2]	17.50 – 18.50	17.50 – 18.50
Steel sales price range (average USD/t)[2]	796 – 843	829 – 873
Sales volume range (kt)[2]	1 545 – 1 960	128

[1] *Decarbonisation risk is incorporated in company-specific premium.*
[2] *Lowest to highest range over period of 2026 to 2029*

5. Segment report

Operating segments are identified based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, in order to allocate resources to the segment and to assess its performance.

The Group's reportable segments are:

- Steel Operations consisting of Vanderbijlpark plant, Newcastle plant, Vereeniging plant and ArcelorMittal Rail and Structures.
- Non-Steel Operations consisting of Coke and Chemicals undertaking the processing and marketing of by-products and the production and marketing of commercial grade coal, Thabazimbi Iron Ore Mine and Collect-a-Can[1] and the decommissioned Saldanha plant, Maputo plant and Pretoria plant.
- Corporate and other, consisting of commercial functions, procurement and logistics activities, shared services, investments and the results of the non-trading consolidated subsidiaries and consolidated structured entities.

[1] *The group obtained control of Collect-a-Can in the prior year and include it in the non-steel segment. The entity was previously reported as part of the corporate segment as equity accounted investment.*

Earnings before interest, taxation, depreciation, amortisation and impairment of equity-accounted investment (EBITDA) represents the earnings by each segment without the allocation of depreciation, amortization and impairments.

Segment profit/(loss) from operations represents the profit/(loss) earned/(incurred) by each segment without the allocation of after-tax profits of equity-accounted investments.

All assets and liabilities are allocated to the operating segments, other than for the following items that are allocated exclusively to the corporate and other segment, reflecting the way resource allocation is measured.

Assets not allocated to operating segments:

- Investments in equity-accounted entities
- Financial investments
- Cash and cash equivalents
- Income tax, capital gains tax and value added tax related assets, as applicable.

Liabilities not allocated to operating segments:

- Income tax
- Value added tax related liabilities, as applicable

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 JUNE 2026 continued

	Steel Operations R'm	Non-Steel Operations R'm	Corporate and other R'm	Adjustments and eliminations R'm	Total reconciling to the consolidated amounts R'm
For the six months ended 30 June 2026					
Revenue					
External customers	11 600	438	-	-	12 038
Internal customers	-	32	-	(32)	-
Total revenue	11 600	470	-	(32)	12 038
Revenue to external customers distributed as:					
Local	10 034	438	-	-	10 472
Export					
Rest of Africa	1 048	-	-	-	1 048
America	-	-	-	-	-
Asia	243	-	-	-	243
Europe	275	-	-	-	275
Total	11 600	438	-	-	12 038
Other income	131	59	-	-	190
Expenses					
Raw materials and consumables used	(5 872)	(63)	-	-	(5 935)
Employee costs	(1 381)	(40)	-	-	(1 421)
Energy	(2 327)	(140)	-	-	(2 467)
Movement in inventories of finished goods and work-in-progress	(648)	(229)	-	-	(877)
Impairment reversal and movement in expected credit losses of trade and other receivables	(4)	(4)	-	-	(8)
Other operating expenses	(2 032)	103	-	-	(1 929)
EBITDA	(533)	124	-	-	(409)
Impairment of equity-accounted investment	-	-	-	-	-
Depreciation and amortisation	(280)	(22)	(9)	-	(311)
(Loss)/profit from operations	(813)	102	(9)		(720)
Finance income	1	24	45	(9)	61
Finance costs	(273)	(67)	(376)	9	(707)
Fair value adjustment on investment properties and asset held for sale	-	9	104	-	113
Income after tax from equity-accounted investments	-	-	8	-	8
(Loss)/profit before taxation	(1 085)	68	(228)	-	(1 245)
Income taxation expense	-	-	(2)	-	(2)
(Loss)/profit for the period	(1 085)	68	(230)	-	(1 247)
Segment assets (excluding investments in equity-accounted entities)	16 074	2 537	2 748	58	21 417
Investments in equity-accounted entities	-	-	222	-	222
Segment liabilities	8 206	1 593	13 517	(18)	23 298
Cash generated from/(utilised in) operations	(1 078)	25	216	(5)	(842)
Capital expenditure	(325)	(8)	(53)	30	(356)
Number of employees at the end of the period (own)	3 598	132	544	-	4 274

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 JUNE 2026 *continued*

	Steel Operations R'm	Non-Steel Operations R'm	Corporate and other R'm	Adjustments and eliminations R'm	Total reconciling to the consolidated amounts R'm
Unreviewed information					
Crude steel production ('000 tonnes)	**837**	**-**	**-**	**-**	**837**
Steel sales ('000 tonnes)	**758**	**-**	**-**	**-**	**758**
- Local	**667**	**-**	**-**	**-**	**667**
- Export	**91**	**-**	**-**	**-**	**91**
Capacity utilisation (%)	**40.6**	**-**	**-**	**-**	**40.6**
Average net realised price (R/t)	**13 846**	**-**	**-**	**-**	**13 846**
EBITDA margin (%)	**(4.4)**	**-**	**-**	**-**	**(3.4)**

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 JUNE 2026 *continued*

	Steel Operations R'm	Non-Steel Operations R'm	Corporate and other R'm	Adjustments and eliminations R'm	Total reconciling to the consolidated amounts R'm
For the six months ended 30 June 2025					
Revenue					
External customers	16 443	498	177	-	17 118
Internal customers	-	133	-	(133)	-
Total revenue	16 443	631	177	(133)	17 118
Revenue to external customers distributed as:					
Local	13 137	631	-	(133)	13 635
Export					
Rest of Africa	1 761	-	-	-	1 761
America	349	-	-	-	349
Asia	403	-	-	-	403
Europe	763	-	177	-	940
Other	30	-	-	-	30
Total	16 443	631	177	(133)	17 118
Other income	1 075	56	-	-	1 131
Expenses					
Raw materials and consumables used	(10 012)	(86)	(34)	-	(10 132)
Employee costs	(1 632)	(37)	(290)	-	(1 959)
Energy	(3 054)	(46)	-	-	(3 100)
Movement in inventories of finished goods and work-in-progress	192	(301)	(177)	103	(183)
Impairment reversal and movement in expected credit losses of trade and other receivables	1	-	-	-	1
Other operating expenses	(3 174)	(154)	342	-	(3 270)
EBITDA	(161)	63	18	(30)	(110)
Impairment of equity-accounted investment	-	-	(9)	7	(2)
Depreciation and amortisation	(394)	(21)	(6)	-	(421)
(Loss)/profit from operations	(555)	42	3	(23)	(533)
Finance income	94	7	103	(12)	192
Finance costs	(200)	(67)	(427)	12	(682)
Fair value adjustment on investment properties	-	81	1	-	82
Gain on bargain purchase	-	-	-	1	1
Income after tax from equity-accounted investments	-	-	8	-	8
(Loss)/profit before taxation	(661)	63	(312)	(22)	(932)
Income taxation expense	-	-	-	-	-
(Loss)/profit for the period	(661)	63	(312)	(22)	(932)
Segment assets (excluding investments in equity-accounted entities)	19 334	2 415	5 217	(178)	26 788
Investments in equity-accounted entities	-	-	243	-	243
Segment liabilities	11 105	1 731	13 325	(164)	25 997
Cash generated from/(utilised in) operations	649	16	1 171	(13)	1 823
Capital expenditure	(571)	(7)	(12)	-	(590)
Number of employees at the end of the period (own)	4 983	161	672	-	5 816

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 JUNE 2026 *continued*

	Steel Operations R'm	Non-Steel Operations R'm	Corporate and other R'm	Adjustments and eliminations R'm	Total reconciling to the consolidated amounts R'm
Unreviewed information					
Crude steel production ('000 tonnes)	**1 281**	**-**	**-**	**-**	**1 821**
Steel sales ('000 tonnes)	**1 046**	**-**	**-**	**-**	**1 046**
- Local	**836**	**-**	**-**	**-**	**836**
- Export	**210**	**-**	**-**	**-**	**210**
Capacity utilisation (%)	**62.5**	**-**	**-**	**-**	**62.5**
Average net realised price (R/t)	**14 451**	**-**	**-**	**-**	**14 451**
EBITDA margin (%)	**(0.9)**	**-**	**-**	**-**	**(0.6)**

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2026 *continued*

Revenue from major products

	30 June 2026 R'm	30 June 2025 R'm
The Group's revenue from its major products sold to external customers was:		
Steel operations	**11 600**[1]	16 443
Coated	**3 053**	3 389
Heavy sections/rails	**868**	2 528
Hot rolled	**4 949**	5 409
Merchant bars	**133**	1 306
Seamless tubular products	**18**	521
Uncoated	**1 917**	1 334
Wire rod	**3**	1 265
Pool iron	**659**	691
Non-steel operations	**438**	675
Coke and tar	**239**	379
Other	**199**	296
Total revenue	**12 038**	17 118

[1] Current period revenue include revenue of R479 million (2025: R83 million) generated through sales under bill-and-hold arrangements not yet delivered at period end.

Information about major customers

	Steel Operations 30 June 2026 R'm	**% of Group revenue**	Steel Operations 30 June 2025 R'm	% of Group revenue
Revenue of major customers				
Customer 1	**1 438**	**12**	2 199	13
Customer 2	**2 681**	**20**	2 128	12
Total	**4 119**	**34**	4 327	25

6. Other income

In millions of Rands	**Six months ended 30 June 2026 Reviewed**	Six months ended 30 June 2025 Reviewed
Funding utilised – IDC	**-**	1 075
Rental income	**59**	56
Sale of redundant property, plant and equipment	**131**	-
Total	**190**	1 131

The Group received funding of R380 million in February 2025 for the deferral of the Longs Business closure by a month. The Group then received additional funding of R1 683 million from the IDC for the purpose of being applied towards the continued operation of the Longs Business for a deferral period ending in September 2025. In terms of the agreement, for both amounts received, the funds received would be repayable with interest to the IDC, should both parties agree, in the event that the Longs Business is financially solvent and liquid, realise positive EBITDA and has positive cash flow.

The funding has been received for the operational costs, finance costs and capital expenditure of the Longs Business over the deferral period with the unutilised portion of the funding recognised as deferred income.

The facility has been initially recognised as deferred income and subsequently recognised in profit or loss as the expenses to which it relates are incurred over the deferral period and, for the portion of the funding received for capital expenditure, within depreciation and amortisation expense on a straight-line basis over the expected useful lives of the related assets once these assets are brought into use.

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2026 *continued*

***Other income** continued*

Deferred income as presented in the statement of financial position **In millions of Rands**	**Note**	**30 June 2026 Reviewed**	31 December 2025 Audited
Carrying amount at the beginning of the year		**-**	-
Funding received - IDC		**-**	2 063
Income recognised for the year			
Other income	**6**	**-**	(1 809)
Finance cost	**8**	**-**	(182)
Transfer to property, plant and equipment	**11**	**-**	(72)
Carrying amount at the end of the period		**-**	-

As at 30 June 2026 management has performed an assessment to determine whether the funding could be repayable to the IDC.

In considering the results of the Longs business, the assessment is based on the assumption that the AMRAS plant will continue to operate at normal levels of production for the period considered and going forward. The Vereeniging plant has been placed in care and maintenance as of November 2025 but have resumed partial operations for the 2026 year after which it is planned to again be placed in care and maintenance from 2027. The Newcastle plant has been placed in care and maintenance from October 2025 and is not planned to restart operations for the period considered and going forward. The period considered is therefore up to 30 June 2026 consisting of actual results for the six months ended and the forecast results for the 2026 and 2027 financial year.

Management has determined the following based on the results assessed for the Longs Business:

- Liquidity (Current Assets in comparison with Current Liabilities)
  At 30 June 2026 current liabilities exceed current assets by R2 431 million, with the deficit forecast to increase to R2 726 million for 2026 FY and R3 026 million for 2027.

- Solvency (Total Assets in comparison with Total Liabilities)
  At 30 June 2026 total liabilities exceed total assets by R1 455 million, with this deficit forecasted to increase to R1 767 million and R2 076 million in 2026 FY and 2027 FY respectively. The Longs Business will not be solvent

- EBITDA
  EBITDA, determined in terms of the definition of EBITDA as set out in the agreement with the IDC, for the six months ended 30 June 2026 is a negative R170 million, and forecasted at a negative R220 million and positive R8 million for the years ending 31 December 2026 and 2027.

- Free cash flow
  The free cash flow of the Longs Business as at 30 June 2026 is R787 million negative. For 2026 and 2027 it is forecast to generate negative cash movements of R788 million and R263 million for the years ending 31 December 2026 and 2027 respectively, which is then funded by the Group resulting in an increase in the loan accounts.

  The Group will not repay the funding to the IDC in the foreseeable future based on the Longs Business remaining in a negative net asset position with negative EBITDA for the six months ended 30 June 2026, and no free cash flow available to repay the facility as forecast for the financial years 2026 and 2027.

	Vereeniging	**AMRAS**
	2026 - 2027	**2026 - 2027**
Major assumptions*		
Exchange rate range (R/USD)	16.50 – 16.85	16.50 – 16.85
Sales price range (average USD/t)**	1 043 – 1 973	762 – 942
Sales volume (kt)	23 & 25	132 & 119

**Other major assumptions include inflation rates ranging from 4.2% to 4.4% per annum (p.a.) for SA CPI, 4.7% to 4.3% p.a. for SA Producer Price Index and 2.5% to 2.3% p.a. for USA CPI as well as a range of different escalation rates applied for different inputs of material and services, amongst others.*
*** Lowest to highest range of sales prices for the period of 2026 to 2027 across all products sold.*

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2026 *continued*

7. Finance and investment income

In millions of Rands	Note	Six months ended 30 June 2026 Reviewed	Six months ended 30 June 2025 Reviewed
Bank deposits and other interest income		**29**	53
Discount rate adjustment of provisions	**17**	**26**	-
Net foreign exchange profit and net gains from foreign exchange contracts		**6**	139
Total		**61**	192

8. Finance costs

In millions of Rands	Note	Six months ended 30 June 2026 Reviewed	Six months ended 30 June 2025 Reviewed
Interest expense on loans and payables		**574**	615
Interest expense on lease liabilities		**11**	9
Unwinding of discounting effect on other financial liabilities and provisions		**122**	159
Other financial liabilities	**18**	**53**	74
Provisions	**17**	**69**	85
Funding utilised - IDC	**6**	**-**	(101)
Total		**707**	682

9. Taxation

The Group only recognises deferred tax assets on carried forward tax losses to the extent there are sufficient estimated future taxable profits and/or taxable temporary differences. However, based on the considerations presented, management believes it is premature to conclude at this stage that it is more likely than not for sufficient future taxable profits to be available against which the full proposed deferred tax asset can be utilised. Therefore, deferred tax assets have been recognised to the extent of taxable temporary differences.

In millions of Rands	Six months ended 30 June 2026 Reviewed	Six months ended 30 June 2025 Reviewed
Current taxation		
South African current taxation		
Current tax on profit for the period	**(2)**	**-**
Total current taxation	**(2)**	**-**
Deferred taxation		
Temporary differences	**-**	**-**
Total income taxation expense	**(2)**	**-**

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2026 *continued*

10. Headline earnings

In millions of Rands	Six months ended 30 June 2026 Reviewed	Six months ended 30 June 2025 Reviewed
Loss for the period	**(1 247)**	(932)
Adjusted for:		
Fair value adjustment of investment properties and asset held-for-sale	**(113)**	(82)
Gain on bargain purchase	**-**	(1)
Gain on disposal of property, plant and equipment	**(131)**	(4)
Loss on disposal or scrapping of property, plant and equipment	**2**	3
Impairment of equity accounted investments	**-**	2
Total tax effect of adjustments[1]	**-**	-
Headline loss for the period	**(1 489)**	(1 014)
Basic/diluted headline loss per share (cents)	**(134)**	(91)
Weighted average number of shares (thousand)	**1 114 612**	1 114 612

[1] *Adjustments for headline earnings are shown pre-tax and the tax effect of adjustments separately.*

11. Property, plant and equipment

In millions of Rands	Note	30 June 2026 Reviewed	31 December 2025 Audited
Carrying amount at the beginning of the year		**7 717**	7 708
Additions		**302**	954
Disposals		**(3)**	(10)
Depreciation		**(304)**	(1 024)
Impairment		**-**	(112)
Reversal of impairment		**-**	244
Revaluation gain through other comprehensive income		**-**	272
Transfer to investment properties		**-**	(273)
Derecognition of right of use asset		**(29)**	-
Transfer from inventories		**11**	29
Funding applied - IDC	**6**	**-**	(72)
Other movements		**-**	1
Carrying amount at the end of the period		**7 694**	7 717

Reversal of impairment/(impairment) of property, plant and equipment and intangible assets

In millions of Rands	30 June 2026 Reviewed	31 December 2025 Audited
Reversal of impairment of property, plant and equipment and intangible assets – Long Steel Products		
Newcastle plant	**-**	59
Vereeniging plant	**-**	127
ArcelorMittal Rail and Structures	**-**	59
Total reversal of impairment	**-**	245
Impairment of property, plant and equipment and intangible assets		
Newcastle plant	**-**	-
Vanderbijlpark plant	**-**	(112)
Total impairment	**-**	(112)

Property, plant and equipment *continued*

Reversal of impairment

During 2025, management wound down the majority of the Longs Business into care and maintenance, following the cessation of IDC funding and continued financial losses. The fixed assets of the Newcastle plant were previously impaired based on scrap values, representing fair value less costs to sell. R59 million of this impairment has been reversed, due to further detailed analysis, refinement and updates by Management of the recoverable amount indicating a higher scrap value for the plant than was determined in 2024. The scrap value as at 31 December 2025 has been determined as R562 million.

The Vereeniging plant was placed into care and maintenance in November 2025. Portions of this plant was re-started in 2026 for it to operate for an additional year. Based on this strategy and a subsequent increase in the value, a portion of the existing impairment was reversed in 2025. The recoverable amount has been determined as the scrap value (as this was higher than the value in use), being R172 million as at 31 December 2025, resulting in a reversal of R127 million of the prior year impairment.

The ArcelorMittal Rail and Structures (AMRAS) plant is still operational. The AMRAS plant is expected to be recovered through use and the recoverable amount of R621 million as at 31 December 2025 was determined by means of calculating the value in use of the plant. An amount of R59 million of the impairment previously recorded was reversed in the 2025 financial year due to an increase in the value in use of the plant, mainly driven by increased expected sales volumes, lower expected input costs and higher forecast steel sales prices evidencing a higher service potential for the plant when compared to the 2024 financial year.

Impairment

During 2025, management performed an assessment of a project for the construction of a gas treatment plant, which is required to reduce the environmental impact of the group coke making operations. The project commenced in 2019, when the group was informed of the new regulatory requirement, and various costs have been incurred since commencement of the project, all of which have been capitalised to assets under construction, presented in property, plant and equipment. Construction of the plant have not been completed and the costs remain presented as assets under construction.

The group have, however, in the 2025 financial year shutdown all but one of its coke batteries which resulted in managements' reassessment of the footprint that would need to be addressed by the gas treatment plant. Given the reduction on coke making operations during the prior year the group have determined that certain elements of the capitalised costs to date may not be recoverable and have therefore impaired the capitalised cost by R112 million to its recoverable amount of R728 million as at 31 December 2025, based on its value in use which is represented by its use in a modified gas treatment plant, considered by management as its highest and best use.

12. Investment properties

In millions of Rands	Note	30 June 2026 Reviewed	31 December 2025 Audited
Carrying amount at the beginning of the year		**1 090**	690
Transfer from PPE		**-**	273
Transfer from/(to) asset held-for-sale	**15**	**70**	(70)
Change in fair value – unrealised gains		**113**	198
Exchange rate difference		**-**	(1)
Carrying amount at the end of the period		**1 273**	1 090

Refer to note 21 for details on the measurement, valuation techniques and inputs used for this investment property.

13. Investment held by environmental trust and other financial assets

During the current period the group restructured its financial investments held for the purposes of settling the decommissioning and rehabilitation obligations of the Thabazimbi's Iron ore mine (TIOM). As at 31 December 2025 the investment was represented by equity investments and interest-bearing assets held by environmental trust and investment in fixed term deposits under financial guarantees. The restructuring entailed the release of these existing investments and acquisition of an insurance policy with a single financial institution, as approved by the Department of Mineral and Petroleum Resource. The impact of the restructuring on related balances is detailed as follows:

Investments held by environmental trust

In millions of Rands	30 June 2026 Reviewed	31 December 2025 Audited
Carrying amount at the beginning of the year	**576**	486
Change in fair value	**24**	90
Disinvestment of investments held by environmental trust	**(600)**	-
Carrying amount at the end of the period	**-**	576

The environmental trust was registered as a section 37A trust. The investment held by it is therefore ringfenced for the purpose of being utilised towards the environmental rehabilitation obligation of the TIOM.

Fixed term deposit

In millions of Rands	30 June 2026 Reviewed	31 December 2025 Audited
Carrying amount at the beginning of the year	**315**	-
Transfer from cash, bank balances and restricted cash	**-**	315
Disinvestment of other financial asset	**(315)**	-
Carrying amount at the end of the period	**-**	315

The fixed term deposit represents a fixed cash deposit that was held with a financial institution under financial guarantees for the environmental rehabilitation obligation of TIOM. The funds are not ringfenced.

Insurance policy

In millions of Rands	30 June 2026 Reviewed	31 December 2025 Audited
Acquisition of insurance policy for environmental provisioning		
Reimbursive asset	**600**	-
Right to receive cash	**153**	-
Costs attributable to acquisition of guarantee	**(12)**	-
Change in fair value	**(41)**	-
Investment growth	**16**	-
IFRIC 5 adjustment	**(57)**	-
Carrying amount at the end of the period	**700**	-

Given the ringfenced nature of the funds released from the investment that was held by the section 37A trust, the proceeds transferred to acquire the insurance policy fall within the scope of IFRIC 5 (IFRS) which require the recognition of a reimbursive asset at a value not exceeding the carrying amount of the environmental rehabilitation obligation to which it relates. The asset is measured at fair value. The carrying amount of the ringfenced portion of the insurance policy at 30 June 2026 is R614 million after growth of R14 million. The carrying amount of the TIOM environmental rehabilitation obligation at 30 June 2026 is R557 million, representing the maximum amount the reimbursive asset can be recognised at, with the excess funds of R57 million being recognised as an off-balance sheet asset. The balance of funds paid towards the acquisition of the insurance policy has been recognised as a right to receive cash, measured at fair value, and is not subject to any restrictions on fair value gains.

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 JUNE 2026 *continued*

14. Cash, bank balances and restricted cash

In millions of Rands	30 June 2026 Reviewed	31 December 2025 Audited
Unrestricted cash	**1 126**	859
Restricted cash	**1 157**	1 504
True sales of receivables (TSR) programme	**574**	756
BBF ceded bank accounts	**581**	708
Environmental rehabilitation obligation	**-**	9
Guarantee for payment of foreign obligation	**-**	29
Litigation	**2**	2
Total	**2 283**	2 363

The restricted cash amount relating to the TSR programme are amounts collected on behalf of the TSR provider after the financing of the debtors. These amounts are required to be paid over to the TSR provider.

Bank accounts of R581 million (December 2025: R708 million) were ceded in favour of the BBF loan.

15. Asset held-for-sale

In millions of Rands	Note	30 June 2026 Reviewed	31 December 2025 Audited
Balance at the beginning of the year		**70**	126
Gain on remeasurement		**-**	8
Transfer (to)/from investment properties	**12**	**(70)**	70
Proceeds on sale of property		**-**	(134)
Balance at the end of the period		**-**	70

An offer was received for an industrial investment property (level 3 in the fair value hierarchy) during 2025. The sale of this property is no longer expected to be concluded in 2026 due to imposed hold on disposal of certain non-core properties of the group, refer to note 2.1.

Refer to note 21 for details on the measurement, valuation techniques and inputs used for this investment property.

16. Borrowings

In millions of Rands	30 June 2026 Reviewed	31 December 2025 Audited
Banks - Borrowing based facility (BBF):		
Balance at the beginning of the year	**2 900**	2 700
Proceeds from BBF	**314**	4 700
Repayment of BBF	**(214)**	(4 500)
Balance at the end of the period	**3 000**	2 900
Loans holding company:		
Balance at the beginning of the year	**5 476**	5 055
Increase in borrowings – capitalisation of accrued interest and fees	**-**	421
Proceeds from loan	**1 000**	-
Balance at the end of the period	**6 476**	5 476
Loan Industrial Development Corporation (IDC):		
Balance at the beginning of the year	**750**	950
Repayment of loan	**(60)**	(200)
Balance at the end of the period	**690**	750
Loan Other:		
Balance at the beginning of the year	**-**	-
Proceeds from loan	**55**	-
Balance at the end of the period	**55**	-
Total borrowings	**10 221**	9 126
Non-current	**610**	5 476
Current	**9 611**	3 650

The carrying amounts are a reasonable approximation of fair value.

In millions of Rands	30 June 2026 Reviewed	31 December 2025 Audited
Cash, bank balances and restricted cash	**2 283**	2 363
Borrowings	**(10 221)**	(9 126)
Net borrowings at the end of the period	**(7 938)**	(6 763)

The BBF loan available to the Group with various financial institutions is subject to the following financial covenants:

- The consolidated tangible net worth of the Group on the last day of the relevant period (each quarter of each financial year of the Group) must be not less than R6 000 million; This was temporarily amended to R4 500 million for measuring quarter one and two 2026 periods, and
- At least R2 700 million of the consolidated tangible net worth of the Group on the last day of that relevant period must consist of subordinated loans from the holding company.
- At all times, the borrowings of the group (excluding any permitted borrowings, which include subordinated loans from the holding company, environmental guarantees and any bank guarantees in favour of Eskom and the short-term funding from the IDC) must not exceed R2 500 million (or its equivalent in any other currency or currencies).

Borrowings continued

The Group is in compliance with all covenants as at 30 June 2026 and has been in compliance at the end of each relevant period. The consolidated tangible net worth of the Group is R4 630 million (December 2025: R4 987 million), which is determined as the sum of equity of the Group, the subordinated loan from the holding company of R5 476 million (December 2025: R5 476 million), the subordinated group payable R874 million, signed subsequent to period end effective as of 30 June 2026, (December 2024:R nil) and excluding intangible assets. The borrowings of the Group for the purposes of the applicable BBF covenant, are R2 328 million (December 2025: R1 376 million), determined as the outstanding balance of the loan from the IDC, unsubordinated loan from holding company of R1 000 million (December 2025: R nil) and the lease liabilities. However, under the solvency provisions of the BBF Agreement the outstanding balance will become payable on demand should the Group's total liabilities exceed total assets as at 30 June 2026 the Group's total liabilities of R23 298 million exceed its total assets of R21 639 million by R1 659 million. In the current period the BBF Lenders agreed to amend this provision resulting in the utilised facility not being treated as payable on demand, given that the subordinated shareholder loan of R5 476 million is to be excluded from total liabilities for the purpose of determining the Group's compliance with the solvency provisions.

Eligible inventories and receivables are provided as securities for the BBF loan to the extent of the draw down. At 30 June 2026, the balance of the borrowing base facility was R3 000 million (December 2025: R2 900 million) being fully utilised (December 2025: R100 million still available).

Bank accounts of R581 million (December 2025: R708 million) were ceded in favour of the BBF loan.

The maturity date of the BBF loan is 8 March 2027. The run-off period will commence on 8 August 2026. This facility is managed as part of the entity's working capital requirements. Drawdowns and repayments are made on a weekly or regular basis to manage working capital levels and cash flow. The loan is therefore classified as a current liability. At the time of this report renewal of the facility is in process. The amended and restated facility amounting to R3 000 million will be renewed for three years to August 2029 with the run-off period starting in month 25 reducing by one twelve each month. The tangible net worth covenant will be set at R4 500 million from the current R6 000 million. The borrowing covenant will be increased from R2 500 million to R3 000 million

During the prior year, the Group capitalised interest on the loan from the holding company, worth R295 million, and management, research and development fees payable to the holding company, worth R126 million, to the loan from the holding company. During the current period the loan increased with R1 000 million. The subordinated portion of the loan remained unchanged at R5 476 million (31 December 2025: R5 476 million) with the additional R1 000 million being unsubordinated. The final maturity date of the R5 476 million is 1 March 2027. The maturity date of the additional R1 000 million is 15 December 2026.

A secured short-term loan of R1 000 million was received from the IDC in June 2024. The loan is subject to market-related interest. Repayment is structured into monthly instalments with the final amount payable in July 2028. There are no covenants attached to the loan.

During the current period the group entered into a loan agreement with a third party for the value of R55 million. The purpose of the loan is for the acquisition of fixed assets and working capital requirements of a subsidiary in the group. The loan is subject to market-related interest and is repayable in full in 2030. There are no covenants attached to the loan.

17. Provisions

In millions of Rands	30 June 2026 Reviewed	31 December 2025 Audited
Asset retirement obligation and Environmental remediation:		
Balance at the beginning of the year	**1 784**	1 945
Scope changes	**(193)**	(283)
Discount rate change	**(26)**	79
Unwinding of the discount effect	**69**	162
Utilised during the period	**(82)**	(119)
Balance at the end of the period	**1 552**	1 784
Restructuring cost:		
Balance at the beginning of the year	**116**	495
Increase/(Decrease) during the period – Restructuring charge for severance packages	**25**	(144)
Transferred to trade and other payables	**(122)**	(235)
Balance at the end of the period	**19**	116
Onerous contracts:		
Balance at the beginning of the year	**-**	244
Decrease during the period – Longs Business wind down charge	**-**	(157)
Utilised during the period	**-**	(87)
Balance at the end of the period	**-**	-
Other:		
Balance at the beginning of the year	**463**	608
Increase during the period	**152**	128
Transferred to trade and other payables		(124)
Utilised during the period	**-**	(149)
Balance at the end of the period	**615**	463
Total provisions	**2 186**	2 363
Non-current	**1 362**	1 560
Current	**824**	803

Restructuring cost
The restructuring cost relates to the section 189 severance packages for employees affected by the wind down of the Longs Business.

Onerous contracts
The onerous contract relates to contract termination costs resulting from the wind down of the Longs Business. The provision decreased in the prior period resulting from management reassessment of contracts and transferability thereof to other plants and the deferral period allowing for contractual commitments to be fulfilled in line with contractual terms.

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 JUNE 2026 *continued*

18. Other financial liabilities

In millions of Rands	30 June 2026 Reviewed	31 December 2025 Audited
Competition Commission administrative penalty*		
Balance at the beginning of the year	**872**	747
Unwinding of the discounting effect	**53**	125
Balance at the end of the period	**925**	872
Non-current	**831**	783
Current	**94**	89

**The carrying amount is a reasonable approximation of fair value.*

19. Cash generated from operations

In millions of Rands	Six months ended	
	30 June 2026 Reviewed	30 June 2025 Reviewed
Loss before taxation	**(1 245)**	(932)
Adjusted for:		
Other income	**-**	(1 075)
Finance income	**(61)**	(192)
Finance costs	**707**	682
Fair value adjustment of investment properties	**(113)**	(82)
Fair value adjustment on other financial assets	**41**	-
Income after tax from equity-accounted investments	**(8)**	(8)
Depreciation	**304**	417
Amortisation of intangible assets	**7**	4
Impairment of equity-accounted investment	**-**	2
Unrealised profit on sales to joint ventures	**7**	3
Share-based payment expenses	**15**	12
Write-down of inventory to net realisable value	**19**	100
Profit on disposal of property, plant and equipment	**(129)**	(1)
Realised foreign exchange movements	**(5)**	60
Fair value adjustment of investment held by environmental trust	**(24)**	(26)
Adjustment for slow moving inventory	**(1)**	(22)
Other payables raised, released and utilised relating to employees	**46**	78
Movements in trade and other receivables allowances	**6**	4
Utilisation of provisions	**(82)**	(92)
Non-cash movement in provisions and financial liabilities	**(58)**	(218)
Funding received - IDC	**-**	2 063
Operating working capital movements:	**(268)**	1 046
- Decrease in inventories	**384**	1 077
- Increase in trade and other receivables	**(1 259)**	(1 508)
- Increase in trade and other payables	**607**	1 477
Cash (utilised in)/generated from operations	**(842)**	1 823

ArcelorMittal

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 JUNE 2026 *continued*

20. Reconciliation of finance costs paid

	Six months ended	
	30 June 2026	30 June 2025
In millions of Rands	**Reviewed**	Reviewed
Finance costs per statement of comprehensive income	**(707)**	(682)
Adjusted for:		
Funding received (IDC) – presented separately	**-**	(101)
Non-cash movement on interest expense borrowings and payables	**307**	269
- Loan from holding company	**277**	258
- Other third-party payables	**30**	11
Unwinding of the discounting effect on provisions and financial liabilities	**122**	159
- Provisions	**69**	85
- Other financial liabilities	**53**	74
Finance costs per statement of cash flows	**(278)**	(355)

21. Fair value measurements

In millions of Rands	Level 1	Level 2	Level 3	Classification
As at 30 June 2026				
Assets				
Investment properties	**-**	**-**	**1 273**	FVTPL
Asset held-for-sale	**-**	**-**	**-**	FVTPL
Investments held by environmental trust	**-**	**-**	**-**	FVTPL
Other financial assets	**-**	**700**	**-**	FVTPL
Newcastle plant CGU	**-**	**-**	**562**	FVTPL
Vereeniging plant CGU	**-**	**-**	**173**	FVTPL
Saldanha plant CGU	**-**	**-**	**335**	FVTPL
Total	**-**	**700**	**2 343**	
As at 31 December 2025				
Assets				
Investment properties	-	-	1 090	FVTPL
Asset held-for-sale	-	-	70	FVTPL
Investments held by environmental trust	-	576	-	FVTPL
Newcastle plant CGU		-	562	FVTPL
Vereeniging plant CGU	-	-	173	FVTPL
Saldanha plant CGU	-	-	335	FVTPL
Total	-	576	2 230	

FVTPL– Fair value through profit or loss.

Fair value hierarchy	Valuation technique
Level 2: Fair value measurements are those derived from inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).	Investment in environmental trust: The fair value is derived from the underlying listed share prices. Other financial assets: The asset relates to the insurance policy acquired for rehabilitation provisioning. The policy is held with Centriq and the funds are managed and invested by Anchor Capital. The fair value of the investment is derived from the underlying listed share prices of the shares in which the funds are invested.

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2026 *continued*

Fair value measurements *continued*

Fair value hierarchy	Valuation technique
Level 3: Inputs for the assets or liability that are unobservable.	The valuation policy adopted by management is to revalue investment property externally by an independent registered valuer at financial year-end and for interim reporting purposes, with values being adjusted for internal information when applicable. The investment properties of the group of R1 273 million can be divided between industrial sector valued at R987 million (December 2025: R892 million), residential vacant land sector valued at R113 million (December 2025: R45 million), farmland valued at R41 million (December 2025: R31 million) and solar farms valued at R132 million (December 2025: R122 million). The fair value of the property in the industrial sector was determined by adopting the income capitalisation method or market value approach. The income capitalisation method requires a market-derived projection of economic net annual income for the property, which is then capitalised into perpetuity using a market-related capitalisation rate to determine the market value estimate. Gross market rentals have been applied to the accommodation elements and then normal landlord outgoings were deducted and a management fee to arrive at a net annual income figure. The following key assumptions were applied: • Expense ratio 23.6% (December 2025: 23.6%) • Vacancy provision 7.5% (December 2025: 7.5%) • Capitalisation rate 13.5% (December 2025: 13.5%) • Market rental rate R9.26/m2 (2025: R9.26/m2) The rates used in performing the sensitivity analysis is based on the benchmark rates used by other entities within property industries with similar characteristics as that of the group. A 2.5% increase or decrease in the expense ratio will impact the fair value by R19 million (December 2025: R19 million). A 2.5% increase or decrease in the vacancy provision will impact the fair value by R20 million (December 2025: R20 million). A 1% decrease and increase in the capitalisation rate will impact the fair value by R45 million and R39 million respectively (December 2025: R45 million and R39 million respectively). A 1% increase or decrease in the market rental rate will impact the fair value by R8 million (2025: R8 million). The depreciable replacement cost approach is based on the economic theory of substitution, and it involves comparing the asset being valued with another. This approach was applied to the conference facilities on the farmland. The fair value of properties in the vacant residential land sector and the vacant development land has been determined by applying the market approach, which is based on comparing the subject assets with identical or similar assets for which price information is available, such as a comparison with market sales transactions in the same, or closely similar, type of asset within an appropriate time horizon. In assessing the value of the solar farms, the market approach was followed, whereby comparable sales were researched together with current asking prices in the surrounding areas. For two of the erven included in solar farms at a value of R72 million (2025: R72 million), the valuation technique is based on the residual value method, whereby the value is determined as the value of the completed development less development costs plus developers profit, with this change in valuation technique being driven by an improvement to derive a value more representative of the erven's highest and best use in the current circumstances.

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2026 *continued*

Fair value measurements *continued*

Fair value hierarchy	Valuation technique
Level 3: Inputs for the assets or liability that are unobservable.	An offer to purchase an industrial property for R70 million was received during 2025 and the sale was expected to be concluded in 2026. The sale of this property is no longer expected to be concluded in 2026 due to imposed hold on disposal of certain non-core properties of the group, refer to note 2.1. The property is included as part of investment properties, in prior year disclosed as Assets held-for-sale. The fair value was adjusted accordingly to the highest and best use using the offer received. Newcastle CGU, Vereeniging GCU, Saldanha plant The recoverable amount represents its fair value less cost to sell which has been determined by comparing the plants assets with identical or similar assets for which price information is available, whether as scrap or for sale in the relevant market, and adjusting these values for significant unobservable inputs to reflect the specific condition, age, and disposal circumstances of the assets.

22. Commitments

In millions of Rands	**30 June 2026 Reviewed**	31 December 2025 Audited
Capital expenditure commitments on property, plant and equipment and intangible assets		
Capital expenditure authorised and contracted for	**423**	355
Capital expenditure authorised but not contracted for	**832**	766
Total	**1 255**	1 121

23. Related party transactions

The Group is controlled by ArcelorMittal Holdings AG, which effectively owns 69% (December 2025: 69%) of the Group's shares. At 30 June 2026, the outstanding ArcelorMittal Holdings AG loans amounted to R6 476 million (31 December 2025: R5 476 million). The interest expense for the six months ended 30 June 2026 was R277 million (30 June 2025: R258 million).

The outstanding balance to entities within the AM Group amounted to R1 196 million (2025: R529 million). This balance includes accrued interest of R548 million (2025: R271 million), management fees of R53 million (2025: R27 million) and research and development fees of R133 million (2025: R80 million) payable to AM Group.

The Group purchased products and services to the value of R336 million (2025: R171 million) from and sold goods to the value of R8 million (2025: R716 million) to other companies in the greater AM Group.

The Company and its subsidiaries entered into sale and purchase transactions with joint ventures in the ordinary course of business.

24. Subsequent events

The directors are not aware of any material matters or circumstances arising since 30 June 2026 to the date of this report that would significantly affect the operations, the results or financial position of the Group that require further adjustment or disclosure.

25. Independent auditor's review report

The auditor, Ernst and Young Inc, has issued their unmodified review report with a material uncertainty on going concern on the condensed consolidated financial statements for the six months ended 30 June 2026. The review was conducted in accordance with ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Equity.

The auditor's review report on the reviewed condensed consolidated interim financial statements is included on the next page, and a copy of the auditor's review report on the reviewed condensed consolidated interim financial statements is available for inspection at the Company's registered office. The reviewed condensed consolidated interim financial statements for the six months ended 30 June 2026 are available on the Company's website: https://southafrica.arcelormittal.com/InvestorRelations/InterimResults.aspx

The auditor's review report does not necessarily report on all the information contained in the financial results. Shareholders are therefore advised that in order to obtain a full understanding of the review engagement, they should read the accompanying financial information as included in this report.

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTHS ENDED 30 JUNE 2026

TO THE SHAREHOLDERS OF ARCELORMITTAL SOUTH AFRICA LIMITED

We have reviewed the condensed consolidated financial statements of ArcelorMittal South Africa Limited for the six-months ended 30 June 2026 in the accompanying interim report on pages 10 to 36, which comprise the condensed consolidated statement of financial position as at 30 June 2026 and the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, and the condensed consolidated statement of cash flows for the six-months then ended, and a summary of material accounting policy information and selected explanatory notes.

Directors' Responsibility for the Condensed Consolidated Financial Statements

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and International Accounting Standard (IAS) 34, *Interim Financial Reporting*, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Limited Listings Requirements 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 condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these condensed consolidated financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of condensed consolidated financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial statements of ArcelorMittal South Africa Limited for the six-months ended 30 June 2026 are not prepared, in all material respects, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and International Accounting Standard (IAS) 34, *Interim Financial Reporting*, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Limited Listings Requirements and the requirements of the Companies Act of South Africa.

Emphasis of matter - Material Uncertainty Related to Going concern

We draw attention to Note 2.1 – Going Concern of the condensed consolidated financial statements, which indicates that there remains material uncertainty regarding a number of matters in the short to medium term which may impact the Group's liquidity, the most prominent of which is the ongoing discussions with the IDC relating to loan funding and capital restructuring and the BBF facility refinance. The Group's forecasted liquidity and longer-term profitability is further dependent on the uncertain outcome of various management plans and uncontrollable factors included within the forecast which are discussed in Note 2.1. As stated in that note, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on ArcelorMittal South Africa Limited's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Ernst & Young Inc.
Director – Philippus Dawid Grobbelaar
Registered Auditor
Chartered Accountant (SA)

30 July 2026

ArcelorMittal

FORWARD-LOOKING STATEMENTS

Statements in this announcement that are neither reported financial results nor other historical information, are forward-looking statements, including but not limited to statements that are predictions of or indicate future earnings, savings, synergies, events, trends, plans or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to risks and uncertainties which could cause actual results and Company plans and objectives to differ materially from those expressed or implied in the forward-looking statements (or from past results). Any reference to future financial performance included in this announcement has not been reviewed or reported on by the Group's auditors.

CORPORATE INFORMATION

Registered Office
ArcelorMittal South Africa Limited
Room N3-5, Main Building
Delfos Boulevard, Vanderbijlpark, 1911

Company secretary
FluidRock Co Sec (Pty) Ltd
Registration number: 2016/093836/07
Registered address: Monument Office Park, Suite 5-201,
79 Steenbok Avenue, Monument Park, 0181

Non-executive directors
Prof B Mohale (Chairman)*
LC Cele*
B Davey º
D Earp*
GS Gouws
R Karol+
M Maasdorp*
NF Nicolau*

º Citizen of Canada
+ Citizen of India
* Independent non-executive

Sponsor
Absa Bank Limited (acting through its Corporate and Investment Banking division)
Alice Lane North
15 Alice Lane, Sandton, 2196
Private Bag x10056, Sandton, 2146

Auditors
Ernst and Young Inc.
102 Rivonia Road
Dennehof, Sandton, 2146

Executive directors
HJ Verster (chief executive officer)
GA Griffiths (chief financial officer)

Release date: 30 July 2026

ArcelorMittal South Africa Limited
Registration number 1989/002164/06
Share code: ACL
ISIN: ZAE000134961
("ArcelorMittal South Africa", "the Company" or "the Group")