

## Salient features

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- International and domestic steel markets remained under pressure, with some recent price improvements internationally
- Crude steel production increased by 5% to 1,3 million tonnes, reflecting improved asset utilisation in the Flats Business
- Sales volumes declined 11% to 1,05 million tonnes
- Realised steel prices were down 7% (5% in US Dollar terms)
- Raw material basket (RMB) down 12%. International RMB down 22%. (Both in Rand terms)
- The Value Plan contributed R420 million (2024 H1: R434 million)
- Fixed costs declined 5% to R3 251 million (2024 H1: R3 417 million)
- EBITDA loss (before exceptional items) was R394 million (2024 H1: R221 million loss)
- EBITDA loss (before exceptional items) after R1 075 million of IDC funding support to neutralise the Longs Business operational losses
- Headline loss of R1 014 million (2024 H1: R1 110 million)
- Net borrowings were R4 620 million (2024 H2: R5 111 million), including capitalised interest and group charges totalling R421 million, and deferred income of R842 million related to IDC funding earmarked for the continuation of the Longs Business in Q3 2025
- IDC funding has been applied in a responsible, transparent, and considered manner, supporting productive capacity, preserving value chains, and protecting employment
- Company awaits to hear the outcome of the IDC due diligence process
- In the absence of a sustainable solution, the final wind-down of the Longs Business remains scheduled for 30 September 2025

*The analysis below relates to the six months ended 30 June 2025 (current period; “2025 H1”) compared to the six months ended 30 June 2024 (prior or comparable period; “2024 H1”), except where otherwise indicated. The immediately preceding six months refers to the second six months of 2024 (“2024 H2”).*

## Overview

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### The Industrial Development Corporation (IDC) due diligence

Following the 14 July announcement, the Company awaits to hear the outcome of the IDC due diligence process.

### Business strategy

The strategy for the coming five years will focus on enhancing balance sheet resilience and prioritising the Flats Business. This will be achieved through targeted improvements in reliability, product quality, cost efficiency, and customer service.

Enhancing the balance sheet will depend on the outcome of the ongoing IDC transaction. Should a sustainable solution not be reached, the Company will proceed with the planned permanent wind-down of the Longs Business.

In that event, ArcelorMittal South Africa will promptly initiate monetisation of assets, including Saldanha Steel, the Tubular Mill, the Vereeniging Bar Mill, ArcelorMittal Rail and Structures (AMRAS), and other non-core properties. Proceeds will be applied to strengthen the balance sheet, to reduce debt, and will be reinvested into the Flats Business to support improvements in earnings and cash flow in order to preserve core business continuity.

## Industry overview

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2025 H1 saw ArcelorMittal South Africa continue to face significant challenges with no improvement in market conditions over the previous period. The prolonged negative international steel cycle remains, ensuring that global and domestic steel markets remained under pressure in spite of some price improvement, notably in China during July. Realised Rand steel prices declined by 7% (down 5% in US Dollar terms) and the raw material basket (RMB) was down by 12% in Rand terms (international RMB down 22% in Rand terms). International spreads averaged \$130/t, well below the sustainable \$200-220/t range.

The reality of the strategic nature of the primary steel industry, and its practical irreplaceability should it not be sustained, has been clearly recognised by more and more international actors, especially under current geopolitical and trade conditions. Internationally, the number of countries implementing strong protections for their primary steel industries against unfair trade and policy practices continues to rise, with Brazil, India, the USA, the EU now joined by the UK, China, Malaysia, Mexico, Canada, and Australia. These actions are unprecedented. Chinese steel exports hit a nine-year high of 111 million tonnes in 2024, up 23% from 2023. High levels of Chinese steel exports of 58 million tonnes in the current period (2024 H1: 53 million tonnes), representing an increase of 9,2%, continue to pressure international markets.

Work continues with the South African Government and key stakeholders in the South African steel and engineering value chain to support structural reform, so as to reach an agreement on collaborative interventions needed to address the decline in the strategic steel sector. Various duties have been implemented and a general review of steel tariffs is underway. The export tax on scrap and the Preferential Price System (PPS) are being reviewed. Unfortunately, despite this support and these initiatives, there has been limited progress with implementing interventions that adequately address the constraints identified.

Domestically, infrastructure activity remained subdued. While several encouraging government policy signals emerged, implementation delays continued to dampen industrial confidence and constrain volumes across the market. Weak economic growth has led to an 18% decline in demand for steel over the past 7 years. This emphasises the need to further act decisively to address key priorities, including stimulating demand through infrastructure roll-out and localisation of steel; the reduction of and protection from the high level of imports at dumped prices; the implementation of forceful action against illicit trade where tariffs have been implemented; and the correction of the export tax on scrap / PPS which has created market distortion.

This advantage, activated through the PPS, is currently estimated to be in the region of R4,2 – R6,4 billion per annum. The export of billets allows for the export of scrap with minimal beneficiation to the detriment of the economy. While the Department of Trade, Industry and Competition (DTIC) has embarked on an investigation and analysis into the impact of these measures, the export tax on scrap and PPS were never intended to be implemented simultaneously, and these findings are still awaited, as are the findings of the International Trade Administration Commission of South Africa (ITAC) investigation into steel tariffs.

South Africa can maintain and grow a thriving steel industry, however commitments need to translate into real and immediate supportive action. The top two priorities currently are to ensure that there is a vibrant level of steel demand accessible to South African steel producers; and second, that the high levels of imports are dramatically reduced. Approximately 68% or 518 000 tonnes of these steel imports could be manufactured locally. Once these priorities are addressed, the industry will be in a much stronger position to progress with investment to improve localisation levels with the aim of completely replacing imports while turning attention to the issue of decarbonization.

## Government initiatives

Major rail service interruptions because of cable theft and locomotive failures have regrettably constrained performance and affected costs. While the Company has raised the issue of freight rail tariffs in its approach to the Competition Commission on 29 April 2025, it has also attempted a collaborative problem-solving approach through offering to assist with security arrangements on key rail routes of interest to the Company, and other cost impact and mitigation measures. On two occasions during the past six months, the risk of uncontrolled Blast Furnace stops arose due to major rail service interruptions. Additional unplanned road transport had to be deployed, resulting in higher direct, operational, and handling costs of some R317 million (2024 H1: R127 million).

**Industry overview continued**

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ArcelorMittal South Africa continues to engage constructively with relevant stakeholders on electricity pricing. The Company has benchmarked tariffs against industry norms in comparable economies and highlighted the implications for energy-intensive sectors. Electricity costs remain high with steel, aluminium, and ferroalloys exemplifying South Africa's electricity cost disadvantage. The Company's commercial market coke business has been heavily impacted in recent years with the closures of ferroalloy smelters in South Africa due to uncompetitive electricity costs. Difficulties with electricity supply negatively impacted earnings by some R41 million (2024 H1: R25 million loss). The Company has petitioned the National Energy Regulator of South Africa (NERSA) for consideration of its application for a Negotiated Price Agreement (NPA) in line with the relevant framework to alleviate this disadvantage. NERSA held a public hearing regarding the application on 17 July 2025 and the outcome is still awaited.

The majority of South Africa steel industry associations along the value chain presented to the portfolio committee responsible for trade, industry and competition on 4 June 2025, and noted *inter alia* that the outcome of the current review into steel tariffs by ITAC is an urgent necessity. It is hoped that the findings, and consequential actions are enacted with immediate effect. These actions require strong support in action against illicit trade and corrupt and collusive dealings, which are not currently being addressed by the responsible authorities.

**Financial results**

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**Financial performance**

Group revenue declined due to lower sales volumes and softer average prices. The impact was partially mitigated by lower raw material input costs and disciplined cost management under the Value Plan. Regrettably, the additional unplanned road transport, and the cost of electrical supply difficulties weighted heavier on the financial results than was the case in the comparative period. Fixed costs declined year-on-year. With the earnings impact of the Longs Business having been neutralised via the IDC facility, the Flats Business remained the key contributor to the operating results.

Revenue decreased by 17% to R17 118 million (2024 H1: R20 506 million), mainly due to a 11% decrease in total steel sales volumes, and a 7% fall in net realised steel sales prices. First half revenue was 5% down (2024 H2: R18 091 million) compared to the immediately preceding six months.

The Company's local RMB, representing 42% (2024 H1: 47%) of cash cost per tonne<sup>1</sup>, decreased by 12% in Rand terms, compared to a 22% decrease in the international basket (Rand terms). The components in the Company's basket moved as follows: coking coal and coke decreased by 31%, scrap decreased by 6%, and iron ore increased by 10%. The local basket was 2% down in Rand terms compared to the immediately preceding six months.

Consumables and auxiliaries' cost (excluding RMB) representing 39% of cash cost per tonne<sup>1</sup> (2024 H1: 35%) reflected a stable cost performance with electricity tariffs that increased by 14% off-set by lower alloys, fluxes, and electrodes. Consumables and auxiliaries' costs increased by 6% compared to the immediately preceding six months.

The total variable cash cost of steel decreased 13% against the comparative period and decreased by 2% against the immediately preceding six months.

Fixed costs decreased by R166 million (-5%) from R3 417 million in 2024 H1 to R3 251 million for 2025 H1 in response to weaker market conditions and tighter cost management. Fixed costs were down by 3% (2024 H2: R3 356 million) compared to the immediately preceding six months despite the impact of the additional maintenance cost and salary adjustments.

The Company's Value Plan realised improvements of R420 million (2024 H1: R434 million) consisting of cost-based initiatives of R424 million (2024 H1: R336 million), offset by negative commercial-based initiatives of R4 million (weakness in commercial market coke sales) (2024 H1: R98 million).

The EBITDA loss before exceptional items of R394 million, was R173 million higher than the R221 million loss in the comparable period. The current period's EBITDA performance included R1 075 million of IDC funding support to neutralise the Longs Business operational losses. The performance represent a R1 201million improved in the EBITDA loss before exceptional items of R1 131 million for the immediately preceding six-month period.

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<sup>1</sup> Based on crude steel production

**Financial results *continued***

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Exceptional item gains were recognised of R284 million (2024 H1: R-nil- million; 2024 H2: R1 813 million charge) on the reversal of certain wind-down charges relating to the Longs Business.

The depreciation and amortisation expense increased by 31% to R421 million (2024 H1: R321 million) due to depreciation on new assets of R57 million and useful life changes due to a change in the coke making footprint of R24 million.

Net finance charges decreased by 17% to R490 million (2024 H1: R591 million).

ArcelorMittal South Africa posted a headline loss of R1 014 million (91 cents loss per share) against a loss of R1 110 million (100 cents loss per share) in comparable period, and a loss of R3 992 million (358 cents loss per share) in the immediately preceding six-months period.

The attributable loss amounted to R932 million (84 cents loss per share) against a loss of R1 214 million (109 cents loss per share) in 2024 H1, and a loss of R4 625 million (415 cents loss per share) for the immediately preceding six-month period.

**Cash flow and net borrowing position**

Cash generated from operations of R1 823 million represents a R1 539 million increase against the comparable period (2024 H1: R284 million) mainly due to cash utilised in operations of R1 286 million, lower operating working capital requirements of R1 046 million of cash released (2024 H1: R626 million released) and IDC funding of R2 063 million.

Capital expenditure cash outflow was R590 million (2024 H1: R586 million), which consisted of R362 million (2024 H1: R395 million) sustaining (including safety and structures), R43 million environmental (2024 H1: R36 million) and R185 million (2024 H1: R155 million) of strategic investments. Key projects impacting the cash performance include: Vanderbijlpark Blast Furnace C taphole and hearth restoration: R78 million; Blast Furnace D hot blast stove 3 restoration; R36 million and the Plate Mill main drive upgrade: R19 million.

The net borrowings position was R4 620 million compared to R5 111 million at the end of December 2024, an improvement of R491 million, including capitalisation of interest and group charges totalling R421 million and deferred income received of R842 million relating to the IDC funding (for application in 2025 Q3 for the Longs Business continuation).

**Markets**

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Global crude steel production<sup>2</sup> was 2% down for 2025 H1 at 934 million tonnes when compared to the same period last year but increased by 6% against the preceding six months. International hot rolled coil (HRC) and rebar prices decreased by 10% and 11% respectively in US Dollar terms when compared against the comparable period. Hot rolled coil (HRC) prices increased by 2% and rebar decreased by 5% compared to the preceding six months.

South Africa imported approximately 94 000 of billet from Zimbabwe and exported ca. 240 000 tonnes of scrap in the form of billets - largely to the Middle East - in 2025 H1.

Steel imports of primarily HRC, galvanised sheet, plates and billet increased to 767 000 tonnes in 2025 H1<sup>3</sup> or 37% of South Africa's Apparent Steel Consumption (ASC) (2024 H1: 34%). Imports decreased in 2025 H1 by 18 000 tonnes compared to the immediately preceding six months.

Flat steel product imports of 616 000 tonnes for the current period represents a staggering 49% of flat steel product (ASC).

The Company's sales volumes decreased by 11%, or 127 000 tonnes, to 1,05 million tonnes compared to 2024 H1. Domestic sales were down 10% at 836 000 tonnes while exports decreased by 13% to 210 000 tonnes<sup>4</sup>. Africa overland sales decreased to 91 000 tonnes. Africa overland sales as a percentage of total exports were 43% (2024 H1: 44%).

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<sup>2</sup> Source: World Steel Association

<sup>3</sup> Source: South African Revenue Service, June estimated

<sup>4</sup> Bluewater and Africa overland sales volumes

**Markets continued**

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Total sales volumes were 14 000 tonnes higher when compared to the immediately preceding six months, with domestic sales 2% higher while exports were down by 26%.

The Company's overall realised steel price in US Dollar terms decreased by 5%. In Rand terms, this represented a 7% decrease as the average US Dollar/Rand exchange rate strengthened by 2%. Realised US Dollar steel prices decreased by 1% compared to the immediately preceding six months, with Rand prices up by 1% for the same period.

ArcelorMittal South Africa is the only primary producer of steel in South Africa which supports the downstream industry through a formal export support programme. This industry support totalled R92 million (2024 H1: R54 million) in value-added export and strategic rebate assistance during 2025 H1.

Sales volumes of commercial market coke were 2 000 tonnes higher at 52 000 tonnes in 2025 H1. Selling prices were 29% down in Rand terms against the comparable period.

**Operations**

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Crude steel production increased by 5%, or 58 000 tonnes, from 1,22 million in the comparable period to 1,28 million tonnes for 2025 H1 due to improved asset utilisation in the Flats Business. Crude steel production decreased by 6%, or 84 000 tonnes, against the immediately preceding six months.

The Company's average capacity utilisation<sup>5</sup> increased from 60% in 2024 H1 to 63% in 2025 H1, with that of the Flats Business having improved from 58% to 69%. The successful completion of Blast Furnace C's shotcrete and hearth repair in 2024 Q4 should contribute to sustaining this recovery into 2025.

In the Longs Business, operating conditions remained challenging. Input costs, particularly for energy and transport, continued to exert upward pressure on production costs. Despite all reasonable efforts to improve sustainability, the business remained loss making. Thus, while the IDC facility provided time-limited funding relief, it did not alter the underlying economic realities. The primary focus areas for the Longs Business have been the re-establishing of a strong local market presence, and cost reduction initiatives, particularly targeting the raw material basket and improving energy efficiency.

Should there be no solution found to secure the sustainability of the Longs Business, there may be no option but to commence the shutdown of the Blast Furnace in early August to mitigate the risk of exposing the Company to adverse earnings and cash flow impacts beyond 30 September 2025 (that is, the expiry date of the existing IDC facility). In this event, operations would be placed into care and maintenance.

**Safety, Environmental, Social and Governance (ESG)**

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**Safety**

Safety is the Company's highest priority as it remains committed to Zero Harm. It is with deep regret that we announce a fatality which occurred in the first half of 2025. The Board and Management express their heartfelt condolences to the family, friends, and colleagues of Mr. Ezekiel Rakauoane, an employee of a contractor working in Vanderbijlpark.

The Company's lost-time injury frequency rate (LTIFR<sup>6</sup>) decreased from 1,13 to 0,41 and the total injury frequency rate (TIFR) increased from 7,32 to 7,81. The total number of injuries increased from 104 to 113.

**Environmental**

Through the optimisation of the coke making footprint, the Company has reduced its sulphur dioxide emissions. Waste management performance has shown positive trends, driven by improved handling processes and an increase in the volume of by-products sold, reflecting enhanced efficiency and sustainability in waste practices.

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<sup>5</sup> Based on achievable Hot Metal capacity for Vanderbijlpark and Newcastle Works

<sup>6</sup> LTIFR: Lost time injury frequency rate defined as Lost Time Injuries (LTI) per 1,000,000 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



## **Safety, Environmental, Social and Governance (ESG) *continued***

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### **Social**

Through ArcelorMittal South Africa's science centres, schools have gained access to essential resources. These centres have positively impacted 29 800 learners and 1 300 teachers across 310 schools, enhancing educational experiences and broadening opportunities.

Extending their influence beyond traditional academics, outreach programmes in science, technology, engineering, and mathematics (STEM) have inspired 1 900 participants, delivered through 700 interactive events. These initiatives spark curiosity and cultivate a culture of innovation among young minds.

Addressing food security remains a core commitment of the Company, with the Thusong Project providing daily, nutritious meals to over 2 400 vulnerable community members.

The three-year partnership with the GetOn Foundation (Vaal) continues to provide job-specific training to local communities, especially unemployed youth.

### **B-BBEE**

The Company has embarked on the implementation of its full year B-BBEE strategy, targeting a Level 4 certification for verification in 2026. This is supported by a comprehensive, cost-optimised roadmap that integrates transformation priorities across Ownership, Management Control, Skills Development, Enterprise and Supplier Development, Preferential Procurement and Socio-Economic Development.

## **Legal and Regulatory Matters**

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### **Competition Commission (the Commission)**

ArcelorMittal South Africa has been engaging the Commission regarding the restructuring of the payment of the administrative penalty. A payment holiday for 2024 and 2025 has been approved.

### **Long steel product pricing (April 2025)**

A complaint has been lodged against ArcelorMittal South Africa with the Commission by two competitors in the long steel products market who have also instituted an urgent application with the Competition Tribunal to interdict the Company from engaging in what they deem predatory pricing. The matter is being defended as ArcelorMittal South Africa has not engaged in any conduct in contravention of the competition laws.

### **Competitor conduct**

ArcelorMittal South Africa has lodged a complaint against certain competitors in the long steel products market for an abuse of dominance and an exclusionary act as contemplated in the Competition Act.

### **Application for a special electricity tariff (Negotiated Pricing Agreement)**

An application was made for a special price for electricity, which was not supported by Eskom. The matter was referred to NERSA for consideration in terms of the regulatory framework. A public hearing in this regard was held on 17 July 2025.

### **Scrap PPS and export tax**

Processes are under way to review the PPS, and the impact of the scrap export tax is being investigated by the DTIC.

### **Steel import duties review**

A general review of steel import duties has been initiated by ITAC.

## ArcelorMittal South Africa Limited

Reviewed condensed consolidated financial  
statements for the six months ended 30 June 2025



### Changes to the board of directors

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M Maasdorp was appointed as non-executive director effective 1 March 2025.

### Dividends

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No dividends were declared for the six months ended 30 June 2025.

### Outlook for the second half of 2025

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Safety is the Company's highest priority as it remains committed to Zero Harm. The key focus will be the Health and Safety roadmap of the Company.

The outlook for 2025 H2 remains cautious. While modest improvements are expected in global steel sentiment, domestic demand is likely to remain constrained.

There are signs of improvement in international prices in both flat and long steel products.

Efforts to further stabilise the Flats Business will be prioritised.

The Company's commercial and operational focus will be on improving local volumes through export replacement and other quality initiatives.

Disciplined capital allocation, asset monetisation (where applicable), and continued stakeholder engagement will remain central to the Company's short- and medium-term strategy.

Progress in discussions with the IDC will shape the Company's next phase.

Depending on the outcome of the IDC due diligence, ArcelorMittal South Africa will execute its strategy to improve core business profitability and Balance Sheet resilience.

On behalf of the board of directors

**HJ Verster**

Chief Executive Officer  
31 July 2025

**GA Griffiths**

Chief Financial Officer

**ArcelorMittal South Africa Limited**

Reviewed condensed consolidated financial  
statements for the six months ended 30 June 2025


**KEY STATISTICS**

	Six months ended	
	30 June 2025	30 June 2024
<b>Unreviewed/unaudited information</b>		
<b>Operational</b>		
Crude steel production	1 281	1 223
Total steel sales (Thousand tonnes)	1 046	1 172
Local steel sales (Thousand tonnes)	836	931
Export steel sales (Thousand tonnes)	210	241
Capacity utilisation (%)	62.5	60.0
Average steel net realised price (R/tonne)	14 451	15 504
Commercial coke sales (Thousand tonnes)	52	50
<b>Safety</b>		
Lost time injury frequency rate	0.41	1.13
<b>Reviewed information</b>		
<b>Financial</b>		
Revenue (R million)	17 118	20 506
EBITDA before exceptional items (R million)	(394)	(221)
Loss from operations (R million)	(533)	(542)
Loss for the period (R million)	(932)	(1 214)
Loss per share (cents)	(84)	(109)
Headline loss (R million)	(1 014)	(1 110)
Headline loss per share (cents)	(91)	(100)
Return on ordinary shareholders' equity per annum:		
- Attributable earnings (%)	(125.5)	(33.8)
- Headline earnings (%)	(135.3)	(30.9)
EBITDA margin (%)	(2.3)	(1.1)
Net borrowings (R million)	4 620	3 793
Net borrowings to equity (%)	446.8	57.6
Net asset value (R million)	1 034	6 587
<b>Share statistics</b>		
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)	1.05	1.19
Market capitalisation (R thousand)	1 195	1 354
Net asset value per share (Rand)	0.93	5.91



**ArcelorMittal South Africa Limited**

Reviewed condensed consolidated financial  
statements for the six months ended 30 June 2025

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

In millions of Rands	Six months ended	
	30 June 2025 Reviewed	30 June 2024 Reviewed
Loss from operations	(533)	(542)
Adjusted for:		
Depreciation	417	315
Amortisation of intangible assets	4	6
Impairment of equity-accounted investments	2	-
Exceptional items		
- Longs Business wind-down charge reversal	(152)	-
- Restructuring charge for severance packages	(2)	-
- Longs Business reversal of write down of inventory incl. plant spares and consumables	(130)	-
<b>Earnings before interest, taxation, depreciation and amortisation, impairment of equity-accounted investment and exceptional items (EBITDA)</b>	<b>(394)</b>	<b>(221)</b>

**ArcelorMittal South Africa Limited**

Reviewed condensed consolidated financial  
statements for the six months ended 30 June 2025

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

In millions of Rands	Note	Six months ended	
		30 June 2025 Reviewed	30 June 2024 Reviewed
<b>Revenue</b>	<b>5</b>	<b>17 118</b>	<b>20 506</b>
Other income	<b>6</b>	<b>1 131</b>	<b>-</b>
Raw materials and consumables used		<b>(10 132)</b>	<b>(11 549)</b>
Employee costs		<b>(1 959)</b>	<b>(1 922)</b>
Energy		<b>(3 100)</b>	<b>(2 796)</b>
Movement in inventories of finished goods and work-in-progress		<b>(183)</b>	<b>(1 044)</b>
Depreciation		<b>(417)</b>	<b>(315)</b>
Amortisation of intangible assets		<b>(4)</b>	<b>(6)</b>
Impairment reversal and movement in expected credit losses of trade and other receivables		<b>1</b>	<b>3</b>
Impairment of equity-accounted investments		<b>(2)</b>	<b>-</b>
Other operating expenses		<b>(2 986)</b>	<b>(3 419)</b>
<b>Loss from operations</b>		<b>(533)</b>	<b>(542)</b>
Finance income	<b>7</b>	<b>192</b>	<b>94</b>
Finance costs	<b>8</b>	<b>(682)</b>	<b>(685)</b>
Fair value adjustment of investment properties and asset held-for-sale		<b>82</b>	<b>(81)</b>
Gain on bargain purchase		<b>1</b>	<b>-</b>
Income after tax from equity-accounted investments		<b>8</b>	<b>5</b>
<b>Loss before taxation</b>		<b>(932)</b>	<b>(1 209)</b>
Income taxation expense	<b>9</b>	<b>-</b>	<b>(5)</b>
<b>Loss for the period</b>		<b>(932)</b>	<b>(1 214)</b>
<b>Other comprehensive (loss)/income</b>			
<i>Items that will not be reclassified to income or loss (net of tax):</i>			
Fair value adjustment on equity instruments		<b>-</b>	<b>1</b>
<i>Items that may be reclassified subsequently to income or loss (net of tax):</i>			
Share of other comprehensive loss of equity accounted investments		<b>(2)</b>	<b>(1)</b>
Exchange differences on translation of foreign operations		<b>(6)</b>	<b>(1)</b>
<b>Other comprehensive loss for the period</b>		<b>(8)</b>	<b>(1)</b>
<b>Total comprehensive loss for the period</b>		<b>(940)</b>	<b>(1 215)</b>
<b>Total comprehensive loss for the period attributable to owners of the company</b>		<b>(940)</b>	<b>(1 215)</b>
Basic/diluted loss per share (cents) attributable to owners of the company		<b>(84)</b>	<b>(109)</b>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

In millions of Rands	Note	As at	
		30 June 2025 Reviewed	31 December 2024 Audited
<b>Assets</b>			
<b>Non-current assets</b>		<b>9 018</b>	<b>8 862</b>
Property, plant and equipment	11	7 432	7 373
Investment properties	12	772	690
Intangible assets		54	58
Equity-accounted investments		243	243
Investment held by environmental trust		513	486
Other receivables		4	12
<b>Current assets</b>		<b>17 887</b>	<b>15 953</b>
Inventories		8 948	10 113
Trade and other receivables		3 773	2 246
Cash, bank balances and restricted cash	13	5 166	3 594
Asset held-for-sale	14	126	126
<b>Total assets</b>		<b>27 031</b>	<b>24 941</b>
<b>Equity and Liabilities</b>			
<b>Total equity</b>		<b>1 034</b>	<b>1 963</b>
Stated capital		4 537	4 537
Reserves		(3 437)	(3 448)
Retained (loss)/income		(66)	874
<b>Non-current liabilities</b>		<b>8 377</b>	<b>7 706</b>
Borrowings	15	5 704	5 055
Lease liabilities		101	142
Provisions	16	1 533	1 578
Trade and other payables		218	228
Other financial liabilities	17	821	703
<b>Current liabilities</b>		<b>17 620</b>	<b>15 272</b>
Borrowings	15	4 082	3 650
Lease liabilities		62	39
Provisions	16	1 536	1 714
Trade and other payables		10 975	9 708
Other financial liabilities	17	3	49
Deferred income	18	842	-
Taxation		120	112
<b>Total equity and liabilities</b>		<b>27 031</b>	<b>24 941</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

In millions of Rands	Note	Six months ended	
		30 June 2025 Reviewed	30 June 2024 Reviewed
<b>Cash flows from operating activities</b>		<b>1 529</b>	<b>(14)</b>
Cash generated from operations	19	1 823	284
Finance income		53	39
Finance costs	20	(355)	(332)
Income taxation refunded/(paid)		8	(5)
<b>Cash flows from investing activities</b>		<b>(585)</b>	<b>(563)</b>
Investment to maintain and expand operations		(590)	(586)
Proceeds from disposal of property, plant and equipment		5	11
Proceeds from disposal of other financial assets		-	12
<b>Cash flows from financing activities</b>		<b>641</b>	<b>789</b>
Borrowings: Borrowing-base facility raised	15	3 150	4 350
Borrowings: Borrowing-base facility repaid	15	(2 350)	(4 550)
Borrowings: Loan from Industrial Development Corporation raised	15	-	1 000
Borrowings: Loan from Industrial Development Corporation repaid	15	(140)	-
Repayment of principal lease liabilities		(19)	(11)
<b>Net increase in cash, cash equivalents and restricted cash</b>		<b>1 585</b>	<b>212</b>
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash		(13)	10
Cash, cash equivalents and restricted cash at the beginning of the period		3 594	3 485
<b>Cash, cash equivalents and restricted cash at the end of the period</b>		<b>5 166</b>	<b>3 707</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

In millions of Rands	Stated Capital	Treasury share equity reserve	Other Reserves	Retained earnings	Total
<b>Six months ended 30 June 2024 (Reviewed)</b>					
Balance as at 31 December 2023	4 537	(2 065)	(1 450)	6 777	7 799
Total comprehensive loss for the period	-	-	(1)	(1 214)	(1 215)
Loss for the period	-	-	-	(1 214)	(1 214)
Other comprehensive loss for the period	-	-	(1)	-	(1)
Share-based payment expenses	-	-	3	-	3
Transfer between reserves	-	-	64	(64)	-
<b>Balance as at 30 June 2024 (Reviewed)</b>	<b>4 537</b>	<b>(2 065)</b>	<b>(1 384)</b>	<b>5 499</b>	<b>6 587</b>
<b>Six months ended 30 June 2025</b>					
Balance as at 31 December 2024	4 537	(2 065)	(1 383)	874	1 963
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)	-
<b>Balance as at 30 June 2025 (Reviewed)</b>	<b>4 537</b>	<b>(2 065)</b>	<b>(1 372)</b>	<b>(66)</b>	<b>1 034</b>

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS  
ENDED 30 JUNE 2025**

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**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 2025 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 2025 were authorized for issue in accordance with a resolution of the directors on 31 July 2025.

**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 financial instruments which are stated at fair value and are presented in Rand, which is the functional and presentation currency of the Company. All financial information presented in Rand has been rounded off to the nearest million.

**2.1 Going concern**

Following an already challenging 2024, the first half of 2025 proved equally treacherous with the global cyclical downturn in the steel industry now continuing for almost two years, which is longer than the norm, creating an incredibly difficult economic environment for the Group to turn around results. The challenging effects of the current economic environment are casting uncertainty over the world and domestic steel markets.

International spread levels (being the difference between steel prices and input raw material costs) were on average around USD130 per tonne, and well below the normal USD200 to USD220 per tonne sustainability range. It is anticipated that international crude steel production levels could continue to reduce and ease the supply-side pressure into the second half of 2025, thereby presenting some relief towards the end of the year.

In South Africa, GDP growth expectations have been pared back to no more than 0.7% for 2025. All sectors except agriculture contributed to the weaker outlook. The economic headwinds have resulted in tough trading conditions in key steel consuming sectors, namely, construction, automotive, mining, fabrication, and energy and transport.

High imports continue to flood into the domestic market. Rail service rail performance deteriorated to its lowest levels ever, resulting in significantly elevated operating risk and unaffordable additional cost being borne by the Group.

Further, structural demand issues, fragmented policy implementation, and unaffordable electricity cost increases, pose significant challenges to the operations and performance.

The Group generated R1 823 million (31 December 2024: R1 029 million) positive cash flow from operations, which included IDC funding of R2 063 million, with cash, bank balances and restricted cash of R5 166 million at 30 June 2025 (31 December 2024: R3 594 million). Net borrowings decreased to R4 621 million (31 December 2024: R5 111 million).

The current assets (excluding assets held-for-sale) of the Group exceed current liabilities by R267 million (31 December 2024: current assets (excluding assets held-for-sale) exceed current liabilities by R680 million).

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS  
ENDED 30 JUNE 2025** continued

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***Going concern continued***

The Group has complied with all covenants as it pertains to the borrowing-based facility (BBF). The balance outstanding as at 30 June 2025 on the BBF was R3 500 million (31 December 2024: R2 700 million) with undrawn available facilities of R1,000 million (subject to eligible inventories and receivables available to provide as securities).

Given the substantial potential corporate action currently underway pertaining specifically to the IDC due diligence process the Group has engaged with the BBF Lenders to request of the BBF Lenders to extend the maturity date of the BBF by six months and defer the 12-month run-off period by six months. By 29 July 2025, all BBF Lenders except one had confirmed their consent to this extension. The remaining Lenders agreed to exit one lender with the facility reducing to R4 025 million from R4 500 million.

ArcelorMittal Holdings AG continues to demonstrate their support through its subordinated Group loan of R5 476 million as at 30 June 2025 (31 December 2024: R5 055 million) and letter of support in favour of the lenders of the BBF. After 30 June 2025, ArcelorMittal Holdings AG also consent to the extension of the maturity date of the loan to the Group to be in line with the extended date of the BBF.

After the 14 July announcement, on 30 July 2025, the Company awaits to hear the outcome of the IDC due diligence process

If a solution is not found well before 30 September 2025, the IDC funding provided to support the continued operation of the Longs Business, and thereby avoiding its closure until 30 September 2025, would have been fully utilised.

The impact of doubt regarding the outcome of IDC due diligence process and whether the Longs Business will remain operational and funded by the IDC, creates a primary indicator of material uncertainty that may cast significant doubt regarding the ability of ArcelorMittal South Africa to continue as a going concern.

The management and board of ArcelorMittal South Africa has therefore developed a credible business plan for implementation should the Long Business closure be affected and steps need to be taken to generate liquidity to enable the reduction of borrowings to more responsible levels, while investing in the Flats Business in order to improve the quality of its earnings and cash flows. The investment programme would focus on investing in the high payback portfolio projects which target cost savings, decarbonisation, and the implementation of modernised coating technology. This credible business plan contains various critical steps that would then need to be executed in the remainder of 2025, leading into 2026 to generate cash and manage borrowing covenants. This plan includes the following interventions:

- Purchase of raw materials through ArcelorMittal Group on favourable terms
- Disposal of non-core properties and assets
- Disposal of unutilised operational plant and equipment

These actions however remain subject to appropriate statutory and regulatory approvals and process and although management has engaged transaction advisors to assist there remains uncertainty and risk to the successful and timely conclusion of these actions.

The Group therefore remains focused on additional interventions to support liquidity through optimising ongoing cash management and cost reduction initiatives

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



**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS  
ENDED 30 JUNE 2025** continued

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***Going concern continued***

Shareholders are advised that the Group's financial performance is further dependent upon the wider economic environment in which the Group operates. There are other factors beyond the control of management, such as volatility of the Rand/US dollar exchange rate, steel demand, commodity and steel prices, and rail service and electricity supply reliability that can also have an impact on the business.

As highlighted above, material uncertainties arise due to the lack of clarity regarding the IDC's proposals for, specifically the Longs Business coupled with the fact that the continued operation of the remainder of the business without the Longs Business is itself dependent on the outcome of future actions which remain uncertain. As a result of the material uncertainty related to going concern, the entity may be unable to realise its assets or discharge its liabilities in the ordinary course of business

On this basis the directors and management have considered the viability of their reasonable plans as noted above and believe that the Group has sufficient liquidity to pay debts as they become due over the next 12 months and has sufficient headroom on its borrowing covenants and as a result have prepared the 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 2024, except for the Group's policy on accounting for Government grants which has been implemented for the first time in the current period, refer to note 18.

**3.1 New standards effective for annual periods beginning on or after 1 January 2025**

The following new amendment to standards and interpretations are effective for annual periods beginning on or after 1 January 2025, and had been adopted by the Group at 31 December 2024.

- *Lack of Exchangeability* (Amendments to IAS 21)

These amendments did 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 amendment to standards and interpretations that are effective for annual periods beginning on or after 1 January 2026, of which an earlier application is permitted, that may be relevant to the Group are the Classification and Measurement of Financial Instruments (Amendments IFRS 9 and IFRS 7) and the new standard Presentation and Disclosures in Financial Statements (IFRS 18). The amendments and new standards have not been early adopted by the Group in the 2025 financial year and is not expected to have a significant impact on the Group's financial statements, except for IFRS 18, the impact of which is still being assessed.

**4. Significant assumptions and areas of estimation uncertainty**

The preparation of the interim financial statements in compliance with IFRS requires management to calculate estimates and assumptions that affect amounts reported in the interim 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 further periods affected.

Key estimates and assumptions which have the most significant effect on the annual financial statements include:

- Valuation of investment properties - a level 3 fair value utilising significant unobservable inputs, specifically the capitalisation rate, vacancy provision and expense ratio – refer to note 21.
- 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.

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS  
ENDED 30 JUNE 2025** continued

**Significant assumptions and areas of estimation uncertainty continued**

- The assessment of expected credit losses was reperformed as at 30 June 2025 and an impairment reversal of R1 million has been recognised (June 2024: R3 million).
- Environmental remediation obligation and asset retirement obligation - specifically the expectation of future cost, discount rate and expected inflation rates. The average discount rate use for environmental remediation obligation is 8.9% (December 2024: 9.2%) and for asset retirement obligation is 8.5% (December 2024: 8.8%). The average escalation rate applied to the current cash flow estimates is 4.3% (December 2024: 4.3%).
- Classification of funding received from the IDC – refer to note 18.
- Going concern basis - refer to note 2.1.
- Impairment assessment of property, plant and equipment  
An impairment assessment was completed for the period ended 30 June 2025 using a discounted cash flow model with an explicit forecast period for four years. These cash flows are USD-based. To determine the terminal value, the Gordon growth model is used, where Year four free cash flow is recognised in perpetuity.

In 2024 Coke and Chemicals were assessed as a separate Cash-Generating Unit (CGU). In the current year, given the restructuring initiatives brought on by changes in market conditions together with the contemplated wind down of the Longs Business, management has merged the Coke and Chemicals CGU with the Vanderbijlpark (Flat steel) CGU for the purposes of performing the impairment assessment. Given the continued challenges faced by the Newcastle CGU no impairment model was performed, and the plant continues to be carried at the fair value less costs to sell to which it was impaired in 2024 – refer to note 21. The value in use for the Vanderbijlpark CGU, including Coke and Chemicals, and the Vereeniging and AMRAS CGUs, exceeded their carrying amounts.

Management has considered the sensitivity of the impairment calculations to various key inputs and assumptions and concluded that reasonable adjustments to these key inputs and assumptions applied would not result in any additional impairment loss.

The following major assumptions were used:

	Vanderbijlpark		Coke and Chemicals	Vereeniging		AMRAS	
	2025	2024	2024	2025	2024	2025	2024
<b>Major assumptions</b>							
Total Pre-tax WACC/discount rate (%USD-based)*	<b>16.30</b>	17.71	17.07	<b>16.93</b>	19.39	<b>15.58</b>	20.38
Company specific premium (%USD-based)*	<b>1.55</b>	1.60	0.80	<b>1.25</b>	3.00	<b>1.25</b>	3.00
Growth rate (%USD-based)	<b>2.00</b>	2.00	2.00	<b>2.00</b>	2.00	<b>2.00</b>	2.00
Exchange rate range (R/USD)**	<b>18.23 – 19.65</b>	17.93 – 19.41	17.93 – 19.41	<b>18.23 – 19.65</b>	17.93 – 19.41	<b>18.23 – 19.65</b>	7.93 – 19.41
Steel sales price range (average USD/t)**	<b>769 – 789</b>	771 – 818	67 – 153***	<b>1 054 – 1 078</b>	1 048 – 1 080	<b>699 – 730</b>	699 – 793
Sales volume range (kt)**	<b>1 881 – 1 966</b>	1 881 – 2 063	840 – 1 555	<b>77 – 108</b>	96 – 108	<b>98 – 136</b>	123 – 136

\* Decarbonisation risk is incorporated in company-specific premium.

\*\* Lowest to highest range over period of 2026 to 2029 (2024: 2025 to 2029).

\*\*\* Commercial coke sales price range (average USD/t).

**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.

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS  
ENDED 30 JUNE 2025** *continue*

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**Segment report** *continued*

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, Saldanha plant, Maputo plant, and Pretoria works, Thabazimbi Iron Ore Mine and Collect-a-Can\*.
- 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

*\*The group obtained control of Collect-a-Can during the current period and include it in the non-steel segment. The entity was previously reported as part of the corporate segment as equity accounted investment, refer note 23.*

Earnings before interest, tax, depreciation and amortisation (EBITDA) represents the earnings by each segment without the allocation of depreciation, amortisation, impairments and exceptional items.

Exceptional items, being abnormal items unrelated to the ordinary activities of the Group, include charges and/or reversal of charges relating to onerous contracts, severance packages and write down of inventory, including plant spares and consumables that arose as a result of the wind down of the Longs Business, refer note 11.

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 2025** *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
<b>For the six months ended 30 June 2025</b>					
<b>Revenue</b>					
External customers	16 443	498	177	-	17 118
Internal customers	-	133	-	(133)	-
<b>Total revenue</b>	<b>16 443</b>	<b>631</b>	<b>177</b>	<b>(133)</b>	<b>17 118</b>
<b>Revenue to external customers distributed as:</b>					
Local	13 137	631	-	(133)	13 635
Export					
Rest of Africa	1 761	-	-	-	1 761
Asia	403	-	-	-	403
Europe	763	-	177	-	940
America	349	-	-	-	349
Other	30	-	-	-	30
<b>Total</b>	<b>16 443</b>	<b>631</b>	<b>177</b>	<b>-</b>	<b>17 118</b>
<b>Other income</b>	<b>1 075</b>	<b>56</b>	<b>-</b>	<b>-</b>	<b>1 131</b>
<b>Expenses</b>					
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 (before exceptional items)	(3 442)	(154)	326	-	(3 270)
<b>EBITDA</b>	<b>(429)</b>	<b>63</b>	<b>2</b>	<b>(30)</b>	<b>(394)</b>
Impairment of equity-accounted investment	-	-	(9)	7	(2)
Depreciation and amortisation	(394)	(21)	(6)	-	(421)
Exceptional items:					
Longs Business wind-down charge reversal	152	-	-	-	152
Restructuring charge for severance packages	(14)	-	16	-	2
Longs Business reversal write down of inventory including plant spares and consumables	130	-	-	-	130
<b>(Loss)/profit from operations</b>	<b>(555)</b>	<b>42</b>	<b>3</b>	<b>(23)</b>	<b>(533)</b>
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
<b>(Loss)/profit before taxation</b>	<b>(661)</b>	<b>63</b>	<b>(312)</b>	<b>(22)</b>	<b>(932)</b>
Income taxation expense	-	-	-	-	-
<b>(Loss)/profit for the period</b>	<b>(661)</b>	<b>63</b>	<b>(312)</b>	<b>(22)</b>	<b>(932)</b>
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 2025** *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
<b>Unreviewed information</b>					
Crude steel production ('000 tonnes)	1 281	-	-	-	1 281
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 (%)	(2.6)	-	-	-	(2.3)
	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
<b>For the six months ended 30 June 2024</b>					
<b>Revenue</b>					
External customers	19 919	587	-	-	20 506
Internal customers	-	113	-	(113)	-
<b>Total revenue</b>	19 919	700	-	(113)	20 506
<b>Revenue to external customers distributed as:</b>					
Local	15 903	700	-	(113)	16 490
Export					
Rest of Africa	2 633	-	-	-	2 633
Asia	314	-	-	-	314
Europe	864	-	-	-	864
America	40	-	-	-	40
Other	165	-	-	-	165
<b>Total</b>	19 919	700	-	(113)	20 506
<b>Expenses</b>					
Raw materials and consumables used	(11 408)	(99)	(42)	-	(11 549)
Employee costs	(1 669)	(39)	(214)	-	(1 922)
Energy	(2 757)	(39)	-	-	(2 796)
Movement in inventories of finished goods and work-in-progress	(865)	(307)	-	128	(1 044)
Impairment reversal/(loss) and movement in expected credit losses of trade and other receivables	3	-	-	-	3
Other operating expenses	(3 569)	(66)	216	-	(3 419)
<b>EBITDA</b>	(346)	150	(40)	15	(221)
Depreciation and amortisation	(291)	(22)	(8)	-	(321)
<b>(Loss)/profit from operations</b>	(637)	128	(48)	15	(542)
Finance income	44	7	56	(13)	94
Finance costs	(300)	(65)	(332)	12	(685)
Fair value adjustment on investment properties	-	(24)	-	-	(24)
Fair value adjustment on asset held-for-sale	-	(57)	-	-	(57)
Impairment of financial assets	-	-	(11)	11	-
Income after tax from equity-accounted investments	-	-	5	-	5

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS  
ENDED 30 JUNE 2025** *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
<b>(Loss)/profit before taxation</b>	(893)	(11)	(330)	25	(1 209)
Income taxation expense	-	(5)	-	-	(5)
<b>(Loss)/profit for the period</b>	(893)	(16)	(330)	25	(1 214)
Additions to non-current assets	(467)	(2)	(4)	-	(473)
Segment assets (excluding investments in equity-accounted entities)	22 088	2 661	4 220	(689)	28 280
Investments in equity-accounted entities	-	-	175	72	247
Segment liabilities	9 758	1 759	11 111	(688)	21 940
Cash generated (utilised in)/from operations	(66)	117	240	(7)	284
Capital expenditure	(575)	(3)	(8)	-	(586)
Number of employees at the end of the period (owned)	5 261	151	670	-	6 082

	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
<b>Unreviewed information</b>					
Crude steel production ('000 tonnes)	1 223	-	-	-	1 223
Steel sales ('000 tonnes)	1 172	-	-	-	1 172
Local	931	-	-	-	931
Export	241	-	-	-	241
Capacity utilisation (%)	60	-	-	-	60
Average net realised price (R/t)	1	-	-	-	14 451
EBITDA margin (%)	(1.7)	-	-	-	(1.1)



**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025** *continued*
**Revenue from major products**

	30 June 2025 R'm	30 June 2024 R'm
The Group's revenue from its major products sold to external customers was:		
<b>Steel operations</b>	<b>16 443</b>	<b>19 919</b>
Hot rolled	5 409	6 114
Heavy sections/rails	2 528	3 148
Uncoated	2 025	2 976
Coated	3 389	3 846
Merchant bars	1 306	2 143
Wire rod	1 265	1 216
Seamless	521	476
<b>Non-steel operations</b>	<b>675</b>	<b>587</b>
Coke and tar	379	474
Other	296	113
<b>Total revenue</b>	<b>17 118</b>	<b>20 506</b>

**Information about major customers**

	Steel Operations 30 June 2025 R'm	% of Group revenue	Steel Operations 30 June 2024 R'm	% of Group revenue
<b>Revenue of major customers</b>				
Customer 1	2 199	13	2 522	12
<b>Total</b>	<b>2 199</b>	<b>13</b>	<b>2 522</b>	<b>12</b>

**6. Other income**

In millions of Rands	Note	Six months ended	
		30 June 2025 Reviewed	30 June 2024 Reviewed
Funding utilised – IDC	18	1 075	-
Rental income		56	-
<b>Total</b>		<b>1 131</b>	<b>-</b>

**7. Finance income**

In millions of Rands	Six months ended	
	30 June 2025 Reviewed	30 June 2024 Reviewed
Bank deposits and other interest income	53	39
Discount rate adjustment of provisions	-	20
Net foreign exchange profit and net gains from foreign exchange contracts	139	35
<b>Total</b>	<b>192</b>	<b>94</b>

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025** *continued*
**8. Finance costs**

In millions of Rands	Note	Six months ended	
		30 June 2025 Reviewed	30 June 2024 Reviewed
Interest expense on loans and payables		615	550
Interest expense on lease liabilities		9	8
Unwinding of discounting effect on other financial liabilities and provisions		159	127
Other financial liabilities		74	31
Provisions		85	96
Funding utilised - IDC	18	(101)	-
<b>Total</b>		<b>682</b>	<b>685</b>

**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 2025 Reviewed	30 June 2024 Reviewed
<b>Current taxation</b>		
South African current taxation		
Current tax on profit for the period	-	5
<b>Total current taxation</b>	-	5
<b>Deferred taxation</b>		
Temporary differences	-	-
<b>Total income taxation expense</b>	-	5

**10. Headline earnings**

In millions of Rands	Six months ended	
	30 June 2025 Reviewed	30 June 2024 Reviewed
Loss for the period	(932)	(1 214)
Adjusted for:		
Fair value adjustment on investment properties and asset held-for-sale	(82)	81
Gain on bargain purchase	(1)	-
Gain on disposal of property, plant and equipment	(4)	(10)
Loss on disposal or scrapping of property, plant and equipment*	3	33
Impairment of equity accounted investments	2	-
Total tax effect of adjustments	-	-
<b>Headline loss for the period</b>	<b>(1 014)</b>	<b>(1 110)</b>
Basic/diluted headline loss per share (cents)	(91)	(100)
Weighted average number of shares (thousand)	1 114 612	1 114 612

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

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS  
ENDED 30 JUNE 2025** *continued*
**11. Property, plant and equipment**

<b>In millions of Rands</b>	<b>Note</b>	<b>30 June 2025 Reviewed</b>	<b>31 December 2024 Audited</b>
Carrying amount at the beginning of the year		7 373	7 974
Additions		506	956
Disposals		(3)	(46)
Depreciation		(417)	(807)
Impairment*		-	(681)
Funding applied - IDC	18	(45)	-
Transfers from inventories		16	17
Other movements		2	(40)
<b>Carrying amount at the end of the period</b>		<b>7 432</b>	<b>7 373</b>

\*The impairment in the prior year relates to the Long Business, which has been undergoing significant financial challenges. As at 31 December 2024 management decided to restructure this business with the view of placing the Newcastle plant in care and maintenance, and the Newcastle plant was impaired to its recoverable amount, representing fair value less cost to sell, of R455 million, refer note 21.

**12. Investment properties**

<b>In millions of Rands</b>	<b>Note</b>	<b>30 June 2025 Reviewed</b>	<b>31 December 2024 Audited</b>
Carrying amount at the beginning of the year		690	702
Transfer from asset held for sale	14	-	77
Transfer to asset held-for-sale	14	-	(126)
Change in fair value – unrealised gains		82	37
<b>Carrying amount at the end of the period</b>		<b>772</b>	<b>690</b>

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

**13. Cash, bank balances and restricted cash**

<b>In millions of Rands</b>	<b>30 June 2025 Reviewed</b>	<b>31 December 2024 Audited</b>
Unrestricted cash	3 934	2 182
Restricted cash	1 232	1 412
True sales of receivables (TSR) programme	868	895
Environmental rehabilitation obligation	320	443
Guarantee for payment of foreign obligation	41	72
Litigation	2	2
Other	1	-
<b>Total</b>	<b>5 166</b>	<b>3 594</b>

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 R1 450 million (December 2024: R855 million) were ceded in favour of the BBF loan.

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS  
ENDED 30 JUNE 2025** *continued*
**14. Asset held-for-sale**

In millions of Rands	Note	30 June 2025 Reviewed	31 December 2024 Audited
Balance at the beginning of the year		126	134
Fair value adjustment – loss on remeasurement		-	(57)
Transfer to investment properties	12	-	(77)
Transfer from investment properties	12	-	126
<b>Balance at the end of the period</b>		<b>126</b>	<b>126</b>

During the 2023 financial year, a non-binding offer was received for a certain warehouse property (Level 3 in the fair value hierarchy). The property was then classified as asset-held-for-sale. The non-binding offer was withdrawn during the six months ended 30 June 2024 and the property transferred back to investment property. Towards the end of the 2024 financial year the offer was reinstated, and the property transferred from investment property to asset held-for-sale. The sale of this property is in process and is expected to be concluded in the 2025 financial year.

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

**15. Borrowings**

In millions of Rands	30 June 2025 Reviewed	31 December 2024 Audited
<b>Banks - Borrowing based facility (BBF):</b>		
Balance at the beginning of the year	2 700	3 000
Proceeds from BBF	3 150	8 100
Repayment of BBF	(2 350)	(8 400)
Balance at the end of the period	3 500	2 700
<b>Loan from holding company:</b>		
Balance at the beginning of the year	5 055	3 700
Increase in borrowings – capitalisation of accrued interest and fees	421	1 355
Balance at the end of the period	5 476	5 055
<b>Loan from Industrial Development Corporation (IDC):</b>		
Balance at the beginning of the year	950	-
Proceeds from loan	-	1 000
Repayment of loan	(140)	(50)
Balance at the end of the period	810	950
<b>Total borrowings</b>	<b>9 786</b>	<b>8 705</b>
Non-current	5 704	5 055
Current	4 082	3 650

The carrying amounts are a reasonable approximation of fair value.

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; 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) must not exceed R2 500 million (or its equivalent in any other currency or currencies).

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS  
ENDED 30 JUNE 2025** *continued*

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**Borrowings continued**

The Group is in compliance with all covenants as at 30 June 2025 and has been in compliance at the end of each relevant period. The consolidated tangible net worth of the Group is R6 458 million (December 2024: R6 940 million), which is determined as the sum of equity of the Group, the subordinated loan from the holding company of R5 476 million (December 2024: R5 055 million) and excluding intangible assets. The borrowings of the Group for the purposes of the applicable BBF covenant, are R973 million (December 2024: R1 131 million), determined as the outstanding balance of the loan from the IDC and the lease liabilities.

Eligible inventories and receivables are provided as securities for the BBF loan to the extent of the draw down. At 30 June 2025, the balance of the borrowing base facility was R3 500 million (December 2024: R2 700 million) with R1 000 million (December 2024: R1 800 million) still available.

Bank accounts of R1 450 million (December 2024: R855 million) were ceded in favour of the BBF loan.

The maturity date of the BBF loan is 8 September 2026. The run-off period will commence on 8 October 2025. 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. The Group has commenced negotiation with the BBF Lenders to extend the maturity date, and therefore commencement of the run-off period, by six months.

During the prior year, the Group capitalised interest on the loan from the holding company, worth R762 million, and management, research and development fees payable to the holding company, worth R593 million, to the loan from the holding company. In the current period the Group capitalised interest and other fees incurred for the six-month ended 30 June 2025, worth R421 million, to the loan and the subordinated portion of the loan has been increased to R5 476 million (31 December 2024: R5 055 million). The full balance of the loan from the holding company is therefore subordinated at period-end.

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 September 2026. There are no covenants attached to the loan.

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS  
ENDED 30 JUNE 2025** *continued*
**16. Provisions**

In millions of Rands	30 June 2025 Reviewed	31 December 2024 Audited
<b>Asset retirement obligation and Environmental remediation:</b>		
Balance at the beginning of the year	1 945	2 011
Scope changes	(150)	(179)
Discount rate change	25	34
Unwinding of the discount effect	85	189
Utilised during the period	(78)	(110)
Balance at the end of the period	1 827	1 945
<b>Restructuring cost:</b>		
Balance at the beginning of the year	495	-
(Decrease)/increase during the period – Restructuring charge for severance packages	(2)	495
Utilised during the period	(14)	-
Balance at the end of the period	479	495
<b>Onerous contracts:</b>		
Balance at the beginning of the year	244	-
(Decrease)/increase during the period – Longs Business wind down charge	(152)	244
Utilised during the period	(88)	-
Balance at the end of the period	4	244
<b>Other:</b>		
Balance at the beginning of the year	608	387
Increase during the period	151	356
Utilised during the period	-	(135)
Balance at the end of the period	759	608
<b>Total provisions</b>	<b>3 069</b>	<b>3 292</b>
Non-current	1 533	1 578
Current	1 536	1 714

**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 current 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 2025** *continued*
**17. Other financial liabilities**

<b>In millions of Rands</b>	<b>30 June 2025 Reviewed</b>	<b>31 December 2024 Audited</b>
Competition Commission administrative penalty*		
Balance at the beginning of the year	747	683
Unwinding of the discounting effect	74	64
Balance at the end of the period	821	747
Other foreign exchange contracts carried at fair value through profit or loss (FVTPL)	3	5
<b>Total other financial liabilities</b>	<b>824</b>	<b>752</b>
Non-current	821	703
Current	3	49

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

**Other forward exchange contracts carried at FVTPL**

At 30 June 2025, the Group held financial instruments carried at FVTPL representing marked to market losses on foreign exchange contracts (FECs). The fair value was determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

**18. Deferred income**

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.

<b>In millions of Rands</b>	<b>Note</b>	<b>30 June 2025 Reviewed</b>	<b>31 December 2024 Audited</b>
Carrying amount at the beginning of the year		-	-
Funding received - IDC		2 063	-
Income recognised for the period			
Other income	6	(1 075)	-
Finance cost	8	(101)	-
Transfer to property, plant and equipment	11	(45)	-
<b>Carrying amount at the end of the period</b>		<b>842</b>	<b>-</b>

As at 30 June 2025 management has performed an assessment to determine whether the funding could be repayable to the IDC. The assessment is based on the assumption that the Longs Business would continue to operate at normal levels of production for the deferral period as well as thereafter. The period considered is therefore up to 31 December 2025 consisting of actual results up to 30 June 2025 and most recent forecast amounts from July to December 2025, and the forecast results for the 2026 and 2027 financial year.

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS  
ENDED 30 JUNE 2025** *continued*
**Deferred income continued**

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

- Liquidity (Current Assets in comparison with Current Liabilities)  
The position forecasted indicates that current liabilities will exceed current assets by R663 million at 31 December 2025, with this deficit forecasted to increase to R3 965 million and R5 879 million in 2026 and 2027 respectively.
- Solvency (Total Assets in comparison with Total Liabilities)  
The position forecasted indicates that total liabilities will exceed total assets by R1 540 million as at 31 December 2025, with this deficit forecasted to increase to R3 635 million and R5 698 million in 2026 and 2027 respectively. The Longs Business will not be solvent.
- EBITDA  
EBITDA is forecasted to be a negative R138 million for the year ended 31 December 2025, including the effect of funding received from the IDC, and forecasted at a negative R1 741 million and negative R1 652 million for the years ending 31 December 2026 and 2027.
- Free cash flow  
The free cash flow of the Longs Business is forecast to be Rnil by the end of the year, 31 December 2025, 2026 and 2027 as it is forecast to generate negative cash movements each year 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 and no free cash flow available to repay the facility.

Assumptions used by management include the following:

	<b>Newcastle</b>		<b>Vereeniging</b>		<b>AMRAS</b>	
	<b>2025</b>	<b>2026-2027</b>	<b>2025</b>	<b>2026-2027</b>	<b>2025</b>	<b>2026-2027</b>
<b>Major assumptions*</b>						
Exchange rate range (R/USD)	18.23	18.26 – 18.84	18.23	18.26 – 18.84	18.23	18.26 – 18.84
Sales price range (average USD/t)**	337 – 1 441	397 - 962	636 – 2 329	662 – 2 325	738 – 1 266	676 – 1 077
Sales volume (kt)	639	777 pa	93	107 pa	116	138 pa

\*Other major assumptions include inflation rates ranging from 4.3% to 4.7% per annum (p.a.) for SA CPI, 4% to 4.7% p.a. for SA Producer Price Index and 2.2% to 2.4% 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 SIX MONTHS  
ENDED 30 JUNE 2025** *continued*
**19. Cash generated from operations**

In millions of Rands	Six months ended	
	30 June 2025 Reviewed	30 June 2024 Reviewed
Loss before taxation	(932)	(1 209)
Adjusted for:		
Other income	(1 075)	-
Finance income	(192)	(94)
Finance costs	682	685
Fair value adjustment of investment properties	(82)	81
Income after tax from equity-accounted investments	(8)	(5)
Depreciation	417	315
Amortisation of intangible assets	4	6
Impairment of equity-accounted investment	2	-
Unrealised profit on sales to joint ventures	3	3
Share-based payment expenses	12	3
Write-down/(reversal of write-down) of inventory to net realisable value	100	(349)
(Profit)/loss on disposal of property, plant and equipment	(1)	23
Realised foreign exchange movements	60	65
Fair value adjustment of investment held by environmental trust	(26)	(6)
Adjustment for slow moving inventory	(22)	-
Other payables raised, released and utilised relating to employees	78	85
Movements in trade and other receivables allowances	4	(1)
Utilisation of provisions	(92)	(57)
Non-cash movement in provisions and financial liabilities	(218)	113
Funding received - IDC	2 063	-
Operating working capital movements:	1 046	626
- Decrease in inventories	1 077	2 039
- Increase in trade and other receivables	(1 508)	(912)
- Increase/(decrease) in trade and other payables	1 477	(501)
<b>Cash generated from operations</b>	<b>1 823</b>	<b>284</b>

**20. Reconciliation of finance costs paid**

In millions of Rands	Six months ended	
	30 June 2025 Reviewed	30 June 2024 Reviewed
Finance costs per statement of comprehensive income	(682)	(685)
Adjusted for:		
Funding received (IDC) – presented separately	(101)	-
Non-cash movement on interest expense borrowings and payables:	269	226
- Loan from holding company	258	207
- Other third-party payables	11	19
Unwinding of the discounting effect on provisions and financial liabilities:	159	127
- Provisions	85	96
- Other financial liabilities	74	31
<b>Finance costs per statement of cash flows</b>	<b>(355)</b>	<b>(332)</b>

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS  
ENDED 30 JUNE 2025** *continued*
**21. Fair value measurements**

In millions of Rands	Level 1	Level 2	Level 3	Classification
<b>As at 30 June 2025</b>				
<b>Assets</b>				
Investment properties	-	-	772	FVTPL
Asset held-for-sale	-	-	126	FVTPL
Investments held by environmental trust	-	513	-	FVTPL
Newcastle plant CGU	-	-	455	FVTPL
<b>Liabilities</b>				
Other financial liabilities	-	3	-	FVTPL
	-	516	1 353	
<b>As at 31 December 2024</b>				
<b>Assets</b>				
Investment properties	-	-	690	FVTPL
Asset held-for-sale	-	-	126	FVTPL
Investments held by environmental trust	-	486	-	FVTPL
Newcastle plant CGU	-	-	455	FVTPL
<b>Liabilities</b>				
Other financial liabilities	-	5	-	FVTPL
	-	491	1 271	

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).	<p>Other financial assets – Forward exchange contracts - The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.</p> <p>Investment held by the environmental trust: The fair value of the investment is derived from the underlying listed share prices.</p>
Level 3: Inputs for the assets or liability that are unobservable.	<p>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.</p> <p>The investment properties can be divided between industrial sector valued at R753 million (December 2024: R672 million), residential vacant land sector valued at R2 million (December 2024: R2 million) and farmland valued at R17 million (December 2024: R16 million).</p> <p>The fair value of the property in the industrial sector was determined by adopting the income capitalisation method, the market approach, or the discounted cash flow methodology.</p> <p>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.</p> <p>The following key assumptions were applied:  Expense ratio 20.7% (December 2024: 21.7%)  Vacancy provision 7.5% (December 2024: 7.5%)  Capitalisation rate 13.5% (December 2024: 13.5%)</p>

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS  
ENDED 30 JUNE 2025** *continued*

**Fair value measurements continued**

Fair value hierarchy	Valuation technique
Level 3: Inputs for the assets or liability that are unobservable. <i>continue</i>	<p>A 2.5% increase or decrease in the expense ratio will impact the fair value by R2 million (December 2024: R4 million). A 2.5% increase or decrease in the vacancy provision will impact the fair value by R3 million (December 2024: R2 million). A 1% increase or decrease in the capitalisation rate will impact the fair value by R44 million (December 2024: R38 million).</p> <p>The market approach was applied for the land portion of one of the industrial properties. This approach is based comparing the subject asset 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 assets within an appropriate time horizon.</p> <p>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.</p> <p>The fair value of properties in the residential vacant land sector 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.</p> <p>In assessing the value of the farmland, the sales comparison approach was followed, whereby comparable sales were researched together with current asking prices in the surrounding areas. The market value for the improvements on the land was determined by using the depreciated replacement cost method of valuation.</p> <p>Included in the Saldanha properties, is a property for which a non-binding offer to purchase the property for R134 million was received. The sale is expected to be concluded in 2025. The property is carried at fair value less costs to sell, being R8 million, and the value of R126 million is therefore used as the fair value for this property as at 30 June 2025 (December 2024: R126 million).</p> <p>Newcastle CGU The recoverable amount of the CGU represents its fair value less cost to sell of R455 million (December 2024: R455 million) 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.</p>

**22. Commitments**

In millions of Rands	30 June 2025 Reviewed	31 December 2024 Audited
<b>Capital expenditure commitments on property, plant and equipment and intangible assets</b>		
Capital expenditure authorised and contracted for	483	754
Capital expenditure authorised but not contracted for	861	774
<b>Total</b>	<b>1 344</b>	<b>1 528</b>

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS  
ENDED 30 JUNE 2025** *continued*

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**23. Related party transactions**

The Group is controlled by ArcelorMittal Holdings AG, which effectively owns 69% (December 2024: 69%) of the Group's shares. At 30 June 2025, the outstanding ArcelorMittal Holdings AG loan amounted to R5 476 million (31 December 2024: R5 055 million). The interest expense for the six months ended 30 June 2025 was R258 million (30 June 2024: R207 million).

The outstanding balance to entities within the greater ArcelorMittal Group amounted to R491 million (2024: R93 million).

The Group purchased products and services to the value of R171 million (2024: R146 million) from and sold goods to the value of R716 million (2024: R230 million) to other companies in the greater ArcelorMittal Group.

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

In March 2025 the Group acquired control of Collect-a-Can, previously an equity accounted investment of the Group, resulting in a business combination accounted for as a step-acquisition. To this end, the existing investment was revalued based on the purchase price of the 40% resulting in an impairment of R2.4 million and a gain on bargain purchase of R1 million. At acquisition assets and liabilities of Collect-a-Can was R17 million, including R14 million current assets, and R15 million, including R14 million current liabilities, respectively.

**24. 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 2025. 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 report on the reviewed condensed consolidated interim financial statements is included on page 33, and a copy of the auditor's 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 2025 are available on the Company's website: <https://southafrica.arcelormittal.com/InvestorRelations/InterimResults.aspx>

The auditor's 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.





EY  
102 Rivonia Road  
Sandton  
Private Bag X14  
Sandton  
2146

Ernst & Young Incorporated  
Co. Reg. No. 2005/002308/21  
Tel: +27 (0) 11 772 3000  
Docex 123 Randburg  
ey.com

**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTHS ENDED 30 JUNE 2025**

**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 2025 in the accompanying interim report on pages 10 to 32, which comprise the condensed consolidated statement of financial position as at 30 June 2025 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 and 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 2025 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.

***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 a) remains uncertainty regarding the outcome of the IDC due diligence process and whether the Longs Business will remain operational and b) the group's liquidity in the medium term is further dependent on the uncertain outcome of various management plans. 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.

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

31 July 2025

## 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

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### Registered Office

Vanderbijlpark Works  
Main Building  
Delfos Boulevard,  
Vanderbijlpark, 1911

### Company secretary

FluidRock Co Sec (Pty) Ltd  
Registration number: 2016/093836/07  
Unit 5 First Floor Right  
Berkley Office Park  
8 Bauhinia Street  
Highveld Technopark  
Centurion, 0169

### Non-executive directors

Prof B Mohale (Chairman)\*  
LC Cele\*  
B Davey °  
D Earp\*  
GS Gouws  
R Karol+  
M Maasdorp\* (appointed 1 March 2025)  
NF Nicolau\*

° 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: 31 July 2025

ArcelorMittal South Africa Limited  
Registration number 1989/002164/06  
Share code: ACL  
ISIN: ZAE000134961

("ArcelorMittal South Africa", "the Company" or "the Group")