



**CONSISTENTLY
DELIVERING**



**AUDITED
SUMMARY CONSOLIDATED
FINANCIAL STATEMENTS**
for the year ended 28 February 2022

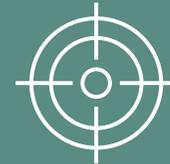
Core message



Pleasing results
across all
operations



Well established
diversified
portfolio of longer
life-of-mine
assets in place



Future of Afrimat
is supported by
increased overall
volumes and a
growing product
portfolio



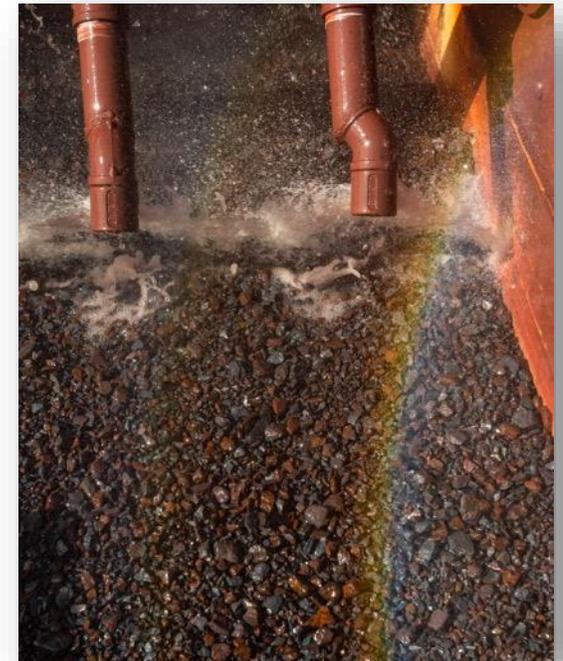
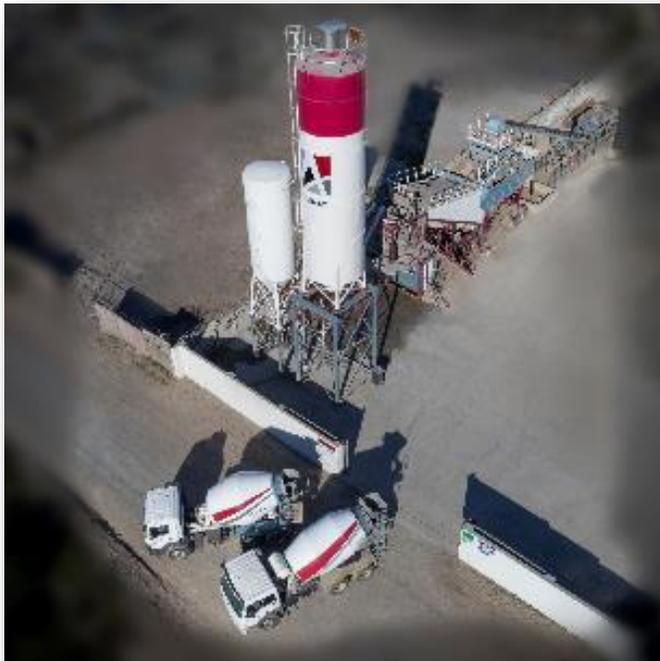
1

**WHAT WE DO
AND HOW WE
DO IT**

Afrimat: who we are



- Track record of excellence in mid-tier mining and materials supply
- Well diversified across different industries to ensure consistent delivery
- Positioning towards longer life-of-mine (LOM) assets, enhanced processes capability and even greater product diversity



Segmental makeup



Construction Materials

Aggregates | contract crushing, drilling and blasting | concrete products | readymix



Industrial Minerals

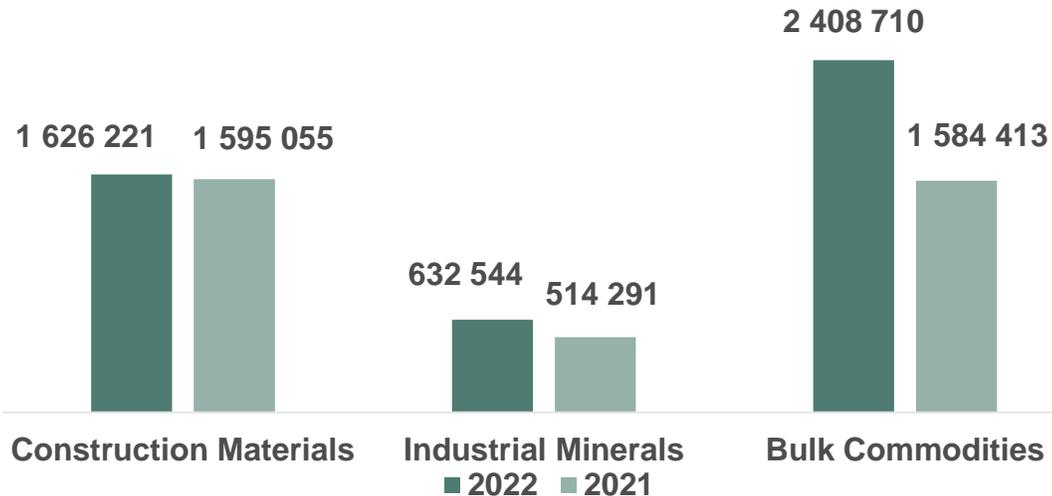
Limestone | dolomite | silica



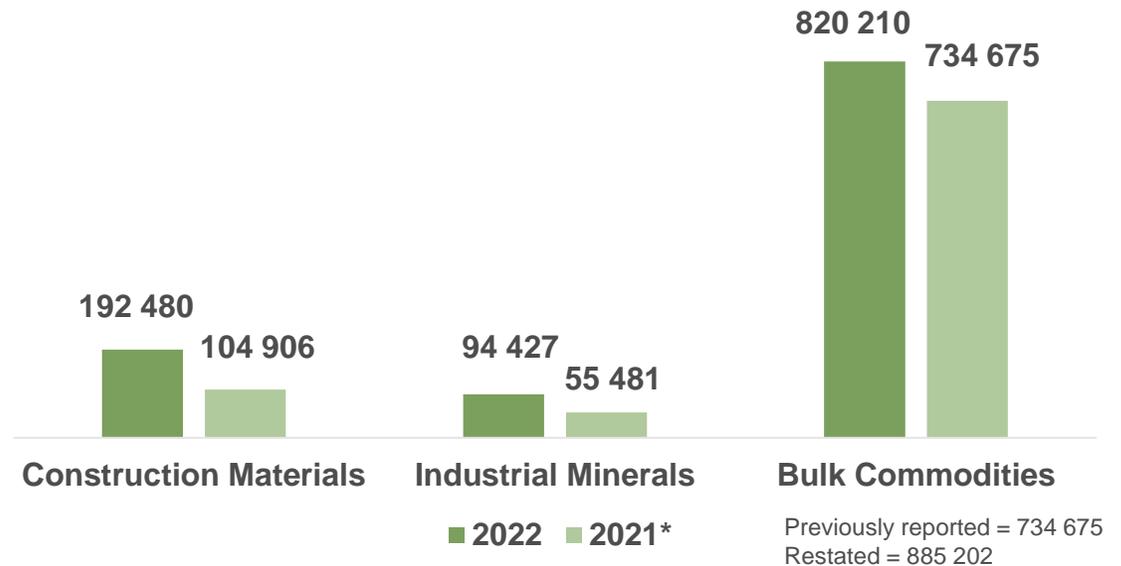
Bulk Commodities

Iron ore | anthracite | manganese (WIP) | phosphate, rare earths & vermiculite (WIP)

Revenue (R'000)



Operating profit (R'000)



Rationale for diversified structure

- Good blend of locally and internationally priced commodities
- Exposure to different currencies
- Exposure to different economic cycles
- Similar operational skills
- Smooth growth for more than a decade
- Allowing for longer life-of-mine
- Creates many opportunities



CAGR of PAT

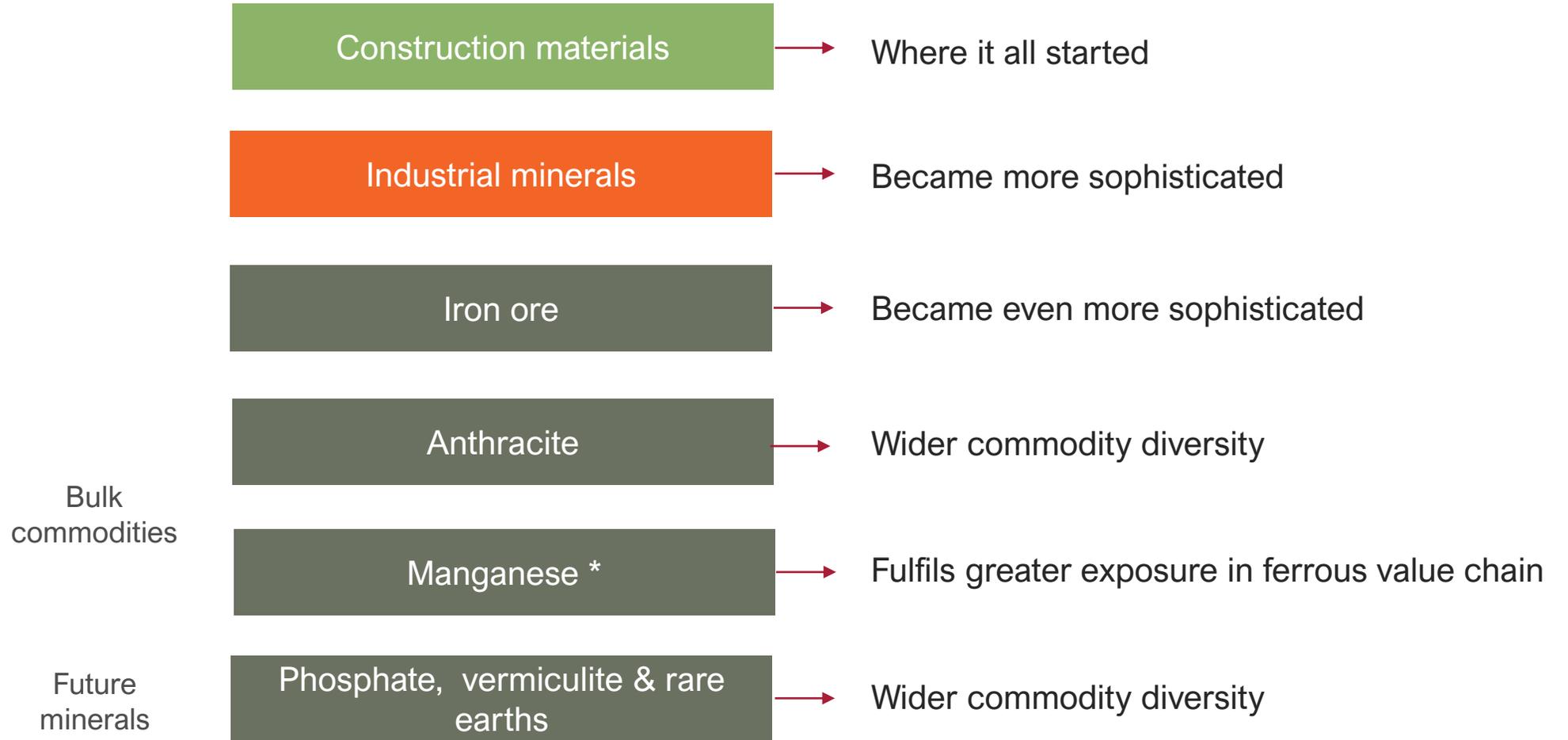
22%

(Feb 2009 – Feb 2022)

Our transition through conscious diversification

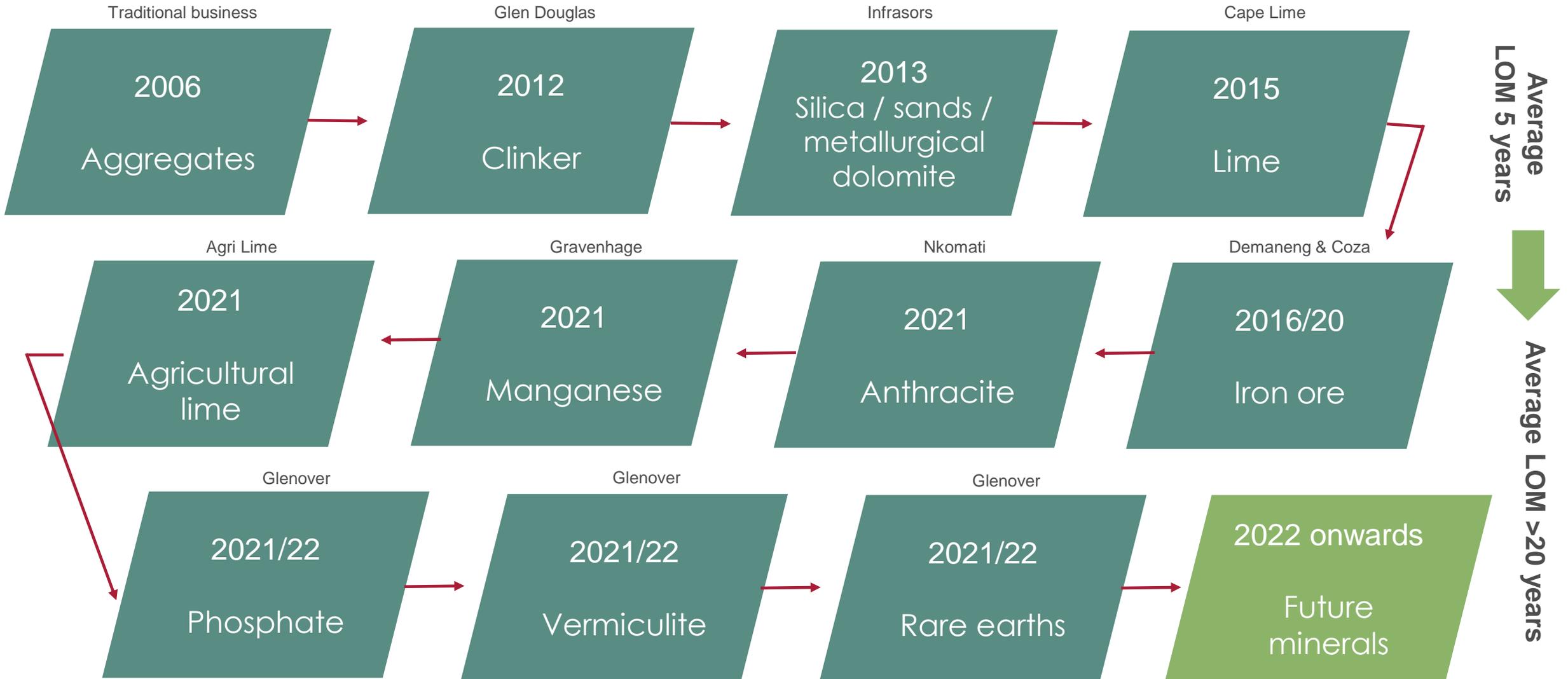


Diversified mid-tier miner with aim of extending LOM assets



* Gravenhage still to come on-line with revenue contribution expected in FY2023/FY2024

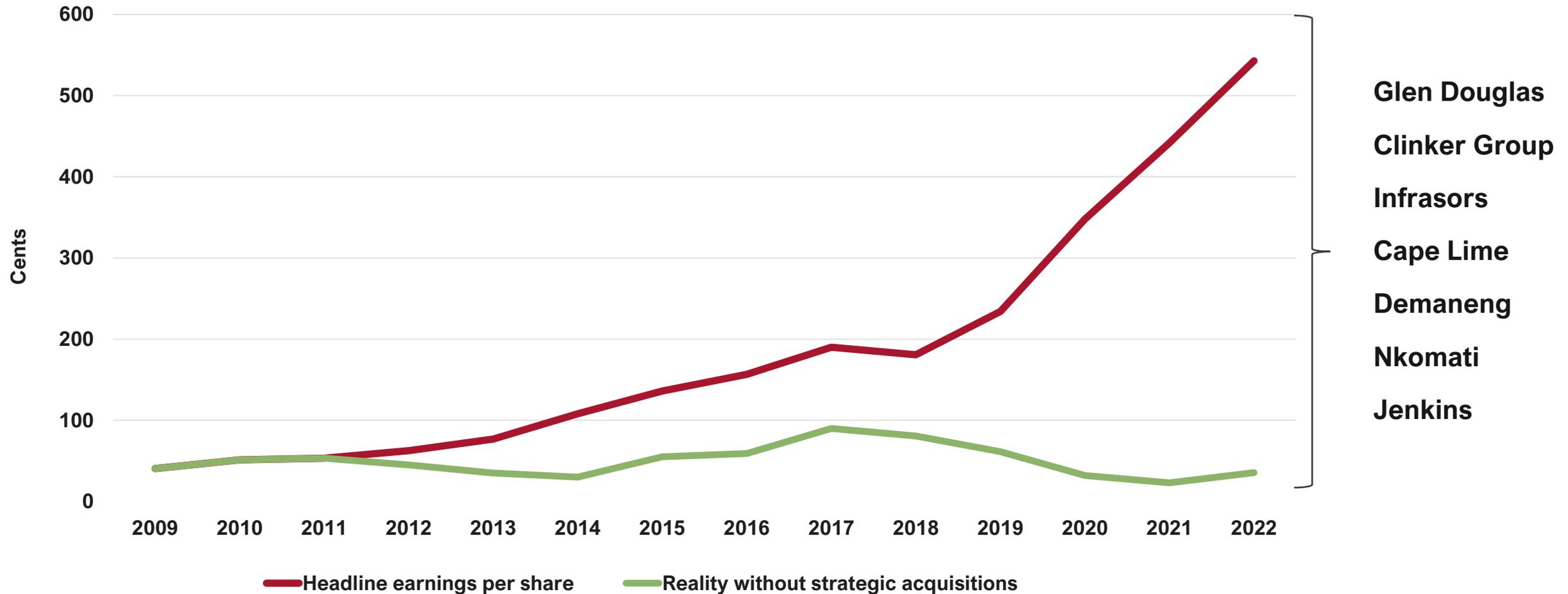
Diversified product portfolio by acquisition



Growth through diversification



Profit history with and without acquisitions



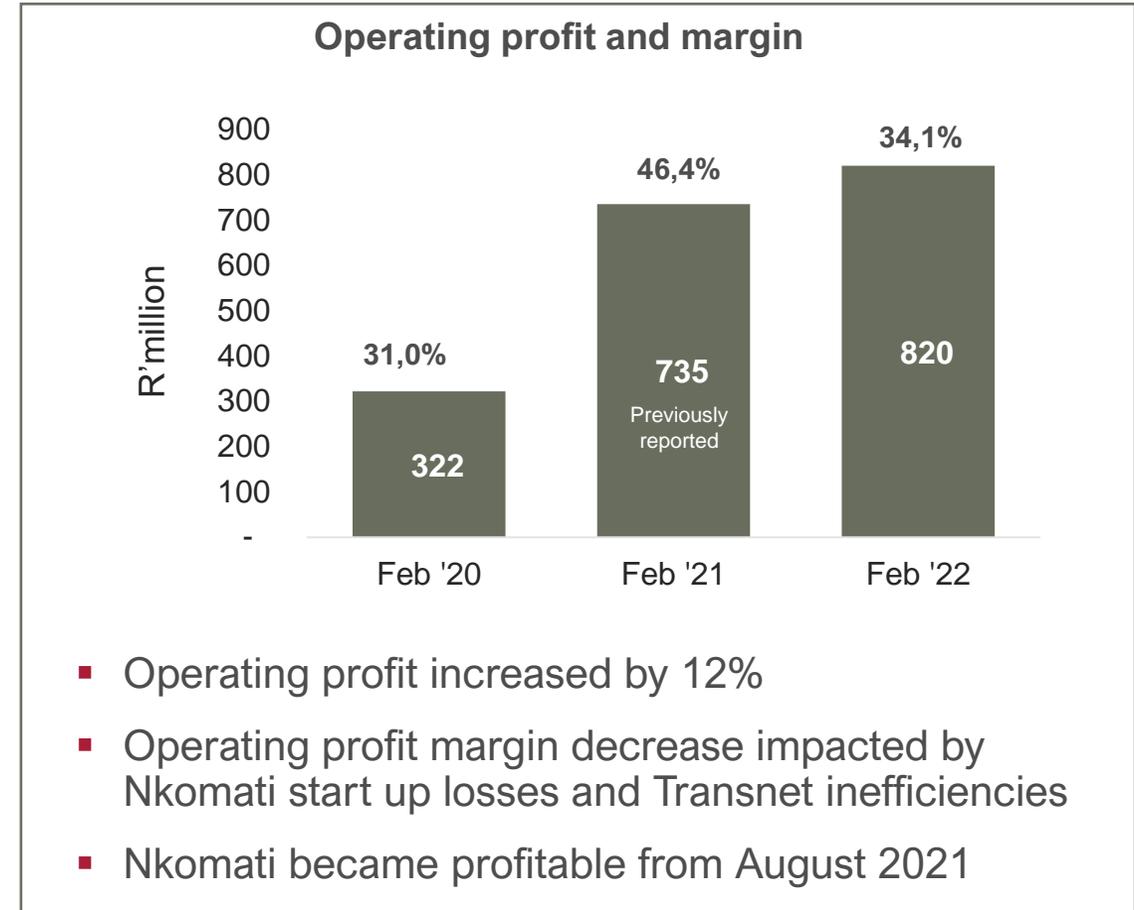
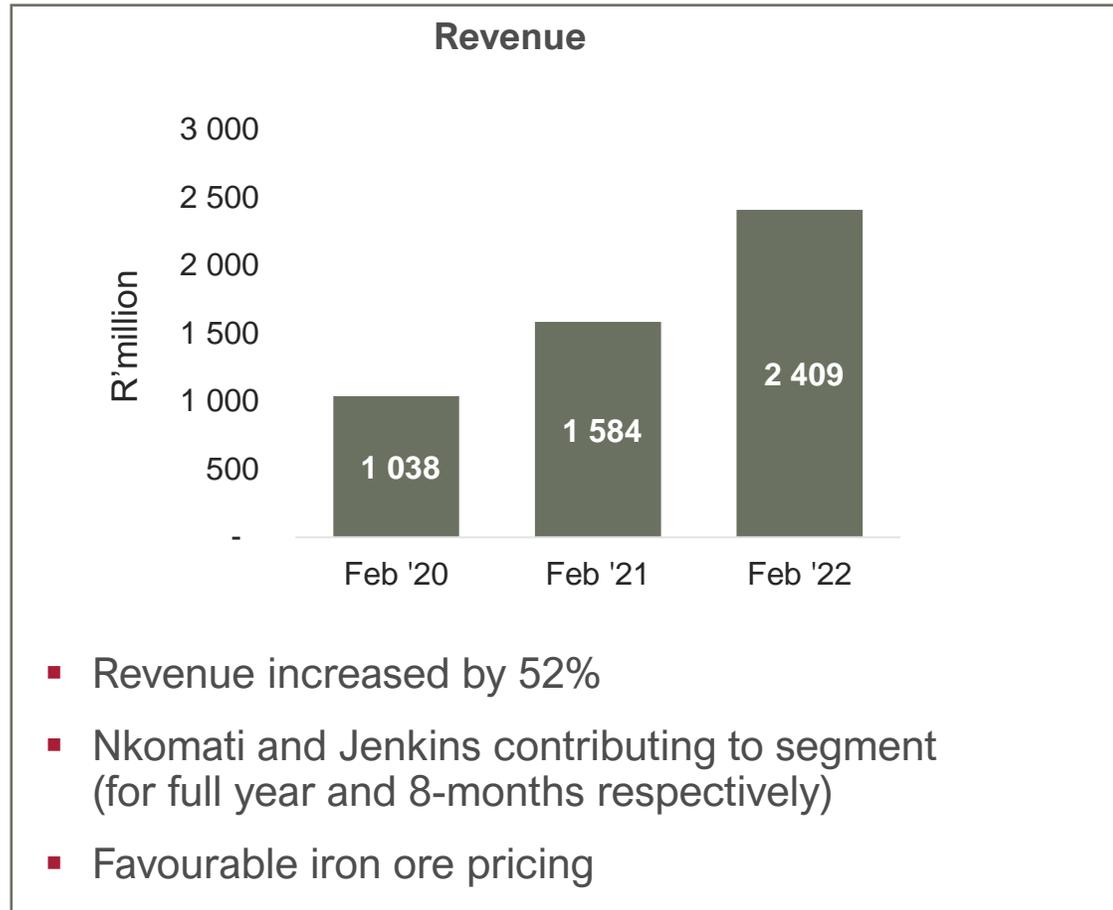


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OPERATIONAL OVERVIEW



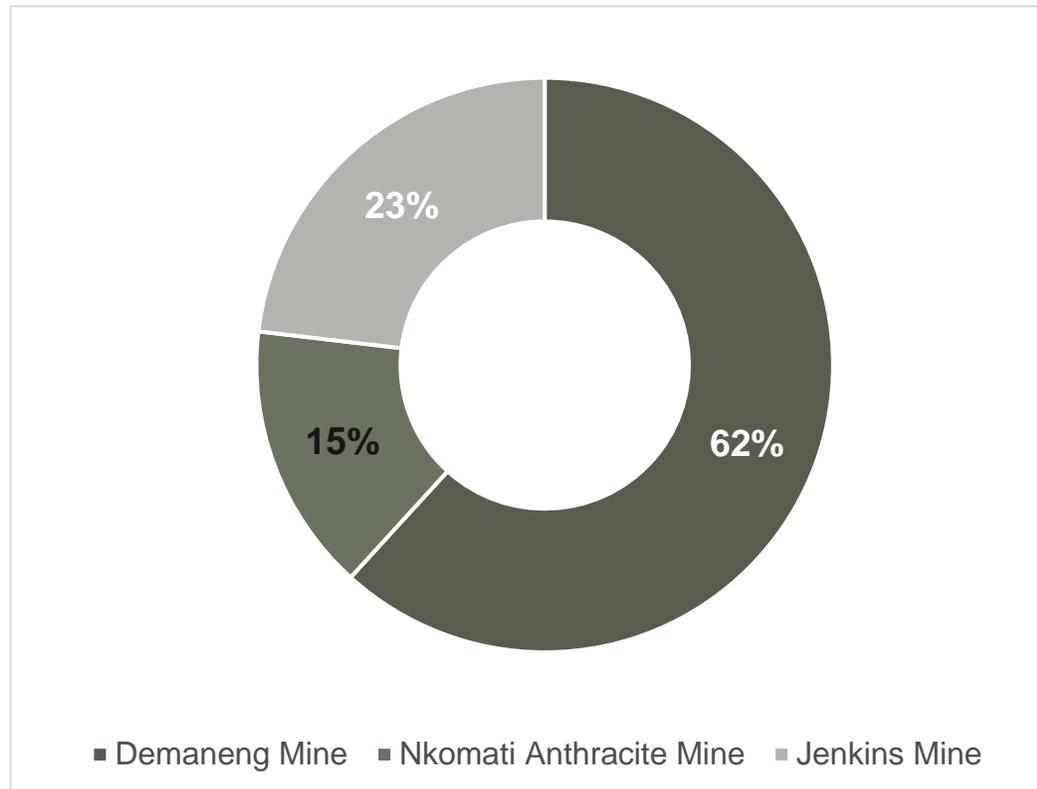
Excellent results supported by favourable international iron ore prices



Composition of Bulk Commodities (FY2022)

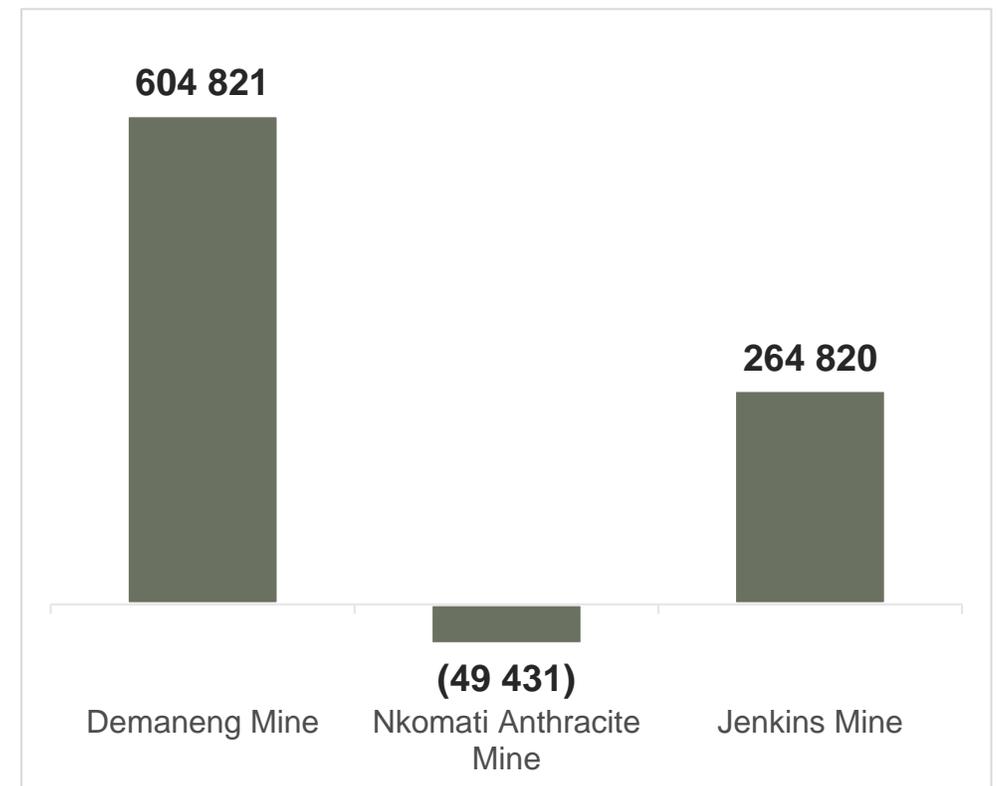
Segment contributed 52% of revenue and 74% of operating profit

Revenue contribution *



(*) 2021 comparison - Demaneng 98%
- Nkomati 2%

Operating profit (R'000)



Nkomati anthracite mine

- Mine is profitable
- Long-term sustainable LOM plan will consist of two pits and underground opening, requiring capital investment
 - To ensure consistent feed for the mine
- Being recognised as a consistent, reliable supplier of anthracite into the local market



Contributing to results?	Yes
Targeted volumes:	FY2022 – 225,000 tpa Steady state – 540,000 tpa
Volumes achieved:	219 845
Off-take:	From mine gate at fixed negotiated price
Planned capex:	R100 million
Capex spent:	R56 million
Life-of-mine (yrs):	>20
Market:	Domestic
Location:	Mpumalanga

Jenkins iron ore mine

- Started and ramped up to required limits that off-take is willing to support
- Ability to ramp up further, slightly ahead of contractual volumes
- Supplying off-take according to contract
- Slight reduction due to furnace shut down
- Direct shipping ore (DSO) (no beneficiation losses)



Contributing to results?	Yes
Targeted volumes:	Y1 - 500,000 tpa Y2 - 1,250,000 tpa
Volumes achieved:	444 097
Planned capex:	R160 million
Capex spent:	R93 million
Life-of-mine (yrs):	>20
Market:	Domestic
Location:	Northern Cape

Demaneng iron ore mine



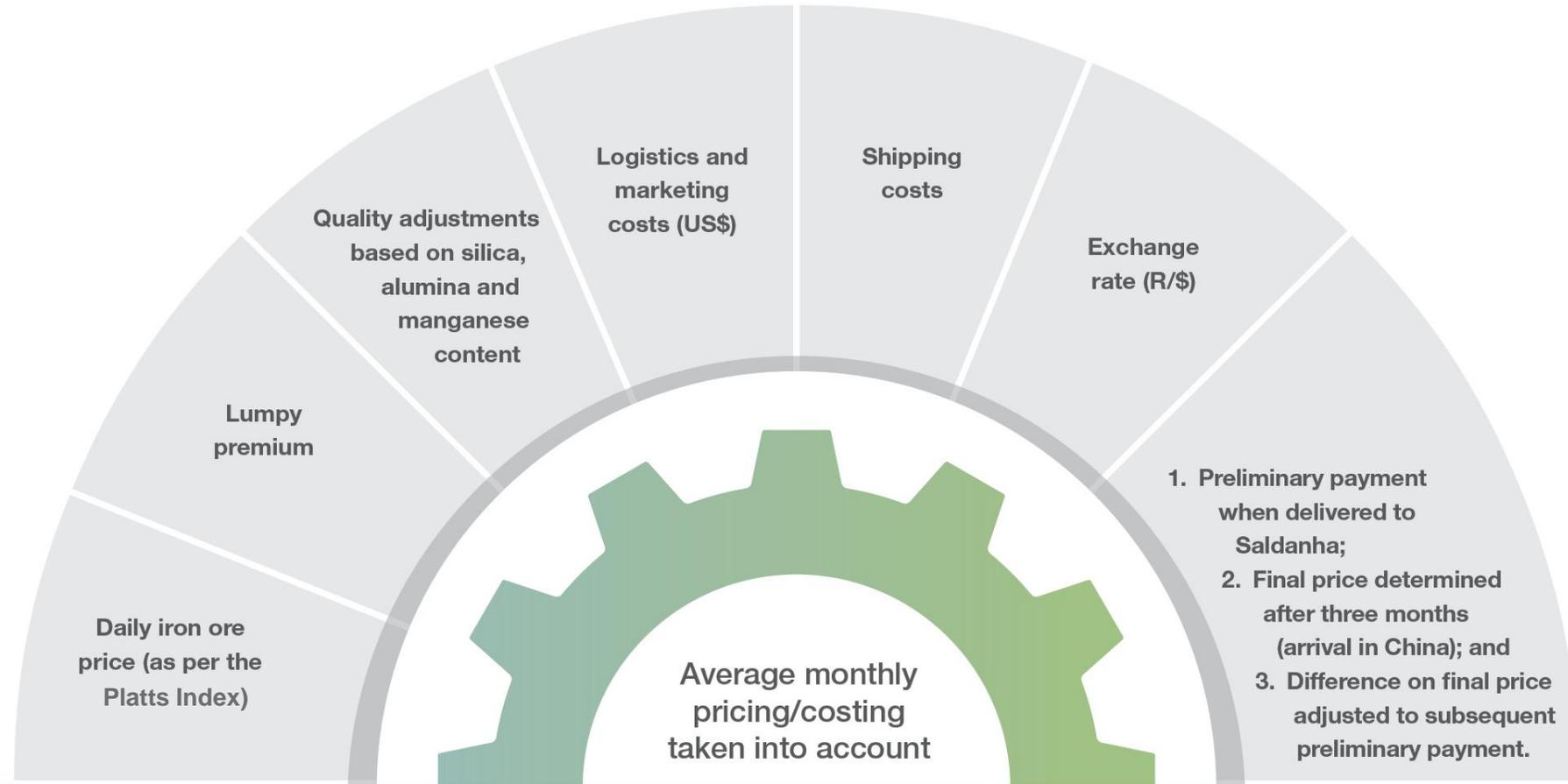
- Pricing in Q3 was a little lower, Q4 much improvement
- Approaching end of LOM with strip ratio's slightly higher
- Still very happy with performance
- Transnet challenges in fourth quarter reduced volumes
- Have sufficient reserves to ensure 870,000 tonnes on export line
- First blast at Driehoekspan assess quality and performance
 - To take over from Demaneng in 2–3 years time

Contributing to results?	Yes
Targeted volumes:	±870,000 tpa *
Volumes achieved:	746 035
Average price:	Dependent on a number of variables (see slide 16)
Capex:	R39 million
Life-of-mine (yrs):	3 **
Market:	Export
Location:	Northern Cape

(*) Current export rail allocation

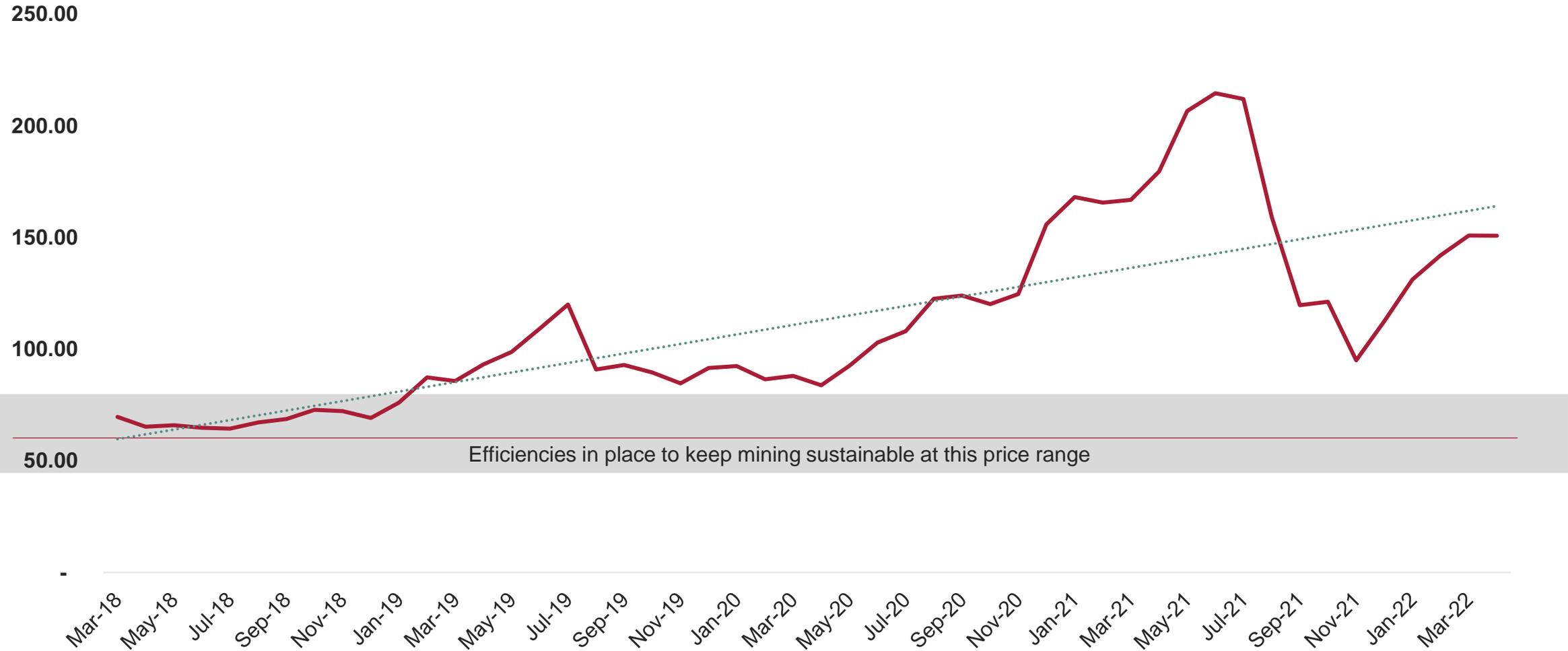
(**) Driehoekspan & Doornpan to be brought into production to maintain export volumes. Together they have a 15 – 20 year LOM

Iron ore pricing influences

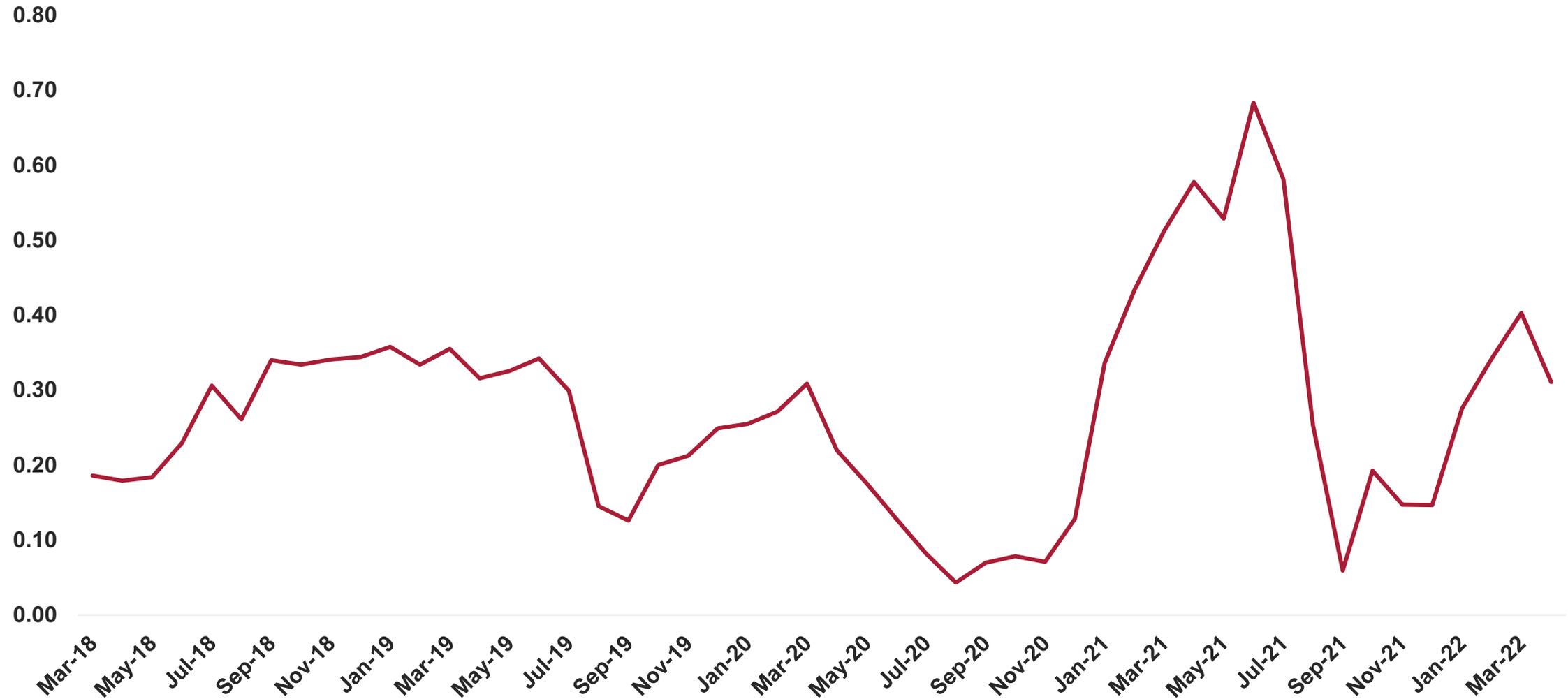


What should be considered to appreciate the influences to the iron ore business:

62% FE Platts Index Price (USD)



Lump premium (USD)



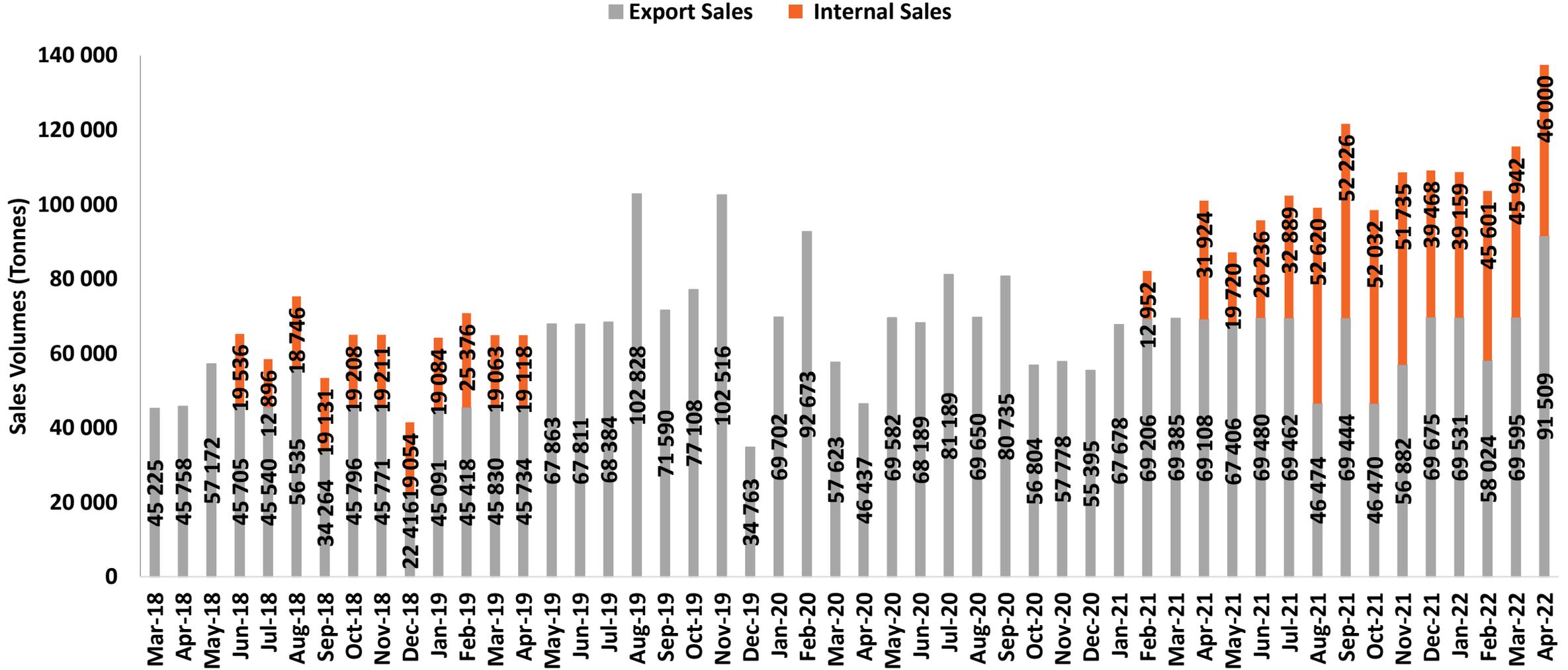
Freight rate China (USD)



Avg. Platts South Africa - China Capesize

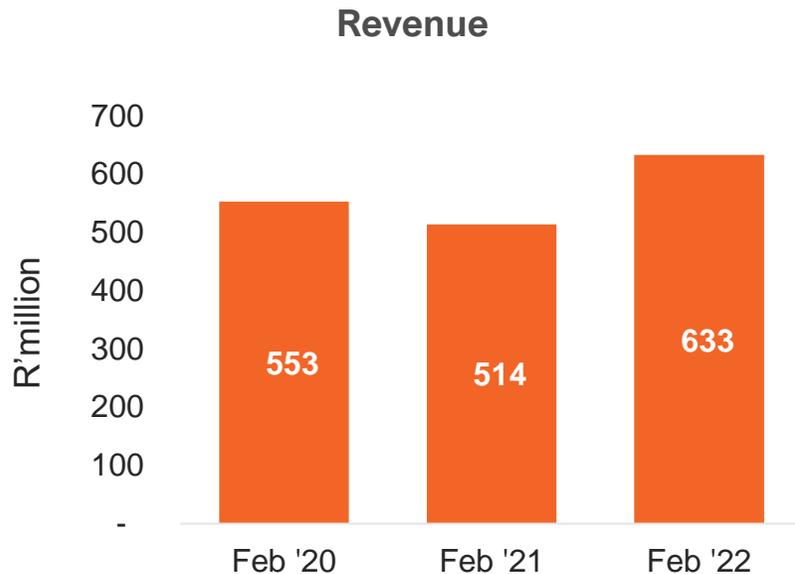


Iron ore sales by rail

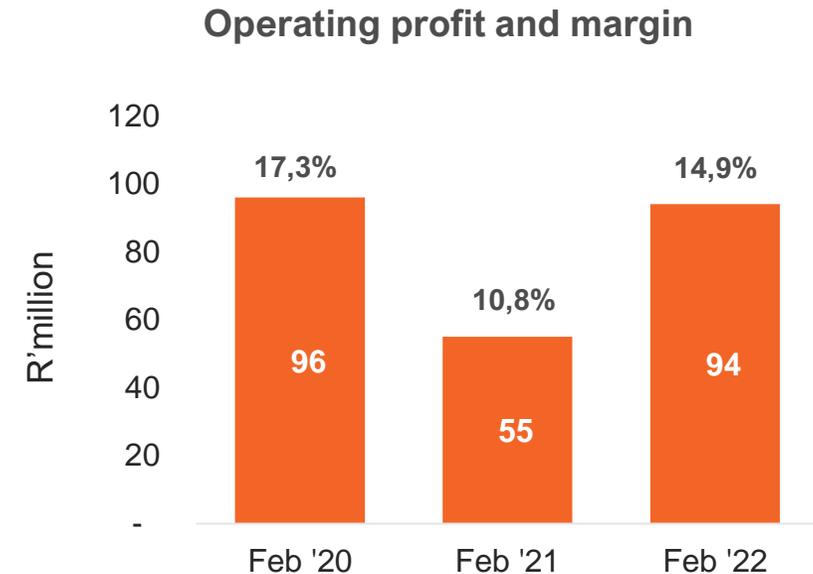




Delivered returns comparable to pre-Covid-19 volumes across all regions



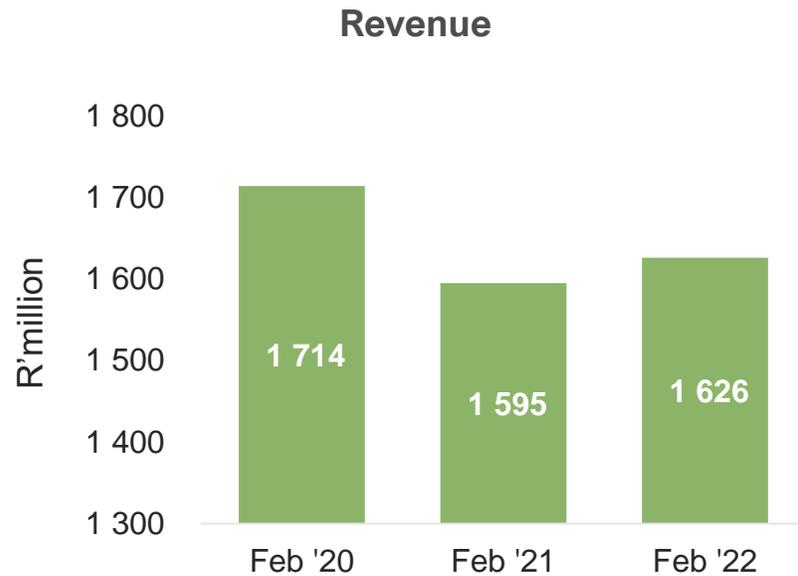
- Revenue increased by 23%
- Feed lime acquisition strengthened footprint in agricultural lime market



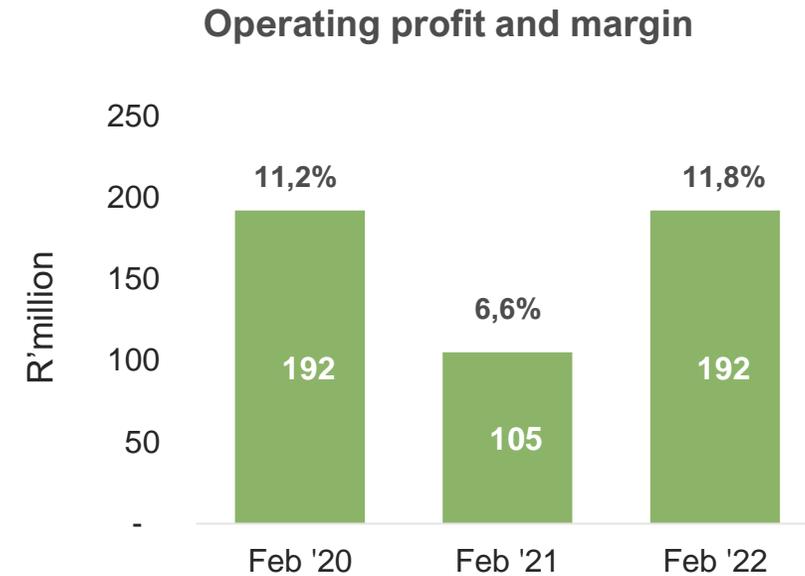
- Operating profit increased by 71% on the back of efficiency drives
- Operating profit margin shows healthy improvement



Delivered returns comparable to pre-Covid-19 volumes across all regions

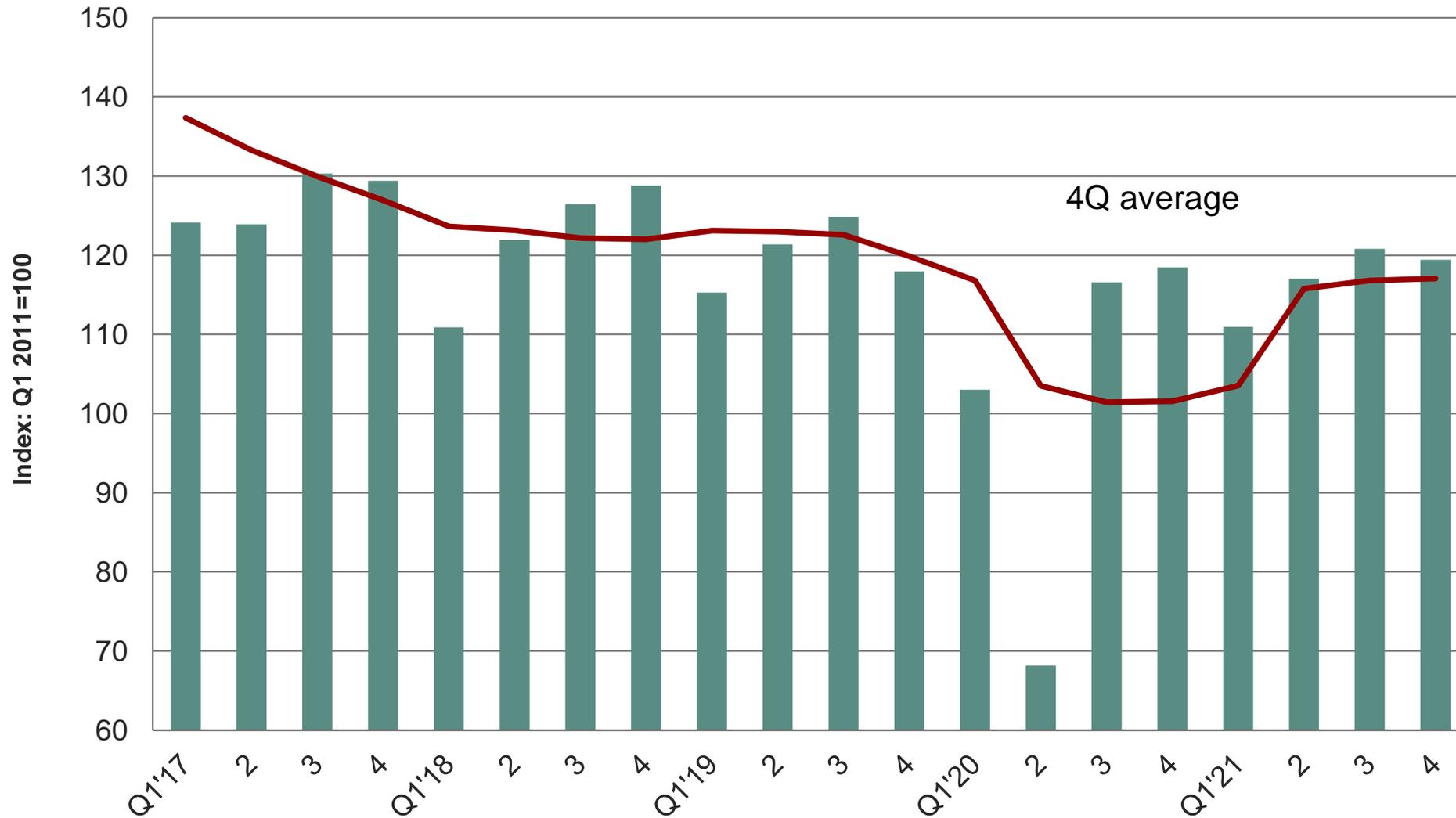


- Revenue increased by 2%
- General volume recuperation and market stabilisation
- Completed exit from Mozambique



- Operating profit increased by 83%
- Efficiency drives performing well

Afrimat Construction Index – Q4 2021





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NEW PROJECTS

Gravenhage manganese mining right

Manganese



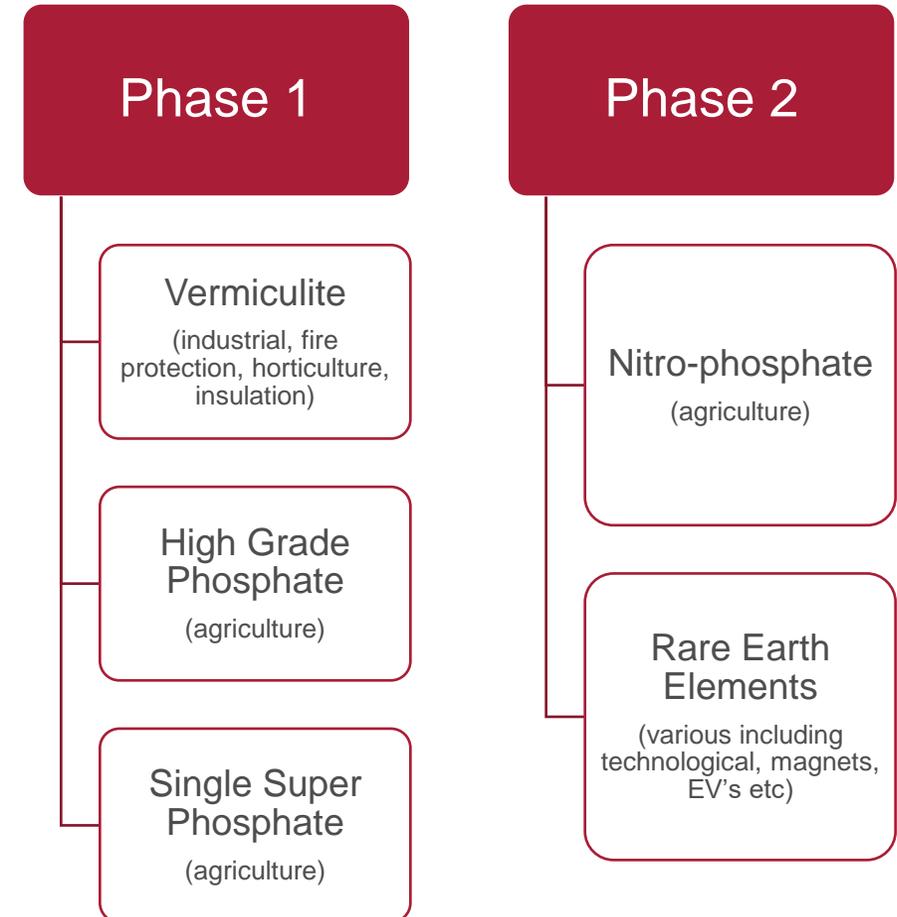
- Enhance ferrous value chain and deepen Rand-hedge
- Possible synergies with Demaneng
- First payment (\$30 million) only due when all approvals are in place
 - Expect June 2022 before deal closes
- Mine will be developed to remain profitable at low end of commodity cycle
- Total logistics strategy being developed, including MECA 3 allocation

Contributing to results?	No (expect revenue in FY2024)
Targeted volumes:	Phase 1,750,000 tpa Ramp up to 1.5m tpa
Peak funding:	±R1.1 – R1.4 billion (including purchase price)
Life-of-mine (yrs):	>20
Market:	Export
Location:	Northern Cape
Resources and reserves:	2013 JORC Resource of 112Mt @ 38.5% Mn

Transaction overview

- Acquired current stockpiles and subordinate vermiculite mining right, located in Limpopo, for R250 million (Phase 1)
 - Phase 1: Vermiculite, High Grade (“HG”) Phosphate and Single Super Phosphate (“SSP”) production
- Afrimat retains the right (option) to acquire the shares of Glenover (including the mining right) for a further R300 million (Phase 2)
 - Phase 2: Nitro-phosphate and Rare Earth production
- Option to acquire shares (Phase 2) expires on 10 November 2022

- Aligned with global trends (decarbonisation, technology advancements, food security etc.)
- Enhance the diversification strategy
 - Commodity/product
 - Processing (innovation)
 - Foreign currency revenue
 - Supply chain dependency
- Good long-term market dynamics
- Healthy margins
- Good inherent resource characteristics (quality)
- Scalability
- Downstream value-chain opportunities (including strategic partnerships)



Targeted volumes, timelines and current status

Phase	Product	Volume	Timeline	Status
Phase 1	Vermiculite	30 000 tons per annum	H2 2023	Test work and final design
	HG Phosphate	30 000 tons per annum	H1 2022	In production
	SSP	30 000 tons per annum	H1 2023	Test work and final design
Phase 2	Nitro-Phosphate plant	30 000 tons per annum*	H2 2023	Test work and final design
	Rare Earth Plant	12 000 tons per annum**	H2 2023	Test work and final design

*Volume for 1st Train **Feed tons from 1st Train

Life-of-mine > 20 years

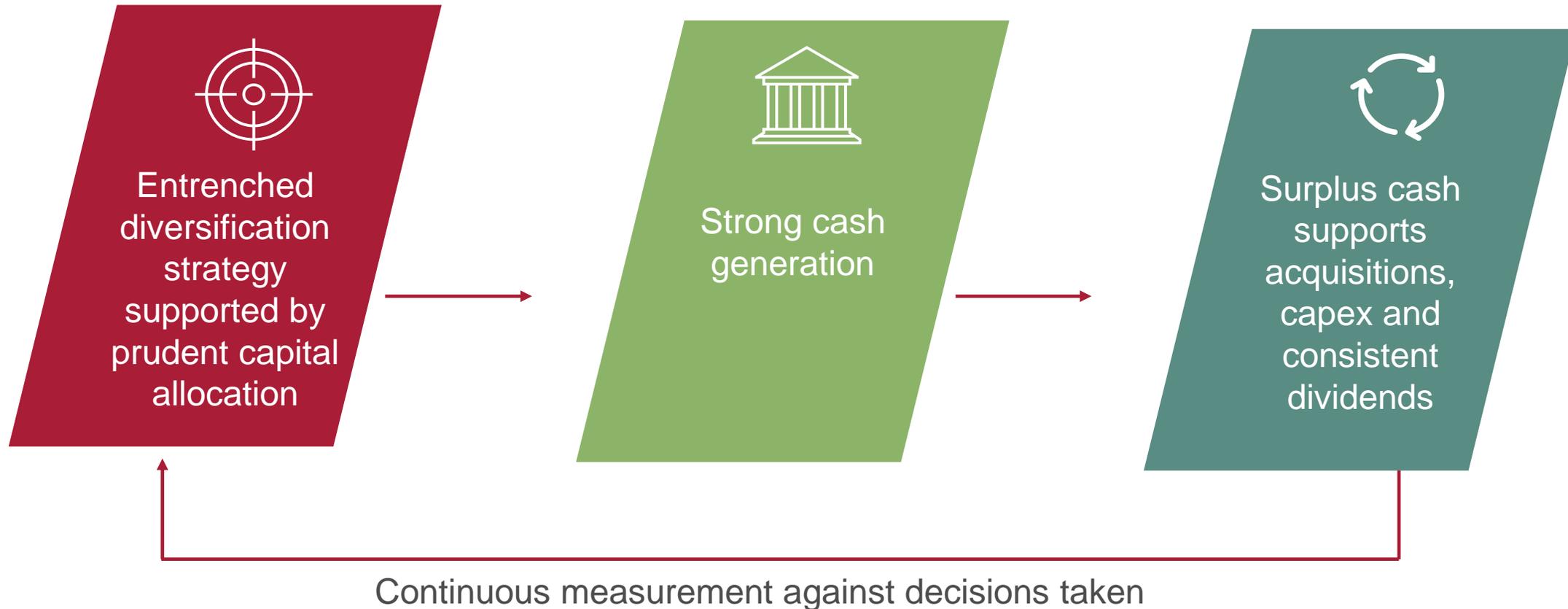
Peak funding approximately R1.5bn (includes all phases and projects)



4

FINANCIAL REVIEW

Core financial discipline to support growth



- Opportunity > WACC = invest in growth
- Strict ROIC criteria placed onto operating segment once capital is allocated

Financial highlights



23,7%

Operating profit margin

22,9%

HEPS increased to 542,9 cents

26,7%

Group revenue increased to R4,7 billion

146,0 cents per share

Final dividend
Total dividend 186,0 cents
(25,7% increase)

33,0%

Return on net operating assets

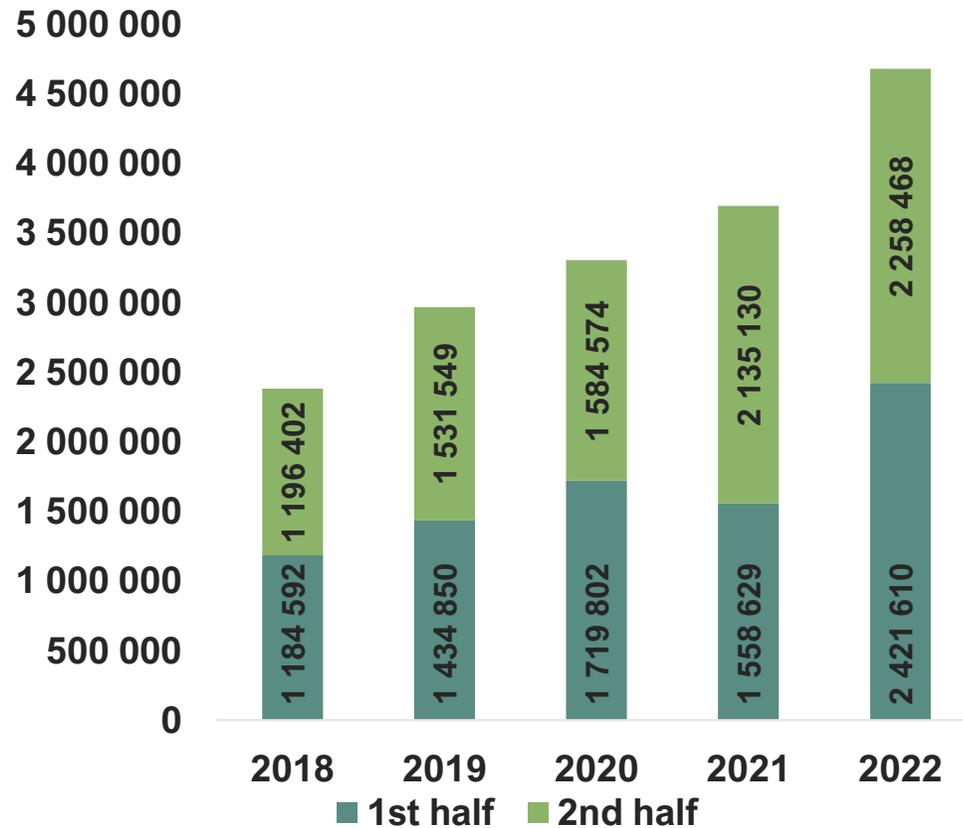
12,1%

Net debt:equity ratio

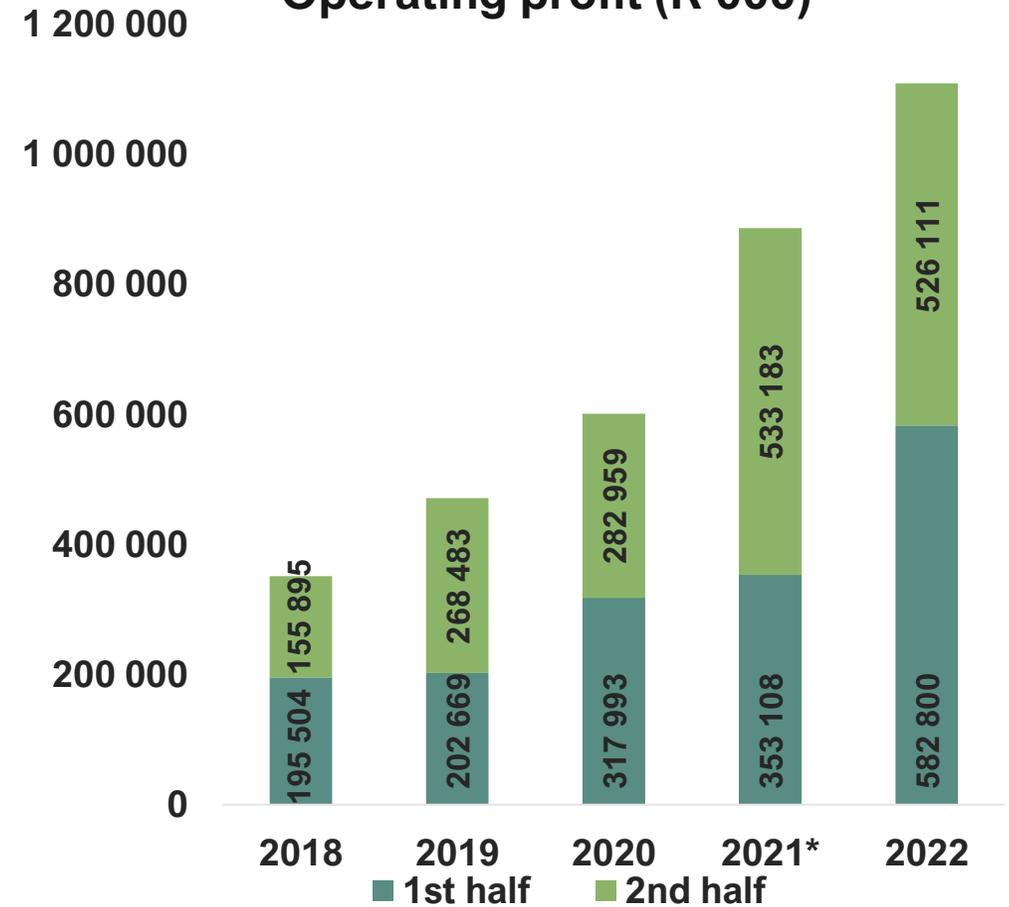
Revenue and operating profit



Revenue (R'000)



Operating profit (R'000)



* As previously reported

Operating profit margin

Operating profit margin (%)	FY2022	FY2021*	FY2020
Construction Materials	11,8%	6,6%	11,2%
Bulk Commodities	34,1%	46,4%	31,0%
Industrial Minerals	14,9%	10,8%	17,3%
Overall	23,7%	24,0%	18,2%

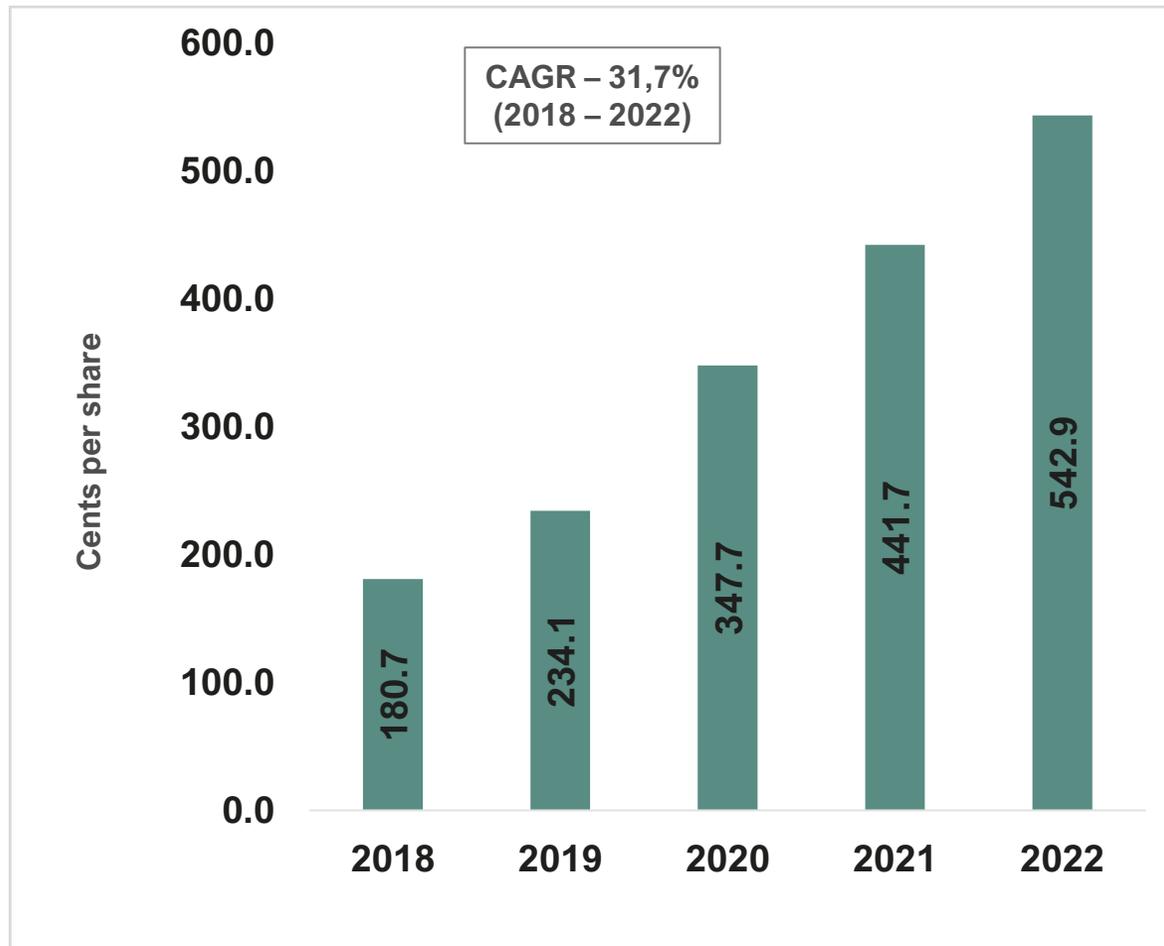
* As previously reported



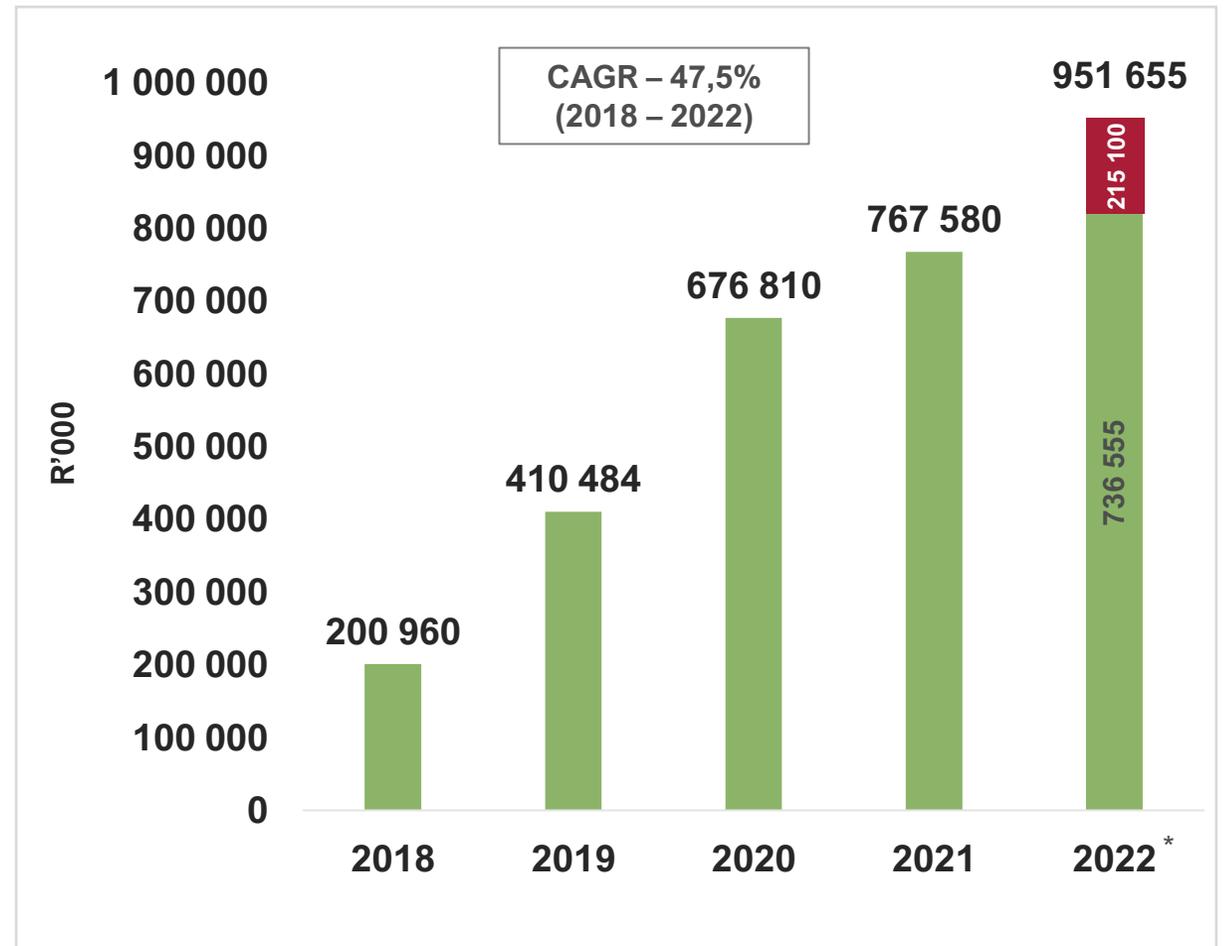
Solid metrics



HEPS – full year



Net cash from operating activities – full year



* Includes the acquisition of stockpiles of Glenover “sale of asset agreement”

Measurement period adjustment

- Relates to Nkomati acquisition
- Comparative information for February 2021- restated
- Mainly relates to deferred tax asset raised of R189,9 million
- Previously recognised goodwill of R6,3 million – resulting in a gain on bargain purchase of R150,5 million
- HEPS remained unchanged

	Previously reported audited Feb 2021	Restated audited Feb 2021
Operating profit (R'000)	886 291	1 058 901
Profit after tax (R'000)	603 827	776 437
Earnings per share (‘EPS’) (cents)	444,1	571,6
Headline earnings per share (‘HEPS’) (cents)	441,7	441,7

Statement of financial position - assets



R'000	Audited Feb 2022	Restated Audited Feb 2021
Property, plant and equipment	2 696 448	2 247 493
Intangible assets	213 335	209 785
Inventories	568 266 *	279 042
Trade and other receivables	793 343	695 936
Cash	290 633	871 060
Other assets / deferred tax	464 222	335 614
Non-current assets held for sale	20 050	-
Total assets	5 046 297	4 638 930

(*) As per the SENS announcement on 9 December 2021, the increase in 'inventories' relates to phosphate stockpiles acquired by the Group for R215,1 million, as part of the Glenover transaction. This was purchased as part of a sale of asset agreement with Glenover, separate from the sale of shares, refer note 16 of the full year results booklet for further disclosures.

Statement of financial position – equities & liabilities



R'000	Audited Feb 2022	Restated Audited Feb 2021
Total equity	3 007 200	2 431 017
Borrowings	643 826	513 901
Provisions	265 252	239 142
Overdraft	1 805	433 807
Trade and other payables	663 729	596 483
Other liabilities / deferred tax	464 485	424 580
Total equities and liabilities	5 046 297	4 638 930

Debt:equity ratio improved to 12,1% (2021: 3,8% as previously reported)

Provision for iron ore pricing

Note 11 Trade and other receivables R'000	Audited Feb 2022	Audited Feb 2021
Trade receivables – net	427 387	377 757
Trade receivables at fair value through profit or loss	142 362	212 432
Provision for final price adjustment	122 967	52 973
Other	100 627	52 774
Total trade and other receivables	793 343	695 936

Provision for iron ore pricing (continued)



Extract of forward looking variables applicable on 28 Feb 2022

	Feb 2022 Three- month spot	Jan 2022 Two- month spot	Dec 2021 One- month spot
Average actual iron ore price invoiced FOB (US\$)	120	90	72
Iron ore forward price at FOB (US\$)	134	136	134
Sales volumes (tonnes)	56 864	68 140	68 281

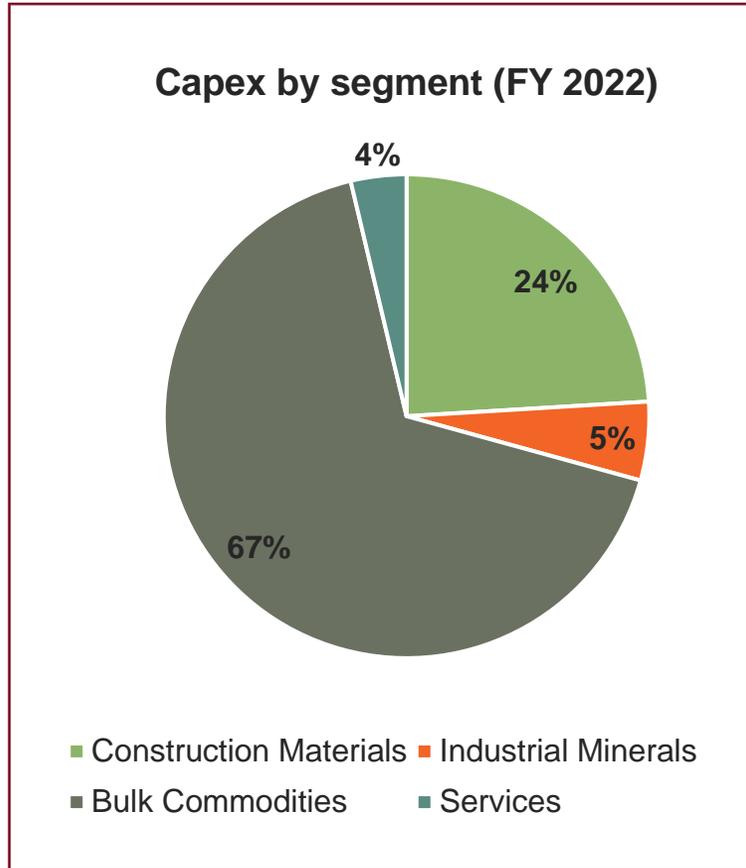
Refer to slide 16 for other iron ore price influences to include into calculation

Explanation:

Initial invoice
February 2022
 $\$120 \times 56\,864 = \$6\,823\,680$

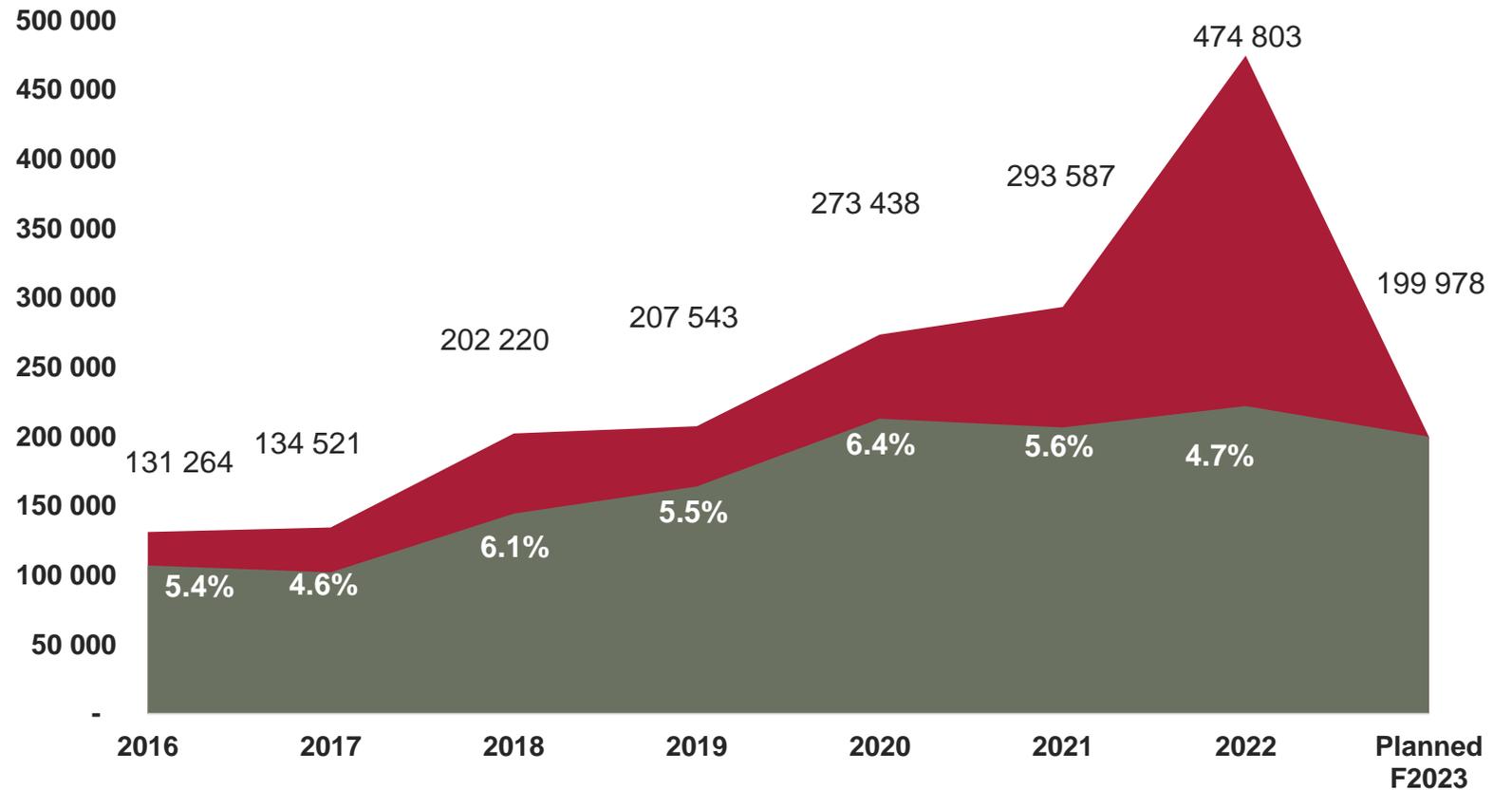
Adjustment settled in May 2022
 $\$120 - \$134 \times 56\,864 = \$796\,096$

Capital expenditure



(See note 2 full year results booklet for Rand values)

Capital Expenditure 2016 - Planned 2023 (R'000)



■ Total Capital expenditure ■ Replacement Capital (Incl % of turnover)

→ (excluding Coza mining asset of R307 million, including Jenkins (R93 million) and Nkomati (R53 million) expansion projects)



5

ESG AND SUSTAINABILITY



Focus on job creation, training staff and ensuring a high standard of health and safety



Active community relations with investment in education, youth employment and infrastructure



E S G focus across 45 mining licenses, rehabilitation and carbon neutrality strategy

Investment in culture is the foundation to all that we do

Project timeline example



Sustainability and ESG team involvement to ensure Jenkins came onto stream in time with all the necessary approval and licenses in place:

- Liaison with communities
- Liaison and submissions to DMRE, DEA and DWS
 - Environmental Impact Assessments in place
 - Water Use Licenses in place
- Correct project management and mining team and processes in place
- Negotiation with all necessary transporters to ensure produce reaches intended markets on time
- Jenkins timeline

Mining right approved	24 Mar 2021
Mining right executed	17 Jun 2021
WULA approved	19 Jul 2021
Section 11 granted	31 Aug 2021

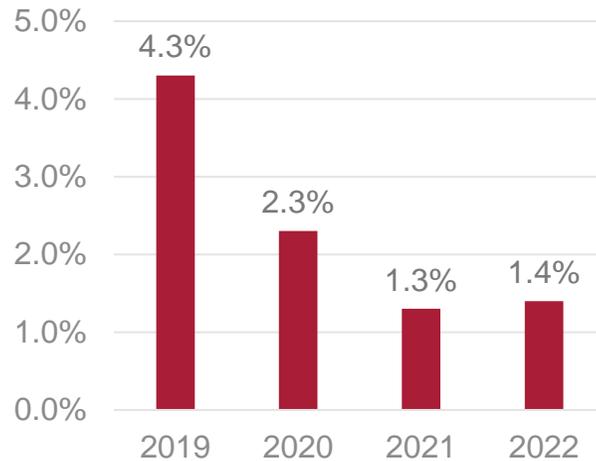
2,517 employees

2,474 training days

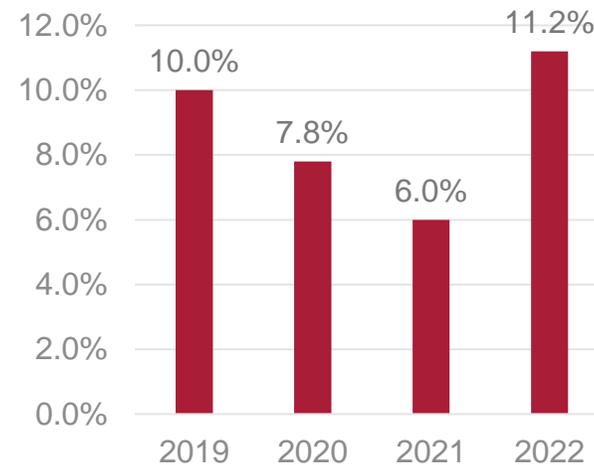
512 jobs created

56 bursaries
awarded to staff

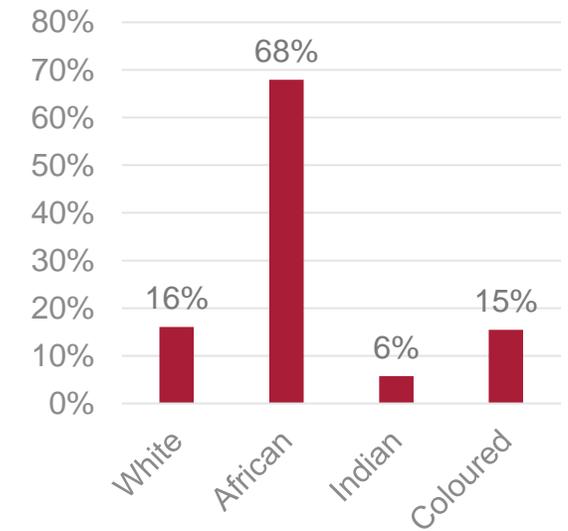
Absenteeism



Attrition



Staff composition



Community relations

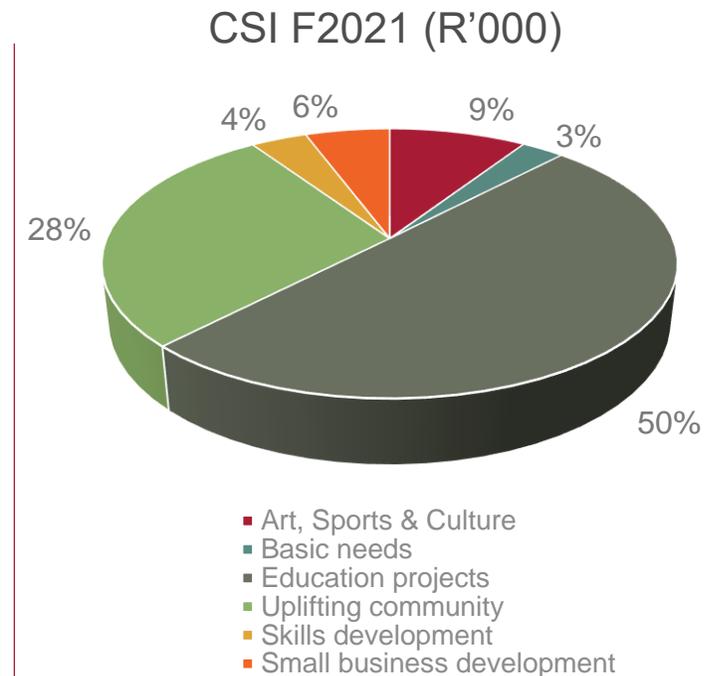
70 sites across South Africa



Education



Distribution of SLP spend



No community unrest or labour action in financial year

- Sponsor math teachers' salaries
- Chess programs in support of mathematical foundations

Community relations (continued)

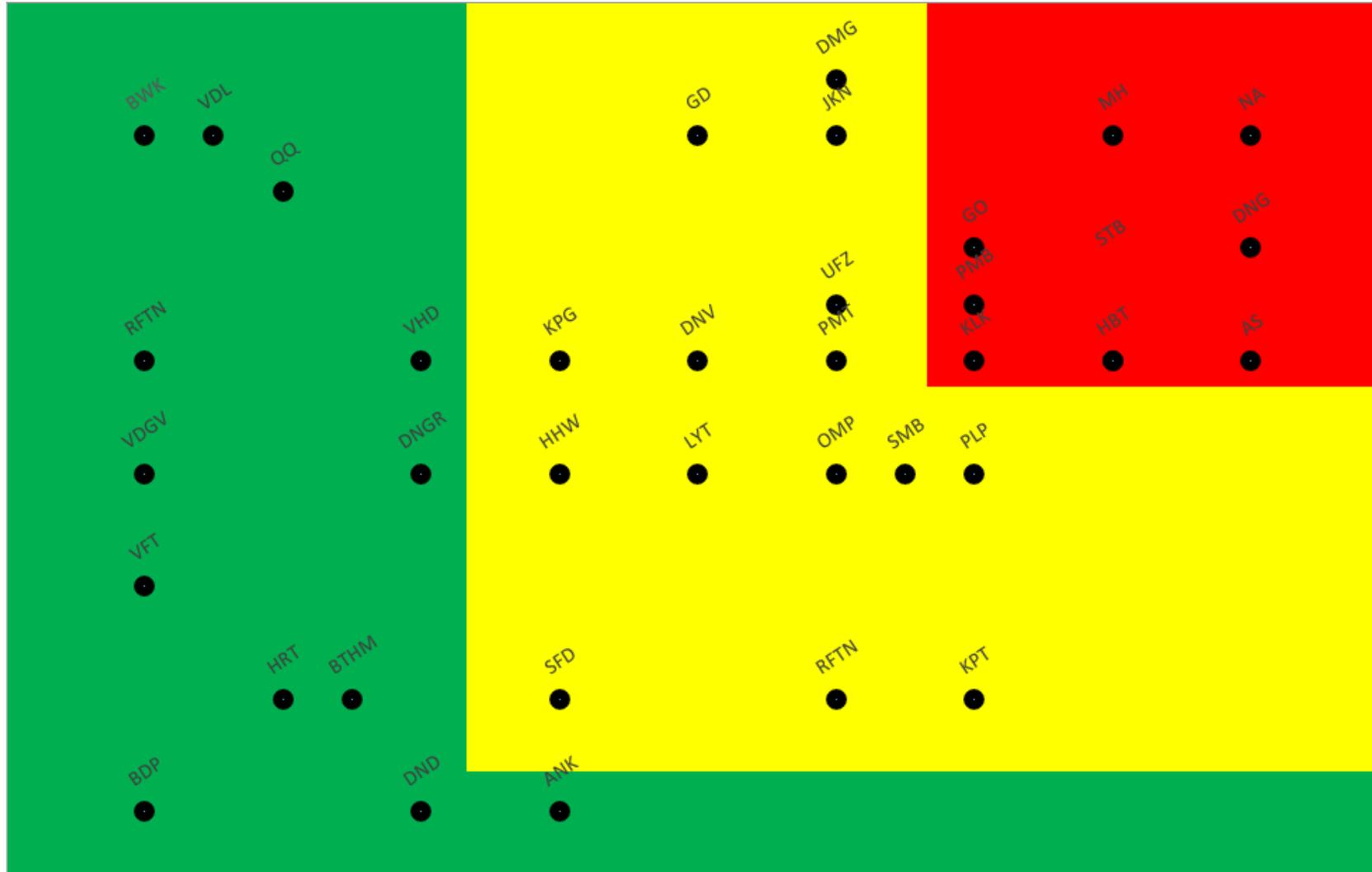
Olifantshoek project



FCD



Community risk matrix



Statutory relationships and compliance

45

Mining rights managed and administered

128 ha

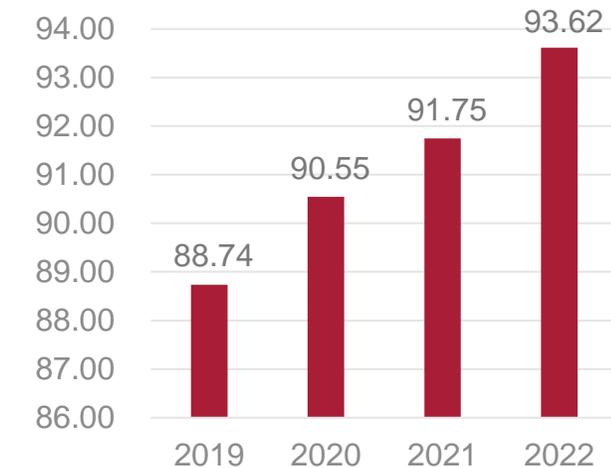
3 closure certificates received supporting successful rehabilitation

Strong working relationships with Department of Mineral Resources and Energy (DMRE) and Department of Environmental Affairs (DEA)

LTFR progress

	FY2021	FY2022		FY2023
LTIFR (12mr)	0.55	0.58	↑	20% reduction
MTI (12mr)	1.32	1.07	↓	20% reduction
FA (Mar-Dec)	42	31	↓	Consistently reduce
TRIFR (12mr)	1.86	1.65	↓	Achieve below 1.00
Near miss (12mr)	471	351	↓	Increase near miss reporting by 20%
Leading indicators	76.07%	76%	↔	

ISHE ASPASA audit trend



Carbon emissions - 2022



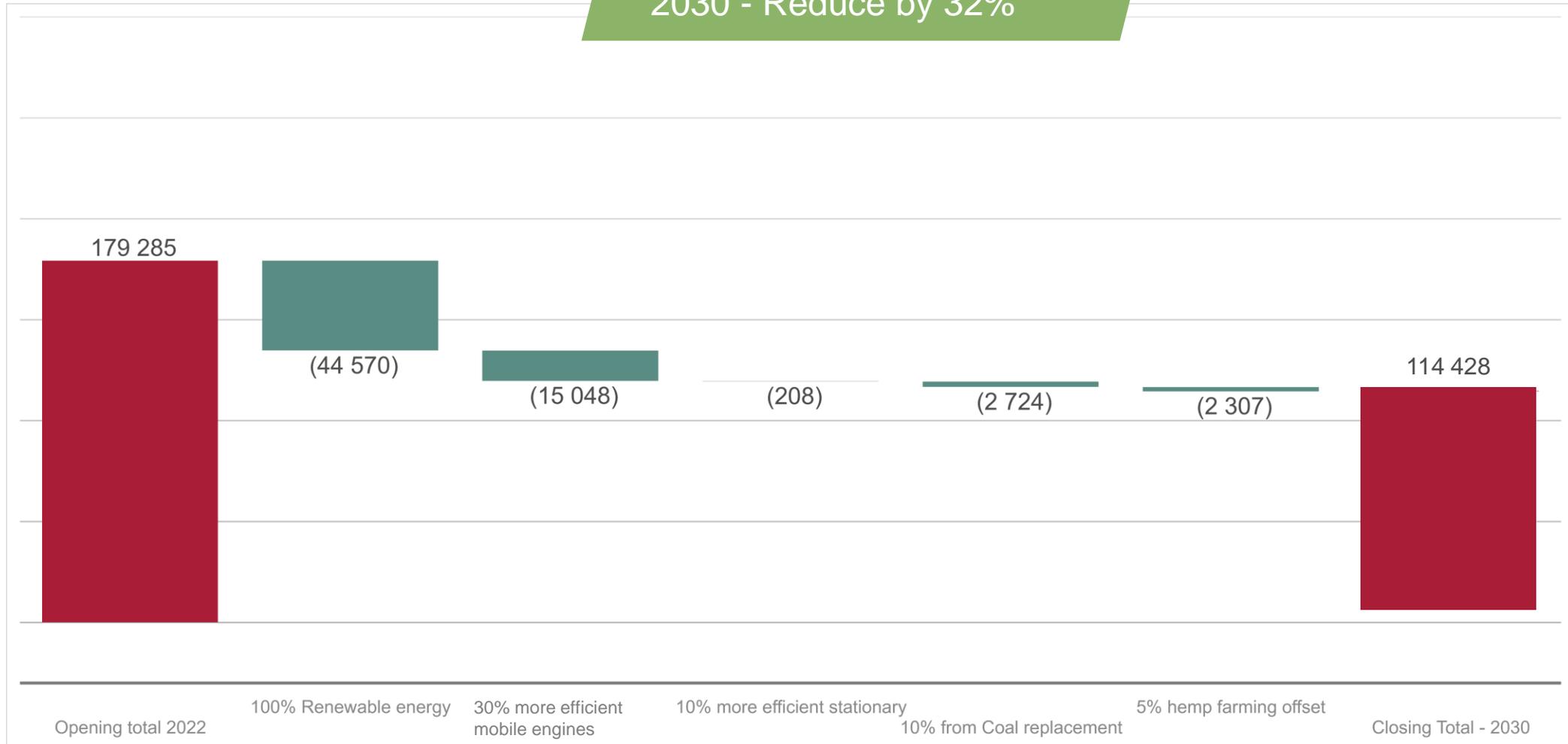
Scope	Category	Emission Source	Afrimat year 2021 tCO ₂ e	Afrimat 2022 tCO ₂ e	Variance
Scope 1	Process Emissions	Lime production	37713.00	46143.75	22.36%
Scope 1	Mobile combustion	Diesel - Equipments	40110.52	50149.66	25.03%
Scope 1	Mobile combustion	Petrol - Equipments	10.73	9.16	-14.63%
Scope 1	Stationary combustion	Burner Oil	280.08	0.00	-100.00%
Scope 1	Stationary combustion	Coal	25974.32	27241.73	4.88%
Scope 1	Stationary combustion	Diesel - generators	1427.56	2075.26	45.37%
Scope 1	Stationary combustion	Petrol - generators	0.19	0.34	78.95%
TOTAL SCOPE 1			105516.40	125619.90	19.05%
Scope 2	Electricity	Electricity			-1.54%
TOTAL SCOPE 2			45265.84	44569.78	-1.54%
Scope 3	Paper	Paper consumption	7.37	10.37	40.66%
Scope 3	Waste	Municipal Waste	186.00	190.00	2.15%
Scope 3	Business travel	Business travel - car hire	32483.16	7115.00	-78.10%
Scope 3	Employee commute	Employee commute	1629.65	1779.6	9.20%
TOTAL SCOPE 3			34306.18	9095.01	-73.49%
TOTAL CARBON FOOTPRINT			185088.42	179284.69	-3.14%

Intensity Emissions					
Scope	Description				
Scope 1 & 2	tCO ₂ e/Employee		67.65	71.15	5.18%
	tCO ₂ e/tonnes		0.008	0.007	-11.41%

Carbon neutral strategy



2030 - Reduce by 32%





6

THE FUTURE

Looking ahead



- Remain vigilant, react quickly and keep employees safe should Covid-19 resurge
- Maintain excellent results from existing operations
- Iron ore business to benefit from Jenkins iron ore mine and Driehoekspan
- Nkomati on track to slightly exceed ramp-up volumes
- Industrial Minerals and Construction Materials to maintain momentum of resurgence in volumes coupled with efficiency drives to maintain margins
- Maintain good cash flow

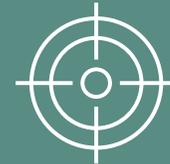
Core message



Pleasing results
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Well established
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Future of Afrimat
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14 June 2022

Investor Open Day

Johannesburg & accessible via webinar

August 2022

Pre-close event

Webinar

27 October 2022

Interim results roadshow

Cape Town & accessible via webinar

November 2022

Site visit to Nkomati Anthracite Mine

Nelspruit

Andries van Heerden

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