

**ROYAL BAFOKENG NATION (ADMINISTRATION) AND ITS SUBSIDIARIES
ANNUAL CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

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ANNUAL CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2024**

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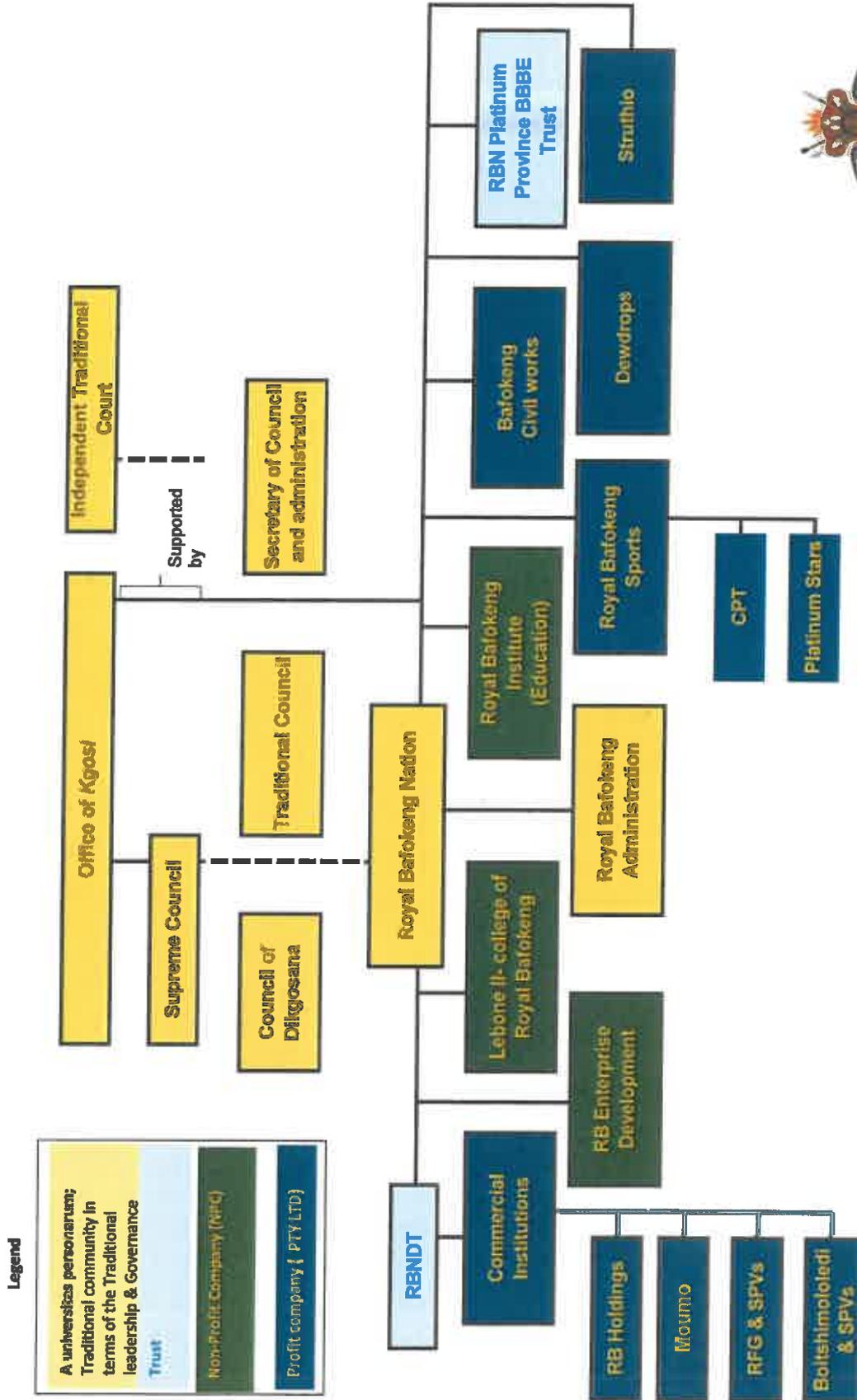
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General Information

Country of incorporation and domicile	South Africa
Nature of business	RBN(A) is defined as a Traditional Council in terms of the Traditional Leadership and Governance Act, 2005 (Act 2 of 2005), and the Traditional Leadership and Governance Framework Act, 2003 (Act 41 of 2003).
Principal activities	Provision of community services, education, infrastructure development, economic development, safety and security, health and social services.
Business address	1 Direpotsane Street Bafokeng Civic Centre Phokeng 0335
Postal address	PO Box 1 Phokeng 0335
Auditor	KPMG Inc Registered Auditor 85 Empire Road Parktown Johannesburg 2193 Private Bag 9 Parkview Gauteng 2122
Level of assurance	These consolidated financial statements have been audited in compliance with the applicable requirements of IFRS Accounting Standards.
Preparer	The annual consolidated financial statements were internally prepared under the supervision of: Karabo Rapoo CA(SA)

RBN Functional Organogram



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Statement of Responsibility by Supreme Council

The Supreme Council is responsible for the preparation, integrity, and fair presentation of the financial statements of the Royal Bafokeng Nation (Administration) and its subsidiaries. The financial statements presented on pages 10 to 103 have been prepared in accordance with International Financial Reporting Standards (IFRS), Accounting Standards and include amounts based on judgements and estimates made by management.

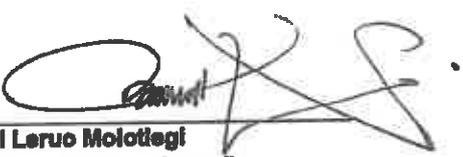
The Supreme Council considers that in preparation of the financial statements it has used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all statements of IFRS Accounting Standards that they consider to be applicable have been followed. The Supreme Council is satisfied that the information contained in the financial statements presents the results of operations for the year and the financial position of the group at year end.

The Supreme Council has the responsibility for ensuring that proper accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the group and to enable the Supreme Council to ensure that the financial statements comply with relevant legislation.

The consolidated financial statements have been prepared on the basis of accounting policies applicable to a going concern. The Supreme Council has no reason to believe that the group will not be a going concern in the foreseeable future, based on the forecasts and available cash resources. These financial statements support the viability of the group.

Supreme Council's approval of financial statements

The annual consolidated financial statements for the year ended 31 December 2024 set out on page 11 to 108 were approved by the Supreme Council on 23/10/2025 and were signed on its behalf by:


Kgoal Leruo Molotlegi
Chairman: Supreme Council

05 December 2025


Aubrey Modisane
Chairman: Audit Committee

05 December 2025

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Supreme Council Report

The Supreme Council ("Council") presents its report on the activities of Royal Bafokeng Nation (Administration) ("RBN(A)") and its subsidiaries for the year ended 31 December 2024 to the Royal Bafokeng Nation.

1. Nature of Business

The Royal Bafokeng Nation ("RBN") is a community of about 150,000 people, led by Kgosi Leruo Molotlegi. The RBN owns some 1,200 km² of land in the Rustenburg Valley, in South Africa's North West Province. The Bafokeng land consists of 29 villages the largest being Phokeng and these villages have been clustered into five planning regions being Capital, Central, North, North East and South East region. This land overlay a valuable portion of the Bushveld Complex, one of the richest known reserves of platinum group metals and chrome in the world. The RBN leases portions of this land to some of the world's largest mining companies, including Impala Platinum, Sibanye Rustenburg Platinum Mine and Merafe Resources.

Royalties paid to the RBN by mining companies and dividends from the Investee companies are being used to uplift the Bafokeng and the surrounding communities, mainly through the Royal Bafokeng Administration ("RBA"). The RBA is an unregistered functionary of the RBN and accordingly the RBA is part of the same legal entity as RBN.

In this regard, the RBN's strategy with respect to certain community services, education, infrastructure development, economic development, safety and security, health and social services, developmental planning, property administration is implemented through the RBA and other registered entities. Community services provided by the RBN(A) includes the supply of water, construction of roads, schools, clinics, maintenance of roads, properties, electrical, collection and disposal of refuse and other community amenities.

The RBN owned area falls under the jurisdiction of the Rustenburg Local Municipality ("RLM"). In terms of the current legislative framework, Bojanala Platinum District Municipality ("BPDM") exercises jurisdiction over Rustenburg Local Municipality ("RLM"). The RLM therefore exercise legislative commitments of building infrastructure and delivering services to the community.

It is on this basis that, the RBN entered into a memorandum of understanding ("MOU") with the BPDM and the RLM on 12 January 2003, which inter alia provides that the parties agree to cooperate in the following spheres of delivery; Infrastructural development, health, economic development, tourism, arts and culture and any other portfolio that the parties may agree from time to time.

RBN's vision statement:

"A relevant and innovative traditional African community in a changing world."

RBN's mission statement:

"We the Bafokeng, Kgosi, Supreme Council and Makgotla together with those who share our vision and values, will create an enabling environment for the prosperity of current and future generation by developing the people, the economy and the land."

"Our strategy for excellence is realised through zero tolerance for corruption and through courageous, innovative leadership rooted in Bafokeng values."

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Supreme Council Report

RBN's strategy is underpinned under the key pillars of :

Individual Development

A better standard of living for all individuals by improving individual quality of life and social wellbeing.

Community Development

Collaboratively building an inclusive traditional community of which we are proud.

Sustainability and Economic Growth

Respecting resources as treasured assets, achieving inclusive growth and full employment into the long-term.

2. Legal framework and Governance Structures

The Bophuthatswana Traditional Authorities Act, 1978 (Act 23 of 1978) was repealed by the North West Traditional Leadership and Governance Act, 2005 (Act 2 of 2005) as Amended on 20 March 2007. In terms of this Act and the Traditional Leadership and Governance Framework Act, 2003 (Act 41 of 2003) the RBN is defined as a Traditional Council.

With the coming into effect of the North West Traditional Leadership and Governance Act, 2005 (Act 2 of 2005) as amended, the RBN was required to reconstitute its Traditional Council according to the prescribed format.

The term of office for the elected and appointed Traditional Council members is 5 years.

The elected and appointed Traditional Council members ("TC Members") were appointed during August 2017 and their term in office should have ended in August 2022. However, due to the amendments to the Traditional and Khoi-San Leadership Act 3 of 2019 the election of new members were delayed and the the previously appointed members will still be in office until the new TC members are appointed. The list of the the current TC members are stated below:

Name and Surname	Village	Elected/ Appointed
<u>CAPITAL A & B</u>		
Thabiso Lefyedi	Lefaragathe	Elected
Daphne Montsho	Masosobane	Appointed
Mogari Mokgatle	Salema	Appointed
<u>NORTH A REGION</u>		
Tshepo Mekgoe	Luka	Elected
Seth Mputle	Luka	Appointed
<u>NORTH B REGION</u>		
Tshepo Phatshwane	Chaneng	Elected

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Supreme Council Report

CENTRAL REGION

Richard Ntshane	Kanana	Elected
Martha Khuduge	Serutube	Appointed

NORTH EAST REGION

William Mokone	Mogakane	Elected
Rebecca Modibane	Mamerotse	Appointed
Katlego Mosito	Kopman	Appointed
Jennifer Thebyane	Tsitsing	Appointed

SOUTH EAST REGION

Patrick Phutu	Tlapa	Elected
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Independent Auditor's Report

To the Supreme Council of Royal Bafokeng Nation (Administration) and its subsidiaries

Opinion

We have audited the consolidated financial statements of Royal Bafokeng Nation (Administration) and its subsidiaries (the Group) set out on pages 11 to 106, which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Royal Bafokeng Nation (Administration) and its subsidiaries as at 31 December 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Supreme Council is responsible for the other information. The other information comprises the information included in the document titled "Royal Bafokeng Nation (Administration) and its subsidiaries



Annual Financial Statements for the year ended 31 December 2024", which includes the Supreme Council Report as required by the Traditional Leadership and Governance Act. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements do not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Supreme Council for the consolidated financial statements

The Supreme Council is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of South Africa, and for such internal control as the Supreme Council determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Supreme Council is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Supreme Council either intends to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Supreme Council.
- Conclude on the appropriateness of the Supreme Council's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Yours faithfully

DocuSigned by:
KPMG Inc
BDF435034A30493...

KPMG Inc.

Per Ropfiwa Sithubi

Chartered Accountant (SA)

Registered Auditor

Director

10 December 2025

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Consolidated Statement of Financial Position

Figures in R'000	Notes	2024	2023
Assets			
Non-current assets			
		54,757,336	46,103,446
Property, plant and equipment	4	1,671,254	1,602,214
Financial asset at fair value through profit and loss(FVTPL):	5	28,076,672	23,078,127
Investments in associates and joint ventures at fair value through profit or loss	6	24,864,074	21,110,231
Finance lease receivable	8	-	283
Deferred income tax assets	9	140,565	303,005
Right of use assets	17	4,771	9,586
Current assets			
		8,392,771	10,936,138
Trade and other receivables	7	505,031	560,852
Finance lease receivable	8	296	241
Financial assets at fair value through profit or loss	10	233,837	-
Current income tax assets	11	14,135	4,894
Cash and cash equivalents	12	4,535,951	7,220,168
Cash investments	13	3,100,646	3,146,620
Inventories	14	2,875	3,363
Total assets		63,150,107	57,039,584

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Consolidated Statement of Financial Position

Figures in R'000	Notes	2024	2023
Equity and liabilities			
Equity			
Accumulated funds		51,387,031	45,149,287
Retained earnings		51,320,692	45,079,687
Reserves		66,339	69,600
Non-controlling interests		16,161	8,302
Total equity		51,403,192	45,157,589
Liabilities			
Non-current liabilities			
Deferred income tax liabilities	9	11,003,182	11,239,780
Employee benefits	15	5,823,228	4,574,271
Borrowings	16	69,300	67,123
Financial lease liabilities	17	77,331	1,157,659
Deferred royalty income	27	-	4,737
		5,033,323	5,435,990
Current liabilities			
Current income tax liabilities	11	743,733	642,215
Employee benefits	15	5,640	20,103
Borrowings	16	68,956	56,477
Financial lease liabilities - short-term portion	17	2,327	25,697
Trade and other payables	18	5,644	5,209
Deferred grant income	27	241,684	114,224
Deferred royalty income - short-term portion	27	16,782	17,805
		402,700	402,700
Total liabilities		11,746,915	11,881,995
Total equity and liabilities		63,150,107	57,039,584

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

Figures in R'000	Notes	2024	2023
Revenue	19	4,604,572	4,449,541
Cost of sales and services rendered		<u>(11,023)</u>	<u>(13,410)</u>
Gross Profit		4,593,549	4,436,131
Administrative Expenses		(1,549,395)	(1,497,416)
Other income	21	34,088	331,195
Net gains		6,383,062	2,947,151
Other gains	21	<u>6,490,971</u>	<u>2,998,468</u>
Other losses	21	<u>(107,909)</u>	<u>(51,317)</u>
Operating profit		9,481,304	6,217,061
Net finance cost		(1,562,212)	(1,307,418)
Finance income	22	<u>778,019</u>	<u>841,952</u>
Finance cost	22	<u>(2,340,231)</u>	<u>(2,149,370)</u>
Impairment loss for equity accounted investments	20	-	(605)
Share of profits from equity accounted Investments	6	<u>124,836</u>	<u>270,284</u>
Profit before tax		8,023,928	5,179,322
Income tax expense	23	<u>(1,781,071)</u>	<u>(946,102)</u>
Profit for the year from continuing operations		<u>6,242,857</u>	<u>4,233,220</u>
Attributable to:			
Equity holder of the parent		<u>6,241,004</u>	<u>4,296,532</u>
Non controlling interest		<u>1,853</u>	<u>(63,312)</u>
Profit for the year		<u>6,242,857</u>	<u>4,233,220</u>
Other comprehensive (loss)		(3,260)	(5,399)
<i>Items that may not be reclassified to profit or loss</i>			
Fair value adjustment on financial asset at fair value through other comprehensive Income		<u>(3,260)</u>	<u>(5,399)</u>
Total comprehensive profit for the year		6,239,597	4,297,141
Attributable to equity shareholder		<u>6,237,744</u>	<u>4,291,133</u>
Attributable to non-controlling interest		<u>1,853</u>	<u>6,008</u>

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Consolidated Statement of Changes In Equity

Figures in R'000

	Non-Distributable Reserves***	Other Reserves**	Retained Earnings	Atributable to Equity Holders	Non-Controlling Interest	Total
Balance at 1 January 2023	38,413	36,585	40,846,467	40,921,465	77,622	40,999,087
Total profit for the year	-	-	4,233,220	4,233,220	(69,320)	4,163,900
Other comprehensive loss for the year	(5,398)	-	-	(5,398)	-	(5,398)
Restated balance at 31 December 2023	33,015	36,585	45,079,687	45,149,287	8,302	45,157,589

	Non-Distributable Reserves***	Other Reserves**	Retained Earnings	Atributable to Equity Holders	Non-Controlling Interest	Total
Balance at 1 January 2024	33,015	36,585	45,079,687	45,149,287	8,302	45,157,589
Total profit for the year	-	-	6,241,004	6,241,004	7,859	6,248,863
Other comprehensive loss for the year	(3,260)	-	-	(3,260)	-	(3,260)
Total comprehensive profit for the year	29,755	36,585	51,320,691	51,387,031	16,161	51,403,192
Dividends paid*	-	-	-	-	-	-
Balance at 31 December 2024	29,755	36,585	51,320,691	51,387,031	16,161	51,403,192

**Other reserves comprises of the share of equity of associates

***Non-distributable reserves comprises of fair value adjustment on investments

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Consolidated Statement of Cash Flows

Figures in R'000	Notes	2024	2023
Cash flow from operating activities			
Cash used in operations	28	(839,719)	(760,029)
Interest paid		(58,414)	(147,100)
Income tax paid	11	(392,134)	(366,659)
Net cash used in operating activities		(1,290,267)	(1,273,788)
Cash flow from investing activities			
Proceeds from disposal of property, plant & equipment		56	30
Finance lease receipts		278	317
Acquisition of property, plant & equipment		(108,753)	(90,818)
Acquisition of Ethos		-	(1,136)
Acquisition of Visio Capital Investment		-	(464,500)
Dividend received from RIM (Associate)		-	5,945
Acquisition of financial assets		(4,161,281)	(838,132)
Proceeds from sale of Investments at fair value		1,471,614	465,805
Proceeds from sale of RB Plats Shares		-	1,276,708
Repayment of loan from associates		-	2,216
Purchase of Investment in associate at fair value through profit and loss		-	(54,880)
Dividend received		1,656,067	1,578,071
Interest received		778,019	841,952
Contribution to Trust		-	4,091
Proceeds from disposal of associates and joint ventures		6,592	-
NEPI Return of capital		27,641	54,978
Decrease in maturity Investment		45,973	(426,539)
Net cash generated from investing activities		(283,794)	2,354,108
Cash flow from financing activities			
Repayment of borrowings		(1,114,103)	(1,024,771)
Redemption of IDC preference shares		-	18,000
Payment of lease liabilities		(4,303)	(5,442)
Net cash utilised in financial activities		(1,118,406)	(1,012,213)
Net (decrease)/ increase in cash and cash equivalents		(2,692,467)	68,107
Cash and cash equivalents at the beginning of the year		7,220,168	7,064,851
Effect of exchange rate movement on cash balances		8,250	87,210
Cash and cash equivalents at the end of the year		4,535,951	7,220,168

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Summary of Material Accounting Policies

1. General Information

Royal Bafokeng Nation ("RBN") is a traditional council with a Universitas Personarum. The North West Traditional Leadership and Governance Act, 2005 (Act 2 of 2005) governs its existence and governance. The Act, in addition to several other pieces of legislation affecting the RBN's operations, is not prescriptive as to the accounting governance and reporting requirements of the RBN. The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards. The Supreme Council is of the opinion that the consolidated financial statements thus prepared will not mislead the users of the consolidated financial statements. The material accounting policies adopted in the preparation of the financial statements are set out in note 2 below.

2. Material accounting policies

The material accounting policies applied in the preparation of this consolidated financial statements are set out in detail in the relevant notes. The accounting policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

2.1.1 Compliance with IFRS Accounting Standards

The consolidated financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements.

This consolidated financial statements complies with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

2.1.2 Historical convention

The consolidated financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out in detail in the relevant notes.

2.1.3 Functional and presentation currency

The consolidated financial statements are presented in South African Rands (Rands), which is the Royal Bafokeng Nation (Administration) and its subsidiaries ("Group") functional and presentation currency. Except stated otherwise, the amounts in the financial statements are rounded to R'000.

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Summary of Material Accounting Policies

2.1.4 Significant Judgements and sources of estimation uncertainty

The preparation of consolidated financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The resulting accounting judgements, estimates and assumptions will, by definition, seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed in detail in the relevant notes to the consolidated financial statements.

2.1.5 Going concern

The consolidated financial statements have been prepared on the going concern assumption. This assumption presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

2.1.6 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale, are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amounts are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

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Summary of Material Accounting Policies

2.2 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Land is not depreciated.

Work-in-progress is not depreciated. These relates to the work or construction not yet completed at year end and will be depreciated when the work or construction is completed and ready for use. Depreciation is calculated as indicated below and approximates the following:

Item	Average useful life in years and
Buildings	5-30 years (straight line)
Plant and machinery	5-30 years (straight line)
Office and computer equipment	3-5 years (straight line)
Furniture and fittings	4-10 years (straight line)
Vehicles and equipment	6 years (straight line)
Capitalised lease improvements	6 years (straight line)
Computer Software	6 years (straight line)
Drones	4 years (straight line)

Depreciation periods are assessed annually and adjusted if and where appropriate.

Critical accounting estimates and assumptions

Asset lives

The group's assets, are depreciated over their expected useful lives which are reviewed annually to ensure their appropriateness. In assessing useful lives, technological innovation, product life cycle physical condition of the assets and maintenance programme are taken into consideration.

2.2.1 Impairment

An impairment review of property, plant and equipment is carried out when there is an indication that these assets may be impaired by comparing the carrying amount thereof to its recoverable amount.

Where the recoverable amount is less than the carrying amount, the impairment charge will reduce the carrying amount of property, plant and equipment to its recoverable amount. The adjusted carrying amount is depreciated over the remaining useful life of property, plant and equipment.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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2.3 Investment in subsidiaries

2.3.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

2.3.2 Disposal of subsidiaries

When the group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.3.3 Significant subsidiary

Detailed information on the group's significant subsidiaries is stated below:

Name of entity	Country of Incorporation
Royal Bafokeng Development Trust	South Africa
Royal Bafokeng Holdings	South Africa

Royal Bafokeng Nation Development Trust ("RBNDT") is the principal subsidiary of Royal Bafokeng Nation (Administration) ("RBN/A") and is responsible for the management and development of the commercial assets of RBN/A. This is mainly done through Royal Bafokeng Holdings (Pty) Ltd ("RBH"), wholly owned subsidiary of the RBNDT.

2.4 Financial Instruments

Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the group, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

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2.4 Financial instruments (continued)

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities which are at amortised costs; or

- Mandatorily at fair value through profit or loss; (This applies to liabilities which are held for trading) or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch; the liabilities forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Below are the specific accounting policies for the classification, recognition and measurement of each type of financial instruments held by the group.

2.4.1 Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments are classified as financial assets subsequently measured at amortised costs (note 7).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition

Trade and other receivables are recognised when the group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in finance income (note 22).

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance;

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2.4 Financial instruments (continued)

2.4.1 Trade and other receivables (continued)

- If a receivable is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired;
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit-impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

The group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

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

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in administrative expenses in profit or loss as a movement in credit loss allowance (note 20).

Write off policy

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

Credit risk

Details of credit risk are included in the trade and other receivables note (note 7) and the financial instruments and risk management note (note 31)

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2.4 Financial Instruments (continued)

2.4.1 Trade and other receivables (continued)

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost line item (note 21).

2.4.2 Loans and receivables

Initial recognition

Loans and receivables are non-derivative financial assets with fixed or determinable payment periods that are not quoted in an active market. Loans and receivables comprise trade and other receivables in the statement of financial position excluding prepaid tax, prepaid expenses and VAT refund. Environmental trust deposit and cash and cash equivalents form part of loans and receivables.

Loans and receivables are initially measured at fair value. They are included in current assets except for maturities greater than 12 months after the reporting date, these are classified as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision made for impairment of trade receivables is established when there is objective evidence (e.g. when amounts are overdue for a significant period of time) that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the original effective interest rates. Significant financial difficulties of the debtors, probabilities that the debtors will enter bankruptcy, default or delinquency in payments are considered indicators that the trade receivables are impaired. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income as an administrative expense.

Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest rate method. The gains or losses in the changes in the value of the loan and other receivables are classified in the income statement under finance cost or income.

The amount of the provision is the difference between the assets carrying amount and the recoverable amount, being the present value of expected cash flow, discounted at the original effective interest rates. When a trade receivable is uncollected, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are taken to other income in the income statement.

Prepaid expenses are initially recorded at cost and subsequently amortised through to the income statement when the service is received. Value Added Tax (VAT) refunds are initially recorded at cost

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2.4 Financial Instruments (continued)

2.4.2 Loans and receivables (continued)

and subsequently realised when the cash is received from the South African Revenue Service (SARS).

Critical accounting estimates and assumptions

The group follows the guidance of IFRS 9 to determine when a financial asset is impaired. The determination requires significant judgement. In making the judgement, the group evaluates, among other factors, the history of defaults by the debtors and the financial position of the debtor.

2.4.3 Investments in equity instruments

Classification

Investments in equity instruments are presented in note 6. They are classified as mandatorily at fair value through profit or loss. Associates and joint ventures are equity accounted for at group level.

Investments in equity instruments are subsequently measured at fair value with changes in fair value recognised in profit or loss. Fair value gains or losses recognised are included in fair value gains or losses (note 21)

Dividends received on equity investments are recognised in profit or loss when the company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in other income.

Fair value gains or losses are included in fair value gain or loss.

Associates are all entities over which the group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and others, except those whose Special Purpose Vehicle ("SPVs") are classified as venture capital organisations are carried at fair value through profit or loss.

The Group has applied IFRS 11 to all joint arrangements. Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor, rather than the legal structure of the joint arrangement. The Group has in the prior year assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method, except those whose SPVs are classified as venture capital organisations are carried at fair value through profit or loss.

The SPVs that hold these investments qualify for the venture capital exemption and therefore the investments are carried at fair value through profit and loss with changes in the fair value recognised in the statement of comprehensive income in the period of change.

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2.4 Financial Instruments (continued)

2.4.3 Investments in equity instruments (continued)

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and movements in other comprehensive income of the investee after the date of acquisition. The investor's share of the profit or loss and movements in other comprehensive income are presented in the statement of profit or loss or statement of other comprehensive based on the investee's annual financial statements. The Group's investment in associates includes goodwill identified on acquisition.

Changes in the fair value of associates carried at fair value through profit and loss are recognised in the income statement in the period of change.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The group's share of post-acquisition profit or loss is recognised in the income statement, its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income, and its equity movements, recognised directly in equity as "other reserves" with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the income statement.

Profits and losses resulting from upstream and downstream transactions between the group and its associate are recognised in the group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

2.4.4 Financial liabilities

Loans from group companies, bank overdraft and trade and other payables are classified as financial liabilities subsequently measured at amortised cost.

Financial liabilities are recognised when the group becomes a party to the contractual provisions of the liability. The financial liabilities are measured, at initial recognition, at fair value plus transaction

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2.4 Financial Instruments (continued)

2.4.4 Financial liabilities (continued)

costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs.

Financial liabilities expose the group to liquidity risk and interest rate risk. Refer to note 31 for details of risk exposure and management thereof.

2.4.5 Trade and other payables

Classification

Trade and other payables (note 18), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 22).

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2.4 Financial instruments (continued)

2.4.5 Trade and other payables (continued)

Trade and other payables expose the group to liquidity risk and possibly to interest rate risk. Refer to note 31 for details of risk exposure and management thereof.

2.4.6 Financial liabilities at fair value through profit or loss

Classification

Financial liabilities which are held for trading are classified as financial liabilities mandatorily at fair value through profit or loss.

The group, does, from time to time, designate certain financial liabilities as at fair value through profit or loss. The reason for the designation is to reduce or significantly eliminate an accounting mismatch which would occur if the instruments were not classified as such; or if the instrument forms part of a group of financial instruments which are managed and evaluated on a fair value basis in accordance with a documented management strategy; or in cases where it forms part of a contract containing an embedded derivative and IFRS 9 permits the entire contract to be measured at fair value through profit or loss.

Recognition and measurement

Financial liabilities at fair value through profit or loss are recognised when the group becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

Fair value gains or losses recognised on investments at fair value through profit or loss are included in fair value through profit or loss (note 21).

For financial liabilities designated at fair value through profit or loss, the portion of fair value adjustments which are attributable to changes in the group's own credit risk, are recognised in other comprehensive income and accumulated in equity in the reserve for valuation of liabilities, rather than in profit or loss. However, if this treatment would create or enlarge an accounting mismatch in profit or loss, then that portion is also recognised in profit or loss.

Interest paid on financial liabilities at fair value through profit or loss is included in finance costs (note 22)

Derecognition

The changes in fair value attributable to changes in own credit risk which accumulated in equity for financial liabilities which were designated at fair value through profit or loss are not reclassified to profit or loss. Instead, they are transferred directly to retained earnings on derecognition.

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2.4 Financial Instruments (continued)

2.4.7 Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value. These are initially and subsequently measured at amortised cost.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The group's analysis is based on the following three components:

- short term, highly liquid;
- readily convertible to known amounts; and
- insignificant risk of changes in value.

The maturity period used for classification is measured from date of classification and not reporting date.

Money market funds

Investments in money market funds are classified as either cash or cash equivalents or equity investments based on the following criteria:

- if the amount of cash that will be received is known with a high degree of certainty at the time of the initial investment;
- an assessment indicating the following is satisfied:
 - substantially all of the money market funds' investments qualify individually as cash and cash equivalents;
 - the fund policies only permit investments in cash and cash equivalents with some of the following policies, amongst others:
 - constant net asset value with limitations on volatility (0.5%);
 - returns benchmarked to short-term money market interest rates;
 - highest credit rating;
 - investment in high-quality instruments, typically short term, with high liquidity and a maximum weighted average maturity of a few weeks (typically 60 – 90 days);
 - highly diversified portfolio; and
 - affiliation to or membership of a money market association that ensures maintenance of high standards in its code of practice.

Money market funds that have a constant net asset value of 1:1 or insignificant risks of changes in value are classified as cash and cash equivalents and measured in terms of IFRS 9 amortised cost or fair value through profit or loss. If the cash and cash equivalent definition is not met, money market funds are classified as equity or debt instruments measured in terms of IFRS 9 amortised cost or fair value through profit or loss.

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2.4 Financial Instruments (continued)

2.4.7 Cash and cash equivalents (continued)

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, bank overdraft and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings and under current liabilities on the statement of financial position.

Investments in money market funds relate to investments in shares of liquidity funds of which the underlying investments have maturities of up to one year. The shares in these funds are callable daily.

Financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

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

2.5 Finance lease receivable

2.5.1 Finance leases

They are presented as lease receivables on the statement of financial position.

The interest rate implicit in the lease is used to measure the net investment in the lease. If the interest rate implicit in a sublease cannot be readily determined for a sublease, then the discount rate used for the head lease (adjusted for any initial direct costs associated with the sublease) is used to measure the net investment in the sublease.

The interest rate implicit in the lease is defined in a manner which causes the initial direct costs to be included in the initial measurement of the net investment in the lease.

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2.5 Finance lease receivable (continued)

2.5.1 Finance leases (continued)

Lease payments included in the measurement of the net investment in the lease comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives payable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be receivable by the group from the lessee, a party related to the lessee or a third party unrelated to the group under residual value guarantees (to the extent of third parties, this amount is only included if the party is financially capable of discharging the obligations under the guarantee);
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the option;
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

The group recognises finance income over the lease term, based on a pattern that reflects a constant periodic rate of return on the net investment in the lease. Finance income recognised on finance leases is included in finance income in profit or loss (note 22).

The group applies the impairment provisions of IFRS 9 to lease receivables.

2.5.2 Exposure to credit risk

Finance lease receivables inherently exposes the group to credit risk, being the risk that the group will incur financial loss if counterparties fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults the group only deals with reputable counterparties with consistent payment histories. Credit risk is mitigated by holding the leased assets as collateral. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Finance lease receivables are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for finance lease receivables is calculated based on twelve-month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either twelve-month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a lease is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition.

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2.5 Finance lease receivable (continued)

2.5.2 Exposure to credit risk (continued)

In determining the amount of expected credit losses, the group has taken into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the industries in which the counterparties operate or are employed. This information has been obtained from the counterparties themselves, as well as from economic reports, financial analyst reports and various external sources of actual and forecast data and is applied to estimate a probability of occurring as well as estimating the loss upon default.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period. The maximum exposure to credit risk is the carrying amount of the leases as presented above.

2.5.3 Exposure to Interest rate risk

Refer to note 31 Financial instruments and financial risk management for details of interest rate risk management for finance lease receivables.

2.6 Deferred taxation

Deferred tax assets and liabilities are provided in full, using the liability method, temporary differences arising between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is determined using tax rates that have been enacted or substantively enacted before the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available, against which the temporary differences can be utilised.

2.7 Inventories

Inventories are measured at the lower of cost or net realisable value. The cost of inventories comprises all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition and is assigned by using the weighted average cost formula. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

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2.8 Employee benefits

The group operates various post-employment schemes, including defined contribution pension plans and post-employment medical plans.

2.8.1 Short-term benefit

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

2.9 Share based payments

2.9.1 Long Term Incentive Scheme

Cash-settled share based compensation plans

The services acquired and the liability incurred are measured at fair value for cash settled share based payments. Until the liability is settled, it is measured at fair value at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

The participation in the scheme is limited to executives and senior management individuals. The value of the reference shares is the NAV of the RBH portfolio based on the fair value of the assets net of deferred capital gain as at year-end divided by 100 000 000 units. The conditional awards vest three years from when they were granted and the share appreciation rights (SARs) vests three years from when they were granted but will have a two-year period after the vesting date to exercise vested SARs. A Black Scholes model was used to measure the LTI and the volatility index was determined by assessing the volatility of the listed assets.

Nil Cost Option Awards under the Scheme are subject to the participant being in continued employment for 3 years vesting period to receive 60% of the awards and 4 year vesting to receive the remaining 40% of the awards.

The group operates one cash-settled long-term incentive plan, which allows for the award of 3 types of LTI Instruments:

- appreciation rights in the form of SARs;
- full value shares in the form of conditional awards; and
- nil cost options (NCOs), which are full shares subject to performance conditions.

The Plan is a notional plan in that Participants will not be entitled to acquire actual shares, but the Plan will enable a Participant to receive future cash amounts subject to the conditions of the Plan.

The SARs Awards provide participants with a conditional rights to share in the increase in value of a fixed number of SARs over the vesting period and are subject to tenure performance conditions, the

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2.9 Share based payments (continued)

2.9.1 Long Term Incentive Scheme (continued)

Cash-settled share based compensation plans (continued)

value which will be paid in cash. Participants will not be required to pay for the grant of a SAR or to make any payment on vesting. Therefore, benefits delivered under the SAR awards will be at no costs to the participants.

The Conditional Awards provides participants with a conditional rights to phantom shares to a participation on the vesting date, subject to tenure requirements, the value which will be paid in cash. Participants will not be required to pay for the grant of an award or to make any payment on vesting. Therefore, benefits delivered under the Conditional awards will be at no costs to the participants.

SARs and NCOs will be subject to financial and non financial performance conditions and continued employment as well as a dividend gatekeeper.

Conditional shares will be subject to continued employment and the dividend gatekeeper.

2.10 Borrowings

Financial liabilities which are held for trading are classified as financial liabilities mandatorily at fair value through profit or loss.

The group, does, from time to time, designate certain financial liabilities as at fair value through profit or loss. The reason for the designation is to reduce or significantly eliminate an accounting mismatch which would occur if the instruments were not classified as such; or if the instrument forms part of a group of financial instruments which are managed and evaluated on a fair value basis in accordance with a documented management strategy; or in cases where it forms part of a contract containing an embedded derivative and IFRS 9 permits the entire contract to be measured at fair value through profit or loss.

Loans from shareholder and financial liabilities are classified as financial liabilities and loans from related parties subsequently measured at amortised cost.

Financial liabilities and loans from related parties are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate

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2.10 Borrowings (continued)

that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 22).

Financial liabilities and loans from related parties expose the group to liquidity risk and interest rate risk. Refer to note 31 for details of risk exposure and management thereof.

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

2.11 Financial lease liabilities and right of use assets

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

- fixed lease payments, including in-substance fixed payments, less any lease incentives.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses.

The lease liability is presented as a separate line item on the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 22).

The group's obligations under leases are secured by the lessor's charge over the leased assets. Refer to note 8.

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

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains, a lease management determines whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end control over the use of

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2.11 Financial lease liabilities and right of use assets (continued)

an identified asset only exists when the group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is, or contains, a lease requires significant judgement, the relevant disclosures are provided in the "significant judgements and sources of estimation uncertainty" section of these accounting policies.

2.11.1 Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low-value assets. For these leases the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

2.11.2 Right-of-use assets

Right-of-use assets are presented as a separate line item on the statement of financial position.

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

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the group incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of the lease term and useful life of the underlying asset using the straight-line method. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

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2.11 Financial lease liabilities and right of use assets (continued)

2.11.2 Right-of-use assets (continued)

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

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

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

2.11.3 Group as lessor

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

When the group is an intermediate lessor it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the group applies the exemption described previously, then it classifies the sublease as an operating lease.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated by applying IFRS 15.

The group leases several assets, including the office building, computer equipment (including printers, binders and laptops) and a storage facility. The average lease term is two years (2023: two years).

The group adopted IFRS16 for the first time in the 2019 financial year. During the 2023 financial year, there was a lease modification on the building lease. The building lease (together with the non-lease items) was extended by 22 months from 28 February 2024 to 31 December 2025.

2.12 Trade and other payables

Trade payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due

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2.12 Trade and other payables (continued)

within 12 months after the reporting period.

Trade payables are initially carried at the fair value of the consideration agreed for goods or services that have been received or supplied and invoiced or formally agreed with the supplier. Subsequently, they are measured at amortised cost using the effective interest rate method.

2.13 Revenue

Rental income

Rental income is obtained from the rental of various assets to various leases. The rental income is recognised on a straight-line basis over the lease term.

Royalty income

Royalty income is derived from the leasing of the land owned by the RBN to mining entities mining in the RBN lease area. The royalty income is recognised as revenue when the income accrues to RBN based on the contractual terms.

Revenue from sale of products

Accommodation revenue is recognised overtime as the guests use the rooms. Food and beverages are recognised at a point in time when the foods and beverages are sold to the customer. Other revenue is recognised as the performance of service is provided to the customer.

Deferred royalty income

Royalty income received in advance is presented as a liability "deferred royalty income" and is amortised to the income statement as royalty income on a straight line basis over the period (32 years) the contract. The difference between the deferred royalty income amortised and the fair value of the deferred royalty income on recognition date is recognised as a national interest and debited to finance cost.

Dividend income

Dividends are received from financial assets measured at fair value through profit or loss (FVPL) and at fair value through other comprehensive income (FVOCI).

The Group recognises dividend income when the Group's right to receive payment is established. This is on the last day to trade for listed shares and on the date of declaration for unlisted shares.

2.14 Impairment loss

2.14.1 For non-financial assets

Property, plant and equipment and other non-current assets, are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be

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2.14 Impairment loss (continued)

2.14.1 For non-financial assets (continued)

recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, that is, the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are Grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets, other than goodwill that suffered impairment, are reviewed for possible reversal of the impairment at each reporting date.

2.14.2 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets are impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Assets carried at amortised cost

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

Critical accounting estimates and assumptions

The Group follows the guidance of IFRS 9 to determine when a financial asset is impaired. The determination requires significant judgement. In making the judgement, the Group evaluates the duration and the extent to which the fair value of a financial asset is less than its cost, and the financial health of the near-term business outlook of the investee, including factors such as industry and sector performance, changes in technology, and operational and financing cash flows.

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2.15 Other Income

Other income is recognised on an accrual basis when it is both probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where the items are remeasured. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in other income.

2.16 Net finance cost

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period of maturity, when it is probable that such income will accrue to the Group.

Borrowing costs are charged to interest expense.

2.17 Income tax expense

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax comprises tax payable calculated on the basis of the tax laws enacted at the reporting date.

Critical accounting estimates and assumptions

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determinations are made.

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2.18 Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: liquidity risk, credit risk, market risk and commodity price risk. The Group's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

2.18.1 Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its financial commitments in any location or currency. This risk is minimised through the holding of cash balances and sufficient available borrowing facilities (refer to Note 16). In addition, detailed cash flow forecasts are regularly prepared and reviewed by the Finance Department and the Board. The cash needs of the Group are managed according to its requirements. The following table details the Group's contractual maturity for its non-derivative financial liabilities. The table has been compiled based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to repay the liability. The cash flows include both the principal and interest payments.

2.18.2 Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The group is exposed to credit risk on loans to group companies at fair value through profit or loss, preference share investments at fair value through profit or loss, trade and other receivables, finance lease receivables, cash and cash equivalents, loan commitments and financial guarantees.

Credit risk for exposure other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The group only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). The exposure to credit risk and the creditworthiness of counterparties are continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but exclude those measured at fair value through profit or loss. Credit loss allowance are also recognised for loan commitments and financial guarantee contracts if not designated through profit or loss.

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2.18 Financial risk management (continued)

2.18.3 Foreign exchange risk

The Group has direct exposure to foreign currency risk through foreign denominated invoices incurred during the year and accruals raised at year-end.

The portfolio is exposed to foreign currency risk through foreign investments held by its underlying SPVs.

2.18.4 Price risk

The group through its subsidiaries is exposed to equity securities price risk because of the investments it holds that are classified on the consolidated statement of financial position as either available-for-sale investment or at fair value through profit and loss. To manage the risk, the Group diversifies its portfolio. The Group's investments in equities of other entities are publicly traded and are included as part of the All Share Index (ALSI). The portfolio's foreign listed equities are publicly traded and are included as part of the Financial Times Stock Exchange (FTSE).

2.18.5 Capital risk management

The Group's objective when managing capital (which includes share capital, liabilities, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The Group manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure the group may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The Group measures capital through its debt covenant ratios which are disclosed in note 31.

2.18.6 Fair value estimation

The group has adopted IFRS 7 for financial instruments that are measured in the statement of financial position at fair value and this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy i.e. Quoted price, inputs other than quoted prices that are based on the observable data and inputs that are based on unobservable inputs.

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2.18 Financial risk management (continued)

2.18.6 Fair value estimation (continued)

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices in active markets for the identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). The assumptions relating to the level 3 valuations have been included in the applicable notes.

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3.1 Standards and Interpretations effective and adopted in 2024

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and are relevant to its operation.

Standard/ Interpretation:	Effective date:	Impact Analysis	Impact
Amendment to IFRS 16 - Leases liability on sale and lease back	01 January 2024	These amendments include requirement for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	The impact is not considered material as no sale and leaseback transactions have been entered into by the group.
Amendment to IAS 1 - Non-current liabilities with covenants	01 January 2024	These amendments clarifies that the classification of liability as current or non-current is based on the entity's rights at the end of the reporting period. Specifically, the entity must have a right to defer settlement of the liability for at least 12 months after reporting period for	The extent of the disclosure required will be assessed to the extent that the portfolio recourse debt is still applicable to the group
Amendment to IAS 7 and IFRS 7 - Supplier finance	01 January 2024	These amendments requires disclosure to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	The impact is not considered material as no supplier finance arrangements have been entered into.
IFRS S1 General Requirements for Disclosure of Sustainability Related Financial Information	01 January 2024	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities.	The impact of the disclosures required has been considered in the report of the Social and Ethics Committee and has been considered no material impact.
IFRS S2 Climate-related Disclosures	01 January 2024	This is the first thematic standards issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	The impact of the disclosures required has been considered in the report of the Social and Ethics Committee and has been considered no material impact.

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3.2 Standards and interpretations not yet effective

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

Standard/ Interpretation:	Effective date:	Impact Analysis	Impact
Amendments to IAS 21 - Lack of exchangeability	01 January 2025	Under the amendments companies will need to provide new disclosures to help users to assess the impact of using estimated exchange rate on the financial statements. The disclosure might include <ul style="list-style-type: none"> • the nature and financial impact of the currency not being exchangeable; • the spot exchange rate used; • the estimation process; and • risks to the company because the currency is not exchangeable. 	The impact is not considered material as all of the foreign denominated amounts that the group has exposure to have readily available exchange rates. The group will not be using estimated exchange rates.
Amendment to IFRS 9 and IFRS 7. Classification and measurements of financial instruments	01 January 2026	These amendments: <ul style="list-style-type: none"> • clarify the requirement for the timing of recognition and derecognition of some financial assets and liabilities, with some financial liabilities settled through an electronic cash transfer system. • clarify and add further guidance for assessing whether a financial asset meet the solely payments of principal and interest criterion; • add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environmental, social and governance (ESG) targets); and • make updates to the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). 	The impact of the disclosures required has been considered in the preparation of the financial statements and has been considered to have any material impact.

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3.2 Standards and Interpretations not yet effective (continued)

Standard/ Interpretation:	Effective date:	Impact Analysis	Impact
IFRS 18 Presentation and Disclosure in Financial Statements	01 January 2027	<p>This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concept introduced in IFRS 18 relates to:</p> <ul style="list-style-type: none"> • the structure of the statement of profit or loss; • the required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements; and • enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. 	<p>The impact of the amendment has been considered material.</p> <p>The adoption of this amendment is mandatory and management has concluded it will be implemented in the preparation of the financial statements for year-ends after 1 January 2027.</p>

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4. Property, plant and equipment

Figures in R'000	Land and Buildings	Furniture and Fittings	Plant and Machinery	Work-in-progress	Office and Computer Equipment	Vehicles and Equipment	Helicopters and Drones	Capitalised Leasehold Improvements	Total
Balance at 01/01/2024	1,416,347	4,428	58,923	63,099	22,977	34,604	1,577	259	1,602,214
Revaluations #	22,799	1,225	7,192	-	647	10,196	18,218	-	61,214
Additions	4,475	1,960	50	49,861	21,517	30,799	-	91	108,753
Disposal of assets	(6,260)	(2)	-	-	(50)	-	-	-	(6,312)
Depreciation	(56,589)	(1,245)	(5,296)	-	(12,549)	(13,627)	(4,949)	(48)	(94,615)
Balance at 31/12/2024	1,380,772	6,366	60,869	112,960	32,542	61,972	14,846	302	1,671,254
Reconciliation of property, plant and equipment - 2024									
Cost	2,418,825	62,831	169,119	112,960	129,585	140,570	109,268	10,811	3,169,141
Accumulated depreciation and impairment	(1,038,053)	(56,465)	(108,250)	-	(97,043)	(78,598)	(94,422)	(10,509)	(1,497,888)
Balance at 31/12/2024	1,380,772	6,366	60,869	112,960	32,542	61,972	14,846	302	1,671,254

No assets were pledged as security during the current financial year.

Work-in-progress

This relates to construction cost of Lefaragathe pump station and the underground water project which was not completed at year end. The project completion date is 2026.

Revaluations are as a result of reassessment of useful lives of items of PPE.

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4. Property, plant and equipment

Figures in R'000	Land and Buildings	Furniture and fittings	Plant and machinery	Work-in-progress	Office and Computer Equipment	Vehicles and Equipment	Helicopters and Drones	Capitalised Leasehold Improvements	Total
Balance at 01/01/2023	1,468,455	3,984	61,231	24,544	16,841	8,024	1,997	303	1,585,379
Additions	5,275	1,380	1,436	38,555	13,497	30,675	-	-	90,818
Disposal of assets	-	-	-	-	(19)	-	-	-	(19)
Depreciation	(57,383)	(936)	(3,744)	-	(7,342)	(4,095)	(420)	(44)	(73,964)
Balance at 31/12/2023	1,416,347	4,428	58,923	63,099	22,977	34,604	1,577	259	1,602,214
Reconciliation of property, plant and equipment - 2023									
Cost	2,381,190	59,632	161,890	63,099	115,487	99,164	91,050	10,720	2,982,234
Accumulated depreciation and impairment	(964,843)	(55,204)	(102,967)	-	(92,510)	(64,560)	(89,473)	(10,461)	(1,380,020)
Balance at 31/12/2023	1,416,347	4,428	58,923	63,099	22,977	34,604	1,577	259	1,602,214

No assets were pledged as security during the current financial year.

Work-in-progress

This relates to construction cost of Lefaragathe pump station which was not completed at year end.

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5. Financial asset at fair value through profit and loss(FVTPL)

5.1 Non-current financial assets

	Notes	2024 R'000	2023 R'000
Financial asset at fair value through profit and loss(FVTPL):			
Investment in NEPI Roc	5.1.1	1,235,969	652,315
Investment in First Rand	5.1.2	11,044,577	12,288,812
Investment in Big Yellow Group	5.1.3	662,869	839,502
Enel Option - Adams Solar & Electra	5.1.4	224,445	192,049
Investment in Stanlib	5.1.5	265,685	261,837
Investment in Nutun Limited (Previously Transaction Capital Limited ("TCP"))	5.1.6	93,902	307,106
Investment in Dis-chem Pharmacies	5.1.7	2,055,447	1,747,415
Investment in ISQ	5.1.8	658,087	400,915
Option asset in AFF2B	5.1.9	53,626	26,529
Investment in Bakwena Platinum Corridors Concessionaire	5.1.10	29,153	32,413
Investment in Discovery	5.1.11	4,613,119	3,403,054
Investment in Global Equity Funds	5.1.12	3,507,744	1,443,721
Investment in All Weather Capital	5.1.13	178,394	152,706
Investment in Nuco chrome	5.1.14	704,664	810,542
Investment in Vision Capital	5.1.15	512,274	457,055
Investment in Boxer	5.1.16	354,200	-
Investment in WeBuyCars	5.1.17	541,395	-
Investment in Ninety one Segregated Triple	5.1.18	994,493	-
Investment in Asia Partners	5.1.19	88,694	-
Investment in Derivative Asset	5.1.20	181,178	-
Other financial assets	5.1.21	76,757	82,156
Total Financial asset at FVTPL		28,076,672	23,078,127

Refer below for details of the investments classified as financial assets at fair value through profit and loss.

5.1.1 NEPI Rockcastle Plc ("NEPIRoc")

Background

NEPI and Rockcastle Global Real Estate Company Limited ("Rockcastle") – a real estate investment company merged in an entity newly-incorporated in the Isle of Man, NEPI Rockcastle Plc ("NEPIRoc") listed on the Main Board of the JSE and Euronext Amsterdam.

During the 2015 financial year, the group made an investment in NEPI, a JSE listed entity. NEPI is a fully integrated commercial property group which has a full in-house offering covering property

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5. Financial Instruments (continued)

5.1.1 NEPI Rockcastle Plc ("NEPIRoc") (continued)

development, asset management, leasing, marketing and even electricity trading.

The group purchased 3 703 704 shares in NEPI at a price of R135 per share in 2015. In 2016 1 290 323 shares were acquired at a purchase price of R155 per share and 168 326 shares valued at R26 129 655 were received as a scrip dividend. The total shares of 5 162 535 were exchanged for NEPIRoc shares valued at R916 349 963. Subsequently, NEPIROC redomiciled from Isle of Man to the Netherlands and changed its name to NEPI Rockcastle NV.

Proportion of ownership

The percentage shareholding in NEPI Roc is 1.32% percent (2023: 0.85% percent).

	2024	2023
	R'000	R'000
Non-current		
Opening balance	652,315	531,999
Fair value adjustment	82,433	175,294
Return of capital	(27,641)	(54,978)
Acquisition of shares	500,569	-
Scrip dividend	28,293	-
Closing balance	1,235,969	652,315

The investment is classified as financial asset. The investment is measured at fair value using the closing spot price. The closing price for NEPIROCK was R137.99 (2023:R126.38) per share at 31 December 2024.

The group received distributions of R 55 934 393 (2023: R 54 978 253) from NEPIRoc.

During the current year the group, acquired an additional 1 074 362 shares in NEPIRock on-the-market for R156 million. In addition, the group participated in an accelerated bookbuild, by acquiring an additional 2 500 000 NEPIRock shares for R345 million.

The group also elected to receive a distribution amounting to R28 293 042 in the form of a return of capital by way of an issue of new shares (scrip dividend). The group obtained an additional 221 052 NEPIRock shares from the scrip dividend.

5.1.2 FirstRand ("FSR")

Background

FirstRand is a portfolio of integrated financial services businesses and offers a universal set of transactional, lending, investment and insurance products services.

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5. Financial Instruments (continued)

5.1.2 FirstRand ("FSR") (continued)

231 499 917 FSR shares were received as a result of the RMH unbundling in 2020. Subsequent to the unbundling, the group sold 21.4 million FSR shares with 210 099 917 shares remaining in 2020. The group sold 43.2 million FSR shares in 2021 with 166 899 896 shares remaining in 2022. No FSR shares were sold in 2023.

During the current year a total of 21.5 million FirstRand shares were sold, resulting in the decrease in shareholding by 0.41%.

The investment is classified as a financial asset. The investment is measured at fair value using the closing spot price. The closing price for FirstRand was R75.96 (2023:R73.51) at 31 December 2024.

Proportion of ownership

The shareholding in FirstRand was 2.59% (2023:3%)at year-end.

	2024	2023
	R'000	R'000
Non-current		
Opening balance	12,268,812	10,367,822
Fair value adjustment	173,265	1,900,990
Disposals	(1,397,500)	-
Closing balance	11,044,577	12,268,812

5.1.3 Big Yellow Group ("BYG")

Background

During the 2016 financial year, Royal Bafokeng Impala Investment Holding Company (Pty) Ltd (a subsidiary of RBH) made an investment in BYG, a London Stock Exchange listed entity. BYG PLC is the UK's brand leader in self storage.

Proportion of ownership

The percentage shareholding in BYG is 1.9% (2023: 1.9% percent).

Non-current		
Opening balance	839,502	696,497
Fair value adjustment	(180,819)	47,568
Foreign currency translation differences	4,186	95,437
Closing balance	662,869	839,502

The investment is classified as a financial asset. The investment is measured at fair value using the closing spot price. The closing price of GBP 9.56 (2023: GBP 12.22) as at 31 December 2024. The foreign currency translation loss is exchange rate translation differences on the fair value in a foreign currency (GBP) of BYG which is reported as part of the fair value gain or loss in the income statement.

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5. Financial Instruments (continued)

5.1.4 Enel Option

Background

The group entered into two agreements with ENEL Green Power RSA Proprietary Limited (Enel), the details of which are below:

Adams Solar

The Group entered into an agreement with Enel and ACI to acquire a stake in Adams Solar Project PV Two (RF) Pty Limited (Project Company). RBH through its subsidiary Lisinfo 245 Investments (Pty) Ltd holds 30% of the project company.

The Group's total commitment to the project company is R373,276,345, which will be funded primarily through loans from the BEE funders, ABSA and Nedbank.

The loans from the BEE funder have been guaranteed by Enel. The group committed R50 million of its own cash resources towards the project. The funds from the project company will first be utilized to settle the loans from the BEE funders.

Electra

The Group entered into an agreement with ENEL Green Power RSA Proprietary Limited (Enel) and Electra Community Investments (ECI) to acquire a 30% stake in Electra Capital (RF) Proprietary Limited (Project company). The project company was awarded the right to the development, construction and operations of a renewable energy facility. RBH through its subsidiary Lisinfo 219 Trading (Pty) Ltd holds 30% of the project company.

The Group's total commitment to the project company is R371,861,326, which will be funded entirely through loans from the BEE funders (Nedbank and ABSA). The loans from the BBE funder have been guaranteed by Enel. RBH will not contribute any of its cash resources towards the project.

Adams Solar and Electra option

The only risk the Group has in the project is the R50 million commitment RBH has made to the Adams Solar project as the funding has been fully guaranteed by Enel. This is insignificant when looking at the scope and expected returns of the project. In the event that the returns received are not as projected, the BEE funders will call on the guarantees. The RBH Group will lose the R50 million investment in the project, but no other company affiliated to Group can be called on to make good any losses. RBH did not contribute any cash resources towards the Electra project. The Electra funding has also been fully guaranteed by Enel.

Valuation

The fair value of the options is Level 3 on the fair value hierarchy. The valuation was performed by an independent expert using the Monte Carlo technique. Within the valuation the critical inputs are the spot value, shareholder loan and BEE funder loan facility balance. The valuation as at 31 December 2024 of R137.6 million (2023: R112.8 million) and R86.8 million (2023: R79.1 million) for Adams Solar

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5. Financial Instruments (continued)

5.1.4 Enel Option (continued)

and Electra respectively was determined using the following inputs:

Figures in R'000	2024		2023	
	Adams Solar	Electra	Adams Solar	Electra
Valuation Date	12/31/2024	12/31/2024	12/31/2023	12/31/2023
Expiry Date	12/31/2028	8/31/2028	12/31/2028	8/31/2028
Spot Value	634,343,935	732,950,044	659,592,933	762,151,984
RBH 30% portion of equity value	130,303,181	219,885,013	197,877,880	228,645,595
Volatility	17.00%	17.44%	20.74%	20.97%
Dividend yield	33.33%	18.29%	27.26%	19.51%

Structure change

Adams Solar

Initially, on 31 December 2016 shareholders' loans with the BEE Co portion equal to R282,758,831 accruing interest at 24% NACA was in place. This loan has been converted to B-ordinary shares. For the purpose of this option valuation, the B-ordinary shares are assumed to be in place for the remaining operational life of the project. The B-ordinary shares will participate in 50.45% of the dividends of Adams until 31 December 2028.

Electra

Initially, on 31 August 2016 shareholders' loans accruing interest at 24% NACA was in place. This loan has been converted to B-ordinary shares in 2018 financial year. This loan has been in place for the remaining operational life shares are assumed to be in place for the remaining operational life of the project. The B ordinary shares will participate in 42.68% of the dividends of Electra until 31 August 2028.

Sensitivity analysis

A 1% increase/decrease in the spot value will increase/decrease the option value by R1.9 million (2023: R2.0 million) and R2.2 million (2023: R2.3 million) for Adams Solar and Electra respectively.

A 5% increase/decrease in the volatility will increase/decrease the option value by R0.9 million (2023: R0.1 million) and R0.5 million (2023: R1.9 million) for Adams Solar and Electra respectively.

	2024 R'000	2023 R'000
Non-current		
Opening balance	192,049	189,764
Fair value adjustment	32,396	2,285
Closing balance	224,445	192,049
The fair value split of the options is as follows:	224,445	192,049
Adam Solar	137,610	112,876
Electra	86,835	79,174

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5. Financial Instruments (continued)

5.1.5 Investment in Stanlib Infrastructure Private Equity Fund (Pty) Ltd ("Stanlib")

Background

RBH Group Ltd holds 13.5% in Stanlib Private Equity Infrastructure Fund (Pty) Ltd (Stanlib) incorporated in South Africa. The purpose of the fund is to carry on business as a long term investor and to acquire and hold investments to derive income and achieve long term appreciation. The total fund size is R1,189 million. The investment in Stanlib is carried at fair value. The fair value of the investment in Stanlib is R265.7 million (2023: R261.8 million) (Level 3) which was determined by fair valuing a sum-of-the-parts valuations by valuing all the underlying projects based on a discounted cash flow methodology.

Proportion of ownership

The percentage shareholding in Stanlib is 13.50% (2023: 13.50%).

	2024 R'000	2023 R'000
Non-current		
Opening balance	261,837	269,098
Fair value adjustment	3,848	(7,261)
Closing balance	265,685	261,837

5.1.6 Nutun Limited (Previously Transaction Capital Limited ("TCP"))

Background

Nutun is an active investor and operator of credit-orientated alternative assets managed by experienced entrepreneurial management teams employing a rigorous value-led investment approach to generate risk-adjusted interest returns & capital appreciation whilst delivering social value.

During the 2021 financial year, the group made an investment in Nutun, a JSE listed entity, by purchasing 12,000,000 shares in Nutun at a price of R21 per share. On 14 January 2021, the Nutun shareholders approved the specific share issue, which resulted the company executing the subscription agreement by acquiring 12,400,000 shares for R248,000,000 on 15 January 2021.

An additional R500 million was invested in the 2022 financial year.

During the current year, Nutun announced the unbundling and listing of WeByCars on the JSE. The unbundled investment in WeBuyCars has been disclosed in note 5.1.17.

Proportion of ownership

The percentage shareholding in Nutun is 5.1% as at 31 December 2024 (2023: 5.1%)

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5. Financial Instruments (continued)

5.1.6 Nutun Limited (Previously Transaction Capital Limited ("TCP")) (continued)

	2024 R'000	2023 R'000
Non-current		
Opening balance	307,106	1,273,837
Fair value adjustment	(213,204)	(966,731)
Closing balance	93,902	307,106

The investment is classified as a financial asset. The investment is measured at fair value using the closing spot price. The closing price was R2.44 (2023:R7.98) at 31 December 2024.

5.1.7 Dischem Pharmacies Limited ("Dis-Chem")

Background

Dis-Chem is the second-largest retail pharmacy chain based in South Africa with operations within South Africa, Namibia and Botswana. It was co-founded in 1978 by Ivan and Lynette Salzman and the group has since grown into a well-known brand amongst South African consumers, with 194 stores currently operational.

The group, through its SPV Royal Bafokeng Investment Holding Company, acquired an investment in Dis-Chem for R1.4 billion in 2021.

Proportion of ownership

The shareholding in Dis-Chem was 6.6% (2023: 6.6%) at year-end.

Non-current		
Opening balance	1,747,415	1,636,956
Fair value adjustment	308,032	110,459
Closing balance	2,055,447	1,747,415

The fair value is determined by reference to the closing price. The closing price for Dis-Chem was R36.10 at 31 December 2024 (2023: R30.69).

5.1.8 I-Squared Infrastructure Fund 2 ("ISQ")

Background

ISQ Global Infrastructure Fund III, L.P. is a private equity fund operated by I Squared Capital Advisors (US) LLC and has approximately \$2.2 billion in assets. On 30 June 2021 the company, through its SPV Jenzoprox, signed a partnership agreement to be a limited partner of the ISQ Global Infrastructure Fund III (ISQ). As per the agreement, Jenzoprox has committed to make aggregate cash contributions to the fund up to the commitment value of USD50 million.

During the current year, an additional investment of R168.90 million was made by the Group in ISQ.

Proportion of ownership

The percentage shareholding in ISQ was 0.34% (2023: 0.34%) as at 31 December 2024.

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5. Financial Instruments (continued)

5.1.8 I-Squared Infrastructure Fund 2 ("ISQ") (continued)

	2024 R'000	2023 R'000
Non-current		
Opening balance	400,915	95,460
Fair value adjustment	88,263	49,744
Acquisition of ISQ	188,909	255,711
Closing balance	658,087	400,915

The investment is classified as a financial asset. The investment is measured at fair value. The fair value is provided by the fund manager and is determined using a discounted cashflow method for all the underlying assets in the portfolio.

5.1.9 Option asset in RMI Affiliates ("AFF2B") entered into by Royal Bafokeng RIM (RF) (Pty) Ltd

Summary of the option asset:

Non-current		
Opening balance	26,528	22,741
Fair value adjustment	16,417	3,787
Acquisition	10,680	-
Closing balance	53,625	26,528

In the 2021 financial year, the group entered into an empowerment transaction with AFF2B, acquiring a 30% stake through RIM in the business for a total purchase consideration of R58.53 million. An upfront payment of R17.56 million was made in cash and the remaining R40.97 million was funded through a Momentum Metropolitan Life (MML) preference share facility accruing interest monthly at prime plus 1.5% expiring on 23 July 2028.

RBH receives a 3% (escalating annually at CPI) trickle dividend on the upfront capital invested by RBH (R17.56 million), whereas the remaining dividends received on the 30% shareholding are used to service the outstanding preference share debt.

During the current year, the company subscribed for an additional 3% of the ordinary shares issued in AFF2B for a subscription price of R10 680 000. The additional share subscription was funded through a R 10,680 million preference share issue to MMLL of 10,680 preference shares

At the expiry date the group may repay the rolled up value of the outstanding preference share debt and keep the shares that have accrued. Alternatively, they may walk away from the entire structure hold if its no value. Thus the structure represents a European call option on the package of shares with the strike being the rolled up value of the preference share debt. Again this rolled up value is stochastic as it is determined materially by the dividend payout rate of AFF2B. Thus, to provide appropriate valuation of this option, a Monte Carlo valuation technique was applied.

The fair value of the options is Level 3 on the fair value hierarchy. The valuation was performed by an independent expert using the Monte Carlo technique. Within the valuation the critical inputs are the spot value, preference share loan balance. The valuation for AFF2B was R53.6 million as at

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5. Financial Instruments (continued)

5.1.9 Option asset in RMI Affiliates ("AFF2B") entered into by Royal Bafokeng RIM (RF) (Pty) Ltd

31 December 2024 (2023: R26.5 million). The AFF2B was determined using the following inputs:

Valuation Date	31/12/2024	31/12/2023
Expiry Date	23/07/2028	23/07/2028
Spot Value	350,203,995	329,772,586
RBH 30% portion of equity value	115,567,318	98,931,776
Volatility	33.01%	40.73%
Dividend yield	5.82%	7.75%

Sensitivity Analysis

A 1% increase/decrease in the spot value will increase/decrease the option value by R982 682 (2023: R525 036) for AFF2B.

A 5% increase/decrease in the spot value will increase/decrease the option value by R2 225 804 (2023: R2 481 994) for AFF2B.

5.1.10 Bakwena Platinum Corridors Concessionaire

Background

Bakwena Platinum Corridors Concessionaire operates the N1-N4 tolled road between Pretoria and Bela-Bela N1 and Pretoria and Botswana border N4.

Proportion of ownership

The percentage shareholding in Bakwena is 0.78% (2023: 0.78%).

	2024 R'000	2023 R'000
Non-current		
Opening balance	33,015	38,413
Fair value adjustment	(3,260)	(5,398)
Closing balance	29,755	33,015

5.1.11 Discovery Limited ("Discovery")

Background

Discovery is a JSE-listed entity that offers a full suite of insurance, financial and wellness products services. 23,684,955 Discovery shares were received as a result of the RMI unbundling in the prior year. The investment is classified as a financial asset. The investment is measured at fair value using the closing spot price. The closing price for Discovery was R194.77 (2023: R143.68) as at 31 December 2024.

Proportion of ownership

The percentage shareholding in Discovery was 3.52% (2023: 3.52%) as at 31 December 2024.

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5. Financial Instruments (continued)

5.1.11 Discovery Limited ("Discovery") (continued)

	2024	2023
	R'000	R'000
Non-current		
Opening balance	3,403,054	2,921,539
Fair value adjustment	1 210 065	481 515
Closing balance	4,613,119	3,403,054

5.1.12 Global Equity Funds

Background

During the 2022 financial year the group, through its SPV Royal Bafokeng Automotive Proprietary Limited, subscribed for shares in various global asset manager funds.

During the current financial year the Group, through its SPV Royal Bafokeng Investment Holding Company Proprietary Limited, subscribed for additional shares in Global Equity Funds.

The Initial Investment was \$35 million in 2022 and this was increased in the prior year to total of \$66 million (additional \$31 million) and in the current year it was increased to a total \$157 million (additional \$91 million) which is allocated as follows:

- Metropolis Value Fund, \$31 million (2023: \$12 million)
- Crosby Street Global Large Cap Fund, \$29 million (2023: \$14 million)
- Sands Capital Global Growth Fund, \$31 million (2023: \$12 million)
- Virtus SGA Global Fund, \$31 million (2023: \$12 million)
- Lansdowne Development Market, \$36 million (2023: \$16 million)

Below is a summary of the funds:

Metropolis Value Fund

UK-based high-conviction global equity manager whose methodology draws extensively from the founders' experience building and running successful businesses, particularly past experience from management consultancy and private company buyouts.

Opening balance	271,988	89,485
Additions	330,071	130,497
Dividend reinvested	3,541	-
Fair value adjustment	642	4,474
Foreign exchange gain	56,904	47,532
Closing balance	663,146	271,988

Sands Capital Global Growth fund

Sand Capital is an independent, staff-owned investment firm that combines analytical rigour and creative thinking to identifying high-quality growth businesses.

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5. Financial Instruments (continued)

5.1.12 Global Equity Funds (continued)

Sands Capital Global Growth fund (continued)

	2024	2023
	R'000	R'000
Opening balance	265,937	76,749
Additions	341,882	130,497
Fair value adjustment	61,290	27,010
Foreign exchange gain	30,844	31,681
Closing balance	699,953	265,937

Lansdowne Development Market ("Lansdowne")

UK-based investment management partnership focused on the developed markets with an ability to invest up to 10% in emerging markets.

Opening balance	365,958	205,228
Additions	346,549	94,576
Fair value adjustment	109,561	40,301
Foreign exchange gain	18,940	25,853
Closing balance	841,008	365,958

Virtus SGA Global Fund

US-based growth equity fund manager specialising in managing high-conviction US, global, international and emerging markets portfolios.

Opening balance	258,399	84,764
Additions	340,386	132,275
Fair value adjustment	39,762	39,741
Foreign exchange gain	27,924	1,619
Closing balance	666,471	258,399

Crosby Street Global Large Cap fund

US-based private investment firm that manages assets across long- only and long/short equity strategies that aims to invest in high-quality companies across geographies and market capitalisations.

Opening balance	281,438	144,413
Additions	260,419	94,576
Fair value adjustment	72,274	24,336
Foreign exchange gain	23,034	18,113
Closing balance	637,165	281,438

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5. Financial Instruments (continued)

5.1.13 Investment In All Weather Capital

In October 2022 Royal Bafokeng Investment Holdings (RBIH) signed an application to participate in a hedge fund portfolio called the All Weather Capital H4 Market Neutral Retail Hedge Fund (the portfolio), managed under All Weather Capital Proprietary Limited (AWC) as the hedge fund manager. As per the application, RBIH has indicated that it will make aggregate cash contributions to the Fund of up to the value of R150 million.

The portfolio is a product that has the desired properties that will enable the RBH portfolio to generate enhanced returns from its excess cash position with limited downside risk while retaining adequate access to capital. The portfolio has a strong focus on long-term capital appreciation targeting an absolute return in excess of cash and seeks to exploit investment opportunities unique to some specific group of stocks while maintaining a neutral exposure to broad groups of stocks defined, for example, by sector, industry, market capitalisation, country or region. The portfolio aims to provide returns with lower volatility and lower drawdowns than the South African equity market.

The investment is accounted for as an equity investment at fair value through profit or loss for all the cash contributions.

Fair value information

The fair value is not based on observable market data. The fair value is determined using the NAV for the fund at year-end. The NAV attributable to any class of shares within a fund will be determined by deducting the share of liabilities of that class from its share of the assets of the fund. The NAV of each share of each class will be determined by dividing the NAV attributable to the class by the number of shares of that class.

	2024	2023
	R'000	R'000
Opening balance	152,706	150,284
Fair value adjustment	25,688	2,442
Closing balance	178,394	152,706

5.1.14 Nuco Chrome Bophuthatswana (Pty) Ltd

Nuco Chrome Bophuthatswana (Pty) Ltd ("Nuco") is a private company, which holds prospective and mining rights on farms located on the Royal Bafokeng Nation's land for minerals as well as precious metals such as chrome platinum group metals and gold.

The investment in Nuco is classified as investment in associate measured at fair value through profit or loss. The fair value is under pinned by the chrome ore deposit of over 10million tonnes as per the mining rights and the price offering of chrome. The decrease in fair value is mainly due to the lower Chromium ore prices. The average price of Chromium (III) Oxide 40.5% fell from \$213/ton in the 2024 projections to \$176/ton in 2025.

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5. Financial Instruments (continued)

5.1.14 Nuco Chrome Bophuthatswana (Pty) Ltd (continued)

	2024 R'000	2023 R'000
Opening balance	810,542	697,168
Fair value adjustment	(105,878)	113,374
Closing balance	704,664	810,542

5.1.15 Investment in Visio Capital

Visio Capital Management is a Johannesburg based Investment firm founded in 2003. The Visio team has been managing bond funds since 2009 when the global financial crisis made high-yield markets extremely attractive.

During the prior year, the group, through its SPV, Royal Bafokeng Investment Holding Company, made a US\$25million investment in a Visio-managed US denominated Global High Yield Corporate Bond portfolio. The fund is managed on a segregated mandate by Visio Capital Management and represents the group's initial allocation to global fixed income.

The investment is accounted for as an equity investment at fair value through profit or loss for all the cash contributions.

Fair value information

The fair value is not based on observable market data. The fair value is determined using the Net Asset Value for the funds at year-end. The Net Asset Value attributable to any class of Shares within a Fund will be determined by deducting the share of liabilities of that class from its share of the assets of the Fund. The Net Asset Value of each Share of each class will be determined by dividing the Net Asset Value attributable to the class by the number of Shares of that class.

Opening balance	457,055	-
Additions	-	457,055
Fair value adjustment	55,218	-
Closing balance	512,273	457,055

5.1.16 Boxer Retail Limited("Boxer")

Boxer is South Africa's leading limited-range discount supermarket, well positioned to serve the large middle-to-lower income consumer market. Guided by people-centred values, Boxer has earned the title of "South Africa's Favourite Discount Supermarket". Established in 1977 in Empangeni, KwaZulu-Natal, Boxer has expanded to 489 stores across South Africa and Eswatini (August 2024), including supermarkets, liquor stores and hardware outlets and is one of the fastest-growing discount supermarkets in southern Africa.

The group, through its SPV Salestalk 268 Proprietary Limited, subscribed for 5 500 000 shares in Boxer Retail Limited on the day Boxer Retail Limited listed on the JSE during the current year. The subscription resulted in the group owning 1.2% shares in Boxer.

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5. Financial Instruments (continued)

5.1.16 Boxer Retail Limited("Boxer") (continued)

	2024 R'000	2023 R'000
Opening balance		-
Acquisition	297,000	-
Fair value adjustment	57,200	-
Closing balance	354,200	-

The investment is classified as a financial asset at fair value through profit or loss. The investment is measured at fair value using the closing spot price. The closing price for Boxer was R64.40 at 31 December 2024.

5.1.17 WeBuyCars Limited("WBC")

WBC is a leading automobile company in South Africa which recently listed on the Johannesburg Stock Exchange. WBC is involved in buying and selling of motor vehicles, in-house financing, insurance, warranties and services plans.

12 575 967 WBC shares were received as a result of the Nutun Limited (previously Transaction Capital Limited) unbundling in the current year, through the company's SPV Royal Bafokeng Resources Holdings Proprietary Limited.

Opening balance	-	-
Unbundling of Nutun	229,610	-
Fair value adjustment	311,785	-
Closing balance	541,395	-

The investment is classified as a financial asset through profit or loss. The investment is measured at fair value using the closing spot price. The closing price for WBC was R43.05 at 31 December 2024.

5.1.18 Ninety One Segregated Triple Alpha Bond Portfolio

Ninety One is a globally integrated investment firm founded in 1991 with a long, consistent track record and is the largest asset manager in South Africa.

During the current financial year the company through its SPV, Royal Bafokeng Management Services, made a R1 billion investment in a Ninety One-managed SA triple alpha bond fund. The fund is managed as a segregated mandate.

The investment is accounted for as an equity investment at fair value through profit or loss for all the cash contributions.

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5. Financial Instruments (continued)

5.1.18 Ninety One Segregated Triple Alpha Bond Portfolio (continued)

Fair value information

The fair value is not based on observable market data. The fair value is determined using the NAV for the funds at year-end. The NAV attributable to any class of shares within a fund will be determined by deducting the share of liabilities of that class from its share of the assets of the fund. The NAV of each share of each class will be determined by dividing the NAV attributable to the class by the number of shares of that class.

	2024 R'000	2023 R'000
Non-current	994,493	-

5.1.19 Asia Partners

Asia Partners II LP focuses on making investments of equity in high-growth technology and technology-enabled businesses in Asia, with a particular focus on Southeast Asia. The limited partners of the partnership have an obligation to make capital contributions to enable the partnership to make investments in new portfolio companies and to pay its obligations. Each limited partner is required to make capital contributions by the due date when notice is given.

Fair value information

The investment is classified as a financial asset. The investment is measured at fair value.

Non-current	88,693	-
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5.1.20 Derivative asset

During the current year the group, through Royal Bafokeng Investment Holdings Proprietary Limited ("RBH"), entered into a derivative structure to partially hedge its exposure to Northam Limited.

The derivative hedging structure offers flexibility and optionality that gives RBH the best opportunity for managing risk for its disposal proceeds for its Northam stake whilst providing protection against severe downside movements.

The derivative hedging structure has three instruments, namely call buy, put buy and put options making up one derivative put spread collar structure:

- RBH sells call options to RMB: results in RMB having the right to buy Northam shares from RBH at the strike price on the specified expiration date. No premium was received for this option.
- RBH sells put options to RMB: results in RMB having the right to sell Northam shares to RBH at the strike price on the specified expiration date. No premium was received for this option.
- RBH buys put options from RMB: results in RBH having the right to sell Northam shares at the strike price to RMB on the expiration date. No premium was paid for this option.

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5. Financial Instruments (continued)

5.1.20 Derivative asset (continued)

The protective derivative hedging structure (Put Spread Collar Derivative):

1. aims to give downside protection for any decrease in the Northam share price up to a certain percentage of the Initial Reference Price per share over a five-year term. Any decrease below the percentage remains unprotected; and
2. allows RBH to participate in the upside up to a certain percentage of the Initial Reference Price per share over the term of the structure.

The collar transaction would be spread over three equal tranches with a maturity of 37 months for the first tranche, 49 months for the second tranche and 61 months for the third tranche.

Stock loans

The buying and selling of the different options makes the structure sensitive to changes in the underlying Northam share price. As the price of Northam changes, the value of the options change as well. The measure of sensitivity of the change in option price to the change in the underlying share price is called the delta. To make the structure delta-neutral RBH will need to allow RMB to borrow its Northam shares in order to hedge the delta. The structure has positive delta; therefore, to hedge it RMB would need to short-sell some Northam shares. At the initiation of the structure RMB would need to sell c. R1.2 billion worth of Northam shares to make the structure delta-neutral.

	2024 R'000	2023 R'000
Non-current	181,178	-

5.1.21 Other financial assets

The other financial assets includes the investment in Ethos Mid Market Fund, Lango Real Estate, MTN Zakhelefuthi and YeboYethu(RF) Ltd("YY"). The investments are classified as financial assets measured at fair value.

The Group invested in the Ethos mid-market fund. In 2016, Ethos launched an inaugural midmarket private equity fund. The Fund seeks to make investments of between R100 million and R350 million, predominantly in midmarket leveraged buyout transactions. Importantly, the Fund will be BEE-majority owned and will be able to participate in deals as the BEE Partner.

YeboYethu (RF) Ltd ("YY") is a South African based special purpose vehicle. YY is ring-fenced limited special purpose vehicle which holds Vodacom Group shares for the benefit of shareholders. YY is listed on the BBBEE segment of the JSE.

MTN Zakhele Futhi shares were locked in for a period of 3 years ("The minimum period") which ended on 24 November 2019. Restricted trading is allowed during years 4 to 8 years, where after 8 years the shares are no longer restricted. During the prior financial year, the MTN Zakhele Futhi

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5. Financial Instruments (continued)

5.1.21 Other financial assets (continued)

shares listed on the Johannesburg Stock Exchange ("JSE") under the JSE empowerment category on 25 November 2019. The shares will be listed on the JSE for a minimum of 5 years.

During the prior financial year the group, through its SPV Royal Bafokeng Automotive Proprietary Limited invested in Lango Real Estate, a real estate company focused on generating sustainable investor returns through the acquisition of prime commercial real estate assets in key gateway cities across the African continent and is domiciled in Mauritius. A vendor loan was used to finance the investment in Lango Real Estate Management.

	2024 R'000	2023 R'000
Non-current	76,757	82,156

6. Investments in associates and joint ventures at fair value through profit or loss

		2024 % holdings	2023 % holdings	2024 R'000	2023 R'000
The principal associates which are all listed are:					
Rand Merchant Bank Holdings Limited	6.1	12.50%	12.50%	-	114,701
OUTSurance Group Limited	6.2	14.20%	14.20%	14,426,186	9,154,662
Northam Platinum Holdings Limited	6.3	8.70%	8.70%	3,350,877	4,830,754
Liquid Telecoms Jersey Holdings Limited	6.4	7.80%	7.80%	1,814,915	1,895,204
Blue Falcon 140 Trading (Pty) Ltd	6.5	25.10%	25.10%	247,126	297,049
Hallcore Water (Pty) Ltd	6.6	27.00%	27.00%	53,598	59,690
Windfall 59 Properties (RF) (Pty) Ltd	6.7	25.10%	25.10%	359,283	424,383
YeboYethu (RF) Limited	6.8	28.56%	28.56%	332,536	483,690
Growthpoint Student Accommodation Holdings	6.9	24.97%	24.97%	554,500	523,721
Enviroserv Holdings (Pty) Ltd	6.10	24.50%	24.50%	366,517	325,240
Keg Holding (Pty) Ltd	6.11	20.75%	20.75%	1,911,811	1,746,080
Northam Solar PV (Pty) Ltd	6.12	34.00%	-	74,901	-
Investments in associates at FVTPL				23,492,250	19,855,173
Joint ventures					
The principal joint ventures are:					
Distributed Power Africa Asset Holding Ltd	6.13	60.00%	60.00%	5,025	6,503
Total				23,497,275	19,861,676

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6. Investments in associates and joint ventures at fair value through profit or loss (continued)

				2024 R'000	2023 R'000
Dipalopalo Consortium (Pty) Ltd*	6.14	28.00%	28.00%	26,335	20,657
Royal Investment Managers (Pty) Ltd*	6.15	50.00%	50.00%	-	39,103
Mogs (Pty) Ltd	6.16	51.00%	51.00%	1,340,464	1,188,795
				<u>1,366,799</u>	<u>1,248,555</u>
Total Investments in associates and joint ventures at FVTPL				<u>24,864,074</u>	<u>21,110,231</u>

* All equity accounted investments have a 31 December year end, with the exception of Dipalopalo Consortium, which has a 31 March year end, and Royal Investment Managers, which has a 30 June year end.

6.1 Rand Merchant Bank Holdings Limited ("RMH")

Background

RMH is a JSE-listed investment holding company investing in disruptive and entrepreneurial financial services business. It holds a 100% interest in RMH Property Proprietary Limited. In 2020 RMH distributed its FirstRand shareholdings to RMH shareholders.

During the current year, the entire shareholding at RMH was disposed.

The investment was measured at fair value using the closing spot price. The significant influence was exercised through board representative. The investment in RMH was trading at R0.65 as at 31 December 2023.

Non-current	114,701	95,290
Opening balance	(40,586)	19,411
Fair value adjustment	(74,114)	-
Disposal	<u>-</u>	<u>114,701</u>
Closing balance		

6.2

OUTsurance Group Limited

Background

OUTsurance Group Limited is a leading insurance provider listed on the JSE. OUTsurance specialises in property and casualty insurance, activities are focused on the South African and Australian insurance markets.

In the prior year, OUTsurance unbundled the shares in Discovery Limited and Momentum Metropolitan Holdings Limited. The unbundled investments in Discovery and Momentum are disclosed below.

Proportion of ownership

The investment is classified as an associate. Significant influence is exercised through board representation. The investment is measured at fair value using the closing spot price. The closing price for OUTsurance was R66.50 (2023: R42.20) at 31 December 2024.

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6. Investments in associates and joint ventures at fair value through profit or loss (continued)

6.2 OUTsurance Group Limited (continued)

	2024	2023
	R'000	R'000
Non-current		
Opening balance	9,154,662	6,842,134
Fair value adjustment	5,271,524	2,312,528
Closing balance	14,426,186	9,154,662

6.3 Northam Platinum Holdings Limited ("Northam")

Background

Northam is an independent integrated PGM producer listed on the JSE. The primary operations are centred on their two wholly owned mines, Zondereinde and Booyendal, and the additional metallurgical operations at Zondereinde including a smelter and base metals removal plant.

In the 2021 financial year, the group, through its SPV Royal Bafokeng Investment Holding Company, acquired an investment in Northam in exchange for the partial disposal of its shares in RBPlat.

During the current year the company, as part of the risk management strategy to minimise the effect of the volatility in Northam's share price, hedged a portion of the shares in Northam. The hedged shares result in a derivative asset as disclosed in note 6.12.

Proportion of ownership

The total number of ordinary shares held in Northam is 34 399 725 shares which is below the 20% threshold for an associate. Significant influence is exercised through the ability to appoint a board representative. The closing price for Northam was R97.41 (2023: R140.43) at 31 December 2024.

Non-current

Opening balance	4,830,754	6,438,941
Fair value adjustment	(1 479 876)	(1 608,187)
Closing balance	3,350,878	4,830,754

6.4 Liquid Telecoms Jersey Holdings Limited ("LTJ")

Background

LTJ provides data, voice, cloud and IP services in eastern, central and southern Africa. The company supplies fibre-optic, satellite and international carrier services to mobile network operators, ISP's and businesses of various sizes. Its products and services include carrier services, such as connectivity services, to subsea cable systems. The investment is classified as an associate. Significant influence is exercised through board representation. The investment is measured at fair value.

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6. Investments in associates and joint ventures at fair value through profit or loss (continued)

6.4 Liquid Telecoms Jersey Holdings Limited ("LTJ") (continued)

Acquisition information

The Group, through its SPV Linfo 213 (RF) Proprietary Limited, has invested in Liquid Telecoms Jersey Holdings (LTJ) through two instruments:

1. ordinary shares that have a value protection of the anti-embarrassment price (AEP); and
2. convertible preference shares.

The Group initially invested in Liquid Telecoms Holdings (LTH) through two tranches in 2017:

- the first tranche of R1 billion was invested through Liquid Telecoms Holdings SA (i.e. LTHSA) to acquire 100% of the equity in Neotel in February 2017, resulting in RBH having an effective 30% shareholding; and
- the second tranche was the flip-up of RBH's equity in LTHSA to LTH (i.e. group) as well as a top-up equity contribution of USD22.2 million to acquire further equity, which resulted in RBH's shareholding in LTH of 10.34%.

As part of the second tranche, The Group agreed with LTH and the rest of the shareholders a concept of an AEP.

In the 2021 financial year LTH had an opportunity to further expand its data centre strategy when an opportunity arose to acquire the Standard Bank Samrand Data Centre (Samrand DC). Unfortunately, due to the funding restrictions at LTH it was not possible to raise funding at LTH level and a workaround was sought:

- A solution was an LTH company reorganisation in which the fibre (i.e. traditional) business and the data centre business (i.e. ADC) would be separated into two businesses which would fall under a new holding company, Liquid Telecommunications Jersey Holdings Limited (LTJ). This would assist with raising funding at ADC level to implement the data centre strategy and acquire the Samrand DC.
- As part of the reorganisation The Group and the rest of the shareholders "flipped up" to the new holding company.
- Furthermore, LTJ then raised capital through convertible preference shares to be able to fund the equity for the Samrand DC. The Group participated in the rights issue subscribing for USD10 million.

It is the group's policy for derivatives embedded in other financial instruments not to be separated if the hybrid contract contains a host that is a financial asset within the scope of IFRS 9 and that the IFRS 9 classification and measurement is applied to the entire instrument.

As the investment in LTJ is within the scope of IFRS 9 the call option (floor) is not separated from the host contract (investment in LTH), the entire instrument is classified and measured at fair value through profit or loss. The company determines the equity value to assess whether the equity value is below or above the call option to determine the valuation technique used for the entire instrument. If the equity value is below the floor the entire instrument is measured at the AEP (floor), meaning the call option is in the money and if the equity value is above the AEP (floor) the entire instrument is measured at the equity value, meaning the call option is out of the money. As IFRS 9 does not require the instrument to be separated, the derivative (in the money call option) was not measured separately. However, the features of the derivative must be disclosed; refer below for the features of the derivative.

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6. Investments in associates and joint ventures at fair value through profit or loss (continued)

6.4 Liquid Telecoms Jersey Holdings Limited ("LTJ") (continued)

Proportion of ownership

The percentage shareholding in LTH is 7.8% (2023: 7.8%), which is below the 20% threshold for an investment to be treated as an associate. However, significant influence is exercised through Board representation.

The LTH shares have been pledged as security for the RMB preference shares that were issued for the acquisition of LTH.

	2024	2023
	R'000	R'000
Non-current		
Opening balance	1,895,205	2,028,298
Fair value adjustments	(80,289)	(133,093)
Closing balance	1,814,916	1,895,205

Fair value information

The Group has two different instruments, (1) the ordinary shares and (2) the convertible preference shares, in LTJ post the flip-up and the rights issue.

Having considered the two instruments, the valuation of the ordinary shares and the convertible preference shares do not have to be split and, as such, one valuation was performed for both the equity and preference share component (as the preference shares will be treated as equity).

The preference share component does not enjoy the same protection as the other equity shares.

The Group (1) continues to carry its equity component at the higher of the AEP and fair value and (2) carries the preference share component at the greater of face value or equity value on a fully converted basis as there's a true-up if LTJ issues any shares below the conversion price.

The Group has been carrying the valuation of LTJ at the AEP per the agreements entered into in 2017, until 2021.

In order to determine fair value, the group has performed a valuation based on a discounted cash flows (DCF) methodology while also performing a market approach (i.e. EBITDA multiple) valuation to assess reasonability of the DCF approach.

Equity component

The investment in LTJ was valued using the DCF and market approach as at 31 December 2023. In the prior year the investment in LTJ was valued using the DCF approach.

DCF and market approach methodologies:

- The DCF and market approach valuation of the equity component indicated a fair value of R1.62 billion (2023: R1.69 billion).
- The overall impact is a decrease of R72.1 million for the year primarily due to a challenging operating environment which was slightly off-set by the depreciation of the ZAR relative to the USD.

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6. Investments in associates and joint ventures at fair value through profit or loss (continued)

6.4 Liquid Telecoms Jersey Holdings Limited ("LTJ") (continued)

The key unobservable inputs, together with the weighted average range of probabilities, are as follows:

Figures in % <i>Price escalation</i>	Weighted average range of	
	High	Low
CPI	4.94%	3.90%
Margin	5.50%	5.50%

The value of the preference shares ranges from R196 million to R225.6 million based on the different valuation methodologies. The preference share value would be carried at face value based on the DCF valuation as it is above the initial investment.

The average value is R213.5 million which implies a 27.0% increase on R168.1 million initially invested (i.e. USD10 million at USD/ZAR of R16.81). The average value is above the face value in USD.

6.5 Blue Falcon 140 Trading (Pty) Ltd ("Blue Falcon")

Background

The company is a renewable energy company with the purpose of producing wind energy (Gouda Wind Facility, a 135.2 MW wind plant) and consequently supplying of electricity to Eskom. The investment is classified as an associate. The investment is measured at fair value.

Proportion of ownership

The number of shares held by the Group through its subsidiary Celanex (Pty) Ltd in Blue Falcon are 54 468 which represents 25.1% of the Blue Falcon's equity. Significant influence is exercised through board representation.

	2024 R'000	2023 R'000
Non-current		
Opening balance	297,049	310,548
Fair value gain	(49,923)	(13,499)
End of year	247,126	297,049

The directors valued the stake in Blue Falcon of 25.10% at R247 million at 31 December 2024 (2023: R297 million).

Valuation

The fair value of the investment is Level 3 on the fair value hierarchy. The fair value of Blue Falcon is not based on observable market data. The fair value was determined using the discounted cash flow method. Future cash flows were discounted at an appropriate discount rate. The key unobservable inputs are as follows:

Valuation Date	12/31/2024	12/31/2023
Discount rate - based on cost of equity	14.00%	13.76%
Discount rate applied for lack of marketability (Liquidity discount)	11.00%	10.00%

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6. Investments in associates and joint ventures at fair value through profit or loss (continued)

6.5 Blue Falcon 140 Trading (Pty) Ltd ("Blue Falcon")

The cash flow forecast is based on expected dividends extracted from the projects company financial model in terms of the shareholders agreement. The forecast period is 31 December 2018 to 31 December 2035, using a 6 months period cash flows. The cash flow forecast is for the fixed period of the project thus no terminal year is applicable.

6.6 Hallcore Water

Background

Hallcore Water is a company that develops and operates ground water resources in order to provide access to fresh water daily to communities, mines, agricultural businesses as well as commercial and industrial companies. During the year ended 31 December 2020, the company acquired a 30% equity investment in Hallcore Water for R51 750 000.

During the 2022 financial year the shareholding was diluted due to Hall Core's acquisition of Blue Dot Water (renamed Hall Core Water Commercial and Industrial), which resulted in an additional shareholder in the Hall Core structure.

Proportion of ownership

The number of shares held by the group through its subsidiary Royal Bafokeng Infrastructure Investments (Pty) Ltd in Hallcore Water represents 30% of the equity. Significant influence is exercised through board representation.

	2024 R'000	2023 R'000
Non-current		
Opening balance	59,690	64,496
Fair value adjustment	(6,092)	(4,806)
Closing balance	<u>53,598</u>	<u>59,690</u>

6.7 Windfall 59 Properties (RF) (Pty) Ltd ("Windfall")

Background

The company is a renewable energy company with the purpose of producing solar energy (Sishen Solar PV Facility, a 74 MW solar PV plant) and consequently supplying electricity to Eskom. The investment is classified as an associate. The investment is measured at fair value.

Proportion of ownership

The number of shares held by the Group through its subsidiary Celanex (Pty) Ltd in Windfall are 251 which represents 25.1% of the Windfall's equity. Significant influence is exercised through board representation.

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6. Investments in associates and joint ventures at fair value through profit or loss (continued)

6.7 Windfall 59 Properties (RF) (Pty) Ltd ("Windfall") (continued)

	2024 R'000	2023 R'000
Non-current		
Opening balance	424,384	317,436
Fair value adjustment	(65,100)	106,948
Closing balance	359,284	424,384

The directors valued the stake in Windfall of 25.10% at R359.3 million at 31 December 2024 (2023: R424.4 million).

Valuation

The fair value of the investment is Level 3 on the fair value hierarchy. The fair value of Windfall is not based on observable market data. The fair value was determined using the discounted cash flow method. Future cash flows were discounted at an appropriate discount rate.

Valuation Date	12/31/2024	12/31/2023
Discount rate - based on cost of equity	14.14%	14.00%
Discount rate applied for lack of marketability (Liquidity discount)	11.00%	10.00%

The cash flow forecast is based on expected dividends extracted from the projects company financial model in terms of the shareholders agreement. The forecast period is 31 December 2019 to 31 December 2034, using a 6 months period cash flows. The cash flow forecast is for the fixed period of the project thus no terminal year is applicable.

6.8 YeboYethu (RF) Limited ("YY")

Background

Yebo Yethu (RF) Limited engages in the business of acquiring and holding shares in Vodacom Group. YY is a ring-fenced limited special purpose vehicle whose sole purpose is to buy and hold Vodacom SA ordinary shares and Vodacom SA A shares for the benefit of shareholders. YY is listed on the B-BBEE segment of the JSE.

Proportion of ownership

The number of shares held by the group through its subsidiary Royal Bafokeng Resources (Pty) Ltd is 28,6% of YeboYethu (RF) Limited's equity. Significant influence is exercised through board representation.

Non-current		
Opening balance	483,690	559,266
Fair value adjustment	(151,153)	(75,576)
Closing balance	332,537	483,690

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6. Investments in associates and joint ventures at fair value through profit or loss (continued)

6.8 YeboYethu (RF) Limited ("YY") (continued)

The investment is classified as an associate at fair value through profit or loss. The investment is measured at fair value using the closing price. The closing price for YY was R22.00 (2023: R32.00) at 31 December 2024.

6.9 Growthpoint Student Accommodation Holdings ("GSAH")

Background

During the 2021 financial year the group, through its SPV, Royal Bafokeng Management Services Proprietary Limited subscribed for 50 000 A class shares (equivalent to 35% of total ordinary A class shares at subscription) in Growthpoint Student Accommodation Holdings (previously Joburg Stay Proprietary Limited (Joburg Stay)) at subscription price of R10 per A class share which is equivalent to R500 million. GSAH is an unlisted student accommodation REIT founded by Growthpoint and seeded by third-party investors including Royal Bafokeng Management Services.

GSAH owns an initial portfolio comprising seven student accommodation properties which were acquired mainly from the Feenstra Group.

The current portfolio serves the major universities, being the University of Pretoria, the University of Johannesburg, the University of Witwatersrand and the University of Cape Town. During October 2023 GSAH raised additional equity of R340 million from Vullindlela Holdings and Eskom Pension and Provident Fund (EPPF) through subscription of A class shares, resulting in the group 50 million A class shares reducing to 24.97%.

	2024	2023
	R'000	R'000
Non-current		
Opening balance	523,721	550,500
Fair value adjustment	30,779	(26,779)
Closing balance	554,500	523,721

The investment is classified as an associate. The investment is measured at fair value. The fair value is determined using the net asset value (NAV) per share calculation from Growthpoint Manco. The main elements of the NAV calculation are: (1) the value of the property assets within the portfolio which are independently valued by registered valuers and (2) the third-party senior debt held.

6.10 EnviroServ Holdings (Pty) Ltd

Background

EnviroServ is a leading integrated waste management and recycling business operating in South Africa and selective economies in sub-Saharan Africa. It collects, analyses, treats and disposes of hazardous and general waste to treatment and disposal sites, with operations in South Africa, Mozambique and Uganda.

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6. Investments in associates and joint ventures at fair value through profit or loss (continued)

6.10 EnviroServ Holdings (Pty) Ltd (continued)

During the 2022 financial period the group, through Royal Bafokeng Astrapak Proprietary Limited (RB Astrapak), subscribed for 24.5% in Umzwilili Environmental Solutions Proprietary Limited (Bitco), a consortium developed between Suez Group (Suez), African Infrastructure Investment Managers (AIIM) and RB Astrapak, formed to implement the EnviroServ transaction. Subsequently, a 100% shareholding in EnviroServ Holdings Proprietary Limited (EnviroServ) was purchased by Bidco.

During the prior year, the group subscribed for an additional 490 shares in EnviroServ at a value of R54 880 000 maintaining its 24.5% interest. The group has entered into a local shareholder contribution agreement with EnviroServ Holdco in which a local contribution fee is payable on a quarterly basis. A contribution fee financial asset has been recognised at fair value through profit or loss in the current financial year.

During the current year, the group subscribed for an additional 245 shares in EnviroServ at a value of R13 475 000 maintaining its 24.5% interest.

The investment is classified as an associate. The investment is measured at fair value. The group exercises significant influence through board participation.

	2024 R'000	2023 R'000
Non-current		
Opening balance	325,240	285,622
Acquisition of shares	13,475	54,880
Fair value adjustment	27,802	(15,262)
Closing balance	366,517	325,240

The fair value is not based on observable market data. The fair value is determined as the transaction price because the transaction was concluded at arm's length close to the company's financial year-end.

6.11 KEG Holdings (Pty) Ltd

KEG Holdings Limited is the leading vertically integrated LPG business in East Africa. It imports c. 300 000 MT of LPG annually through its terminal and distributes it through its market-leading downstream business. Africa Oil and Gas Company (AGOL) and Proto Energy (Proto) are the key operational entities in KEG Holdings Limited.

During the 2022 year the group, through its SPV K2021425492 Proprietary Limited, acquired a 20.75% shareholding in KEG Holdings Limited, a Mauritian holding company for liquefied petroleum gas (LPG) integrated assets located mainly in Kenya. The business of KEG is the operation of a LPG business (including, but not limited to, import, export, wholesale, distribution, cylinder manufacturing and marketing activities, and excluding production) in East Africa.

The transaction was settled by the group as follows:

- Internal cash resources of US\$99.56 million.
- Vendor loan notes (VLN) issued to the sellers, of which the group's portion was US\$20.8 million

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6. Investments in associates and joint ventures at fair value through profit or loss (continued)

6.11 KEG Holdings (Pty) Ltd (continued)

(Offshore financing):

- VLN1: Initial value of US\$8.3 million to be funded by debt and dividend recapitalisation applied. The VLN1 (including accrued interest) was settled in November 2022;
- VLN2: Initial value of US\$12.5 million is a performance-based instrument that incurs interest of 15% per annum payable at an exit event.

During the current year KEG offered its shareholders shares in proportion of existing shares to raise capital; all KEG shareholders subscribed for these shares. The group subscribed for a total of 4.4 million shares for a total of R155 million and the shareholding remained the same as all other shareholders subscribed for shares in their shareholding proportion.

	2024	2023
	R'000	R'000
Non-current		
Opening balance	1,746,080	1,690,683
Acquisition of shares	155,042	-
Fair value adjustments	(53,576)	55,397
Foreign exchange gain	64,265	-
Closing balance	1,911,811	1,746,080

The vendor loan note used to finance the investment in KEG is disclosed in Note 16.

6.12 Northam Solar PV Proprietary Limited

Background

During the current year Northam Limited (Northam) embarked on an energy efficiency mandate by procuring energy from solar plants which are installed at their platinum mines. This was done by appointing The Energy Group (TEG) to develop two solar PV projects at Northam's mines to sell power to Northam on a power purchase agreement (PPA) basis. An 80 MW solar PV plant at the Zondereinde Mine (Letsatsi SPV) and a 20 MW solar plant at the Eland Mine (Kgololesego SPV) will be developed by TEG to supply power to Northam.

Non-current		
Opening balance		-
Additions	74,901	-
Fair value adjustment		-
Closing balance	74,901	-

6.13 Distributed Power Africa Asset Holdings Limited

Background

Distributed Power Africa Asset Holdings Limited (DPA) is a market leader in innovative solar energy

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6. Investments in associates and joint ventures at fair value through profit or loss (continued)

6.13 Distributed Power Africa Asset Holdings Limited (continued)

solutions. They have operations in Kenya, South Africa and Zimbabwe. Part of the Cassava Technologies Group of Companies, DPA supplies commercial and industrial customers with efficient, green solar energy installations without an initial capital outlay. The company, through its SPV Jenzoprox Proprietary Limited, has committed equity to acquire a 60% equity stake in DPA AssetCo. The remaining 40% is held by Econet Energy Limited (EEL).

The main business objective of DPA AssetCo is to acquire renewable energy power projects developed by DPA DevCo, a wholly owned subsidiary of EEL. DevCo is responsible for the origination of power lease agreements (PLAs) with customers, development of the projects, and performing operations and maintenance (O&M) activities relating to the projects at agreed fees, over the tenure of the contracts with customers. AssetCo then acquires completed projects from DevCo at an agreed price.

Proportion of ownership

The Group holds 60% of the shares in DPA. The investment is a joint venture as joint control is exercised.

	2024 R'000	2023 R'000
Non-current		
Opening balance	6,503	6,712
Fair value adjustment	(1,479)	(209)
Closing balance	<u>5,024</u>	<u>6,503</u>

The investment is measured at fair value. The fair value of DPA is not based on observable market data. The fair value was determined using the sum of parts valuation methodology.

6.14 Dpalopalo Consortium (Pty)Ltd

Dpalopalo was formed to enter into a public-private partnership (PPP) with the Department of Statistics South Africa for the establishment of head office accommodation.

6.15 Royal Investment Managers (Pty) Ltd

Royal Investment Managers (RIM) is an investment holding company that acquires stakes in either existing or new asset management firms with a strong and unrelenting focus on diversity.

6.16 Mogs (Pty) Ltd ("MOGS")

MOGS is a pan-African leader in the oil and gas infrastructure and mining services sectors.

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6. Investments in associates and joint ventures at fair value through profit or loss (continued)

6.17 JCD Sub Saharan Africa (Pty) Ltd ("JCD SSA")

JCD SSA is one of the leading outdoor advertising companies in Africa, operating in 14 countries across the African continent. The group, through its subsidiary Jenzotype (Pty) Ltd acquired a 30% interest in JCD SSA in 2015.

Movement in equity accounted investments balance

	2024 R'000	2023 R'000
Opening balance	865,670	601,936
Share of post acquisition profits #	124,836	270,284
Post acquisition dividends	(6,592)	(5,945)
Impairment	-	(605)
	983,914	865,670

Share of profit is after tax and minority interest of equity accounted investments.

Summary of share of profit or loss

Dipalopalo Consortium (Pty) Ltd	5,879	12,511
Royal Investment Managers (Pty) Ltd	(32,512)	(12,994)
Mogs (Pty) Ltd	151,669	270,766
Total	124,836	270,284

* During the current year, the accumulated losses has exceeded both the cost of the equity investment as well as the loan receivable. The loan receivable has thus been limited to a net investment of Rnil.

Summary of the impairment in associates

JCD Sub Saharan Africa (Pty) Ltd	-	(605)
Total Impairments	-	(32,988)

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7. Trade and other receivables

7.1 Current trade receivables

	2024	2023
	R'000	R'000
Trade receivables	177,437	130,008
Less: impairment provision	(14,263)	(9,195)
Trade receivables net	<u>163,174</u>	<u>120,813</u>
Other receivables	13,192	330
Related party loans and receivables	319,274	377,380
Prepaid expenses	3,873	4,792
Deposits	785	785
Tax/VAT refundable	4,733	56,752
Total trade and other receivables	<u>505,031</u>	<u>560,852</u>

7.2 Current related party loans and receivables

Loans

Loan to Dpalopalo Consortium (Pty) Ltd	44,988	38,820
Loan to JCD Sub Saharan Africa (Pty) Ltd	69,919	131,665

Receivables

Big Yellow Group dividend receivable	14,442	14,712
Other receivables	189,925	192,183
SalesTalk 268 dividends receivable	-	-
Royal Bafokeng Nation	-	-
Closing balance	<u>319,274</u>	<u>377,380</u>
Total related party loans and receivables	<u>319,274</u>	<u>377,380</u>

The carrying amount of trade and other receivables approximate the fair value. The loans bear no interest and have no fixed repayment terms except the Dpalopalo loan which bears interest at 13% per annum which is repayable after service commencement date.

The equity accounted accumulated losses of Leopard Guernsey BK JV LP have thus exceeded both the cost of the equity investment as well as the loan receivable. The loan receivable has thus been limited to a net investment of Rnil, and this has resulted in a reversal of impairment loss which has been allocated to the loan receivable.

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8. Finance lease receivable

	2024	2023
	R'000	R'000
Maturity analysis of lease payments receivable		
- within one year	314	281
- within 2nd to 5th year inclusive	-	297
Total undiscounted amounts receivable	314	578
Unguaranteed residual values		
Gross Investment in the leases	314	578
Less: unearned interest income	(18)	(54)
Present value of minimum lease payments receivable	296	524
Less: loss allowance	-	-
Net Investment in the lease	296	524
Non-Current assets	-	283
Current assets	296	241
	296	524

The group entered into finance leasing arrangements for a portion of the RBH office building. The average lease terms are two years (2023: two years) and the average effective lending rate was 10.05% (2023:10.05%).

Reconciliation of significant changes in net investment in leases*

Opening balance	524	-
Interest income	45	13
Derecognition and impairment	50	841
Receipts during the year	(323)	(330)
Closing balance	296	524

Other Information

Interest income recognised on net investment in the leases	45	13
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9. Deferred income tax

Deferred taxation

The movement in deferred income tax assets and liabilities during the year is as follows:

	2024	2023
	R'000	R'000
Opening balance	(4,271,266)	(3,796,244)
Derecognition	(401,537)	(361,916)
Reclassification	3,544	2,588
Statement of profit or loss charge	(1,261,506)	(199,586)
Decrease in fair value gains	248,102	83,912
Closing balance	(5,682,663)	(4,271,266)
Deferred tax asset	140,565	303,005
Deferred tax liability	(5,823,228)	(4,574,271)

	Fair value and Impairment R'000	Other deferred tax liabilities R'000	Amortisation R'000	Total R'000
Deferred income tax liabilities				
2024				
Opening balance	4,334,725	221,660	17,884	4,574,271
Charge to income statement	1,261,506	-	-	1,261,506
Reclassification	(3,544)	-	-	(3,544)
Derecognition	(9,005)	-	-	(9,005)
Closing balance	5,583,682	221,660	17,884	5,823,228
2023				
Opening balance	3,563,355	215,003	17,884	3,796,242
Charge to income statement	727,668	-	-	727,668
Reclassification	-	6,659	-	6,659
Derecognition	43,702	-	-	43,702
Closing balance	4,334,725	221,662	17,884	4,574,271

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9. Deferred Income tax (continued)

Deferred income tax assets	Provisions R'000	Fair value and Impairment R'000	Tax loss R'000	Other deferred tax asset R'000	Total R'000
2024					
Opening balance	(224)	288,873	33,702	(19,347)	303,005
Charge to income statement	-	-	-	-	-
Derecognition	-	(410,542)	-	-	(410,542)
Decrease in fair value	-	248,102	-	-	248,102
Closing balance	(224)	126,433	33,702	(19,347)	140,565

	Provisions R'000	Fair value and Impairment R'000	Tax loss R'000	Other deferred tax asset R'000	Total R'000
2023					
Opening balance	(224)	76,148	33,702	(19,346)	90,280
Charge to income statement	-	528,370	-	-	528,370
Derecognition	-	(318,213)	-	-	(318,213)
Reclassification	-	2,568	-	-	2,568
Closing balance	(224)	288,873	33,702	(19,346)	303,005

	2024 R '000	2023 R '000
The unrecognised deferred tax assets amount to:		
Royal Bafokeng Tholo Investment Holdings (Pty) Ltd	470,443	470,443
Royal Bafokeng Holdings (Pty) Ltd	390,966	27
Jenzotype (Pty) Ltd	91,257	77
Royal Bafokeng Investment Holding Company (Pty) Ltd	402,113	-
	1,354,779	470,547

10. Financial Asset at fair value through profit or loss

Opening Balance	-	-
Investment in RMB zero-coupon deposit	230,000	-
Interest income	3,847	-
Fair value movement	(10)	-
	233,837	-

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10. Financial Asset at fair value through profit or loss (continued)

	2024 R'000	2023 R'000
Split between non-current and current portions		
Non-current assets	-	-
Current assets	233 837	-
	<u>233,837</u>	<u>-</u>
Investment held at fair value through profit or loss		
RMB zero-coupon deposit		
Nominal amount	230,000	-
Fair value	233,837	-
Issue date	10/18/2024	-
Maturity date	4/22/2025	-
Coupon rate	-%	-%
Fixed rate	8.21%	-

Exposure to capital risk

Royal Bafokeng Holdings Group is not significantly exposed to risk of losing the capital as RMB has guaranteed the nominal value invested. The risk therefore is on the FirstRand Group, which has a good credit rating.

Exposure to interest rate risk

Royal Bafokeng Nation Group is not directly exposed to the interest rate fluctuation risk due to the deposit note held being at a fixed rate. However, the deposit note has underlying assets which are South African Government bonds with are linked to the prevailing interest rates. RMB offered the deposit note together with the interest rate hedge.

Financial Instruments pledged as collateral

The deposit note is not pledged as security and no restrictions exist.

Exposure to currency risk

Royal Bafokeng Holdings Group is not directly exposed to currency risk as the deposit note is not denominated in a foreign currency.

11. Current Income tax assets and liability

Current tax assets and tax liabilities are offset when the entity has a legally enforceable right to set off current assets against current tax liabilities and intends either to settle on a net basis, to realise the asset and settle the liability simultaneously.

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11. Current Income tax assets and liability (continued)

	2024	2023
	R'000	R'000
Amounts unpaid at the beginning of year	(15,209)	1,203
Over / under provision	(193)	(17,212)
Current year charge- per income statement	(362,577)	(362,387)
Tax paid per the cash flow statement	392,134	366,659
SARS penalties and interest paid	(59)	-
SARS refund received	(5,805)	(3,472)
SARS interest	204	-
As previously reported	-	(15,209)
Prepaid and liability	8,495	(15,209)
Current income tax asset	14,135	4,894
Current income tax liability	(5,640)	(20,103)
Net tax per balance sheet	8,495	(15,209)

12. Cash and cash equivalents

Cash and cash equivalents comprise of:

Petty cash	410	246
Cash and cash equivalents	4,535,541	7,219,922
	4,535,951	7,220,168
Bank overdraft	-	-
	4,535,951	7,220,168

The cash and cash equivalents in the current year are denominated in South African Rand, except for the USD and GBP foreign denominated accounts.

The carrying value of the amount of cash and cash equivalents approximates fair value due to short-term maturity of these financial assets. There are no cash and equivalents pledged as security and no restrictions exist on cash and cash equivalents.

	Maximum	Utilised	Unutilised
	R'000	R'000	R'000
Banking facilities of the Group			
2024			
Revolving credit facility lenders			
Revolving credit facility	2,000,000	-	2,000,000
Banking facilities of the Group			
2023			
Revolving credit facility lenders			
Revolving credit facility	2,000,000	-	2,000,000

During the 2017 financial year, the Revolving Credit Facility (RCF) that Central Lake Trading 342 (Pty) Ltd (a subsidiary of RBH) held with Rand Merchant Bank, was refinanced and settled. A new R2 billion RCF was raised by RBH with the lenders being Standard Bank, Rand Merchant Bank,

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12. Cash and cash equivalents (continued)

ABSA and Nedbank. The RCF incurs Interest at JIBAR plus a margin of 1.65% (2023: 1.85%) and has a maturity of 5 October 2026.

13. Cash Investments

The cash investment includes cash held in fixed investment of R 3.101 billion (2023: R 3.147 billion) and investment in Stanlib at fair value through profit and loss of R 0 (2023: R 232 million).

	2024 R'000	2023 R'000
Investments		
Stanlib money market	-	232,217
Short-term bank deposits	3 100,646	2 914,403
	<u>3,100,646</u>	<u>3,146,620</u>

14. Inventories

Consumable goods	<u>2,875</u>	<u>3,393</u>
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All inventories are carried at cost. There has been no inventory written down to net realisable value.

15. Employee benefits

15.1 Short-term benefit

Current		
Leave pay and bonus provision	<u>68,956</u>	<u>56,477</u>

15.2 Long Term Incentive Scheme

A Long Term Incentive Scheme (LTI) liability of R69.3 million (2023: R67.1 million) is a notional plan in that participants will not be entitled to acquire actual or representative shares, but will enable a participant to receive a future cash amount subject to the conditions of the plan.

During the 2023 financial year, all conditional shares and SARs were settled, therefore the LTI scheme only has NCOs remaining in flight.

Employee benefits liabilities

	Opening balance	Current-year expense	Paid during the year	Closing balance
Reconciliation 2024				
Long-term incentive scheme	67,123	42,165	(39,988)	69,300
	<u>67,123</u>	<u>42,165</u>	<u>(39,988)</u>	<u>69,300</u>
Reconciliation 2023				
Long-term incentive scheme	60,634	45,508	(39,019)	67,123
	<u>60,634</u>	<u>45,508</u>	<u>(39,019)</u>	<u>67,123</u>

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15. Employee benefits (continued)

15.2 Long Term Incentive Scheme (continued)

Activity on Awards outstanding

	Conditional awards		SARs	
	Number of shares	Weighted average share price	Number of shares	Weighted average option price
for the year ended 31 December 2024				
At January 2024	25,314	440	31,349	179
Granted	108,877	-	-	-
Forfeited	-	-	-	-
Expired	-	-	-	-
At 31 December 2024	134,191	440	(31,349)	179
For the year ended 31 December 2023				
At January 2023	25,314	440	180,797	179
Exercised	-	435	(133,130)	-
Forfeited	-	-	(59,123)	-
Expired	-	-	(19,893)	-
At 31 December 2023	25,314	440	(31,349)	179

16. Borrowings

	Notes	2024 R'000	2023 R'000
Non-current			
Redeemable preference shares	16.1	-	1,090,736
KEG Vendor Loan	16.2	77,331	66,923
		77,331	1,157,659
Current			
Redeemable preference shares	16.1	-	17,945
Related party loan**		2,327	7,752
		2,327	25,697
Total Borrowings		79,658	1,183,356
Effective interest rate		12%	12%

****The Soul City loan shall: rank pari passu, be repaid as and when the board of directors determines that they shall be repaid, be repaid pro rata to each other and shall not bear interest. The directors shall repay the loans with any amounts received from Blue Falcon and Windfall.**

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16. Borrowings (continued)

	2024	2023
	R'000	R'000
Maturity analysis		
Due within 1 year	2,327	25,697
Due within 2 to 5 years	-	1,090,736
Due thereafter	77,331	66,923
	<u>79,658</u>	<u>1,183,356</u>

The carrying amount and the fair value of the non-current borrowings are as follows:

	Notes	Carrying value		Fair value	
		2024	2023	2024	2023
		R'000	R'000	R'000	R'000
Non-current					
Redeemable preference shares	16.1	-	1,090,736	-	1,090,736
KEG Vendor Loan	16.2	77,331	66,923	77,331	66,923
		<u>77,331</u>	<u>1,157,659</u>	<u>77,331</u>	<u>1,157,659</u>

16.1 Redeemable preference shares

	Preference shares	IDC preference Total
	R'000	R'000
2024		
Non-current		
Balance at 1 January 2024	1,218,938	1,218,938
Preference shares redeemed in RBH	(1,264,123)	(1,264,123)
Finance costs	45,185	45,185
	<u>-</u>	<u>-</u>
2024		
Current		
Balance at 1 January 2024	(110,260)	(110,260)
Preference shares redeemed/accrued dividend paid	110,260	110,260
	<u>-</u>	<u>-</u>

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16. Borrowings (continued)

16.1 Redeemable preference shares (continued)

	Preference shares R'000	IDC preference Total R'000
2023		
Non-current		
Balance at 1 January 2023	2,087,750	2,087,750
Preference shares redeemed in RBH	(1,000,010)	(1,000,010)
Finance costs	131,198	131,198
	1,218,938	1,218,938
2022		
Current		
Balance at 1 January 2022	29,202	29,202
Preference shares redeemed/accrued dividend paid	(139,462)	(139,462)
	(110,260)	(110,260)

Preference shares

The B preference shares are repayable on 22 September 2027 and accrue interest at 67% of prime. During the current financial year RBH, through its SPV Salestalk Holdco, voluntarily redeemed the A preference shares, entered into a refinancing agreement with one of the lenders, FirstRand, acting through its RMB division to issue B preference shares. The interest rate was also amended from 69% of prime to 67% of prime. The amendment agreement was effective from 22 September 2022.

The preference shares are secured by investments in the following fellow subsidiaries through a financial guarantee:

- Royal Bafokeng Investment Holding Company Proprietary Limited;
- Salestalk 268 Proprietary Limited;

Previously Lisinfo 222 Proprietary Limited was an obligor for the redeemable preference shares. In the current year Lisinfo 222 Proprietary Limited resigned as an obligor when the preference shares were redeemed as part of their refinancing.

16.2 Lango Vendor Loan

In 2022 Royal Bafokeng Automotive, acquired a 10% stake in Lango Manco for \$700,000 through vendor financing with Lango at 7% p.a. Manco is responsible for providing the daily management and advisory services of Lango and receives the management fee as consideration. The loan is serviced by 70% of dividends received on the group's 10% shareholding, while the remaining 30% flows as a trickle dividend to the group. Once the loan is repaid, the group will receive a 100% of its share when dividends are paid.

It is the intention of Lango to internalise Manco, and when this occurs, the group is required to pay a

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16. Borrowings (continued)

16.2 Lango Vendor Loan (continued)

conditional amount in addition to settling the vendor loan. This conditional amount is estimated to be equal to \$ 2,007,768 on 29 December 2023 and accrues interest at 7% p.a. This structure is European in nature, with the rolled up vendor loan being stochastic since it is determined materially by the dividend payout rate of Lango. Thus, to provide appropriate valuation of this derivative, the Monte Carlo valuation technique was used. During the current year, the Lango option asset and the vendor loan note, were reclassified as an Option asset.

16.3 KEG Vendor Loan

The vendor loan note was used to finance an investment in KEG Holdings. Vendor Loan note 1 was settled during the current year.

17. Right of use assets and financial lease liabilities

The Group leases several assets, including the office building and computer equipment (including printers, binders and laptops). The average lease term is two years (2023: two years).

Details pertaining to leasing arrangements, where the company is the lessee, are presented below.

During the prior financial year there was a lease modification on the lease of the building. The lease of the building (together with the non-lease items) was extended by 22 months from 28 February 2024 to 31 December 2025.

	2024	2023
	R'000	R'000
Net carrying amounts of right-of-use assets		
The carrying amount of right-of-use assets are as follows:		
Buildings	<u>4,771</u>	<u>9,586</u>

Depreciation recognised on right-of-use assets

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

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17. Right of use assets and financial lease liabilities (continued)

	2024 R'000	2023 R'000
Building	(4,768)	(4,486)
Right-of-use assets		
Opening balance	9,586	5,234
Depreciation	(4,768)	(4,486)
Less: Lease modification and sublease amounts	(47)	8,838
Balance at the end of the year	4,771	9,586
Other Disclosures		
Notional finance costs on lease liabilities	785	211
Expenses on short-term leases and leases of low-value assets included in operating expenses	803	885
Variable lease payments not included in the measurement of lease liabilities included in operating expenses	2,427	2,466
Non-lease components not included in the measurement of lease liabilities included in operating expenses	755	246
Total cash outflow from lease liabilities including notional finance costs	4,303	5,442

At 31 December 2024 the group is committed to R803 088(2023: R884 662) for short-term leases and low-value leases.

Financial lease liabilities

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

Future cash outflows not reflected in lease liabilities

The group has a total of R1 738 289 (2023: R3 170 756) and R996 950 (2023: R997 734), including VAT, future cash outflows not reflected in the lease liabilities. These relate to non-lease components and variable lease payments that will be included in expenses when incurred.

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17. Right of use assets and financial lease liabilities (continued)

	2024	2023
	R'000	R'000
Minimum lease payments due		
-within one year	5,909	5,088
-in second to fifth year inclusive	-	5,909
	<u>5,909</u>	<u>10,997</u>
Less: future finance charges	(265)	(1,051)
Present value of minimum lease payments	<u>5,644</u>	<u>9,946</u>
Present value of minimum lease payments due		
-within one year	5,644	5,209
-in second to fifth year inclusive	-	4,737
	<u>5,644</u>	<u>9,946</u>
Non-current liabilities	-	4,737
Current liabilities	<u>5,644</u>	<u>5,209</u>
Total	<u>5,644</u>	<u>9,946</u>

The group has a total of R2 426 998 (2023: R3 170 756) of non-lease components not included in the lease liabilities. These relate to the non-lease components and variable lease payments that will be included in expenses when incurred. The lease term was 1 year 10 months years and the average effective borrowing rate was 10.05% (2023: 10.05%), with the lease liability balance being R5 644 332 (2023: R9 946 838). The effective borrowing rate was revised due to the lease modification which took place during the current financial year.

The borrowing rate is based on the 2024 3-Months JIBAR closing rate of 8.40% and a margin of 1.65%. Interest rates are fixed at the contract date and/or lease modification date. The lease escalates at 7% p.a. and no arrangements have been entered into for contingent rent.

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18. Trade and other payables

	2024	2023
	R'000	R'000
Trade payables	183,196	97,041
Other payables	28,774	1,666
Financial liabilities	211,970	98,707
Accruals	22,136	9,000
Vat liabilities	1,917	744
Deposits	12	12
Deferred income	5,649	5,761
Non-financial liabilities	29,714	15,517
Current	241,684	114,224

19. Revenue

Revenue recognition and measurement

Sale of products	38,506	45,226
Royalty income	67,606	165,942
Dividends income	1,656,067	1,578,136
Deferred royalty income	2,680,052	2,404,935
Other revenue	162,341	255,302
	4,604,572	4,449,541

20. Impairment of financial assets

Impairment loss

Impairment loss for equity accounted investments	-	(605)
Total Impairments	-	(605)

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21. Other income

	2024	2023
	R'000	R'000
Other income	33,064	330,171
Amortisation of deferred income	1,024	1,024
	<u>34,088</u>	<u>331,195</u>
Other gains		
Gains from financial assets at fair value through profit and loss	6,078,347	2,646,336
Profit on sale of associate	182,051	-
Foreign currency translation gains	230,573	352,132
	<u>6,490,971</u>	<u>2,998,468</u>
Other losses		
Loss on sale of associate	(107,909)	(51,317)
	<u>(107,909)</u>	<u>(51,317)</u>
Net gains	<u>6,383,062</u>	<u>2,947,151</u>

22. Net finance cost

Finance (cost)		
Interest paid - Borrowings	(50,335)	(135,163)
Notional interest on deferred royalty income	(2,277,387)	(2,002,269)
Interest paid - Other	(12,509)	(11,938)
	<u>(2,340,231)</u>	<u>(2,149,370)</u>
Finance income		
Interest received from the banks	321,551	270,514
Interest received from joint venture partner	16,330	14,009
Interest received - Other	440,138	557,429
	<u>778,019</u>	<u>841,952</u>
Net finance (cost)	<u>(1,562,212)</u>	<u>(1,307,418)</u>

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23. Income tax expense	2024 R'000	2023 R'000
Current tax		
South African	365,915	364,793
Foreign	2,636	1,774
Under provision	196	13,945
Deferred tax		
Statement of profit or loss charge	1,412,116	548,853
Withholding tax	13	16,737
	1,780,876	946,102
Tax rate reconciliation		
Net profit before tax	8,023,928	5,179,322
Tax rate percentage	27%	27%
Tax at standard rate	2,166,461	1,398,417
Non-deductible expenditure	525,767	534,105
Under provision of tax in prior year	196	13,389
Non-taxable income	(3,834,181)	(1,267,571)
Profits taxed at CGT rates	-	134,352
Effect of translation reserves	(2,044)	-
Tax on equity accounted earnings	(33,706)	(69,408)
Withholding tax [^]	13	16,737
Taxable Interest not included in Income statement	827	2,066
Derecognition of deferred tax	403,039	(192,716)
Donation	(3,334)	(1,620)
Section 12H allowances	(486)	(502)
Tax loss utilised	8,430	(9,967)
Deferred tax not raised *	2,526,738	388,820
	1,780,876	946,102
	22.19%	18.27%

[^] *Withholding tax relates to securities transfer tax paid on the redemption of the preference shares in the current year.*

* *Deferred tax not raised relates to movements on deferred tax assets which are not considered recoverable and is made up of:*

- Lisinfo 222 Investments (Pty) Ltd
- Jenzotype (Pty) Ltd
- Royal Bafokeng Automotive (Pty)Ltd
- Royal Bafokeng Management Services (Pty) Ltd
- Platinum Stars FC (Pty) Ltd
- Moumo Integrated Development (Pty) Ltd
- Royal Bafokeng Nation Development Trust
- Royal Bafokeng Sports (Pty) Ltd
- Cross Point Trading 67 (Pty) Ltd

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24. Operating loss is stated after charging the following, amongst others:

	2024	2023
	R'000	R'000
Expenses		
Depreciation	(95,420)	(78,437)
Legal fees	(15,261)	(15,688)
Professional fees	(99,345)	(101,953)
Corporate office expenses	(559,983)	(173,075)
Auditors remuneration	(13,476)	(12,728)
Audit fees	<u>(13,476)</u>	<u>(12,728)</u>
Operating lease rental	(4,091)	(4,093)
Bad debt write-off	(22,135)	(2,439)
Repairs and maintenance	(143,740)	(119,497)
Net foreign exchange	(230,573)	(352,132)
Realised foreign exchange	<u>(230,573)</u>	<u>(352,132)</u>
Employee benefits(note 15.1)	(464,445)	(481,366)
Educational expenses	(63,730)	(50,048)
Water expenses	(262,423)	(181,811)
Executives, directors and trustee's remuneration	(65,586)	(68,897)
Employee benefits		
Salaries and wages	(348,060)	(370,763)
Incentive bonus	(44,921)	(33,319)
Leave provision	(20,519)	(18,596)
Staff fringe benefits	(8,780)	(7,770)
Provision for long-term benefits	<u>(42,165)</u>	<u>(50,918)</u>
	<u>(464,445)</u>	<u>(481,366)</u>

25. Commitments

25.1 Leopard Guernsey BK JV LP ("Leopard Guernsey")

Zenprop UK and Royal Bafokeng Holdings (RBH) have established an exclusive partnership to pursue property investment opportunities in the UK and continental Europe through a separate vehicle Leopard Guernsey. The group holds 50% in Leopard Guernsey. Leopard Guernsey was established in Guernsey; and its principal place of business is Guernsey. (Refer to Note 6).

The group committed GBP50 million to Leopard Guernsey. As at 31 December 2024, GBP 49.9 million (2023: GBP 49.9 million) had been drawn.

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25. Commitments (continued)

25.2 I-Squared Infrastructure Fund 2 (“ISQ”)

ISQ is an independent global infrastructure investment manager focusing on projects in the energy, utilities, telecom and transport industry in the Americas, Europe and Asia. ISQ Global Infrastructure Fund III is a closed private equity fund managed by I Squared Capital Advisors, LLC.

On 30 June 2021, The group committed \$50 million to ISQ. As at 31 December 2024, \$28.54 million (2023: \$19.84 million) had been drawn, and the remaining undrawn commitment amounts to \$21.46 million (2023: \$30.4 million).

26. Related party disclosure

Refer note 7 for related party receivables and note 18 for related party payables.

26.1 Executives

Refer to note 2 of the Supreme Council report for a full list of Council members. The following were Executive Committee members of Royal Bafokeng Nation (Administration) during the financial year:

Kgosi Leruo Molotlegi	Kgosi/Chairman
Bothata Molotlegi	Ambassador/Strategic Relations
Bashi Makgale	Director Operations

26.2 Executive's remuneration

	2024	2023
	R'000	R'000
Short-term employee benefits		
Supreme council emoluments	33,338	32,280
Executive management emoluments	14,945	36,617
	48,283	68,897

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27. Deferred Income

27.1 Deferred royalty Income

	2024	2023
	R'000	R'000
Impala Holdings Limited		
Opening balance	5,838,690	6,241,356
Notional Interest recognised	2,277,386	2,002,269
Amortisation	(2,680,053)	(2,404,935)
	<u>5,436,023</u>	<u>5,838,690</u>
Non-current liabilities	5,033,323	5,435,990
Current liabilities	402,700	402,700
	<u>5,436,023</u>	<u>5,838,690</u>

The Impala Holdings Limited royalty Income relates to an advance payment on all royalties due to the RBN on the Notarial Mineral Lease K5966/03LM in respect of the period between 1 July 2007 and the last day of the lease period.

The lease period ends 30 June 2038.

Per the agreement the royalty Income accrues on a straight-line basis over the lease period. Deferred income is therefore recognised on a straight-line basis to reflect the substance of the agreement.

27.2 Deferred grant Income

Department of Trade and Industry		
Opening balance	17,805	18,829
Amortisation	(1,023)	(1,024)
	<u>16,782</u>	<u>17,805</u>

The deferred Income relates to a grant received from Department of Trade and Industry in 2011 amounting to R 28,084,838. The grant has been amortised on straight-line basis to reflect the substance of the agreement.

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28. Cash generated from operations

	Note	2024 R'000	2023 R'000
Profit before tax		8,023,928	5,179,322
Reversal of impairment loss		-	(277,287)
Impairment loss on investments	21	-	605
Interest income	23	(778,019)	(841,952)
(Profit) / Loss on sale of Interest in associates	22	(182,051)	51,317
Foreign exchange gains	22	(230,573)	(352,132)
(Profit)/Loss on scrapping of assets		(15)	16
Other gains	22	(5,999,756)	(2,462,008)
Other losses	22	107,909	-
Depreciation		99,384	78,437
STT		2,736	2,514
Deferred income amortisation	22	(1,024)	(1,024)
Dividends received	20	(1,656,067)	(1,578,136)
Share of (profit) from equity accounted investments	7	(124,836)	(270,284)
Debt restructure		13,776	
IFRS 2/IAS 19 adjustment		42,165	50,918
Interest expenses	23	2,340,232	2,149,370
Deferred royalties	20	(2,680,052)	(2,404,935)
Operating cash before working capital changes		(1,022,262)	(675,259)
Change in working capital		182,543	(84,770)
- Decrease / (increase) in trade and other receivables		55,821	(98,274)
- (Increase) in Inventory		(488)	(30)
- Increase in trade and other payables		127,210	13,534
Net cash used in operating activities		(839,719)	(760,029)

28.1 Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Cash and cash equivalents	4,535,951	7,220,168
Cash Investments	3,100,646	3,146,620
Borrowings repayable within one year	(2,327)	(25,697)
Borrowings repayable after one year	(77,331)	(1,157,659)
Net debt	7,556,939	9,183,432

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28. Cash generated from operations (continued)

28.1 Net debt reconciliation (continued)

	Investments R'000	Cash and cash equivalents R'000	Borrowings repayable within one year R'000	Borrowings repayable after one year R'000	Total R'000
Balance at 1 January 2024	2,720,081	7,219,490	(69,152)	(2,187,153)	7,683,266
Cash flows	380,565	(2,683,539)	66,825	2,109,822	(126,327)
Balance at 31 December 2024	3,100,646	4,535,951	(2,327)	(77,331)	7,556,939
Balance at 1 January 2023	2,720,081	7,064,851	(69,152)	(2,187,153)	7,528,627
Cash flows	-	154,639	-	-	154,639
Balance at 31 December 2023	2,720,081	7,219,490	(69,152)	(2,187,153)	7,683,266

29. Events after the reporting period

29.1 Dividend to shareholder

RBH declared a dividend of R476 million to RBNDT in April 2025.

29.2 Sale of Dis-Chem shares

Subsequent to the year-end RBH, through its SPV Royal Bafokeng Investment Holding Company, sold 13.8 million Dis-Chem shares.

29.3 Extension of RBH revolving credit facility

RBH has extended the revolving credit facility (RCF) of R2 billion with RMB. Previously the RCF was set to mature on 22 March 2025 and the company extended the facility for a further three years post maturity. This resulted in a pricing margin decrease of 0.1% resulting in a post-extension pricing of JIBAR plus a margin of 1.55%. The commitment fees also decreased from 50 to 45 basis points following the extension.

29.4 Swiftnet acquisition

Subsequent to year-end the investment in Swiftnet (Telkom Towers business) reached financial close as all of the conditions precedent (CPs) have been met.

29.5 OUTsurance disposal

Subsequent to the year-end RBH, through its SPV Salestalk 268, sold five million OUTsurance shares.

29.6 Northam disposal

Subsequent to year end a total of 6 800 000 Northam shares were sold in the market.

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29. Events after the reporting period (continued)

29.7 Additional subscription following KEG capital call (continued)

USD 8.57million. The subscription was concluded on 1 August 2024. The shareholding in KEG remained the same at 20.75% as all other shareholders of KEG subscribed at the same proportion to their shareholding.

30. Financial Instruments

Categories of financial instruments

Financial assets	Notes	Financial assets at fair value through profit and loss R'000	Financial assets at amortised cost R'000	Total R'000
2024				
Assets per balance sheet				
Financial assets at FVTPL	5	28,076,672	-	28,076,672
Investments in associates at FVTPL	6	24,864,074	-	24,864,074
Trade and other receivables (excludes VAT, prepaid, deposits)	7	-	495,640	495,640
Cash and cash equivalents	12	-	4,535,951	4,535,951
Cash Investments	13	-	3 100 646	3 100 646
		52,940,746	8,132,237	61,072,983
2023				
Assets per balance sheet				
Financial assets at FVTPL	5	23,078,127	-	23,078,127
Investments in associates at FVTPL	6	19,208,369	-	19,208,369
Trade and other receivables (excludes VAT, prepaid, deposits)	7	-	452,696	452,696
Cash and cash equivalents	12	-	7,064,851	7,064,851
Cash Investments	13	-	2,720,081	2,720,081
		42,286,496	10,237,628	52,524,124

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30. Financial Instruments (continued)

Categories of financial instruments (continued)

Financial liabilities	Notes	Financial liabilities at fair value through profit and loss R'000	Financial liabilities at amortised cost R'000	Total R'000
2024				
Liabilities per balance sheet				
Borrowings	16	-	79,658	79,658
Trade and other payables (excludes VAT, deposits, deferred income and accruals)	18	-	211,970	211,970
Financial lease liabilities	17	5,644	-	5,644
		5,644	291,628	297,272
2023				
Liabilities per balance sheet				
Borrowings	16	-	2,256,305	2,256,305
Trade and other payables (excludes VAT, deposits, deferred income and accruals)	18	-	79,684	79,684
Financial lease liabilities	19	5,710	-	5,710
Bank overdraft		-	6	6
		5,710	2,335,995	2,341,705

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31. Financial risk management

31.1 Liquidity risk

	Due within 1 year R'000	Due within 1 to 2 year R'000	Due within 2 to 5 years R'000	Due thereafter R'000	Total R'000
2024					
Non-current borrowings	-	-	-	77,331	77,331
Current borrowings	2,327	-	-	-	2,327
Financial lease liability	5,644	-	-	-	5,644
	7,971	-	-	77,331	85,300
		Due within 1 year R'000	Due within 1 to 2 year R'000	Due within 2 to 5 years R'000	Total R'000
2023					
Trade and other payables		114,224	-	-	114,224

Redeemable preference shares and RCF

Financial guarantee

RBH Group through its SPV Salestalk Holdco, entered into an agreement with RMB on 22 September 2022 to refinance its outstanding liability of R 2 088 890 000 for the original preference shares. Upon refinance, Salestalk Holdco was discharged from the financial liability and released from any financial obligation in terms of the 2017 preference shares amended Common Terms Agreement.

Salestalk Holdco's obligations under the new preference shares and RBH's obligations under the new RCF are guaranteed by RBH, Royal Bafokeng Investment Holding Company Proprietary Limited and Salestalk 268 Proprietary Limited (collectively the "obligors").

The funding structure provides for certain financial covenants that need to be maintained. Should the terms of the funding agreement be breached and the issuer of the preference shares or the borrower of the RCF fail to pay, the obligors will be required to repay the preference shares and the RCF outstanding balance. The finance agreements provide for a process to be followed in the event that there is a breach of the covenants and the mechanisms to remedy the breach.

The financial covenants contained in the new agreement were for RBH to maintain a:

- R5bn NAV;
- listed asset cover ratio of 2.25:1; and
- specified listed asset cover ratio of 1.00:1.

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31. Financial risk management (continued)

31.1 Liquidity risk (continued)

The financial covenants stipulated in the agreements are as follows:

	Listed assets cover ratio	Specified listed asset cover ratio
Discussion Triggers	1.25	2.75
Default Triggers	2.25	1.00

*Market value for listed assets calculated based on 10-day VWAP**

** In 2024 SHC fully redeemed the preference shares resulting in the possibility of a default event ceasing to exist and the covenant ratios not being applicable. The RCF remains undrawn at year-end, therefore the covenant ratios remain not applicable.

As at 31 December 2024 the financial covenants were as follows:

Financial covenants	36.00	22.00
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As at 31 December 2023 the financial covenants were as follows:

Financial covenants	36.00	22.00
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Valuation

The financial guarantee is valued by considering the price that the Issuer would demand for accepting the guarantee obligation. This was estimated using a probability adjusted discounted cash flow analysis. The technique looks at the probability of default by Salestalk Holdco Proprietary Limited (SHC) and loss in the event of default.

The valuation was estimated using a Monte Carlo simulation; this simulates the portfolio value over the maturity of the SHC preference shares. If a default event occurs the simulation calculates a recoverable value based on an average portfolio value over a 100-day period following default. The loss in the default events is the difference between the recoverable value and debt.

According to the Monte Carlo simulation the loss in the default event is Rnil, as in all default events the recovery value exceeds the value of the debt (in the default events SHC is always able to repay the debt without the financial guarantors). The financial guarantee liability as at 31 December 2024 is Rnil for all the financial guarantors listed above.

31.2 Credit risk

Due to the fact the trade receivables are monitored differently by each subsidiary, management of credit risk disclosure has been disclosed on a subsidiary by subsidiary basis. Refer below for the summary:

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31. Financial risk management (continued)

31.2 Credit risk (continued)

Due to the fact the trade receivables are monitored differently by each subsidiary, management of credit risk disclosure has been disclosed on a subsidiary by subsidiary basis. Refer below for the summary:

	2024	2023
	R'000	R'000
Summary of trade and other receivables*		
Current related party loans	319,274	611,558
Total current trade receivables	319,274	611,558
Total trade and other receivables	319,274	611,558

* Excludes VAT and prepaid expenses.

Credit risk management has been disclosed for the material subsidiaries below:

31.2.1 RBH and its SPVs

Trade receivables

The credit risk exposure for Royal Bafokeng Holdings and its SPVs on trade receivables is not considered material as relates mostly to loans advanced to related entities.

31.3 Market risk

31.3.1 Foreign exchange risk

The net carrying amounts, in foreign currency, of the above exposure was as follows:

Financial liabilities

Investment	Currency	2024	2023
		R'000	R'000
Leopard Guernsey	GBP	1,564	1,048
Big Yellow Group	GBP	28,042	36,036
I-Squared Global Infrastructure Fund	USD	34,853	21,932
KEG Holdings Limited	USD	97,156	91,858
Global Equity Funds	USD	185,769	78,978
Asia Partners	USD	4,697,253	-

The closing exchange rates used for the investments at year-end are as follows:

USD	18.88	18.28
GBP	23.64	23.27

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31.1 Financial risk management (continued)

31.3.2 Interest rate risk

Fluctuations in interest rates impact on the long-term loans and preference shares, which result in interest rate risk. The Impact of the change in the interest is indicated below:

	2024 R'000	2023 R'000
Financial liabilities		
Variable interest rate borrowings (Cash flow interest rate risk)	-	1,108,681

Interest rate sensitivity analysis

A change of 100 basis points in Interest rates at the reporting date would increase (decrease) future equity and profit or loss by the amounts shown below. This assumes that all variables in particular foreign currency rates remain constant.

The table below show the shows the analysis of the increase in the interest rate by 1%.

	Balance at year end R'000	Profit/loss Increase in interest rate variable R'000	Decrease in interest rate variable R'000
31 December 2024			
Variable interest rate borrowings - Sensitivity analysis	-	-	-
31 December 2023			
Variable interest rate borrowings - Sensitivity analysis	1,108,681	(11,087)	11,087

31.3.3 Price risk

The table below summarises the impact of increases or decreases of the ALSI on the Group's equity and profit for the year. The analysis is based on assumptions that equity indexes had increased or decreased by 100 basis points with all other variables held constant and all the Group's equity instruments moved according to historic correlation with the Index.

	Index	Name	Equity movements Increase by 100 basis points	Decrease by 100 basis points
2024				
JSE	J300	ALSI	380,482	(380,482)
2023				
JSE	J300	ALSI	329,625	(329,625)

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31. Financial risk management (continued)

31.3.3 Price risk (continued)

The table below summarises the impact of increases or decreases of the FTSE 100 on the Group's equity and profit for the year. The analysis is based on assumptions that equity indexes had increased or decreased by 100 basis points with all other variables held constant and all the Group's equity instruments moved according to historic correlation with the index.

	Index	Name	Equity movements Increase by 100 basis points	Decrease by 100 basis points
2024				
LSE	FTSE100	FTSE	6,629	(6,629)
2023				
LSE	FTSE100	FTSE	8,395	(8,395)

Available-for-sale reserves and profit or loss will increase/decrease as a result of gains/losses on equity securities classified as available-for-sale investment and investments held at fair value through profit or loss.

32. Fair value estimation

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
2024				
Financial assets at FVTPL	34,375,832	4,683,414	6,780,882	45,840,128
Financial liability	-	-	5,644	5,644
Cash investments	3,100,646	-	-	3,100,646
2023				
Financial assets at FVTPL	33,810,710	-	8,763,323	42,574,033
Financial liability	-	-	9,946	9,946
Cash investments	3,146,620	-	-	3,146,620

**ROYAL BAFOKENG NATION (ADMINISTRATION) AND ITS SUBSIDIARIES
ANNUAL CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2024**

Notes to the Consolidated Financial Statements

33. Material direct subsidiaries

33.1 Subsidiaries

Entity	Ownership Interest	
	2024	2023
Subsidiaries		
Royal Bafokeng Nation Development Trust	100%	100%
Royal Bafokeng Holdings (Pty) Ltd	100%	100%
Crosspoint Trading (Pty) Ltd	100%	100%
Lebone II College NPC	100%	100%
Platinum Stars FC (Pty) Ltd	100%	100%
Royal Bafokeng Institute NPC	100%	100%
Royal Bafokeng Sports (Pty) Ltd	100%	100%
Royal Bafokeng Nation Platinum Province BBBEE Trust	100%	100%
Royal Bafokeng Enterprise Development	100%	100%
Moumo Integrated Development (Pty) Ltd	100%	100%
Bafokeng Civil Works (Pty) Ltd	100%	100%
Struthio (Pty) Ltd	100%	100%
Kitsong Schools of Royal Bafokeng NPC	100%	100%
Dewdrops Property (Pty) Ltd	100%	100%
TheRoyalFuturesGroup (Pty) Ltd	100%	100%