

Merafe Resources Limited

(Registration number 1987/003452/06)

Consolidated and Separate Annual Financial Statements for the year ended 31 December 2023

Notes to the Consolidated and Separate Annual Financial Statements

	Group		Company	
	2023 R '000	2022 R '000	2023 R '000	2022 R '000

19. Revenue (continued)

Sales to the following customers individually comprise more than 10% of total sales:

Key customers	2023		2022	
	Revenue R'000	% of revenue in relation to total ferrochrome revenue	Revenue R'000	% of revenue in relation to total ferrochrome revenue
Customer A	1,783,005	26	2,018,385	30
Customer B	1,535,696	22	989,323	15
Customer C	-	-	783,272	11
	3,318,701	48	3,790,980	56

20. Earnings before interest, taxation, depreciation and impairment (EBITDA)

The following items have been taken into account in arriving at EBITDA:

Revenue	9,244,022	7,939,061	841,248	866,308
Gain on acquisition of joint operation	249,909	-	-	-
Cost of goods sold	(3,973,275)	(3,400,983)	-	-
Gain on exchange differences on other financial instruments	91,534	117,933	-	-
Gain (loss) on exchange differences in cash and cash equivalents	7,843	(49,623)	-	-
Auditors remuneration - external auditors	(4,368)	(2,477)	(2,231)	(960)
Consulting and professional fees	(12,909)	(7,817)	(6,322)	(6,219)
Selling expenses	(1,094,768)	(879,651)	-	-
Commissions	(376,260)	(330,380)	-	-
Net realisable value adjustment of inventory	(2,046)	(1,288)	-	-
Marketing fees	(2,269)	(2,013)	-	-
Corporate social investment	(26,909)	(20,637)	(2,255)	(3,107)
Social labour plans	(6,898)	(3,145)	-	-
Enterprise development	(3,104)	(3,125)	(727)	(631)
Movement in provision for closure and restoration	(11,318)	(15,796)	-	-
(Loss) profit on sale of property, plant and equipment	(29)	650	-	-
Short term and low value leases	(278)	(977)	(117)	(76)
Other expenses	(551,689)	(183,180)	(7,377)	(5,611)
Employee costs*	(981,967)	(1,015,901)	(16,703)	(19,218)
	2,545,221	2,140,651	805,516	830,486

* Includes remuneration relating to key management personnel (see note 33).

21. Employee costs

Employee costs				
Salaries and wages	794,057	828,015	2,756	3,630
Bonus	11,076	9,510	2,208	2,126
Medical aid - company contributions	75,919	74,805	123	100
Leave pay provision accrual	334	719	67	144
Post-employment benefits - Provident and post retirement benefits	89,466	90,004	434	370
Share-based payment	11,115	12,848	11,115	12,848
	981,967	1,015,901	16,703	19,218