

Merafe Resources Limited  
(Incorporated in the Republic of South Africa)  
(Registration number: 1987/003452/06)  
JSE share code: MRF  
ISIN: ZAE000060000  
("Merafe" or the "Company" or the "Group")

## SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS AND CASH DIVIDEND DECLARATION FOR THE YEAR ENDED 31 DECEMBER 2022

### 2022 year in review

- 14% decrease in TRIFR (1) to 2.40 (2021: 2.80 (2))
- 1% increase in ferrochrome production to 384kt (2021: 379kt)
- 2% decrease in revenue to R7 939 million (2021: R8 063 million)
- Increase in production cost per tonne by 30% (2021: 5% decrease)
- 12% decrease in EBITDA (3) to R2 141 million (2021: R2 432 million)
- Headline earnings per share of 56.4 cents (2021: 67.0 cents)
- Basic earnings per share of 56.4 cents (2021: 66.8 cents)
- Net cash generated from operating activities increased to R1 698 million (2021: R1 156 million)
- Cash balance of R1 269 million (2021: R972 million)
- Final cash dividend of 13 cents per share (2021: 22 cents per share)

(1) Total recordable injury frequency rate

(2) There was a restatement of the 2021 statistic from 2.75 to 2.80. The 2021 financial year data related to incident classifications and hours worked was corrected to align with reporting definitions. This impacted on the frequency rates

(3) Earnings before interest, taxation, depreciation and amortisation

### CEO Commentary on results

2022 has been characterised by a number of uncertainties. The Russia/Ukraine conflict contributed to the rise in global inflation and supply chain constraints. Cost pressures continue to mount, and this resulted in the Glencore-Merafe Pooling and Sharing Venture's ("Venture") unit production costs rising by an unprecedented 30% year-on-year. Despite the challenges, Merafe recorded profit after tax of R1 410 million driven by higher commodity prices and a weaker exchange rate.

The board of directors of Merafe (the "Board") has declared a final cash dividend of R325 million bringing the total dividends for the year to R625 million (2021: R725 million).

### Outlook

Disruption and volatility have long characterised markets and the last two years were no exception. First there was COVID-19 which was followed by the Russia/Ukraine conflict. This led to inflationary concerns and contributed to supply chain challenges which were already prevalent in the aftermath of COVID-19 lockdown relaxations. Energy insecurity and global recession concerns now present risks that businesses and nations across the world have to deal with.

Given this operating environment, 2023 is likely to be a challenging year. There is expectation that global recession will affect commodity prices negatively. On the positive side, the reopening of China after their zero COVID-19 policy suggests that there might be compensating increased economic activity from that region. Forecast growth in stainless steel demand, underpinned by growth in Asia and Europe, is positive for the ferrochrome industry.

We expect the efficiencies achieved in our operations to be sustained. Our production profile will be influenced by several factors including Eskom's inability to meet the country's electricity demand and rolling electricity outages as well as our stock holding levels. Our capital expenditure program will be focused on sustaining capital.

Overall, and once again, we remain cautious in our approach to the future and will continue to focus on efficient

operations, cash preservation, cost control and optimal capital allocation. The Eastern Chrome Mines' Platinum Group Metals plant and green energy initiatives are some of the important projects that will receive management's attention in 2023.

We are committed to creating shared value for our stakeholders.

#### Further information

This short form announcement is the responsibility of the directors. It is only a summary of the information contained in the full announcement and does not contain full or complete details.

While this announcement and the full announcement have not themselves been audited, they have been derived from the audited consolidated financial statements for the year ended 31 December 2022. The audited consolidated financial statements for the year ended 31 December 2022 were audited by the Group's auditors, Deloitte & Touche. Their unmodified audit report, including the key audit matter addressed therein, along with the audited consolidated financial statements for the year ended 31 December 2022 are available for inspection at the Company's registered office and also available on Merafe's website at <https://www.meraferesources.co.za/results/annuals-2022/index.php>

Any investment decisions by investors and/or shareholders should be based on the full announcement which has been published on SENS today, 20 March 2023, and is accessible via the JSE link at <https://senspdf.jse.co.za/documents/2023/JSE/ISSE/MRF/FY2022SENS.pdf> and also available on Merafe's website at <https://www.meraferesources.co.za/results/annuals-2022/index.php>.

The full announcement is available for inspection at the registered offices of Merafe (Building B, Second Floor, Ballyoaks Office Park, 35 Ballyclare Drive, Bryanston) and the offices of our sponsor, One Capital (17 Fricker Road, Illovo). Such inspection is available at no charge, during business days from 9:00am to 4:00pm.

#### Declaration of an ordinary cash dividend for the year ended 31 December 2022

Notice is hereby given that a gross final cash dividend of 13 cents (December 2021: 22 cents) per share has been declared payable, by the Board on 17 March 2023, to holders of ordinary shares.

The dividend will be paid out of income reserves.

The ordinary dividend will be subject to a local dividend tax rate of 20%. The net local ordinary dividend, to those shareholders who are not exempt from paying dividend tax, is therefore 10.40000 cents per share. Merafe's income tax number is 9 550 008 602. The number of ordinary shares issued at the date of the declaration is 2 499 126 870.

The important dates pertaining to the dividend are as follows:

	2023
Last day for ordinary shares to trade <i>cum</i> ordinary dividend:	Tuesday, 11 April
Ordinary shares commence trading <i>ex-ordinary</i> dividend:	Wednesday, 12 April
Record date:	Friday, 14 April
Payment date:	Monday, 17 April

Shareholders will not be permitted to dematerialise or rematerialise their ordinary shares between Wednesday, 12 April 2023 and Friday, 14 April 2023, both days inclusive.

Sandton  
20 March 2023

Sponsor  
One Capital

Executive Directors

Z Matlala (Chief Executive Officer), D Chocho (Financial Director)

Non-executive Directors

A Mngomezulu\* (Chairperson), M Vuso\*, K Tlale\*, J McLaughlan\*, N Mabusela-Aikhuere\*, D McGluwa, D Green

\* Independent

Company Secretary

CorpStat Governance Services (Pty) Ltd

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Transfer secretaries

JSE Investor Services (Pty) Ltd

Investor relations

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