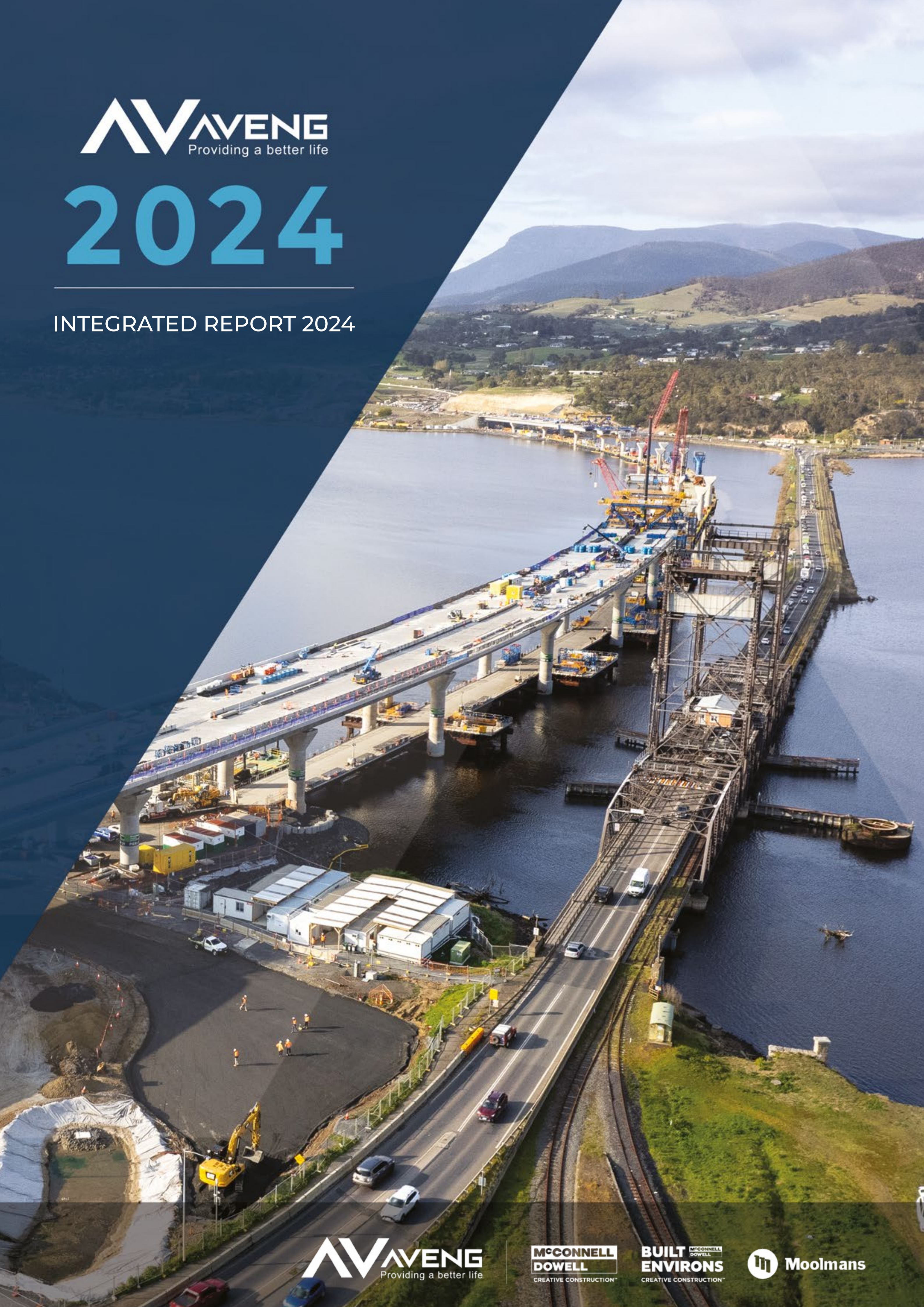
Providing a better life

2024

INTEGRATED REPORT 2024



Providing a better life

CREATIVE CONSTRUCTION™

CREATIVE CONSTRUCTION™

CONTENTS

ABOUT OUR REPORT

Aveng's integrated report outlines how the Group fulfils its purpose of providing a better life. The report enables stakeholders to assess our ability to create and preserve value.

Our 2024 sustainability report, which is available at www.aveng.co.za provides additional detail on our environmental and social impacts and the investments we make to support sustainable development and contribute to positive environmental, social and governance (ESG) outcomes.

WHO WE ARE AND HOW WE CREATE VALUE

This section of our report provides information on our core operations. Our business model describes the primary resources we use to create value and the extent to which we delivered value during 2024. We also explain how we align our values and strategy with our purpose to improve ESG outcomes for our stakeholders.

MATERIALITY AND STRATEGY

Aveng recognises material matters that have the potential to substantially impact our performance or ability to create sustainable stakeholder value over the longer term. These inform our strategy to create two independent and separate entities:

- McConnell Dowell (including Built Environs): a leading engineering-led construction and building contractor delivering infrastructure across a diverse range of end markets; and
- Moolmans, a tier 1 contract mining business operating in sub-Saharan Africa.

PERFORMANCE

This section of the report provides information on how we performed in relation to our strategic objectives and provides insight on our future prospects. We extract summarised information from the sustainability report to inform stakeholders of the investments we make to support sustainable development and contribute to positive ESG outcomes.

GOVERNANCE AND REMUNERATION

Our governance report describes how ethical and effective leadership and good governance create and sustain value.

The remuneration report provides information on our remuneration governance and practices and shows how we align remuneration and reward with our strategy and stakeholder interests.

SHAREHOLDERS' INFORMATION

Forward-looking statements

Certain statements in this document are forward-looking statements. These include, but are not limited to, statements about the Group's operations, financial conditions, earnings and growth prospects. They are based on the best estimates and information of Aveng at the time of writing. They are nonetheless subject to significant uncertainties and contingencies, many of which are beyond the Group's control. Unanticipated events may occur, and actual future events may differ materially from current expectations due to changes in the Group's operating environments.

Navigate this report

This icon indicates where further information or supplementary reports can be found **online**.

This icon indicates where further information on a matter can be found elsewhere **in this report**.

Feedback

Please share your feedback and opinions on our report by emailing investor.relations@avenggroup.com

AVENG
Providing a better life

WELCOME TO THE AVENG 2024 INTEGRATED REPORT

This report forms part of our integrated and ESG reporting and is supplemented by our sustainability report, our annual financial statements and our shareholder information which can all be found at **www.aveng.co.za**

We are an international engineering-led contractor with three strong brands focused on *Infrastructure*, *Building* and *Mining* in selected markets.

"Aveng has been repositioned and recapitalised following a **resilient return** to profitability and cash generation in the current year.

Our management epicentre has shifted to Australia, while our governance and control remain in South Africa where we are listed on the JSE. Our leadership transition and organisational change are complete.

Our strategic journey now enters a new phase.

We have determined a new strategic direction that will enable our two operating businesses, McConnell Dowell and Moolmans, to achieve their **long-term growth potential** and ensure that the value of their assets is fully recognised. This will assist each business to independently access appropriate pools of capital to better support their investment requirements.

As we navigate this exciting future together, we remain committed to delivering value and positive outcomes for our stakeholders."

Scott Cummins, Group CEO

McCONNELL DOWELL CREATIVE CONSTRUCTION™ BUILT ENVIRONS McCONNELL DOWELL CREATIVE CONSTRUCTION™ Moolmans

OUR 2024 INTEGRATED REPORT

We report on our performance for the financial year from 1 July 2023 to 30 June 2024 (FY24) and our strategy for the period ahead. We provide context for our performance and highlight the material matters that influence our performance and our ability to be a sustainably profitable and ethical organisation.

Aveng is committed to creating and preserving value for its stakeholders. We apply the principle of materiality to determine the content of our reporting and define materiality as matters that substantially affect the Group's ability to create and sustain value over the short, medium and long term.

Materiality report.

Content scope and boundary

The report covers the Group's operations across all the geographies in which it operates. The content is based on the reporting requirements listed below, the information needs of our stakeholders and our material matters.

Frameworks, reporting approach and assurance

Key reporting frameworks applied	Integrated report	Annual financial statements
Integrated Reporting Framework, 2021 (<IR> Framework)	✓	
King Report on Corporate Governance™ for South Africa (King IV)[1]	✓	✓
International Financial Reporting Standards (IFRS Accounting Standards®)		✓
South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides		✓
Financial Reporting Standards Council's Financial Reporting Pronouncements (FRPs)		✓
Companies Act 71 of 2008 (Companies Act)	✓	✓
JSE Limited (JSE) Listings Requirements	✓	✓
Board Governance Framework	✓	✓
Aveng safety, health and environment (SHE), and human resource policies and frameworks	✓	
BBBEE Codes of Good Practice (BBBEE)	✓	

[1] *The King IV Report on Corporate Governance™. The copyright and trademarks are owned by the Institute of Directors in South Africa NPC (a non-profit company) and all of its rights are reserved.*

ESG disclosures are provided in the Group's sustainability report and certain information was extracted from the sustainability report for the integrated report in line with leading practice and internationally accepted standards. Independent assurance was obtained from KPMG Incorporated on certain environment and social key performance indicators (KPIs). The limited assurance engagement was conducted in accordance with the *International Standard on Assurance Engagements (ISAE) 3000 (Revised)* Assurance Engagements other than Audits or Reviews of Historical Financial Information and in accordance with *ISAE 3410 Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board.

Independent assurance report, Aveng 2024 sustainability report, **www.aveng.co.za**

Change in presentation currency

Aveng sources over 90% of its revenue outside South Africa and the Australian Dollar (A$) is the Group's predominant transactional currency. The Board bases its performance valuation and many investment decisions on A$ financial information and believes that A$ financial reporting provides a more relevant presentation of the Group's financial position, funding and treasury functions, financial performance and cash flows. Therefore, Aveng has elected to change its presentation currency from South African Rand (ZAR) to A$ and has implemented the change in the audited consolidated annual financial statements for the year ended 30 June 2024. The functional currencies of the Group's underlying businesses remain unchanged. Foreign exchange exposures are therefore unaffected by the change, albeit that the effects of these exposures will be presented in A$.

Approval of the integrated report

The report's content was prepared and reviewed by several internal stakeholders, with the assistance of an external service provider. The Board, assisted by its audit committee, risk committee and other Board committees, assessed the report and believes that it presents a balanced account of Aveng's performance and prospects.

The integrated report was approved by the Board on 31 October 2024.

PA Hourquebie
Independent non-executive chair

S Cummins
Chief executive officer

AH Macartney
Group finance director and chief financial officer

B Modise
Lead independent non-executive director

WHO WE ARE AND HOW WE CREATE VALUE

New Bridgewater Bridge, Tasmania, Australia.
Tasmania's largest ever transport infrastructure project.

PROVIDING A BETTER LIFE

We align our values and sustainability goals with our purpose of providing a better life to improve economic, social and environmental outcomes for our stakeholders. Good governance underpins our ability to create sustainable value.

Our purpose						
Providing a better life for our stakeholders						
Customers	Employees	Subcontractors and other suppliers	Communities	Shareholders and financial institutions	Government and regulators	Trade unions

Our strategic review

Aveng conducted a detailed review of the Group's corporate strategy to enhance stakeholder value and optimise shareholder value. The review concluded that Aveng's operating businesses, McConnell Dowell and Moolmans, have distinctly different business characteristics and value propositions and should pursue independent and separate operating and growth strategies. Aveng therefore intends to pursue, through a combination of transactions, the creation of two independent and separate entities:

- McConnell Dowell (including Built Environs): a leading engineering-led construction and building contractor delivering infrastructure across a diverse range of end markets; and
- Moolmans, a tier 1 contract mining business operating in sub-Saharan Africa.

The Board is mindful of its commitments to all stakeholders through this process and intends to support and enhance the prospects of both entities for the benefit of all stakeholders, including clients, suppliers and employees, by enabling the two entities to access appropriate capital to pursue their separate strategies. In the case of McConnell Dowell, this will involve exploring a potential listing on the Australian Securities Exchange (ASX) and Johannesburg Stock Exchange (JSE). In the case of Moolmans, this will involve exploring alternative ownership options and potentially introducing BBBEE capital.

Our values-aligned ESG framework

Aveng's values-aligned ESG framework (below) enables the Group to implement its purpose. It governs our approach to managing our ESG and financial impacts and outcomes. The performances of McConnell Dowell, Built Environs and Moolmans are measured against ESG KPIs that are linked to the short-term incentives of management. Certain environmental and social KPIs are independently assured annually.

	Environment	Social	Governance
Our values	**Carbon and our environment**	**Our community and our people**	**Our conduct and compliance**
Safety and care *Home Without Harm Everyone Every Day.* The health, safety and wellbeing of our people, the community and the environment are paramount.	**Carbon emission** Reduce carbon intensity and outline roadmap to carbon neutrality.	**Home without harm** Consistently improving our lead indicator performance.	**Decision-making** Sustainability forms part of all decision-making processes.
Honesty and integrity We do what is right consistently and transparently.	**Environmental awareness** Environmental education and reporting transparency.	**Supply chain** Commitment and partnership with our supply chain for sustainable practices.	**Corporate governance** Financial (including tax) transparency and compliance.
Customer focus We build relationships by collaborating and delivering on our promises with excellence.	**Climate change** Engineering and design considers climate change and adaptation measures.	**Customer relations** Innovation through strong and effective customer relationships.	**Risk management** Clear and effective frameworks and controls.
Working together We respect and cooperate with each other and leverage our rich knowledge and diversity.	**Resource depletion** Partnerships with all stakeholders to reduce consumption and improve resource efficiency.	**Community** Direct economic value generated by community investments.	**Internal procedure governance** Delivering compliant projects in accordance with governing policies, operating standards and procedures.
Performance excellence We hold ourselves and each other accountable and always strive to exceed expectations.	**Waste and pollution** Reduce waste, divert waste from landfill and promote recycling. Identify and remediate sources of pollution.	**People and development** Diversity and inclusion. Learning and development commitment to all employees.	**Ethical conduct** All business performed in accordance with the Code of Conduct and verified by annual pledge.

Independent assurance report, Aveng 2024 sustainability report, **www.aveng.co.za**

Improving ESG outcomes for all stakeholders

Environmental		
Minimising carbon footprint, water use and waste **Zero material environmental incidents**	– Activating the circular economy by introducing more waste materials into our projects – Reducing greenhouse gas emissions by incorporating supplementary cementitious materials into concrete slab for non-structural applications – Easing traffic congestion, improving safety and introducing stormwater retention tanks, solar energy and rooftop gardens at our transport infrastructure projects – Increasing water availability by reusing mine-affected water – Expanding our environmentally-friendly vehicle fleet and investing in smart, powerful hybrid generators	**Awards** **Australasian Railway Association's 2024 Sustainability Excellence Award** for the Mount Derrimut Road Level Crossing Removal

Social		
Zero fatalities but deterioration in the LTIFR due to increased project activity in McConnell Dowell, resulting in more new employees and the use of subcontractors. We are focusing on integrating our sound safety culture across the Group and reducing the risks that lead to high potential incidents.	– Lost-time injury frequency rate (LTIFR): 0.72 (2023: 0.10) – Total recordable injury frequency rate (TRIFR): 0.18 (2023: 0.73) – 17 832 'Safe Talk' proactive safety interventions	**Achievements** **McConnell Dowell's J108 project team in Singapore won the WSH SHARP Award** at the 2024 Workplace Safety and Health Council Awards
Employee engagement across our *Infrastructure* and *Building* segments ranks in industry top 10% (2023 all-staff survey) **Increased focus on talent succession management**	– 80% of senior leaders completed a leadership development programme in the past three years – 149 internships, learnerships and apprenticeships across Moolmans for historically disadvantaged groups – Key leadership appointments of women in Southeast Asia and Australia – A$44 million in client social procurement spend in Australia – R763 million spent with black-owned suppliers in South Africa	**Three million LTI-free man hours** at the J108 project Kathleen Kelly won the **Women in Industry Safety Advocacy Award** for her work on the New Bridgewater Bridge project

Governance		
Ethical and effective leadership **Robust risk management oversight**	– New Board appointments contribute to skills diversity – Successful leadership and subsidiary Board transitions – Risk management improvements strengthen project execution throughout tender and project lifecycles	**Robust tender risk governance** contributing to improved financial performance New CEO-sponsored **diversity, equity and inclusion framework** established

Financial performance

Revenue
A$3.1 billion
(R37.5 billion)
2023 | A$2.4 billion[1] (R28.9 billion)

Headline earnings
A$38.0 million
(R466 million)
2023 | A$77.7 million loss (R950 million loss)

Operating earnings / (loss)[2]
A$34.5 million
(R424 million)
2023 | A$86.8 million loss[1] (R1.1 billion loss)

Work in hand
A$3.1 billion
(R37.2 billion)
with higher embedded margins
2023 | A$4.2 billion (R52.2 billion)

Gross profit margin
5.7%
2023 | 1.6%[1] (5.9% (excluding BLNG)[3])

Headline earnings per share
A$29.6 cents
(364 cents (Rand))
2023 | $61.6 cents loss (753 cents (Rand))

Net cash
A$173.7 million
(R2.1 billion)
2023 | A$108.4 million (R1.4 billion)

Leadership transition and organisational structural change complete.

Strategic review concluded with intention to pursue two separate and independent operating and growth strategies.

[1] *Prior year revenue and operating earnings from continuing operations exclude Trident Steel.*
[2] *Operating earnings / (loss) before capital items.*
[3] *Non-IFRS measure. Information adjusted to exclude the impact of BLNG in the prior year. The information has been prepared for illustrative purposes only and has not been reviewed or reported on by a reporting accountant.*

All figures have been restated due to the change in the presentation currency from ZAR to A$.

OUR OPERATIONS

Our strong, well-respected operating brands (McConnell Dowell, Built Environs and Moolmans) represent a value offering that sets us apart. We are a valued partner on complex projects that deliver higher margins and better returns.

Aveng has segmented its existing businesses under three strong operating brands which make up three distinct segments. The *Infrastructure* segment, which comprises McConnell Dowell, the *Building* segment which comprises Built Environs and the *Mining* segment which comprises Moolmans.

How we mitigate contractor risk and capitalise on opportunity

CEO's review.

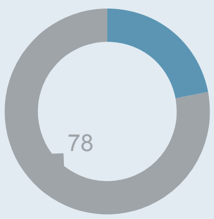
How we implement our growth strategy

CEO's review and strategy report.

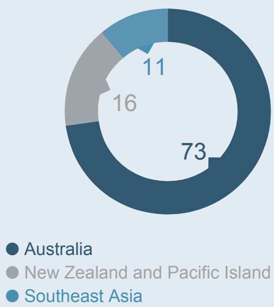
The scale, specialist capabilities and management capacity of our brands equip us to capitalise on growing markets.

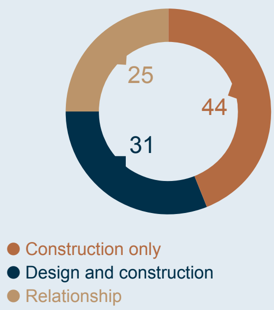
Infrastructure

% of Group revenue



Work in hand A$2.2 billion (%)





McConnell Dowell has built its reputation over more than 60 years by delivering complex projects with engineering-led innovative solutions to clients across more than 15 countries.

Offering a broad range of specialist construction skills and capabilities, McConnell Dowell's services encompass the entire project lifecycle, from early concept design to commissioning and ongoing maintenance.

CAPABILITIES	MARKET SECTORS	GEOGRAPHIES
Civil	Transport	Australia
Mechanical	Water and wastewater	New Zealand and Pacific Islands
Marine	Ports and coastal	Southeast Asia
Pipelines	Energy	
Rail	Resources	
Tunnelling and underground construction		

McConnell Dowell website, **www.mcconnelldowell.com**

Aveng 2024 sustainability report, **www.aveng.co.za**

State Highway 25A Taparahi Slip Remediation, New Zealand. Awarded "Bridge Project Team of the year" at the New Civil Engineering Awards, London.

2024 performance highlights

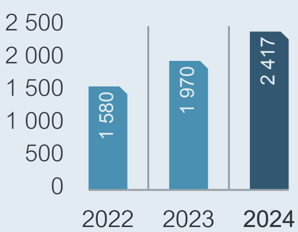
23% growth in revenue to A$2.4 billion (2023: A$2.0 billion).
Return to operating earnings of A$57.4 million in the current year following adverse BLNG performance in prior year.

Preferred status projects

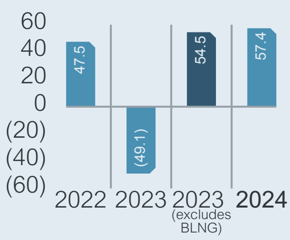
- A$1.9 billion preferred bidder
- A$3.4 billion tenders submitted or in progress

Work in hand reduced to a sustainable level of A$2.2 billion (2023: A$3.0 billion).

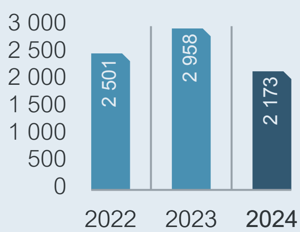
Revenue (A$m)



Operating earnings/(loss) before capital items (A$m)



Work in hand (A$m)



Safety and care

Zero fatalities or major environmental incidents:

- LTIFR: 0.60 against a target of 0.23
- TRIFR: 3.81 against a target of 3.00

Learning and development

Staff alignment and engagement rank in the top 10% of general industry (2023 all staff survey).

Continued investment in emerging and senior leadership in partnership with Melbourne Business School.

Market outlook

- Macro-trends used to inform long-term strategy coming to fruition.
- Softening of transport infrastructure market offset by strengthening energy transition, water, climate resilience and defence sectors.
- Overall bid pipeline remains healthy across all jurisdictions and sectors.

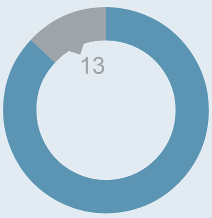
OUR OPERATIONS *CONTINUED*

The Queen Elizabeth Hospital stage 3 redevelopment, South Australia, Built Environs.

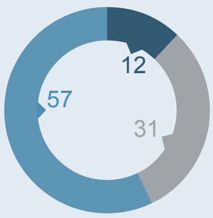
Building

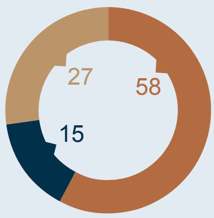
BUILT McCONNELL DOWELL ENVIRONS CREATIVE CONSTRUCTION™

% of Group revenue



Work in hand A$443 million (%)





Built Environs is Aveng's commercial building business unit which has a 35-year history of designing and constructing significant commercial buildings.

With a proven track record of delivering complex projects, Built Environs responds to clients' requirements for industry-specific, innovative solutions.

CAPABILITIES	MARKET SECTORS	GEOGRAPHIES
A full-service building partner that provides design, consultation and management services, to construction and fit-out.	Sport, health and science	Australia
	Defence	New Zealand
	Education	
	Residential, commercial, retail and industrial	
	Infrastructure	

Built Environs website, **www.builtenvirons.com.au**

Aveng 2024 sustainability report, **www.aveng.co.za**

Built Environs has developed a strong brand in health infrastructure.

2024 performance highlights

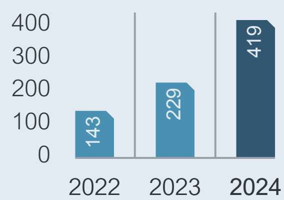
83% growth in revenue to A$419 million (2023: A$229 million) in line with growth agenda.
Margin in line with industry peers.
Operating earnings above plan due to good project execution.
Increase in operating earnings to A$8.6 million (2023: A$0.1 million).

Preferred status projects

- A$600 million preferred bidder
- A$550 million tenders submitted or in progress

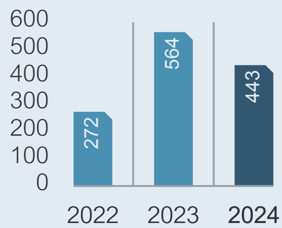
Work in hand reduced to a sustainable level of A$443 million (2023: A$564 million).

Revenue (A$m)



Operating earnings/(loss) before capital items (A$m)

Work in hand (A$m)



Safety and care

Zero fatalities or major environmental incidents:
- LTIFR: 0.41 against a target of 0.23
- TRIFR: 5.71 against a target of 8.69

Learning and development

Continued investment in emerging and senior leadership in partnership with Melbourne Business School.

Market outlook

- Markets in Australia and New Zealand remain strong, with government spend responding to population growth demands.
- Overall bid pipeline remains healthy specifically in health, education and recreation sectors.

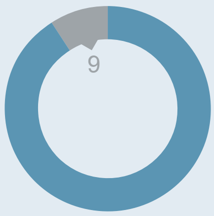
OUR OPERATIONS *CONTINUED*

Moolmans EBP project, South Africa.

Mining

Moolmans

% of Group revenue



Moolmans is a South-African based leader in contract mining that has provided specialised services to clients across Africa for over 65 years.

Moolmans' brand strength is underpinned by strong client relationships, extensive experience in remote and difficult locations, and a track record of sound project delivery.

CAPABILITIES	MARKET SECTORS	GEOGRAPHIES
Open cut mining	Moolmans mines a range of commodities for reputable clients	South Africa
Shaft sinking and access development		Other African markets
Underground mining		

Moolmans website, **www.moolmans.com**

Aveng 2024 sustainability report, **www.aveng.co.za**

Moolmans strives to create safe working environments.

2024 performance highlights

14% increase in revenue to R3.3 billion (A$269 million) (2023: R2.9 billion (A$242 million) and marginal operating earnings of R24.5 million (A$2.0 million) (2023: R110 million loss (A$9.6 million loss)) despite the scaling down of two contracts in the period.

Plant renewal and optimisation programme reduced component expenditure by R74 million.

New executive management implementing consolidation and reset of operational strategy.

Active fleet management uses short-term rentals to support specific capacity requirements on projects.

Continued disposal of redundant assets to the value of R163 million (A$13.7 million).

Transformation, learning and development

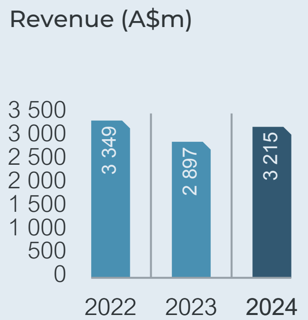
- BBBEE level 1 contributor
- R763 million spent with black-owned suppliers

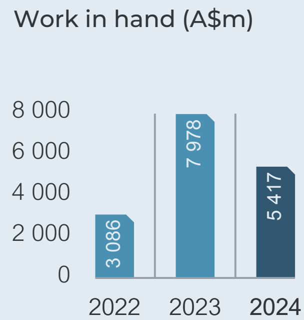
Safety and care

Zero fatalities or major environmental incidents:

- LTIFR: 0.38 against a target of 0.19
- TRIFR: 0.38 against a target of 0.47

R23.2 million invested in 149 internships, learnerships and apprenticeships.





Market risks and opportunities

- Mining environment impacted in South Africa by logistic infrastructure constraints. Formation of Government of National Unity is seen as positive for mining and other industries.
- Significant opportunities with existing clients on existing mines for contract extensions and increased volumes.

Outlook

- Longer-term new work focus on **diversification – country, client, commodity**
- Work in hand of R5.4 billion (2023: R8.0 billion)

OUR BUSINESS MODEL

Aveng optimises its business model through the effective implementation of its strategy to achieve its business objectives.

Inputs

The key resources we need to optimally manage the business.

Financial capital

- Balance sheet strength
- Access to appropriate capital to support investment requirements
- Sound cost and working capital management
- Growth in quality work in hand
- Sound operational performance

Human capital

- Efficient organisation with adequate capacity and capability to support growth
- 4 600 employees
- Strong executive and operational leadership
- Skilled project management
- Enabling purposeful values-driven culture

Social and relationship capital

- Effective stakeholder engagement
- Relationships with investors and financial community, clients, employees and communities

Intellectual capital

- Specialist capabilities in construction, engineering and mining
- Engineering excellence, innovation and value creation across specialist sectors
- Strategy and business administration expertise

Manufactured capital

- Diverse mining fleet (R2.4 billion book value) to serve clients' onsite needs

Natural capital

- Energy and water use in operations
- Waste generated by operations

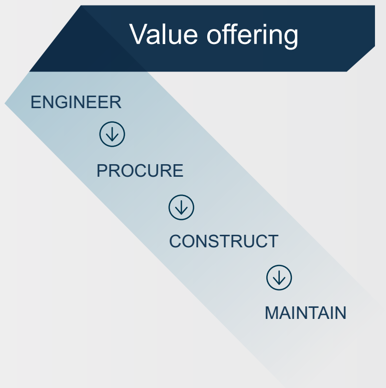
Business activities

We apply Aveng's resources and relationships in an ethical and responsible manner to create and sustain value for our stakeholders.

Aveng's *Infrastructure, Building and Mining* segments leverage their world-class brands and specialist capabilities to deliver solutions across their clients' project lifecycles.

McCONNELL DOWELL CREATIVE CONSTRUCTION™ | BUILT ENVIRONS CREATIVE CONSTRUCTION™ | Moolmans

- Delivering innovative solutions and specialised services to complex projects for over 60 years.
- Offering multidisciplinary expertise across transport, water and wastewater, ports and coastal, energy, resources and commercial building sectors.
- Providing services in open cut mining, shaft sinking and access development, and underground mining across a range of commodities.



Our operations are supported by an agile corporate office with:

Strategic leadership	People and strategy management
Capital allocation	Safety, health and environment management
Treasury and financial reporting	
Commercial management	Engineering and innovation

Risk, IT and procurement expertise is embedded in the operations but co-ordinated at a corporate level.

Outputs

Outcomes

Our business activities generate projects and services that create value for our clients and other stakeholders whose lives are influenced by our infrastructure and mining projects.

Read more about our economic, environmental and social impacts and the investments we make to support sustainable development and contribute to positive ESG outcomes in the Aveng 2024 sustainability report.

Financial

- Return to profitability and cash generation.
- Pre-COVID projects nearing completion – post-COVID projects performing well.
- McConnell Dowell (including Built Environs) aligned to growing defence, energy, water, marine, resource and social infrastructure opportunities.
- Moolmans focused on operational improvements and opportunities with existing clients.
- New strategy to improve future prospects of McConnell Dowell and Moolmans.

CEO's report FD's report

Human

- Zero fatalities.
- Deterioration in other safety KPIs is a key focus of management.
- Leadership transition and organisational change improved organisational efficiency.
- Strategic alignment and engagement of the majority of employees ranks in the top 10% of industry (2023 all staff survey).
- New appointments strengthened Board diversity and skills.
- Increased focus on talent management and succession planning.
- Increased representation of women in leadership teams.

Chair's review CEO's review

Social and relationship

- BBBEE level 1 in South Africa.
- Paid R763 million to black-owned suppliers, of which R612 million went to black women-owned suppliers.
- Client social spend of A$44 million in Australia.
- CEO-sponsored diversity, equity and inclusion framework.
- New strategy to improve the sustainability of the Group's businesses aims to enhance the prospects of all stakeholders.

Intellectual

- McConnell Dowell, Built Environs and Moolmans brand strength.

Our operations report

Manufactured

- Active fleet management uses short-term rentals to support specific project capacity requirements.
- Disposal of redundant assets to the value of R163 million (A$13.7 million).

CEO's report FD's report

Natural capital

- No major environmental incidents.
- ESG framework in place, with targets and KPIs linked to management remuneration.

MATERIALITY AND STRATEGY

Mardie Salt & Potash Marine Structures, McConnell Dowell, Western Australia.

MATERIAL MATTERS

Aveng defines materiality as matters that materially affect the Group's ability to create and sustain value over the short, medium and long term.

We determine and assess material matters regularly by proactively assessing trends in the changing business environment and responding to unforeseen developments. Our material matters inform our strategy, thereby enabling the Group to create value.

Our three-stage material matters determination process is guided by the Group's enterprise risk management framework and stakeholder engagement in line with the guidance contained in the <IR> Framework.

Step 1	Identify relevant internal and external matters
Step 2	**Evaluate the importance of matters identified**
Step 3	**Prioritise material matters**

Auckland Airport East Airfield Building Relocation project delivered by McConnell Dowell and Built Environs in joint venture.

Step 1 — **Identify relevant internal and external matters**

The Group's risk and opportunity management, stakeholder engagement and external environment inform the material matters.

Enterprise risk and opportunity management

Aveng's risk and opportunity management process aims to achieve an appropriate balance between realising opportunities for gain, while minimising adverse impacts.

The Board, assisted by the risk committee, is responsible for the governance and effective oversight of risk and opportunity management. A Group risk register comprising material risks escalated from the business unit risk registers and external risks affecting the Group, is updated quarterly and reported to the Board and the risk committee.

The Group's risk profile reflects its exposure to potential losses or adverse events that may affect the achievement of strategic objectives. This assessment is based on a combination of quantitative and qualitative indicators such as financial performance, regulatory compliance, operational performance, stakeholder feedback and the external operating environment.

The Group has set a desired risk appetite which is "moderate" at the residual risk level (after applying treatment and control actions). Risk appetite is assessed annually or as the Group's risk-bearing capacity changes.

The global risk environment deteriorated during 2024, placing additional constraints on the Group's operations. The possible impact of these and the Group's response to them are summarised in the 2024 macro-economic risks table on the following page.

Strengthening risk management

Several actions by management resulted in positive outcomes, improving the balance of risk and opportunity in the *Infrastructure* and *Building* segments' project portfolios and contributing to an upward trend in the overall profit margin.

Tender risk governance Improved the robustness of tender risk governance and processes, including monthly project risk assessments, to increase the certainty of project outcomes.

Project management office (PMO) Intensive reviews of potentially high-risk projects to improve outcomes led to the formation of the PMO. Strengthened the focus of the PMO on key metrics to improve tender reliability and the management of projects to completion.

CEO's review.

Project procurement Implemented programme reviews, estimate reviews, line-by-line reviews, collaboration on schedule risk analysis (SRA) during the tender stage, and provided a sounding board during internal tender governance review processes.

Project start-up Ensuring that projects are set up correctly by facilitating handovers from tender to delivery team and conducting project readiness audits.

Project execution Conducting regular reviews during the project lifecycle.

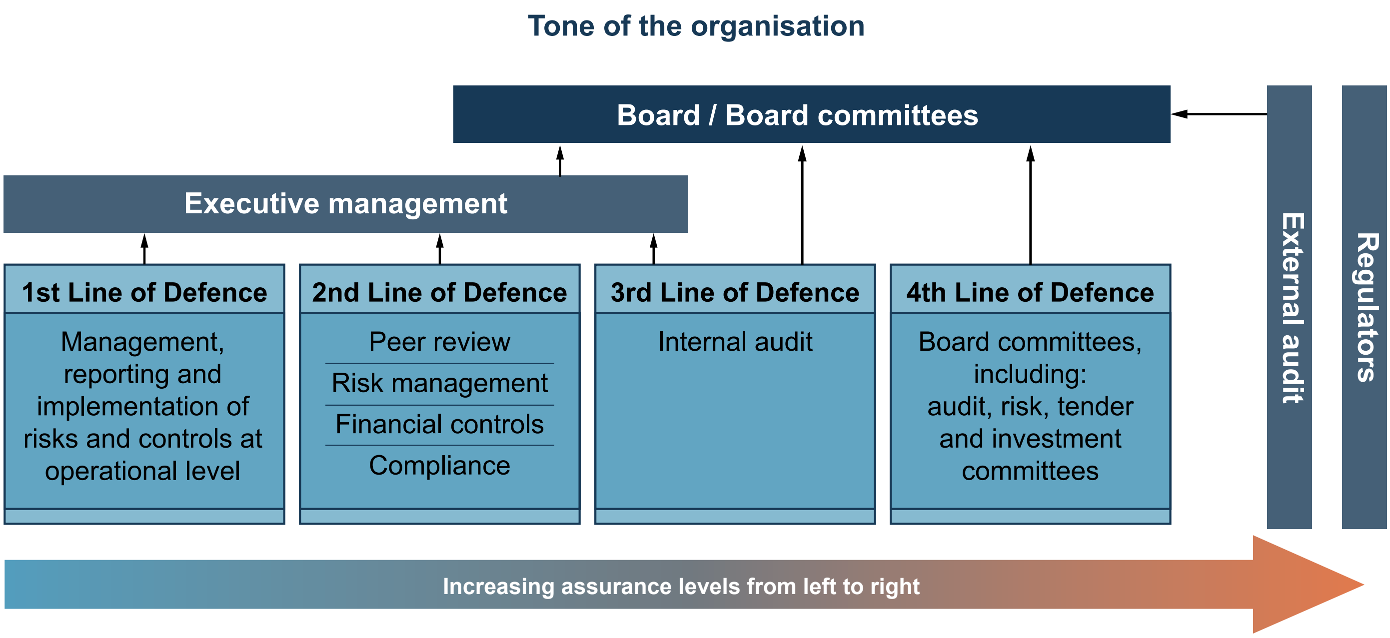
Enterprise risk and opportunity assessment Improved processes and discharged specific responsibilities to the Aveng executive committee (Exco) members to ensure accountability.

Risk and opportunity management framework

Lines of Defence

Aveng adopts a Four Lines of Defence model to bridge the gap between risk management and assurance functions. These lines include the audit, risk, investment and tender risk Board committees, internal audit, and assurance provided by external audit, who oversee and assure the Group's risk and opportunity management.

Governance report.



MATERIAL MATTERS *CONTINUED*

External environment

Changes in the Group's business or project environments are continuously reviewed.

2024 macro-economic risks		
Macro-economic risk*	**Trend**	**Impact on Aveng and our response**
Global economic slowdown Geopolitical tensions have contributed to a decline in market liquidity, higher inflation and higher interest rates which have worsened the global economic downturn. The risk of stagflation – a period of low growth and high inflation – signals a prolonged economic downturn and debt distress.	↔	A delay in the award of infrastructure and mining projects is likely to reduce our 2025 revenues, while a more competitive environment impacts our margins and cash flows. We are responding by maintaining cost discipline, reassessing our opportunity pipeline and reprioritising tender expenditure.
Cybersecurity and data breaches The acceleration of digital adoption and dependency has increased vulnerability to cyber-attacks.	↑	Data breaches disrupt operations and threaten financial performance and reputation. We established a Group cybersecurity steering committee to align and prioritise our investments in cyber threat prevention, detection and response. We have prioritised the integration and extension of cybersecurity tools and practices across the Group.
Disruption of supply chains for critical resources Many supply chains have become inefficient or dysfunctional as a consequence of geopolitical events. This impacts businesses and prolongs the global economic downturn.	↔	Supply chain disruption results in cost increases, project delays and difficulty obtaining certain resources, resulting in overstocking to mitigate potential shortages. We assess cost escalation and factor it into tenders. Commercial recourse is sought for shipping delays. We are improving our procurement capability and capacity to support our operations.
Climate change resilience Worsening environmental degradation and a shift in focus to other short-term risks has increased concerns about the ability to contain climate change. Countries or organisations that continue to rely on carbon-intensive energy sources risk losing competitive advantage (higher carbon cost, lower resilience, lagging behind technology advances and limited leverage in trade agreements).	↔	These matters affect our ability to deliver on our ESG strategy and achieve targeted milestones. Our ESG framework is well established and we continue to implement our ESG strategy. We pursue opportunities in the renewable energy, coastal defence and water sectors.
Infectious diseases and other health-related risks COVID-19 and other health-related matters heightened the risk of pandemic diseases and a deterioration in mental health as significant global threats.	↔	Health risks impact employee wellbeing and related health and safety systems and processes. We implement a well-defined safety, health and environment strategy, and provide independent professional employee wellbeing support, to manage these impacts. Commercial recourse for pandemics is included in tenders.
Escalating geopolitical tensions Geopolitical fragmentation is heightening the risk of multi-domain conflicts, creating global divergence, and geopolitical and geoeconomic tensions. This complicates the approach to common global challenges, notably climate change due to regional convergence at the expense of global integration.	↑	We operate in an increasingly complex business environment, with supply chain disruption, cost escalation and project delays. We conduct dynamic reviews of our strategies and business plans in response to the changing external environment. We pursue opportunities in the defence sector.

* *World Economic Forum Global Risk Report 2024.*

Stakeholder engagement

We have a diverse range of stakeholders with an interest in our operations. By engaging constructively with our stakeholders, we can address their legitimate needs and concerns and create lasting value together.

Aveng identifies its main stakeholders and engages with them through various formal and informal methods. Aveng has a stakeholder engagement plan and report-back process that enables the corporate office and operations to identify and respond to their material stakeholders. Our stakeholder engagement processes identify areas of concern and seek mutually beneficial outcomes.

CLIENTS As contractors, we engage regularly with our clients through formal and informal discussions and meetings at all stages of project lifecycles.	**Material stakeholder conversations and our response** **Project performance** McConnell Dowell, Built Environs and Moolmans engage actively with clients to address areas of concern and work in partnership with clients to achieve mutually beneficial outcomes. **Strategy to carbon zero** The carbon zero roadmap has been developed and implemented in McConnell Dowell.

EMPLOYEES We engage routinely with our employees through formal and informal information sharing and leadership engagement sessions, and we assess employee culture and engagement through employee surveys.	**Material stakeholder conversations and our response** **Employee value proposition** Aveng strives to provide competitive salaries or wages. People management systems are in place to embed Aveng values and enhance talent recruitment, development and retention. Aveng encourages employees to work from the office or official place of work unless there is a compelling reason for remote working. **Safety and health management** Aveng implements systems and processes to identify and reduce safety and health risks, including regular leadership engagement with employees on work sites, campaigns to embed a safety culture and wellness programmes and external providers of employee wellness services. To limit injuries in high-risk areas, we supply technology-based safety equipment, such as wearable sensors to prevent plant/people interaction. We focus on leading indicators such as fatigue and working at heights. **Sustainability commitment** Aveng's ESG framework governs its approach to managing environmental, social, governance and financial impacts and outcomes. ESG forms 10% of management's remuneration.

SUBCONTRACTORS AND OTHER SUPPLIERS We engage with our subcontractors and other suppliers through supplier meetings and supplier and contractor audits.	**Material stakeholder conversations and our response** **Contract negotiations, compliance and fair treatment** We work with all subcontractors to ensure compliance with the Group's Code of Conduct and safety and health standards. Furthermore, we ensure fair treatment of subcontractors and uphold the human rights of employees and communities.

COMMUNITIES We engage with communities informally and formally through community forum meetings.	**Material stakeholder conversations and our response** **Project impacts on community health and the environment** Aveng complies with local safety, health and environment requirements and maintains relationships with local communities to manage and mitigate project impacts. **Contribution to local economies** Aveng complies with project specific social and local procurement targets set by clients and invests in education and other projects to support vulnerable communities. The Group implements innovative solutions to address environmental challenges.

MATERIAL MATTERS *CONTINUED*

SHAREHOLDERS AND FINANCIAL INSTITUTIONS

We engage with shareholders and the institutions that provide finance for our operations through results presentations, the stock exchange news service (SENS), one-on-one meetings and investor conferences and calls.

Material stakeholder conversations and our response

Profitability and liquidity

Our risk governance and oversight processes monitor, manage or mitigate risks that threaten financial performance, while our strategy enables the operations to capitalise on available opportunities. We continuously strengthen and mature our management of tenders and project execution, including commercial risk and cash management, to achieve sound outcomes for our operations, our clients and our shareholders.

Delivering value to shareholders

Our strategy is based on achieving sustainable long-term growth. We are exploring several options to improve shareholder value by ensuring that the Group's market value represents the value of its underlying operations.

GOVERNMENT AND REGULATORS

We engage with government and the relevant regulators case-by-case and participate in industry engagements on matters concerning the sectors in which we operate.

Material stakeholder conversations and our response

Compliance and reporting

Aveng complies with health, safety and environmental regulations. The Group is tax compliant. We fulfil the requirements of relevant industry charters.

Engagement on matters of importance to our sectors

Aveng participates in industry discussions on matters concerning our operational sectors.

TRADE UNIONS

We engage with the relevant trade unions in the jurisdictions **in which we operate** through formal union leadership structures, onsite formal and informal engagement meetings and workplace forum meetings.

Material stakeholder conversations and our response

Employee relations

Aveng is committed to respecting fundamental labour rights and constructive employee relations. We align with core conventions of the International Labour Organisation and internationally accepted UN frameworks and comply with relevant local legislation in the countries where we operate. Our organisation respects the right to freedom of association and collective bargaining, supports trade union engagement, standards on working hours and the health and safety of employees.

Despite difficult economic and trading conditions, Moolmans maintained a sound employee relations environment across South African operations, with limited work stoppages. Certain mining projects in South Africa required the restructuring of some operations, however, healthy engagement with employee representatives and other regulatory bodies ensured operational continuity.

In Australia, sweeping changes to industrial relations legislation were implemented during the reporting period, with limited impact on productivity.

Matters of mutual interest

Aveng engages regularly with employees and unions to discuss matters of mutual interest, such as difficult economic conditions, compliance with applicable legislation or codes and adoption of best practices.

Step 2 — Evaluate the importance of matters identified

Risks or opportunities specific to the operations are monitored and managed under eight categories, namely:

Risk categories

- Safety, health, environment and quality
- Strategic
- Operational
- Financial
- Human capital
- Information technology and innovation
- Legal, regulatory and compliance
- ESG

These are evaluated annually and assigned risk levels based on their potential impact on Aveng and likelihood of occurrence. Risk appetite and tolerance levels are established to achieve strategic outcomes and ensure that the Group's business is conducted within predetermined risk thresholds.

Step 3 — **Prioritise material matters**

Our top material matters derived from our risk and opportunity management process, stakeholder engagement and external environment reviews are:

Material matter and residual risk rating	Our treatment and control actions in 2024
Cash flow and liquidity management Aveng depends on a sound, sustainable balance sheet, with manageable levels of debt, to implement projects and fund its long-term sustainable growth strategy. **Stakeholders impacted** Clients; subcontractors and other suppliers; shareholders and financial institutions	• Improved profitability, strong cash generation and debt repayment strengthened the balance sheet. • Operating earnings before capital items of A$34.5 million (2023: A$86.8 million loss). • Operating free cashflow of A$97.9 million (2023: outflow of A$62.7 million). • Net cash balance of A$173.7 million (2023: R108.4 million) after settling A$23.1 million of term debt facility. • Continued review and management of underperforming projects.
McConnell Dowell operational performance Aveng's vision of being an international engineering-led contractor is premised on growth-oriented businesses that are profitable, cash generative, and capable of implementing projects in line with the Group's profit margin expectations. **Stakeholders impacted** Clients; shareholders and financial institutions; subcontractors and other suppliers	• Residual risk directly correlated to operational performance and reduces as project performance improves. • Stronger risk governance and management through tender and project lifecycle contributing to margin improvement trend. • Significant executive management attention applied to derisking underperforming projects. • Strong performance by post-COVID projects supported by risk management interventions and easing of cost escalation pressures. • Aligned to growing defence, energy, water, marine and resource sector opportunities. • 96% of McConnell Dowell's projects profitable at year end. • Gross margin: 6.0% (2023:1.3%); operating earnings margin: 2.4% (2023: 2.5% loss).
Moolmans operational performance Aveng's vision of being an international engineering-led contractor is premised on growth-oriented businesses that can execute projects in line with the Group's operating earnings expectations and are profitable and cash generating. Moolmans operates primarily in South Africa where the significant challenges its clients face relating to road and rail infrastructure, ports, electricity and logistics have a direct impact on its operations and work in hand. **Stakeholders impacted** Clients; shareholders and financial institutions; subcontractors and other suppliers	• New executive management implementing consolidation and reset of operational strategy. • Equipment renewal and optimisation programme continues to improve fleet reliability and availability. • Stronger risk governance and management through tender and project lifecycle. • Significant executive and segment management attention applied to derisking underperforming projects. • Pursuing opportunities to diversify the client, commodity and geographic focus in the SADC region. • Gross margin: 5.8% (2023: 3.5%); operating earnings margin: 0.7% (2023: 4.0% loss).
Work in hand – New risk Aveng's operations depend on strong current and future order books to sustain their businesses and achieve strategic goals. Securing the right projects that are aligned with strategic and financial targets, and limiting the cost of tendering, is challenging in an economically constrained and competitive operating environment. This is reflected in lower levels of work secured across the *Infrastructure* and *Mining* segments for 2025. **Stakeholders impacted** Employees; clients; subcontractors and other suppliers	• McConnell Dowell tendering activity focused on niche sectors where its operations have a competitive advantage to strengthen the project winning rate and mitigate unproductive tendering costs. • Built Environs is aligned to projects in health, education and recreation sectors. • Moolmans is targeting repeat work with existing clients to leverage client relationships and mitigate new client risk.
Availability of operational human resources Effective project implementation is reliant on adequate availability of the right leadership or labour resources. In Australia, low unemployment and a competitive labour market impact the availability and cost of human resources. In South Africa, the remote nature of mining sites limits skills availability. **Stakeholders impacted** Employees; clients; subcontractors and other suppliers	• All new Aveng Group Exco appointees internally recruited. • Several senior leadership appointments in the *Infrastructure* and *Mining* segments. • Active internal and external recruitment underway for a small number of roles. • Actions to mitigate skills shortages include training and incentivisation to drive targeted performance and talent retention.

Aveng lowered the risk rating of the following material matters reported in the 2023 integrated report because the risks reduced or were mitigated during the year. These remain in the Group's top material matters and are closely monitored by management:

Availability of operational resources related to cost inflation and supply chain disruption, IT infrastructure and cybersecurity, safety, health and environment compliance and incidents.

Legend

Extremely high potential impact Risks addressed as a priority due to high exposure.	Very high potential impact Risks that cause management concern and are actively managed and mitigated.	High potential impact Risks that cause management concern and are actively managed and mitigated.	Moderate potential impact Risks that require attention but are not an immediate cause for concern.	Unchanged risk trend Reducing risk trend Increasing risk trend

STRATEGY

Aveng reviews its strategy regularly to ensure it remains relevant and responsive to changes in the Group's external environment.

In November 2023, Aveng announced a significant change in operating model and executive management, to take effect in March 2024. This included the appointment of McConnell Dowell CEO Scott Cummins as Aveng Group CEO, the culmination of a long-standing internal succession plan, as well as the relocation of Adrian Macartney as CFO to Australia and the appointment of a new Aveng executive committee, consisting of functional leaders of Operations, Commercial, Engineering, People and Strategy.

These changes were further augmented by executive leadership succession in Moolmans and McConnell Dowell Australia.

A segment repositioning was also completed, with the business now reporting in three segments: *Infrastructure* (McConnell Dowell), *Building* (Built Environs) and *Mining* (Moolmans). The McConnell Dowell business comprises three business units (Australia, New Zealand and Pacific Islands and Southeast Asia).

This new operating model enabled the achievement of synergies across corporate functions, including consolidation of the Moolmans and Aveng offices in Johannesburg and the simplification of the Moolmans and McConnell Dowell Corporate subsidiary Board structures, resulting in a reduction in overhead costs.

Distinct brands, different markets, requiring different capital and capabilities, and with limited strategic synergies.

These changes were a precursor to further strategic review of the corporate structure, which was announced in August 2024. The purpose of the strategic review was to assess a range of potential options for Aveng's platform, with the aim of strengthening and enhancing its businesses to perform well and operate sustainably into the future.

Specifically, the review concluded that Aveng's two operating businesses, McConnell Dowell and Moolmans have distinctly different business characteristics and value propositions and as a result should pursue independent and separate operating and growth strategies, allowing each business to independently access appropriate pools of capital to better support their investment requirements for long-term sustainable profitable growth.

Accordingly, Aveng advised of its intent to pursue, through a combination of transactions, the creation of two independent and separate entities:

- McConnell Dowell (including Built Environs): a leading engineering-led construction and building contractor delivering infrastructure across a diverse range of end markets; and
- Moolmans, a tier 1 contract mining business operating in sub-Saharan Africa.

In the case of McConnell Dowell, this will involve exploring a potential listing on the Australian Securities Exchange (ASX) and Johannesburg Stock Exchange (JSE). In the case of Moolmans, this will involve exploring alternative ownership options and potentially introducing BBBEE capital.

Aveng has appointed advisers, including Macquarie Capital, to assist with the implementation process.

While it signals significant change, this strategic review is not envisaged to impact ongoing operations - the quality of Aveng's client base and operations is a key value driver for the Company.

For McConnell Dowell, encompassing both the *Infrastructure* and *Building* segments of the Aveng business, the "Horizon 2030" strategic plan remains the key enabler of profitable and sustainable growth moving forward.

Infrastructure and Building
Horizon 2030 was developed having regard to global mega trends, including transitioning energy, coastal protection, water security, defence self-reliance and emerging resource bases, along with ongoing urbanisation and the need for social infrastructure (including health, education and recreation). Those mega trends have proven prescient, with building and infrastructure construction opportunities increasingly emerging in areas in which the business has been building its brand, reputation, capability and track record. The portion of McConnell Dowell's project portfolio in Horizon 2030 strategic specialist categories has increased sharply in recent years. This intentional strategic positioning augers well for the business in an environment of increasing uncertainty around public sector transport infrastructure expenditure in key markets. The improvement in the quality of earnings resulting from a deliberate pursuit of higher margin specialist self-perform opportunities is also increasingly evident in the portfolio.

Mining
Moolmans' strategic focus is also unchanged, notwithstanding the potential for alternative ownership in the future. The immediate term focus of the leadership team is to enhance operational efficiencies through strategic capital investments, mine planning and fleet optimisation, and to secure additional contract opportunities with existing customers. Longer term, the team is also focused on diversification of the business across geographic, commodity and currency lines. Opportunities are being assessed in Namibia, Zimbabwe and Malawi in addition to organic and inorganic expansion in South Africa.

Kidston pumped storage hydro project in Queensland, Australia, converted a disused gold mine into a pumped storage hydroelectric power generation facility.

PERFORMANCE

Tshipi open pit manganese mine, Moolmans, Northern Cape, South Africa.


CATERPILLAR
322
334

GROUP CHAIR'S REVIEW

Overview

Aveng restored sound financial performance and a healthier financial base during the year to 30 June 2024. The Group's return to profitability builds on historic strategic gains and marks the start of a new strategic direction under a revitalised leadership team.

McConnell Dowell, Built Environs and Moolmans all achieved profitability in complex operating environments. The inflationary pressures associated with the COVID-19 pandemic and global geopolitical crises eased during the year but remain a factor for projects awarded before COVID-19 that are nearing completion. The operations were impacted by competition for work and talent, and they continue to navigate other risks unique to their geographic environments.

As the primary driver of the Group's financial performance, the *Infrastructure* segment, which comprises McConnell Dowell, is experiencing a softening in the transport infrastructure sector, mitigated by increasing investment in the energy transition, water and wastewater, marine, resources and defence sectors. The *Building* segment, which comprises Built Environs, is capitalising on growing demand for social infrastructure in the health, education and recreation sectors.

Our *Mining* operations, comprising Moolmans in South Africa, continue to be impacted by dysfunctional state-owned rail, port and power infrastructure which disrupts operations and disables our clients' trading and export logistics. The newly established Government of National Unity has defined a clearer path to socio-economic recovery in South Africa. This forward momentum is supported by Operation Vulindlela, a government programme to address the constraints experienced by industries that drive economic growth. The programme is broadly supported and indicates a willingness within the public sector to collaborate with, and draw on, the investment and implementation capabilities of the private sector.

The executive and operational leadership in the *Infrastructure* and *Building* segments strengthened tendering and risk management processes across their portfolios. This, combined with the easing of cost escalation pressures and the completion of pre-COVID-19 projects, positions the Group to achieve its operating margin aspiration of 3% by 2026. The operational leadership in the *Mining* segment continues to focus on consolidating its performance with improved operational performance, cash generation and repeat work with existing clients.

Review of the Group CEO's report.

Review of the Group FD's report.

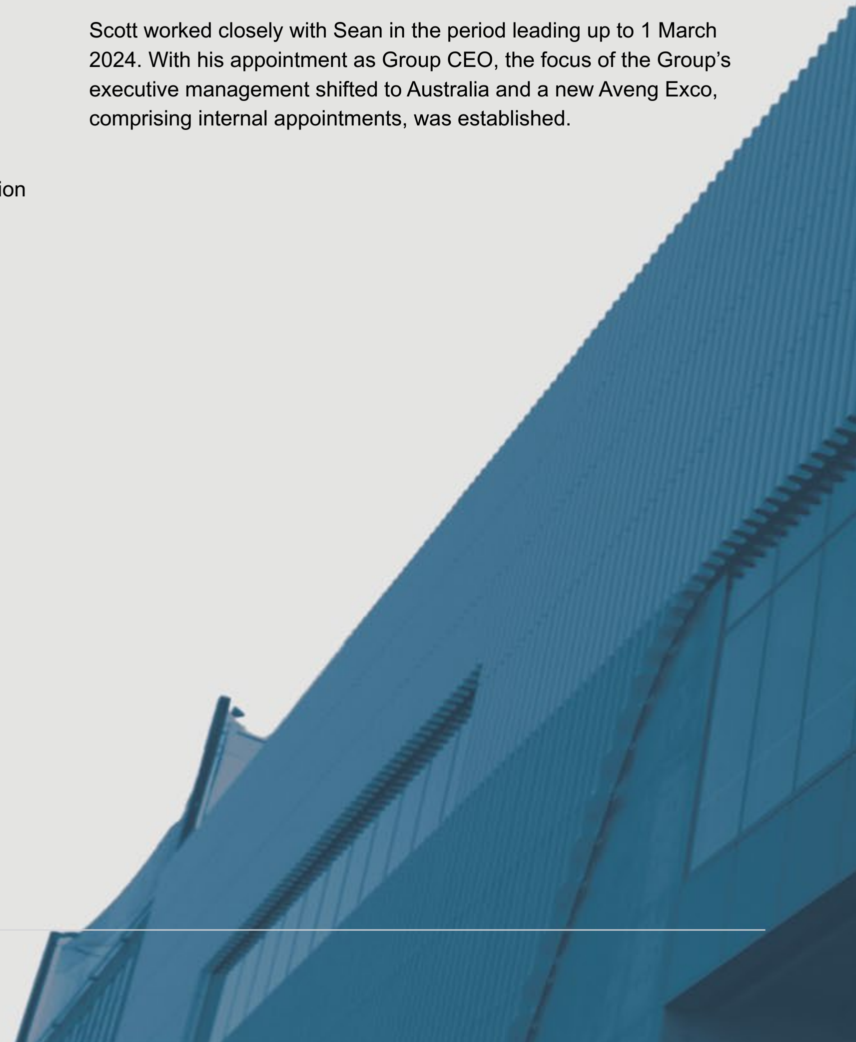
The Board's key focus areas

Implementing a succession plan for executive management roles to ensure adequate leadership capacity and capability to drive the growth strategy in complex external environments.

The Board's focus on building a new leadership team culminated in the retirement of Sean Flanagan with effect from 1 March 2024 and the appointment of Scott Cummins, CEO of McConnell Dowell, as Group CEO. This leadership transition concluded a long-term succession plan put in place after Sean moved from an independent non-executive director role to the Group CEO role in 2019. Sean's primary focus at that time was to deliver the strategy of disposing of non-core businesses, turning around the core businesses of McConnell Dowell and Moolmans, settling the legacy debt and derisking the balance sheet.

With these tasks largely complete, Aveng turned to its next phase of achieving sustainably profitable growth over the coming years, and the Board determined that the time was right to implement the planned succession of an internally appointed CEO. Scott has been CEO of McConnell Dowell, and a member of the Aveng Exco, since joining the business in 2015. Scott is a civil engineer with extensive experience as a contractor in engineering and construction, oil and gas and infrastructure industries and he has held global and regional executive roles in Australia, Asia, the Middle East and Europe. Scott has been instrumental in leading McConnell Dowell through a major strategic and operational change during this time, including turning the business around, closing out legacy matters and significantly growing the business from its contracted size. He is well regarded in the industry and has served as the Vice President of the Australian Constructors Association.

Scott worked closely with Sean in the period leading up to 1 March 2024. With his appointment as Group CEO, the focus of the Group's executive management shifted to Australia and a new Aveng Exco, comprising internal appointments, was established.



"The Board focused on matters that enable growth in stakeholder value. We oversaw a smooth executive leadership transition, provided strategic direction and monitored operational performance as the foundation of consistent, profitable longer-term growth.

In 2025, the Board will continue to oversee, among other matters, effective implementation of the new corporate strategy and operational performance."

Philip Hourquebie | *Independent non-executive chair*

GROUP CHAIR'S REVIEW *CONTINUED*

Providing strategic direction and monitoring the renewal of Aveng's corporate strategy to underpin future growth.

Following Scott's appointment, the Board directed management to conduct a detailed review of the Group's corporate strategy. The objective of the review was to explore options available to Aveng and its subsidiaries to enhance stakeholder value and optimise shareholder value by ensuring that the value of Aveng's assets is fully recognised.

Noting that McConnell Dowell and Moolmans have distinctly different business characteristics and value propositions – and are at different stages of strategy implementation – the review concluded that they should pursue independent and separate operating and growth strategies, as detailed in the strategy report on page 24.

The Board is mindful of its commitments to stakeholders through this process and intends to support and enhance the prospects of McConnell Dowell and Moolmans for the benefit of all stakeholders, including clients, suppliers, employees and shareholders, by enabling the two entities to access the most attractive capital to pursue their separate strategies.

We intend to keep shareholders informed of material developments as appropriate.

Strategy report.

Maintaining our commitment to ethical leadership and responsible conduct.

Governance

As a purposeful and values-driven organisation, Aveng conducts its business operations and activities in a responsible and ethical manner. The Board embraces the principles of good governance – transparency, integrity, accountability and fairness – and is committed to the highest standards of governance as recommended by King IV.

In accordance with our value of honesty and integrity, we do what is right – consistently and transparently, recognising that sound governance supports the business strategy, builds trust and contributes to the creation and preservation of value for stakeholders.

Composition of the Board and Board committees

The Board demonstrates its commitment to effective leadership by representing appropriate independence and a balance of relevant skills, experience, race and gender.

Having completed our Board refresh programme to replace directors who had served on the Board for more than 10 years, we turned our focus to the composition of executive directors and normal succession planning for non-executive directors.

To facilitate a smooth executive leadership transition, Scott joined the Aveng Board as an executive director from 22 November 2023. Sean Flanagan returned to his role as non-executive director from 1 March 2024 and serves as a member of the risk committee, the safety, health and environment committee and the tender risk subcommittee. Adrian Macartney, the Group FD and chief financial officer, continues to provide continuity to executive management and the Board.

The Board is satisfied that our executive and operational leadership teams are adequately equipped with strong skills and experience. Executive and senior leadership appointments from within the Group demonstrate that our talent management and succession planning programmes are building bench strength.

Board effectiveness review

An external independent review of the effectiveness of the Board, the Board chair and its committees was conducted in August 2024. The main outcome of the review was related to Board succession planning aligned with the new corporate strategy. During 2025, the Board will review its composition and succession plan to ensure that it is adequately equipped to provide strategic direction as the Group implements its longer-term growth strategy.

Long-tenure non-executive directors (with over nine years of service) are required to undergo an independence self-assessment and an assessment by the remuneration and nomination committee. I reached nine years of service in July 2024 and underwent an independence assessment. After rigorous testing, I was deemed by the Board to be independent.

Governance report.

Remuneration

The Board, assisted by the remuneration and nomination committee, conducted an extensive review of Aveng's remuneration policy and practices. As a result, the policy has been adapted to align with the refreshed strategy and the new organisational structure, and to ensure that it is market-based, fair and internationally competitive. Our reward schemes are designed to clearly align executives with our strategic objectives and shareholders' expectations. We will present a new policy and employee share trust proposal to shareholders for approval at the 2024 annual general meeting.

Remuneration report.

Sustainability

Aveng is committed to fulfilling its purpose of providing a better life for all stakeholders through our values-driven approach and our focus on sustainability.

The Board and its committees maintain strong oversight of the progressive implementation of the Group's ESG framework, while ensuring that the well-established existing management systems and practices continue to underpin our commitment to ethical leadership and responsible conduct.

I am pleased to report that the Group maintained its goal of zero fatalities and achieved satisfactory performances in the majority of the indicators we measure. However, our lost-time injury frequency rate deteriorated during the year. This was largely a consequence of increased project activity at McConnell Dowell and an increase in new employees and subcontractors. While the Group has a sound safety culture, it takes time to instil the culture in new employees and subcontractors. During this period, we experienced an increase in lost-time injuries, none of which resulted in permanent disabilities.

We remain focused on the practices that support sound safety culture and performance, including:

- Identifying and adequately mitigating or eliminating safety and health risks;
- Paying close attention to high potential incidents to identify and address gaps in our understanding of the main causes of safety incidents;
- Maintaining the positive trend in management visibility and employee engagement at project sites;
- Ensuring sound project and subcontractor selection; and
- Maintaining safe work systems and adequately trained people who are fit to work in a manner that protects the safety and health of themselves and others.

Our operations and project teams co-exist with communities and conduct their work in natural environments. They improve social and economic infrastructure, create jobs and support small businesses and vulnerable communities. But the industries in which they operate have profound impacts on society and natural environments and these impacts shape our responses to social and environmental risk. Many of our sustainability practices are governed by our clients and commercial arrangements but we are consistent in our approach to working collaboratively with clients and communities to achieve our project outcomes sustainably.

Aveng 2024 sustainability report, **www.aveng.co.za**

Acknowledgement

The 2024 financial year has been a year of transition for Aveng. The Group's return to profitability and cash generation was achieved during a period of leadership and organisational change that, for many, compounded the challenges in our external operating environments.

On behalf of the Board, I thank Sean for his immense contribution to Aveng over a number of challenging years. We are delighted that he has remained on the Board in a non-executive capacity.

I take this opportunity to congratulate Scott on his appointment and wish him well in his new role. I thank Adrian for moving with his family to Melbourne where he works directly with Scott and the leadership teams to bring the longer-term strategy to fruition. I would also like to acknowledge the role played by all Aveng employees in the Group's performance across a range of financial and non-financial measures.

On behalf of the Group, I thank our loyal clients, subcontractors, other suppliers and our shareholders. We value our partnerships with all of our stakeholders who work with us to create mutually beneficial outcomes and remind us of when we need to work harder to fulfil our purpose of providing a better life.

I am grateful to my colleagues on the Board and its committees for their individual and collective roles in ensuring that we keep the Group focused on building a sustainable future.

Outlook report.

Philip Hourquebie
Independent non-executive chair

GROUP CHIEF EXECUTIVE OFFICER'S REVIEW

Overview

After six months as CEO, I am pleased to report that the improvement in our financial results is underpinned by strong operational performance delivered by a strategically aligned and engaged workforce. Our organisational redesign has enhanced the efficiency of our operations and the effectiveness of our decision-making.

An important feature of our performance is the tangibly positive impact of robust risk management measures implemented over the past 18 months. These have enhanced the balance between opportunity and risk, improving the quality of work in hand and contributing to an upward trend in the Group's overall profit margin.

We have determined our strategic direction to enhance the sustainability of our businesses and value for our stakeholders. Our strategy to implement separate and independent operating and growth strategies for McConnell Dowell and Moolmans is in progress.

> We have improved the quality of work in hand and the embedded margin is expected to increase further as pre-COVID projects are concluded and cost escalation pressures ease.

The Group continues to win work within its specialist disciplines, with a focus on quality infrastructure, building and mining projects which are expected to contribute positively to operating margins. As a result, the Group enters FY25 in a strong position, with combined work in hand amounting to A$3.1 billion. While this is lower than the record high work in hand of A$4.2 billion in June 2023, we have strong visible opportunity pipelines.

As expected, work in hand in the *Infrastructure* segment has reduced, reflecting the timing of larger infrastructure project awards, particularly for government funded projects. Tendering activity in the second half returned to required levels in support of future revenue projections at expected margins. Work in hand in the *Building* segment has come off peak levels and remains at comfortable levels to maintain similar revenue going forward. The *Mining* segment is currently focused on opportunities to improve volumes and extend contracts with existing clients.

> The positive impact of our risk management processes is evident across the project portfolio.

In addition to the measures we introduced to address cost escalation risk primarily on projects awarded pre-COVID, we have improved tender preparation, review processes and project reviews. Specific proactive attention is provided by the PMO professionals through the tender and project lifecycle. This has improved the balance between risk and opportunity across the project portfolio, and increased project-specific contingencies and risk mitigation strategies that are now delivering opportunity. As a consequence, the Group's overall profit margin is trending upwards towards our expectations.

We continue to actively manage the remaining construction legacy matters. Lower guarantee exposures and the closing out of project related liabilities, contractual disputes and claims have reduced legacy risk.

Operational performance

> While all three operating segments were profitable, the growth in operating earnings was driven primarily by the *Infrastructure* and *Building* segments.

Infrastructure

The *Infrastructure* segment, which comprises McConnell Dowell, contributed 78% of Group revenue and produced operating earnings of A$57.4 million (2023: A$49 million loss). Across the portfolio, 96% of projects are profitable.

In **Australia**, which accounts for 78% of segment revenue, a few remaining projects awarded pre-COVID and impacted by hyper-cost escalation did not contribute to margin but are nearing completion. Significantly, projects awarded post-COVID that implemented measures to mitigate cost escalation risk, are performing well and at higher operating margins. The overall margin of the Australia project portfolio is expected to improve as the pre-COVID projects are completed.

New Zealand and Pacific Islands (13% of segment revenue) maintained its track record of consistent operational excellence, delivering consecutive years of performance that exceeds the business plan.

After a period of limited tendering due to COVID restrictions, we curtailed losses associated with the BLNG project and reported a moderate loss in line with the business plan in **Southeast Asia** (6% of segment revenue). We secured new work aligned to our distinct strategy in the region to focus on marine projects in Indonesia and Singapore.

The segment's work in hand is dominated by Australia but evenly spread between construction only, design and construct and relationship-type projects. We plan to retain this risk-mitigating distribution going forward.

"Aveng demonstrated its resilience by growing revenue and profit, generating more cash and strengthening the balance sheet during the year to 30 June 2024.

We enter the new financial year with a strong revenue platform, quality opportunities in our selected markets and a new strategic direction that supports sustainable long-term growth and value creation."

Scott Cummins | *Group chief executive officer*

GROUP CHIEF EXECUTIVE OFFICER'S REVIEW *CONTINUED*

Building

The *Building* segment, which comprises Built Environs, reported an 83% increase in revenue to A$419 million, compared to A$229 million in the prior year. Built Environs now contributes 13% of Group revenue as a result of a significant increase in revenue in line with the segment's growth agenda.

The business is now operating at scale in South Australia, Victoria in Australia and in Auckland in New Zealand. Across the portfolio, 100% of projects are profitable. Operating earnings increased to A$8.6 million (2023: A$0.1 million) and exceeded expectations due to good project execution across all areas of the business. The operating margin is in line with industry peers. Built Environs' operations are all operating well across their transferable skills in health, education and recreation.

Mining

Moolmans contributed 9% of Group revenue and generated operating earnings of A$2.0 million (R24.5 million) in 2024 (2023: A$9.6 million (R110 million) loss). Moolmans' positive results were achieved despite the scaling down of two projects due to power and transport infrastructure constraints in South Africa.

The Gamsberg contract is performing well, with production volumes ahead of plan. The Tshipi contract delivered improved volumes over the course of the year but the margin remains under pressure. We continue to work collaboratively with our client on optimising the mine planning required to improve overall performance on the contract.

Moolmans' new managing director and his team are implementing a consolidation and reset operational strategy. In the months ahead, Moolmans will launch a brand renewal to convey its brand essence and value proposition.

Work in hand was R5.3 billion at 30 June 2024. Discussions are underway with existing clients to increase volumes and improve profitability during FY25.

Aveng Legacy

Aveng continues to wind down and derisk legacy matters. This relates primarily to Aveng Africa Proprietary Limited. The business unit recorded an operating loss of R61 million (A$5.0 million) (2023: R59 million (A$4.9 million)) and cash outflow of R115 million (A$9.4 million) (2023: R68 million (A$5.6 million)). The South African performance guarantee exposure decreased to R66 million (A$5.4 million) compared to R82 million (A$6.6 million) in the prior year. Subsequent to the year end, the performance guarantee exposure reduced further to R50 million.

Implementing organisational change

Following the successful completion of the strategy to derisk Aveng's balance sheet and restore profitability, we are now able to focus fully on the Group's next strategic phase.

An efficient structure with effective leadership

We enter this new phase a leaner, more agile organisation. The leadership transition and organisational structural change is complete. Our Aveng Exco is located in Australia, close to the majority of our business activities and is organised as a strong matrix structure that efficiently integrates the former South African and Australian corporate layers. The Aveng Exco represents key functions and leverages existing functional capability and capacity across the Group. Governance and control are located in South Africa where we remain listed on the JSE. An operational committee representing operational and support leadership roles is led by the chief operating officer and reports to the Aveng Exco.

Scott Cummins
Chief executive officer

Adrian Macartney
Finance director and chief financial officer

John Meggitt
Chief commercial officer

Steve Collett
Chief strategy officer
Chief people officer

Dale Morrison
Chief operating officer

James Glastonbury
Chief engineering and innovation officer

Information on the strategic review is available in the Group chair's review report.

Information on the strategic review is available in the strategy report.

Making further inroads in the management of ESG impacts

Our ESG practices are governed by policies and internal controls, and are subject to internal and external assurance. They are overseen by the Board and relevant Board committees. We monitor our ESG practices in an effort to align them with best practice.

The Group made considerable progress in implementing the ESG framework during the year. McConnell Dowell and Moolmans both demonstrated sound progress against the majority of their KPIs to reduce the carbon footprint, lower environmental impacts, formalise our social commitments and our duty of care and maintain high levels of regulatory compliance and business conduct. We have also increased our focus on our people, ensuring that our people management practices are strategically aligned and that our people feel engaged, appreciated and excited about the work they do. Our project teams across the Group work with our stakeholders to implement innovative solutions that address their needs and manage the impacts our projects have on surrounding communities and natural environments.

Acknowledgement

Our businesses function in complex and challenging operating environments. In recent years, we have adapted our operations to a period that has spanned a global pandemic, the economic consequences of significant global geopolitical conflicts and the deterioration of public sector service delivery in South Africa. The resilience we have displayed is testimony to many people.

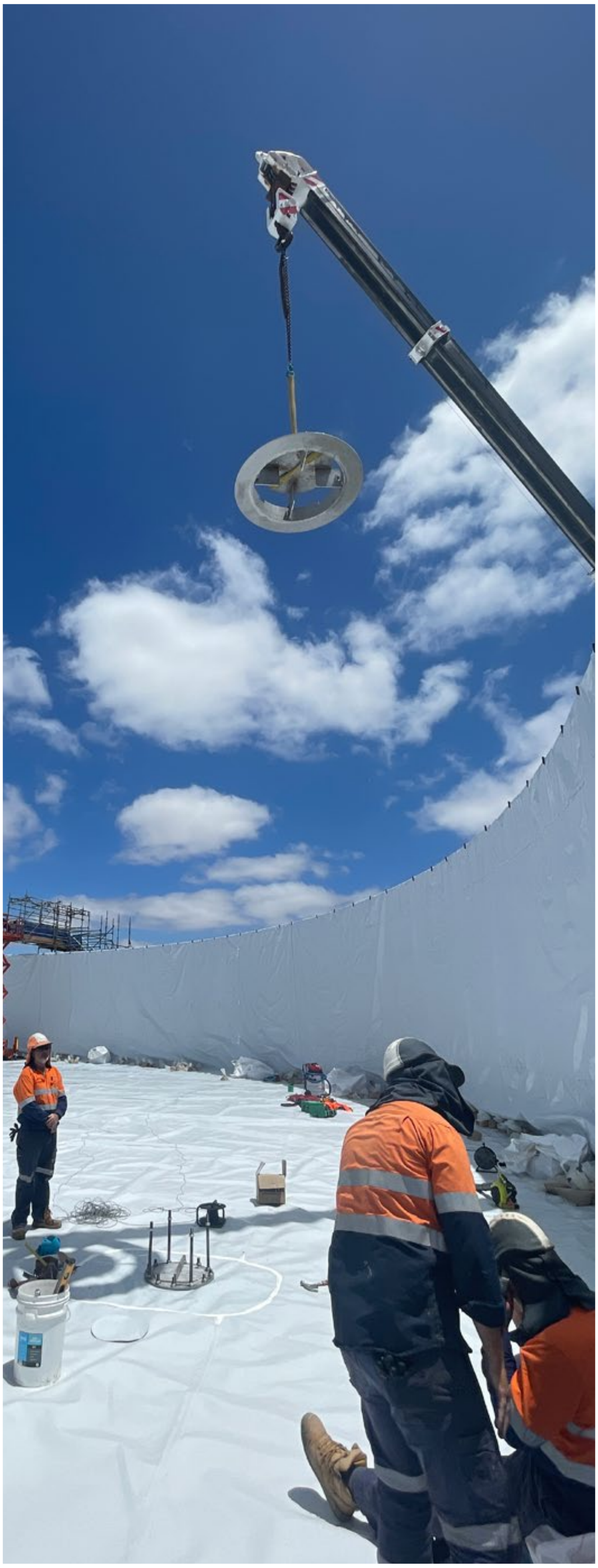
Firstly, on behalf of the Group, I would like to thank Sean Flanagan for his highly valued leadership over the past five years and for the stable foundation he created from which we can take the Group forward. Sean, we wish you the very best in your role as non-executive director of Aveng and look forward to engaging with you as we continue on this path toward sustainable profitable growth.

I would like to recognise our leadership, operational and support teams for their commitment, engagement and hard work. Among our many partnerships, I acknowledge our valued clients and suppliers. And I thank the communities with whom we co-exist when we execute projects.

Finally, I would like to thank the Board for overseeing the ethical governance and effective leadership that enables us to deliver Aveng's strategy.

Outlook report.

Scott Cummins
Group chief executive officer



SA Water Framework project by McConnell Dowell, a long-term partnership with SA Water.

PROVIDING A BETTER LIFE AS WE IMPLEMENT OUR STRATEGY

WORKING IN PARTNERSHIP TO DELIVER MAJOR WATER INFRASTRUCTURE TO COMMUNITIES

Watercare asset renewal programme

Client	Contract	Location	Project capabilities
Watercare	Watercare asset renewal programme	Auckland	Water and wastewater

McConnell Dowell is working with partners to deliver stage one of a decade-long A$3.5 billion programme to renew ageing water and wastewater infrastructure for Watercare, Auckland's largest water utility. The project involves the renewal of pipes and upgrading of pump stations and treatment plants.

During a rigorous three-month selection process, McConnell Dowell's specialist water and wastewater capabilities and its demonstrated commitment to health and safety, carbon reduction and operational efficiency proved to be competitive advantages.

The asset renewal programme will result in fewer water leaks, water outages and wastewater outflows, providing value for the client and improving service delivery for the 1.7 million people Watercare serves in the Auckland region.

SA Water framework development programme

Client	Contract	Location	Project capabilities
SA Water (a water utility that is wholly owned by the government of South Australia)	Design and construct framework agreement	South Australia	Water and wastewater

The McConnell Dowell Diona joint venture was recently awarded a four-year extension of the SA Water framework contract to 30 June 2028.

The award follows McConnell Dowell's participation as one of three major framework partners who collaboratively delivered the A$1.5 billion 2020 – 2024 capital expenditure programme of SA Water, a utility that supplies water and wastewater to 1.6 million South Australians.

The joint venture delivered the Water North programme consisting of 150 projects to design and construct water and wastewater infrastructure, including pipelines, water storage facilities, treatment plants and mechanical and electrical upgrades. The projects provided community-based solutions to improve the reliability and capacity of water supply across South Australia.

The contract extension enhances our collaboration with SA Water as we work further upstream in the programme lifecycle, providing long-term value for SA Water and the South Australian community.

DELIVERING COMPLEX CITY-DEFINING TRANSPORT INFRASTRUCTURE

New Bridgewater Bridge project

Client	Contract	Location	Project capabilities
Tasmanian Department of State Growth	Design and construct	Hobart, Tasmania	Transport infrastructure

McConnell Dowell is delivering the new Bridgewater Bridge, Tasmania's largest current civil infrastructure project and the longest road bridge over water in Australia. The iconic new bridge is replacing a lift span bridge with a modern structure spanning 1km over the Derwent River.

The project showcases McConnell Dowell's expertise in marine construction, innovative design and community engagement. The design features a new four lane bridge downstream of the existing crossing, enhanced interchanges at either end and a dedicated pathway for cyclists and pedestrians.

The new bridge will benefit approximately 22 000 people daily, improving safety, connecting communities and creating more open spaces. Participation by local constructors will improve the economic benefit to Tasmania.

Tram Grade Separation projects

Client	Contract	Location	Project capabilities
Department for Infrastructure and Transport	Alliance	Adelaide, South Australia	Complex transport infrastructure

McConnell Dowell's participation in the alliance contract to remove multiple level crossings along the Glenelg tram line is another example of its complex transport infrastructure capability. The project forms part of the A$850 million Broader Network Upgrade package of works for the North-South T2D project.

More than 75 000 motorists pass through the two affected level crossings daily and experience significant congestion when booms are in place to allow trams to pass through, particularly during morning and afternoon peak times.

Removing the level crossings will benefit commuters by reducing travel times for motorists, buses, freight and airport traffic, while improving safety for local residents, motorists, pedestrians, cyclists and tram drivers.

PROVIDING A BETTER LIFE AS WE IMPLEMENT OUR STRATEGY
CONTINUED

ENRICHING COMMUNITIES WITH INNOVATIVE AND TRANSFORMATIVE PROJECTS

Modbury hospital mental health precinct expansion project

Client	Contract	Location	Project capabilities
Government of South Australia (SA Health)	Construction	Adelaide, South Australia	Construction (healthcare)

Having delivered the complex Modbury Hospital upgrade in South Australia, Built Environs is now the managing contractor for the Modbury Hospital Mental Health Precinct expansion project.

Located in Adelaide's North-East, the project includes a 24-bed mental health rehabilitation unit, a 20-bed older persons' mental health unit and a cancer centre. There is also an elevated link to the existing hospital and a multi-storey car park.

The Modbury Hospital projects further enhance the successful track record Built Environs has established in other significant healthcare projects such as the **Queen Elizabeth Hospital redevelopment** in South Australia and the **Manukau Health Hub** in South Auckland. Our healthcare capability also contributed to the award of the **Victorian Institute of Forensic Medicine capital works upgrade** in Melbourne.

Built Environs' healthcare projects often occur in live hospital or forensic environments, increasing their complexity. The projects improve the experience of patients and staff.

LEVERAGING SYNERGIES TO DELIVER SAFE, INNOVATIVE AND SUSTAINABLE SOLUTIONS

McConnell Dowell and Built Environs are demonstrating how diverse parts of the Group with capabilities in infrastructure development, design and construction can join forces to deliver safe, innovative and sustainable transport and healthcare assets.

The businesses are working in partnership on a range of projects, delivering value to their clients and the surrounding communities. Their partnership projects include:

Transport infrastructure

As part of the Western Programme Alliance's Level Crossing Removal Project, McConnell Dowell and Built Environs collaborated on the Mt Derrimut and Narre Warren railway station projects. Both projects developed innovative solutions in response to the challenges of working in proximity to live rail and mitigating environmental and social impacts.

McConnell Dowell and Built Environs established a joint venture to deliver the East Airfield Building Relocation project for the Auckland International Airport. Set within the airport, the project posed significant challenges due to its high-risk environment and the need to coordinate with multiple stakeholders. It was a critical component of the airport's 30-year Terminal Development Plan, where any delays could have had significant repercussions.

Healthcare infrastructure

The businesses worked together on the Auckland City Hospital central plant and tunnel project. The multidisciplinary project combined civil engineering, tunnelling, building and services components.

SUPPORTING SOUTH AFRICA'S LARGEST MANGANESE EXPORTER

Tshipi Borwa open cut mine

Client	Contract	Location	Project capabilities
Tshipi é Ntle	Open cut mining services	Northern Cape, South Africa	Open cut mining

Moolmans was awarded an initial five-year contract in 2012 to establish open cut mining operations for overburden and manganese ore at the Tshipi Borwa mine. Services included bush clearing, topsoil stripping, drilling and blasting, loading and haul of ore and waste.

When manganese prices fell in 2016, the contract scope was reduced but Moolmans resumed full mining services when the market recovered.

In January 2023, Moolmans negotiated a new five-year contract to mine 1,6 million bank cubic metres (BCMs) per annum, enabling the business to continue supporting South Africa's biggest manganese exporter and providing employment to the local community.

GROUP FINANCE DIRECTOR AND CFO'S REPORT

Overview

Aveng demonstrated the core strength of its three businesses by returning from a loss in the prior year to full-year earnings for the period to 30 June 2024. The Group's full-year performance built on the improved operating earnings of the first half of the year.

Revenue (27%)
A$3.1 billion
(R37.5 billion)

Operating earnings before capital items (>100%)
A$34.5 million
(R424 million)

Headline earnings (>100%)
A$38.0 million
(R466 million)

Headline earnings per share (>100%)
A$29.6 cents
(364 cents (Rands))

Net cash (60%)
A$173.7 million

Work in hand ((27)%)
A$3.1 billion
(R37.2 billion) with higher embedded margin

Following the disposal of the last remaining non-core business in the prior year, Aveng has evolved into a business with three operating segments, *Infrastructure*, *Building* and *Mining*, with 91% of its revenue sourced outside South Africa.

Demonstrating its resilience, the Group reported an increase in revenue from continuing operations of 27% to A$3.1 billion (2023: A$2.4 billion), with a corresponding improvement of over 100% in its operating earnings before capital items to A$34.5 million (2023: A$86.8 million loss). All three operating segments were profitable.

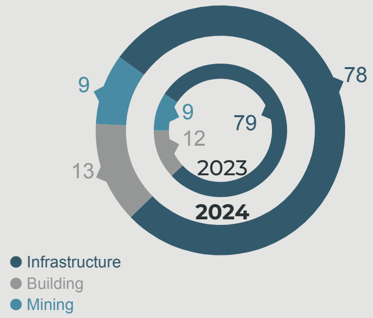
The gross margin was 5.7% compared to 1.6% (5.9% excluding BLNG) in the prior year which reflected the impact of the Batangas LNG Terminal (BLNG) project loss of A$104 million in the prior year. The gross margin is expected to increase as projects awarded pre-COVID are completed and hyper-cost escalation pressures ease.

The Group ended the year with a cash balance of A$227.7 million (2023: A$189.7 million) after settling A$23.1 million of the term debt facility, and a net cash position of A$173.7 million (30 June 2023: A$108.4 million). A$76.5 million (2023: A$79.4 million) is held in joint arrangements.

The return to profitability, combined with robust cash generation and the repayment of debt, strengthened the Group's financial position.

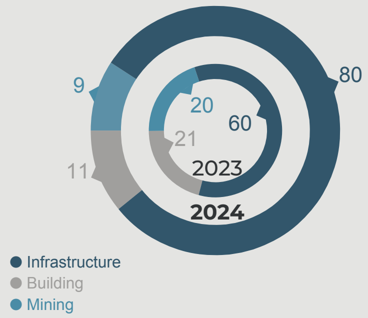
External revenue per operating group (%)

June **2024** – A$3.1 million
June 2023 – A$2.4 million



Gross margin per operating group (%)

June **2024** – A$175.6 million
June 2023 – A$38.8 million



"Our commitment to ensuring the success of our three businesses, McConnell Dowell, Built Environs and Moolmans, remains unwavering and in line with the objective of ensuring a sustainable future for all three businesses."

Adrian Macartney | *Group finance director and chief financial officer*

GROUP FINANCE DIRECTOR AND CFO'S REPORT *CONTINUED*

Change in reportable segments

In terms of *IFRS 8 Operating Segments (IFRS 8),* an entity is required to continually monitor its significant judgements and related facts and circumstances to determine whether changes in the identification or aggregation of operating segments and ultimately reportable segments are warranted.

Our commitment to ensuring the success of our three businesses, McConnell Dowell, Built Environs and Moolmans, remains unwavering and in line with the objective of ensuring a sustainable future for all three businesses.

Under the new organisational structure, Aveng segmented its existing businesses in three distinct operating segments under three strong operating brands:

- *Infrastructure* segment, which includes McConnell Dowell, operating in three geographical regions – Australia, New Zealand and Pacific Islands, and Southeast Asia;
- *Building* segment, which includes Built Environs; and
- *Mining* segment which includes Moolmans.

In addition to these segments, Aveng presents the following two reportable segments according to the nature of products and services provided:

- Aveng Legacy; and
- Aveng Corporate and eliminations.

Management believes the new Group structure triggers an updated identification of operating segments in terms of *IFRS 8*.

Change in presentation currency

The Aveng Board bases its performance evaluation and many investment decisions on Australian Dollar financial information, being the predominant transactional currency of the Group. The Board believes that Australian Dollar financial reporting provides a more relevant presentation of the Group's financial position, funding and treasury functions, financial performance and its cash flows.

Based on the above, Aveng has elected to change its reporting currency from the South African Rand (ZAR) to the Australian Dollar (A$), with such change being implemented for the audited consolidated annual financial statements for the year ended 30 June 2024.

It should be noted that the functional currencies of the Group's underlying businesses remain unchanged. Functional currencies refer to the currencies of the primary economic environments in which underlying businesses operate. Foreign exchange exposures will therefore be unaffected by the change, albeit that the effects of such exposures will be presented in Australian Dollars.

Financial review

We have returned the Group to profitability and positive cash generation.

Aveng reported improved headline earnings of A$38.0 million or A$29.6 cents per share (2023: A$77.7 million loss or A$61.6 cents loss per share).

Earnings for the year attributable to equity holders of the parent amounted to A$25.7 million or A$20.0 cents per share (2023: A$104.0 million loss or A$82.4 cents loss per share). Reported earnings for the year are A$25.7 million (2023: A$104.0 million loss), while normalised earnings increased from a loss of A$82.7 million in the prior year to A$25.3 million earnings.

Operating free cash flow amounted to an inflow of A$97.9 million (2023: outflow of A$1.7 million).

Extract from statement of comprehensive income

Continuing operations	**2024 A$'000**	2023 A$'000	Change A$'000	2023 without impact of BLNG[1] A$'000
Revenue	**3 055 356**	2 405 427	649 929	2 405 427
Gross earnings	**175 563**	38 839	136 724	142 782
Gross margin (%)	**5.7%**	1.6%	4.1%	5.9%
Operating earnings / (loss) before capital items	**34 478**	(86 792)	121 270	17 151
Capital (expenses) / earnings	**(7 305)**	681	(7 986)	681
Operating earnings / (loss) after capital items	**27 173**	(86 111)	113 284	17 832
Net finance expenses	**(11 090)**	(10 335)	(755)	(10 335)
Earnings / (loss) before taxation	**16 083**	(96 446)	112 529	7 497
Taxation	**9 657**	4 681	4 886	4 681
Earnings / (loss) for the year[2]	**25 740**	**(91 765)**	**117 505**	**12 178**

[1] *Non-IFRS measures. Any adjusted information excluding the impact of BLNG contained in this presentation has been prepared for illustrative purposes only and has not been reviewed or reported on by a reporting accountant.*
[2] *Amounts above represent the earnings / (loss) for continuing operations.*

Revenue increased by 27% to A$3.1 billion (R37.5 billion) (2023: A$2.4 billion (R28.9 billion)). Cost escalation on alliance contracts translated into additional revenue at zero margin.

Aveng produced **gross earnings** of A$175.6 million at a gross margin of 5.7% (2023: A$38.8 million at a gross margin of 1.6%), an increase of over 100% compared to the prior year. Gross earnings for the prior year include the Batangas LNG Terminal Project (BLNG project) loss of A$104 million. The Group continues to be impacted by the effects of hyper-escalation on projects awarded pre-COVID but these have been largely ameliorated by the deliberate strategies we adopted to address this risk.

The new organisational structure is yielding overhead savings.

Operating earnings before capital items of A$34.5 million (R424 million) (2023: operating losses of A$86.8 million (R1.1 billion)) were higher across all operating segments:

	2024 A$'000	2023 A$'000	%
Infrastructure	**57 386**	(49 084)	>100
Building	**8 637**	138	>100
Mining	**2 012**	(9 577)	>100
Aveng Legacy	**(5 052)**	(4 894)	(3.2)
Aveng Corporate and eliminations	**(28 505)**	(23 375)	(21.9)
Operating earnings / (loss) – continuing operations	**34 478**	**(86 792)**	**>100**

Excluding the impact of the BLNG loss of A$104 million, the Group recorded operating earnings of A$17.2 million in the prior year. Any adjusted information excluding the impact of BLNG contained in this report has been prepared for illustrative purposes only and has not been reviewed or reported on by a reporting accountant.

Capital expenses amounted to A$7.3 million (R90 million) (2023: capital earnings of A$0.7 million (R9 million) and include the net impact of impairments on plant and equipment in the Mining segment and loss on sale of assets.

Net finance charges increased to A$11.1 million (R136 million) (2023: A$10.3 million (R123 million). Finance earnings of A$11.6 million (R142 million) increased by A$4.9 million (R65 million) in the year due to higher cash balances and deposit interest rates in Australia. Finance expenses of A$22.7 million (R278 million) increased by A$5.7 million (R78 million) as a result of interest paid on the settlement of a claim related to a legacy matter, higher interest rates, working capital requirements in South Africa, transaction costs for facilities, coupled with the introduction of new asset-backed financing for new heavy mining equipment at Moolmans.

Earnings for the year attributable to equity holders of the parent amounted to A$25.7 million or A$20.0 cents per share (2023: A$104.0 million loss) or A$82.4 cents loss per share).

GROUP FINANCE DIRECTOR AND CFO'S REPORT *CONTINUED*

Extract from statement of financial position

Our balance sheet is stronger as a result of improved profitability, strong cash generation and debt repayment.

Assets	**2024 A$'000**	2023 A$'000	Change A$'000
Goodwill arising on consolidation	**7 929**	7 929	–
Property, plant and equipment	**235 688**	236 556	(868)
Right-of-use assets	**58 534**	38 946	19 588
Investments	**11 658**	11 319	339
Deferred taxation	**105 274**	80 164	25 110
Working capital	**581 570**	477 355	104 215
Lease receivables	**31 997**	38 372	(6 375)
Cash and bank balances	**227 678**	189 667	38 011
Other assets	**2 343**	8 420	(6 077)
Total assets	**1 262 671**	1 088 728	173 943

Property, plant and equipment (PPE) decreased by a marginal amount of A$0.9 million to A$235.7 million (2023: A$236.6 million). The continued re-investment in heavy mining equipment in the *Mining* segment and the capitalisation of strategic jack-up barges in the *Infrastructure* segment, was offset by depreciation of A$45.9 million and a A$7.8 million impairment of non-critical, redundant assets in the *Mining* segment.

The Group incurred replacement **capital expenditure** of A$54.0 million (2023: A$62.9 million) and expansionary capital expenditure of A$7.8 million (2023: A$48.9 million). The majority of the amount was spent as follows:

- A$26.7 million in the *Infrastructure* segment, relating mainly to the capitalisation of the strategic jack-up barge with the balance on specific projects across the business units; and
- A$35.1 million (R426 million) in the *Mining* segment, primarily in new capital expenditure of A$7.8 million (R93 million) for the Tshipi project, replacement capital expenditure of A$0.6 million (R7 million) and components on the existing fleet of A$26.7 million (R326 million).

Right-of-use (ROU) assets increased by A$19.6 million to A$58.5 million (2023: A$38.9 million). The increase is largely due to increased equipment rentals in the *Mining* segment (A$19.3 million) and new vehicle replacements and three office lease renewals in the *Infrastructure* segment (A$23.2 million). This is offset by depreciation of A$24.0 million.

Net deferred taxation for the Group increased by A$18.7 million to A$81.4 million (deferred tax asset: A$105.3 million and deferred tax liability: A$23.8 million) (2023: A$62.8 million (deferred tax asset: A$80.2 million and deferred tax liability: A$17.4 million)) due to the recognition of historic tax losses, previously not recognised, mainly in the Aveng Australia closed taxation group. Based on an assessment of future profitability, this tax group is forecast to utilise these tax losses over the next few years.

Net working capital for the Group increased by A$30.0 million to A$109.0 million (2023: A$70.9 million). Major components of net working capital include:

Net working capital	**2024 A$'000**	2023 A$'000	Change A$'000
Inventories	**20 539**	20 875	(336)
Trade and other receivables	**30 498**	34 073	(3 575)
Contract assets	**530 533**	422 407	108 126
Contract liabilities	**(214 957)**	(172 475)	(42 482)
Trade and other payables	**(467 526)**	(375 739)	(91 787)
Net working capital	**(100 913)**	(70 859)	(30 054)

Contract assets for the Group increased by A$108.1 million to A$530.5 million (2023: A$422.4 million) due to increased contract receivables and work in progress, in line with increased activity levels, uncertified revenue and claims comprising timing-related variation orders and contract claims within the *Infrastructure* and *Building* segments.

Contract liabilities increased by A$42.5 million to A$215.0 million (2023: A$172.5 million due to progress billings in the *Infrastructure* and *Building* segments.

Trade and other payables increased by A$91.8 million to A$467.5 million (2023: A$375.7 million) mainly as a result of the timing of *Infrastructure* and *Building* project cost accruals and creditors' invoice payments.

Equity and liabilities	**2024 A$'000**	2023 A$'000	Change A$'000
Deferred taxation	**23 834**	17 390	6 444
External borrowings and liabilities	**54 026**	81 269	(27 243)
Lease liabilities	**103 504**	91 992	11 512
Employee-related payables	**73 875**	58 195	15 680
Working capital	**682 483**	548 214	134 269
Provisions	**37 270**	40 332	(3 062)
Other liabilities	**5 721**	–	5 721
Total liabilities	**980 713**	837 392	143 321
Total equity	**281 958**	251 336	30 622
Total equity and liabilities	**1 262 671**	1 088 728	173 943

External borrowings and other liabilities decreased by A$27.3 million to A$54.0 million from June 2023, primarily due to the full settlement of the term debt facility of A$23.1 million in Australia. New asset-backed financing was entered into to support the continued investment in heavy mining equipment through the fleet renewal programme in the *Mining* segment. Unutilised facilities amounted to A$10.4 million.

Lease liabilities increased by A$11.5 million to A$103.5 million (R1.3 billion) as a result of new mining equipment lease contracts in the *Mining* segment, and new vehicle replacements and three office lease renewals in the *Infrastructure* segment, partially offset by the lease repayments.

Extract from statement of cash flow

	2024 A$'000	2023 A$'000	Change A$'000
Cash generated / (utilised) from operations	**104 268**	(1 195)	105 463
Movements in working capital	**45 734**	(30 278)	76 012
Net finance charges	**(10 915)**	(17 212)	6 297
Taxation paid	**(1 673)**	(3 906)	2 233
Cash inflow / (outflow) from operating activities	**137 414**	(52 591)	190 005
Capital expenditure net of proceeds on disposal	**(48 598)**	(10 432)	(38 166)
Other investing activities	**9 105**	329	8 776
Cash outflow from investing activities	**(39 493)**	(10 103)	(29 390)
Operating free cashflow	**97 921**	(62 694)	160 615
Repayment of term debt	**(23 105)**	–	(23 105)
(Repayment of) / proceeds from other external borrowings	**(22 357)**	43 682	(66 039)
Repayment of capital portion of lease liabilities	**(31 798)**	(22 771)	(9 027)
Cash (outflow) / inflow from financing activities	**(60 312)**	20 911	(81 223)
Net increase / (decrease) in cash and bank balances before foreign exchange	**37 610**	(41 783)	79 393
Foreign exchange movements	**401**	(759)	1 160
Cash and bank balances at the beginning of the period	**189 667**	232 209	(42 542)
Cash and bank balances at the end of the period	**227 678**	189 667	38 011

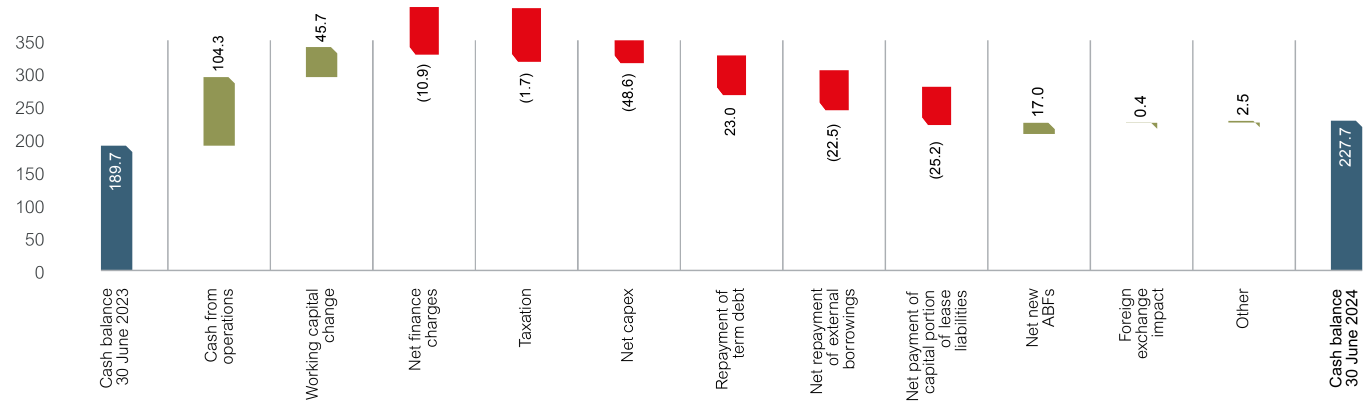
The Group ended the year with a cash balance of A$227.7 million (June 2023: A$189.7 million). Cash in Australasian operations increased by A$55 million, primarily from early project receipts and variation claims, offset by the A$23.1 million term debt repayments.

The South African liquidity pool cash balance decreased by A$17 million in the year.

A$76.5 million (June 2023: A$79.4 million) is held in joint arrangements.

GROUP FINANCE DIRECTOR AND CFO'S REPORT *CONTINUED*

Movement in cash (A$m)



Our net cash position at year end increased to A$173.7 million (30 June 2023: A$108.4 million).

	2024 A$'000	2023 A$'000	Change A$'000
Cash balance	**227 678**	189 667	38 011
South African liquidity pool	**(4 842)**	12 215	(17 057)
Australian liquidity pool	**232 520**	177 452	55 068
Borrowings	**(54 026)**	(81 269)	27 243
Term facilities	**–**	(23 105)	23 105
Asset-backed financing arrangements	**(54 026)**	(56 252)	2 226
Other	**–**	(1 912)	1 912
Net cash	**173 652**	108 398	65 254

The remaining debt comprises asset-backed finance and lease liabilities associated with equipment at Moolmans.

Subsequent to year end, the Group negotiated and signed a term sheet for a new asset-backed debt facility of A$15.5 million. The facility to McConnell Dowell Corporation Limited will include the provision of security over specific assets.

Information on the Group's future prospects is available in the outlook report.

Acknowledgement

Aveng has been through a lengthy period of rebuilding to get to where we are now. I would like to recognise the extraordinary commitment and hard work of Sean Flanagan, Scott Cummins, the Aveng Board, our leadership teams and our people. All have contributed to the Group's recovery – and its ability to move forward and pursue its growth potential.

In particular, I thank my team for their assistance in ensuring not only that Aveng fulfils its financial and control responsibilities efficiently and professionally, but also that strategy implementation is supported by sound financial management.

I look forward to working with Scott and the leadership teams as we implement the longer-term strategy.

Adrian Macartney
Group finance director and chief financial officer

OUTLOOK

Infrastructure

McConnell Dowell is well positioned to continue its growth trajectory through a strong secured revenue position and remains focused on managing risks, converting opportunities, tendering responsibly, executing projects reliably and delivering profit.

The current work in hand provides a robust revenue platform, with over 80% of 2025 planned revenue secured. Work in hand comprises 77% in the government sector and 23% in the private sector. Newer contracts continue to perform strongly, and we note an easing in cost escalation pressure, providing the opportunity for overall margin improvement.

There are signs of a softening transport infrastructure market in Australia, balanced by reduced cost escalation pressures and the emergence of a general trend toward new energy, defence, and water and wastewater-related developments.

The addressable market across McConnell Dowell's footprint provides a significant visible pipeline of opportunities, facilitating strategic selection of tenders in support of profitable growth. The business remains focused on converting current tenders of A$1.9 billion from preferred bidder status to award, with a further A$3.4 billion pending decision.

Building

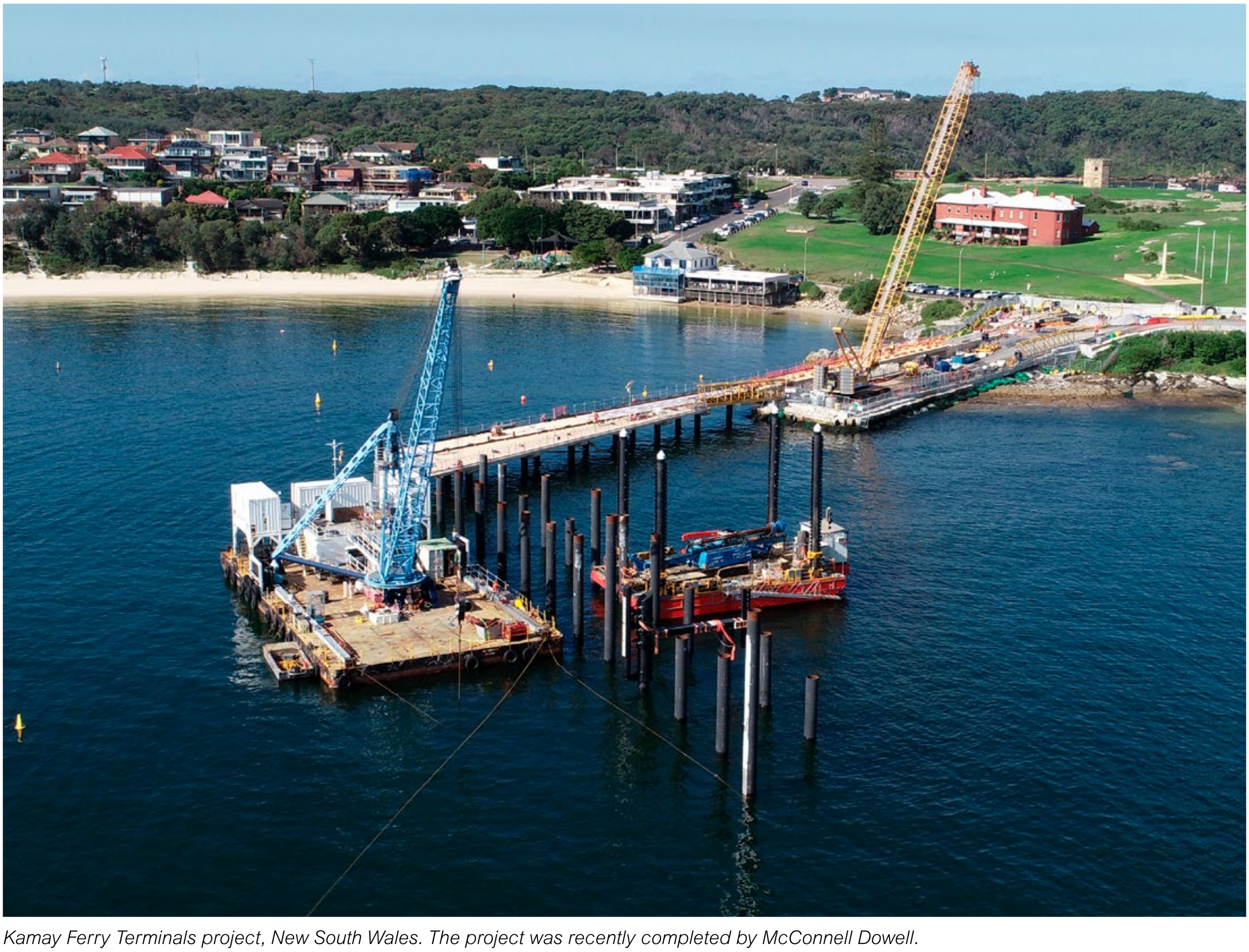
Built Environs enters FY25 with solid work in hand. Markets in Australia and New Zealand remain strong, especially in the health, education and recreation sectors.

Recent contract awards are expected to perform well, as a result of slowing inflationary pressure. Built Environs has a strong visible pipeline, a preferred bidder status of A$600 million and current tenders of A$580 million pending decision.

Mining

Moolmans' consolidation agenda includes a focus on improved operational performance and cash generation.

A key factor to Moolmans' success is ensuring that production levels on the Tshipi contract continue to improve, in line with the steady improvement achieved throughout the year. There are significant opportunities for contract and volume extensions with existing clients.



Kamay Ferry Terminals project, New South Wales. The project was recently completed by McConnell Dowell.

GOVERNANCE AND REMUNERATION

Gamsberg zinc mine, Moolmans, Northern Cape, South Africa. Moolmans painted two of its CAT 777 truck bodies pink and blue in support of male and female employee wellness.


MOOLMEISIES
CAT

GOVERNANCE

Aveng is committed to the highest standards of business integrity and ethical conduct. The Group recognises that sound governance supports its business strategy, builds trust and contributes to the fulfilment of its purpose to provide a better life for stakeholders.

The Aveng Board is ultimately responsible for the governance of the Company. The Board ensures that governance is underpinned by the Group's values of safety and care, honesty and integrity, customer focus, performance excellence and working together.

Through the application of King IV, Aveng aims to maintain the key governance outcomes of ethical culture, good performance, effective control, and legitimacy. The Board monitors the King IV register regularly and is satisfied that the Group has, in all material aspects, applied King IV.

www.aveng.co.za

https://aveng.co.za/corporate-results-reports-and-presentations/

Creating and sustaining value through governance

The Board's key focus areas in 2024

The Board focused on matters that enable Aveng to protect and increase value:

- Implementing a succession plan for the Board and executive management to ensure adequate leadership capacity and capability to drive the growth strategy in complex external environments.
- Guiding strategic direction and monitoring the renewal of Aveng's corporate strategy to underpin future growth.
- Overseeing operational performance in McConnell Dowell, Built Environs and Moolmans as the foundation of consistent, profitable longer-term growth.

What the Board will continue to focus on in 2025

- Overseeing the effective implementation of the renewed corporate strategy.
- Reviewing the Board's composition and succession plan relative to the capacity and capabilities required to provide future strategic direction.
- Completing the process of winding down and derisking outstanding legacy matters.
- Maintaining a key focus on operational performance.

Compliance and governance approach

The oversight roles, responsibilities, membership requirements and procedural conduct of the Board are documented in the Board charter which is reviewed annually. The Board maintains oversight of the management and control structure of the Group and provides strategic direction. The governance framework is structured to ensure compliance with laws, regulations and codes of best practice applicable in all countries within which the Group operates.

Practices and frameworks are reviewed regularly, taking into account the factors that influence Aveng's operating environments, such as economic changes, geopolitics, heightened regulatory scrutiny and cybersecurity risks. This enables us to act in the best interest of all our stakeholders.

The Aveng Code of Business Conduct (the code) requires all Group companies, employees and directors to comply with all applicable laws. Compliance reports are presented quarterly to the audit committee and the social, ethics and transformation committee. The Board monitors compliance with the JSE Listings Requirements, King IV, the Companies Act and other relevant legislation.

In line with King IV, the Board regularly reviews the code which serves to:

- Outline the Group's ethical commitment to stakeholders.
- Guide the Group's conduct and relationships with key stakeholders.
- Ensure the Group is led effectively and ethically.

Code of Business Conduct, **www.aveng.co.za**

As Group company secretary, Edinah Mandizha is responsible for governance at Aveng. All directors have access to the services and advice of the company secretary. In-country legal and secretarial services ensure that Aveng operations comply with regulatory requirements in their operating localities. Communication ensures that local and international Group operations maintain statutory compliance and adhere to Group governance processes.

Statement: The Board assessed the company secretarial function for the year under review, as required by the JSE Listings Requirements, and confirmed that Edinah Mandizha continues to demonstrate the requisite level of knowledge and experience to carry out all duties. The company secretary is confirmed to be competent, suitably qualified and experienced to meet the governance requirements.

Governance structure

At 30 June 2024

BOARD OF DIRECTORS

↓

BOARD COMMITTEES

- Risk committee
  - ↓ Tender risk committee
- Audit committee
- Remuneration and nomination committee
- Safety, health and environment committee
- Social, ethics and transformation committee
- Investment committee

Read more about the work of the committees from page 56.

Inland Rail, Victoria, McConnell Dowell.

GOVERNANCE *CONTINUED*

Board of directors

NON-EXECUTIVE DIRECTORS

PHILIP HOURQUEBIE (71)
Independent non-executive director
CA(SA), BCom (Hons), BAcc
Appointed to the Board: August 2015
Board committees:
Chair: Board, IC
Member: RC RN SET TR

BRIDGETTE MODISE (57)
Lead independent non-executive director
BCompt (Hons), CA(SA), CIMA
Appointed to the Board: November 2019
Board committees:
Chair: AC
Member: IC RN SET RC

NICHOLAS BOWEN (63)**
Independent non-executive director
BEng Mining Engineering (University of NSW, Australia)
Appointed to the Board: July 2023
Board committees:
Chair: RC SHE TR
Member: AC

SEAN FLANAGAN (64)
Non-independent non-executive director
BSc (Building)
Appointed to the Board: November 2015
Board committees:
Member: RC SHE TR

BRADLEY MEYER (45)**
Independent non-executive director
Bachelor's degree (Harvard University)
Appointed to the Board: May 2021
Board committees:
Chair: RN
Member: AC IC

DAVID NOKO (66)
Independent non-executive director
HDip (MechEng), MDP (Wits), PGDip (Company directorships) (GIMT), MBA (Heriot-Watt University), SEP (London Business School)
Appointed to the Board: March 2023
Board committees:
Chair: SET
Member: SHE RC

EXECUTIVE DIRECTORS

SCOTT CUMMINS (61)* **
Group chief executive officer
BEng (Monash University); MBA (Strathclyde University)
Appointed to the Board: November 2023
Experience: 34 years of industry and related experience

ADRIAN MACARTNEY (56)***
Group finance director and chief financial officer
BCom, BCompt (Hons), CA(SA)
Appointed to the Board: September 2014
Experience: 30 years of industry and related experience

EDINAH MANDIZHA (44)
Group company secretary
LLB, associate member of Chartered Secretaries Southern Africa
Experience: 18 years of industry and related experience

By setting the tone at the top, the Board members ensure that governance underpins the delivery of Aveng's values and strategy. The outcomes of good governance enable the Group to achieve its strategy ethically and responsibly.

Skills and experience
The Board should collectively contain a range of skills and experience specific to Aveng's core activities in the infrastructure development and mining contracting markets, as well as corporate leadership skills. The Board completed a Board succession plan in 2024 to ensure the staggered rotation of directors and successors to those retiring and provide a proper handover to the incoming directors. The Board composition and succession plan will be reviewed in line with the new corporate strategy.

AC	Audit committee
RC	Risk committee
IC	Investment committee
RN	Remuneration and nomination committee
SET	Social, ethics and transformation committee
SHE	Safety, health and environmental committee
TR	Tender risk committee
*	*Attends all committee meetings by invitation.*
**	*Australian.*
***	*Attends the tender risk committee, the audit committee and the risk committee by invitation.*

Board changes during the year

On 17 July 2023, Michael Kilbride and May Hermanus retired as independent non-executive directors having served on the Board for more than 10 years. Concurrently, the Board appointed Nicholas Bowen as an independent non-executive director, and member of the audit committee, the risk committee, the safety, health and environment committee and the tender risk committee. Following these changes to the Board's composition, Bridgette Modise was appointed lead independent director and the committees were reconstituted.

On 22 November 2023, Scott Cummins joined the Board. With effect from 1 March 2024, Sean Flanagan retired as Group CEO and was succeeded by Scott Cummins. Sean Flanagan remained on the Board as a non-independent non-executive director and a member of the risk committee and the safety, health and environment committee.

The Board committees were reconstituted as follows during 2024:
Audit committee: B Modise (Chair), B Meyer and N Bowen
Risk committee: N Bowen (Chair), SJ Flanagan, PA Hourquebie, B Modise and D Noko
Social, ethics and transformation committee: D Noko (Chair), PA Hourquebie and B Modise
Safety, health and environment committee: N Bowen (Chair), SJ Flanagan, PA Hourquebie and D Noko
Remuneration and Nomination committee: B Meyer (Chair), PA Hourquebie and B Modise
Investment committee: PA Hourquebie (Chair), B Meyer and B Modise

Chair's review.

Independence of directors
The Board charter promotes a unitary Board structure and Aveng is committed to maintaining a smaller but effective Board composed of eight executive and non-executive directors, 62.5% of whom are independent non-executive directors.

Long-tenure non-executive directors (with over nine years of service) do individual independence self-assessments and are assessed by the remuneration and nomination committee.

Board diversity
The Board's diversity policy ensures that its composition reflects an appropriate mix of racial, gender, age, culture, field of knowledge, experience and skills diversity. The Board's diversity policy targets at least three black Board members and at least two female members.

The racial and gender targets were not achieved during 2024 due to the retirement of a black female non-executive director.

Age

60 Average age of all directors

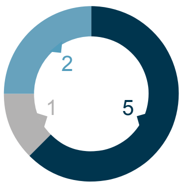
59 Average age of executive directors

45 Youngest director

71 Oldest director

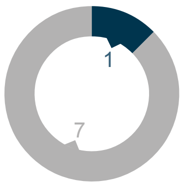
3.3 YEARS Average tenure of directors

Independence of directors



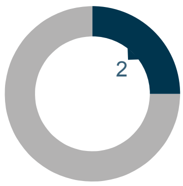
Independent non-executive directors
Non-independent non-executive director
Executive directors

Gender



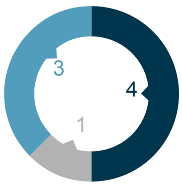
Female Male

Race



Black

Tenure



0-3 years
3-6 years
6-9 years

GOVERNANCE *CONTINUED*

Promoting independent judgement and ethical leadership

The roles of the Board chair and the CEO are separated. The Board chair is an independent non-executive director and provides leadership that encourages appropriate deliberation on matters requiring the Board's attention.

The Board ensures that its arrangement for delegation within its structures promotes independent judgement and assists with the balance of power and effective discharge of its duties. The Board delegates certain functions to management and Board committees to assist in properly discharging its duties which ensures that no one director has unfettered powers of decision-making.

Non-executive directors may meet separately from executive directors as and when required. The remuneration and nomination committee monitors the processes of succession, nomination, and appointment of new directors.

Long-tenure non-executive directors (with over nine years of service) do individual independence self-assessments and are assessed by the remuneration and nomination committee. Philip Hourquebie, who reached nine years of service in July 2024, and Bradley Meyer, a nominee of a major shareholder, both underwent an independent assessment in 2024. After a rigorous test of their independence, both directors were found to be independent.

Board rotation allows individual directors to be held to account by the shareholders. Long-tenure non-executive directors retire and stand for re-election at every AGM and new directors are confirmed at the first AGM following their appointment. At the next AGM on 6 December 2024, SJ Flanagan, B Meyer and PA Hourquebie will retire and stand for re-election.

The Board is confident that its members apply an independent state of mind and objective judgement in their respective roles. The Board is satisfied that the majority of the directors are independent non-executive directors.

Conflicts of interest

Conflict of interest is a standing agenda item at each Board meeting. Annual declarations form part of the independence evaluations.

Share dealings

Board members formally acknowledge the requirements of the Aveng Trading policy. The company secretary cautions Board members, prescribed officers and employees of closed periods when trading is prohibited.

Promoting effective leadership

The Board implemented the planned executive succession plan, overseeing the smooth transition of executive leadership from Sean Flanagan to Scott Cummins with effect from 1 March 2024.

As the new CEO, Scott provides leadership to the executive team in managing the Group's business. The CEO is appointed by the Board.

Chair's review.

Inland Rail project, Victoria, tranche 1 works being delivered by McConnell Dowell.

Board and Board committee attendance

The Board achieved 100% attendance during 2024. The Board met six times and participated in nine additional informal meetings or updates. This reflected the commitment of directors to understand, engage with and give informed leadership on the challenges Aveng addressed during the year.

The Board committees achieved 100% attendance.

	Board[1]	Audit committee	Risk committee	Remuneration and nomination committee	Social, ethics and transformation committee	Safety, health and environment committee
Non-executive directors						
N Bowen	6/6	4/4	4/4[1]			4/4[1]
SJ Flanagan[2]	1/1		1/1			1/1
PA Hourquebie	6/6[1]		4/4	4/4	4/4	
B Modise	6/6	4/4[1]	4/4	4/4	4/4	
B Meyer	6/6	4/4		4/4[1]		
D Noko	6/6		4/4		4/4[1]	4/4
Executive directors						
SC Cummins[3]	2/2					
SJ Flanagan[2]	5/5					
AH Macartney	6/6					

[1] *Chair of Board or Board committee.*
[2] *Retired as Group CEO with effect from 1 March 2024 and remained on the Board as non-executive director.*
[3] *Appointed to the Board on 22 November 2023.*

Board site visits and director training

Site visits provide a valuable opportunity for all directors to learn more about the Group's operations and understand the opportunities and challenges faced by the businesses in their local environments. The Board participated in a site visit to the Tshipi Borwa Mine in the Northern Cape in November 2023.

Ongoing training and development are important contributors to an effective Board. The development of industry and Group knowledge is a continuous process. During the year, the Board participated in IT and ESG-related training.

Board effectiveness and evaluation

The Board participates in performance evaluations to assess the effectiveness of the Board and Board committees in line with King IV recommended practices and regulatory requirements, where applicable.

In August 2024, Aveng conducted an external independent effectiveness review of the Board, the Board chair and its committees.

The main outcomes were on the succession planning of the Board which will be a major focus area in line with the new corporate strategy. This will require a review of the Board composition in terms of skills knowledge, experience and Board diversity to oversee the execution of the strategy.

Board statement

The Board is satisfied that it fulfilled all its duties and obligations during FY24 and is committed to providing effective and ethical leadership characterised by responsibility, accountability, fairness and transparency.

The Board is satisfied that it has complied with the provisions of the Companies Act and other relevant laws and constitutional requirements, operating in conformity with the Aveng memorandum of incorporation.

Board oversight – committee report-back

The Board delegates governance responsibilities to six committees to assist it in meeting its oversight requirements. The composition of all Board committees conforms to the recommendations of King IV. Each committee acts according to terms of reference that set out its purpose, membership requirements, duties and reporting procedures. The terms of reference are approved by the Board and reviewed annually. The Board committees may seek independent professional advice at the Group's expense.

GOVERNANCE *CONTINUED*

Audit committee

The committee was properly constituted in 2024 with three independent non-executive directors: B Modise (chair), N Bowen and B Meyer. The Board chair, CEO and CFO are standing invitees to the committee meetings. The audit committee held four meetings. There was 100% attendance by the committee members.

The committee assesses and questions the Company's financial sustainability, financial and integrated reporting, internal controls and effective risk management, and provides oversight over IT governance.

The committee oversees the Group's financial statements and reporting process, including the system of internal financial control. It is responsible for ensuring the Group's internal audit function is independent and has the necessary resources, standing and authority in the organisation to discharge its duties. The committee oversees cooperation between internal and external auditors and serves as a link between the Board and the internal and external audit functions. The committee agendas provide for closed meetings between committee members and the internal and independent external auditors. The committee reviewed the internal financial controls during the year under review.

The head of internal audit reports administratively to the chief financial officer and functionally to the chair of the committee.

During the year under review, the committee ensured that appropriate financial reporting procedures exist and are operating. These include the consideration of all entities included in the consolidated annual financial statements. The Company and committee have access to all the Group's financial information, allowing it to report on the financial statements of the Group and Company.

Based on information from, and discussions with management and the Group internal audit function, the committee confirms that it has no reason to believe that there were any material breakdowns in the design or operating effectiveness of internal financial controls during the 2024 financial year which have not been addressed or are not in the process of being addressed. The financial records can therefore be relied on for the preparation of the annual financial statements.

Independence of auditor

The committee is satisfied with the independence and objectivity of KPMG Inc. as the external auditor, and Mr Fred von Eckardstein as the designated auditor. KPMG Inc. and the designated audit partner were assessed in accordance with paragraph 3.84(g)(ii) of the JSE Listings Requirements.

Expertise and experience of the finance director and finance function

In accordance with the JSE Listings Requirements, the committee is required to consider the appropriateness of the expertise and experience of the Group finance director. In respect of this requirement, the committee is satisfied that Adrian Macartney, the Group finance director, possesses the appropriate expertise and experience to fulfil his responsibilities. The finance function has the requisite expertise and experience to fulfil its duties.

2024 focus areas

- Oversight of liquidity and going concern
- Oversight of internal financial controls and compliance with accounting standards
- Oversight of the annual financial statements and the integrated report
- Paying attention to material factors that may impact the integrity of these reports

In 2025, the committee will continue to focus on:

- Overseeing liquidity and going concern
- Overseeing integrated reporting, having regard to factors and risks that may impact the integrity of the integrated report
- Reviewing all documents that contain material financial information
- Monitoring of the effectiveness of the Group's internal audit function

Risk committee

The committee was properly constituted in 2024 with four independent non-executive directors: N Bowen (chair), B Modise, PA Hourquebie, D Noko and SJ Flanagan. The CEO and CFO are standing invitees to the committee meetings. The risk committee held four meetings during the year. There was 100% attendance by the committee members.

The committee ensures the identification, assessment, control, management, reporting and remediation of risks and opportunities across the organisation. The committee sets its own strategy and monitors conformance with risk management policies, procedures, regulatory and internal limits and exposures, and processes and practices. The committee oversees tender risk management through its tender risk subcommittee.

Governance of enterprise risk management

The Board, assisted by the risk committee, is responsible for the governance and effective oversight of risk and opportunity management. A risk and opportunity management (EROM) system is implemented throughout the Group to deepen risk culture and improve the effectiveness of risk management.

Several actions were implemented during 2024 to strengthen the governance structure and processes of tender risk management. These include monthly risk assessments and a strong focus by the project management office to improve outcomes throughout project lifecycles.

Governance of information and technology

The Board delegates the governance of information and technology risk to the risk committee to ensure that Aveng's IT strategy is reviewed annually, and the function is suitably resourced to support the Group's strategy.

The Group's cybersecurity response is guided by a three-year cybersecurity strategy and aligned with the standards of the National Institute of Standards and Technology (NIST) to ensure adequate identification, protection against, and response to, cyber threats. A cybersecurity steering committee prioritises and aligns the Group's cybersecurity investments. Numerous advances were made in the adoption of IT tools and practices during the year under review.

2024 focus areas

- Overseeing the identification, monitoring and management of material risks and opportunities in the Group's operating environments
- Assessing risk appetite annually or as the Group's risk-bearing capacity changes
- Overseeing management actions to strengthen tender risk governance and management
- Overseeing governance and control of IT and cybersecurity risks

In 2025, the committee will continue to focus on:

- Strengthening the Group's risk profile and resilience
- Overseeing actions to adequately mitigate and eliminate risks associated with project tendering and project execution
- Overseeing delivery against strategic and operational objectives to improve value for shareholders and other stakeholders
- Monitoring the integration and extension of cybersecurity tools across the Group

GOVERNANCE *CONTINUED*

Social, ethics and transformation committee

The committee provides independent oversight by reviewing the actions of management through an ethical lens and taking accountability for specific areas within its mandate. The committee monitors the Group's compliance relating to ESG, including sustainability and transformation activities, social and economic development, good corporate citizenship and environmental matters. The Board assumes ultimate responsibility for the Group's ethical performance and adherence to human rights principles.

The committee was properly constituted in 2024 with three independent non-executive directors: D Noko (chair), PA Hourquebie and B Modise. The committee met four times during the year, with 100% attendance.

2024 focus areas

- Overseeing the Group's purpose, values and culture
- Monitoring the impacts of the Group's activities on stakeholders and the environment and promoting long-term thinking to support positive outcomes
- Focusing on human capital to ensure adequate operational capacity on projects
- Overseeing progress in the achievement of BBBEE and broader diversity goals

In 2025, the committee will continue to focus on:

- Monitoring the transition to a new organisational structure and ensuring that it contributes to performance improvements
- Monitoring the impacts of the organisation's activities on stakeholders and the environment
- Promoting long-term thinking to support sustainable outcomes
- Ensuring that the commitment to strategic and operational delivery is embedded in the organisational culture

Safety, health and environment committee

The committee was properly constituted in 2024 with four independent non-executive directors: N Bowen (chair), SJ Flanagan, PA Hourquebie and D Noko. The committee met four times during the year, with 100% attendance by committee members.

The committee ensures that the Aveng priority of "*Home Without Harm Everyone Every Day*" is upheld. The committee assists the Board to ensure that the Group conducts its business in a manner that protects the safety and health of its employees, and others in its work environments, and the natural environment. The committee ensures that the Group has a clear and defined roadmap to achieve, and maintain, leading safety, health, and environmental culture.

2024 focus areas

- Identifying and adequately mitigating or eliminating safety and health risks
- Monitoring underlying causes of safety incidents
- Monitoring sustainable solutions to address environmental impacts

In 2025, the committee will continue to focus on achieving a fatality-free business

- Reducing the risks that lead to high potential incidents
- Working to improve clarity in health and safety documentation
- Working with subcontractors to improve incident management

Investment committee

The committee was properly constituted in 2024 with three independent non-executive directors: PA Hourquebie (chair), B Meyer and B Modise. The committee's discussions were conducted during Board meetings.

The committee considers the viability of the acquisition or disposal of equity, fixed property investments and approval of the Group's significant capital expenditure. The committee considers the effects these activities may have on the Group's cash flow and how they fit into the Group's overall strategy.

REMUNERATION REPORT

Overview

Message from the chair

"Aveng's remuneration has been extensively reviewed and adapted in alignment with the Group's new organisational structure, and to ensure that it is market-based, fair and internationally competitive. Our reward schemes are designed to align executives with the new strategic direction, operational performance targets and shareholders' expectations."

Bradley Meyer
Chair of the remuneration and nomination committee

Dear stakeholders,

On behalf of the Board, I am pleased to present the Group's 2024 remuneration report to stakeholders.

The remuneration and nomination committee (the committee) has had a busy and productive year, reflecting the significant leadership and organisational changes that the Group has undergone during 2024. These transitions have occurred within the broader context of complex market dynamics that shape our operating environments and are factored into the committee's decision-making. In particular, competition for talent, and the need to ensure that the Group is competitive in attracting and retaining critical leadership skills, continues to be an important consideration.

The Group's leadership and organisational redesign consolidate the South African and Australian corporate layers and locates the newly formed Aveng Exco and the majority of the operational committee in Australia. This required the implementation of executive succession plans at Board and Aveng Exco level and made it necessary for the committee to conduct an extensive review of the remuneration policy and its components, including fixed remuneration, short-term incentive (STI) and long-term incentive (LTI) schemes.

A new benchmarking assessment was conducted across the organisation, including executive and operational management, and taking into consideration the multi-jurisdictional nature of the organisation and affordability. The assessment informed the committee's judgements, particularly when it came to ensuring that changes to the remuneration policy and practices are market-based, fair and internationally competitive.

Revisions to the STI and the new 2024 LTI are based on the new organisational structure. They are designed to align executives with clearly defined strategic goals and shareholders' expectations.

The revised STI scheme aims to reward performance aligned to short-term plans and objectives, and improve the predictability of rewards for clearly defined participants across the Group. In addition, based on the strategic plan announced to the market in August 2024, specific short-term incentives will be applied for a small number of key management in Moolmans and South African-based Aveng corporate staff.

The proposed 2024 LTI scheme was fundamentally redesigned to ensure an appropriate link between executive remuneration and Company and shareholder objectives, and in particular the successful execution of the strategic plan. By linking the reward directly to appreciation in Aveng's market value, the scheme aims to maximise shareholder value.

In closing, I thank my colleagues on the committee and the Board for their support during a busy year. I acknowledge the commitment of the Group's leadership, operational and support teams as they continue to implement the Group's strategy to create and preserve stakeholder value.

The remuneration report is split into the following three sections:
Part 1: Overview: The work performed by the committee during the year and the focus areas for FY25.
Part 2: Remuneration policy
Part 3: Implementation of the remuneration policy

The remuneration policy and the implementation report will be tabled as an ordinary resolution and the non-executive directors' remuneration proposal as a special resolution at the 2024 annual general meeting.

I look forward to your support of the above mentioned resolutions.

Bradley Meyer
Chair of the remuneration and nomination committee

The details of the STI and 2024 LTI are set out in the remuneration policy in part 2 of this remuneration report.

REMUNERATION *CONTINUED*

Part 1: The work of the remuneration and nomination committee

The committee is an independent and objective body with the necessary knowledge, skill, experience and capacity to assist the Board in ensuring that the Group remunerates fairly, responsibly and transparently, to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term. The committee enables the Board to achieve its responsibilities concerning the Group's remuneration policy, processes and procedures.

The committee determines, on behalf of the Board, the Company's policy on the remuneration of executive directors, prescribed officers and other members of the executive committee and the total remuneration packages and contractual terms and conditions for these individuals. The committee also provides oversight of all employee rewards to ensure the alignment of rewards throughout the Group and approves the mandate for annual pay increases, as well as the parameters and overall cost of the STIs and LTIs for the Group.

In line with King IV and the JSE Listings Requirements, the report is presented in three parts: this overview (part 1), followed by the Company-wide remuneration philosophy and policy with specific focus on the policy as it applies to executive management (part 2) and lastly, implementation of the policy for the 12 months from 1 July 2023 to 30 June 2024 (part 3) for executive directors and prescribed officers. Parts 2 and 3 will be put forward for separate non-binding votes at the upcoming AGM.

We take pride in our balanced approach to creating long-term, sustainable value for investors while delivering high-quality outcomes for our clients, and consistent with our purpose of providing a better life, a great place to work for our people and a meaningful, positive impact on the communities we operate in. As a committee, we are focused on ensuring that the reward our senior executives receive reflects the results of the Company and remains proportionate to the overall employee base and to the returns received by shareholders. We are mindful of the external focus on executive pay and the need to ensure outcomes that are fair and responsible and reported in a transparent manner.

The committee ensures optimal remuneration structures to attract, retain and motivate top employees who will enable and support the business strategy, and source appropriately skilled directors who can individually and collectively add value to the Board.

The committee was properly constituted in 2024 with three independent non-executive directors: B Meyer (chair), PA Hourquebie and B Modise. The committee met four times during the year, with 100% attendance by committee members.

Board committee terms of reference, **www.aveng.co.za**

Our performance and summary of remuneration outcomes

The performance delivered during the period resulted in a weighted STI performance outcome of 85% at an Aveng Group level. Outcomes at a business unit level, as well as the final bonus outcomes for executive directors and prescribed officers are contained in part 3.

The weighted LTI vesting outcome was 84.5% resulting in a vesting outcome just above target performance and fully disclosed in part 3.

The committee believes that the outcomes of the STI and LTI accurately reflect the performance of the Company over this period.

2024 focus areas

1. 2024 was a year of significant review, following changes to the organisation, executive leadership composition and location implemented on 1 March 2024.
2. Several executive succession plans were successfully executed in 2024, including Aveng CEO, managing director of McConnell Dowell Australia and managing director of Moolmans.
3. The Group CFO was successfully relocated from South Africa to Australia, with an appropriate re-basing of his employment conditions and remuneration.
4. A new Aveng Exco was formed, elevating experienced functional leadership and capability in Operations, Commercial/General Counsel, HR, Strategy and Engineering, to the overarching corporate executive of Aveng Limited.
5. Market benchmarking was undertaken to ensure appropriate peer and general market comparisons were available to inform the committee's decision-making.
6. The STI scheme was reviewed and adjusted, consistent with the new operating structure, with an aim to simplify the operation of the scheme, ensure it appropriately rewards performance aligned to short-term plans and objectives, and to improve the predictability of rewards under the scheme for participants.
7. The LTI scheme was reviewed and fundamentally redesigned (subject to shareholder approval) to ensure an appropriate link between executive remuneration and long-term Company and shareholder objectives, and in particular the successful execution of the strategic plan announced to the market in August 2024.

In 2025, the committee will continue to focus on

1. Change management to support the implementation of the modified STI and LTI schemes.
2. Clear communication with senior staff to reinforce the linkages between their remuneration and achievement of key strategic and operational priorities.
3. Continuous alignment of the remuneration policy with the further structural changes of the organisation as a result of strategic execution.
4. Review of the non-executive director (NED) fees in line with the new strategy.
5. Succession planning for Aveng Exco and senior management.
6. Board succession planning.

Statement of fairness and responsibility

We constantly review the way we remunerate our employees to ensure that our pay is fair, responsible and transparent. Our employees' remuneration should be deemed impartial, objective and rational, consistent with the principle of equal pay for work of equal value, aligned to the market. We continue to strive to ensure this is implemented across the Group.

External advisers

During the period in review, the committee appointed PwC to provide advice on executive remuneration and incentives. The committee considered and interrogated this advice in order to discharge its mandate.

Voting outcomes and shareholder engagement

The table below illustrates the voting history for the last three years:

	2023 %	2022 %	2021 %
Remuneration policy	88.37	95.22	99.59
Implementation report	97.59	99.21	99.85
Non-executive directors' remuneration	90.21	95.30	99.19

Aveng engaged with shareholders and considered their feedback on the 2023 remuneration report. Our responses and comments in relation to the 2024 policy are provided below:

Feedback	Aveng's response
The use of retention schemes/ bonuses not linked to performance conditions is not aligned to market practice and King IV guidelines.	The retention scheme implemented for approximately 40 senior management personnel across the Group in 2024 was a once-off arrangement and is not being continued in 2025. In line with shareholder expectations, awards to executive directors and prescribed officers are now all subject to performance conditions. In response to market needs, targeted retention arrangements may be considered for employees below director or prescribed officer level.
LTIP vesting periods of less than three years are not in line with market practice or King IV guidelines.	The new 2024 LTIP that has been presented to shareholders for approval includes a 50% vesting at the end of the second year, with the remaining 50% vesting after three years. The second-year vesting is responsive to a "gap" in the implementation of prior LTI Plans which means that currently there is no LTI due to vest for management in 2026. To address shareholder guidance, in the event that an executive elects to exercise their Share Appreciation Rights (SARs) before year three, such shares will be locked up until year three, to simulate an effective three-year vesting period.
NED fees regarded as high for a company of Aveng's size, and the payment of additional fees for extraordinary services have the potential to undermine independent judgement.	Considering the pending structural changes, the Company did not undertake a formal benchmarking exercise during 2024. A new peer group will be selected after the restructure of the Group whereafter fees will be benchmarked. Increases based on consumer price inflation rates in the respective NED locations are proposed to take effect in January 2025. Up to now, Aveng has not made use of the payment of extraordinary fees. The ability to pay such fees has been removed for 2025 and beyond. We will continue to make use of the "ad hoc per meeting fee", as provided for in our Notice of AGM to compensate NEDs for ad hoc Board meetings over and above the scheduled meetings.

The Board will present the updated remuneration policy and the implementation report as non-binding advisory shareholder resolutions at the 2024 AGM and is looking forward to the continued support of shareholders.

We have considered the impact of King IV and the amended JSE Listing Requirements on the remuneration policy and present below in part 2: The remuneration policy and part 3: The implementation of the policy during the year.

Part 2: Remuneration policy

Introduction

This report deals specifically with the remuneration for the Group's executive management (executive directors and prescribed officers) and provides at a high level, the pay principles applicable to the wider workforce. Disclosure is provided in line with the requirements of South African legislation and King IV.

The key objectives that drive our Remuneration Policy are:

1	2	3	4	5
Underpins strategic objectives, purpose, culture and values of Aveng	Fair, responsible, transparent and sustainable	Attracts, retains and motivates talent	Drives stakeholder value	Performance-based incentives and rewards

Committee responsibility

The Board provides a mandate to the committee and carries the ultimate responsibility for the remuneration policy. The duties and responsibilities of the committee are governed by the Aveng remuneration and nomination committee charter (charter).

Remuneration at a glance

Aveng's remuneration structure provides for guaranteed and variable remuneration components. The guaranteed component comprises employees' total guaranteed pay (TGP). The variable pay portion is driven by Group and individual business unit performance and the quantum varies based on meeting pre-defined targets and comprises STIs and LTIs. This policy focuses on executive management (executive directors and prescribed officers) but also includes information about pay principles applicable to the wider workforce.

Type	Element	Purpose and policy	Applicable grades	Changes for 2025
Fixed (TGP/TFR)	Base package	Designed to attract and retain employees in line with the scope, nature and skills requirements of the role. It must be competitive in the market and internally fair based on similar job profiles. Increases are typically linked to CPI, performance and affordability. We aim all employees at the median of the market for full competency and expected performance, while allowing for performance-based differentiation through variable pay. Reviewed annually in January.	All employees	No material changes
	Benefits	Provides employees with contractually agreed basic benefits such as medical aid, retirement funding and Group life and insured benefits (death cover, disability cover and accidental death benefit cover) based on market norms in the applicable employment jurisdiction.	All employees	No material changes
Variable	STI – performance incentive plan	An annual STI is paid in cash and gives employees an incentive to achieve the Company's short and medium-term goals, with payment levels based on both Company and business unit performance, comprising a mix of financial and non-financial measures. In addition, specific STIs will be applied for a small number of key management in Moolmans and South African-based Aveng Corporate staff to support the 2025 corporate strategic direction, as announced to the market in August 2024.	Senior management and above	The main changes for 2025 are: • Application of consistent financial metrics and weightings across all Business Units and the Group overall • Introduction of a Health & Safety non-financial metric, in addition to ESG metrics, with full loss of both elements in the event of a fatality (subject to committee discretion to increase or decrease according to the circumstances of the incident) • Strategic or operational performance objectives set in accordance with the applicable Business Unit 2025 business plan • Increased stretch performance potential (with corresponding increases to stretch targets) to allow greater upside for outstanding performance (up to 150%, previously 120%) • The size of the overall pool is measured relative to pre-STI EBIT and is set on an annual basis after considering affordability and benchmarks (currently capped at 15%)
	Overhead incentive scheme	Aims to provide a 13th cheque to staff who do not participate in the performance incentive plan above.	Non-site based staff below senior management	No changes
	Project and Production Bonuses	Self-funded incentives for site based staff to deliver health and safety, gross margin and production/ productivity outcomes in excess of tender assumptions.	Site based staff	No changes
	LTI	The new 2024 LTIP is a performance-based plan that measures performance over future periods. The previously operated 2022 LTIP, with outstanding awards vesting in Aug 2024 and 2025.	Executive leadership team	Details of the new 2024 LTIP, applicable for 2025 are set out as follows.

REMUNERATION *CONTINUED*

Further details on executive remuneration and performance measures

2025 STI

The 2025 STI proposal and scorecards follow a similar format to 2024 except the metrics and weightings were adjusted slightly to reflect the current drivers of the business.

Bonus formula

STI amount = R x P x ((BUWO x BUWOW) + (GWO x GWOW))

Where:
R = Total guaranteed pay / fixed annual remuneration

P = Percentage participation rate

BUWO = Business unit weighted outcome

GWO = Group weighted outcome

BUWOW = Business unit weighted outcome weighting

GWOW = Group weighted outcome weighting

Participation rates

The participation rate is 80% of TGP for Group CEO (consistent with prior years) and 60% for the Group CFO/FD.

Performance metrics for 2025

The STI quanta, metrics and targets are reconsidered each year to determine whether they are still appropriate. The table below sets out the Aveng Group STI targets for 2025. There are seven metrics against which performance will be measured and each one is appropriately weighted.

An increased stretch opportunity (to 150%) of the on-target opportunity has been applied for 2025, with the stretch targets increased proportionally. This provides greater upside earnings potential for achieving exceptional financial performance. The size of the overall pool is measured relative to pre-STI EBIT and is set on an annual basis after considering affordability and benchmarks (currently capped at 15%).

The performance metrics are set out in the table below. Targets are agreed with management prospectively and will be reported on in the 2025 implementation report.

Measure	Weighting	Threshold 50% vesting	Target 100% vesting	Stretch 150% vesting
Financial metrics	**70%**			
EBIT	**20%**	80% of target	Per business plan	150% of target
EBIT margin (%)	**15%**			
Operating free cash flow	**20%**	Target OFCF minus half of difference between threshold and target EBIT, minimum of 0		Target OFCF plus 100% of the difference between stretch and target EBIT
Closing work in hand	**15%**	75% of target		125% of target
Non-financial metrics	**30%**			
ESG and health and safety^	**10%**	Per ESG and health and safety plans	Per ESG and health and safety plans	Per ESG and health and safety plans
Strategic	**20%**	Committee discretion	Per announced strategic plan	Committee discretion

^ *ESG and health and safety metrics assessed at 0% outcome in event of fatality, with committee discretion to adjust this modifier up or down having regard to the circumstances of the incident*

Similar scorecards are applicable to the five Group Business Units (Moolmans, McConnell Dowell Australia, McConnell Dowell New Zealand and Pacific, McConnell Dowell Southeast Asia and Built Environs), with appropriate modifications to metrics and targets per the applicable business plan.

The scheme provides that the STI outcomes of senior leaders in the business units (business unit managing directors and their direct reports) are determined by a blend of Group and business unit-specific metrics.

Long-term incentives

Proposed 2024 LTIP

The Board has approved, subject to a binding 75% vote of approval by shareholders at the 2024 annual general meeting, a new 2024 LTIP to replace the 2022 LTIP. If approval is granted by shareholders, both the 2022 LTIP and the cash-settled schemes will be discontinued in that no further awards will be made under those schemes (the final vesting under both schemes will take place, subject to performance outcomes, in September 2025).

The 2024 LTIP is responsive to the significant changes to Aveng executive management composition implemented in 2024, and a review conducted into Aveng's long-term incentive arrangements with the aim of simplifying the structure and ensuring outcomes directly relate to long-term shareholder interests.

The 2024 LTIP will apply only to the 15-person Executive Leadership Team (ELT), comprised of the Exco (six members including the CEO and CFO) and the operating committee (nine members, including the five business unit managing directors).

The objectives and purpose of the 2024 LTIP are to:

- create an incentive that directly aligns the long-term reward of Executives with the interests of shareholders;
- drive performance and entrench the Company's "pay for performance" culture;
- recognise contributions made by senior executives and provide an incentive for their continued performance and retention by providing them with an opportunity for an equity stake in the Company;
- fairly and appropriately balance the respective contributions of the business units of the Company and executive LTI participation and reward;
- ensure that the Company attracts and retains the core competencies required for formulating and implementing the Company's business plans and transaction strategies.

Participation rates

Each annual grant will be applied at four participation rate bands ranging from 30% of TGP to 60% and 90% of TGP for the CFO and CEO respectively. These participation levels have been assessed as being consistent with the relevant markets in which the executives are based.

Instruments

The 2024 LTIP grants will be awarded as SARs, although the remuneration and nomination committee will have the discretion to instead award conditional or forfeitable shares in the future should business circumstances warrant.

The first annual grant of SARs will be issued at one of two issue (strike) prices:

- 50% of the grant at a premium price of 1.2 x the 30-day volume weighted average price on the trading day immediately preceding the award date. This premium price multiplier will act as the performance hurdle for this portion of the grant.
- 50% of the grant at a premium price of 1.3 x the 30-day volume weighted average price on the trading day immediately preceding the award date. This premium price multiplier will act as the performance hurdle for this portion of the Grant.

Vesting and exercise periods

- Subject to meeting applicable performance conditions, each grant of SARs will vest in two equal tranches:
  - Tranche 1 (50%) at the end of the second year following the award date
  - Tranche 2 (50%) at the end of the third year following the award date
- The decision to vest 50% of the grant after year two responds to a "gap" in the implementation of the existing 2022 LTIP, under which only one grant has been made to participants – meaning that currently there are no LTI awards due to vest for Aveng executives in 2026. By vesting 50% of SARs in 2026, the Board aims to ensure a level of consistency of LTI rewards for executives. In the event that an executive elects to exercise their SARs before year three, such shares will be locked up until year three, to simulate an effective three-year vesting period.
- Exercise of vested SARs can occur any time (except for nominated closed periods) over the three years following the vesting of the second tranche, after which time unexercised SARs will lapse.

Additional detail

- An aggregate limit of 5% of issued shares (approximately 6.5 million shares) will be applied to shares yet to vest under the 2022 LTIP and those vesting under the proposed 2024 LTIP.
- An additional individual limit of approximately 1.3 million shares (1% of shares) will apply, in aggregate, to any one individual under the 2024 LTIP.
- The balance, if any, of awards under the scheme in excess of the share limit will be settled in cash or shares purchased by the Company in the market, at the committee's discretion.
- Change of control and termination provisions for participants have been outlined in the 2024 LTIP rules.

Current LTIs

On approval of the new 2024 LTIP, no new awards will be made under the current LTIs (2022 LTIP and the cash-settled LTI). All other historical schemes are suspended or not operational and no new awards will be made under any of these schemes:

The vesting outcome for the September 2024 vesting of the 2022 LTIP is included in part 3 of this report and the 2025 vesting will be reported in the 2025 report.

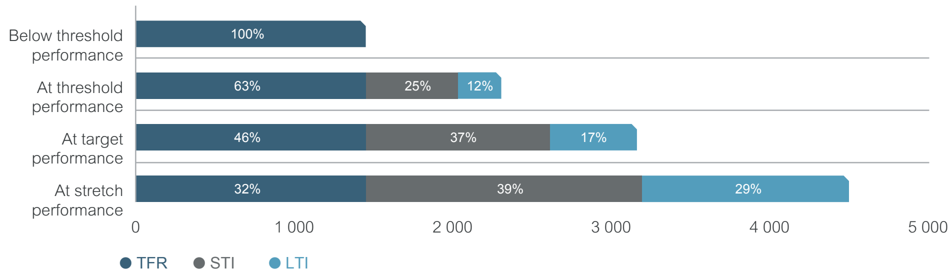
Executive earning potential

Executive earning potential in terms of remuneration mix for TGP, STI and LTI for the CEO and Group FD at various levels of performance (below threshold, threshold, target and stretch) is depicted in the following graphs.

REMUNERATION *CONTINUED*

Chief executive officer and chief financial officer remuneration mix

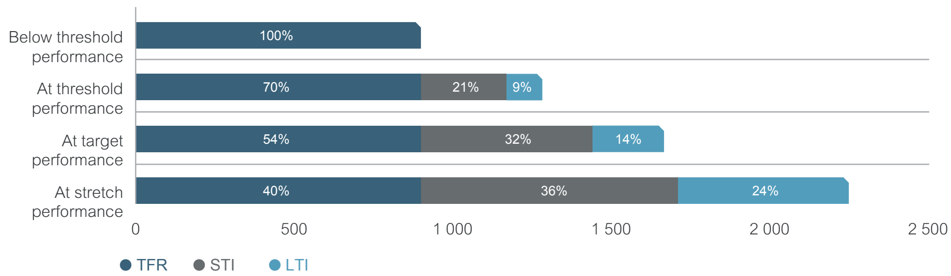
CEO (%)



Notes ('000):

TFR: A$1 452	
STI on-target opportunity:	*TFR × 80%, Stretch opportunity = 150% of on-target STI*
LTI on-target opportunity:	*TFR x 90% x expected value %, Stretch opportunity = TFR x 90% (excluding share price appreciation)*
Total on-target remuneration:	*A$3 162*

CFO (%)



Notes ('000):

TFR: A$900	
STI on-target opportunity:	*TFR × 60%, Stretch opportunity = 150% of on-target STI*
LTI on-target opportunity:	*TFR x 60% x expected value %, Stretch opportunity = TFR x 60% (excluding share price appreciation)*
Total on-target remuneration:	*A$1 667*

Employment and severance arrangements for executive management

Notice periods: All executive directors and prescribed officers are employed under a permanent, full-time contract of employment. Termination conditions of prescribed officers, including the CEO, are three months' notice, with the remainder of the Group set between one and three months' notice depending on the seniority and criticality of the role.

Although not a requirement of King IV, Aveng directors have historically retired by rotation every three years and presented themselves for re-election at the Group's AGM. This practice shall continue.

While no specific provision is made for termination bonuses, the committee is given some discretion by the various incentive scheme rules to consider these in the case of terminations of executives and senior management under exceptional circumstances.

In light of the strategic objectives announced by the Board in August 2024, "double trigger" change of control provisions have been implemented for a small number of senior executives responsible for executing the strategy. These provisions activate only in the event that there is a change of control event (which does not include a change of listing exchange, for example from the JSE to the ASX) and subsequent termination of the executive's employment by the new controlling entity.

The following termination provisions are applicable to the 2022 LTIP and are also proposed to apply to the 2024 LTIP:

- The LTIs make a distinction between fault and no-fault terminations. Termination due to fault (resignation and dismissal) will result in the forfeiture of all unvested and unexercised awards.
- In the case of no-fault termination (retrenchment, disability, death, sale of an employer company etc.), there is no automatic vesting of awards: awards are tested for performance and adjusted for time. Retired participants continue to participate as if employment is not terminated under the 2024 LTIP.
- Similar treatment applies to a change of control event (awards are prorated for time and performance tested). Executive contracts have been updated to provide for double trigger protection on a change of control and the treatment of LTIs will follow the provisions provided for in the applicable contracts.

Notwithstanding the provisions applicable to a change of control or to a no-fault termination, upon the termination of employment of a participant due to no-fault or as a result of a change of control, the committee may exercise its discretion relating to the vesting, exercise and/or settlement of awards, taking into account any existing contractual arrangements pertaining to the participant's employment with the Company.

Malus and clawback provisions

All variable pay is subject to both malus and clawback provisions.

Malus applies to unpaid, unvested or unsettled variable pay while clawback applies for a three-year period post payment. Trigger events include:

- in the event that a material misstatement of the financial statements of Aveng / operating groups / business units is detected
- in the event of a significant adverse legal or Competition Act finding against Aveng in which the individual had some culpability

Minimum shareholding requirement (MSR)

The committee is still currently considering the most appropriate approach to MSR given the current business environment, and the recently announced strategic direction. The long-term objective and intention of the MSR policy is to encourage senior employees to maintain a meaningful ownership stake in the Company, representing their commitment to the creation of shareholder value, and demonstrating their faith in the business and alignment with shareholder interests.

Shareholder engagement

The Group's remuneration policy and its implementation is placed before shareholders for consideration and approval under the terms of an advisory non-binding vote at the AGM as provided for in the JSE Listings Requirements and recommended by King IV.

In the event that 25% or more of the votes cast are recorded against either the remuneration policy resolution or the implementation resolution, the Company will engage with shareholders to examine their vote and note their concerns and report back to shareholders in the next remuneration report.

Non-executive directors (NEDs)

Policy

Non-executive directors are appointed by the shareholders at the AGM. Where a non-executive director holds office for longer than nine years, the independence of that director will be subjected to a review by the Board and a statement to that effect will be included in the integrated report. Non-executive directors are also subject to retirement by rotation as provided for in the memorandum of incorporation.

Fee structure

The chairperson of the Board received a composite fee but also qualifies for ad hoc meeting fees as explained below. Non-executive directors who sit on the Board and all committees are paid on attendance at scheduled Board or Board committee meetings. For the Board there is an additional fee paid per meeting in excess of scheduled meetings per year. A composite fee is paid to non-executive directors based overseas, but they also qualify for ad hoc meeting fees.

Review and approval of fees

Management submits annually to the committee a proposal for the review of non-executive director fees, for final review by the Board and approval by shareholders. Given the restructure of the Group, a new peer group will be determined and communicated in future remuneration reports.

2025 proposal

The Notice of AGM contains the fee proposals for 2025. For 2025, the Board recommends the following cost-of-living adjustments to non-executive director fees, taking account of the prevailing rate of consumer price inflation in the relevant location:

- South Africa resident non-executive directors – 6% increase to fees
- Australia resident non-executive directors – 4% increase to fees
- UK resident non-executive directors – 5% increase to fees
- US resident non-executive directors – 3.5% increase to fees

Board / committee[1]	Category	Currency	2024 fee	2025 proposed fee[2]	% change
Board	Chairperson (UK-based NED)[3]	GBP	110 306	115 821	5.0
	Chairperson (SA-based NED)[3]	ZAR	1 237 826	1 312 096	6.0
	Lead independent director[4]	ZAR	570 719	604 962	6.0
	Director (SA-based NED)[4]	ZAR	407 615	432 072	6.0
	Director (Aus-based NED)[5]	A$	140 000	145 600	4.0
	Director (US-based NED)[5]	US$	93 405	97 141	4.0
	Ad hoc meetings (SA-based NED)[6]	ZAR	35 763	37 909	6.0
	Ad hoc meetings (UK-based NED)[6]	GBP	2 875	3 019	5.0
	Ad hoc meetings (Aus-based NED)[6]	A$	3 321	3 454	4.0
	Ad hoc meetings (US-based NED)[6]	US$	2 142	2 228	4.0
Remuneration and nomination committee	Chairperson[7]	ZAR	274 711	291 194	6.0
	Member[7]	ZAR	109 202	115 754	6.0
Safety, health and environment committee	Chairperson[7]	ZAR	274 711	291 194	6.0
	Member[7]	ZAR	109 202	115 754	6.0
Social, ethics and transformation committee	Chairperson[7]	ZAR	274 711	291 194	6.0
	Member[7]	ZAR	109 202	115 754	6.0
Audit committee	Chairperson[7]	ZAR	363 225	385 019	6.0
	Member[7]	ZAR	204 441	216 707	6.0
Risk committee	Chairperson[7]	ZAR	320 000	339 200	6.0
	Member[7]	ZAR	160 000	169 600	6.0
Investment committee – per meeting fee	Chairperson (UK-based NED)	GBP	–	1 000	N/A
	Member (SA-based NED)	ZAR	11 031	11 693	6.0
	Member (Aus-based NED)	A$	–	1 364	N/A
	Member (US-based NED)	US$	–	963	N/A
Tender risk committee – per meeting fee	Chairperson (Aus-based NED)	A$	6 670	6 937	4.0
	Member (SA-based NED)	ZAR	23 212	24 605	6.0
	Member (UK-based NED)	GBP	1 450	1 523	5.0
	Member (Aus-based NED)	A$	2 900	3 016	4.0
	Member (US-based NED)	US$	1 830	1 903	4.0

1 *Fees based on four scheduled Board meetings and four scheduled committee meetings per annum (excludes tender risk committee meeting attendance, where applicable).*
2 *The proposed fees exclude VAT which will be charged by any qualifying NED, at the prevailing rate.*
3 *Composite fee for chairperson, inclusive of committee fees but excluding investment committee and tender risk committee meeting fees.*
4 *The fee for SA-based NEDs is exclusive of committee fees, which are paid separately.*
5 *Composite fee for Australian- and US-based NEDs, inclusive of committee fees but excluding investment committee and tender risk committee meeting fees.*
6 *Fee paid per meeting, for Board meetings in excess of the four scheduled meetings per annum.*
7 *Fee only payable to SA-based NEDs (the non-resident director/chairperson fees are inclusive of all Board and committee meetings).*

Non-binding advisory vote on the Remuneration Policy

Shareholders are requested to cast a non-binding advisory vote on part 2 of this remuneration report.

REMUNERATION *CONTINUED*

Part 3: Implementation of remuneration policies during the 2024 financial year

Total guaranteed pay and benefits increases

Continued high (although slowly normalising) rates of inflation and resulting interest rate hikes continued to create cost-of-living difficulties impacting employees, and in some markets these pressures are exacerbated by labour market shortages which have pushed up labour costs and salary expectations. As such, as with 2023, higher increases were mandated for the January 2024 Annual Remuneration Review (ARR), especially for lower income / junior staff.

As is usual practice, a review of past and projected consumer price inflation was conducted by region, along with analysis of market pay trends, forecast levels of market and general economic activity, employee turnover rates and other inputs (including exit interview data) to determine an overall increase mandate.

The regional mandate was then further divided into three levels: executive, senior management, and general staff. There was considerable attention given to ensuring general staff received higher increases as a mechanism to reduce the wage gap, and that other forms of wage gap (such as gender) were also proactively addressed.

The increase mandates are shown below. Business leadership was given some discretion to vary the increase percentages to address pay gaps (as noted above), critical skill shortage risks, individual performance, length of service in the prior 12 months and other relevant factors, with the proviso that the overall result must fall within the mandated percentage increase for the applicable part of the business.

Outcomes of the ARR process were as follows:

	Overall salary increase mandate	Executives	Senior management	General staff	Overall outcome (all groups)
Aveng Corporate (South Africa)	6.2%	6%	6%	7%	6.2%
Infrastructure and Building *(primarily Australia, New Zealand, Singapore)* and Aveng Corporate (Australia)	5%	<4%	4%	5%	4.9%
Mining	6.8%	6%	6%	7%	5.6%

2024 retention outcomes

As noted in the 2023 report, a one-off retention arrangement was implemented for approximately 45 senior staff across the Aveng Group. This scheme was implemented as a risk mitigant and had the effect of restricting turnover during the period in review among this cohort to around 7%. All participants in the *Infrastructure* and *Building* business were retained. This was despite the significant organisational operating model and leadership changes implemented during the first half of calendar year 2024. Under the terms of this scheme, approximately A$3.2 million was paid in September 2024. This scheme is now discontinued.

2024 STI outcomes

The table below sets out the Group performance metrics as disclosed in the 2023 remuneration report, including the target set and the actual performance against target:

Aveng Group STI scorecard 2024 (Rm)

Metric	Weighting	Threshold (50% vesting)	Target (100% vesting)	Stretch (120% vesting)	Actual	Outcome	Weighted outcome
EBIT (post STI)	25%	423.2	470.2	564.3	**424.4**	51%	13%
OFCF	25%	32.0	40.0	48.0	**555.2**	120%	30%
ROCE	20%	7.1%	8.83%	9.7%	**7.49%**	62%	12%
ESG – MCD	5%	40%	80%	100%	**100%**	120%	6%
ESG – Moolmans	5%	40%	80%	100%	**40%**	50%	3%
Strategy objectives	15%	40%	80%	100%	**80.00%**	100%	15%
Succession planning	5%	40%	80%	100%	**100.00%**	120%	6%
Total	**100%**						**85%**

Improved Aveng Group performance in the year ended 30 June 2024 led to STI payments being awarded in the *Infrastructure* and *Building* segments as well as in Aveng Corporate. Given its overall performance in the year, no STI was paid in the *Mining* segment.

1. For Aveng Corporate, (which merged with McConnell Dowell Corporate from 1 March 2024) the overall weighted outcome was 85% of target.
2. For McConnell Dowell Corporate, the overall outcome was 74%.
3. Across the *Infrastructure* and *Building* segment business units, STI weighted outcomes ranged from 32% to 100% of the on-target level.

McConnell Dowell executives who moved into Aveng executive roles in March 2024, including the CEO, had STIs determined by applying the McConnell Dowell Corporate rather than Aveng Corporate weighted outcome. Similarly, participation rates were maintained at the prior levels. For the CEO, therefore, the STI outcome was calculated at the prior (McConnell Dowell CEO) on-target participation rate of 75%, with a weighted outcome of 74%, resulting in an STI calculation of 75% x 74% = 55.5% of fixed remuneration.

An exception to this approach was made in relation to the CFO, who relocated to Australia mid-year under new employment terms, including a new fixed remuneration level and currency and a changed STI participation rate. In this case, the CFO's STI was determined by pro-rating half the year at the prior participation rate and fixed remuneration level and half the year at the new participation rate and fixed remuneration level. The Aveng Corporate weighted outcome was applied in both instances.

Business unit managing directors and SLT members (direct reports of business unit managing directors) across the *Infrastructure* and *Building* segments have their STI score determined partly on business unit metrics and partly on performance metrics of the combined business units in the Aveng Group. Managing directors are scored on the specific business unit metrics (50%) and Aveng Group metrics (50%). SLT members are scored on specific business unit metrics (75%) and Aveng Group metrics (25%).

The 2024 STI outcomes for executive directors and prescribed officers are shown in the tables below.

LTI vesting 2024

2022 LTIP and cash-settled LTI

The following LTI grants had a performance period ending 30 June 2024:

- 2021 grant (2022 LTIP), entering its final vesting tranche at 40% (equity settled) applicable to approximately 24 staff.
- 2022 grant (2022 LTIP), entering its first vesting tranche at 50% (equity settled) – applicable to six staff.
- 2022 cash-settled plan, entering its first vesting tranche at 50% (cash settled) – applicable to approximately 34 staff.

There is no overlap in participation across the 2021 and 2022 grants of the 2022 LTIP.

All three grants are measured against the same metrics, with the following vesting outcomes:

2022 LTIP scorecard 2024 (R'm)

Metric	Weighting	Threshold (40% vesting)	Target (80% vesting)	Stretch (100% vesting)	Actual	Outcome	Weighted outcome
HEPS (Rand per share)	30	1.82	2.28	2.51	4.64	100%	30.0
ROCE	15	7.1%	8.8%	9.7%	7.5%	50%	7.5
OFCF	20	(90)	10	60	555.2	100%	20.0
Strategy objectives	25	40%	80%	100%	80%	80%	20.0
ESG Moolmans	5	40%	80%	100%	40%	40%	2.0
ESG MCD	5	40%	80%	100%	100%	100%	5.0
Total	**100.0**						**84.5**

REMUNERATION *CONTINUED*

Single figure of remuneration

In line with the requirements of King IV, the total remuneration and details on outstanding and settled long-term incentives for executive directors and prescribed officers for 2024 are reflected in the following tables:

Executive directors

Directors' emoluments below are disclosed in Australian Dollar thousands (A$'000):

Executive directors	Year	Salary[1] A$'000	Retirement fund[2] A$'000	Short-term incentive (STI)[3] A$'000	Long-term share incentive (LTIP)[4] A$'000	Long-term incentive (LTI)[5] A'000	Other A$'000	Total[6] A$'000
SC Cummins[7]	**2024**	**1 239**	**184**	**806**	**289**	**300**	**–**	**2 818**
	2023	1 196	178	–	759	–	–	2 133
AH Macartney[8]	**2024**	**360**	**38**	**377**	**142**	**205**	**66**	**1 188**
	2023	–	–	–	–	–	–	–

Directors' emoluments below are disclosed in Rand thousands (R'000):

Executive directors	Year	Salary[1] R'000	Retirement fund[2] R'000	Short-term incentive (STI)[3] R'000	Long-term share incentive (LTIP)[4] R'000	Long-term incentive (LTI)[5] R'000	Other R'000	Total[6] R'000
AH Macartney[8]	**2024**	**3 162**	**159**	**–**	**–**	**–**	**543**	**3 864**
	2023	5 875	296	599	13 257	–	–	20 027
SJ Flanagan[9]	**2024**	**6 384**	**–**	**–**	**4 389**	**–**	**20 005**	**30 778**
	2023	9 168	–	890	13 257	–	–	20 315

1 *Salary for South African directors is total fixed earnings inclusive of contributions toward medical aid, administration and risk benefit expenses, accident cover and vehicle benefits, all of which are funded from the total guaranteed package (TGP).*
2 *Retirement fund contributions are also funded from the directors' TGP.*
3 *STI awards were approved by the remuneration and nominations committee on 15 August 2024 and accrued for the year ended 30 June 2024.*
4 *LTIP awards were approved by the remuneration and nomination committee on 15 August 2024 and accrued for the year ended 30 June 2024.*
5 *LTI awards were approved by the remuneration and nominations committee on 15 August 2024 and accrued for the year ended 30 June 2024.*
6 *The total reflected includes all cash payments made to the executive director in the financial year.*
7 *SC Cummins was appointed as a Board member on 22 November 2023 and was appointed as Group chief executive officer effective 1 March 2024.*
8 *AH Macartney moved to Australia effective 1 January 2024. Current year earnings have been split into ZAR and A$ based on how emoluments were earned during the year. Included in other is an amount of A$66 405 for relocation allowance and R542 926 for leave paid out.*
9 *SJ Flanagan retired as Group chief executive officer effective 28 February 2024. Included in other is R362 000 for leave paid out and R19.6 million for gratuity payments agreed to on his retirement.*

Prescribed officers and other key management personnel

The Companies Act 71 of 2008 (as amended) of South Africa, defines a prescribed officer as a person who exercises general executive control over management of the whole, or a significant portion of, the business and activities of the Group; or regularly participates to a material degree in the exercise of general executive control over and management of the whole, or a significant portion, of the business and activities of the Group. It excludes directors and does not refer, in any way, to the title held by the person, rather the functions which they perform. The Board has identified the prescribed officers of the Group.

	Year	Salary[1] A$'000	Retirement fund[2] A$'000	Short-term incentive (STI)[3] A$'000	Long-term Incentive (LTI)[4] A$'000	Long-term share incentive (LTIP)[5] A$'000	Total[6] A$'000
S Collett	**2024**	**570**	**51**	**207**	**216**	**36**	**1 080**
	2023	521	47	160	–	–	728
J Glastonbury	**2024**	**528**	**50**	**180**	**198**	**34**	**990**
	2023	492	46	70	–	–	608
J Meggitt	**2024**	**575**	**51**	**207**	**212**	**18**	**1 063**
	2023	528	47	80	–	–	655
D Morrison	**2024**	**719**	**106**	**280**	**311**	**–**	**1 416**
	2023	693	102	–	–	380	1 175

1 *Salary for South African prescribed officers is total fixed earnings inclusive of contributions toward medical aid, administration and risk benefit expenses, accident cover and vehicle benefits, all of which is funded from the total guaranteed package (TGP).*
2 *Retirement fund contributions are funded from the prescribed officers' TGP.*
3 *STI awards were approved by the remuneration and nominations committee on 15 August 2024 and accrued for the year ended 30 June 2024.*
4 *LTI awards were approved by the remuneration and nomination committee on 15 August 2024 and accrued for the year ended 30 June 2024.*
5 *LTIP awards were approved by the remuneration and nominations committee on 15 August 2024 and accrued for the year ended 30 June 2024.*
6 *The Total reflected includes all cash payments made to the prescribed officer in the financial year.*

Schedule of unvested awards and cash flow on settlement – 2024

Award name	Opening number of unvested shares A$'000	Vested A$'000	Forfeited / lapsed A$'000	Closing number of unvested shares A$'000	Closing estimated fair value[1] A$'000	Cash value on vesting[2] A$'000
Executive directors						
SC Cummins						
2022 LTIP						
Performance awards[4]	**1 281 500**	**(541 366)**	**(99 384)**	**640 750**	**4 421 175**	**3 518 879**
SJ Flanagan[3]						
2022 LTIP						
Performance awards	**936 900**	**(650 255)**	**(286 645)**	**–**	**–**	**4 389 091**
AH Macartney						
2022 LTIP						
Performance awards[4]	**630 600**	**(266 385)**	**(48 915)**	**315 300**	**2 175 570**	**1 731 502**
Prescribed officers and other key management personnel						
S Collett						
2022 LTIP						
Performance awards[5]	**77 840**	**(29 190)**	**(9 730)**	**38 920**	**189 735**	**268 548**
J Glastonbury						
2022 LTIP						
Performance awards[5]	**73 680**	**(27 630)**	**(9 210)**	**36 840**	**179 595**	**254 196**
J Meggitt						
2022 LTIP						
Performance awards[5]	**39 440**	**(14 790)**	**(4 930)**	**19 720**	**96 135**	**136 068**
D Morrison						
2022 LTIP						
Performance awards[4]	**493 300**	**(208 385)**	**(38 265)**	**246 650**	**1 701 885**	**1 354 503**

1 *Rand amount. The closing estimated fair value is based on a 20-day VWAP calculated at R6.90 per share at year end.*
2 *Rand amount. The cash value on vesting is based on a 20-day VWAP of R6.50 per share.*
3 *On 1 March 2024, 650 255 shares of the 936 900 shares vested following the director's early retirement. The remaining 286 645 shares have been forfeited. The cash value on vesting is based on a 20-day VWAP of R6.75 per share.*
4 *84% of the performance under this scheme vested in the year following partial satisfaction of the performance conditions.*
5 *75% of the performance under this scheme vested in the year following partial satisfaction of the performance conditions.*

The remaining unvested portion was forfeited under the rules of the scheme.

REMUNERATION *CONTINUED*

Schedule of unvested awards and cash flow on settlement – 2023

Award name	Opening number of unvested shares A$'000	Granted A$'000	Vested A$'000	Forfeited / lapsed A$'000	Closing number of unvested shares A$'000	Closing estimated fair value[1] A$'000	Cash value on vesting[2] A$'000
Executive directors							
SC Cummins							
2021 MIP							
Retention awards[3]	192 000	–	(192 000)	–	–	–	1 274 995
Performance awards[4]	483 221	–	(224 000)	(259 221)	–	–	1 487 494
2022 LTIP							
Performance awards	–	1 281 500	–	–	1 281 500	11 749 198	–
SJ Flanagan							
2021 MIP							
Retention awards[3]	360 000	–	(360 000)	–	–	–	2 390 616
Performance awards[4]	647 710	–	(300 000)	(347 170)	–	–	1 992 180
2022 LTIP							
Performance awards	–	936 900	–	–	936 900	8 589 796	
AH Macartney							
2021 MIP							
Retention awards[3]	360 000	–	(360 000)	–	–	–	2 390 616
Performance awards[4]	647 170	–	(300 000)	(347 170)	–	–	1 992 180
2022 LTIP							
Performance awards	–	630 600	–	–	630 600	5 781 541	–
Prescribed officers and other key management personnel							
S Collett							
2022 LTIP							
Performance awards	97 300	–	(17 903)	(1 557)	77 840	713 793	121 024
J Glastonbury							
2022 LTIP							
Performance awards	92 100	–	(16 946)	(1 474)	73 680	675 645	46 955
J Meggitt							
2022 LTIP							
Performance awards	49 300	–	(9 071)	(789)	39 440	361 665	61 320
D Morrison							
2021 MIP							
Retention awards[3]	96 000	–	(96 000)	–	–	–	637 498
Performance awards[4]	241 611	–	(112 000)	(129 611)	–	–	743 747
2022 LTIP							
Performance awards	–	493 300	–	–	493 300	4 522 731	–

[1] *Rand amount. The closing estimated fair value is based on a 20-day VWAP of R9.17 per share at year end.*
[2] *Rand amount. The cash value on vesting is based on a 20-day VWAP of R6.76 per share at time of vesting.*
[3] *100% of the retention awards under 2021 MIP vested in the year however were only settled on 6 September 2024.*
[4] *75% of the performance under 2021 MIP scheme vested in the year following partial satisfaction of the performance conditions however were only settled on 6 September 2024. The remaining unvested portion was forfeited under the rules of the scheme.*

The executive directors, non-executive directors and prescribed officers and other key management personnel hold the following number of shares in their personal capacity. The table below sets out the current director shareholding.

Interest of directors of the Company in share capital (including direct and indirect holdings)	2024 ordinary shares	2023 ordinary shares
Executive directors		
SC Cummins	**1 167 715**	751 715
AH Macartney	**1 612 843**	1 259 743
Non-executive directors		
SJ Flanagan	**1 610 655**	1 257 555
PA Hourquebie	**50 000**	50 000
Prescribed officers and other key management personnel		
D Morrison	**609 257**	401 257
S Collett	**47 120**	17 930
J Glastonbury	**44 601**	16 971
J Meggitt	**23 874**	9 084
	5 166 065	3 764 255

Non-executive directors

	Directors' fees R'000	Lead independent directors fees R'000	Chairperson fees R'000	Committee fees R'000	Other fees[6] R'000	Total R'000
2024						
B Modise	**376**	**555**	**353**	**134**	**–**	**1 418**
D Noko	**666**	**–**	**249**	**446**	**–**	**1 361**
SJ Flanagan[1]	**142**	**–**	**–**	**267**	**1 008**	**1 417**
	1 184	**555**	**602**	**847**	**1 008**	**4 196**
B Meyer (US$)[4]	**88**	**–**	**–**	**2**	**–**	**90**
N Bowen (A$)[2/3]	**166**	**–**	**–**	**17**	**–**	**183**
PA Hourquebie (£)[5]	**3**	**–**	**108**	**27**	**–**	**138**
2023						
MA Hermanus	–	627	437	144	89	1 297
MJ Kilbride	477	–	560	452	89	1 578
B Modise	477	–	335	396	89	1 297
B Swanepoel	380	–	–	265	89	734
D Noko	96	–	–	86	–	182
	1 430	627	1 332	1 343	356	5 088
B Meyer (US$)	85	–	–	1	–	86
PA Hourquebie (£)	94	–	18	11	4	127

1 *SJ Flanagan was appointed as a non-executive director and as a member of the risk committee and the safety, health and environment committee on 1 March 2024.*
2 *N Bowen was appointed as an independent non-executive director and as a member of the risk committee (chair), safety, health and environment committee (chair) and the audit committee on 17 July 2023.*
3 *N Bowen fees are disclosed in Australian Dollars (A$).*
4 *B Meyer fees are disclosed in United States Dollars (US$).*
5 *PA Hourquebie fees are disclosed in British Pounds (£).*
6 *Fees received in terms of consultancy agreement from 1 March 2024.*

Non-binding advisory vote on the implementation report

Shareholders are requested to cast a non-binding advisory vote on the remuneration implementation report as contained in part 3 of this report.

Approval of remuneration report by the Board of directors

This remuneration report was approved by the Board of directors of Aveng Group Limited.

SHAREHOLDERS' INFORMATION

Mangere Wastewater Treatment Plant, McConnell Dowell, New Zealand.

SHAREHOLDERS' ANALYSIS

Registered shareholder spread

Shareholder spread	Number of shareholders	% of total shareholders	Number of shares	% of issued capital
1 – 1 000 shares	27 283	88.80%	1 124 343	0.88%
1 001 – 10 000 shares	2 693	8.77%	8 820 814	6.94%
10 001 – 100 000 shares	651	2.12%	18 924 733	14.89%
100 001 – 1 000 000 shares	80	0.26%	24 005 276	18.88%
1 000 000 shares and above	16	0.05%	74 259 875	58.41%
Total	**30 723**	**100%**	**127 135 041**	**100%**

Beneficial shareholder categories

Category	Total shareholding	% of total shareholders
Private investor	47 793 276	37.59%
Hedge fund	41 555 463	32.69%
Trading position	12 815 734	10.08%
Mutual fund	6 968 364	5.48%
Unit trusts	5 700 261	4.48%
Pension funds	3 592 795	2.83%
ESOP LTIP	2 897 646	2.28%
Unclassified	2 035 480	1.60%
Corporate holding	1 701 736	1.34%
Custodians	1 495 486	1.18%
Insurance companies	379 335	0.30%
University	132 771	0.10%
Stockbrokers	27 501	0.02%
Charity	20 000	0.02%
Exchange-traded fund	19 193	0.01%
Total	**127 135 041**	**100%**

Beneficial shareholders holding more than 3%

Beneficial shareholders	Total shareholding	% of total shareholders
Highbridge Capital Management	16 233 479	12.77%
Whitebox Advisors	17 218 311	13.54%
Absa Group	9 214 024	7.25%
Steyn Capital	7 262 482	5.71%
Ninety One	5 651 730	4.45%
Total	**55 580 026**	**43.72%**

Public and non-public shareholdings

Shareholder type	Number of shareholders	% of total shareholders	Number of shares	% of issued capital
Non-public shareholders	12	0.04%	7 470 437	5.9%
Directors and prescribed officers	8	0.03%	5 166 065	4.1%
Aveng Limited Share Purchase Trust	1	<0.01%	12 037	<0.01%
Aveng Management Company Proprietary Limited	1	<0.01%	1 577	<0.01%
Aveng equity-settled share-based payment plans	1	<0.01%	2 273 585	1.8%
Community Investment Trust	1	<0.01%	17 173	<0.01%
Public shareholders	30 711	99.96%	119 664 604	94.1%
Total	**30 723**	**100%**	**127 135 041**	**100%**

Geographic split of investment managers and Company-related holdings

Region	Total shareholding	% of total shareholders
South Africa	85 920 217	67.58%
United States of America and Canada	21 962 881	17.28%
United Kingdom	1 220 041	0.96%
Rest of Europe	4 181 531	3.29%
Rest of World	13 850 371	10.89%
Total	**127 135 041**	**100%**

Geographic split of beneficial shareholders

Region	Total shareholding	% of total shareholders
South Africa	87 793 073	69.05%
United States of America and Canada	32 672 455	25.70%
United Kingdom	2 445 841	1.92%
Rest of Europe	4 121 849	3.24%
Rest of World	101 823	0.08%
Total	**127 135 041**	**100%**

SHAREHOLDERS' INFORMATION *CONTINUED*

SHAREHOLDERS' DIARY

Financial year end	30 June 2025
Interim period	31 December 2024
Annual general meeting	6 December 2024 at 09:00

Publication of results

Interim financial statements for period ended 31 December 2024	On or about 18 February 2025
Year end for the period ended 30 June 2025	On or about 19 August 2025

CORPORATE INFORMATION

Executive directors
SC Cummins (Group CEO)
AH Macartney (Group FD and CFO)

Non-executive directors
PA Hourquebie (independent chair)
B Modise (lead independent)
N Bowen (independent)
SJ Flanagan
BC Meyer (independent)
D Noko (independent)

Company secretary
Edinah Mandizha
Telephone +27 (0)11 779 2800
Email edinah.mandizha@avenggroup.co.za

Business address and registered office
2 Merlin Rose Avenue
Parkhaven, Boksburg
Gauteng, 1459, South Africa

Company registration number
1944/018119/06

Share codes
Share code: AEG
Share ISIN: ZAE 000302618

Auditor
KPMG Inc.
Registration number: 1999/021543/21
KPMG Crescent
85 Empire Road, Parktown, 2193
Private Bag 9, Parkview, 2122, South Africa
Telephone +27 (0) 11 647 7111

Principal bankers
The Standard Bank of South Africa Limited
Australia and New Zealand Banking Group

Corporate legal advisers
Alchemy Law Africa (Pty) Ltd
Pinsent Masons
Dalal and Associates

Sponsor
Valeo Capital Proprietary Limited
Registration number: 2021/834806/07
Unit 12 Paardevlei Specialist Medical Centre
Paardevlei
Somerset West
Western Cape, 7130, South Africa

Registrars
Computershare Investor Services Proprietary Limited
Registration number: 2004/003647/07
Rosebank Towers, 15 Biermann Avenue
Rosebank 2196, South Africa
PO Box 61051
Marshalltown, 2107,
South Africa
Telephone +27 (0)11 370 5000

Website
www.aveng.co.za

AVENG
Providing a better life

www.aveng.co.za