



Exxaro Resources Limited

Reviewed condensed group interim financial statements
and unreviewed production and sales volumes
information for the six-month period ended 30 June 2023

exxaro

POWERING POSSIBILITY

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DISCLAIMER

Opinions expressed herein are by nature subjective to known and unknown risks and uncertainties. Changing information or circumstances may cause the actual results, plans and objectives of Exaro Resources Limited (the company) to differ materially from those expressed or implied in the forward-looking statements. Financial forecasts and data given herein are estimates based on the reports prepared by experts who in turn relied on management estimates. Undue reliance should not be placed on such opinions, forecasts or data. No representation is made as to the completeness or correctness of the opinions, forecasts or data contained herein. Neither the company, nor any of its affiliates, advisers or representatives accepts any responsibility for any loss arising from the use of any opinion expressed or forecast or data herein. Forward-looking statements apply only as of the date on which they are made and the company does not undertake any obligation to publicly update or revise any of its opinions or forward-looking statements whether to reflect new data or future events or circumstances.

Highlights

GENERAL FINANCIAL PERFORMANCE

R18.9 billion

Revenue

R6.3 billion

Cash generated by operations

R7.7 billion

EBITDA

R11.43 per share

Interim cash dividend

R24.43 per share

Headline earnings

SUSTAINABLE OPERATIONS

LTIFR of 0.08

COAL OPERATIONAL PERFORMANCE

20.4 Mt

Production volumes

19.1 Mt

Sales volumes

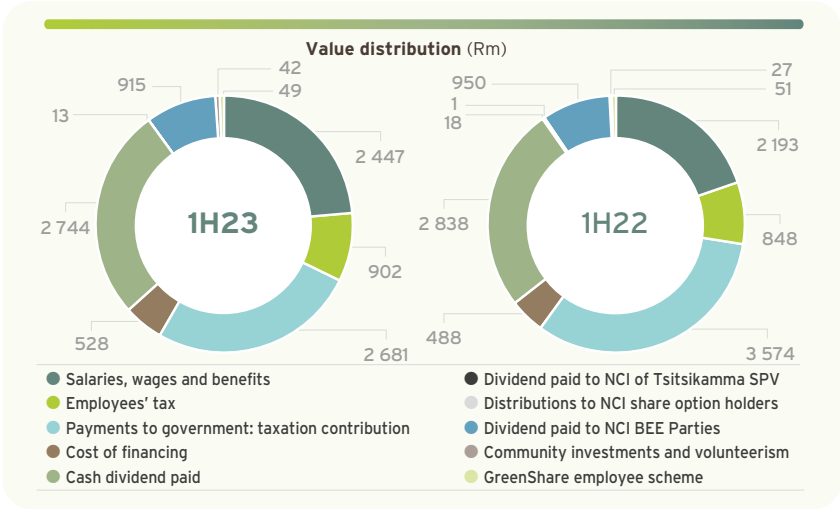
SIOC

R2.6 billion

Post-tax equity-accounted income

R2 billion

Exxaro's share of interim dividend declared



Commentary

For the six-month period ended 30 June 2023

Comments below are based on a comparison between the six-month periods ended 30 June 2023 and 2022 (1H23 and 1H22), respectively. Any forward-looking financial information and/or performance measurements contained in these results are the responsibility of the directors and have not been reviewed or reported on by Exxaro's independent external auditor.

SAFETY

As at 30 June 2023, Exxaro recorded six lost-time injuries resulting in an LTIFR of 0.08 against the set target of 0.05. The current LTIFR indicates a 50% decline in performance when compared to the same period last year. Exxaro has recorded two high-potential incidents across the group, compared to five for the full year ended 31 December 2022. To prevent potential incidents, various safety initiatives have been deployed across all our business units.

GROUP FINANCIAL RESULTS

Comparability of results

For a better understanding of the comparability of results between the two reporting periods, we normally adjust our earnings for non-recurring items (referred to as non-core adjustments) to derive our adjusted earnings. The non-core adjustments in both 1H23 and 1H22 are the same as the headline earnings adjustments.

Group revenue and EBITDA

There were no non-core adjustments for revenue and EBITDA.

	Revenue			EBITDA ¹		
	1H23 Rm	1H22 Rm	2H22 Rm	1H23 Rm	1H22 Rm	2H22 Rm
Coal	18 125	21 692	23 279	6 922	10 525	8 498
Energy	610	523	636	476	362	466
Ferrous	205	108	116	52	26	30
Other²	3	7	8	211	(310)	(595)
Total	18 943	22 330	24 039	7 661	10 603	8 399

¹ EBITDA is calculated by adjusting net operating profit before tax with depreciation, amortisation, impairment charges or impairment reversals and net losses or gains on disposal of assets and investments (including translation differences recycled to profit or loss). Refer note 5 for key numbers used in the calculation of EBITDA.

² Relates mainly to the corporate office and smaller operations (refer to note 5).

Group revenue decreased by 15% to R18 943 million (1H22: R22 330 million), driven by lower sales prices, lower sales volumes, and ongoing logistical challenges, offset by a slightly weaker exchange rate at our coal business.

The revenue contribution from our energy business was 17% higher than 1H22. Energy generation from the Cennergi wind assets was higher, driven by an improvement in wind conditions from the prior year despite an energy generation loss due to an Eskom line fault.

Group EBITDA decreased by 28% to R7 661 million (1H22: R10 603 million), mainly attributable to the 34% decrease in Coal EBITDA, which is discussed in more detail under the coal business performance.

Commentary continued

For the six-month period ended 30 June 2023

GROUP FINANCIAL RESULTS continued

Adjusted equity-accounted income

	Adjusted equity-accounted income/(loss)			Dividends received		
	1H23 Rm	1H22 Rm	2H22 Rm	1H23 Rm	1H22 Rm	2H22 Rm
Coal: Mafube	276	756	1 146	375	375	375
Coal: RBCT	2		(9)			
Ferrous: SIOC	2 631	3 119	1 783	1 419	2 655	2 498
Other: Black Mountain	256	299	279			
Other: LightApp		(32)	(38)			
Total	3 165	4 142	3 161	1 794	3 030	2 873

Group earnings

Headline earnings decreased by 29% to R5 912 million (1H22: R8 290 million). The decrease in headline earnings is mainly due to the 28% decrease in group EBITDA, as well as a 24% decrease in adjusted equity-accounted income. SIOC's adjusted equity-accounted income decreased by 16% due to lower iron ore prices and higher operating expenses, partially offset by a weaker currency.

The weighted average number of shares of 242 million remained unchanged translating into headline earnings per share of 2 443 cents per share (1H22: 3 426 cents per share).

Cash flow and funding

Cash flow generated by our operations decreased by 34% to R6 252 million (1H22: R9 433 million) and, together with the dividends received from our equity-accounted investments of R1 794 million (1H22: R3 030 million), were sufficient to fund capital expenditure and ordinary dividends paid.

Total capex increased to R801 million (1H22: R744 million), comprising R788 million sustaining capex and R13 million expansion capex.

Debt exposure

Our cash generation resulted in a net cash position of R11 588 million (excluding Cennerg's net debt of R4 363 million) at 30 June 2023, compared to a net cash position of R9 653 million (excluding Cennerg's net debt of R4 412 million) at 31 December 2022.

Commentary continued

For the six-month period ended 30 June 2023

COAL BUSINESS PERFORMANCE

Unreviewed coal production and sales volumes

	Production			Sales		
	1H23 '000 tonnes	1H22 '000 tonnes	2H22 '000 tonnes	1H23 '000 tonnes	1H22 '000 tonnes	2H22 '000 tonnes
Thermal	18 819	20 640	20 496	18 791	20 723	20 679
Commercial – Waterberg	12 706	13 905	13 944	12 162	13 531	13 269
Commercial – Mpumalanga	3 460	3 649	3 481	1 523	1 566	1 665
Exports				2 448	2 542	2 672
Tied ¹	2 653	3 086	3 071	2 658	3 084	3 073
Metallurgical	1 388	1 084	904	340	403	288
Commercial – Waterberg	1 388	1 084	904	340	403	288
Total coal (excl buy-ins)	20 207	21 724	21 400	19 131	21 126	20 967
Thermal coal buy-ins	175	16	4			
Total coal (incl buy-ins)	20 382	21 740	21 404	19 131	21 126	20 967

¹ Matla mine supplying its entire production to Eskom.

The bearish market sentiment in 1H23 is attributable to price declines arising from sufficient gas and coal stocks in Europe, exacerbated by warmer than usual winter temperatures, strong renewables performance and materially lower gas prices. The lower coal prices resulted in an increase in demand for South African coal from India. Demand from India retreated in 2022 due to the soaring prices.

Changes in global trade flows were evident as Australia resumed supply into China and Russian supplies to Europe and Japan reduced materially. Europe's reassessment of coal-fired power capacity for the upcoming winter is continuing, with mixed decisions from different governments, as the drive to phase out coal gains momentum in that region.

The domestic market remained stable in 1H23, despite a depressed export pricing environment. The decline in export prices, however, impacted on the economics of exporting through alternative ports. Demand for low calorific value coal remained resilient as domestic end-users continued to offtake power station coal from various Exxaro mines.

Lacklustre rail performance due to locomotive availability, cable theft, derailments and vandalism remained a challenge. The collaboration by the TFR-Industry Recovery Team realised some benefits and service levels did not deteriorate further. Exxaro railed 2.45 Mt of export coal to RBCT in 1H23, compared to 2.54 Mt for the same period last year. The poor rail performance also negatively impacted AMSA's offtake for the period.

The average benchmark API4 RBCT export price of US\$130 per tonne was 53% lower (1H22: US\$277 per tonne) resulting in an 52% decrease in the average realised export price for Exxaro of US\$127 per tonne (1H22: US\$262 per tonne). Despite this price decline, Exxaro was able to realise 98% of the average API index price based on its sales mix.

Commentary continued

For the six-month period ended 30 June 2023

COAL BUSINESS PERFORMANCE continued

Production and sales volumes

Overall coal **production** volumes (excluding buy-ins) decreased by 1 517 kt (-7%). The decrease was mainly at Grootegeluk, Belfast and Mafube, partly offset by higher production at Leeuwan. Overall **sales** volumes were 9% lower, (1 994kt) mainly on sales to Eskom.

Thermal Coal

Commercial Waterberg

Production at Grootegeluk decreased by 1 199 kt (-9%) and **sales** by 1 369 kt (-10%) to match the lower demand plan from Eskom as a result of the Unit 6 shut at the Medupi power station and the stacker-reclaimer availability at the Matimba power station, partly offset by higher demand from local customers.

Commercial Mpumalanga

The Mpumalanga commercial mines' thermal coal **production** decreased by 189 kt (-5%) due to:

- Production at Belfast that decreased by 436 kt (-29%), as we transitioned to a new mining contractor resulting in no mining activities in the first two months of the financial year and a slow ramp-up in March
- Production at Mafube that was 313 kt lower (-32%), as we experienced lower equipment availability and poor blast fragmentation

The decrease was partly offset by:

- Higher production at Leeuwan of 561 kt (+48%) as we increased production at the crush and screen plant

The Mpumalanga commercial mines' thermal coal **sales** decreased by 43 kt (-3%) due to:

- Lower sales at Mafube of 188 kt (-67%), due to lower production and TFR logistical constraints
- Lower sales at Belfast of 32 kt (-8%), due to lower product availability caused by the transitioning of the new mining contractor

The decrease was partly offset by higher domestic sales at Leeuwan of 177 kt (+20%).

Export commercial

Export **sales** decreased by 94 kt (-4%) as the logistical challenges continued.

Tied

Coal **production** and **sales** at Matla were 433 kt and 426 kt (-14%) lower respectively, compared to 1H22. The lower production was mainly due to unfavourable geological conditions at the shortwall at Mine 2 and Mine 3.

Metallurgical Coal

Grootegeluk's metallurgical coal **production** increased by 304 kt (+28%), with the GG6 plant now being fully operational.

Sales decreased by 63 kt (-16%) as the poor rail performance continued.

Coal revenue and EBITDA

	Revenue			EBITDA		
	1H23 Rm	1H22 Rm	2H22 Rm	1H23 Rm	1H22 Rm	2H22 Rm
Commercial – Waterberg	11 384	11 692	11 921	6 452	7 122	6 107
Commercial – Mpumalanga	4 000	7 334	8 463	508	3 395	2 611
Tied ¹	2 741	2 666	2 895	88	81	84
Other				(126)	(73)	(304)
Coal	18 125	21 692	23 279	6 922	10 525	8 498

¹ Matla mine supplying its entire production.

Commentary continued

For the six-month period ended 30 June 2023

COAL BUSINESS PERFORMANCE continued

Coal revenue and EBITDA continued

Coal revenue decreased by 16% to R18 125 million (1H22: R21 692 million), driven mainly by lower export prices, lower sales volumes for both domestic and export sales, partly offset by higher domestic prices.

Coal EBITDA of R6 922 million at a healthy operating margin of 32% (1H22: R10 525 million) decreased by 34% mainly due to:

- Lower commercial revenue (-R3 642 million)
- Higher inflation (-R505 million), driven by diesel prices and electricity tariff increases significantly above the PPI inflation rate
- Higher selling and distribution costs (-R348 million)
- Higher operational costs (-R327 million)
- Net realised and unrealised currency exchange differences (-R156 million)

The decrease was partly offset by:

- Net stock movements and buy-ins at lower prices (+R1 029 million)
- Lower environmental rehabilitation provision movement (+R229 million)
- Royalties (+R198 million)

Equity-accounted investments

Adjusted equity-accounted income from Mafube JV decreased by 63% from 1H22, as a result of lower export prices and sales volumes, partly offset by lower royalties.

Coal capex and projects

Coal capex

	1H23 Rm	1H22 Rm	2H22 Rm	% Change 1H23 vs 1H22
Sustaining	777	696	678	12
Commercial – Waterberg	706	610	507	16
Commercial – Mpumalanga	69	86	166	(20)
Other	2		5	100
Expansion		29	202	(100)
Commercial – Waterberg		29	202	(100)
Total coal capex	777	725	880	7

The coal business's capex increased by 7% in 1H23 compared to 1H22. Sustaining capital increased by 12%, driven mainly by higher spend at Grootegeluk and Belfast, partially offset by lower spend at Leeuwpan. Expansion capital decreased as we have now completed the construction of the GG6 plant.

ENERGY BUSINESS PERFORMANCE

Cennergi's operating wind assets generated 335 GWh of electricity in the first six months of 2023 (1H22: 307 GWh), a 5% increase compared to the June 2023 guidance of 318 GWh, despite the 15 GWh generation loss at one of the wind assets due to an Eskom distribution line fault that occurred earlier in the year. Wind conditions continue to be variable but improved in the current period compared to 1H22.

Cennergi's operating EBITDA margin was 80% (1H22: 80%) underpinned by the long-term offtake agreements with Eskom.

Commentary continued

For the six-month period ended 30 June 2023

ENERGY BUSINESS PERFORMANCE continued

Cennergy's project financing of R4 460 million (1H22: R4 637 million) will be settled by the end of 2031. The project financing has no recourse to the Exxaro balance sheet and is hedged through interest rate swaps achieving an effective rate of 12.7% (1H22 12.0%).

The 68 MW LSP project at the Grootegeluk Mine reached financial close on 29 June 2023. The total investment cost of R1 561 million will be funded through limited recourse project finance debt by South African lenders at a gearing ratio of 75%. Construction will commence during 2H23 and commercial operation is expected in 2025.

FERROUS BUSINESS PERFORMANCE

Equity-accounted investment

The 16% decrease in adjusted equity-accounted income from SIOC to R2 631 million (1H22: R3 119 million) was due to lower market prices and higher operating expenses, partially offset by a weaker currency.

Exxaro received a final dividend of R1 419 million from SIOC in February 2023 (1H22: R2 655 million). SIOC declared an interim dividend of R9 657 million to its shareholders in July 2023. Exxaro's share of the dividend amounts to R1 967 million and will be accounted for in 2H23.

PORTFOLIO OPTIMISATION

Sale of non-core assets and investments

As part of the broader Exxaro strategic review, the company continuously seeks opportunities to unlock value to support its Sustainable Growth and Impact strategy. Exxaro has identified that the FerroAlloys business is no longer a strategic fit within our envisaged Minerals business portfolio. We do, however, believe that there is still significant value to be unlocked in the hands of a potential buyer and have therefore decided to commence a sales process to dispose of our entire shareholding in FerroAlloys. We are still in the early stages of the sales process.

SUSTAINABLE DEVELOPMENT

Climate change response strategy implementation

Our draft 2050 carbon neutrality decarbonisation roadmap reflecting the short-term, medium-term and long-term targets, was completed and is currently being socialised with internal stakeholders for refinement and alignment purposes. Our revised short-term scope 1 and scope 2 emissions reduction targets of 40% by 2026, which is based on our FY22 emissions, remains relevant and applicable.

Social investment and development

Despite a challenging business environment for the six-month period ended 30 June 2023, Exxaro invested R896.2 million through the coal and energy operations. This includes over R660 million spent on local procurement, R42.1 million on various community development initiatives (including social and labour plans), and R75 million on various skills development initiatives. Combined, the small enterprise support initiatives benefited 73 SMMEs and sustained 638 jobs, and the skills development initiatives supported 1 517 beneficiaries.

The coal operations established and managed various pipelines and feeder schemes to develop the youth, with a strong focus on our communities, to create opportunities towards a variety of qualifications to improve marketability within Exxaro and the market. During 1H23, Exxaro's spend was R64.7 million on bursaries, professionals in training, internships, learnerships and skills programmes. This includes creating pipelines for people with disabilities as intern sponsorships and awarding full-time bursaries which benefited 977 Black people. With the support of Youth Employment Service partners, the year-to-date spend is R8.1 million for developing our youth from our communities in two approved initiatives benefiting 307 Black people. The coal operations also spent R2.2 million in offering other training such as portable skills benefiting 233 Black people.

Commentary continued

For the six-month period ended 30 June 2023

SUSTAINABLE DEVELOPMENT continued

Social investment and development continued

The energy operations in the Eastern Cape, have spent R11.8 million in terms of the Renewable Independent Power Producer Programme commitments. The investment focused on socio-economic development and enterprise development initiatives, which created approximately 298 job opportunities and supported 60 SMMEs.

MINING AUTHORISATIONS AND RIGHTS

Matla mine is currently engaging in several renewal applications with the authorities. The water use licence renewal is in process and is expected to be approved in 4Q23, and its renewal application for its waste management licence for the brine pond was also submitted to the Department of Forestry, Fisheries, and the Environment. Lastly, the process to renew Matla's mining right has commenced and is proceeding well.

As part of our normal licence to operate process, Belfast mine is in the final stages in the licensing process to extend the life of the mine with the approval of the environmental impact assessment report submitted to the DMRE. Approval is expected in 4Q23.

The DMRE remains constrained in its ability to address application backlogs. With no proper functioning cadastral system, conflicting applications continue to be a challenge for the company. We have therefore implemented a manual system to check MPRDA section 10 notices published at DMRE regional offices.

COAL RESOURCES AND COAL RESERVES

There is no material change in Exxaro's total or attributable Coal Resources and Coal Reserves for the first six-month period ended 30 June 2023, other than normal life of mine depletion.

Both Coal Resource and Coal Reserve lead Competent Persons are in the full-time employment of Exxaro: Henk Lingenfelder (Bachelor of Science: geology (Honours), Certified Professional Natural Scientist, Pr Sci Nat: 400038/11) as the group manager: geosciences and Chris Ballot (Bachelor of Engineering (mining), Engineering Council of South Africa (ECSA), 20060040) as the group manager: mining. Both persons have approved the information in writing in advance of this publication.

EVENTS AFTER THE REPORTING PERIOD

On 29 June 2023 financial close for the LSP project was achieved. On 24 July 2023 the deferred conditions precedent for utilisation were met making the facility available for utilisation. The first utilisation occurred on 31 July 2023. The project financing has no recourse to the Exxaro balance sheet.

OUTLOOK

Economic context

Although global inflation is on a downward path, underlying inflationary pressures persist. Policy interest rates are at or near their peak, although a further tightening of bank lending standards may contribute to more restrictive financial conditions, affecting both global investment sentiment and economic activity.

Following a 1.1% contraction of GDP in the fourth quarter of 2022, South Africa avoided a technical recession during the first quarter of 2023, with a modest 0.4% expansion.

During 1H23, the rand lost significant value against major global currencies. Intensified load shedding with the perceived risk of a potential grid collapse, a widening current-account deficit with prospects of a widening fiscal deficit, US dollar strength and loss in investor interest following a diplomatic dispute between South Africa and the United States of America, relating to South Africa's relations with Russia, were the main reasons attributed to the rand weakness.

Rand volatility is expected to remain elevated during the second half of 2023.

Commentary continued

For the six-month period ended 30 June 2023

OUTLOOK continued

Commodity markets and price

Rising industrial activity and hot northern hemisphere summer weather have the potential to support energy demand during 2H23. Despite Europe's adequate energy supply currently, risks for the winter energy supply remain and are dependent on a range of uncertain and uncontrollable factors, including weather, the availability of liquefied natural gas and the risk of further gas cuts from Russia.

Rising iron ore supply and exports will be a limiting factor for iron ore prices during 2H23. Supply increases from major miners are expected, with a flat Chinese demand. Seaborne price volatility around the marginal cost level is likely to see marginal supply exit, rebalancing the market and providing limited price support.

Operational performance

We expect the logistical challenges to persist for the remainder of the year. We will continue exploring all available avenues to evacuate our coal. We are targeting to build on our logistical solutions that we have successfully developed in 1H22.

To remain competitive across various markets, our digitalisation programme remains focused on the visibility of the full value chain enabling our market to resource optimisation strategy through timeous and insights-driven decision making. Our data science initiatives are making good progress focusing on enhancing these insights using data and advanced analytics in critical areas of the business.

INTERIM DIVIDEND

We remain prudent in our capital allocation framework, balancing returns to shareholders, managing debt, and selectively reinvesting for the growth of our business.

Our dividend policy remains the same and is based on the following two components:

- A targeted cover ratio of 2.5 times to 3.5 times Adjusted Group Earnings; and
- Pass-through of the SIOC dividend

Exxaro continues to target a gearing ratio of below 1.5 times net debt (excluding ring-fenced project financing) to EBITDA.

The board of directors has declared a cash dividend, comprising:

- 2.5 times Adjusted Group Earnings; and
- Pass through of SIOC dividend of R1 967 million

Notice is hereby given that a gross interim cash dividend, number 41 of 1 143 cents per share, for the six-month period ended 30 June 2023 was declared, and is payable to shareholders of ordinary shares. The interim dividend was declared from profits generated during the period ended 30 June 2023 and has been declared from income reserves.

For details of the interim dividend, please refer note 6 of the reviewed group interim financial statements for the six-month period ended 30 June 2023. The details will also be published on our website at www.exxaro.com.

Salient dates for payment of the interim dividend are:

- Last day to trade cum dividend on the JSE Tuesday, 26 September 2023
- First trading day ex dividend on the JSE Wednesday, 27 September 2023
- Record date Friday, 29 September 2023
- Payment date Monday, 2 October 2023

Commentary continued

For the six-month period ended 30 June 2023

INTERIM DIVIDEND continued

No share certificates may be dematerialised or re-materialised between Wednesday, 27 September 2023 and Friday, 29 September 2023, both days inclusive. Dividends for certificated shareholders will be transferred electronically to their bank accounts on payment date. Shareholders who hold dematerialised shares will have their accounts at their central securities depository participant or broker credited on Monday, 2 October 2023.

GENERAL

Additional information on financial and operational results for the six-month period ended 30 June 2023, and the accompanying presentation can be accessed on our website on www.exxaro.com.

On behalf of the board of directors

Mvuleni Geoff Qhena

Chairperson

Dr Nombasa Tsengwa

Chief executive officer

Riaan Koppeschaar

Finance director

17 August 2023



Exxaro Resources Limited

Reviewed condensed group interim financial statements
for the six-month period ended 30 June 2023



POWERING POSSIBILITY

Condensed group statement of comprehensive income

	6 months ended 30 June 2023 Reviewed Rm	6 months ended 30 June 2022 Reviewed Rm	12 months ended 31 December 2022 Audited Rm
Revenue (note 7)	18 943	22 330	46 369
Operating expenses (note 8)	(12 626)	(13 134)	(30 148)
Operating profit	6 317	9 196	16 221
Loss on disposal of subsidiary			(1)
Net operating profit	6 317	9 196	16 220
Finance income (note 10)	678	206	694
Finance costs (note 10)	(601)	(472)	(1 052)
Income from financial assets			6
Share of income of equity-accounted investments (note 11)	3 164	4 153	6 477
Impairment charges of equity-accounted investments			(53)
Profit before tax	9 558	13 083	22 292
Income tax expense	(1 873)	(2 344)	(4 287)
Profit for the period	7 685	10 739	18 005
Other comprehensive income/(loss), net of tax	363	316	384
<i>Items that will not be reclassified to profit or loss:</i>	(1)	(8)	14
– Remeasurement of retirement employee obligations			3
– Changes in fair value of equity investments at FVOCI	(3)	(8)	10
– Share of OCI of equity-accounted investments	2		1
<i>Items that may subsequently be reclassified to profit or loss:</i>	374	277	300
– Unrealised exchange differences on translation of foreign operations	99	18	34
– Changes in fair value on cash flow hedges	28	134	113
– Share of OCI of equity-accounted investments	247	125	153
<i>Items that have subsequently been reclassified to profit or loss:</i>	(10)	47	70
– Recycling of changes in fair value on cash flow hedges	(10)	47	70
Total comprehensive income for the period	8 048	11 055	18 389
Profit attributable to:			
Owners of the parent	5 905	8 250	13 826
Non-controlling interests	1 780	2 489	4 179
Profit for the period	7 685	10 739	18 005
Total comprehensive income attributable to:			
Owners of the parent	6 183	8 484	14 113
Non-controlling interests	1 865	2 571	4 276
Total comprehensive income for the period	8 048	11 055	18 389
	cents	cents	cents
Attributable earnings per share			
Basic	2 440	3 409	5 713
Diluted	2 440	3 409	5 713

Condensed group statement of financial position

	At 30 June 2023 Reviewed Rm	At 30 June 2022 Reviewed Rm	At 31 December 2022 Audited Rm
ASSETS			
Non-current assets	64 932	63 696	63 357
Property, plant and equipment	36 903	37 806	37 446
Intangible assets	2 681	2 844	2 760
Right-of-use assets	330	373	352
Inventories	192	161	176
Equity-accounted investments (note 13)	19 616	18 222	18 060
Financial assets (note 20)	4 222	3 518	3 539
Deferred tax	257	220	254
Other assets (note 14)	731	552	770
Current assets	23 460	18 690	21 788
Inventories	1 984	1 714	1 728
Financial assets (note 20)	308	339	376
Trade and other receivables (note 20)	4 221	5 038	4 199
Cash and cash equivalents (note 20)	16 617	11 241	14 812
Current tax receivables	40	12	101
Other assets (note 14)	290	346	572
Total assets	88 392	82 386	85 145
EQUITY AND LIABILITIES			
Capital and other components of equity			
Share capital	983	983	983
Other components of equity	1 467	1 515	1 700
Retained earnings	47 297	42 408	44 136
Equity attributable to owners of the parent	49 747	44 906	46 819
Non-controlling interests	13 497	12 161	12 560
Total equity	63 244	57 067	59 379
Non-current liabilities	19 400	20 467	20 574
Interest-bearing borrowings (note 15)	7 386	8 940	8 378
Lease liabilities (note 16)	419	452	438
Other payables (note 20)	68	61	25
Provisions (note 18)	2 593	2 295	2 762
Retirement employee obligations	170	165	165
Financial liabilities (note 20)	60	136	112
Deferred tax	8 678	8 393	8 668
Other liabilities (note 19)	26	25	26
Current liabilities	5 748	4 852	5 192
Interest-bearing borrowings (note 15)	1 398	674	715
Lease liabilities (note 16)	45	37	40
Trade and other payables (note 20)	2 515	2 635	3 340
Provisions (note 18)	196	139	179
Financial liabilities (note 20)	3	9	5
Overdraft (note 15)	144	6	
Current tax payables	703	581	143
Other liabilities (note 19)	744	771	770
Total liabilities	25 148	25 319	25 766
Total equity and liabilities	88 392	82 386	85 145

Condensed group statement of changes in equity

	Other components of equity			
	Share capital Rm	Foreign currency translation Rm	Financial instruments revaluation Rm	Equity-settled Rm
At 31 December 2021 (Audited)	983	987	(117)	596
<i>Total comprehensive income/(loss)</i>		64	176	
– Profit for the period				
– Other comprehensive income/(loss) for the period		64	176	
<i>Transactions with owners</i>				(279)
Contributions and distributions				(279)
– Dividends paid (note 6)				
– Distributions to NCI share option holders				
– Share-based payments movement				(279)
Changes in ownership interest				
– Recognition of NCI				
At 30 June 2022 (Reviewed)	983	1 051	59	317
<i>Total comprehensive income/(loss)</i>		75	(40)	1
– Profit for the period				
– Other comprehensive income/(loss) for the period		75	(40)	1
<i>Transactions with owners</i>				132
Contributions and distributions				132
– Dividends paid (note 6)				
– Share-based payments movement				132
At 31 December 2022 (Audited)	983	1 126	19	450
<i>Total comprehensive income/(loss)</i>		269	9	
– Profit for the period				
– Other comprehensive income/(loss) for the period		269	9	
<i>Transactions with owners</i>				(511)
Contributions and distributions				(511)
– Dividends paid (note 6)				
– Share-based payments movement ¹				(511)
At 30 June 2023 (Reviewed)	983	1 395	28	(61)

¹ Relates to the net amount of the share-based payment expense of R111 million and the value of shares acquired in the market to settle vested share-based payment transactions of R622 million.

Foreign currency translation

Arises from the translation of financial statements of foreign operations within the group as well as the share of equity-accounted investments' foreign currency translation reserves.

Financial instruments revaluation

Comprises the group's cash flow hedge reserves as well as the share of equity-accounted investments' hedging reserves.

Equity-settled

Represents the fair value, net of tax, of services received from employees and settled by equity instruments granted.

Retirement employee obligations Rm	Financial asset FVOCI revaluation Rm	Other Rm	Retained earnings Rm	Attributable to owners of the parent Rm	Non- controlling interests Rm	Total equity Rm
35	55	4	37 007	39 550	10 548	50 098
	(6)		8 250	8 484	2 571	11 055
			8 250	8 250	2 489	10 739
	(6)			234	82	316
			(2 849)	(3 128)	(958)	(4 086)
			(2 838)	(3 117)	(969)	(4 086)
			(2 838)	(2 838)	(968)	(3 806)
					(1)	(1)
				(279)		(279)
			(11)	(11)	11	
			(11)	(11)	11	
35	49	4	42 408	44 906	12 161	57 067
3	14		5 576	5 629	1 705	7 334
			5 576	5 576	1 690	7 266
3	14			53	15	68
			(3 848)	(3 716)	(1 306)	(5 022)
			(3 848)	(3 716)	(1 306)	(5 022)
			(3 848)	(3 848)	(1 306)	(5 154)
				132		132
38	63	4	44 136	46 819	12 560	59 379
2	(2)		5 905	6 183	1 865	8 048
			5 905	5 905	1 780	7 685
2	(2)			278	85	363
			(2 744)	(3 255)	(928)	(4 183)
			(2 744)	(3 255)	(928)	(4 183)
			(2 744)	(2 744)	(928)	(3 672)
				(511)		(511)
40	61	4	47 297	49 747	13 497	63 244

Retirement employee obligations

Comprises remeasurements, net of tax, on the retirement employee obligations as well as the share of equity-accounted investments' retirement employee obligations reserves.

Financial asset FVOCI revaluation

Comprises the fair value adjustments, net of tax, on the financial assets classified at FVOCI as well as the share of equity-accounted investments' financial asset FVOCI revaluation reserves.

Condensed group statement of cash flows

	6 months ended 30 June 2023 Reviewed Rm	6 months ended 30 June 2022 Reviewed Rm	12 months ended 31 December 2022 Audited Rm
Cash flows from operating activities	5 125	7 142	14 410
Cash generated by operations (note 9)	6 252	9 433	18 863
Interest paid	(528)	(488)	(982)
Interest received	656	184	650
Tax paid	(1 255)	(1 987)	(4 121)
Cash flows from investing activities	1 057	1 917	3 990
Property, plant and equipment acquired (note 12)	(801)	(744)	(1 652)
Proceeds from disposal of property, plant and equipment	2	3	4
Cash received from other financial assets at amortised cost	100	39	90
ESD loans granted	(123)	(42)	(112)
ESD loans settled	54	27	50
Portfolio investments acquired		(400)	(400)
Settlement of deferred consideration	31		94
Lease receivables settled	8	7	15
Increase in environmental rehabilitation funds	(8)	(3)	(8)
Dividends received from equity-accounted investments	1 794	3 030	5 903
Dividends received from financial assets			6
Cash flows from financing activities	(4 632)	(4 860)	(10 617)
Interest-bearing borrowings repaid (note 15;17)	(318)	(646)	(1 181)
Lease liabilities paid (note 16)	(20)	(16)	(34)
Dividends paid to owners of the parent (note 6)	(2 744)	(2 838)	(6 686)
Dividends paid to NCI BEE Parties	(915)	(950)	(2 237)
Dividends paid to NCI of Tsitsikamma SPV	(13)	(18)	(37)
Distributions to NCI share option holders		(1)	(1)
Shares acquired in the market to settle share-based payments	(622)	(391)	(441)
Net increase in cash and cash equivalents	1 550	4 199	7 783
Cash and cash equivalents at beginning of the period	14 812	7 041	7 041
Translation difference on movement in cash and cash equivalents	111	(5)	(12)
Cash and cash equivalents at end of the period	16 473	11 235	14 812
Cash and cash equivalents	16 617	11 241	14 812
Overdraft	(144)	(6)	

Notes to the reviewed condensed group interim financial statements

1. CORPORATE BACKGROUND

Exxaro, a public company incorporated in South Africa, is a diversified resources group with interests in the coal (controlled and non-controlled), energy (controlled) and ferrous (controlled and non-controlled) markets. These reviewed condensed group interim financial statements as at and for the six-month period ended 30 June 2023 (interim financial statements) comprise the company and its subsidiaries (together referred to as the group) and the group's interest in associates and joint ventures.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The interim financial statements have been prepared in accordance with and contain the information required by IFRS (as issued by the IASB), IAS 34 *Interim Financial Reporting*, Financial Pronouncements (as issued by the Financial Reporting Standards Council), the SAICA Financial Reporting Guides (as issued by the Accounting Practices Committee), the requirements of the Companies Act and the JSE Listings Requirements.

The interim financial statements have been prepared under the supervision of Mr PA Koppeschaar CA(SA), SAICA registration number: 00038621.

The interim financial statements should be read in conjunction with the group annual financial statements as at and for the year ended 31 December 2022, which have been prepared in accordance with IFRS. The interim financial statements have been prepared on the historical cost basis, except for financial instruments, share-based payments and biological assets, which are measured at fair value.

The interim financial statements of the Exxaro group were authorised for issue by the board of directors on 15 August 2023.

2.2 Judgements and estimates

Management made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements and the key source of estimation uncertainty were similar to those applied to the group annual financial statements as at and for the year ended 31 December 2022.

3. ACCOUNTING POLICIES AND OTHER COMPLIANCE MATTERS

The accounting policies applied are in terms of IFRS and are consistent with those of the previous financial year. The policy for recognising and measuring income taxes in the interim reporting period is consistent with that applied in the previous interim reporting period as described in 3.1 below. A number of new or amended standards became effective for the current reporting period. The group did not have to make any significant changes to its accounting policies nor make retrospective adjustments as a result of adopting these standards.

3.1 Income tax

Income tax expense is recognised based on management's estimate of the weighted average effective annual tax rate expected for the full financial year. The estimated weighted average effective annual tax rate used for the six-month period ended 30 June 2023 is 19.6%, compared to 17.9% for the six-month period ended 30 June 2022.

The main reconciling items, between the current standard tax rate of 27% and the effective tax rate, result from the share of income of equity-accounted investments and dividend income (-8.9%).

3.2 Impact of new, amended or revised standards issued but not yet effective

New accounting standards, amendments to accounting standards and interpretations issued, that are relevant to the group, but not yet effective on 30 June 2023, have not been early adopted, except for the amendment to IAS 1 *Presentation of financial statements* relating to non-current liabilities with covenants. The group continuously evaluates the impact of these standards and amendments.

Notes to the reviewed condensed group interim financial statements continued

4. RECONCILIATION OF GROUP HEADLINE EARNINGS

	Gross Rm	Tax Rm	NCI Rm	Net Rm
6 months ended 30 June 2023 (Reviewed)				
Profit attributable to owners of the parent				5 905
Adjusted for:	13	(4)	(2)	7
– IAS 16 Net losses on disposal of property, plant and equipment	11	(3)	(2)	6
– IAS 28 Share of equity-accounted investments' separately identifiable remeasurements	2	(1)		1
Headline earnings				5 912
6 months ended 30 June 2022 (Reviewed)				
Profit attributable to owners of the parent				8 250
Adjusted for:	73	(21)	(12)	40
– IAS 16 Net losses on disposal of property, plant and equipment	88	(25)	(15)	48
– IAS 28 Share of equity-accounted investments' separately identifiable remeasurements	(15)	4	3	(8)
Headline earnings				8 290
12 months ended 31 December 2022 (Audited)				
Profit attributable to owners of the parent				13 826
Adjusted for:	1 285	(333)	(220)	732
– IFRS 10 Loss on disposal of subsidiary	1			1
– IAS 16 Net losses on disposal of property, plant and equipment	97	(27)	(17)	53
– IAS 28 Loss on dilution of investment in associate	2			2
– IAS 28 Share of equity-accounted investments' separately identifiable remeasurements ¹	1 132	(306)	(191)	635
– IAS 36 Impairment charges of non-current assets	53		(12)	41
Headline earnings				14 558

¹ Includes Exxaro's share of SIOC's impairment charge recognised on mining assets, amounting to R626 million (net of tax and NCI). The impairment charge on mining assets was due to the production volumes being revised down in line with anticipated logistics performance.

	6 months ended 30 June 2023 Reviewed cents	6 months ended 30 June 2022 Reviewed cents	12 months ended 31 December 2022 Audited cents
Headline earnings per share			
Basic	2 443	3 426	6 016
Diluted	2 443	3 426	6 016

Refer note 6 for details regarding the number of shares.

Notes to the reviewed condensed group interim financial statements continued

5. SEGMENTAL INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the reportable operating segments. The chief operating decision maker has been defined as the executive committees of the group. Segments reported are based on the group's different commodities and operations.

In line with reporting trends, emphasis is placed on controllable costs. Indirect corporate costs are reported on a gross level in the other reportable segment.

The segments, as described below, offer different goods and services, and are managed separately based on commodity, location and support function grouping. The group executive committees review internal management reports on these operating segments at least quarterly.

Coal

The coal operations produce thermal coal, metallurgical coal and SSCC and are made up of the following reportable segments:

Commercial Waterberg: Comprising mainly of the Grootegeluk operation.

Commercial Mpumalanga: Comprising of the Belfast and Leeuwpan operations, as well as the 50% (30 June 2022: 50%; 31 December 2022: 50%) joint venture in Mafube with Thungela.

Tied: Comprising of the Matla mine supplying its entire coal supply to Eskom.

Other: Comprising of the other coal affiliated operations, including mines in closure and a 10.26% (30 June 2022: 10.26%; 31 December 2022: 10.26%) equity interest in RBCT.

The export revenue and related export cost items are allocated between the coal reportable segments and disclosed based on the origin of the initial coal production.

Energy

The energy operations generate electricity from renewable energy technology. The energy reportable segment comprises mainly of the Cennergi controlled operation.

Ferrous

The ferrous operations are made up of the following reportable segments:

Alloys: Comprising of the FerroAlloys operation which manufactures ferrosilicon.

Other: Comprising of the 20.62% (30 June 2022: 20.62%; 31 December 2022: 20.62%) equity interest in SIOC.

Other

The other operations of the group are made up of the following reportable segments:

Base metals: Comprising of the 26% (30 June 2022: 26%; 31 December 2022: 26%) equity interest in Black Mountain.

Other: Comprising mainly of the corporate office (rendering corporate management services), the Ferroland agricultural operation, the 25.85% (30 June 2022: 25.85%; 31 December 2022: 25.85%) equity interest in Insect Technology and the 28.01% (30 June 2022: 28.59%; 31 December 2022: 28.01%) equity interest in LightApp.

Notes to the reviewed condensed group interim financial statements continued

5. SEGMENTAL INFORMATION continued

The following tables present a summary of the group's segmental information:

6 months ended 30 June 2023 (Reviewed)	Coal				
	Commercial		Tied Rm	Other Rm	Energy Rm
	Water-berg Rm	Mpumalanga Rm			
External revenue (note 7)	11 384	4 000	2 741		610
Segmental net operating profit/(loss)	5 698	211	82	(134)	280
External finance income (note 10)	14	4		15	16
External finance costs (note 10)	(42)	(44)		(30)	(244)
Income tax expense	(1 461)	(54)	(18)	(85)	(31)
Depreciation and amortisation (note 8)	(745)	(283)	(6)	(20)	(195)
Net losses on disposal of property, plant and equipment (note 8)	(10)	(1)			
Share of income of equity-accounted investments (note 11)		275		2	
Cash generated by/(utilised in) operations (note 9)	6 103	(176)	177	(259)	425
Capital spend on property, plant and equipment (note 12)	(706)	(69)		(2)	(13)
At 30 June 2023 (Reviewed)					
Segmental assets and liabilities					
Deferred tax ¹					1
Equity-accounted investments (note 13)		2 845		2 025	
External assets	31 056	5 998	1 347	2 952	8 550
Total assets	31 056	8 843	1 347	4 977	8 551
External liabilities	2 238	2 150	1 550	525	4 662
Deferred tax ¹	7 028	962	(61)	(124)	899
Total liabilities	9 266	3 112	1 489	401	5 561

¹ Offset per legal entity and tax authority.

Notes to the reviewed condensed group interim financial statements continued

5. SEGMENTAL INFORMATION continued

	Ferrous		Other		Total Rm
	Alloys Rm	Other ferrous Rm	Base metals Rm	Other Rm	
6 months ended 30 June 2023 (Reviewed)					
External revenue (note 7)	205			3	18 943
Segmental net operating profit/(loss)	53			127	6 317
External finance income (note 10)				629	678
External finance costs (note 10)				(241)	(601)
Income tax expense	(13)			(211)	(1 873)
Depreciation and amortisation (note 8)				(83)	(1 332)
Net losses on disposal of property, plant and equipment (note 8)					(11)
Share of income of equity-accounted investments (note 11)		2 631	256		3 164
Cash generated by/(utilised in) operations (note 9)	125			(143)	6 252
Capital spend on property, plant and equipment (note 12)	(1)			(10)	(801)
At 30 June 2023 (Reviewed)					
Segmental assets and liabilities					
Deferred tax ¹	6	3		247	257
Equity-accounted investments (note 13)		12 559	2 187		19 616
External assets	369	25		18 222	68 519
Total assets	375	12 587	2 187	18 469	88 392
External liabilities	38	1		5 306	16 470
Deferred tax ¹				(26)	8 678
Total liabilities	38	1		5 280	25 148

¹ Offset per legal entity and tax authority.

Notes to the reviewed condensed group interim financial statements continued

5. SEGMENTAL INFORMATION continued

	Coal				
	Commercial		Tied Rm	Other Rm	Energy Rm
	Water-berg Rm	Mpumalanga Rm			
6 months ended 30 June 2022 (Reviewed)					
External revenue (note 7)	11 692	7 334	2 666		523
Segmental net operating profit/(loss)	6 387	3 020	74	(74)	168
External finance income (note 10)	10	1		1	9
External finance costs (note 10)	(28)	(43)		(37)	(248)
Income tax (expense)/benefit	(1 661)	(785)	(26)	260	11
Depreciation and amortisation (note 8)	(726)	(289)	(7)	(18)	(194)
Net losses on disposal of property, plant and equipment (note 8)	(9)	(69)			
Share of income/(loss) of equity-accounted investments (note 11)		756			
Cash generated by/(utilised in) operations (note 9)	7 387	3 769	313	(2 549)	388
Capital spend on property, plant and equipment (note 12)	(639)	(86)			(5)
At 30 June 2022 (Reviewed)					
Segmental assets and liabilities					
Deferred tax ¹					7
Equity-accounted investments (note 13)		1 818		2 033	
External assets	30 788	6 298	1 101	3 666	8 735
Total assets	30 788	8 116	1 101	5 699	8 742
External liabilities	2 327	1 963	1 102	827	4 921
Deferred tax ¹	7 078	1 187	188	(967)	941
Total liabilities	9 405	3 150	1 290	(140)	5 862

¹ Offset per legal entity and tax authority.

Notes to the reviewed condensed group interim financial statements continued

5. SEGMENTAL INFORMATION continued

	Ferrous		Other		Total Rm
	Alloys Rm	Other ferrous Rm	Base metals Rm	Other Rm	
6 months ended 30 June 2022 (Reviewed)					
External revenue (note 7)	108			7	22 330
Segmental net operating profit/(loss)	21			(400)	9 196
External finance income (note 10)				185	206
External finance costs (note 10)				(116)	(472)
Income tax (expense)/benefit	(4)	1		(140)	(2 344)
Depreciation and amortisation (note 8)	(5)			(80)	(1 319)
Net losses on disposal of property, plant and equipment (note 8)				(10)	(88)
Share of income/(loss) of equity-accounted investments (note 11)		3 130	299	(32)	4 153
Cash generated by/(utilised in) operations (note 9)	(22)			147	9 433
Capital spend on property, plant and equipment (note 12)				(14)	(744)
At 30 June 2022 (Reviewed)					
Segmental assets and liabilities					
Deferred tax ¹	15	1		197	220
Equity-accounted investments (note 13)		12 572	1 708	91	18 222
External assets	402	25		12 929	63 944
Total assets	417	12 598	1 708	13 217	82 386
External liabilities	24	1		5 761	16 926
Deferred tax ¹				(34)	8 393
Total liabilities	24	1		5 727	25 319

¹ Offset per legal entity and tax authority.

Notes to the reviewed condensed group interim financial statements continued

5. SEGMENTAL INFORMATION continued

12 months ended 31 December 2022 (Audited)	Coal				
	Commercial		Tied Rm	Other Rm	Energy Rm
	Water- berg Rm	Mpuma- langa Rm			
External revenue (note 7)	23 613	15 797	5 561		1 159
Segmental net operating profit/(loss)	11 731	5 323	151	(389)	437
External finance income (note 10)	24	4		5	20
External finance costs (note 10)	(58)	(91)		(62)	(503)
Income tax (expense)/benefit	(3 178)	(1 307)	(61)	473	60
Depreciation and amortisation (note 8)	(1 490)	(609)	(14)	(6)	(391)
Net losses on disposal of property, plant and equipment (note 8)	(9)	(72)		(7)	
Impairment charges of equity-accounted investments					
Loss on disposal of subsidiary					
Loss on dilution of investment in associate					
Share of income/(loss) of equity-accounted investments (note 11)		1 902		(10)	
Cash generated by/(utilised in) operations (note 9)	12 874	6 539	267	(1 459)	837
Capital spend on property, plant and equipment (note 12)	(1 348)	(252)		(5)	(20)
At 31 December 2022 (Audited)					
Segmental assets and liabilities					
Deferred tax ¹					1
Equity-accounted investments (note 13)		2 999		2 024	
External assets	30 897	6 068	1 213	3 258	8 614
Total assets	30 897	9 067	1 213	5 282	8 615
External liabilities	1 857	2 577	1 301	1 143	4 804
Deferred tax ¹	6 997	978	(56)	(108)	884
Total liabilities	8 854	3 555	1 245	1 035	5 688

¹ Offset per legal entity and tax authority.

Notes to the reviewed condensed group interim financial statements continued

5. SEGMENTAL INFORMATION continued

	Ferrous		Other		Total Rm
	Alloys Rm	Other ferrous Rm	Base metals Rm	Other Rm	
12 months ended 31 December 2022 (Audited)					
External revenue (note 7)	224			15	46 369
Segmental net operating profit/(loss)	49	(1)		(1 081)	16 220
External finance income (note 10)				641	694
External finance costs (note 10)	(1)			(337)	(1 052)
Income tax (expense)/benefit	(5)			(269)	(4 287)
Depreciation and amortisation (note 8)	(7)			(164)	(2 681)
Net losses on disposal of property, plant and equipment (note 8)				(9)	(97)
Impairment charges of equity-accounted investments				(53)	(53)
Loss on disposal of subsidiary				(1)	(1)
Loss on dilution of investment in associate				(2)	(2)
Share of income/(loss) of equity-accounted investments (note 11)		4 077	578	(70)	6 477
Cash generated by/(utilised in) operations (note 9)	(22)	(1)		(172)	18 863
Capital spend on property, plant and equipment (note 12)	(1)			(26)	(1 652)
At 31 December 2022 (Audited)					
Segmental assets and liabilities					
Deferred tax ¹	11	1		241	254
Equity-accounted investments (note 13)		11 104	1 933		18 060
External assets	421	25		16 335	66 831
Total assets	432	11 130	1 933	16 576	85 145
External liabilities	26	1		5 389	17 098
Deferred tax ¹				(27)	8 668
Total liabilities	26	1		5 362	25 766

¹ Offset per legal entity and tax authority.

Notes to the reviewed condensed group interim financial statements continued

6. DIVIDEND DISTRIBUTIONS

The final dividend relating to the 2022 financial year of 1 136 cents per share, amounting to R2 744 million (to external shareholders), was declared on 14 March 2023 and paid on 8 May 2023.

An interim cash dividend, number 41, for 2023 of 1 143 cents per share, was approved by the board of directors on 15 August 2023. The dividend is payable on 2 October 2023 to shareholders who will be on the register on 29 September 2023. This interim dividend, amounting to approximately R2 761 million (to external shareholders), has not been recognised as a liability in these interim financial statements. It will be recognised in shareholders' equity in the second half of the year ending 31 December 2023.

The interim dividend declared from income reserves, will be subject to a dividend withholding tax of 20%, for all shareholders who are not exempt from or do not qualify for a reduced rate of dividend withholding tax. The net local dividend payable to shareholders, subject to dividend withholding tax at a rate of 20% amounts to 914.40000 cents per share.

The number of ordinary shares in issue at the date of this declaration is 349 305 092. Exxaro company's tax reference number is 9218/098/14/4.

	6 months ended 30 June 2023 Reviewed Rm	6 months ended 30 June 2022 Reviewed Rm	12 months ended 31 December 2022 Audited Rm
Dividends paid	2 744	2 838	6 686
Final dividend	2 744	2 838	2 838
Interim dividend			3 848
	cents	cents	cents
Dividend paid per share	1 136	1 175	2 768
Final dividend	1 136	1 175	1 175
Interim dividend			1 593

	At 30 June 2023 Reviewed	At 30 June 2022 Reviewed	At 31 December 2022 Audited
Issued share capital (number of shares) ¹	349 305 092	349 305 092	349 305 092
Ordinary shares (million)			
– Weighted average number of shares	242	242	242
– Diluted weighted average number of shares	242	242	242

¹ Includes treasury shares of 107 770 244 (30 June 2022: 107 770 244; 31 December 2022: 107 770 244).

Notes to the reviewed condensed group interim financial statements continued

7. REVENUE

Revenue is derived from contracts with customers. Revenue has been disaggregated based on timing of revenue recognition, major type of goods and services, major geographic area and major customer industries.

6 months ended 30 June 2023 (Reviewed)	Coal				Ferrous	Other	Total Rm	
	Commercial				Energy Rm	Alloys Rm		Other Rm
	Water- berg Rm	Mpumala- langa Rm	Tied Rm	Other Rm				
Segmental revenue reconciliation								
Segmental revenue ¹	11 384	4 000	2 741		610	205	3	18 943
Export sales allocated to selling entity ²	(2 522)	(3 151)		5 673				
Total revenue	8 862	849	2 741	5 673	610	205	3	18 943
By timing and major type of goods and services								
Revenue recognised at a point in time	8 862	849	2 177	5 673		203	2	17 766
Coal	8 862	849	2 177	5 673				17 561
Ferrosilicon						203		203
Biological goods							2	2
Revenue recognised over time			564		610	2	1	1 177
Renewable energy					610			610
Stock yard management services			74					74
Project engineering services			490					490
Transportation services						1		1
Other services						1	1	2
Total revenue	8 862	849	2 741	5 673	610	205	3	18 943
By major geographic area of customer³								
Domestic	8 862	849	2 741		610	205	3	13 270
Export				5 673				5 673
Europe ⁴				2 548				2 548
Asia ⁵				2 822				2 822
Other				303				303
Total revenue	8 862	849	2 741	5 673	610	205	3	18 943
By major customer industries								
Public utilities	7 417		2 741	505	610			11 273
Merchants	196	410		5 060				5 666
Steel	594	76						670
Mining	133					185		318
Manufacturing	253					20		273
Food and beverage	104							104
Cement	133	6		108				247
Chemicals		351						351
Other	32	6					3	41
Total revenue	8 862	849	2 741	5 673	610	205	3	18 943

¹ Coal segmental revenue is based on the origin of coal production.

² Relates to revenue sold by export distribution entity.

³ Determined based on the customer supplied by Exxaro.

⁴ Relates mainly to Switzerland and Germany.

⁵ Relates mainly to Japan and Singapore.

Notes to the reviewed condensed group interim financial statements continued

7. REVENUE continued

6 months ended 30 June 2022 (Reviewed)	Coal				Ferrous		Other	Total Rm
	Commercial				Energy Rm	Alloys Rm	Other Rm	
	Water- berg Rm	Mpuma- langa Rm	Tied Rm	Other Rm				
Segmental revenue reconciliation								
Segmental revenue ¹	11 692	7 334	2 666		523	108	7	22 330
Export sales allocated to selling entity ²	(3 795)	(6 467)		10 262				
Total revenue	7 897	867	2 666	10 262	523	108	7	22 330
By timing and major type of goods and services								
Revenue recognised at a point in time	7 897	867	2 057	10 262		106	7	21 196
Coal	7 897	867	2 057	10 262				21 083
Ferrosilicon						106		106
Biological goods							7	7
Revenue recognised over time			609		523	2		1 134
Renewable energy					523			523
Stock yard management services			63					63
Project engineering services			546					546
Transportation services						1		1
Other services						1		1
Total revenue	7 897	867	2 666	10 262	523	108	7	22 330
By major geographic area of customer³								
Domestic	7 897	867	2 666		523	108	7	12 068
Export				10 262				10 262
Europe ⁴				7 588				7 588
Asia ⁵				2 421				2 421
Other				253				253
Total revenue	7 897	867	2 666	10 262	523	108	7	22 330
By major customer industries								
Public utilities	6 599		2 666		523			9 788
Merchants	141	620		10 262				11 023
Steel	604	44						648
Mining	112					89		201
Manufacturing	201					19		220
Food and beverage	94							94
Cement	110							110
Chemicals		203						203
Other	36						7	43
Total revenue	7 897	867	2 666	10 262	523	108	7	22 330

¹ Coal segmental revenue is based on the origin of coal production.

² Relates to revenue sold by export distribution entity.

³ Determined based on the customer supplied by Exxaro.

⁴ Relates mainly to Switzerland and UK.

⁵ Relates mainly to Singapore.

Notes to the reviewed condensed group interim financial statements continued

7. REVENUE continued

	Coal				Ferrous		Other	Total Rm
	Commercial		Tied Rm	Other Rm	Energy Rm	Alloys Rm	Other Rm	
	Water-berg Rm	Mpumalanga Rm						
12 months ended 31 December 2022 (Audited)								
Segmental revenue reconciliation								
Segmental revenue ¹	23 613	15 797	5 561		1 159	224	15	46 369
Export sales allocated to selling entity ²	(7 621)	(13 769)		21 390				
Total revenue	15 992	2 028	5 561	21 390	1 159	224	15	46 369
By timing and major type of goods and services								
Revenue recognised at a point in time	15 992	2 028	4 311	21 390		220	13	43 954
Coal	15 992	2 028	4 311	21 390				43 721
Ferrosilicon						220		220
Biological goods							13	13
Revenue recognised over time			1 250		1 159		2	2 415
Renewable energy					1 159			1 159
Stock yard management services				125				125
Project engineering services				1 125				1 125
Transportation services						2		2
Other services						2	2	4
Total revenue	15 992	2 028	5 561	21 390	1 159	224	15	46 369
By major geographic area of customer³								
Domestic	15 992	2 028	5 561		1 159	224	14	24 978
Export				21 390			1	21 391
Europe ⁴								16 984
Asia ⁵					3 899		1	3 900
Other					507			507
Total revenue	15 992	2 028	5 561	21 390	1 159	224	15	46 369
By major customer industries								
Public utilities	13 287		5 561	940	1 159			20 947
Merchants	315	1 363		19 840				21 518
Steel	1 317	125						1 442
Mining	242	44				180		466
Manufacturing	407	6		213		44		670
Food and beverage	145						1	146
Cement	223			158				381
Chemicals		481						481
Other	56	9		239			14	318
Total revenue	15 992	2 028	5 561	21 390	1 159	224	15	46 369

¹ Coal segmental revenue is based on the origin of coal production.

² Relates to revenue sold by export distribution entity.

³ Determined based on the customer supplied by Exxaro.

⁴ Relates mainly to Switzerland and UK.

⁵ Relates mainly to Singapore and Japan.

Notes to the reviewed condensed group interim financial statements continued

8. SIGNIFICANT ITEMS INCLUDED IN OPERATING EXPENSES

	6 months ended 30 June 2023 Reviewed Rm	6 months ended 30 June 2022 Reviewed Rm	12 months ended 31 December 2022 Audited Rm
Raw materials and consumables ¹	(2 510)	(3 380)	(7 620)
Staff costs	(2 908)	(2 853)	(5 862)
Royalties	(684)	(745)	(1 821)
Contract mining	(618)	(441)	(812)
Repairs and maintenance	(1 422)	(1 341)	(2 785)
Railage and transport	(1 620)	(1 161)	(3 019)
Legal and professional fees	(152)	(180)	(387)
Movement in provisions (note 18)	223	(37)	(474)
Depreciation and amortisation	(1 332)	(1 319)	(2 681)
– Depreciation of property, plant and equipment	(1 222)	(1 206)	(2 457)
– Depreciation of right-of-use assets	(27)	(30)	(58)
– Amortisation of intangible assets	(83)	(83)	(166)
Hedge ineffectiveness on cash flow hedges (note 20.2)	(8)	(3)	(13)
Net losses on disposal of property, plant and equipment	(11)	(88)	(97)
Net realised and unrealised currency exchange differences	255	523	777
Loss on dilution of investment in associate			(2)
Expected credit losses	(5)	(78)	(79)

¹ Includes coal buy-ins from Mafube of R891 million (30 June 2022: R1 839 million; 31 December 2022: R4 374 million).

Notes to the reviewed condensed group interim financial statements continued

9. CASH GENERATED BY OPERATIONS

	6 months ended 30 June 2023 Reviewed Rm	6 months ended 30 June 2022 Reviewed Rm	12 months ended 31 December 2022 Audited Rm
Net operating profit	6 317	9 196	16 220
<i>Non-cash movements:</i>			
Depreciation and amortisation	1 332	1 319	2 681
ECLs on financial assets at amortised cost	5	78	79
Write-off of trade and other receivables and ESD loans		2	4
Write-off of other assets	9		
Movement in provisions	(223)	37	474
Movement in retirement employee obligation	6	6	9
Net currency exchange differences	(74)	(625)	32
Fair value adjustments on financial instruments	(145)	46	(51)
Gain on termination of lease		(1)	(3)
Loss on termination of right-of-use asset			1
Net losses on disposal of property, plant and equipment	11	88	97
Loss on disposal of subsidiary			1
Loss on dilution of investment in associate			2
Indemnification asset movement			(5)
Share-based payment expense	111	111	207
Hedge ineffectiveness on cash flow hedges	8	3	13
Translation of net investment in foreign operations		(8)	(8)
Translation of foreign currency items	(139)	411	(351)
Amortisation of transaction costs prepaid	4	4	4
Non-cash recoveries	35	(2)	(194)
Non-cash deposit facilities	(373)		
Other non-cash movements	20	4	5
Cash generated from operations before working capital movements	6 904	10 669	19 217
<i>Working capital movements</i>			
(Increase)/decrease in inventories	(97)	(76)	1
Decrease/(increase) in trade and other receivables	482	(1 205)	(1 312)
(Decrease)/increase in trade and other payables	(1 009)	57	999
Utilisation of provisions	(28)	(12)	(42)
Cash generated by operations	6 252	9 433	18 863

Notes to the reviewed condensed group interim financial statements continued

10. NET FINANCING INCOME/(COSTS)

	6 months ended 30 June 2023 Reviewed Rm	6 months ended 30 June 2022 Reviewed Rm	12 months ended 31 December 2022 Audited Rm
Finance income	678	206	694
Interest income	679	203	692
Reimbursement of interest income on environmental rehabilitation funds	(4)	(2)	(6)
Finance lease interest income	3	4	7
Commitment fee income		1	1
Finance costs	(601)	(472)	(1 052)
Interest expense	(481)	(368)	(783)
Net fair value gain/(loss) on interest rate swaps designated as cash flow hedges recycled from OCI:	14	(64)	(97)
– Realised fair value loss	(29)	(97)	(163)
– Unrealised fair value gain	43	33	66
Unwinding of discount rate on rehabilitation costs	(121)	(109)	(228)
Recovery of unwinding of discount rate on rehabilitation costs	14	15	30
Interest expense on lease liabilities	(24)	(25)	(50)
Amortisation of transaction costs	(3)	(3)	(6)
Borrowing costs capitalised ¹		82	82
Total net financing income/(costs)	77	(266)	(358)
¹ Borrowing costs capitalisation rate (%)		6.09	6.09

11. SHARE OF INCOME OF EQUITY-ACCOUNTED INVESTMENTS

	6 months ended 30 June 2023 Reviewed Rm	6 months ended 30 June 2022 Reviewed Rm	12 months ended 31 December 2022 Audited Rm
Associates	2 889	3 397	4 575
SIOC	2 631	3 130	4 077
RBCT	2		(10)
Black Mountain	256	299	578
LightApp		(32)	(70)
Joint ventures	275	756	1 902
Mafube	275	756	1 902
Share of income of equity-accounted investments	3 164	4 153	6 477

Notes to the reviewed condensed group interim financial statements continued

12. CAPITAL SPEND AND CAPITAL COMMITMENTS

	At 30 June 2023 Reviewed Rm	At 30 June 2022 Reviewed Rm	At 31 December 2022 Audited Rm
Capital spend			
To maintain operations	788	710	1 401
To expand operations	13	34	251
Total capital spend on property, plant and equipment	801	744	1 652
Capital commitments			
Contracted	3 852	2 184	3 749
– Contracted for the group (owner-controlled)	1 588	484	1 614
– Share of capital commitments of associates ¹	2 168	1 613	2 040
– Share of capital commitments of joint ventures ²	96	87	95
Authorised, but not contracted (owner-controlled)	1 030	1 191	2 322

¹ 31 December 2022 has been represented to include an amount of R1 173 million relating to Black Mountain.

² The share of capital commitments of equity-accounted investment line item has been represented to disclose the amounts on a disaggregated basis between associates and joint ventures. The share of capital commitments relating to Mafube were previously not included in the aggregate amounts disclosed.

13. EQUITY-ACCOUNTED INVESTMENTS

	At 30 June 2023 Reviewed Rm	At 30 June 2022 Reviewed Rm	At 31 December 2022 Audited Rm
Associates	16 771	16 404	15 061
SIOC	12 559	12 572	11 104
RBCT	2 025	2 033	2 024
Black Mountain	2 187	1 708	1 933
LightApp ¹		91	
Joint ventures	2 845	1 818	2 999
Mafube	2 845	1 818	2 999
Total net carrying value of equity-accounted investments	19 616	18 222	18 060

¹ On 31 December 2022, the investment in LightApp was impaired to nil.

14. OTHER ASSETS

	At 30 June 2023 Reviewed Rm	At 30 June 2022 Reviewed Rm	At 31 December 2022 Audited Rm
Non-current	731	552	770
Reimbursements ¹	577	400	605
Biological assets	36	23	38
Lease receivables	33	42	38
Other	85	87	89
Current	290	346	572
VAT	8	27	31
Diesel rebates	115	108	100
Royalties	99	89	95
Prepayments	21	35	283
Lease receivables	9	8	8
Other	38	79	55
Total other assets	1 021	898	1 342

¹ Amounts recoverable from Eskom in respect of the rehabilitation, environmental expenditure and retirement employee obligations of the Matla operation at the end of LoM.

Notes to the reviewed condensed group interim financial statements continued

15. INTEREST-BEARING BORROWINGS

	At 30 June 2023 Reviewed Rm	At 30 June 2022 Reviewed Rm	At 31 December 2022 Audited Rm
Non-current¹	7 386	8 940	8 378
Loan facility	3 168	3 838	3 391
Project financing ²	4 218	4 459	4 344
Bonds ³		643	643
Current¹	1 398	674	715
Loan facility	510	494	502
Project financing ²	242	178	210
Bonds ³	646	2	3
Total interest-bearing borrowings	8 784	9 614	9 093
<i>Summary of interest-bearing borrowings by period of redemption:</i>			
Less than six months	407	359	377
Six to 12 months	991	315	338
Between one and two years	756	1 329	1 361
Between two and three years	3 115	756	795
Between three and four years	501	3 340	2 947
Between four and five years	614	501	554
Over five years	2 400	3 014	2 721
Total interest-bearing borrowings	8 784	9 614	9 093
¹ Reduced by the amortisation of transaction costs:			
– Non-current	(7)	(12)	(9)
– Current	(5)	(6)	(5)
² Interest-bearing borrowings relating to Cennergi.			
³ The R643 million senior unsecured floating rate note will mature in June 2024.			
Overdraft			
Bank overdraft	144	6	

The bank overdraft is repayable on demand. Interest is based on current South African money market rates.

Refer note 17 for the amounts repaid in relation to interest-bearing borrowings.

There were no defaults or breaches in terms of interest-bearing borrowings during the reporting periods.

Notes to the reviewed condensed group interim financial statements continued

15. INTEREST-BEARING BORROWINGS continued

Below is a summary of the salient terms and conditions of the facilities at 30 June 2023:

	Loan facility		
	Bullet term loan	Amortised term loan	Revolving credit facility
Aggregate nominal amount (Rm)	2 500	1 125	3 250
Undrawn portion (Rm)	nil	nil	3 250
Issue date	26 April 2021	26 April 2021	26 April 2021
Maturity date	26 April 2026	26 April 2026	26 April 2026
Capital payments	The total outstanding amount is payable on final maturity date	Repay each loan in full in equal consecutive semi-annual instalments on the last business day of April and October of each year	The total outstanding amount is payable on final maturity date
Duration (months)	60	60	60
Secured or unsecured	Unsecured	Unsecured	Unsecured
Interest			
Interest payment basis	Floating rate	Floating rate	Floating rate
Interest payment period	Three months	Three months	Monthly
Interest rate			
– Base rate	3-month JIBAR	3-month JIBAR	1-month JIBAR
– Margin	240 basis points (2.40%)	230 basis points (2.30%)	265 basis points (2.65%)
Effective interest rates for the transaction costs	0.11%	0.12%	N/A

Notes to the reviewed condensed group interim financial statements continued

15. INTEREST-BEARING BORROWINGS continued

Project financing

	Tsitsikamma SPV loan facility	Amakhala SPV loan facilities	Amakhala SPV loan facilities
Remaining nominal amount outstanding (Rm)	1 758	2 563	138
Undrawn portion (Rm)	148	273	nil
Debt assumed date	1 April 2020	1 April 2020	1 April 2020
Maturity date	31 December 2030	30 June 2031	30 June 2031
Capital payments	Semi-annual instalments ranging incrementally over the term from 0.18% to 10.65% of the nominal amount	Semi-annual instalments ranging incrementally over the term from 0.18% to 10.65% of the nominal amount	Semi-annual instalments ranging incrementally over the term from 0.18% to 10.65% of the nominal amount
Duration (months)	129	135	135
Secured or unsecured ¹	Secured	Secured	Secured
Interest			
Interest payment basis	Floating rate ²	Floating rate ²	Fixed rate ³
Interest payment period	Semi-annual	Semi-annual	Semi-annual
Interest rate			
– Base rate	3-month JIBAR	3-month JIBAR	9.46% up to 30 June 2026, thereafter 3-month JIBAR
– Margin/all in margin range	277 basis points (2.77%)	371 to 682 basis points (3.71% to 6.82%)	360 to 670 basis points (3.60% to 6.70%)

¹ Security held over the assets and share capital of Tsitsikamma SPV and Amakhala SPV respectively.

² Interest payments are hedged from a floating rate to a fixed rate (refer note 20.2).

³ The facility will become a floating rate facility from 30 June 2026.

DMTN Programme (bonds)

R643 million senior unsecured floating rate note

Aggregate nominal amount (Rm)	643
Issue date or draw down date	13 June 2019
Maturity date	13 June 2024
Capital payments	No fixed or determined payments, the total outstanding amount is payable on final maturity date
Duration (months)	60
Secured or unsecured	Unsecured
Interest	
Interest payment basis	Floating rate
Interest payment period	Three months
Interest rate	
– Base rate	3-month JIBAR
– Margin	189 basis points (1.89%)

Notes to the reviewed condensed group interim financial statements continued

16. LEASE LIABILITIES

	At 30 June 2023 Reviewed Rm	At 30 June 2022 Reviewed Rm	At 31 December 2022 Audited Rm
Non-current	419	452	438
Current	45	37	40
Total lease liabilities	464	489	478
<i>Summary of lease liabilities by period of redemption:</i>			
Less than six months	21	16	19
Six to 12 months	24	21	21
Between one and two years	56	46	51
Between two and three years	69	57	62
Between three and four years	73	60	66
Between four and five years	89	73	81
Over five years	132	216	178
Total lease liabilities	464	489	478
Analysis of movement in lease liabilities			
At beginning of the period	478	504	504
Lease terminations			(3)
Lease remeasurement adjustments	6	3	10
Lease modification adjustments		(2)	
Interest accrued			1
Capital repayments	(20)	(16)	(34)
– Lease payments	(44)	(41)	(83)
– Interest charges	24	25	49
At end of the period	464	489	478

The lease liabilities relate to the right-of-use assets. Interest is based on incremental borrowing rates ranging between 8.97% and 10.43% (30 June 2022: 6.09% and 10.43%; 31 December 2022: 8.97% and 10.43%).

17. NET CASH/(DEBT)

	At 30 June 2023 Reviewed Rm	At 30 June 2022 Reviewed Rm	At 31 December 2022 Audited Rm
Net cash is presented by the following items on the statement of financial position:			
Non-current interest-bearing debt	(7 805)	(9 392)	(8 816)
Interest-bearing borrowings	(7 386)	(8 940)	(8 378)
Lease liabilities	(419)	(452)	(438)
Current interest-bearing debt	(1 443)	(711)	(755)
Interest-bearing borrowings	(1 398)	(674)	(715)
Lease liabilities	(45)	(37)	(40)
Net cash and cash equivalents	16 473	11 235	14 812
Cash and cash equivalents	16 617	11 241	14 812
Overdraft	(144)	(6)	
Total net cash	7 225	1 132	5 241

Notes to the reviewed condensed group interim financial statements continued

17. NET CASH/(DEBT) continued

Analysis of movement in net cash/(debt):

	Cash and cash equivalents/ (overdraft) Rm	Liabilities from financing activities		Total Rm
		Non-current interest-bearing debt Rm	Current interest-bearing debt Rm	
Net debt at 31 December 2021 (Audited)	7 041	(9 725)	(1 034)	(3 718)
Cash flows	4 199		662	4 861
Operating activities	7 142			7 142
Investing activities	1 917			1 917
Financing activities	(4 860)		662	(4 198)
– Interest-bearing borrowings repaid	(646)		646	
– Lease liabilities paid	(16)		16	
– Distributions to NCI share option holders	(1)			(1)
– Dividends paid to NCI of Tsitsikamma SPV	(18)			(18)
– Dividends paid to owners of the parent (note 6)	(2 838)			(2 838)
– Dividends paid to NCI BEE Parties	(950)			(950)
– Shares acquired in the market to settle share-based payments	(391)			(391)
Non-cash movements		333	(339)	(6)
Amortisation of transaction costs			(3)	(3)
Interest accrued			(2)	(2)
Lease remeasurements and modifications		(1)		(1)
Transfers between non-current and current liabilities		334	(334)	
Translation difference on movement in cash and cash equivalents	(5)			(5)
Net cash at 30 June 2022 (Reviewed)	11 235	(9 392)	(711)	1 132

Notes to the reviewed condensed group interim financial statements continued

17. NET CASH/(DEBT) continued

	Cash and cash equivalents/ (overdraft) Rm	Liabilities from financing activities		Total Rm
		Non-current interest-bearing debt Rm	Current interest-bearing debt Rm	
Net cash at 30 June 2022 (Reviewed)	11 235	(9 392)	(711)	1 132
Cash flows	3 584	225	328	4 137
Operating activities	7 268			7 268
Investing activities	2 073			2 073
Financing activities	(5 757)	225	328	(5 204)
– Interest-bearing borrowings repaid	(535)	225	310	
– Lease liabilities paid	(18)		18	
– Dividends paid to NCI of Tsitsikamma SPV	(19)			(19)
– Dividends paid to owners of the parent (note 6)	(3 848)			(3 848)
– Dividends paid to NCI BEE Parties	(1 287)			(1 287)
– Shares acquired in the market to settle share-based payments	(50)			(50)
Non-cash movements		351	(372)	(21)
Amortisation of transaction costs			(3)	(3)
Interest accrued		(1)	(11)	(12)
Lease remeasurements and modifications		(6)		(6)
Transfers between non-current and current liabilities		358	(358)	
Translation difference on movement in cash and cash equivalents	(7)			(7)
Net cash at 31 December 2022 (Audited)	14 812	(8 816)	(755)	5 241

Notes to the reviewed condensed group interim financial statements continued

17. NET CASH/(DEBT) continued

	Cash and cash equivalents/ (overdraft) Rm	Liabilities from financing activities		Total Rm
		Non-current interest-bearing debt Rm	Current interest-bearing debt Rm	
Net cash at 31 December 2022 (Audited)	14 812	(8 816)	(755)	5 241
Cash flows	1 550		338	1 888
Operating activities	5 125			5 125
Investing activities	1 057			1 057
Financing activities	(4 632)		338	(4 294)
– Interest-bearing borrowings repaid	(318)		318	
– Lease liabilities paid	(20)		20	
– Dividends paid to NCI of Tsitsikamma SPV	(13)			(13)
– Dividends paid to owners of the parent (note 6)	(2 744)			(2 744)
– Dividends paid to NCI BEE Parties	(915)			(915)
– Shares acquired in the market to settle share-based payments	(622)			(622)
Non-cash movements		1 011	(1 026)	(15)
Amortisation of transaction costs			(3)	(3)
Interest accrued			(6)	(6)
Lease remeasurements and modifications		(6)		(6)
Transfers between non-current and current liabilities		1 017	(1 017)	
Translation difference on movement in cash and cash equivalents	111			111
Net cash at 30 June 2023 (Reviewed)	16 473	(7 805)	(1 443)	7 225

Notes to the reviewed condensed group interim financial statements continued

18. PROVISIONS

	Environmental rehabilitation				Other site closure costs Rm	Other Rm	Total Rm
	Restoration Rm	Decommis- sioning Rm	Residual impact Rm				
At 30 June 2023 (Reviewed)							
At beginning of the period	1 682	305	832	118	4	2 941	
(Reversal)/charge to operating expenses (note 8)	(169)	(64)	3	7		(223)	
Unwinding of discount rate (note 10)	87	17	12	5		121	
Capitalised to property, plant and equipment		(22)				(22)	
Utilised during the period	(18)		(1)	(7)	(2)	(28)	
Total provisions at end of the period	1 582	236	846	123	2	2 789	
Non-current	1 447	236	804	106		2 593	
Current	135		42	17	2	196	
At 30 June 2022 (Reviewed)							
At beginning of the period	1 479	350	407	56	10	2 302	
Charge/(reversal) to operating expenses (note 8)	7	(3)	33			37	
Unwinding of discount rate (note 10)	71	18	20			109	
Capitalised to property, plant and equipment		(2)				(2)	
Utilised during the period	(5)		(1)		(6)	(12)	
Total provisions at end of the period	1 552	363	459	56	4	2 434	
Non-current	1 449	363	439	43	1	2 295	
Current	103		20	13	3	139	
At 31 December 2022 (Audited)							
At beginning of the year	1 479	350	407	56	10	2 302	
Charge/(reversal) to operating expenses (note 8)	81	(72)	385	80		474	
Unwinding of discount rate (note 10)	148	37	43			228	
Capitalised to property, plant and equipment		(10)				(10)	
Utilised during the period	(15)		(3)	(18)	(6)	(42)	
Utilised but not yet paid	(11)					(11)	
Total provisions at end of the period	1 682	305	832	118	4	2 941	
Non-current	1 565	305	800	92		2 762	
Current	117		32	26	4	179	

Notes to the reviewed condensed group interim financial statements continued

19. OTHER LIABILITIES

	At 30 June 2023 Reviewed Rm	At 30 June 2022 Reviewed Rm	At 31 December 2022 Audited Rm
Non-current	26	25	26
Income received in advance	26	25	26
Current	744	771	770
Leave pay	251	234	234
Bonuses	218	318	362
VAT	114	59	61
Carbon tax	3	4	3
Customer advance payments			3
Other	158	156	107
Total other liabilities	770	796	796

Notes to the reviewed condensed group interim financial statements continued

20. FINANCIAL INSTRUMENTS

The group holds the following financial instruments:

	At 30 June 2023 Reviewed Rm	At 30 June 2022 Reviewed Rm	At 31 December 2022 Audited Rm
Non-current			
Financial assets			
<i>Financial assets at FVOCI</i>	471	451	474
Equity: unlisted – Chifeng	471	451	474
<i>Financial assets at FVPL</i>	3 314	2 513	2 607
Debt: unlisted – environmental rehabilitation funds	2 308	2 111	2 187
Debt: unlisted – portfolio investments	433	402	420
Debt: unlisted – deposit facilities ¹	573		
<i>Financial assets at amortised cost</i>	418	543	447
ESD loans ²	127	40	102
– Gross	168	83	108
– Impairment allowances	(41)	(43)	(6)
Vendor finance loan ³	150	300	173
– Gross	150	300	173
Other financial assets at amortised cost	141	203	172
– Environmental rehabilitation funds	103	96	99
– Deferred pricing receivable ⁴	39	111	76
– Impairment allowances	(1)	(4)	(3)
<i>Derivative financial assets designated as hedging instruments</i>	19	11	11
Cash flow hedge derivatives: interest rate swaps ⁵	19	11	11
Financial liabilities			
<i>Financial liabilities at amortised cost</i>	(7 454)	(9 001)	(8 403)
Interest-bearing borrowings	(7 386)	(8 940)	(8 378)
Other payables	(68)	(61)	(25)
<i>Derivative financial liabilities designated as hedging instruments</i>	(60)	(136)	(112)
Cash flow hedge derivatives: interest rate swaps ⁵	(60)	(136)	(112)

¹ Deposit or credit facilities that are contractual arrangements with insurance providers with an initial five-year term and are used to cover insurance claims up to a maximum claim value of R1 billion per facility over the term of the contract. The balance of the facility is refunded at the end of the term, net of fees, returns and claims incurred. Annual premiums are required to be placed in the facility over the term yielding returns on underlying fund portfolios.

² Interest-free loans advanced to successful applicants in terms of the Exxaro ESD programme.

³ Vendor finance loan granted to Overlooked Colliery as part of the disposal of the ECC operation. The repayment terms were revised during 2022. The loan is unsecured, repayable from 1 October 2022 and bears interest at:

- Prime Rate for the period 3 September 2021 to 30 September 2024
- Prime Rate plus 1 for the period 1 October 2024 to 30 September 2025
- Prime Rate plus 2 for the period 1 October 2025 to 30 September 2026
- Prime Rate plus 3 for the period 1 October 2026 to 30 September 2027.

⁴ Relates to a deferred pricing adjustment which arose during 2017. The amount receivable will be settled over seven years (ending 2024) and bears interest at Prime Rate less 2%.

⁵ Refer note 20.2.

Notes to the reviewed condensed group interim financial statements continued

20. FINANCIAL INSTRUMENTS continued

	At 30 June 2023 Reviewed Rm	At 30 June 2022 Reviewed Rm	At 31 December 2022 Audited Rm
Current			
Financial assets			
<i>Financial assets at amortised cost</i>	21 098	16 579	19 330
ESD loans ¹	84	85	76
– Gross	176	146	166
– Impairment allowances	(92)	(61)	(90)
Vendor finance loan ²	81	2	121
Other financial assets at amortised cost	95	213	122
– Deferred pricing receivable ³	73	68	70
– Deferred consideration receivable ⁴	25	150	56
– Employee receivables	4	4	4
– Impairment allowances	(7)	(9)	(8)
Trade and other receivables	4 221	5 038	4 199
Trade receivables	4 143	4 593	4 124
– Gross	4 166	4 621	4 150
– Impairment allowances	(23)	(28)	(26)
Other receivables	78	445	75
– Gross	100	479	122
– Impairment allowances	(22)	(34)	(47)
Cash and cash equivalents	16 617	11 241	14 812
<i>Financial assets at FVPL</i>	48	39	57
Derivative financial assets	48	39	57
Financial liabilities			
<i>Financial liabilities at amortised cost</i>	(4 057)	(3 315)	(4 055)
Interest-bearing borrowings	(1 398)	(674)	(715)
Trade and other payables	(2 515)	(2 635)	(3 340)
– Trade payables	(1 464)	(1 337)	(1 559)
– Other payables	(1 051)	(1 298)	(1 781)
Overdraft	(144)	(6)	
<i>Financial liabilities at FVPL</i>	(3)	(9)	(5)
Derivative financial liabilities	(3)	(9)	(5)

¹ Interest-free loans advanced to successful applicants in terms of the Exxaro ESD programme.

² Vendor finance loan granted to Overlooked Colliery as part of the disposal of the ECC operation. The repayment terms were revised during 2022. The loan is unsecured, repayable from 1 October 2022 and bears interest at:

Prime Rate for the period 3 September 2021 to 30 September 2024

Prime Rate plus 1 for the period 1 October 2024 to 30 September 2025

Prime Rate plus 2 for the period 1 October 2025 to 30 September 2026

Prime Rate plus 3 for the period 1 October 2026 to 30 September 2027.

³ Relates to a deferred pricing adjustment which arose during 2017. The amount receivable will be settled over seven years (ending 2024) and bears interest at Prime Rate less 2%.

⁴ Relates to deferred consideration receivable which arose on the disposal of the ECC operation.

Notes to the reviewed condensed group interim financial statements continued

20. FINANCIAL INSTRUMENTS continued

The carrying amounts of financial instruments measured at amortised cost approximate fair value due to the nature and terms of these instruments.

The group has granted the following loan commitments:

	At 30 June 2023 Reviewed Rm	At 30 June 2022 Reviewed Rm	At 31 December 2022 Audited Rm
Total loan commitments¹	42		96
ESD applicants ²	42		96

¹ The loan commitments were undrawn for the reporting periods.

² Loans approved and awarded to successful ESD applicants.

20.1 Fair value hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to the valuation techniques used. The different levels are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the group can access at the measurement date.

Level 2 – Inputs other than quoted prices included in Level 1 that are either directly or indirectly observable.

Level 3 – Inputs that are not based on observable market data (unobservable inputs).

At 30 June 2023 (Reviewed)	Fair value Rm	Level 2 Rm	Level 3 Rm
Financial assets at FVOCI	471		471
Equity: unlisted – Chifeng	471		471
Financial assets at FVPL	3 314	3 314	
Non-current debt: unlisted – environmental rehabilitation funds	2 308	2 308	
Non-current debt: unlisted – portfolio investments	433	433	
Non-current debt: unlisted – deposit facilities	573	573	
Derivative financial assets designated as hedging instruments	19	19	
Non-current cash flow hedge derivatives: interest rate swaps	19	19	
Derivative financial assets	48	48	
Current derivative financial assets	48	48	
Derivative financial liabilities designated as hedging instruments	(60)	(60)	
Non-current cash flow hedge derivatives: interest rate swaps	(60)	(60)	
Derivative financial liabilities	(3)	(3)	
Current derivative financial liabilities	(3)	(3)	
Net financial assets held at fair value	3 789	3 318	471

Notes to the reviewed condensed group interim financial statements continued

20. FINANCIAL INSTRUMENTS continued

20.1 Fair value hierarchy continued

	Fair value Rm	Level 2 Rm	Level 3 Rm
At 30 June 2022 (Reviewed)			
Financial assets at FVOCI	451		451
Equity: unlisted – Chifeng	451		451
Financial assets at FVPL	2 513	2 513	
Non-current debt: unlisted – environmental rehabilitation funds	2 111	2 111	
Non-current debt: unlisted – portfolio investments	402	402	
Derivative financial assets designated as hedging instruments	11	11	
Non-current cash flow hedge derivatives: interest rate swaps	11	11	
Derivative financial assets	39	39	
Current derivative financial assets	39	39	
Derivative financial liabilities designated as hedging instruments	(136)	(136)	
Non-current cash flow hedge derivatives: interest rate swaps	(136)	(136)	
Derivative financial liabilities	(9)	(9)	
Current derivative financial liabilities	(9)	(9)	
Net financial assets held at fair value	2 869	2 418	451
At 31 December 2022 (Audited)			
Financial assets at FVOCI	474		474
Equity: unlisted – Chifeng	474		474
Financial assets at FVPL	2 607	2 607	
Non-current debt: unlisted – environmental rehabilitation funds	2 187	2 187	
Non-current debt: unlisted – portfolio investments	420	420	
Derivative financial assets designated as hedging instruments	11	11	
Non-current cash flow hedge derivatives: interest rate swaps	11	11	
Derivative financial assets	57	57	
Current derivative financial assets	57	57	
Derivative financial liabilities designated as hedging instruments	(112)	(112)	
Non-current cash flow hedge derivatives: interest rate swaps	(112)	(112)	
Derivative financial liabilities	(5)	(5)	
Current derivative financial liabilities	(5)	(5)	
Net financial assets held at fair value	3 032	2 558	474

Notes to the reviewed condensed group interim financial statements continued

20. FINANCIAL INSTRUMENTS continued

20.1 Fair value hierarchy continued

Reconciliation of financial assets within Level 3 of the hierarchy:

	Chifeng Rm
At 31 December 2021 (Audited)	446
<i>Movement during the period</i>	
Gains recognised in OCI (pre-tax effect) ¹	5
At 30 June 2022 (Reviewed)	451
<i>Movement during the period</i>	
Gains recognised in OCI (pre-tax effect) ¹	23
At 31 December 2022 (Audited)	474
<i>Movement during the period</i>	
Losses recognised in OCI (pre-tax effect) ¹	(3)
At 30 June 2023 (Reviewed)	471

¹ Tax on Chifeng amounts to R0.66 million (30 June 2022: R12.76 million; 2H22: R4.85 million).

Transfers

The group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. There were no transfers between Level 1 and Level 2 nor between Level 2 and Level 3 of the fair value hierarchy.

Valuation process applied

The fair value computations of investments are performed by the group's corporate finance department, reporting to the finance director, on a six-monthly basis. The valuation reports are discussed with the chief operating decision maker and the audit committee in accordance with the group's reporting governance.

Current derivative financial instruments

Level 2 fair values for simple over-the-counter derivative financial instruments are based on market quotes. These quotes are assessed for reasonability by discounting estimated future cash flows using the market rate for similar instruments at measurement date.

Environmental rehabilitation funds, portfolio investments and deposit facilities

Level 2 fair values for debt instruments held in the environmental rehabilitation funds, portfolio investments and deposit facilities are based on quotes provided by the financial institutions at which the funds are invested at measurement date.

Interest rate swaps

Level 2 fair values for interest rate swaps are based on valuations provided by the financial institutions with whom the swaps have been entered into, and take into account credit risk. The valuations are assessed for reasonability by discounting the estimated future cash flows based on observable ZAR swap curves.

Valuation techniques used in the determination of fair values within Level 3 of the hierarchy

Chifeng is classified within a Level 3 of the fair value hierarchy as there is no quoted market price or observable price available for this investment. This unlisted investment is valued as the present value of the estimated future cash flows, using a DCF model. The valuation technique is consistent to that used in previous reporting periods.

Notes to the reviewed condensed group interim financial statements continued

20. FINANCIAL INSTRUMENTS continued

20.2 Hedge accounting: Cash flow hedges

The following tables detail the financial position and performance of the interest rate swaps outstanding at the end of the reporting period and their related hedged items.

20.2.1 Financial performance effects of hedging recognised during the period:

		6 months ended 30 June 2023 Reviewed Rm	6 months ended 30 June 2022 Reviewed Rm	12 months ended 31 December 2022 Audited Rm
Fair value losses resulting from hedge ineffectiveness	Operating expenses	(8)	(3)	(13)
Fair value gains/(losses) on settlement of underlying swaps (reclassified)	Finance costs	14	(64)	(97)

20.2.2 Hedging reserve

The hedging reserve relates to the fair value movements on cash flow hedges of interest rate swaps. The reserve is included within the financial instruments revaluation reserve on the condensed group statement of changes in equity, which includes the group's share of movements in its equity-accounted investees' hedging reserves.

Financial instruments revaluation reserve composition:

	At 30 June 2023 Reviewed Rm	At 30 June 2022 Reviewed Rm	At 31 December 2022 Audited Rm
Cash flow hedge reserve – interest rate swaps	82	62	64
– Gross	112	85	88
– Deferred tax thereon	(30)	(23)	(24)
Balance of share of movements of equity-accounted investees		59	5
Balance of NCI share of financial instruments revaluation reserve	(54)	(62)	(50)
Financial instruments revaluation reserve	28	59	19

Movement analysis of cash flow hedge reserve – interest rate swaps:

	Gross Rm	Tax Rm	Net Rm
At 31 December 2021 (Audited)	(165)	46	(119)
<i>Movement during the period</i>			
Change in fair value of interest rate swaps recognised in OCI	186	(52)	134
Reclassified from OCI to profit or loss in finance costs	64	(17)	47
At 30 June 2022 (Reviewed)	85	(23)	62
<i>Movement during the period</i>			
Change in fair value of interest rate swaps recognised in OCI	(30)	9	(21)
Reclassified from OCI to profit or loss in finance costs	33	(10)	23
At 31 December 2022 (Audited)	88	(24)	64
<i>Movement during the period</i>			
Change in fair value of interest rate swaps recognised in OCI	38	(10)	28
Reclassified from OCI to profit or loss in finance costs	(14)	4	(10)
At 30 June 2023 (Reviewed)	112	(30)	82

Notes to the reviewed condensed group interim financial statements continued

20. FINANCIAL INSTRUMENTS continued

20.2 Hedge accounting: Cash flow hedges continued

20.2.3 Hedging instruments

	At 30 June 2023 Reviewed Rm	At 30 June 2022 Reviewed Rm	At 31 December 2022 Audited Rm
Hedged items: Cash flows on floating rate project financing linked to JIBAR			
Nominal amount	3 618	3 758	3 691
Gross carrying amount in cash flow hedge reserve	112	85	88
Cumulative gain in fair value used for calculating hedge ineffectiveness	123	85	88
Hedging instruments: Outstanding receive floating, pay fixed contracts			
Nominal amount	3 618	3 758	3 691
Carrying amount:	(41)	(125)	(101)
- Non-current financial assets	19	11	11
- Non-current financial liabilities	(60)	(136)	(112)
Cumulative loss in fair value used for calculating hedge ineffectiveness	(100)	(117)	(130)

The interest rate swaps settle on a semi-annual basis. The group settles the difference between the fixed and floating interest rate (3-month JIBAR) on a net basis. The 3-month JIBAR is swapped out to a fixed rate as follows:

- Tsitsikamma SPV floating rate facility: 9.55% up to 30 June 2030. The swaps cover 60% of the remaining loan notional value.
- Amakhala SPV floating rate facilities:
 - IFC facilities: 8.42% up to 30 June 2031. The swaps cover 100% of the remaining loans notional values.
 - A and C banking facilities: 9.46% up to 30 June 2026. The swaps cover 100% of the remaining loans notional values.

The interest rate swaps require settlement of net interest receivable or payable every six months. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

Notes to the reviewed condensed group interim financial statements continued

21. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

21.1 Contingent liabilities

	At 30 June 2023 Reviewed Rm	At 30 June 2022 Reviewed Rm	At 31 December 2022 Audited Rm
Pending litigation and other claims ¹	115		313
Operational guarantees ²	4 236	3 834	3 834
– Financial guarantees ceded to the DMRE	3 552	3 606	3 606
– Other financial guarantees ³	684	228	228
Total contingent liabilities	4 351	3 834	4 147

¹ Relates to commercial disputes of which the outcome is uncertain.

² Includes guarantees to banks and other institutions in the normal course of business from which it is anticipated that no material liabilities will arise.

³ 30 June 2023 includes a guarantee of R455 million in relation to the LSP project.

The timing and occurrence of any possible outflows of the contingent liabilities are uncertain.

Share of equity-accounted investments' contingent liabilities

	At 30 June 2023 Reviewed Rm	At 30 June 2022 Reviewed Rm	At 31 December 2022 Audited Rm
Share of contingent liabilities of equity-accounted investments	1 423	1 504	1 354

21.2 Contingent assets

	At 30 June 2023 Reviewed Rm	At 30 June 2022 Reviewed Rm	At 31 December 2022 Audited Rm
Back-to-back guarantees	134	134	134
Other ¹	64	75	117
Total contingent assets	198	209	251

¹ Relates to performance guarantees issued to Exxaro in terms of various capital project agreements. (30 June 2022: Guarantees issued to Exxaro which arose on the divestment of the ECC operation in terms of the SPA; 31 December 2022: The ECC related guarantees were cancelled during the second half of 2022).

22. RELATED PARTY TRANSACTIONS

The group entered into various sale and purchase transactions with associates and joint ventures during the ordinary course of business. These transactions were subject to terms that are no less, nor more favourable than those arranged with independent third parties.

23. GOING CONCERN

Based on the latest results for the six-month period ended 30 June 2023, the latest board-approved budget for 2023, as well as the available banking facilities and cash generating capability, Exxaro satisfies the criteria of a going concern in the foreseeable future.

Notes to the reviewed condensed group interim financial statements continued

24. EVENTS AFTER THE REPORTING PERIOD

Details of the interim dividend are provided in note 6.

Subsequent to 30 June 2023, the following notable event occurred:

On 29 June 2023 financial close for the LSP project was achieved. On 24 July 2023 the deferred conditions precedent for utilisation were met making the facility available for utilisation. The first utilisation occurred on 31 July 2023. The project financing has no recourse to the Exxaro balance sheet.

The directors are not aware of any other significant matter or circumstance arising after the reporting period up to the date of this report, not otherwise dealt with in this report.

25. EXTERNAL AUDITORS' REVIEW REPORT

The company's external auditor, KPMG Inc., has issued their unmodified review report on the reviewed condensed group interim financial statements for the six-month period ended 30 June 2023 (as set out on pages 12 to 51). The review was conducted in accordance with ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. The external auditor's report on the reviewed interim financial statements is included on page 52.

26. KEY MEASURES¹

	At 30 June 2023	At 30 June 2022	At 31 December 2022
Closing share price (rand per share)	164.27	198.18	217.31
Market capitalisation (Rbn)	57.38	69.23	75.91
Average rand/US\$ exchange rate (for the period ended)	18.21	15.40	16.37
Closing rand/US\$ spot exchange rate	18.75	16.24	16.98

¹ Non-IFRS numbers.

Independent auditor's review report on interim financial statements

To the shareholders of Exxaro Resources Limited

We have reviewed the condensed group interim financial statements of Exxaro Resources Limited, contained in the accompanying Reviewed condensed group interim financial statements for the six-month period ended 30 June 2023, which comprise the condensed group statement of financial position as at 30 June 2023, the condensed group statement of comprehensive income, condensed group statement of changes in equity and condensed group statement of cash flows for the six-month period then ended, and the notes to the condensed group interim financial statements.

Directors' Responsibility for the condensed group interim financial statements

The directors are responsible for the preparation and presentation of the condensed group interim financial statements in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards), IAS 34 *Interim Financial Reporting*, Financial Pronouncements as issued by Financial Reporting Standards Council, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the requirements of the Companies Act of South Africa and the JSE Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of condensed group interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these condensed group interim financial statements. We conducted our review in accordance with the International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* (ISRE 2410). ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed group interim financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of the condensed group interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these condensed group interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed group interim financial statements of Exxaro Resources Limited for the six-month period ended 30 June 2023 are not prepared, in all material respects, in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards), IAS 34 *Interim Financial Reporting*, Financial Pronouncements as issued by Financial Reporting Standards Council, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the requirements of the Companies Act of South Africa and the JSE Listings Requirements.

KPMG Inc.

Registered Auditor



Per SM Loonat
Chartered Accountant (SA)
Registered Auditor Director
17 August 2023

KPMG Crescent
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2193

Corporate information

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This report is available at: www.exxaro.com

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PA Koppeschaar (finance director)

Non-executive:

L Mbatha, VZ Mntambo, IN Malevu, MLB Msimang

Independent non-executive:

MG Qhena (chairperson), GJ Fraser-Moleketi (lead independent director), PCCH Snyders, CJ Nxumalo, P Mnganga, KM Ireton, B Mawasha, B Magara, N Medupe

PREPARED UNDER THE SUPERVISION OF:

PA Koppeschaar CA(SA)
SAICA registration number: 00038621

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AT Ndoni

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EXXARO RESOURCES LIMITED

(Incorporated in the Republic of South Africa)
Registration number: 2000/011076/06
JSE share code: EXX
ISIN: ZAE000084992
ADR code: EXXAY
Bond code: EXX05
ISIN No: ZAG000160334
("Exxaro" or "the company" or "the group")

If you have any queries regarding your shareholding in Exxaro Resources Limited, please contact the transfer secretaries at +27 11 370 5000.

CONFERENCE CALL DETAILS

A dial-in teleconference call on the details of this announcement will be held on Thursday, 17 August 2023, starting at 10:30 SAST.

Pre-registration link

To register for the conference call please click here <https://services.choruscall.za.com/DiamondPassRegistration/register?confirmationNumber=7571957&linkSecurityString=136fd85045>. Please note that for the conference call, registered participants will receive their unique dial in number upon registration. Also note that, your PIN (Personal Identification Number) is for your use only and is not transferable. If others wish to join the call, they should register to receive their own PIN.

Webcast:

To register for the webcast please click here <https://www.corpcam.com/17082023>

CONFERENCE PLAYBACK

A playback will be available one hour after the end of the conference until 22 August 2023. To access the playback, dial one of the following numbers using the playback code 44926

South Africa	010 500 4108
UK	0 203 608 8021
Australia	073 911 1378
USA	1 412 317 0088
International	+27 10 500 4108

To access the replay using an international dial-in number, please select the link below <https://services.choruscall.com/ccforms/replay.html> participants will be required to state their name and company upon entering the call.

Replay is available 1 hour after the end of the conference. Participants will be required to state their name and company upon entering the call.

Annexure: Acronyms

Adjusted Group Earnings	Group core net profit after tax (excluding SIOC core equity-accounting income) less NCI of Exxaro subsidiaries (excluding NCI of Eyesizwe)
Amakhala SPV	Amakhala Emoyeni RE Project 1 (RF) Proprietary Limited
AMSA	Arcelor Mittal SA Limited
API4	All publications index 4 (FOB Richards Bay 6 000/kcal/kg)
BEE	Black economic empowerment
BEE Parties	External shareholders of Eyesizwe
Black Mountain	Black Mountain Proprietary Limited
Capex	Capital expenditure
Cennergi	Cennergi Proprietary Limited group of companies
Chifeng	Chifeng NFC Zinc Co. Limited
Companies Act	Companies Act of South Africa No 71 of 2008, as amended
cps	Cents per share
DCF	Discounted cash flow
DMRE	Department of Mineral Resources and Energy
DMTN	Domestic Medium-Term Note
EBITDA	Net operating profit before interest, tax, depreciation, amortisation, impairment charges or impairment reversals and net losses and gains on the disposal of assets and investments (including translation differences recycled to profit or loss)
ECC	Exxaro Coal Central Proprietary Limited
ECL(s)	Expected credit loss(es)
ESD	Enterprise and supplier development
Exxaro	Exxaro Resources Limited (the group or the company)
Eyesizwe	Eyesizwe (RF) Proprietary Limited, a special purpose private company which has a 30.81% shareholding in Exxaro
FerroAlloys	Exxaro FerroAlloys Proprietary Limited
Ferroland	Ferroland Grondtrust Proprietary Limited
FOB	Free on board
FVOCI	Fair value through other comprehensive income
FVPL	Fair value through profit or loss
GDP	Gross domestic product
GWh	Gigawatt hour
HEPS	Headline earnings per share
IAS	International Accounting Standard(s)
IASB	International Accounting Standards Board
IFRIC	IFRS Interpretations Committee
IFRS	International Financial Reporting Standard(s)
Insect Technology	Insect Technology Group Holdings UK Limited
JIBAR	Johannesburg Interbank Average Rate
JSE	JSE Limited
JV	Joint venture
KPMG	KPMG Inc.
kt	Kilo tonnes
LightApp	LightApp Technologies Limited
Listings Requirements	JSE Listings Requirements
LoM	Life of mine

LSP	Lephalale Solar Photovoltaic Project
LTIFR	Lost-time injury frequency rate
Mafube	Mafube Coal Proprietary Limited
MPRDA	Mineral and Petroleum Resources Development Act 28 of 2002
Mt	Million tonnes
NCI(s)	Non-controlling interest(s)
OCI	Other comprehensive income
Overlooked Colliery	Overlooked Colliery Proprietary Limited
Prime Rate	South African prime bank rate
RBCT	Richards Bay Coal Terminal Proprietary Limited
Rbn	Rand billion
Rm	Rand million
SAICA	South African Institute of Chartered Accountants
SIOC	Sishen Iron Ore Company Proprietary Limited
SLP(s)	Social and Labour Plan(s)
SMME(s)	Small, medium and micro-enterprises
SPA	Sale and purchase agreement
SSCC	Semi-soft coking coal
TFR	Transnet Freight Rail
Thungela	Thungela Resources Limited, through its subsidiary South Africa Coal Operations Proprietary Limited
Tsitsikamma SPV	Tsitsikamma Community Wind Farm Proprietary Limited
UK	United Kingdom
US	United States of America
US\$	United States dollar
VAT	Value Added Tax

