thungela

INTERIM FINANCIAL STATEMENTS 2025

Responsibly creating value together for a shared future

CONTENTS

GROUP PERFORMANCE

Delivering on our purpose of **responsibly creating value together for a shared future**

SAFETY[1]

Fatality
None
(30 June 2024: None)

TRCFR Group
2.98
(30 June 2024: 1.97)

South Africa
1.86
(30 June 2024: 1.01)

Australia
18.42
(30 June 2024: 14.29)

CREATING SHARED VALUE

Nkulo Community Partnership Trust
R16 million contribution
(30 June 2024: R16 million)

Sisonke Employee Empowerment Scheme
R16 million contribution
(30 June 2024: R16 million)

FINANCIAL[2]

Adjusted EBITDA△
R691 million
(30 June 2024: R2.1 billion)

Net cash△
R6.3 billion
(31 December 2024: R8.7 billion)

Dividends per share
R2.00
(30 June 2024: R2.00)

Share buyback
Up to R140 million
(30 June 2024: R160 million)

Earnings per share
R1.93
(30 June 2024: R9.52)

Headline earnings per share
R1.92
(30 June 2024: R9.52)

OPERATIONAL SOUTH AFRICA

Export saleable production
6.4Mt
(30 June 2024: 6.2Mt)

Export equity sales
6.4Mt
(30 June 2024: 6.0Mt)

FOB cost per export tonne△
R1,264
(30 June 2024: R1,197)

OPERATIONAL AUSTRALIA (100% basis)

Export saleable production
1.6Mt
(30 June 2024: 1.9Mt)

Export equity sales
1.9Mt
(30 June 2024: 2.1Mt)

FOB cost per export tonne△
R1,904
(30 June 2024: R1,645)

[1] The total recordable case frequency rate (TRCFR) was previously reported in the Interim Financial Statements for the six months ended 30 June 2024 as 1.75 for the Group, 0.99 for South Africa, and 11.64 for Australia. These figures were updated in the 31 December 2024 annual results subsequent to the assurance process.
[2] The Group financial results include the results of the Ensham Business at 85% until 28 February 2025, and 100% from that date.
△ As per annexure 1, this symbol denotes alternative performance measures.

DIRECTORS' RESPONSIBILITY AND APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

The directors are pleased to present the Interim Financial Statements for the six months ended 30 June 2025.

The directors are ultimately responsible for the preparation, fair presentation and integrity of the condensed consolidated interim financial statements and related financial information of Thungela Resources Limited (the Company, or together with its affiliates, the Group), including the alternative performance measures (APMs) disclosed in annexure 1. This includes providing oversight of the preparation, fair presentation and integrity of the condensed consolidated interim financial statements and related financial information of the Group, as included in these Interim Financial Statements.

The condensed consolidated interim financial statements have been prepared in accordance with the following guidelines and regulations:

- IAS 34: Interim Financial Reporting (IAS 34), and containing the information required by that standard;
- the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (collectively, the 'South African Financial Reporting Requirements');
- the requirements of the Companies Act 71 of 2008 (as amended) (the Companies Act of South Africa); and
- the JSE Listings Requirements, the UK Listing Rules and the UK Disclosure Guidance and Transparency Rules.

The condensed consolidated interim financial statements have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (collectively, the 'IFRS® Accounting Standards') and the accounting policies included in the Annual Financial Statements for the year ended 31 December 2024. The accounting policies have been consistently applied by the Group and are supported by reasonable judgements and estimates.

The condensed consolidated interim financial statements comprise the condensed consolidated interim statement of financial position as at 30 June 2025, the condensed consolidated interim statement of profit or loss and other comprehensive income, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows for the six months then ended, the notes to the condensed consolidated interim financial statements, and other information.

The directors consider additional financial and operational measures to assess the results of the operations of the Group, referred to as APMs. These APMs can be identified throughout this document using the △ symbol, and are fully described in annexure 1.

The directors, primarily through the audit committee, meet quarterly with the internal and independent external auditors as well as senior management, as appropriate, to evaluate matters concerning the responsibilities below:

- maintaining adequate accounting records and an effective system of risk management;
- developing, implementing and maintaining a sound system of internal control relevant to the preparation and fair presentation of these Interim Financial Statements, that provides reasonable assurance against material misstatement or loss, whether owing to fraud or error;
- selecting and applying appropriate accounting policies, and making reasonable accounting estimates;
- safeguarding shareholders' investments and the Group's assets; and
- preparing the Interim Financial Statements, including the supplementary annexures.

The Group's independent external auditor is responsible for reporting on whether the condensed consolidated interim financial statements are fairly presented in accordance with IAS 34. The independent external auditor's review report to the shareholders is set out on pages 34 and 35 of this document.

The Group's internal auditors independently evaluate the internal controls and co-ordinate their audit coverage with the independent external auditor.

The Group's internal auditors and independent external auditor have unrestricted access to all records, property and personnel, as well as to the audit committee.

The directors are ultimately responsible for the process of risk management and the internal financial controls established by the Group, and place a strong emphasis on maintaining a strong control environment. Based on the information and explanations given by management, the internal auditors, the independent external auditor and the Group's risk, compliance and other reporting processes, the directors are not aware of any material breakdown in the functioning of these controls in the six months ended 30 June 2025. The directors are of the opinion that the risk management processes and internal financial controls provide reasonable assurance, in all key material aspects, that the financial records may be relied upon for the preparation of the Interim Financial Statements.

The directors are satisfied that, taking into account reasonably possible changes in performance, the Group's forecasts show that Thungela will continue to operate for the foreseeable future. For this reason, Thungela has adopted the going concern basis in preparing the condensed consolidated interim financial statements for the six months ended 30 June 2025.

APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The board of directors confirms that they have collectively reviewed the content of the Interim Financial Statements for the six months ended 30 June 2025, and approved the same at their meeting on 15 August 2025.

The Interim Financial Statements on pages 3 to 116 were approved by the board of directors and are signed on behalf of the directors by:

Sango Ntsaluba
Sango Ntsaluba
Chairman

July Ndlovu
July Ndlovu
Chief executive officer

18 August 2025

ABOUT THUNGELA

Thungela, which means 'to ignite' in isiZulu, is a global pure-play producer and exporter of high-quality thermal coal, with operations in South Africa and Australia. Our quality coal reserves and marketable production position us as a key player in the global energy market as we deliver coal through world-class ports, powering nations.

The Group owns interests in and produces its thermal coal from six mining operations located in Mpumalanga, South Africa, which consist of both underground and opencast mines, namely Goedehoop, Greenside, Isibonelo, Khwezela, Zibulo and Mafube.

In 2023, Thungela acquired 85% of the Ensham Mine in Queensland, Australia, marking a significant move toward executing one of the Group's strategic pillars of geographic diversification. On 28 February 2025, a further 15% interest of the Ensham Mine was acquired.

Thungela Marketing International in Dubai underscores the Group's commitment to capturing the full margin on its products and engaging with the international commodities market as a global coal producer.

In other parts of the value chain, Thungela holds a 50% interest in Phola Coal Processing Plant, and a 23.56% direct interest in Richard's Bay Coal Terminal (RBCT). The terminal is one of the world's leading coal export terminals, with an advanced 24-hour operation and a design capacity of 91Mtpa.

Thungela is committed to operating in a responsible way to ignite value for a shared future. We want to ensure that our mining activities positively impact our employees, shareholders and the communities where we operate.

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

We are proud to report that we have operated for two and a half years without a loss of life. This bears testament to our unwavering commitment to safety as our first value. We remain unconditional about protecting the lives of our people.

The global operating environment was characterised by increasing geopolitical uncertainties and tariff escalations disrupting global supply chains. These uncertainties resulted in weak demand in key coal demand regions resulting in softer prices, last seen during the Covid-19 pandemic. The financial results for the six months ended 30 June 2025 however, demonstrate the strength of our balance sheet, which has enabled the business to navigate the challenging market and operating environments while maintaining a disciplined capital allocation approach. We maintained our focus on controlling the controllables through increased production in South Africa, notwithstanding the impact of abnormally high rainfall at some of our opencast operations. In addition, our proactive approach in shielding the business from currency volatility has contributed R1.4 billion to our earnings.

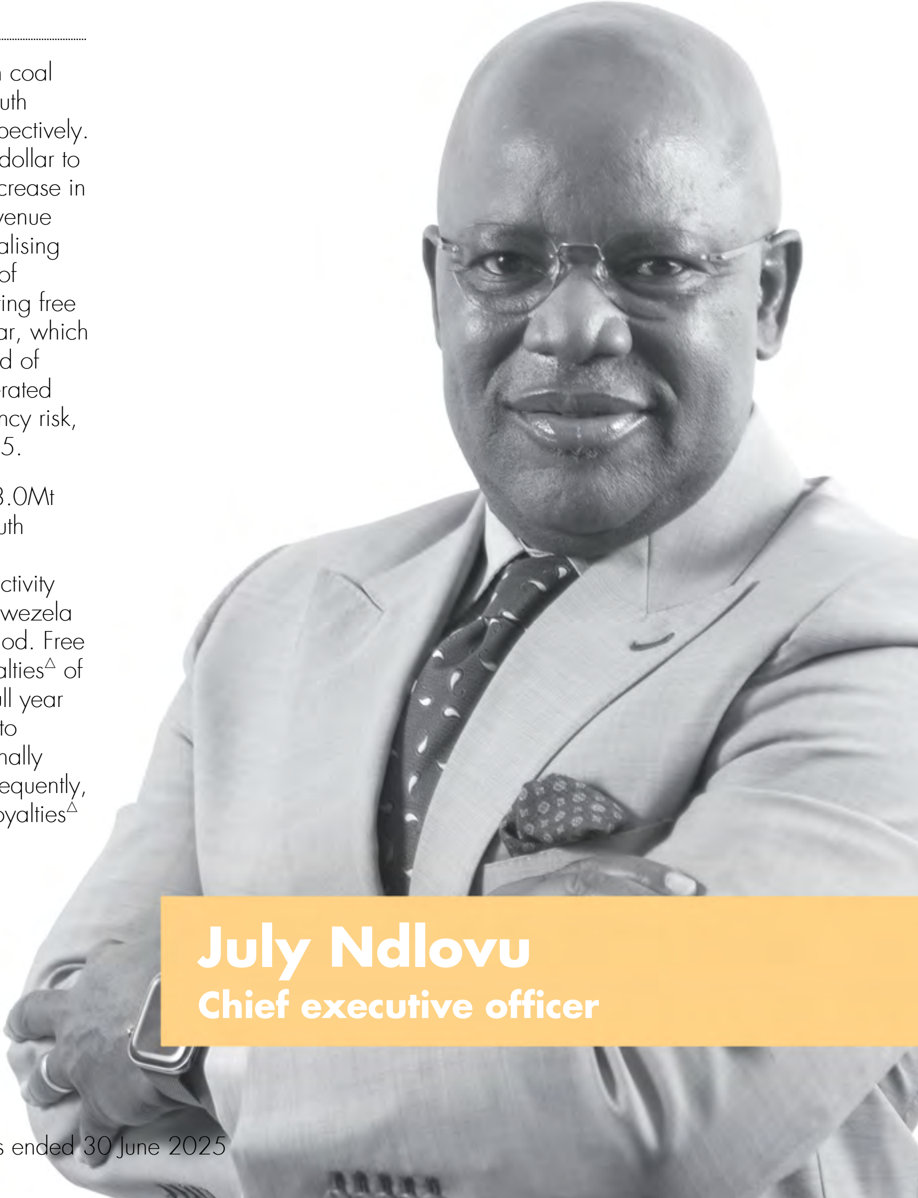
OUR PERFORMANCE

Our financial results reflect the continued pressure on coal prices, with the average realised export prices in South Africa and Australia declining by 11% and 10% respectively. The softer coal prices, combined with a weaker US dollar to South African rand exchange rate, have led to a decrease in Group revenue in the first half of the year. Group revenue decreased by 12% year-on-year to R14.8 billion, realising an adjusted EBITDA△ of R691 million and net profit of R248 million. The Group generated adjusted operating free cash flow△ of R484 million for the first half of the year, which was positively impacted by a working capital unwind of R690 million and cash inflows of R453 million generated from our continued focus on managing foreign currency risk, resulting in net cash△ of R6.3 billion at 30 June 2025.

The Group recorded export saleable production of 8.0Mt (on a 100% basis) for the first half of the year. In South Africa, export saleable production increased by approximately 300kt to 6.4Mt, mainly due to productivity gains at Zibulo and Mafube, while production at Khwezela was impacted by abnormally high rainfall in the period. Free on board (FOB) cost per export tonne excluding royalties△ of R1,258 was in line with the guidance range. Our full year guidance for export saleable production of 12.8Mt to 13.6Mt remains appropriate as production is seasonally weighted towards the second half of the year. Consequently, guidance for FOB cost per export tonne excluding royalties△ of R1,210 to R1,290 also remains appropriate.

The South African coal industry continues to benefit from the improved rail performance. In the first half of the year, Transnet Freight Rail (TFR) achieved an annualised run rate of 54.3Mt, compared to 51.9Mt for 2024. The improved rail performance stems from the ongoing industry collaborative initiatives as well as further optimisation projects, such as the signalling project, which are expected to improve rail performance going forward.

Ensham achieved export saleable production of 1.6Mt (on a 100% basis), compared to 1.9Mt (on a 100% basis) in the first six months of 2024. Production and export saleable product qualities were impacted by challenging geology in the first half of the year. FOB cost per export tonne excluding royalties△ of R1,694 was above the upper end of the guidance range, as the mine incurred costs to produce run of mine tonnes which have not yet been reported as saleable production due to quality variations. It is expected that these tonnes will be reported as saleable production in the second half of the year.



July Ndlovu
Chief executive officer

We expect production at Ensham to improve in the second half of the year, however, given the geological conditions experienced, production is likely to be closer to the lower end of the guidance range of 3.7Mt to 4.1Mt. Consequently, FOB cost per export tonne excluding royalties△ will be at the upper end of the full-year guidance range of R1,470 to R1,580.

The Group's strategic projects remain imperative to the business, with Elders beginning to produce export saleable production as we continue to ramp up. The Zibulo North Shaft project is making good progress and is scheduled to be completed in 2026, within budget. These two life extension projects are key to the long-term sustainability of the business in South Africa, as the Goedehoop mine approaches its end of life in 2025. At Isibonelo, the coal supply agreement is reaching its end of contract term and the mine will thus come to the end of its life in 2025. We are evaluating opportunities to close these operations in a sustainable and responsible manner. We continue to invest in the Lephalale Coal Bed Methane project as we seek to demonstrate the value in use of the gas.

NAVIGATING THERMAL COAL MARKETS

Geopolitical tensions and rising tariffs are significantly disrupting global supply chains and constraining economic growth. Consequently, energy security has become central to national economic strategies, driving an increase in domestic production in key demand countries such as China and India. The impact of slowing growth on coal demand, coupled with increased domestic production, has resulted in high stockpile levels at major import hubs, leading to depressed prices.

Despite the lower demand for coal in the first half of 2025, coal production is likely to remain at levels similar to 2024, driven mainly by higher in-country production in China and India. On the other hand, production from Indonesia has slowed down as a result of the lower coal prices and the impact of adverse weather conditions. Production in Australia is also lower as a result of mine accidents and adverse weather conditions in the first half of the year. Columbia's main coal producers have recently announced a reduction in annual thermal coal production due to the low coal price environment.

Looking ahead, the long-term coal fundamentals remain supportive, although demand for the balance of the year remains contingent on the normal restocking activities in the Northern Hemisphere. The slowdown in global economic growth may result in coal prices remaining under pressure in the short term. In this scenario, further production curtailment is likely to aid rebalancing of supply and demand in the seaborne market.

DISCIPLINED CAPITAL ALLOCATION

In the first half of 2025, we completed the share buyback announced in March 2025 for a total consideration of R328 million and also paid R1.4 billion in cash dividends to shareholders. In February 2025, we acquired a further 15% interest in the Ensham Mine for a total consideration of AUD48 million and we expect to own 100% of the Ensham Business upon completion of the transaction with Audley Capital and Mayfair.

The Group generated cash flows from operating activities of R1.2 billion for the first half of 2025 and after investing R703 million in sustaining capital expenditure△, this resulted in an adjusted operating free cash flow△ of R484 million for the period. We continue to cash collateralise our environmental liabilities over time, and have contributed a further R188 million to the green fund in South Africa. At 30 June 2025, the Group's net cash△ position was R6.3 billion.

Our robust balance sheet position enables us to execute on our core strategic priorities. We continue to reserve R500 million to complete the Zibulo North Shaft project and a further R300 million to complete the Lephalale Coal Bed Methane project.

The board remains committed to the dividend policy, which is to distribute a minimum of 30% of adjusted operating free cash flow△ to shareholders. The board has resolved to return R421 million to shareholders, which comprises of an interim ordinary cash dividend of R2 per share and a share buyback of up to R140 million, subject to favourable market conditions. This represents a total return of 87% of adjusted operating free cash flow△ for the first half of 2025. The Sisonke Employee Empowerment Scheme and the Nkulo Community Partnership Trust will also receive a further R31 million collectively.

Given the weak coal prices, US dollar weakness and supply chain risks following the ongoing trade and tariff uncertainty, the board considers it appropriate to maintain a cash buffer of R5 billion. The Group holds undrawn credit facilities of R3.2 billion.

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER CONTINUED

IN CONCLUSION

Thungela is currently in a period of portfolio change. The ability to successfully execute on our strategic priorities will ensure that we reshape our business and entrench resilience through the cycle. As we navigate ongoing complexities in the operating environment and uncertainties in the macroeconomic landscape, we have conviction in the outlook that high-quality thermal coal will continue to play a fundamental role in the global energy demand.

Today represents a significant milestone in my journey as Thungela's chief executive officer, as this is the last set of financial results that I will deliver. I am deeply grateful to the Thungela board, Group executive committee, employees, shareholders and stakeholders for your steadfast support. Together, we have built a sustainable business with long-life assets across multiple geographies.

As we welcome Moses Madondo as the chief executive officer designate, I am confident that Thungela is well positioned to continue to deliver on our purpose – to responsibly create value together for a shared future.

July Ndlovu

July Ndlovu
Chief executive officer

18 August 2025

MARKET IN CONTEXT

MACROECONOMIC ENVIRONMENT

Thermal coal markets were bearish in the first half of 2025, with prices assessed at lows last seen in early 2021 across the main coal price benchmarks. In the first half of the year, seaborne coal demand did not meet forecast expectations on the back of milder weather conditions in the Northern Hemisphere and high stockpiles at key import hubs.

Despite the lower demand for coal in the first half of 2025, coal production is likely to remain at levels similar to 2024, driven mainly by higher in-country production in China and India. On the other hand, production from Indonesia has slowed down as a result of the lower coal prices and the impact of adverse weather conditions. Production in Australia is also lower as a result of mine accidents and adverse weather conditions in the first half of the year. Colombia's main coal producers have recently announced a reduction in annual thermal coal production due to the low coal price environment. The imbalance between demand and supply contributed to the overall pressure on prices and resulted in product discounts widening for lower grade coals in South Africa and Australia.

India remains one of South Africa's largest natural markets but has been reducing coal imports since late 2024. Demand for coal in India was sporadic for the first half of the year as the country continues to struggle with the poor steel market performance. In response, the Indian government implemented industry safeguarding policies against the import of steel. While these policies did not fully support overall thermal coal demand, as witnessed by the weakening of the main coal indices, it provided a level of support for demand of particular grades of coal from South Africa. Although Indian domestic coal production continues to ramp up, South African high-quality coal remains an essential ingredient for Indian steel producers.

In the Australian coal market, one of the main contributing factors for the weak demand and resultant lower prices was the sharp decline in demand from China. China is the second-largest importer of thermal coal from Australia and its weak steel consumption, due to the persistent lull in its property market, directly impacted demand for thermal coal. In addition, the Chinese government has campaigned strongly to ramp up domestic production for energy security purposes. Due to adequate coal stocks and the availability of alternative energy sources, the typical buyers from Northeast Asia were on the sidelines in the first six months of 2025.

Geopolitics continue to play a significant role in the energy complex. Global economic activity remains hampered by the ongoing impact of tariffs and trade uncertainty. The combined effects of disrupted trade, risks of rising inflation, increased global uncertainty and volatile financial markets are expected to hinder worldwide economic growth. After expanding by 2.8% in 2024, global real gross domestic product growth is projected to slow down to 2.2% in 2025. With a lower gross domestic product growth, the demand for energy sources will naturally decrease, which is expected to suppress prices in the near future.

Looking ahead, the long-term coal fundamentals remain supportive although demand for the balance of the year remains contingent on the normal restocking activities in the Northern Hemisphere. The slowdown in global economic growth may result in coal prices remaining under pressure in the short term. In this scenario, further production curtailment is likely to aid rebalancing of supply and demand in the seaborne market.

PERFORMANCE IN SOUTH AFRICA

Thermal coal price and exchange rate	**30 June 2025**	30 June 2024
Richards Bay Benchmark coal price (US$/tonne)	**91.78**	101.05
Average realised export price (US$/tonne)	**78.13**	85.73
Average realised export price (Rand/tonne)	**1,437**	1,606
Realised price as a % of Richards Bay Benchmark coal price	**85.1**	84.8
ZAR:US$ average exchange rate	**18.39**	18.74

The Richards Bay Benchmark coal price decreased by 9.2% for the reporting period and averaged USD91.78 per tonne during the first half of 2025, compared to USD101.05 per tonne in the first half of 2024.

In South Africa we achieved an average realised export price of USD78.13, which represents a discount of 14.9% to the Richards Bay Benchmark coal price, compared to 15.2% for the first half of 2024. Discounts on lower quality products widened reflecting the bearish sentiment and oversupply. In the second half of 2025, the focus remains on prioritising high quality coal into markets that offer compelling pricing.

PERFORMANCE IN AUSTRALIA

Thermal coal price and exchange rate	30 June 2025	30 June 2024
Newcastle Benchmark coal price (US$/tonne)	102.51	130.66
Average realised export price (US$/tonne)	109.28	118.82
Average realised export price (Rand/tonne)	2,010	2,226
Realised price as a % of Newcastle Benchmark coal price	106.6	90.9
ZAR:US$ average exchange rate	18.39	18.74

The Newcastle Benchmark coal price decreased by 22% period-on-period, with an average price of USD102.51 per tonne for the first half of the year, compared to USD130.66 per tonne in the first half of 2024.

At Ensham, we achieved an average realised export price of USD109.28, representing a premium of 6.6% against the Newcastle Benchmark coal price for the first half of the year compared to a 9.1% discount in the first half of 2024. The premium achieved in the first half of 2025 is attributable to a higher proportion of fixed-price contracts, representing approximately 64% of sales, being concluded in a backward-dated market. A portion of these fixed-price contract sales, representing approximately 25% of sales in the first half of the year, is however subject to an adjustment once negotiations with our customers have been completed in relation to the 2025 price.

The focus remains on capturing value from opportunities that may be presented through volatility in the index.

TRANSNET FREIGHT RAIL PERFORMANCE

During the first half of 2025, TFR demonstrated an improvement in rail performance on the North Corridor line. TFR achieved an annualised run rate of 54.3Mt for the reporting period, compared to 51.9Mtpa in 2024, reflecting a 5% improvement. Prior to a derailment in June 2025, the annualised run rate at May 2025 was 55.5Mt.

The continued improvement in rail performance is attributed to the increase in locomotives, the continued reinstatement of signalling equipment at key stations and the related reinstatement of backup and distribution power equipment. The joint efforts between industry and the National Logistics Crisis Committee have also enabled the deployment of assigned industry experts focused on reinstating good operational practices across the rail line, a continuation of the work that commenced in late 2024. The mutual corporation agreement remains a crucial lever for providing support to TFR. The support provided includes early-warning technology in high-risk areas and developing a long-term solution to minimise crime-related incidents. The industry also continues to provide support during derailments and other significant incidents.

The continued focus on operational and structural improvements is expected to deliver further rail performance improvement. The rail line scan, which has now been completed, with the final report expected by the end of September 2025, will identify further improvement opportunities.

We continue to engage TFR on the rail reform policy which we see as a constructive step toward fostering greater transparency, collaboration and private sector participation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

SAFETY

Our commitment to running a fatality-free business remains unwavering and we are pleased to report that we have been fatality-free for two and a half years.

TRCFR for the Group for the six month period ended 30 June 2025 was 2.98, compared to 1.97[1] in the previous period. The TRCFR for our South African business was 1.86, compared to 1.01[1], and Australia was 18.42, compared to 14.29[1].

The decline in performance is concerning. An increase in slip, trip and fall incidents has led to specific interventions to prevent further incidents of this nature. We have increased our focus on the first pillar of our safety strategy – back to basics – with housekeeping audits and awareness carried out across the business. Two operations where a number of incidents occurred in close succession were placed on 'intensive care', where senior personnel from other operations provide additional oversight on both the physical and cultural aspects of safety. We have also implemented a call to action for all operations to identify potential vulnerabilities and areas for improvement.

In Australia, work to align Ensham with our safety strategy continues, focusing on three areas: high-risk work identification and planning, visible felt leadership and improvement of hazard reporting systems.

ENVIRONMENTAL STEWARDSHIP

There were no level three to five environmental incidents in the first half of the year. The fish breeding facility at Loskop Dam Nature Reserve that was commissioned to reintroduce fish species to the Wilge-Olifants River system, following the incident in 2022, has successfully released more than 6,000 fish into the river system. The ecological recovery is now being confirmed through structured monitoring and visible change along the river. Macroinvertebrate populations, used globally as a measure of river health, have rebounded, reflecting improved water quality and habitat stability. Indicator species, such as frogs, dragonflies and fish eagles, have re-established themselves in the catchment, signalling a restored food chain and a functional ecosystem.

[1] TRCFR was previously reported in the Interim Financial Statements for the six months ended 30 June 2024 as 1.75 for the Group, 0.99 for South Africa, and 11.64 for Australia. These figures were updated in the 31 December 2024 annual results subsequent to the assurance process.

CREATING VALUE FOR A SHARED FUTURE

We continue to focus on spiking in the social element of ESG. Four Social and Labour Plan projects were handed over to the communities in the first half of the year. These included the Goedehoop Mhluzi Industrial Park canteen, Zibulo's retrofitting of high-mast lights project in Leandra and the Elders solar project.

Thuthukani, our enterprise and supplier development programme, hosted its third graduation ceremony in May 2025, honouring 61 local entrepreneurs. Of the 61 graduates, 29 are supplier development beneficiaries – small, medium and micro-sized enterprises that currently provide goods or services to our sites – while 32 are enterprise development candidates who are not vendors, but have the potential for future integration into the mining or other value chains. Fifty graduating businesses were awarded various licences and accreditations, including the International Organization for Standardization (ISO) 9001, ISO 14001, and ISO 45001 certifications, deep cleaning and hygiene accreditations and waste transportation permits.

The Thungela Education Initiative implementation phase has commenced. The leadership development and curriculum management for school principles and deputies is in progress. First aid training at all participating schools and district officials has been completed. The training was accompanied by the donation of sick bay supplies including beds, cabinets, bedding and first-aid boxes with all necessities. A psycho-social baseline assessment was completed and interventions will commence in the second half of 2025.

Contributions to the Sisonke Employee Empowerment Scheme and the Nkulo Community Partnership Trust totalled R31 million related to our performance for the six months ended 30 June 2025.

PRINCIPAL RISKS

The Group is exposed to a variety of risks and uncertainties, which may have a financial, operational, or reputational impact on Thungela, and may also impact the achievement of our social, economic and environmental objectives.

Principal risks and uncertainties relate to:
- coal transport networks;
- community relations;
- employee safety and health;
- cyber-risk and information security;
- global geopolitical risk;
- ESG and climate change;
- strata and geotechnical failure;
- legislative exposure;
- commodity price;
- foreign exchange rate fluctuations;
- relocations and resettlements;
- environmental management; and
- event risks, including underground fires, gas and explosion, shaft conveyance and shaft integrity.

RESOURCES AND RESERVES

For the reporting period, there were no material changes to the resources and reserves estimates disclosed in the Thungela Integrated Annual Report for the year ended 31 December 2024, other than the normal life-of-mine depletion associated with mining.

OUR PERFORMANCE

REVIEW OF FINANCIAL PERFORMANCE

For the six months ended 30 June 2025

Net profit for the period **R248 million** (30 June 2024: R1.2 billion)	Headline earnings per share **R1.92** (30 June 2024: R9.52)	Adjusted EBITDA△ **R691 million** (30 June 2024: R2.1 billion)
Net cash△ **R6.3 billion** (31 December 2024: R8.7 billion)	Interim dividend per share **R2.00** in addition to share buyback of up to R140 million	Total returns of **R421 million** to shareholders

The results for the first half of 2025 reflect our continued ability to navigate a volatile operating environment. Despite softer coal prices, foreign exchange headwinds and operational challenges, we remained focused on executing our strategic priorities, optimising our portfolio and preserving balance sheet strength.

We delivered on key strategic milestones during the period. Most notably, we completed the acquisition of the 15% interest in the Ensham Mine from Bowen. In addition, we entered into an agreement with Audley Capital and Mayfair to acquire their minority interests in Sungela Holdings. Once completed, these transactions will bring our ownership of the Ensham Business to 100%, simplifying the structure and enhancing our operational flexibility.

Our South African portfolio is entering a period of change and we are evaluating options to close operations that are reaching the end of their economic lives in a sustainable and responsible manner. Goedehoop's reserves will reach end of life by the end of 2025, and a transition of sections from Goedehoop to Elders is underway. At Isibonelo, the coal supply agreement with its sole customer is reaching the end of its contract term and the operation is scheduled to come to the end of its life in December 2025. As part of this transition, we have embarked on a restructuring process and have recognised R285 million in restructuring costs which we expect to settle over the next six to nine months.

The first half of 2025 was characterised by continued weakness in seaborne thermal coal prices, driven by a combination of the milder-than-expected winter in the Northern Hemisphere and elevated coal stockpile levels at key import hubs impacting demand. On the supply side, global coal production remained relatively stable, with increased output from China and India offsetting declines in Indonesia, Australia and Colombia.

The Richards Bay Benchmark coal price averaged USD91.78 per tonne for the first six months of the year, down from USD101.05 per tonne in the first half of 2024. The Newcastle Benchmark coal price declined by 22% to an average of USD102.51 per tonne for the first half of 2025 (30 June 2024: USD130.66).

The discount to the Richards Bay Benchmark coal price on lower-quality products widened, reflecting bearish sentiment and oversupply. Thungela Marketing International has continued to improve pricing outcomes and, as a result, the average discount narrowed to 14.9% in the first half of 2025, compared to 15.2% in the first half of 2024 - this includes the impact of the saving of 1% in marketing fees previously paid to AAML.

In Australia, our sales book benefited from fixed-price contracts, which comprised approximately 64% of volumes sold during the first half of 2025. These contracts were concluded at prices well above the Newcastle Benchmark coal price. As a result, the premium to the Newcastle Benchmark coal price in the period was 6.6%, compared to a discount of 9.1% for the comparative period. This cushioned the impact of weaker benchmark prices.

Rail performance in South Africa showed encouraging improvement during the first half of 2025, with TFR achieving an annualised run rate of 54.3Mt for the industry, compared to 51.9Mt railed in 2024. This 5% improvement is attributable to the deployment of additional locomotives and the reinstatement of signalling equipment, as well as backup and distribution power infrastructure. This trajectory bodes well for rail performance for the balance of 2025 and into 2026.

Our South African operations delivered 6,438kt of export saleable production for the first half of 2025, a 4.4% improvement year on year (30 June 2024: 6,167kt). This performance was driven mainly by productivity improvements at Mafube and the ramp-up of production from Elders, offset to a degree by the impact of high rainfall on production at Khwezela. The FOB cost per export tonne$^{\triangle}$ of R1,264 (R1,258 per tonne excluding royalties) increased by 5.6% (30 June 2024: R1,197 per tonne including royalties), reflecting the impact of inflation as well as a lower domestic revenue offset from Isibonelo. Domestic production decreased by 38% to 1,567kt (30 June 2024: 2,523kt), mainly due to the impact of abnormally high rainfall at Isibonelo, the sale of the Rietvlei Colliery in November 2024, and lower demand.

Ensham produced 1,574kt (on a 100% basis), 16% lower than the comparative period (30 June 2024: 1,884kt), as a result of development through more challenging geological conditions. The lower production denominator resulted in an FOB cost per export tonne$^{\triangle}$ of R1,904 (R1,694 per tonne excluding royalties), an increase of 16% from the comparative period (30 June 2024: R1,645 per tonne).

Export equity sales from our South African operations amounted to 6.4Mt, compared to 6.0Mt in the comparative period, supported by improved rail performance. Ensham realised 1.9Mt of export equity sales (on a 100% basis), lower than the 2.1Mt in the comparative period due to the lower production. Domestic sales decreased by 43% to 1.6Mt (30 June 2024: 2.8Mt).

Approximately a quarter of sales from Ensham in the period were priced based on a contractually agreed price which had not yet been settled for 2025. These sales have been invoiced at the 2024 settled price, but revenue has been recognised on a more conservative basis. Revenue may be further adjusted to reflect the settled price, while the cash received above the settled price will be repaid to the customer in the second half of the year. At 30 June 2025, R130 million of cash held in Australia is restricted in relation to this repayment, which represents a prudent view of the potential settlement value.

Group net profit for the period was R248 million, comprising R383 million generated in South Africa (including the margin earned by Thungela Marketing International) and a loss of R135 million incurred in Australia. The profit was supported by net finance income of R1.3 billion, which includes gains of R1.4 billion from foreign exchange derivatives.

Adjusted EBITDA$^{\triangle}$ declined to R691 million (30 June 2024: R2.1 billion), with a margin of 4.7% (30 June 2024: 13%), reflecting lower prices and a stronger rand.

Capital expenditure for the Group totalled R1.2 billion, comprising sustaining capital expenditure$^{\triangle}$ of R545 million, and expansionary capital expenditure of R511 million in South Africa, and sustaining capital expenditure$^{\triangle}$ of R158 million at Ensham. We expect capital expenditure to increase in the second half of the year, consistent with previous years.

The Elders and Zibulo North Shaft projects remain on schedule and within budget. Elders continues to ramp up toward steady-state run rate and capacity. The capital expenditure on the project is substantially complete, and a further R29 million was spent in the first six months of 2025.

The Zibulo North Shaft project is also progressing well and we expect completion in 2026, which will extend the life of Zibulo's underground operation through to 2038. To date, we have spent R2.1 billion on the project, including R362 million in the first six months of 2025. We expect to spend a further R500 million toward the completion of the project during 2025 and 2026.

We have commenced activities at the Lephalale Coal Bed Methane project and have spent R117 million on this project in the first half of the year, with a further R300 million to be spent during 2025 and 2026.

Net of sustaining capital expenditure$^{\triangle}$, the Group generated adjusted operating free cash flow$^{\triangle}$ of R484 million for the first half of 2025. The Group had a net cash$^{\triangle}$ balance of R6.3 billion as at 30 June 2025. Cash generation was supported by a release of working capital of R690 million, mainly from accounts receivable, and inflows from realised foreign exchange derivatives of R453 million.

DISCIPLINED CAPITAL ALLOCATION AND BALANCE SHEET STRENGTH

Our robust balance sheet continues to provide strategic flexibility in a softer price environment. In addition to the net cash△ position of R6.3 billion at 30 June 2025, the Group has access to a further R3.2 billion in undrawn facilities, positioning us well to weather periods of weaker pricing. This allows us to continue investing in our life extension projects, pursue geographic diversification and preserve shareholder value through the cycle.

In light of softer market conditions, we continue to evaluate potential levers to preserve cash, including cost containment and capital austerity, without impacting the longer term sustainability of our operations. Our focus remains on maintaining a competitive position on the cost curve and ensuring that we are able to invest through the cycle.

Notwithstanding this approach and our strong financial position, if realised coal prices remain subdued for a protracted period, certain assets may be subject to impairment at year end.

The board has declared total shareholder returns of R421 million, which consist of an interim ordinary cash dividend of R281 million, or R2 per share, as well as a share buyback of up to R140 million, subject to market conditions. This return represents 87% of adjusted operating free cash flow△ generated in the first six months of 2025, significantly higher than the 30% minimum per the dividend policy, underscoring our commitment to shareholder returns through the cycle.

The Sisonke Employee Empowerment Scheme and the Nkulo Community Partnership Trust will receive R31 million in total in relation to our performance for the first six months of the year.

Following the distribution of these returns to shareholders, and taking into account cash reserved for the execution of our projects, the residual cash buffer will be R5 billion, which we believe to be appropriate given current economic uncertainty globally.

CONCLUSION

Despite a challenging market and operating environment in the first half of the year, we remained focused on the factors within our control – operational performance, strategic execution and disciplined capital allocation.

While the current volatility is expected to continue as global market dynamics remain highly uncertain, we are confident in the long-term prospects of the markets we choose to operate in and the value in use of the products we deliver into those markets.

Our strong balance sheet provides us with the resilience to navigate headwinds, while continuing to invest in the long-term sustainability and competitiveness of our business.

FINANCIAL OVERVIEW

Rand million (unless otherwise stated)	30 June 2025	30 June 2024
Revenue	14,813	16,752
Operating costs	(15,393)	(15,771)
Profit for the reporting period	248	1,186
Attributable to non-controlling interests	(6)	(103)
Attributable to the equity shareholders of the Group	254	1,289
Earnings per share (cents/share)	193	952
Headline earnings per share (cents/share)	192	952
Dividends per share (cents/share)	200	200
Alternative performance measures△		
Adjusted EBITDA	691	2,146
Adjusted EBITDA margin (%)	4.7	13
FOB cost per export tonne (Rand/tonne) – South Africa	1,264	1,197
FOB cost per export tonne excluding royalties (Rand/tonne) – South Africa	1,258	1,189
FOB cost per export tonne (Rand/tonne) – Ensham Business[1]	1,904	1,645
FOB cost per export tonne excluding royalties (Rand/tonne) – Ensham Business[1]	1,694	1,360
Adjusted operating free cash flow	484	936
Net cash	6,250	6,683
Capital expenditure	(1,214)	(1,541)
Environmental liability coverage (%)	53	51
OPERATIONAL OVERVIEW		
kt		
South Africa		
Run of mine	10,577	11,496
Export saleable production	6,438	6,167
Domestic saleable production	1,567	2,523
Total saleable production	8,005	8,690
Export equity sales	6,434	6,033
Third-party export sales	217	297
Domestic sales from thermal export stockpiles	679	402
Other industrial and domestic sales	1,566	2,765
Total sales	8,896	9,497
Ensham		
Run of mine[1]	1,764	1,645
Export equity saleable production[1]	1,495	1,601
Commodity purchases from Bowen[2]	79	283
Total saleable production	1,574	1,884
Export equity sales[3]	1,885	2,114
Total sales	1,885	2,114

1 Results for the Ensham Business reflect 100% of the operations thereof from 28 February 2025. Prior to this date, results for the Ensham Business are reflected at 85%.
2 Commodity purchases from Bowen reflect 15% of the operations of the Ensham Mine, up to 28 February 2025 to align with the sales made through Ensham Coal Sales.
3 The sales volume reflects 100% of the coal sold from the Ensham Mine. This includes tonnes sold in Australia at export parity prices, which are considered export equity sales.

The table above reflects the financial results as disclosed in the condensed consolidated interim financial statements for the six months ended 30 June 2025, including the APMs as included in annexure 1 of this document. The results presented for the Group include the results of the Ensham Mine at 100% from 28 February 2025, following the acquisition of the 15% direct interest in the mine previously held by Bowen. Prior to this date, the results of Ensham are included at 85% based on our ownership thereof. Refer to note 2 of the condensed consolidated interim financial statements for further detail.

REVENUE

Group revenue decreased by 12% to R14.8 billion for the six months ended 30 June 2025 (30 June 2024: R16.8 billion). Revenue in South Africa declined by R1.0 billion, reflecting a 9.2% period-on-period decrease in the Richards Bay Benchmark coal price, as well as a decrease in domestic revenue relating to lower production at Isibonelo, lower industrial demand, and the sale of the Rietvlei Colliery in November 2024. Revenue in Australia decreased to R3.8 billion (30 June 2024: R4.7 billion) largely as a result of lower export volumes and a weaker Newcastle Benchmark coal price.

Our South African operations achieved an average realised export price of USD78.13 per tonne in 2025, down from USD85.73 per tonne in the first half of 2024.

The realised export price as a percentage of the Richards Bay Benchmark coal price averaged 85.1% (30 June 2024: 84.8%).

Ensham achieved an average realised export price of USD109.28 per tonne, compared to USD118.82 per tonne in the first half of 2024. The realised export price as a percentage of the Newcastle Benchmark coal price averaged 106.6% in the first half 2025, a premium of 6.6%, compared to a discount of 9.1% in 2024. The premium realised resulted from the composition of the sales book, which included a higher proportion of fixed-price contracts that were concluded above the benchmark price.

The stronger average exchange rate of the South African rand to the US dollar of R18.39 (30 June 2024: R18.74) had a negative impact on reported revenue, as export sales are denominated in US dollars.

OPERATING COSTS

Operating costs decreased by R378 million to R15.4 billion, from R15.8 billion at 30 June 2024, driven by lower inventory movements across both the South African and Ensham operations, as well as a reduction in the cost of commodity purchases.

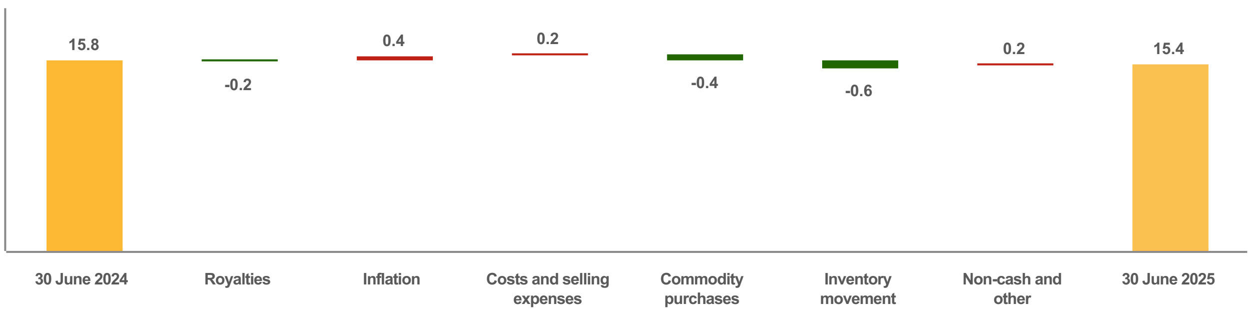
Operating costs in South Africa of R11.6 billion in the first half of 2025 were in line with the comparative period (30 June 2024: R11.6 billion).

In line with regional trends, inflation continued to impact the business, increasing costs by 4.6% in South Africa and 3.0% at Ensham.

During the period, we completed the acquisition of the additional 15% ownership interest in Ensham, resulting in increased costs of R150 million. This is offset by a decrease in commodity purchases. Operating costs also include approximately R60 million relating to Thungela Marketing International.

The inventory production movement cost reduced by R270 million in South Africa (from R687 million in the comparative period to R417 million), due to lower stockpile utilisation compared to the previous period. At Ensham, stocks increased in the period, compared to a decrease in 2024, which reduced costs by R341 million.

Rbn

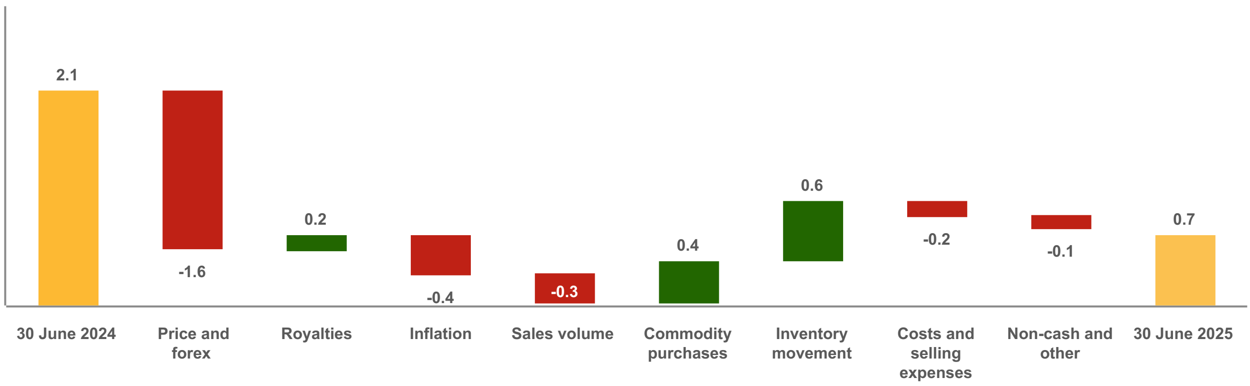


ADJUSTED EBITDA△

The Group generated adjusted EBITDA△ of R691 million for the six months ended 30 June 2025, a significant decrease from R2.1 billion in the comparative period. This represents an adjusted EBITDA margin△ of 4.7%, compared to 13% for the first half of 2024. The decline in earnings was mainly driven by lower benchmark coal prices and the stronger average exchange rate of the South African rand to the US dollar, which negatively impacted reported revenue.

Inflationary pressures continued to affect operating costs in both South Africa and Australia. The positive impact from the higher export volumes sold in the South African operations was countered by lower sales domestically and lower sales from Ensham. The net movement in inventory production costs had a favourable impact on adjusted EBITDA△.

Rbn



PROFIT

Profit for the reporting period decreased to R248 million (30 June 2024: R1.2 billion), primarily due to lower revenue driven by the weaker benchmark coal prices experienced and reduced domestic sales in the South African operations.

Profit attributable to the equity shareholders of the Group amounted to R254 million (30 June 2024: R1.3 billion). In the first half of 2025, non-controlling interests were allocated a loss of R6 million (2024: R103 million) based on losses incurred at the underlying statutory entities.

The Group entered into and settled several foreign currency derivatives during the period. Net finance income of R1.3 billion (30 June 2024: R805 million) includes gains of R1.4 billion from foreign exchange derivatives.

The Group recognised restructuring costs of R285 million during the period, relating to the announced restructuring of the business, as Goedehoop and Isibonelo reach the end of their lives.

The Group incurred an income tax expense of R136 million for the period, resulting in an effective tax rate of 35%, which is higher than the statutory rate of 27% in South Africa. This is primarily due to non-deductible expenses incurred throughout the Group and the higher statutory tax rate in Australia.

REVIEW OF FINANCIAL PERFORMANCE CONTINUED

For the six months ended 30 June 2025

EARNINGS PER SHARE AND HEADLINE EARNINGS PER SHARE

Profit attributable to the equity shareholders of the Group of R254 million is equivalent to R1.93 per share, compared to R9.52 per share for the period ended 30 June 2024.

Headline earnings attributable to the equity shareholders of the Group of R253 million are equivalent to R1.92 per share, compared to R9.52 per share for the period ended 30 June 2024.

These per share figures are based on a weighted average number of shares outstanding of 131,790,424 (30 June 2024: 135,382,283), with the decrease mainly attributable to the impact of the share buybacks undertaken.

NET WORKING CAPITAL

Net working capital at 30 June 2025 was R1.5 billion (31 December 2024: R2.3 billion).

The decrease in net working capital is mainly attributable to the movement in the trade receivables balance, which was impacted by lower realised coal prices.

Inventory balances reduced marginally based on stockpile movements in the six-month period.

Group payables reduced due to fluctuations in the timing of payments to suppliers.

Rbn

ADJUSTED OPERATING FREE CASH FLOW△ AND CASH AND CASH EQUIVALENTS

The Group generated adjusted operating free cash flow△ of R484 million in the first half of 2025 (30 June 2024: R936 million).

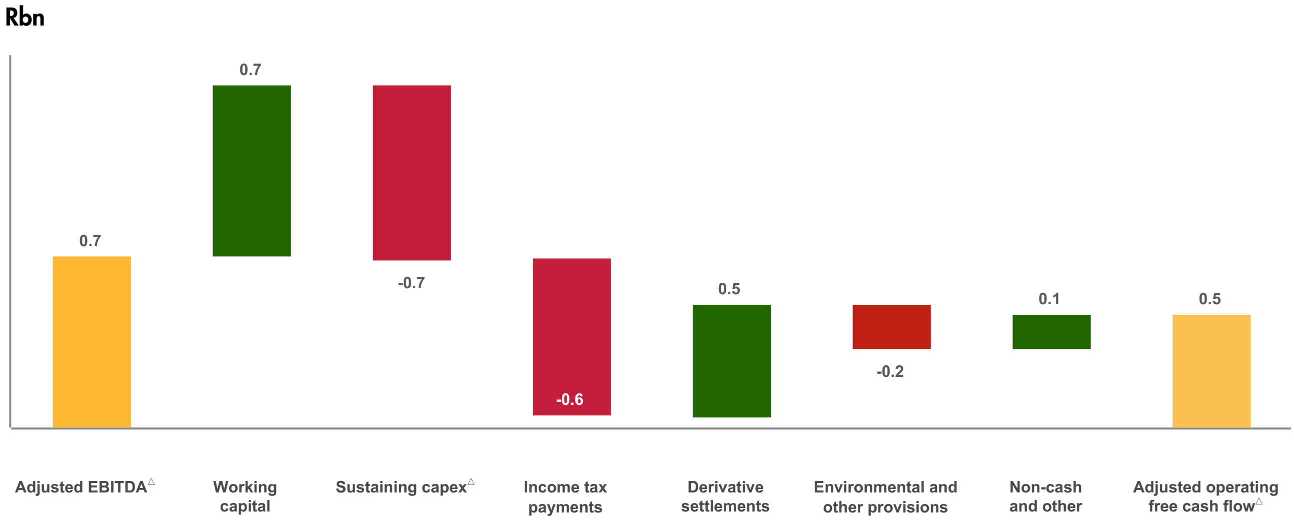
The difference between the adjusted EBITDA△ and adjusted operating free cash flow△ is mainly attributable to the release of working capital, sustaining capital expenditure△, tax payments and the impact of derivative settlements.

Sustaining capex△ for the Group was R703 million (including sustaining capex△ of R158 million at Ensham).

The Group paid income taxes of R635 million in the period, of which R444 million relates to Ensham, including the impact of the final assessment for 2024.

Adjusted operating free cash flow△ was positively impacted by the cash inflows of R453 million from the settlement of foreign exchange derivatives.

The Group ended the period with cash and cash equivalents of R7.4 billion. After deducting R989 million held in the trusts, and R130 million restricted for settlement of the price negotiations in Australia, net cash△ amounted to R6.3 billion at 30 June 2025.



SOUTH AFRICAN OPERATIONS

OPERATIONAL PERFORMANCE

Run of mine (ROM) production decreased by 8.0% to 10,577kt (30 June 2024: 11,496kt), primarily due to the impact of abnormally high rainfall which affected the Khwezela and Isibonelo Collieries. The sale of Rietvlei in November 2024 also contributed to the reduced ROM recognised in the first half of 2025. The lower ROM performance was partially offset by improved productivity at the Mafube Colliery and the ramp-up of the Elders Colliery.

Export saleable production increased by 4.4% to 6,438kt (30 June 2024: 6,167kt). The increase is mostly attributable to the processing of Elders coal at the Goedehoop Colliery, as well as the improved ROM volumes from Mafube.

Export equity sales increased by 6.6% to 6,434kt (30 June 2024: 6,033kt), supported by the improved TFR rail performance in the first half of 2025 compared to the prior period. We have continued the sale of lower quality export coal in the domestic market through free-on-truck sales amounting to 679kt (30 June 2024: 402kt), in line with our strategy to minimise the risk to on-mine stockpiles.

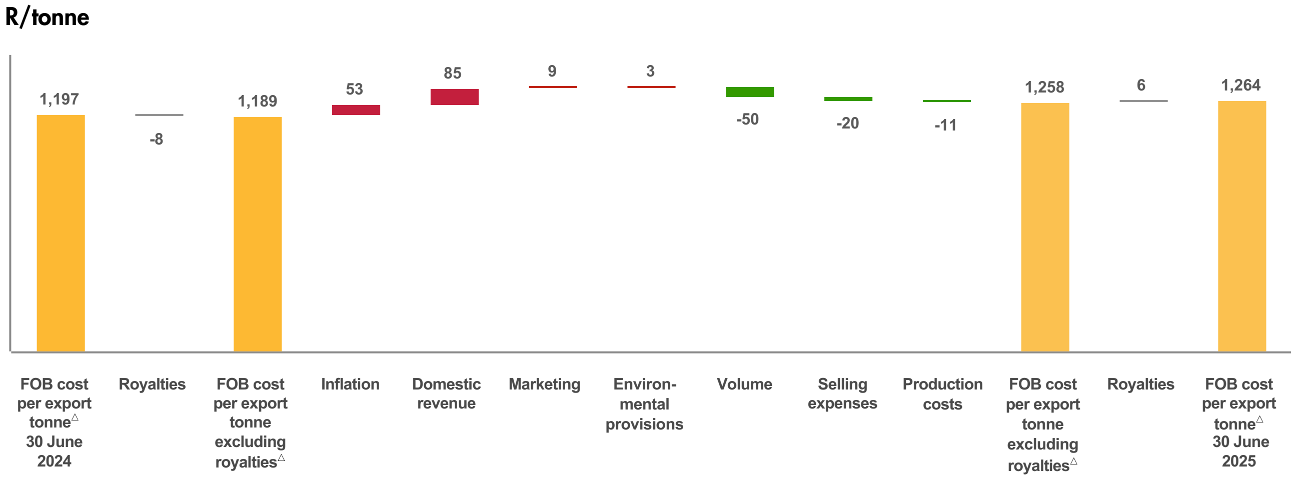
Domestic saleable production decreased by 38% to 1,567kt (30 June 2024: 2,523kt). The lower production is attributable to the abnormally high rainfall which hampered performance at Isibonelo, a decline at the other operations as a result of reduced domestic demand, and the sale of Rietvlei in November 2024. Domestic sales decreased by 43% to 1,566kt (30 June 2024: 2,765kt) in line with the reduced production.

FOB COST PER EXPORT TONNE△

The FOB cost per export tonne excluding royalties△ was R1,258 for the first half of 2025, compared to R1,189 in the first half of 2024, an increase of 5.8%.

FOB cost per export tonne△ increased mainly due to inflation and the lower domestic revenue offset, partially countered by the positive impact of higher production volumes and lower selling expenses and production costs. FOB cost per export tonne△ is in line with the 2025 full-year guidance.

The FOB cost per export tonne△ including royalties increased by 5.6% to R1,264, compared to R1,197 in the first half of 2024.



CAPITAL EXPENDITURE

The South African business incurred capital expenditure in the first half of 2025 of R1.1 billion (30 June 2024: R1.3 billion) comprising both sustaining capex△ and expansionary capex.

Stay-in-business capex of R463 million (30 June 2024: R317 million) was spent primarily on machine overhauls.

Stripping and development capex of R82 million (30 June 2024: R140 million) was spent on accessing life-of-mine reserves, predominantly at Khwezela.

Expansionary capex of R511 million in the first half of 2025 included a further R362 million on the Zibulo North Shaft project and R117 million spent on the Lephalale Coal Bed Methane project.

ENSHAM BUSINESS

OPERATIONAL PERFORMANCE

Ensham recorded saleable production of 1,574kt on a 100% basis (30 June 2024: 1,884kt), which includes 79kt purchased from Bowen prior to the acquisition of their 15% direct interest in the Ensham Mine.

The lower production in the first half of 2025 is largely due to geological challenges.

Approximately 280kt of coal that does not meet the typical product quality has been mined but not yet crushed, and accordingly is not yet reported as saleable production (although the costs have been incurred). We expect these volumes to be crushed and included as saleable production in the second half of the year.

Ensham recognised 1,885kt (30 June 2024: 2,114kt) of export equity sales, which includes sales made in Australia at export parity prices or better.

FOB COST PER EXPORT TONNE△

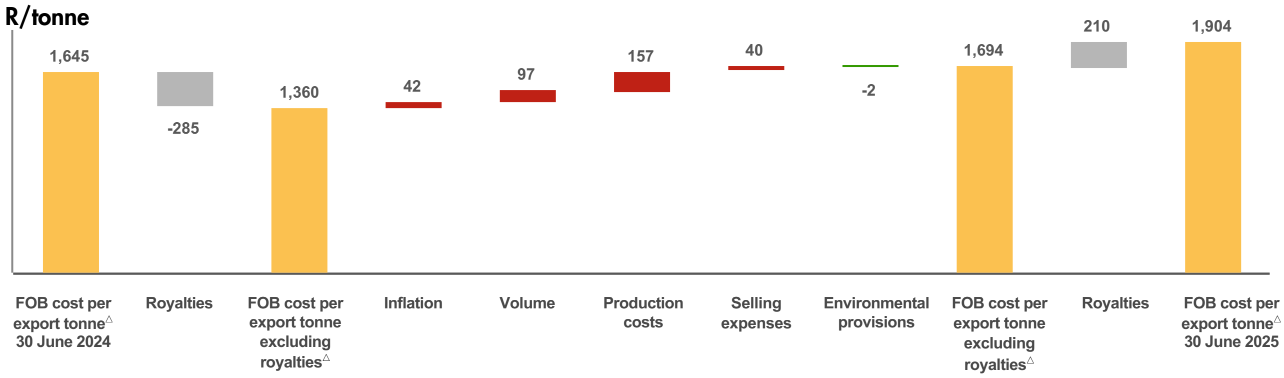
The Ensham Business incurred total operating costs of R3.8 billion (30 June 2024: R4.2 billion).

Commodity purchases from third parties, and Bowen prior to the acquisition of their 15% direct interest in Ensham, amounted to R321 million (30 June 2024: R691 million). The reduction in commodity purchases from Bowen is offset by increased production costs which are now consolidated at 100% and included in FOB cost△.

The FOB cost per export tonne excluding royalties△ increased by 25% to R1,694 per tonne (30 June 2024: R1,360 per tonne) due to the impact of inflation and lower production volumes. Selling expenses per tonne increased due to the lower volumes.

The tonnes which have been mined but not yet reported into saleable production have a significant impact on FOB cost per tonne△. We expect to see a denominator benefit once these tonnes are included as saleable production.

The FOB cost per export tonne△ of R1,904 (30 June 2024: R1,645 per tonne) benefited from a lower royalty cost in the current period.



CAPITAL EXPENDITURE

The Ensham Business incurred sustaining capital expenditure△ of R158 million, compared to R285 million in the first half of 2024.

Stay-in-business capex was spent mainly on machinery overhauls and new mining equipment to address operational requirements. No expansionary capex was incurred at Ensham.

CAPITAL ALLOCATION

Despite a challenging first half, marked by softer commodity prices and a stronger South African rand relative to the US dollar, the Group generated R1.2 billion in cash from operating activities. We spent R703 million on sustaining capital, resulting in an adjusted operating free cash flow[△] of R484 million.

Adjusted operating free cash flow[△] benefited from a working capital unwind of R690 million, as well as realised cash inflows of R453 million relating to the settlement of foreign currency derivatives. These factors supported the preservation of a robust balance sheet, with a net cash[△] balance of R6.3 billion as at 30 June 2025.

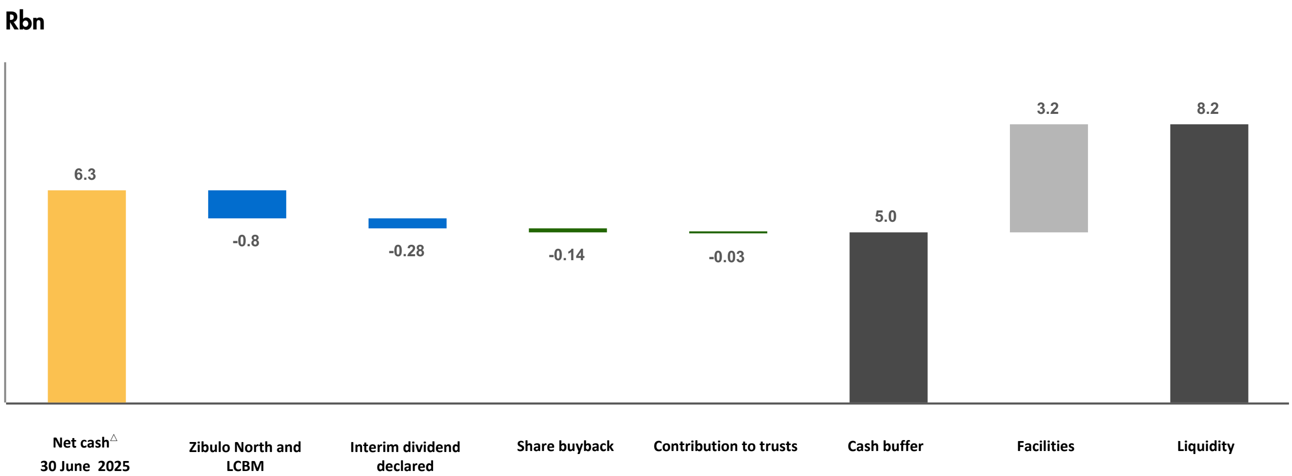
We contributed R188 million to the green fund, as required by the providers of the environmental financial guarantees in South Africa, to continue to cash collateralise our environmental liabilities over time.

We continue to advance our life extension projects, with the Zibulo North Shaft and Lephalale Coal Bed Methane developments requiring further investment of R800 million in aggregate over the next two years. In line with our capital allocation framework, the board continues to reserve the cash required to fund these strategic projects.

Reflecting our ongoing commitment to shareholder returns, the board has resolved to return R421 million to shareholders through a combination of an interim dividend of R2 per share and share buybacks of up to R140 million, subject to market conditions. As a result, we are thus distributing to shareholders all excess cash above a buffer of R5 billion – this buffer is appropriate given current uncertainty globally, including commodity price volatility, foreign exchange fluctuations, and supply chain risks stemming from global trade and tariff uncertainty.

The total return to shareholders represents 87% of adjusted operating free cash flow[△] generated in the first half of 2025, significantly higher than the minimum policy of 30%, underscoring the board's confidence in the Group's performance in the second half of the year, which has historically been stronger.

The Sisonke Employee Empowerment Scheme and the Nkulo Community Partnership Trust will receive R31 million, collectively.



This graph does not reflect historical financial information, other than the net cash[△] balance at 30 June 2025. This is accordingly a conceptual representation of the intended utilisation of the net cash[△] on hand at the reporting date.

OPERATIONAL GUIDANCE – 2025

	South Africa	Ensham
Export saleable production (Mt) (Ensham on a 100% basis)	12.8 – 13.6	3.7 – 4.1
FOB cost per export tonne△ (Rand/tonne)	1,220 – 1,300	1,650 – 1,780
FOB cost per export tonne excluding royalties△ (Rand/tonne)	1,210 – 1,290	1,470 – 1,580
Capital – sustaining△ (Rand million) (Ensham on a 100% basis)	1,400 – 1,700	700 – 950
Capital – expansionary (Rand million)	1,100 – 1,200	nil

SOUTH AFRICAN OPERATIONS

Export saleable production guidance for the full year remains appropriate at 12.8Mt to 13.6Mt, as we expect a stronger second half production performance, in line with previous years.

Full year guidance for FOB cost per export tonne excluding royalties△, of between R1,210 and R1,290, remains appropriate. Similarly, the range including royalties remains appropriate at R1,220 and R1,300 per tonne.

The ranges for sustaining capital expenditure△ and expansionary capital remain appropriate at between R1,400 million and R1,700 million, and R1,100 million and R1,200 million, respectively.

ENSHAM

Export saleable production guidance for the full year remains between 3.7Mt and 4.1Mt (on a 100% basis). Approximately 280kt of ROM coal mined in the first half of the year will report as saleable production in the second half of the year. However, given the challenging geological conditions experienced, we expect production to be closer to the lower end of this range.

Accordingly, FOB cost per export tonne excluding royalties△ is expected to be at the upper end of the range of R1,470 to R1,580. Similarly, including royalties, FOB cost per export tonne△ is expected to be at the upper end of the range of between R1,650 and R1,780 per tonne.

Sustaining capital expenditure△ is expected to be between R700 million and R950 million (on a 100% basis). This includes once-off capital expenditure of approximately R250 million, predominantly on land in order to secure outstanding mining licences.

Given the continued uncertain macroeconomic outlook, we continue to carefully monitor sustaining capital expenditure in order to preserve balance sheet flexibility without impacting the future sustainability of our business. These cash austerity measures are likely to result in our full year capital expenditure coming in at the lower end of the guidance ranges in both South Africa and Australia.

REVIEW OF OPERATIONAL PERFORMANCE

For the six months ended 30 June 2025

UNDERGROUND OPERATIONS

GOEDEHOOP COLLIERY

	30 June 2025	30 June 2024
Fatalities	—	—
TRCFR	2.38	1.43
Total saleable production (kt)	1,699	1,730
Export saleable production (kt)	1,374	1,075
Domestic production (kt)	325	655
FOB cost per export tonne△ (Rand/tonne)	1,393	1,525
FOB cost per export tonne excluding royalties△ (Rand/tonne)	1,388	1,509
Capex (Rand million)[1]	1	3

[1] Capital expenditure for 30 June 2024 has been updated to reflect capital expenditure per the condensed consolidated interim statement of cash flows.

Safety

Goedehoop recorded a TRCFR of 2.38, compared to 1.43 for the prior period as three recordable incidents were reported in the first six months of 2025, compared to two in 2024.

Performance

Export saleable production of 1,374kt for the period was 28% higher than the comparative period, as a result of coal from Elders (372kt) being washed at Goedehoop.

Domestic saleable production decreased by 50% to 325kt as demand from domestic customers reduced.

FOB cost per export tonne excluding royalties△ of R1,388 was 8.0% lower than the comparative period due to the higher export saleable production.

GREENSIDE COLLIERY

	30 June 2025	30 June 2024
Fatalities	—	—
TRCFR	0.82	0.00
Total saleable production (kt)	1,073	1,101
Export saleable production (kt)	1,073	1,101
Domestic production (kt)	—	—
FOB cost per export tonne△ (Rand/tonne)	1,416	1,225
FOB cost per export tonne excluding royalties△ (Rand/tonne)	1,410	1,213
Capex (Rand million)[1]	37	1

[1] Capital expenditure for 30 June 2024 has been updated to reflect capital expenditure per the condensed consolidated interim statement of cash flows.

Safety

Greenside recorded a TRCFR of 0.82, compared to 0.00 in the prior period as one incident was reported in 2025.

Performance

Export saleable production of 1,073kt for the period was 2.5% lower than the comparative period.

FOB cost per export tonne excluding royalties△ of R1,410 was 16% higher than the comparative period, mainly as a result of increased maintenance and coal handling costs.

ZIBULO COLLIERY

	30 June 2025	30 June 2024
Fatalities	—	—
TRCFR	2.28	0.55
Total saleable production (kt)	2,216	2,192
Export saleable production (kt)	2,216	2,192
Domestic production (kt)	—	—
FOB cost per export tonne△ (Rand/tonne)	966	762
FOB cost per export tonne excluding royalties△ (Rand/tonne)	961	757
Capex (Rand million)[1]	398	646

[1] Capital expenditure for 30 June 2024 has been updated to reflect capital expenditure per the condensed consolidated interim statement of cash flows.

Safety

Zibulo recorded a TRCFR of 2.28, compared to 0.55 in the prior period as four recordable incidents were reported in 2025, compared to one in the comparative period.

Performance

Export saleable production of 2,216kt in 2025 was 1.1% higher than the prior period.

FOB cost per export tonne excluding royalties△ of R961 was 27% higher than the comparative period, largely due to increased maintenance consumables, selling expenses and activity in the opencast operations.

ENSHAM MINE

	30 June 2025	30 June 2024
Fatalities	—	—
TRCFR	18.42	14.29
Total saleable production (kt)	1,574	1,884
Export saleable production (kt)[1]	1,495	1,601
Commodity purchases from Bowen (kt)[2]	79	283
Domestic production (kt)	—	—
FOB cost per export tonne△ (Rand/tonne)	1,904	1,645
FOB cost per tonne export excluding royalties△ (Rand/tonne)	1,694	1,360
Capex (Rand million)[3]	158	285

[1] Export saleable production reflects 100% of Ensham operations from 28 February 2025, and 85% before that date.
[2] Commodity purchases from Bowen reflect 15% of the Ensham operations up to 28 February 2025.
[3] Capital expenditure for 30 June 2024 has been updated to reflect capital expenditure per the condensed consolidated interim statement of cash flows.

Safety

TRCFR increased to 18.42 in 2025, compared to 14.29 for the comparative period.

Performance

Ensham produced 1,574kt of export saleable production on a 100% basis in 2025 compared to 1,884kt in 2024. The lower production is largely due to geological challenges. Approximately 280kt of coal that does not meet the typical product quality has been mined but not yet crushed, and accordingly is not yet reported as saleable production. Total saleable production includes 79kt of commodity purchases from Bowen, compared to 283kt in 2024 following the acquisition of the 15% interest in Ensham in February 2025.

The FOB cost per export tonne△ was R1,904 per tonne, compared to R1,645 in the prior year. The higher cost compared to the prior year is mainly attributable to the lower production volumes.

REVIEW OF OPERATIONAL PERFORMANCE

CONTINUED

For the six months ended 30 June 2025

OPENCAST OPERATIONS

KHWEZELA COLLIERY

	30 June 2025	30 June 2024
Fatalities	—	—
TRCFR	1.84	0.00
Total saleable production (kt)	755	981
Export saleable production (kt)	755	981
Domestic production (kt)	—	—
FOB cost per export tonne△ (Rand/tonne)	1,973	1,360
FOB cost per export tonne excluding royalties△ (Rand tonne)	1,966	1,354
Capex (Rand million)[1]	95	48

[1] Capital expenditure for 30 June 2024 has been updated to reflect capital expenditure per the condensed consolidated interim statement of cash flows.

Safety

Khwezela recorded a TRCFR of 1.84 in the current period, compared to 0.00 in the prior period, due to two recordable incidents.

Performance

Export saleable production decreased by 23% to 755kt following the impact of abnormally high rainfall on haul roads and activities in the pit.

The FOB cost per export tonne excluding royalties△ of R1,966 has increased by 45% compared to the prior period, due to the lower production levels and higher contractor costs.

MAFUBE COLLIERY (ATTRIBUTABLE)

	30 June 2025	30 June 2024
Fatalities	—	—
TRCFR	1.88	1.90
Total saleable production (kt)	929	795
Export saleable production (kt)	929	795
Domestic production (kt)	—	—
FOB cost per export tonne△ (Rand/tonne)	894	1,049
FOB cost per export tonne excluding royalties△ (Rand/tonne)	890	1,032
Capex (Rand million)[1]	87	60

[1] Capital expenditure for 30 June 2024 has been updated to reflect capital expenditure per the condensed consolidated interim statement of cash flows.

Safety

Mafube recorded a TRCFR of 1.88 in 2025, in line with 1.90 in the comparative period, with two recordable incidents reported in both years.

Performance

Export saleable production at 929kt was 17% higher than the prior period as a result of improved equipment performance and productivity.

FOB cost per export tonne excluding royalties△ of R890 decreased by 14%, mainly due to the higher production.

ISIBONELO COLLIERY

	30 June 2025	30 June 2024
Fatalities	—	—
TRCFR	0.00	2.14
Total saleable production (kt)	1,355	1,924
Domestic production (kt) (incl. coal purchases)	1,355	1,924
Capex (Rand million)[1]	1	32

[1] Capital expenditure for 30 June 2024 has been updated to reflect capital expenditure per the condensed consolidated interim statement of cash flows.

Safety

Isibonelo recorded a TRCFR of 0.00 in 2025, compared to 2.14 in the prior year. This improvement was driven by focused safety initiatives.

Performance

Saleable production at Isibonelo was 30% lower at 1,355kt in 2025. Abnormally high rainfall in 2025 had a significant impact on haul roads as well as in-pit conditions.

INTERIM ORDINARY CASH DIVIDEND DECLARATION AND SHARE REPURCHASE

Interim ordinary cash dividend declaration

The Thungela board of directors approved the declaration of an interim gross ordinary cash dividend of 200 cents per share (South African rand). The dividend has been declared from retained earnings accrued during the six months ended 30 June 2025. The Company's issued share capital at the declaration date is 140,492,585 ordinary shares.

The salient dates pertaining to the cash dividend are as follows:

	JSE	LSE
Declaration of ordinary cash dividend and currency conversion rate announced	Monday, 18 August 2025	Monday, 18 August 2025
Last day for trading to qualify and participate in the dividend	Tuesday, 16 September 2025	Wednesday, 17 September 2025
Trading ex-dividend commences	Wednesday, 17 September 2025	Thursday, 18 September 2025
Record date to participate in the dividend	Friday, 19 September 2025	Friday, 19 September 2025
Payment date to shareholders	Monday, 22 September 2025	Monday, 6 October 2025

No transfers of shareholdings to and from the South African or the United Kingdom (UK) register will be permitted between Tuesday, 16 September 2025 and Friday, 19 September 2025 (both dates inclusive). Share certificates may not be dematerialised or rematerialised between Wednesday, 17 September 2025 and Friday, 19 September 2025 (both dates inclusive).

The salient dates have been set as above in order to allow non-South African resident shareholders sufficient time to apply for a reduced rate of dividend withholding tax in the event that they may qualify for this.

The dividend is payable in South African rand to shareholders recorded as such on the register on the record date and whose shares are held through Central Securities Participants and brokers traded on the JSE.

Shareholders on the UK register of members will be paid in Pound sterling. The Pound sterling cash equivalent will be calculated using the following exchange rate: GBP1:ZAR23.81456, being the five-day (business days) average GBP:ZAR exchange rate (as quoted by Bloomberg) up to Thursday, 14 August 2025.

Shareholders are encouraged to ensure that their bank mandates or international payment instructions have been recorded by their service provider or registrars before the last day to trade for this dividend. Electronic payments ensure more efficient and timely payment. It should be noted that cheques are no longer permitted to be issued or processed by South African banks; in the UK, registrars will still issue and post cheques in the absence of specific mandates or payment instructions.

Share repurchase

The Group will implement a share repurchase (share buyback), subject to favourable market conditions, in the period commencing 19 August 2025 and, unless revised or terminated earlier, ending the last day prior to the Group's next annual general meeting (AGM), and will be subject to the applicable legal and regulatory requirements. The aggregate purchase price of all shares repurchased will be no greater than R140 million.

The repurchase of Thungela shares will take place on the JSE through the order book operated by the JSE trading system and is being undertaken pursuant to the general authority from Thungela shareholders by way of a shareholders' special resolution passed at the Company's AGM on 5 June 2025, allowing the Group to repurchase up to 10% of the issued share capital of the Company in any one financial year, subject to certain limitations ("Authority"). The repurchases will be made by Thungela Operations Proprietary Limited (a subsidiary of the Group).

Pursuant to the JSE Listings Requirements, the maximum price which may be paid for any repurchase under the Authority may not exceed a price which is 10% above the volume weighted average trading price of the shares on the JSE for the five business days immediately preceding the date of such repurchase.

In compliance with paragraph 11.27 of the JSE Listings Requirements, the Group will announce when share repurchases cumulatively reach 3% of the number of shares in issue as at the date of the Authority, and any 3% increments thereafter.

Tax treatment for shareholders on the South African register

The dividend will have no tax consequences for Thungela, but will be subject to 20% withholding tax for shareholders who are not exempt from dividends tax, or who do not qualify for a reduced rate of withholding tax in terms of any applicable agreement for the avoidance of double taxation concluded between South Africa and the shareholder's country of residence.

Should dividend withholding tax be withheld at a rate of 20%, the net dividend amount due to shareholders is 160.00 cents per share (South African rand) – 200.00 cents gross dividend per share less 40.00 cents dividend withholding tax per share.

Tax treatment for shareholders on the UK register

Thungela has retained Computershare UK as an intermediary to receive and process the relevant prescribed declarations and forms as set out below. Any reference below to documentation, which is required to be submitted to Thungela, should therefore be submitted to Computershare UK.

Non-South African tax resident shareholders will be paid the dividend subject to 20% withholding tax for shareholders. However, non-South African tax resident shareholders may be entitled to a reduced rate of dividends tax due to the provisions of an applicable tax treaty.

Shareholders who qualify for an exemption from dividends tax in terms of section 64F of the South African Income Tax Act 58 of 1962 must provide the following:

- A declaration that the dividend is exempt from dividends tax.
- A written undertaking to inform the regulated intermediary should the circumstances affecting the exemption change or if the beneficial owner ceases to be the beneficial owner, both in the form prescribed by the Commissioner for the South African Revenue Service to the regulated intermediary prior to the required date in order to benefit from the exemption. The prescribed form has been transposed onto the Computershare UK format.

Shareholders on the UK register will be sent the required documentation for completion and return to Computershare UK. Qualifying shareholders on the UK register are advised to arrange for the above mentioned documents to be submitted to Computershare UK by Friday, 19 September 2025.

Shareholders are reminded that failure to submit the required documentation by 19 September 2025 may result in the inability to benefit from reduced withholding tax rates.

Should dividend withholding tax be withheld at a rate of 20%, the net dividend amount due to shareholders is 6.72 pence per share (Pound sterling) – 8.40 pence gross dividend per share less 1.68 pence dividend withholding tax per share.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REVIEW REPORT

ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

TO THE SHAREHOLDERS OF THUNGELA RESOURCES LIMITED

We have reviewed the condensed consolidated interim financial statements of Thungela Resources Limited, set out in pages 36 to 97, which comprise the condensed consolidated interim statement of financial position as at 30 June 2025 and the related condensed consolidated interim statement of profit or loss and other comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the six months then ended, and selected explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE INTERIM FINANCIAL STATEMENTS

The directors are responsible for the preparation and presentation of these Interim Financial Statements in accordance with the International Accounting Standard, (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of 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 consolidated interim financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical financial information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated interim financial statements 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 condensed consolidated 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 evaluate the evidence obtained.

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of Thungela Resources Limited for the six months ended 30 June 2025 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: V Khutlang
Registered Auditor
Johannesburg
South Africa
18 August 2025

The examination of controls over the maintenance and integrity of the Group's website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

Rand million	Notes	Reviewed 30 June 2025 6 months	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
Revenue	3	**14,813**	16,752	35,554
Operating costs	4	**(15,393)**	(15,771)	(31,751)
Costs arising from the acquisition of the Ensham Business		**(53)**	–	(9)
Acquisition and integration costs	9	**(48)**	–	–
Expenses for conditional shares granted to non-controlling interests		**—**	–	(9)
Fair value adjustments to acquisition-related derivatives	9	**(5)**	–	–
Profit on disposal of investment in subsidiary		**—**	–	601
Impairment losses		**—**	–	(278)
Restructuring costs and termination benefits		**(285)**	(13)	(13)
(Loss)/profit before net finance income and tax		**(918)**	968	4,104
Net finance income		**1,302**	805	894
Investment income	5	**719**	615	1,393
Interest expense	5	**(622)**	(501)	(1,157)
Other net financing gains	5	**1,205**	691	658
Profit before tax		**384**	1,773	4,998
Income tax expense	6	**(136)**	(587)	(1,454)
Profit for the reporting period		**248**	1,186	3,544
Attributable to:				
Non-controlling interests		**(6)**	(103)	(48)
Equity shareholders of the Group		**254**	1,289	3,592
Other comprehensive loss				
Items that may be reclassified to profit or loss				
Foreign exchange translation losses		**(23)**	(149)	(373)
Items that will not be reclassified to profit or loss				
Remeasurement of retirement benefit obligations		**—**	–	(9)
Related tax		**—**	–	2
Other comprehensive loss for the reporting period		**(23)**	(149)	(380)
Total comprehensive income for the reporting period		**225**	1,037	3,164
Attributable to:				
Non-controlling interests		**(6)**	(110)	(69)
Equity shareholders of the Group		**231**	1,147	3,233
Earnings per share				
Basic (cents/share)[1]	7	**193**	952	2,676
Diluted (cents/share)	7	**191**	931	2,642

[1] The earnings per share has been calculated using a WANOS of 131,790,424 (30 June 2024: 135,382,283, 31 December 2024: 134,238,447).

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

Rand million	Notes	Reviewed 30 June 2025 6 months	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
Assets				
Non-current assets				
Intangible assets		422	342	300
Property, plant and equipment	8	20,700	19,675	19,722
Environmental rehabilitation trusts	17	4,556	3,925	4,266
Investment in associate		144	109	199
Deferred tax assets	18	1,138	710	770
Financial asset investments[1]		2,513	2,142	2,259
Investment in insurance structure	15	1,535	1,464	1,489
Trade and other receivables	11	270	239	229
Other non-current assets		75	74	66
Total non-current assets		31,353	28,680	29,300
Current assets				
Inventories	10	3,364	3,066	3,444
Trade and other receivables	11	4,128	5,319	4,977
Current tax assets	6	142	143	235
Financial asset investments		206	16	18
Derivative financial instruments	14	529	409	—
Cash and cash equivalents	12	7,369	8,391	10,103
Total current assets		15,738	17,344	18,777
Total assets		47,091	46,024	48,077
Equity				
Stated capital		11,323	11,323	11,323
Contributed capital		965	965	965
Merger reserve		2,606	2,606	2,606
Treasury shares		(1,382)	(997)	(980)
Share-based payments reserve		214	230	246
Other reserves		(53)	166	(49)
Retained earnings		10,132	9,610	11,449
Equity attributable to the shareholders of the Group		23,805	23,903	25,560
Non-controlling interests		545	(123)	544
Total equity		24,350	23,780	26,104
Liabilities				
Non-current liabilities				
Lease liabilities		11	31	19
Retirement benefit obligations		409	412	400
Deferred tax liabilities	18	1,489	1,651	1,567
Trade and other payables	13	33	—	—
Environmental and other provisions	17	12,417	10,962	11,789
Total non-current liabilities		14,359	13,056	13,775
Current liabilities				
Trade and other payables	13	6,029	6,843	6,093
Loans and borrowings		—	71	—
Lease liabilities		26	20	31
Environmental and other provisions	17	2,004	1,871	1,130
Derivative financial instruments	14	—	—	462
Current tax liabilities	6	323	383	482
Total current liabilities		8,382	9,188	8,198
Total liabilities		22,741	22,244	21,973
Total equity and liabilities		47,091	46,024	48,077

[1] Financial asset investments include other environmental investments of R2,411 million (30 June 2024: R2,013 million, 31 December 2024: R2,152 million). Refer to note 17 for further detail.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

Rand million	Notes	Stated capital	Contributed capital	Merger reserve
Balance at 1 January 2024		11,323	965	2,606
Purchase of shares by Group companies	19	—	—	—
Total comprehensive (loss)/income for the reporting period		—	—	—
Dividends paid	21	—	—	—
Movements in share-based payments reserve[2]		—	—	—
Treasury shares issued to employees on vesting of share awards		—	—	—
Balance at 30 June 2024		11,323	965	2,606
Purchase of shares by Group companies	19	—	—	—
Total comprehensive (loss)/income for the reporting period		—	—	—
Dividends paid	21	—	—	—
Movements in share-based payments reserve[2]		—	—	—
Conditional shares granted to non-controlling interests in the Ensham Business		—	—	—
Change in ownership of the Ensham Business		—	—	—
Disposal of investment in subsidiary		—	—	—
Treasury shares issued to employees on vesting of share awards		—	—	—
Balance at 31 December 2024		**11,323**	**965**	**2,606**
Purchase of shares by Group companies	19	—	—	—
Total comprehensive (loss)/income for the reporting period		—	—	—
Dividends paid	21	—	—	—
Movements in share-based payments reserve[2]		—	—	—
Change in ownership of the Ensham Business	9	—	—	—
Reclassification		—	—	—
Treasury shares issued to employees on vesting of share awards		—	—	—
Balance at 30 June 2025		**11,323**	**965**	**2,606**

[1] Other reserves include the retirement benefit obligation reserve of R153 million (30 June 2024: R160 million, 31 December 2024: R153 million) and the foreign currency translation reserve with a debit balance of R206 million (30 June 2024: credit balance of R6 million, 31 December 2024: debit balance of R202 million).

[2] Includes movements as a result of share-based payment expenses of R96 million (30 June 2024: R72 million, 31 December 2024: R145 million) reduced by the impact of the vesting of shares of R128 million (30 June 2024: R56 million, 31 December 2024: R113 million) under the Thungela share plan.

Treasury shares	Share-based payments reserve	Other reserves[1]	Retained earnings	Total equity attributable to shareholders of the Group	Non-controlling interests	Total equity
(493)	214	308	9,686	24,609	(13)	24,596
(563)	—	—	—	(563)	—	(563)
—	—	(142)	1,289	1,147	(110)	1,037
—	—	—	(1,362)	(1,362)	—	(1,362)
—	16	—	56	72	—	72
59	—	—	(59)	—	—	—
(997)	230	166	9,610	23,903	(123)	23,780
(161)	—	—	—	(161)	—	(161)
—	—	(217)	2,303	2,086	41	2,127
—	—	—	(268)	(268)	(44)	(312)
—	16	—	57	73	—	73
—	9	—	—	9	—	9
—	(9)	2	(75)	(82)	82	—
—	—	—	—	—	588	588
178	—	—	(178)	—	—	—
(980)	**246**	**(49)**	**11,449**	**25,560**	**544**	**26,104**
(613)	**—**	**—**	**—**	**(613)**	**—**	**(613)**
—	**—**	**(23)**	**254**	**231**	**(6)**	**225**
—	**—**	**—**	**(1,462)**	**(1,462)**	**—**	**(1,462)**
—	**(32)**	**—**	**128**	**96**	**—**	**96**
—	**—**	**3**	**(6)**	**(3)**	**3**	**—**
—	**—**	**16**	**(20)**	**(4)**	**4**	**—**
211	**—**	**—**	**(211)**	**—**	**—**	**—**
(1,382)	**214**	**(53)**	**10,132**	**23,805**	**545**	**24,350**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

Rand million	Notes	**Reviewed 30 June 2025 6 months**	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
Cash flows from operating activities				
Profit before tax		**384**	1,773	4,998
Net finance income	5	**(1,302)**	(805)	(894)
Profit before net finance income and tax		**(918)**	968	4,104
Costs arising from the acquisition of the Ensham Business		**5**	—	9
Profit on disposal of investment in subsidiary		**—**	—	(601)
Impairment losses		**—**	—	278
Depreciation and amortisation	3	**1,271**	1,165	2,452
Share-based payment charges		**96**	72	145
Increase/(decrease) in provisions		**411**	(123)	443
(Profit)/loss on disposal of property, plant and equipment	4	**(2)**	—	14
Other adjustments		**(5)**	(3)	(3)
Movements in working capital		**690**	248	(99)
Decrease in inventories		**207**	927	452
Decrease/(increase) in trade and other receivables		**877**	(1,079)	(1,055)
(Decrease)/increase in trade and other payables		**(394)**	400	504
Net cash flows from operations		**1,548**	2,327	6,742
Amounts applied to reduce environmental and other provisions	17	**(179)**	(512)	(1,016)
Settlement of derivative financial instruments	14	**453**	233	905
Income tax paid	6	**(635)**	(370)	(1,342)
Net cash flows generated from operating activities		**1,187**	1,678	5,289
Cash flows from investing activities				
Expenditure on property, plant and equipment	3	**(1,214)**	(1,501)	(3,333)
Purchase of right-of-use assets		**(9)**	(108)	(130)
Proceeds on disposal of property, plant and equipment		**3**	—	—
Expenditure on intangible assets	3	**—**	(40)	(63)
Cash outflow on acquisition of the additional interest in the Ensham Business	9	**(302)**	—	—
Purchase of financial asset investments		**(374)**	(1,045)	(1,179)
Repayment of loans granted to investees		**32**	7	35
Repayment/(advance) of quasi-equity loans to associate		**55**	(31)	(121)
Investment income received		**285**	383	685
Proceeds received on disposal of investment in subsidiary		**—**	—	186
Net cash flows utilised in investing activities		**(1,524)**	(2,335)	(3,920)
Cash flows from financing activities				
Interest expense paid		**(46)**	(26)	(76)
Capital repayment of lease liabilities		**(16)**	(15)	(47)
Advance of loans and borrowings		**—**	—	113
Purchase of shares by Group companies	19	**(613)**	(563)	(724)
Dividends paid to the equity shareholders of the Group	21	**(1,448)**	(1,362)	(1,630)
Dividends paid to non-controlling interests	21	**—**	—	(44)
Net cash flows utilised in financing activities		**(2,123)**	(1,966)	(2,408)
Net decrease in cash and cash equivalents		**(2,460)**	(2,623)	(1,039)
Cash and cash equivalents at the start of the reporting period		**10,103**	10,959	10,959
Net decrease in cash and cash equivalents		**(2,460)**	(2,623)	(1,039)
Effects of changes in foreign exchange rates[1]		**(274)**	55	183
Cash and cash equivalents at the end of the reporting period	12	**7,369**	8,391	10,103

[1] Effects of changes in foreign exchange rates consists of foreign exchange losses on cash and cash equivalents of R237 million (30 June 2024: gains of R115 million, 31 December 2024: gains of R281 million) recognised in net finance income, and losses on the revaluation of the cash balances held in foreign subsidiaries of R37 million (30 June 2024: R60 million, 31 December 2024: R98 million) recognised in other comprehensive income.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. BASIS OF PREPARATION

A. Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with the requirements, and containing the information required by, IAS 34, the South African Financial Reporting Requirements, as applicable, the Companies Act of South Africa, and the JSE Listings Requirements, as well as with the UK Listing Rules and the UK Disclosure Guidance and Transparency Rules.

The condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards and the accounting policies as included in the Thungela Annual Financial Statements for the year ended 31 December 2024. The accounting policies have been consistently applied by the Group and are supported by reasonable judgements and estimates.

The condensed consolidated interim financial statements have been prepared on the historical cost basis, except for certain assets and liabilities which are measured at fair value. The condensed consolidated interim financial statements are presented in South African rand, which is the functional currency of Thungela.

The functional currencies of the different operations of the Group are the South African rand, the Australian dollar and the Arab Emirate dirham in these respective countries.

B. Foreign currency transactions and translation

Transactions and balances

Foreign currency transactions undertaken by the Group are recognised in the functional currencies of the relevant underlying entities at the exchange rate ruling on the date of the transaction. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date.

Gains or losses arising on translation are included in the statement of profit or loss and other comprehensive income and are classified according to the nature of the monetary item giving rise to them.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Consolidation of foreign subsidiaries

On consolidation, the assets and liabilities of the foreign subsidiaries of the Group are translated into South African rand at the exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period where these approximate the rates at the dates of the transactions.

The resultant exchange differences on consolidation are recognised within other comprehensive income and transferred to the Group's foreign currency translation reserve.

The accumulated foreign currency translation reserve will be recycled from equity and recognised in profit or loss on disposal of the foreign subsidiary to which it relates.

C. Judgements and estimates

Thungela has made judgements, estimates and assumptions that may affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses at 30 June 2025. Actual results may differ from these estimates. The critical accounting judgements and key sources of estimation uncertainty for the six months ended 30 June 2025 are similar to those applied in preparing the Thungela Annual Financial Statements for the year ended 31 December 2024.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the condensed consolidated interim financial statements, are disclosed in the respective notes.

D. Going concern

The financial position of Thungela, its cash flows, net current asset position and net cash△ position are set out in the condensed consolidated interim financial statements. The Group's net cash△ at 30 June 2025 is R6,250 million (30 June 2024: R6,683 million, 31 December 2024: R8,671 million). The Group's net current asset position of R7,356 million (30 June 2024: R8,156 million, 31 December 2024: R10,579 million) continues to be robust. The Group has no significant external debt at 30 June 2025.

The directors have considered Thungela's cash flow forecasts for the period to the end of August 2026, under reasonably expected and stressed scenarios, with consideration given to the uncertainty of the current economic environment, as well as the Group's operations. In all of the scenarios assessed, the Group maintains sufficient liquidity throughout the period of assessment.

The directors are satisfied that the Group's forecasts, taking into account reasonably possible changes in performance, show that Thungela will continue to operate for the foreseeable future. For this reason, Thungela has adopted the going concern basis in preparing the condensed consolidated interim financial statements.

E. New, revised and amended accounting pronouncements

New standards effective for annual periods beginning on or after 1 January 2025

There were no new, revised and amended accounting pronouncements as issued by the IASB which were effective for the Group from 1 January 2025 that had a material impact on the condensed consolidated interim financial statements.

New standards, amendments to existing standards and interpretations not yet effective

The Group did not early adopt any new, revised or amended accounting standards or interpretations. These accounting standards, amendments to issued accounting standards and interpretations are not expected to have a material impact on the condensed consolidated interim financial statements in future periods, other than as below, however the Group will continue to assess the potential impacts thereof.

The International Sustainability Standards Board (ISSB) Standards have been issued to create a standard framework for reporting sustainability-related information and its impact on the Group's future financial and operating results. Although these standards have an effective date of 1 January 2025, they are not yet applicable in terms of the regulations to which Thungela has to comply. Significant detail of our sustainability-related information was disclosed in our Environmental, Social and Governance Report published in April 2025.

IFRS 18: Presentation and Disclosure in Financial Statements is effective for reporting periods beginning on or after 1 January 2027, and will apply retrospectively. We are in the process of determining the impact of the new standard on the condensed consolidated interim financial statements.

F. Independent external auditor's review report

PricewaterhouseCoopers Incorporated (PwC), the independent external auditor of the Group, has conducted a review in accordance with International Standards on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor, and their unmodified review report is available on pages 34 and 35 of this document. Any reference to future financial performance included in this document has not been reviewed or reported on by the Group's independent external auditor. The independent external auditor's review report does not necessarily report on all of the information contained in this document.

2. UNDERSTANDING OF OUR SHAREHOLDING IN THE ENSHAM BUSINESS

Understanding of the initial transaction

In the year ended 31 December 2023, Thungela, through its wholly owned subsidiary Thungela Resources Australia Pty Limited (Thungela Resources Australia), acquired a 75% interest in Sungela Holdings Pty Ltd (Sungela Holdings) (the initial transaction). The remaining 25% interest in Sungela Holdings was acquired by Audley Energy Limited (Audley Capital) and Mayfair Corporations Group Pty Ltd (Mayfair), (collectively, the 'co-investors') in equal parts. Sungela Holdings, through its wholly owned subsidiary Sungela Pty Ltd (Sungela), then purchased an 85% interest in the Ensham Mine, with the remaining 15% interest in the mine held by LX International, through its subsidiary Bowen Investment Australia Pty Ltd (Bowen).

The co-investors were also granted long-term incentive plan (LTIP) shares, which currently carry no voting or dividend rights, but could vest and become ordinary shares on the achievement of specific milestones, each of which will enhance the value of the Ensham Business. Should all of the LTIP shares vest, the legal ownership held by the co-investors in Sungela Holdings would increase to 30%, on a fully diluted basis. The co-investors will only have rights to earnings and distributions relating to the LTIP shares from 31 December in the year that the milestones are met, and as approved by the Sungela Holdings board. At 30 June 2025, LTIP shares amounting to 2.5% (30 June 2024: 1.5%, 31 December 2024: 2.5%) of Sungela Holdings have vested. As a result of the vesting of the LTIP shares, Thungela owns 72.5% (30 June 2024: 73.5%, 31 December 2024: 72.5%) of the shares issued by Sungela Holdings at the reporting date.

The portion of the purchase price attributable to the shareholding purchased by the co-investors was R1,035 million (25%), of which R809 million (20%) was funded through a loan provided by Thungela International Proprietary Limited (Thungela International) (the loan). The loan is interest-bearing and is repayable 18 months after the effective date of the initial transaction, being 31 August 2023, mainly through distributions received by the co-investors from Sungela Holdings. The co-investors are required to apply 90% of all distributions they receive from Sungela Holdings to the repayment of the loan.

The loan is secured by shares owned by the co-investors, representing 20% of the shares of Sungela Holdings in issue at the acquisition date of the initial transaction (the secured shares). To the extent that the loan is not repaid by its final repayment date, some of the secured shares may be called as security by Thungela International. Should the loan not be repaid in full, and a portion of the secured shares called, the capital amount of the loan will be considered fully repaid, even if the value of the secured shares called is lower than the value of the outstanding debt at the repayment date, in which case Thungela International may become the legal owner of the shares called as security. No amount has been repaid by the co-investors against the loan since the effective date of the initial transaction.

Understanding of the second transaction

In December 2024, Thungela Resources Australia entered into a share sale and purchase agreement (SPA) with Bowen, in terms of which the Group would acquire the 15% direct interest in the Ensham Mine and related companies held by Bowen (the second transaction).

The SPA was signed in December 2024, but included several conditions precedent that impacted the effective date of the second transaction. The conditions precedent were either met or waived by all parties by 28 February 2025, which is considered to be the effective date. The consolidated results presented for Thungela for the six months ended 30 June 2025 include the results of the 15% additional interest acquired for four months, from the effective date to the reporting date.

The purchase price payable, as included in the SPA, amounted to R558 million (AUD48 million), which is comprised of the following:

- The completion amount of R372 million (AUD32 million), which was paid on the effective date of 28 February 2025.
- The second payment of R186 million (AUD16 million), which is payable in December 2025. This amount is currently held in escrow and is disclosed as part of financial asset investments on the statement of financial position.

Understanding of the Ensham Business

The Ensham Mine, which is operated by Ensham Resources Pty Limited (Ensham Resources), is the primary asset of the Ensham joint venture, and comprises several tenements located in the southern Bowen Basin in Queensland, Australia. The mining tenements related to the initial transaction were transferred to Sungela in July 2024, while those related to the second transaction were transferred to Thungela Resources Australia in June 2025. The Group, however, took beneficial ownership thereof from the effective date of the respective transactions.

The entities forming part of the Ensham Business are described below:

Entity	Legal shareholding[1] (%)	Effective economic interest[2] (%)	Description
Sungela Holdings[3]	72.5	92.5	Sungela Holdings is an investment holding company. Thungela Resources Australia holds 72.5% of the shares issued by Sungela Holdings, with the remaining 27.5% being held by the co-investors.
Sungela	100	92.5	Sungela owns an 85% interest in the Ensham Mine, and is required to fund the operations thereof on an ongoing basis, in proportion to its ownership interest. Thungela has an effective economic interest of 92.5% in Sungela, held through Sungela Holdings.
Ensham Resources	100	92.5	Ensham Resources is the operator of the Ensham Mine, an unincorporated joint venture between Sungela and Thungela Resources Australia (previously Bowen), which hold 85% and 15% thereof, respectively. Thungela has an effective economic interest of 92.5% in Ensham Resources.
Ensham Coal Sales	100	92.5	Ensham Coal Sales Pty. Ltd. (Ensham Coal Sales) manages the sale of all coal extracted from the Ensham Mine, and the net receipts from customers are paid back to Sungela and Thungela Resources Australia (previously Bowen) in line with their ownership of the joint venture. Thungela has an effective economic interest of 92.5% in Ensham Coal Sales.
Nogoa Pastoral	100	92.5	Nogoa Pastoral Pty. Ltd. (Nogoa Pastoral) undertakes small-scale agricultural activity on the surface land owned by the Ensham Business, and is the operator of the Nogoa joint venture, the participants of which are also Sungela and Thungela Resources Australia (previously Bowen). Thungela has an effective economic interest of 92.5% in Nogoa Pastoral.

1 The legal shareholding represents Thungela's legal shareholding in the relevant statutory entity at 30 June 2025, either directly or through a subsidiary.
2 The effective economic interest represents Thungela's effective economic interest in the earnings of the relevant statutory entity at 30 June 2025, either directly or through a subsidiary. The economic interest has been determined based on the accounting treatment described in this note.
3 Thungela Resources Australia subscribed for 75% of the ordinary shares of Sungela Holdings on 31 August 2023. Two milestones related to the LTIP shares have been met, meaning the co-investors have been allocated an additional 2.5% of the ordinary shares of Sungela Holdings. Shares representing 1.0% of ordinary shares vested on 31 December 2024, and 1.5% of shares vested on 31 December 2023. The co-investors only have voting and dividend rights related to the LTIP shares that have vested from the respective vesting dates.

Ensham Resources is the operator of the Ensham Mine, which is an unincorporated joint venture between Sungela and Thungela Resources Australia (previously Bowen) (collectively, the 'JV participants'), which hold the unincorporated joint venture in proportions of 85% and 15%, respectively. The mining tenements and underlying mining assets are owned by the JV participants directly, and are not owned by Ensham Resources. The operations of Ensham Resources are funded by the JV participants directly in relation to their participation in the Ensham Mine, being 85% and 15%, respectively.

Ensham Coal Sales manages the sale of all coal extracted from the Ensham Mine, and the net receipts from customers are paid back to Sungela and Thungela Resources Australia (previously Bowen) in accordance with their contributions to the Ensham Mine.

Nogoa Pastoral undertakes small-scale agricultural activity on the surface land owned by the Ensham Business, and is the operator of the Nogoa joint venture, the participants of which are also Sungela and Thungela Resources Australia (previously Bowen).

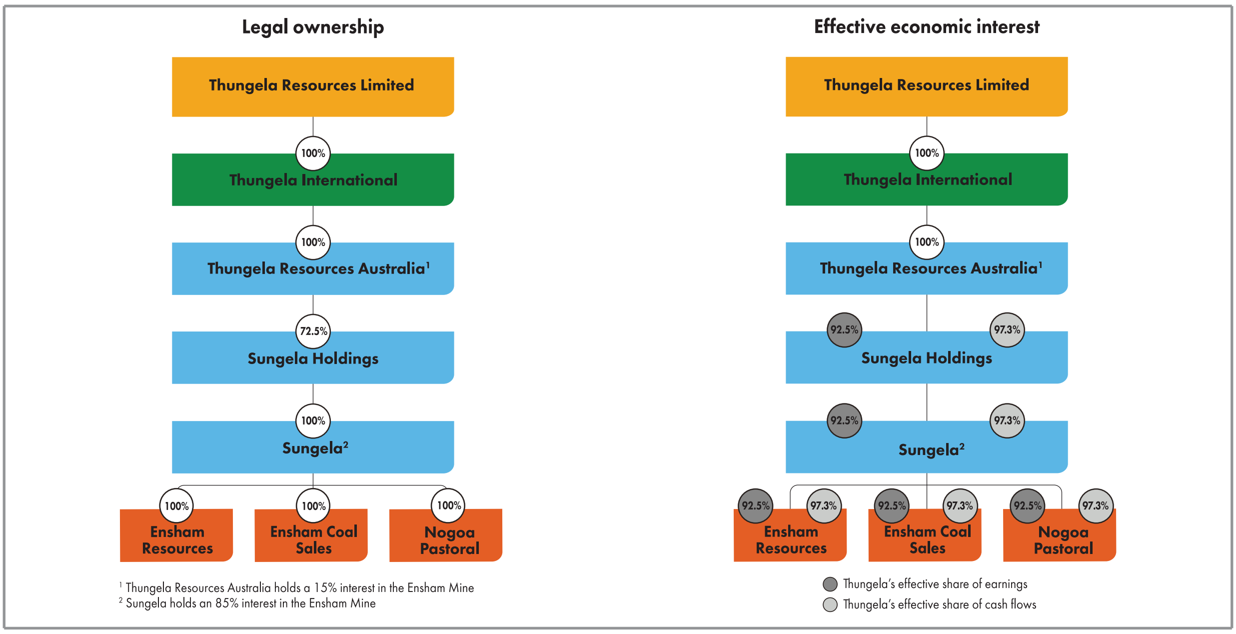
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS CONTINUED

For the six months ended 30 June 2025

2. UNDERSTANDING OF OUR SHAREHOLDING IN THE ENSHAM BUSINESS CONTINUED

Understanding of the Ensham Business continued

The structure of Thungela's ownership in the Ensham Business at the reporting date is shown in the diagram below. Thungela is considered to control all of the entities within this structure.



Accounting treatment

Thungela is considered to control all of the entities within the Ensham Business, and these entities are consolidated into the operating and financial results of the Group, with the appropriate recognition of non-controlling interests, with specific considerations as noted below.

Ensham Resources is the operator of the Ensham Mine, and recognises all assets, liabilities, income and expenses related to the operation of the mine. However, the underlying assets are owned by the JV participants directly, in proportion to their ownership of the mining tenements. Notably, Ensham Resources does not own any assets in its own right. On this basis, from the effective date of the second transaction, Thungela now has rights to, and obligations for, all of the assets and liabilities of the Ensham Mine, through the ownership held by Sungela and Thungela Resources Australia. From 28 February 2025, the consolidated results for Thungela thus include the results of Ensham Resources on a 100% basis. Up to that date, Thungela only had rights to, and obligations for, 85% of the assets and liabilities of the Ensham Mine. The consolidated results presented for Thungela for the reporting periods ended 30 June 2024 and 31 December 2024 thus include the results of Ensham Resources on an 85% basis.

Ensham Coal Sales is fully consolidated, with non-controlling interest recognised, representing 15% of the net assets of this entity until the effective date of the second transaction. The equity attributable to the non-controlling interests has been adjusted to reflect the change in their relative interest in the Group from that date. As Ensham Coal Sales manages all coal sales from the Ensham Mine, 100% of the revenue from the mine has been recognised within the Thungela Group's revenue from the effective date of the initial transaction. The cost for the proportion of coal sales reflecting Bowen's 15% participation in the Ensham Mine, up to 28 February 2025, was accounted for as a commodity purchase within Ensham Coal Sales, at the realised sales price less specific selling costs incurred.

Nogoa Pastoral is the operator of the Nogoa Pastoral agricultural operation, which is managed, on a contractual basis, in the same way as Ensham Resources, and so the accounting treatment has been considered in the same way. The results of Nogoa Pastoral are consolidated at 100% on a line-by-line basis from the effective date of the second transaction, while the results from the effective date of the initial transaction were consolidated on an 85% basis.

The loan was used by the co-investors to fund the acquisition of the majority of their initial 25% shareholding in Sungela Holdings, and is secured by shares representing 20% of the shares in Sungela Holdings. For accounting purposes, while the loan has not been repaid, the shares are not considered to have been issued, and Thungela is instead considered to have granted the co-investors an option to acquire the shares in Sungela Holdings. The option will be exercisable only to the extent that the loan is repaid by the repayment date, and was treated as an equity-settled share-based payment on the effective date of the initial transaction.

As a result of the accounting treatment and recognition of the option issued to them, the co-investors have enjoyed rights to only 7.5% of the earnings generated by the Ensham Business in the six months ended 30 June 2025 (30 June 2024: 6.5%, 31 December 2024: 6.5%), following the vesting of a portion of the LTIP shares. The proportion of earnings allocated to the non-controlling interests will be adjusted at the loan repayment date to reflect the shares considered to be issued for accounting purposes, having regard to the extent to which the loan has been repaid.

The LTIP shares are treated as an equity-settled share-based payment, as they will be settled with shares in Sungela Holdings. Should the LTIP shares vest, Thungela will recognise a decrease in its share of Sungela Holdings at the vesting date, and a corresponding increase in the non-controlling interests attributable to the co-investors. There is no requirement for earnings related to the LTIP shares to be attributed to the non-controlling interests before the vesting date, and the change in ownership will be accounted for prospectively from the date of vesting.

Flow of economic benefits

Thungela is entitled to 92.5% (30 June 2024: 79.5%, 31 December 2024: 78.6%) of the earnings of the Ensham Mine from the effective date of the second transaction, through our legal ownership of shares in Sungela Holdings, and based on the treatment of the non-controlling interests described in this note.

The co-investors are required to apply 90% of any distributions received from Sungela Holdings to the repayment of the loan, and accordingly, until the loan is repaid, Thungela has an effective economic interest of 97.3% (30 June 2024: 82.8%, 31 December 2024: 82.7%) in the cash flows generated by the Ensham Business from the effective date of the second transaction.

In this context, the effective economic interest held by Thungela in the earnings and cash flows generated by the Ensham Business has been determined as follows:

		30 June 2025		30 June 2024		31 December 2024
%	**Earnings**	**Cash flows**	Earnings	Cash flows	Earnings	Cash flows
Legal ownership (A)	**72.5**	**72.5**	73.5	73.5	72.5	72.5
Option provided to the co-investors for accounting purposes (B)	**20.0**	**—**	20.0	—	20.0	—
Repayments on the loan due to Thungela (reflecting 90% of distributions to be received by the co-investors) (C)	**—**	**24.8**	—	23.9	—	24.8
Effective economic interest in Sungela Holdings (D) = (A + B) I (A + C)	**92.5**	**97.3**	93.5	97.4	92.5	97.3
Legal ownership of the Ensham Mine (E)	**100.0**	**100.0**	85.0	85.0	85.0	85.0
Effective economic interest in the Ensham Mine (D x E)	**92.5**	**97.3**	79.5	82.8	78.6	82.7

2. UNDERSTANDING OF OUR SHAREHOLDING IN THE ENSHAM BUSINESS CONTINUED

Fair value of the identifiable net assets acquired

The acquisition of the additional interest in the Ensham Business is considered to be a business combination in line with IFRS 3: Business Combinations (IFRS 3), and the acquisition method of accounting has been applied at the effective date. The transaction is considered a business combination as the Group previously had no rights to, or obligations for, the assets and liabilities related to the portion of the business owned by Bowen. The fair value of the identifiable net assets acquired was determined using a discounted cash flow model, based on the life-of-mine valuation of the Ensham Mine.

The key assumptions used in the determination of the fair value of the Ensham Business, as well as other elements required to be considered in terms of the acquisition method per IFRS 3, were finalised in the reporting period ended 30 June 2025 and are detailed in note 9.

Acquisition of the remaining interest in Sungela Holdings

In March 2025, Thungela Resources Australia entered into an agreement with our co-investors to acquire their 27.5% interest in Sungela Holdings, and the remaining unvested LTIP shares (the third transaction). The purchase consideration includes an upfront cash consideration of USD1.7 million, as well as contingent deferred consideration of up to USD15.5 million, payable over a period of up to six years. The transaction is subject to a number of conditions precedent, and is not yet effective at the reporting date.

Through the agreements signed with the co-investors, Thungela Resources Australia will step in as borrower on the loan provided by Thungela International in relation to the initial transaction. Although the repayment date for the loan has passed, the co-investors are not considered to be in default while the third transaction is subject to completion.

Once the third transaction completes, Thungela will own 100% of the Ensham Business.

3. SEGMENTAL INFORMATION

Thungela's segments are aligned with those operations that are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and assess performance. The Group executive committee is identified as the chief operating decision maker of Thungela.

Reportable segments

Operating segments with similar economic characteristics are aggregated into reportable segments. The economic characteristics considered include the geographic location, the performance of key equipment specific to each type of operation and the productivity of the operations measured in volumes and headcount. Thungela has one principal operating activity, which is the operation of opencast and underground thermal coal mines and the processing of coal in South Africa and Australia. The reportable segments are aggregated by the nature of the technology applied by the operations, either as an opencast or underground mine, and similar economic characteristics as it relates to the capital and operating structure thereof.

In 2024, the Group, through Thungela Marketing International Holdings Limited (Thungela Marketing International), assumed full responsibility for marketing our South African coal directly to third parties, with a dedicated business in Dubai. Revenue related to the sale of our products through Thungela Marketing International is shown within the relevant reportable segment, including the margins retained by that entity. Operating costs from the marketing activities undertaken by the marketing business are presented within the services segment, as these activities support the ongoing operations of the Group.

The following summary describes each reportable segment:

Reportable segments	Operations
South Africa	
Opencast	Mining operations undertaken in an opencast mine where coal is extracted include the following mining operations in South Africa: • Isibonelo • Khwezela • Mafube • Rietvlei (until the disposal thereof in 2024)
Underground	Mining operations undertaken in an underground mine where coal is extracted include the following mining operations in South Africa: • Zibulo • Greenside • Goedehoop • Elders project
Services	Operations providing various services to support the ongoing operations of the Group, including marketing activities in Dubai
Australia	
Underground	Mining operations undertaken in an underground mine where coal is extracted at Ensham, as well as the operations providing various services to support the mining operations in Australia

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS CONTINUED

For the six months ended 30 June 2025

3. SEGMENTAL INFORMATION CONTINUED

Profit for the reporting period

The profit/(loss) for the reporting period by reportable segment can be analysed as follows:

	South Africa			Australia	Reviewed 30 June 2025 6 months
Rand million	Opencast	Underground	Services	Underground	Total
Revenue	3,575	7,103	347	3,788	14,813
Operating costs excluding depreciation and amortisation	(3,414)	(6,055)	(1,429)	(3,224)	(14,122)
Employee costs	(696)	(1,538)	(537)	(693)	(3,464)
Commodity purchases	(379)	—	(334)	(321)	(1,034)
Consumables used in production	(542)	(492)	—	(327)	(1,361)
Maintenance expenditure	(826)	(1,008)	(131)	(344)	(2,309)
Production input costs	(350)	(991)	(59)	(485)	(1,885)
Inventory production movement	(58)	(359)	—	25	(392)
Logistics costs	(376)	(1,243)	—	(550)	(2,169)
Royalties	(12)	(27)	—	(314)	(353)
Other	(175)	(397)	(368)	(215)	(1,155)
Adjusted EBITDA△	161	1,048	(1,082)	564	691
Costs arising from the acquisition of the Ensham Business	—	—	—	(53)	(53)
Acquisition and integration costs	—	—	—	(48)	(48)
Fair value adjustments to acquisition-related derivatives	—	—	—	(5)	(5)
Depreciation and amortisation	(129)	(560)	(35)	(547)	(1,271)
Restructuring costs and termination benefits	—	—	(285)	—	(285)
Net finance (costs)/income	(39)	38	1,478	(175)	1,302
Investment income	210	133	324	52	719
Interest expense	(249)	(95)	(52)	(226)	(622)
Other financing gains/(losses)	—	—	1,206	(1)	1,205
Income tax credit/(expense)	138	73	(423)	76	(136)
Profit/(loss) for the reporting period	131	599	(347)	(135)	248

Rand million	South Africa Opencast	South Africa Underground	South Africa Services	Australia Underground	Reviewed 30 June 2024 6 months Total
Revenue	4,575	7,471	—	4,706	16,752
Operating costs excluding depreciation and amortisation	(4,095)	(5,741)	(1,056)	(3,714)	(14,606)
Employee costs	(622)	(1,406)	(551)	(622)	(3,201)
Commodity purchases	(772)	—	—	(691)	(1,463)
Consumables used in production	(628)	(439)	(13)	(400)	(1,480)
Maintenance expenditure	(715)	(858)	(188)	(69)	(1,830)
Production input costs	(516)	(799)	(66)	(498)	(1,879)
Inventory production movement	(136)	(551)	—	(316)	(1,003)
Logistics costs	(430)	(1,312)	—	(465)	(2,207)
Royalties	(25)	(24)	—	(456)	(505)
Other	(251)	(352)	(238)	(197)	(1,038)
Adjusted EBITDA△	480	1,730	(1,056)	992	2,146
Depreciation and amortisation	(134)	(528)	(23)	(480)	(1,165)
Restructuring costs and termination benefits	—	—	(13)	—	(13)
Net finance (costs)/income	(133)	1	875	62	805
Investment income	145	89	339	42	615
Interest expense	(278)	(88)	(55)	(80)	(501)
Other financing gains	—	—	591	100	691
Income tax expense	(45)	(209)	(178)	(155)	(587)
Profit/(loss) for the reporting period	168	994	(395)	419	1,186

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS CONTINUED

For the six months ended 30 June 2025

3. SEGMENTAL INFORMATION CONTINUED

Profit for the reporting period continued

The profit/(loss) for the reporting period by reportable segment can be analysed as follows continued:

	South Africa			Australia	Audited 31 December 2024 12 months
Rand million	Opencast	Underground	Services	Underground	Total
Revenue	10,826	15,478	—	9,250	35,554
Operating costs excluding depreciation and amortisation	(9,240)	(10,856)	(1,992)	(7,211)	(29,299)
Employee costs	(1,282)	(2,844)	(1,245)	(1,289)	(6,660)
Commodity purchases	(1,609)	—	—	(1,374)	(2,983)
Consumables used in production	(1,544)	(964)	(53)	(604)	(3,165)
Maintenance expenditure	(1,469)	(1,830)	(384)	(432)	(4,115)
Production input costs	(1,574)	(1,791)	(104)	(1,491)	(4,960)
Inventory production movement	(172)	(368)	—	(60)	(600)
Logistics costs	(931)	(2,278)	—	(915)	(4,124)
Royalties	(106)	(174)	—	(834)	(1,114)
Other	(553)	(607)	(206)	(212)	(1,578)
Adjusted EBITDA△	1,586	4,622	(1,992)	2,039	6,255
Costs arising from the acquisition of the Ensham Business	—	—	—	(9)	(9)
Expenses for conditional shares granted to non-controlling interests	—	—	—	(9)	(9)
Profit on disposal of subsidiary	601	—	—	—	601
Depreciation and amortisation	(290)	(1,096)	(60)	(1,006)	(2,452)
Impairment losses	—	(278)	—	—	(278)
Restructuring costs and termination benefits	—	—	(13)	—	(13)
Net finance (costs)/income	(207)	60	1,118	(77)	894
Investment income	385	244	672	92	1,393
Interest expense	(592)	(184)	(136)	(245)	(1,157)
Other financing gains	—	—	582	76	658
Income tax expense	(354)	(476)	(353)	(271)	(1,454)
Profit/(loss) for the reporting period	1,336	2,832	(1,300)	676	3,544

Capital expenditure

Capital expenditure encompasses expenditure (including cash capital expenditure and capital expenditure accruals) to sustain the business and to invest in ongoing capital projects.

The capital expenditure per reportable segment can be analysed as follows:

	Reviewed 30 June 2025 6 months			
Rand million	Expansionary	Stay-in-business	Stripping and development	Total
Property, plant and equipment	511	621	82	1,214
South Africa	511	463	82	1,056
Opencast	—	102	81	183
Underground	391	331	1	723
Services	120	30	—	150
Australia	—	158	—	158
Underground	—	158	—	158
Total capital expenditure	511	621	82	1,214
Movement in capital creditors	(32)	(12)	—	(44)
South Africa	(32)	(43)	—	(75)
Australia	—	31	—	31
Total additions	479	609	82	1,170

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS CONTINUED

For the six months ended 30 June 2025

3. SEGMENTAL INFORMATION CONTINUED

Capital expenditure continued

The capital expenditure per reportable segment can be analysed as follows continued:

Rand million	Expansionary	Stay-in-business	Stripping and development	Reviewed 30 June 2024 6 months Total
Property, plant and equipment	807	491	140	1,438
South Africa	807	275	140	1,222
Opencast	–	70	57	127
Underground	789	129	83	1,001
Services	18	76	–	94
Australia	–	216	–	216
Underground	–	216	–	216
Intangible assets	–	40	–	40
South Africa	–	40	–	40
Services	–	40	–	40
Total additions	807	531	140	1,478
Movement in capital creditors	(8)	71	–	63
South Africa	(8)	2	–	(6)
Australia	–	69	–	69
Total capital expenditure[1]	799	602	140	1,541

[1] Total capital expenditure consists of additions to property, plant and equipment of R1,501 million and additions to intangible assets of R40 million.

Rand million	Expansionary	Stay-in-business	Stripping and development	Audited 31 December 2024 12 months Total
Property, plant and equipment	1,696	1,445	192	3,333
South Africa	1,696	840	192	2,728
Opencast	—	273	66	339
Underground	1,670	444	126	2,240
Services	26	123	—	149
Australia	—	605	—	605
Underground	—	605	—	605
Intangible assets	—	63	—	63
South Africa	—	63	—	63
Services	—	63	—	63
Total capital expenditure	1,696	1,508	192	3,396
Movement in capital creditors	120	(67)	(12)	41
South Africa	120	(24)	(12)	84
Australia	—	(43)	—	(43)
Total additions[1]	1,816	1,441	180	3,437

[1] Total additions consist of additions to property, plant and equipment of R3,374 million and expenditure on intangible assets of R63 million.

Revenue

All of the revenue generated by the Group is from the sale of thermal coal of varying grades and quality. All of the revenue and profit of Thungela is derived from mining operations based in South Africa and Australia.

Revenue by product and segment

	South Africa			Australia	Reviewed 30 June 2025 6 months
Rand million	Opencast	Underground	Services	Underground	Total
Thermal export	2,293	6,915	347	3,788	13,343
Industrial and domestic	1,282	188	—	—	1,470
Other industrial and domestic	1,143	13	—	—	1,156
Domestic sales from thermal export stockpiles	139	175	—	—	314
Total revenue	3,575	7,103	347	3,788	14,813

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS CONTINUED

For the six months ended 30 June 2025

3. SEGMENTAL INFORMATION CONTINUED

Revenue continued

Revenue by product and segment continued

				Reviewed 30 June 2024 6 months
	South Africa		Australia	
Rand million	Opencast	Underground	Underground	Total
Thermal export	2,793	7,374	4,706	14,873
Industrial and domestic	1,782	97	—	1,879
Other industrial and domestic	1,656	25	—	1,681
Domestic sales from thermal export stockpiles	126	72	—	198
Total revenue	4,575	7,471	4,706	16,752

				Audited 31 December 2024 12 months
	South Africa		Australia	
Rand million	Opencast	Underground	Underground	Total
Thermal export	6,668	15,191	9,250	31,109
Industrial and domestic	4,158	287	—	4,445
Other industrial and domestic	3,897	37	—	3,934
Domestic sales from thermal export stockpiles	261	250	—	511
Total revenue	10,826	15,478	9,250	35,554

Revenue by destination

					Reviewed 30 June 2025 6 months
	South Africa			Australia	
Rand million	Opencast	Underground	Services	Underground	Total
India	849	3,986	205	—	5,040
Taiwan	223	196	—	1,872	2,291
South Africa	1,282	188	—	—	1,470
Japan	—	93	—	421	514
Australia	—	—	—	461	461
United Kingdom	—	81	—	—	81
Other export destinations[1]	1,221	2,559	142	1,034	4,956
Total revenue	3,575	7,103	347	3,788	14,813

[1] No individual destination contributes more than 10% to the total revenue generated by the Group.

Rand million	South Africa Opencast	South Africa Underground	Australia Underground	Reviewed 30 June 2024 6 months Total
United Kingdom[1]	2,793	7,374	—	10,167
South Africa	1,782	97	—	1,879
Taiwan	—	—	1,195	1,195
Japan	—	—	475	475
India	—	—	469	469
Australia	—	—	346	346
Other export destinations[2]	—	—	2,221	2,221
Total revenue[3]	4,575	7,471	4,706	16,752

1 Sales made to Anglo American Marketing Limited (AAML) up to the expiry of the offtake agreement in 2024 were sold to an entity domiciled in the United Kingdom.
2 No individual destination contributes more than 10% to the total revenue generated by the Group.
3 Enhanced disclosure of the revenue by destination has been presented in the current reporting period. This disclosure does not impact any other lines in the condensed consolidated interim financial statements.

Rand million	South Africa Opencast	South Africa Underground	Australia Underground	Audited 31 December 2024 12 months Total
United Kingdom[1]	4,102	10,138	—	14,240
India	1,719	2,997	659	5,375
South Africa	4,158	287	—	4,445
Taiwan	92	—	3,411	3,503
Japan	223	402	1,156	1,781
Australia	—	—	409	409
Other export destinations[2]	532	1,654	3,615	5,801
Total revenue[3]	10,826	15,478	9,250	35,554

1 Sales to AAML up to the expiry of the offtake agreement in 2024 were sold to an entity domiciled in the United Kingdom.
2 No individual destination contributes more than 10% to the total revenue generated by the Group.
3 Enhanced disclosure of the revenue by destination has been presented in the current reporting period. This disclosure does not impact any other lines in the condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS CONTINUED

For the six months ended 30 June 2025

3. SEGMENTAL INFORMATION CONTINUED

Revenue continued

Revenue by customer

Rand million	Reviewed 30 June 2025 6 months	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
Sales to AAML[1]	1,419	10,167	15,449
Other – South African export sales	8,586	—	7,276
Other – Australian export sales	3,338	4,706	8,384
Other – South African domestic sales	1,470	1,879	4,445
Total revenue	**14,813**	16,752	35,554

[1] Sales to AAML up to the expiry of the offtake agreement in 2024 were sold to an entity domiciled in the United Kingdom. Sales to AAML post the expiry of the offtake agreement are to companies in that group domiciled in other countries.

Customer analysis

Of the total revenue generated by the Group, 32% (30 June 2024: 61%, 31 December 2024: 43%) is attributable to three customers (30 June 2024: one customer, 31 December 2024: one customer). Other customers each accounted for less than 10% of the total revenue generated for the reporting periods presented.

4. OPERATING COSTS

Operating costs represent the costs incurred in the normal ongoing operations of the Group.

Operating costs can be analysed as follows:

Rand million	Notes	**Reviewed 30 June 2025 6 months**	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
Employee costs		**(3,464)**	(3,201)	(6,660)
Depreciation	8	**(1,233)**	(1,153)	(2,423)
Amortisation		**(38)**	(12)	(29)
Commodity purchases		**(1,034)**	(1,463)	(2,983)
Consumables used in production		**(1,361)**	(1,480)	(3,165)
Maintenance expenditure		**(2,309)**	(1,830)	(4,115)
Production input costs		**(1,885)**	(1,879)	(4,960)
Inventory production movement		**(392)**	(1,003)	(600)
Logistics costs		**(2,169)**	(2,207)	(4,124)
Demurrage and other expenses		**(148)**	(158)	(277)
Movement in provisions for expected credit losses		**(19)**	(12)	(17)
Royalties		**(353)**	(505)	(1,114)
Exploration and evaluation[1]		**(48)**	(28)	(87)
Exploration expenditure		**(18)**	(18)	(32)
Evaluation expenditure		**(30)**	(10)	(55)
Foreign exchange (losses)/gains		**(134)**	(54)	229
Profit/(loss) on disposal of property, plant and equipment		**2**	—	(14)
Audit fees		**(7)**	(9)	(25)
Fees paid to PwC for audit services		**(2)**	(6)	(18)
Fees paid to PwC for non-audit services		**(5)**	—	(2)
Fees paid to other auditors for audit services[2]		**—**	(3)	(5)
Professional fees		**(95)**	(103)	(258)
Learnership and development expenses		**(157)**	(143)	(278)
Information management expenses		**(181)**	(196)	(369)
Temporary contractor fees		**(150)**	(123)	(249)
Contributions to the Nkulo Community Partnership Trust	17	**(86)**	(78)	(94)
Recharged costs from Anglo American		**—**	(30)	(72)
Administration expenses		**—**	(30)	(47)
Operating expenses		**—**	—	(25)
Other administration (expenses)/income		**(58)**	(19)	41
Other operating expenses		**(74)**	(85)	(108)
Total operating costs		**(15,393)**	(15,771)	(31,751)

1 Exploration and evaluation expenditure excludes associated employee costs, which are considered immaterial.
2 Fees paid to other auditors for audit services represents fees paid to the independent external auditors of the Group's subsidiaries, where relevant.

5. NET FINANCE INCOME

The Group's net finance income includes investment income relating to the investing activities of the Group, the unwinding of the discount on environmental and other provisions, and other financing costs.

Net finance income can be analysed as follows:

Rand million	Notes	Reviewed 30 June 2025 6 months	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
Investment income				
Interest income on cash and cash equivalents		**277**	365	673
Growth on environmental rehabilitation trusts' assets	17	**290**	185	526
Growth on other environmental investments	17	**72**	41	103
Fair value movement on investment in insurance structure	15	**46**	19	44
Other interest income		**34**	5	47
Total investment income		**719**	615	1,393
Interest expense				
Interest and other finance expenses		**(52)**	(27)	(97)
Net interest costs on retirement benefit obligations		**(24)**	(27)	(46)
Unwinding of discount on environmental and other provisions	17	**(546)**	(447)	(1,014)
Total interest expense		**(622)**	(501)	(1,157)
Other net financing gains				
Foreign exchange (losses)/gains on cash and cash equivalents		**(237)**	115	281
Fair value movements on derivative financial instruments	14	**1,442**	576	377
Total other net financing gains		**1,205**	691	658
Net finance income		**1,302**	805	894

6. INCOME TAX EXPENSE

The income tax expense comprises current tax charged in line with relevant legislation, and deferred tax determined in line with IAS 12: Income Taxes (IAS 12).

Analysis of income tax expense

Rand million	Note	Reviewed 30 June 2025 6 months	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
Current tax expense		**(571)**	(809)	(1,813)
Charged in respect of the current reporting period		**(571)**	(809)	(1,824)
Credited in respect of prior reporting periods		**—**	—	11
Deferred tax credit		**435**	222	359
Credited in respect of deferred tax assets	18	**357**	239	367
Credited/(charged) in respect of deferred tax liabilities	18	**78**	(17)	(8)
Total income tax expense		**(136)**	(587)	(1,454)

The South African corporate tax rate is 27% and the Australian corporate tax rate is 30%. Dubai treats the qualifying income of businesses recognised as a qualifying free zone person at a 0% corporate tax rate, but these businesses may still be subject to a minimum effective tax rate of 15%.

Australia has a tax consolidation regime that, when elected, allows wholly owned groups of companies operating within Australia to be taxed as one entity. We have elected to apply the tax consolidation regime, with the head company being Sungela Holdings and the wholly owned group of companies being Sungela and Ensham Resources.

The effective tax rate for the period of 35% (30 June 2024: 33%, 31 December 2024: 29%) is higher than the applicable statutory rate of corporation tax in South Africa of 27%. This is primarily due to non-deductible expenses incurred throughout the Group, the higher statutory tax rate in Australia and the Pillar Two top-up tax recognised in the reporting period.

The prior year tax adjustments relate to adjustments required to align with the final tax returns as submitted to the South African Revenue Service.

Organisation for Economic Co-operation and Development's Two-Pillar Solution

The Group is subject to global minimum top-up taxes as part of the Two-Pillar Solution of the Organisation for Economic Co-operation and Development's Global Anti-Base Erosion (GloBE) Rules. The Two-Pillar Solution (referred to as 'Pillar Two') seeks to introduce a global minimum effective tax rate, in terms of which multinational enterprise groups may be subject to a minimum effective tax rate of 15% on income arising in each jurisdiction in which they operate. At the reporting date, all jurisdictions in which we operate have implemented legislation related to Pillar Two.

The Pillar Two assessment performed by the Group relied on the transitional safe harbour rules for our operations in South Africa and Australia. Our operations in the United Arab Emirates do not meet any of the transitional safe harbour rules and a Pillar Two calculation was performed for the entities in this jurisdiction. The calculation notes that a domestic minimum top-up tax of R27 million may need to be paid by our operations in the United Arab Emirates for the six months ended 30 June 2025 (30 June 2024: Rnil, 31 December 2024: R18 million).

The Group applies the mandatory temporary exception from recognising and disclosing deferred tax assets and liabilities that arise from the implementation of the Pillar Two rules as required by the amendments to IAS 12, issued in May 2023.

Current tax assets and liabilities

Current tax assets and liabilities are only offset to the extent that the Group has the ability and intention to settle these amounts simultaneously.

Current tax assets and liabilities can be analysed as follows:

Rand million	**Reviewed 30 June 2025 6 months**	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
Current tax assets	**142**	143	235
Current tax liabilities	**(323)**	(383)	(482)
Net current tax liabilities	**(181)**	(240)	(247)

6. INCOME TAX EXPENSE CONTINUED

Income tax paid

The income tax paid can be analysed as follows:

Rand million	Reviewed 30 June 2025 6 months	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
Balance at the start of the reporting period	(247)	196	196
Income tax – current tax charge	(571)	(809)	(1,813)
Disposal of investment in subsidiary	—	—	2
Interest capitalised	—	—	12
Non-cash movements	—	—	1
Currency movements	2	3	13
Balance at the end of the reporting period	181	240	247
Income tax paid	**(635)**	(370)	(1,342)

7. EARNINGS PER SHARE AND HEADLINE EARNINGS PER SHARE

Earnings per share has been calculated in line with the requirements of IAS 33: Earnings per Share. Headline earnings has been determined in line with Circular 1/2023: Headline Earnings as issued by SAICA, detailing the requirements for determining headline earnings, and the JSE Listings Requirements.

Number of shares

The weighted average number of shares outstanding (WANOS) used in the calculation of earnings per share and headline earnings per share can be analysed as follows:

Number of shares	Reviewed 30 June 2025 6 months	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
Net shares in issue at the start of the reporting period	133,566,696	136,900,568	136,900,568
Adjusted for the weighted average impact of shares:			
Acquired in the reporting period[1]	(2,505,510)	(1,684,346)	(3,115,877)
Vested in the reporting period[2]	729,238	166,061	453,756
WANOS at the end of the reporting period	**131,790,424**	135,382,283	134,238,447
Adjusted for dilutive potential ordinary shares relating to:			
Conditional share awards	704,792	2,863,366	1,057,262
Forfeitable share awards	287,802	279,365	641,691
Diluted WANOS at the end of the reporting period	**132,783,018**	138,525,014	135,937,400
Number of shares in issue	140,492,585	140,492,585	140,492,585
Treasury shares held by Group companies[3]	(11,919,197)	(7,474,844)	(6,925,889)
Net shares in issue at the end of the reporting period	**128,573,388**	133,017,741	133,566,696

1 Shares acquired in the reporting period relate to shares purchased in line with the requirements of the Thungela share plan, as well as in relation to the ongoing share buybacks undertaken by the Group. Refer to note 19 for further detail.
2 Shares vested in the reporting period relate to share awards which have vested in line with the requirements of the Thungela share plan.
3 Refer to note 19 for detail related to the treasury shares held by Group companies.

Earnings per share

Earnings per share can be analysed as follows:

Rand million (unless otherwise stated)	**Reviewed 30 June 2025 6 months**	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
Profit attributable to the equity shareholders of the Group	**254**	1,289	3,592
Profit used in the calculation of diluted earnings per share[1]	**254**	1,289	3,592
Earnings per share			
Basic (cents/share)	**193**	952	2,676
Diluted (cents/share)	**191**	931	2,642

[1] There were no adjustments to the profit attributable to the equity shareholders of the Group used in the calculation of diluted earnings per share relating to the potential ordinary shares.

Headline earnings per share

Profit attributable to the equity shareholders of the Group has been reconciled to headline earnings as follows:

Rand million (unless otherwise stated)	Note	**Reviewed 30 June 2025 6 months**	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
Profit attributable to the equity shareholders of the Group		**254**	1,289	3,592
Adjusted for:				
Excluded remeasurements		**(2)**	—	(309)
Impairment of property, plant and equipment		**—**	—	231
Impairment of intangible assets		**—**	—	47
Profit on disposal of investment in subsidiary		**—**	—	(601)
(Profit)/loss on disposal of property, plant and equipment	4	**(2)**	—	14
Tax effects of excluded remeasurements		**1**	—	(40)
Impairment of property, plant and equipment		**—**	—	(62)
Profit on disposal of investment in subsidiary		**—**	—	26
Profit/(loss) on disposal of property, plant and equipment		**1**	—	(4)
Non-controlling interests related to excluded remeasurements		**—**	—	192
Profit on disposal of investment in subsidiary		**—**	—	192
Headline earnings		**253**	1,289	3,435
Headline earnings used in the calculation of diluted headline earnings per share[1]		**253**	1,289	3,435
Headline earnings per share				
Basic (cents/share)		**192**	952	2,559
Diluted (cents/share)		**191**	931	2,527

[1] There were no adjustments to headline earnings used in the calculation of diluted headline earnings per share relating to the potential ordinary shares.

8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprises tangible assets which are critical to Thungela's operations. These include acquired mineral rights, capitalised waste stripping and mine development costs, processing plant and infrastructure, vehicles and other equipment.

Property, plant and equipment can be analysed as follows:

		Land and buildings		Plant and equipment			Reviewed 30 June 2025 6 months
Rand million	Mining properties	Owned	Right-of-use	Owned	Right-of-use	Capital work-in-progress	Total
Cost							
Balance at the start of the reporting period	9,630	2,764	42	30,894	244	9,253	52,827
Acquisition of the additional interest in the Ensham Business[1]	274	231	—	499	5	37	1,046
Additions	—	—	—	—	—	1,170	1,170
Additions to right-of-use assets	—	—	—	—	9	—	9
Disposals	—	—	—	(9)	(7)	—	(16)
Transfers of capital work-in-progress	548	—	—	852	—	(1,400)	—
Adjustments to decommissioning assets	—	—	—	(5)	—	—	(5)
Currency movements	—	(4)	—	—	—	(1)	(5)
Balance at the end of the reporting period	10,452	2,991	42	32,231	251	9,059	55,026
Accumulated depreciation and impairment losses							
Balance at the start of the reporting period	(5,877)	(1,091)	(37)	(22,565)	(42)	(3,493)	(33,105)
Depreciation	(278)	(92)	(2)	(845)	(16)	—	(1,233)
Disposals	—	—	—	8	4	—	12
Balance at the end of the reporting period	(6,155)	(1,183)	(39)	(23,402)	(54)	(3,493)	(34,326)
Carrying amount							
Balance at the start of the reporting period	3,753	1,673	5	8,329	202	5,760	19,722
Balance at the end of the reporting period	4,297	1,808	3	8,829	197	5,566	20,700

[1] Refer to note 9 for further detail related to the acquisition of the additional interest in the Ensham Business.

							Reviewed 30 June 2024 6 months
		Land and buildings		Plant and equipment			
Rand million	Mining properties	Owned	Right-of-use	Owned	Right-of-use	Capital work-in-progress	Total
Cost							
Balance at the start of the reporting period	9,992	2,703	58	30,502	155	7,214	50,624
Additions	—	—	—	—	—	1,438	1,438
Additions to right-of-use assets	—	—	—	—	108	—	108
Disposals	—	—	—	(23)	—	—	(23)
Transfers of capital work-in-progress	65	108	—	524	—	(697)	—
Adjustments to decommissioning assets	—	—	—	(3)	—	—	(3)
Currency movements	(74)	(35)	—	(82)	—	(16)	(207)
Balance at the end of the reporting period	9,983	2,776	58	30,918	263	7,939	51,937
Accumulated depreciation and impairment losses							
Balance at the start of the reporting period	(5,479)	(930)	(39)	(21,154)	(51)	(3,494)	(31,147)
Depreciation	(249)	(83)	(3)	(809)	(9)	—	(1,153)
Disposals	—	—	—	23	—	—	23
Currency movements	5	2	—	8	—	—	15
Balance at the end of the reporting period	(5,723)	(1,011)	(42)	(21,932)	(60)	(3,494)	(32,262)
Carrying amount							
Balance at the start of the reporting period	4,513	1,773	19	9,348	104	3,720	19,477
Balance at the end of the reporting period	4,260	1,765	16	8,986	203	4,445	19,675

8. PROPERTY, PLANT AND EQUIPMENT CONTINUED

Property, plant and equipment can be analysed as follows continued:

Audited
31 December
2024
12 months

Rand million	Mining properties	Land and buildings: Owned	Land and buildings: Right-of-use	Plant and equipment: Owned	Plant and equipment: Right-of-use	Capital work-in-progress	Total
Cost							
Balance at the start of the reporting period	9,992	2,703	58	30,502	155	7,214	50,624
Additions	—	—	—	—	—	3,374	3,374
Additions to right-of-use assets	—	—	—	—	198	—	198
Disposals	(18)	(5)	—	(466)	—	—	(489)
Transfers of capital work-in-progress	77	149	—	1,068	—	(1,294)	—
Disposal of investment in subsidiary	(241)	—	(16)	(34)	(107)	(8)	(406)
Adjustments to decommissioning assets	—	—	—	37	—	—	37
Currency movements	(180)	(83)	—	(213)	(2)	(33)	(511)
Balance at the end of the reporting period	9,630	2,764	42	30,894	244	9,253	52,827
Accumulated depreciation and impairment losses							
Balance at the start of the reporting period	(5,479)	(930)	(39)	(21,154)	(51)	(3,494)	(31,147)
Depreciation	(510)	(173)	(4)	(1,683)	(53)	—	(2,423)
Impairment losses	(5)	—	—	(226)	—	—	(231)
Disposals	18	4	—	453	—	—	475
Disposal of investment in subsidiary	82	—	6	16	61	1	166
Currency movements	17	8	—	29	1	—	55
Balance at the end of the reporting period	(5,877)	(1,091)	(37)	(22,565)	(42)	(3,493)	(33,105)
Carrying amount							
Balance at the start of the reporting period	4,513	1,773	19	9,348	104	3,720	19,477
Balance at the end of the reporting period	3,753	1,673	5	8,329	202	5,760	19,722

9. ACQUISITION OF THE ADDITIONAL INTEREST IN THE ENSHAM BUSINESS

Thungela acquired an additional 15% interest in the Ensham Business from Bowen, with an effective date of 28 February 2025 (the second transaction), as fully described in note 2.

The acquisition of the additional interest is considered to be a business combination as defined in IFRS 3, and the acquisition method of accounting has been applied to the transaction. The transaction is considered to be a business combination as the Group previously had no rights to, or obligations for, the assets and liabilities related to the portion of the business owned by Bowen.

Critical judgements applied in determining the fair value of the Ensham Mine

The fair value of the Ensham Mine at the acquisition date of the second transaction was determined with reference to the life-of-mine forecasted cash flows, in line with the specific requirements of IFRS 3. Ensham is considered to be a single cash-generating unit, based on the operations thereof and the generation of cash flows in the business.

Expected future cash flows used in the discounted cash flow model are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, including coal resources and coal reserves, expected production volumes and costs, forecasted capital expenditure, as well as economic factors such as the Newcastle Benchmark price reference for 6,000kcal/kg coal exported from Newcastle, Australia (Newcastle Benchmark coal price), foreign exchange rates, and discount rates. Where discounted cash flow models based on management assumptions are used, the resulting fair value measurements are at level 3 in the fair value hierarchy as defined in IFRS 13: Fair Value Measurement (IFRS 13).

The discounted cash flow model used to determine the fair value of the Ensham Mine at the acquisition date of the additional interest is based on the model used to value the business at 31 December 2024, which was adjusted based on our best estimate of various inputs at 28 February 2025.

The key assumptions used in the discounted cash flow model, effective at the acquisition date, can be analysed as follows:

Life of mine and production volumes

The life of mine used in the determination of the fair value of the Ensham Mine is reflective of the current operations thereof. This includes an assumption that mining leases over certain areas of the mine will be extended past their current expiry date, and that mining will continue until 2032. While the extension to these leased areas has not been granted at the acquisition date, it is considered appropriate to include the extension in determining a market participant view of Ensham. We continue to progress our applications for the extensions of these leased areas. Production volumes included in the cash flow model are based on demonstrated rates and internal forecasts, as approved in the normal operating cycle.

Coal prices

The estimated coal prices used are based on the latest internal forecasts, benchmarked with external sources of information to ensure that they are within the range of available external forecasts. The estimated prices are calculated using the forecasted Newcastle Benchmark coal price, with adjustments to reflect the quality and calorific value of the product. Where Ensham has negotiated fixed price contracts with customers, the estimated price for these sales volumes reflects the agreed fixed price. The forecasted Newcastle Benchmark coal price used in the cash flow model ranges from USD95 per tonne to USD142 per tonne. When combined with the fixed prices agreed with customers on specific contracts, the estimated prices used in the cash flow model range from USD105 per tonne to USD142 per tonne.

Foreign exchange rates

Foreign exchange rates are based on the latest internal forecasts, benchmarked against external sources of information. Sales for Ensham are made in both US dollars and Australian dollars, however the majority of costs are incurred in Australian dollars. The cash flow model is thus sensitive to fluctuations in the US dollar to Australian dollar exchange rate. The real exchange rates used in the cash flow model range from AUD1.52:USD1 to AUD1.57:USD1.

Discount rate

The discounted cash flow model used to determine the fair value of the Ensham Mine is based on a real post-tax discount rate of 7.6%, based on risks specific to the business and the Australian economic environment. The fair value of the environmental and other provisions is determined using a risk-free real discount rate of 1.8%.

Operating costs, capital expenditure and other operating factors

Operating costs and capital expenditure are based on the financial budgets as included in the initial model. Forecasted cash flows beyond the budget period are based on approved life-of-mine plans and internal forecasts. Cost assumptions incorporate the Group's experience and expectations of costs to be incurred.

9. ACQUISITION OF THE ADDITIONAL INTEREST IN THE ENSHAM BUSINESS CONTINUED

Critical judgements applied in determining the fair value of the Ensham Mine continued

The key assumptions used in the discounted cash flow model, effective at the acquisition date, can be analysed as follows continued:

Tax and deferred tax

The tax and deferred tax impact included in the cash flow model is based on the tax laws and regulations in place in Queensland at the acquisition date, and the expected tax to be paid on the forecasted cash flows. The deferred tax asset at the acquisition date was determined using the adjusted tax bases of the assets and liabilities acquired, based on the purchase price paid to Bowen.

Determining the total consideration

The total consideration for the acquisition of the additional interest in the Ensham Business can be analysed as follows:

Rand million	Reviewed 30 June 2025 6 months
Purchase price	558
Total consideration	**558**

The purchase price payable, as included in the SPA, amounted to R558 million (AUD48 million), which is comprised of the following:

- The completion amount of R372 million (AUD32 million), which was paid on the effective date of 28 February 2025.
- The second payment of R186 million (AUD16 million), which is payable in December 2025. This amount is currently held in escrow and is disclosed as part of financial asset investments on the statement of financial position.

Impact on the statement of cash flows

The amounts recognised in the statement of cash flows relating to the acquisition of the additional interest in the Ensham Business can be analysed as follows:

Rand million	Reviewed 30 June 2025 6 months
Total consideration	558
Less – second payment not yet due[1]	(186)
Net cash outflow related to total consideration	**372**
Less – cash acquired in the Ensham Business[2]	(70)
Net cash outflow on acquisition of the additional interest in the Ensham Business	**302**

[1] The second payment is payable in December 2025 and has been placed in an escrow account until payment. The amount has been disclosed as part of financial asset investments on the statement of financial position.

[2] The cash acquired in the Ensham Business relates to cash on hand in the underlying entities at the acquisition date.

Fair value of the net assets of the Ensham Mine

Thungela accounted for the acquisition of the additional interest in Ensham by consolidating the fair value of the additional net assets acquired, representing 15% of the mine, on a line-by-line basis at the acquisition date. As detailed in note 2, from the acquisition date of 28 February 2025 the results of Ensham Resources and Nogoa Pastoral are included in the condensed consolidated interim financial statements at 100% of the underlying entities performance. Prior to this date, the results were included in the condensed consolidated interim financial statements at 85% of the underlying entities performance.

The fair values of the additional assets and liabilities acquired in the second transaction are considered to be final at 30 June 2025, and no further measurement period adjustments are expected.

The acquisition date fair values of the additional net assets acquired can be analysed as follows:

Rand million	Notes	Reviewed 30 June 2025 6 months
Assets		
Non-current assets		
Property, plant and equipment	8	1,046
Trade and other receivables		1
Deferred tax assets	18	11
Other non-current assets		4
Total non-current assets		1,062
Current assets		
Inventories		135
Trade and other receivables		60
Derivative financial instruments		8
Cash and cash equivalents		70
Total current assets		273
Total assets		1,335
Liabilities		
Non-current liabilities		
Lease liabilities		3
Environmental and other provisions	17	723
Total non-current liabilities		726
Current liabilities		
Trade and other payables		166
Lease liabilities		3
Environmental and other provisions	17	41
Total current liabilities		210
Total liabilities		936
Fair value of net assets acquired		399

Property, plant and equipment

The Group primarily used the cost approach to determine the fair value of the property, plant and equipment. By using this approach, we recognised the contributory value associated with the necessary installation, engineering and set up costs related to the installed complement of equipment. The market approach is applied where we had sufficient information in respect of comparable sales and offering data in the market place.

Property, plant and equipment includes R274 million relating to the additional fair value of the mining tenements acquired, which were not previously recognised. The fair value of the mining tenements is determined based on the residual business fair value, adjusted for the fair value of the net assets acquired.

Inventories

Inventories acquired included consumables and finished products, being coal inventory. Consumables were measured at cost, considered to reflect their fair value at the acquisition date. Coal inventory was measured at net realisable value, which is reflective of its fair value at the acquisition date. The coal inventory on hand at the acquisition date had been sold by 30 June 2025, and the remaining inventory on hand has been measured at the lower of cost or net realisable value.

Trade and other receivables

Trade and other receivables were reflected at the book value thereof at the acquisition date. Thungela considered the gross contractual amounts receivable to be equal to the fair value of the receivables at that date.

9. ACQUISITION OF THE ADDITIONAL INTEREST IN THE ENSHAM BUSINESS CONTINUED

Fair value of the net assets of the Ensham Mine continued

Derivative financial instruments

The Ensham Business has a number of contracts with agreed fixed prices for coal sales over a specified period of time. The fixed prices were agreed when the Newcastle Benchmark coal price was higher than the levels experienced throughout the current reporting period. The fixed price element of these contracts is considered to be an above-market transaction, which requires the recognition of an appropriate asset at the acquisition date. The value of the favourable customer contracts was determined using the same forecasted Newcastle Benchmark coal price as detailed in this note, and resulted in a derivative asset of R8 million being recognised at the acquisition date. The contracts include a fixed price for an agreed volume of coal, after which the pricing will be renegotiated. The derivative asset will be released as coal is delivered to relevant customers. At the reporting date, an amount of R5 million had been released based on realised sales. The fair value of the remaining above-market position is R3 million, which has been included in derivative financial instruments on the statement of financial position.

Trade and other payables

Trade and other payables were reflected at the book value thereof at the acquisition date. Thungela considers the gross contractual amounts payable to be equal to the fair value of the payables.

Environmental and other provisions

Environmental provisions

The SPA noted that the purchase of the additional interest in the Ensham Business includes the assumption of the additional liability to perform rehabilitation activities related to past mining activities. The environmental provisions have been determined in line with the relevant regulations in Australia, as detailed in note 17, and our estimate of the closure costs for the Ensham Mine.

Other provisions

Other provisions reflect the acquisition date fair values of contingent liabilities, which are required to be recognised in accordance with IFRS 3. This includes various ongoing litigation matters at the Ensham Mine.

The value of these provisions at the acquisition date reflects our best estimate of the costs to be incurred.

Sensitivity analysis

The discounted cash flow model used to determine the fair value of the Ensham Mine at the acquisition date is sensitive to changes in input assumptions, particularly in relation to life-of-mine assumptions, discount rates, forecasted Newcastle Benchmark coal prices, and costs. In addition to the base case valuation, alternative scenarios have been considered to assess the impact of changes in key assumptions.

The impact on the estimated fair value, for reasonably possible changes to the key assumptions used, keeping other assumptions constant, can be analysed as follows:

Rand million	Reviewed 30 June 2025 6 months
Decrease of life of mine to 2028	(329)
Increase of 5.0% in forecasted costs	(111)
Increase of 0.5% in discount rate	(18)
Decrease of 5.0% in forecasted saleable production	(164)
Decrease of 5.0% in forecasted Newcastle Benchmark coal price	(172)

The fair value of the Ensham Mine is the most sensitive to changes in the forecasted saleable production, including a shorter life of mine, and the forecasted coal prices. The Newcastle Benchmark coal price used is in line with our price modelling used for key investment decisions, and is considered to be a reasonable basis on which to determine the fair value of the Ensham Mine.

Goodwill

Goodwill is determined by comparing the total consideration to the fair value of the net assets acquired in the business combination.

The goodwill recognised on the acquisition of the additional interest in the Ensham Business can be analysed as follows:

Rand million	Reviewed 30 June 2025 6 months
Total consideration	558
Fair value of net assets acquired	(399)
Goodwill	**159**

The significant contributor to the goodwill recognised is related to the expected synergies from full ownership of Ensham, including the ability to fully utilise all entities within the Thungela Group to improve the underlying performance of the business. The goodwill has been allocated to the Australia segment.

The goodwill is included in intangible assets on the statement of financial position.

Contribution of the additional interest in the Ensham Business

Based on the accounting treatment applied to the Ensham Business from the effective date of the initial transaction, all revenue generated by the business has been included in the Thungela Group's revenue from that date. On this basis, the acquisition of the additional interest in the Ensham Business has had no impact on the revenue generated by the Group.

From the effective date of the second transaction to the reporting date, the additional interest in the Ensham Business has contributed net profit of R5 million to the Group. If the acquisition of the additional interest had been effective from 1 January 2025, the Ensham Business would have contributed additional net profit of R28 million to the Group for the six months ended 30 June 2025.

Acquisition and integration costs

Costs directly attributable to the acquisition of the additional interest in Ensham, amounting to R48 million, have been expensed in the six months ended 30 June 2025.

Non-controlling interests in the Ensham Business

The recognition of the non-controlling interests in the Ensham Business is impacted by the accounting treatment applied to the loan granted to the co-investors in relation to the initial transaction. The non-controlling interests are reflected at 7.5% of the results of the Ensham Business for the six months ended 30 June 2025 (30 June 2024: 6.5%, 31 December 2024: 6.5%).

Through the acquisition of the additional interest in the Ensham Business, the Group has acquired an additional 15% shareholding directly in Ensham Coal Sales. As Ensham Coal Sales was fully consolidated from the effective date of the initial transaction, the increase in shareholding represents a transaction between equity participants. An adjustment is required to the non-controlling interests and retained earnings to correctly reflect their relative ownership in the Group post the effective date of the second transaction. A debit of R3 million was released from non-controlling interests as a result of the adjustment applied to their respective interests.

9. ACQUISITION OF THE ADDITIONAL INTEREST IN THE ENSHAM BUSINESS CONTINUED

Acquisition of the remaining interest in Sungela Holdings

In March 2025, Thungela Resources Australia entered into an agreement with our co-investors to acquire their 27.5% interest in Sungela Holdings, and the remaining unvested LTIP shares (the third transaction). The purchase consideration includes an upfront cash consideration of USD1.7 million, as well as contingent deferred consideration of up to USD15.5 million, payable over a period of up to six years. The transaction is subject to a number of conditions precedent, and is not yet effective at the reporting date.

Through the agreements signed with the co-investors, Thungela Resources Australia will step in as borrower on the loan provided by Thungela International in relation to the initial transaction. Although the repayment date for the loan has passed, the co-investors are not considered to be in default while the third transaction is subject to completion.

Once the third transaction completes, Thungela will own 100% of the Ensham Business.

10. INVENTORIES

Inventories comprise consumables to be used in the production process and finished products, being coal stockpiled at the mine or awaiting export at the port.

Inventories can be analysed as follows:

Rand million	**Reviewed 30 June 2025 6 months**	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
Consumables	**1,427**	1,125	1,189
Finished products	**1,937**	1,941	2,255
Total inventories	**3,364**	3,066	3,444

The cost of inventories recognised as an expense and included in operating costs amounted to R12,748 million (30 June 2024: R13,204 million, 31 December 2024: R27,322 million).

The write-down of inventories to net realisable value recognised throughout the reporting period amounted to R56 million (30 June 2024: R194 million, 31 December 2024: R154 million), based on the lower benchmark coal price environment experienced over the past number of years.

11. TRADE AND OTHER RECEIVABLES

Trade receivables comprise amounts due from the Group's customers for the sale of thermal coal. Other receivables include amounts receivable for value added tax and other indirect taxes, prepaid expenses, and amounts receivable for other transactions not related to the sale of thermal coal.

Trade and other receivables can be analysed as follows:

Rand million	**Reviewed 30 June 2025 6 months**	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
Net trade receivables	**2,528**	3,349	3,100
Trade receivables	**2,586**	3,429	3,163
Provision for expected credit losses	**(58)**	(80)	(63)
Other tax receivables[1]	**767**	1,423	836
Prepayments	**194**	202	266
Employee benefits	**223**	194	188
Net other receivables	**686**	390	816
Other receivables[2]	**810**	479	916
Provision for expected credit losses	**(124)**	(89)	(100)
Total trade and other receivables	**4,398**	5,558	5,206
Classified as:			
Current	**4,128**	5,319	4,977
Non-current	**270**	239	229

[1] Other tax receivables include value added tax, diesel rebates and other taxes receivable from the South African Revenue Service and the Australian Tax Office.
[2] Other receivables include accrued income of R208 million (30 June 2024: Rnil, 31 December 2024: R416 million) for revenue earned but not yet invoiced to domestic customers.

Trade receivables

The offtake agreement with AAML came to an end in June 2024, and from that date Thungela has been selling directly to third-party customers through Thungela Marketing International. The majority of export sales are supported by letters of credit or standby letters of credit, meaning that these receivables do not carry significant credit risk. Where open credit terms are provided to customers, a rigorous credit risk assessment is performed to manage our exposure to counterparty credit risk.

Trade receivables include receivables for export sales, from both South Africa and Australia, amounting to R2,040 million (30 June 2024: R2,803 million, 31 December 2024: R2,525 million), representing 79% (30 June 2024: 82%, 31 December 2024: 80%) of total trade receivables. The majority of these receivables are supported by letters of credit or standby letters of credit, and outstanding export receivables on open terms at the reporting date have been settled shortly thereafter. Per the contractual terms for these receivables, all trade balances are due for payment within 30 days, or shorter, from invoice date, and there have been no historical defaults on outstanding amounts. Any provision for expected credit losses on export receivables at the reporting date is considered to be immaterial, as the credit risk of the export receivables is considered to be low. Thungela no longer has a significant level of concentration risk on trade receivables, as a result of the marketing activities performed by Thungela Marketing International.

Given the nature of the South African domestic customers, the amounts due from these customers are considered recoverable. The historical level of customer default is low and as a result, the credit quality of the trade receivables is considered to be high.

Prepayments

Prepayments include, among other items, insurance premiums of R45 million (30 June 2024: R49 million, 31 December 2024: R84 million) and software licences to support the ongoing operations of the Group of R66 million (30 June 2024: Rnil, 31 December 2024: R88 million).

11. TRADE AND OTHER RECEIVABLES CONTINUED

Employee benefits

Employee benefits relate to Ensham's claims for reimbursement from the Coal Long Service Leave Funding Corporation, which is an Australian Government corporation established to regulate and manage long-service leave entitlements on behalf of eligible employees in the black coal mining industry.

Other receivables

Other receivables include various amounts receivable by the Group which are not related to the sale of thermal coal. No items included in other receivables are considered individually material, other than accrued income, however agreements with relevant counterparties are made in relation to repayment terms. A provision for expected credit losses has been recognised on these receivables as considered appropriate in relation to the specific circumstances applicable to each counterparty.

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash held in bank and short-term investments held with the primary purpose of managing the short-term liquidity requirements of the Group.

Cash and cash equivalents can be analysed as follows:

Rand million	**Reviewed 30 June 2025 6 months**	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
Short-term investments	**1,658**	2,496	2,864
Cash held in bank	**4,592**	4,258	5,807
Cash held in trusts	**989**	822	872
Cash held pending ongoing price negotiation	**130**	815	–
Cash held related to acquisition of the additional interest in the Ensham Business	**–**	–	560
Total cash and cash equivalents	**7,369**	8,391	10,103

Short-term investments

Short-term investments are held with the primary purpose of managing the short-term liquidity requirements of the Group. Liquidity is a key consideration when selecting appropriate investment options for the funds to ensure they can be readily accessed for operational activity.

The investments are held in low-risk interest-bearing instruments across several South African banks and fund managers, with an appropriate liquidity spread to support the Group's requirements. The spread of funds between banks and fund managers was done to partially mitigate counterparty risk. The global credit ratings for these investments range between AA and AA+, with investments earning interest at rates of 7.4% – 9.2% (30 June 2024: 8.1% – 9.9%, 31 December 2024: 8.0% – 9.9%).

Cash held in bank

Cash held in bank includes cash held in South Africa, Australia and Dubai, with major in-country banks that have global credit ratings of between BB– to AA+, based on the operating requirements of the Group.

Cash held in trusts

Cash held in trusts represents cash held in the Sisonke Employee Empowerment Scheme Trust (Sisonke Employee Empowerment Scheme) and the Nkulo Community Partnership Trust, which is not available for the general use of the Group, and so is considered restricted cash.

The trusts are entitled to 10% collectively of the dividends declared on ordinary shares by South Africa Coal Operations Proprietary Limited (SACO). In the reporting period ended 30 June 2025, SACO declared ordinary dividends of R172 million to the trusts (30 June 2024: R156 million, 31 December 2024: R187 million).

The cash balances in the trusts are to be used at the discretion of the respective trustees, as specified in the underlying trust deeds, for the benefit of the relevant beneficiaries.

Cash held related to acquisition of the additional interest in the Ensham Business

In February 2025, Thungela Resources Australia acquired the direct 15% interest in the Ensham Mine and related companies previously held by Bowen. At 31 December 2024, the purchase consideration was held in an escrow account and considered restricted cash pending the completion of the transaction. Refer to note 9 for further detail.

Cash held pending ongoing price negotiation

Cash held pending ongoing price negotiation represents cash held in Australia related to revenue generated, which is priced using a contractually agreed price. These sales (representing approximately 26% of sales from Ensham) have been invoiced and paid for by the customer based on the 2024 settled price, given that the 2025 price has not yet been agreed. When the 2025 price is agreed, the difference between the 2024 and 2025 prices will be refunded to the customer. This cash, representing a conservative estimate of the amount to be repaid to the customer, is considered restricted until the amount to be refunded to the customer has been finalised and paid.

Cash and cash equivalents held in foreign currency

Cash and cash equivalents include cash held in foreign currency in the countries where the Group operates, which can be analysed as follows:

	USD million	AUD million	AED million	Reviewed 30 June 2025 6 months Total Rand million[1]
Cash held in bank	210	47	1	4,269
South Africa	142	—	—	2,513
Australia	14	47	—	799
Dubai	54	—	1	957
Cash held pending ongoing price negotiation	7	—	—	130
Australia	7	—	—	130
Total cash and cash equivalents held in foreign currency	217	47	1	4,399

[1] These amounts have been translated using the spot exchange rates at the reporting date of R17.75:USD1, R11.66:AUD1 and R4.83:AED1.

12. CASH AND CASH EQUIVALENTS CONTINUED

Cash and cash equivalents held in foreign currency continued

Cash and cash equivalents include cash held in foreign currency in the countries where the Group operates, which can be analysed as follows continued:

	USD million	AUD million	AED million	Reviewed 30 June 2024 6 months Total Rand million[1]
Cash held in bank	202	35	3	4,103
South Africa	171	–	–	3,106
Australia	31	35	–	983
Dubai	–	–	3	14
Cash held pending ongoing price negotiation	45	–	–	815
Australia	45	–	–	815
Total cash and cash equivalents held in foreign currency	247	35	3	4,918

[1] These amounts have been translated using the spot exchange rates at the reporting date of R18.18:USD1, R12.13:AUD1 and R4.95:AED1.

	USD million	AUD million	AED million	Audited 31 December 2024 12 months Total Rand million[1]
Cash held in bank	225	98	1	5,404
South Africa	187	–	–	3,532
Australia	3	98	–	1,199
Dubai	35	–	1	673
Cash held related to acquisition of the additional interest in the Ensham Business	–	48	–	560
Australia	–	48	–	560
Total cash and cash equivalents held in foreign currency	225	146	1	5,964

[1] These amounts have been translated using the spot exchange rates at the reporting date of R18.87:USD1, R11.66:AUD1 and R5.13:AED1.

13. TRADE AND OTHER PAYABLES

Trade and other payables include amounts owed to suppliers, tax authorities and other parties in relation to the normal operations of the Group.

Trade and other payables can be analysed as follows:

Rand million	**Reviewed 30 June 2025 6 months**	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
Trade payables	**2,566**	3,063	2,696
Accruals	**1,711**	2,577	1,311
Other tax and employee related payables	**1,258**	1,049	1,818
Other payables	**527**	154	268
Total trade and other payables	**6,062**	6,843	6,093
Classified as:			
Current	**6,029**	6,843	6,093
Non-current	**33**	—	—

Included within other payables is deferred income of R70 million (30 June 2024: R35 million, 31 December 2024: R125 million), which represents payments received from customers for which the associated performance obligation has not yet been satisfied. These amounts will be recognised as revenue as the performance obligations are satisfied. No other items included in other payables are considered individually material.

Accruals recognised pending ongoing price negotiation

Included within accruals is an amount of R152 million (30 June 2024: R911 million, 31 December 2024: Rnil) relating to the ongoing price negotiations with customers. Approximately 26% of sales made by Ensham in the reporting period ended 30 June 2025 are priced using a contractually agreed price, which has not yet been settled for 2025. The tonnes sold against these contracts have been invoiced and paid for at the 2024 settled price, however revenue from these sales has been recognised at a lower rate, while we await the settlement of the 2025 price. The amount reflecting the adjustment to revenue and owing to the customer has been included in accruals, and may be further adjusted when the 2025 price is settled.

14. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments consist of assets or liabilities related to contracts for the forward sales of foreign currency.

Forward sales of foreign currency

The Group is exposed to fluctuations in the exchange rate of the US dollar to the South African rand, as our South African export revenue is settled in US dollars. The expenses of the South African operations are predominantly in South African rand, meaning the amounts received in US dollars are required to be converted to South African rand to fulfil our ongoing liquidity requirements. In order to manage our risk exposure on these conversions, various contracts are entered into to convert the US dollars received to South African rand at future dates.

The conversions are predominantly done through foreign exchange contracts (FECs), target redemption forwards (TARFs) and geared collar contracts, which will settle at future dates. A geared collar consists of a purchased put option and a written call option, providing downside protection up to a certain level, while sacrificing upside gains beyond the level of the call option. A TARF is a structured derivative that provides a fixed exchange rate for a series of future settlements, subject to predefined conditions. These contracts are short term in nature, recognising the need to convert US dollars into South African rand. All contracts entered into during the year have had minimum conversion rates above the spot rate on the date of contracting, yielding positive cash flow returns on these contracts.

14. DERIVATIVE FINANCIAL INSTRUMENTS CONTINUED

Forward sales of foreign currency continued

These contracts are considered to be derivative financial instruments and are measured at fair value through profit and loss (FVPL), with the fair value movements being recognised in net finance income. The fair value of the contracts on settlement is determined by comparing the spot exchange rate on the settlement date to the contractual conversion rate. The fair value of open FECs is determined by comparing the contractual rate at which the transaction was entered into, to the forward exchange rate curve as at the reporting date. The fair value of open geared collars and TARFs is determined using Black-Scholes models, taking into account market-observable inputs, including spot exchange rates, forward curves, implied volatilities, and discount factors. Independent valuations are obtained for these instruments, which are reviewed against relevant available information.

Realised and unrealised fair value gains of R1,442 million (30 June 2024: R576 million, 31 December 2024: R377 million) have been recognised on these contracts, based on the volatility of the South African rand against the US dollar throughout the reporting periods presented.

Forward sales of foreign currency settled in the reporting period can be analysed as follows:

	Reviewed 30 June 2025 6 months	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
Total currency contracted (US$ million)	**535**	530	1,105
Contractual conversion rate (ZAR:US$)	**18.22 – 19.91**	18.75 – 19.54	18.64 – 19.72
Spot exchange rate on settlement (ZAR:US$)	**17.75 – 19.77**	18.09 – 19.27	17.17 – 19.27
Settlement dates	**January 2025 – June 2025**	January 2024 – June 2024	January 2024 – December 2024
Cash inflow on settlement (Rand million)	**453**	233	905

Open forward sales of foreign currency at the reporting date can be analysed as follows:

	Reviewed 30 June 2025 6 months	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
Total currency contracted (US$ million)	**1,225**	328	1,210
Contractual conversion rate (ZAR:US$)	**18.92 – 20.13**	19.00 – 20.00	18.22 – 20.00
Forward exchange rate at the reporting date (ZAR:US$)	**17.82 – 18.34**	18.27 – 18.63	18.92 – 19.49
Spot exchange rate at the reporting date (ZAR:US$)	**17.75**	18.18	18.87
Volatility applied at the reporting date (%)	**11.71 – 13.65**	—	12.73 – 14.48
Settlement dates	**July 2025 – June 2026**	July 2024 – March 2025	January 2025 – December 2025
Unrealised fair value gains/(losses) on derivative financial instruments (Rand million)	**526**	409	(462)

Impact of derivative financial instruments

The amounts recognised in the statement of financial position in relation to the derivative financial instruments can be analysed as follows:

Rand million	Note	**Reviewed 30 June 2025 6 months**	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
Derivative financial instruments		**529**	409	(462)
Forward sales of foreign currency		**526**	409	(462)
Derivative recognised on acquisition of the additional interest in the Ensham Business	9	**3**	—	—
Total derivative financial instruments		**529**	409	(462)

15. INVESTMENT IN INSURANCE STRUCTURE

The Group has invested in a self-insurance structure with an independent financial institution through a cell captive mechanism (the cell). This was completed through an investment in preference shares in an identifiable cell captive with the financial institution.

The investment in insurance structure can be analysed as follows:

Rand million	**Reviewed 30 June 2025 6 months**	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
Balance at the start of the reporting period	**1,489**	1,445	1,445
Fair value movements	**46**	19	44
Balance at the end of the reporting period	**1,535**	1,464	1,489

Thungela has a self-insurance arrangement through an investment into the preference shares of a separately identifiable cell captive structure. The cell is managed by an external financial institution and provides insurance cover for first-party risks, up to a maximum amount of the total contributions, adjusted for changes in the fair value of the underlying investment.

The initial investment in the cell results in a minimum period of insurance of three years, ending in 2026, which can be extended at the end of the current term. Each year, the Group, along with the financial institution, will reassess the value of assets held in the cell against the required levels of insurance cover, and make additional contributions as needed. No additional contributions have been made to the cell in any of the reporting periods presented. Additional contributions may also be required to the extent that claims are made. If the value of claims made exceed the total assets held in the cell, the Group will have the option to either recapitalise the cell, or to unwind the structure.

The cell may enter into reinsurance agreements to cover potential losses, which will either impact the fair value of the investment, or be expensed as incurred by the Group.

The amount contributed by the Group into the cell is pooled by the financial institution with other available funds to maximise the return on investment. Fair value movements on the investment may include interest, dividends and capital growth, which are offset by costs incurred, and are externally confirmed at the reporting date.

15. INVESTMENT IN INSURANCE STRUCTURE CONTINUED

Sensitivity analysis

The Group's investment in insurance structure is exposed to interest rate fluctuations and other market factors linked to the contributed funds that are pooled by the financial institution.

The impact that a reasonably possible change in these inputs would have on the statement of profit or loss and other comprehensive income can be analysed as follows:

Rand million	**Reviewed 30 June 2025 6 months**	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
1.0% increase in interest rate	**14**	9	13

16. FINANCIAL INSTRUMENTS

The Group is a party to a number of financial instruments, which have been disclosed throughout the condensed consolidated interim financial statements.

The financial instruments held by the Group can be analysed as follows:

					Reviewed 30 June 2025 6 months
		Financial assets			
Rand million	Notes	**At amortised cost[1]**	**At FVPL**	**Financial liabilities at amortised cost**	**Total**
Financial assets					
Environmental rehabilitation trusts	17	**—**	**4,556**	**—**	**4,556**
Financial asset investments		**308**	**2,411**	**—**	**2,719**
Investment in insurance structure	15	**—**	**1,535**	**—**	**1,535**
Derivative financial instruments	14	**—**	**529**	**—**	**529**
Trade and other receivables[2]	11	**3,214**	**—**	**—**	**3,214**
Cash and cash equivalents	12	**7,369**	**—**	**—**	**7,369**
Total financial assets		**10,891**	**9,031**	**—**	**19,922**
Financial liabilities					
Lease liabilities		**—**	**—**	**(37)**	**(37)**
Trade and other payables[3]	13	**—**	**—**	**(4,734)**	**(4,734)**
Total financial liabilities		**—**	**—**	**(4,771)**	**(4,771)**
Net financial assets		**10,891**	**9,031**	**(4,771)**	**15,151**

[1] The carrying amounts of the financial assets held at amortised cost are deemed to approximate their fair values.
[2] Trade and other receivables exclude prepayments, other tax receivables and employee benefits.
[3] Trade and other payables exclude other tax and employee related payables, and deferred income.

Rand million	Notes	Financial assets At amortised cost[1]	Financial assets At FVPL	Financial liabilities at amortised cost	Reviewed 30 June 2024 6 months Total
Financial assets					
Environmental rehabilitation trusts	17	–	3,925	–	3,925
Financial asset investments		146	2,012	–	2,158
Investment in insurance structure	15	–	1,464	–	1,464
Derivative financial instruments	14	–	409	–	409
Trade and other receivables[2]	11	3,933	–	–	3,933
Cash and cash equivalents	12	8,391	–	–	8,391
Total financial assets		12,470	7,810	–	20,280
Financial liabilities					
Lease liabilities		–	–	(51)	(51)
Loans and borrowings		–	–	(71)	(71)
Trade and other payables[3]	13	–	–	(5,759)	(5,759)
Total financial liabilities		–	–	(5,881)	(5,881)
Net financial assets		12,470	7,810	(5,881)	14,399

[1] The carrying amounts of the financial assets held at amortised cost are deemed to approximate their fair values.
[2] Trade and other receivables exclude prepayments and other tax receivables.
[3] Trade and other payables exclude other tax and employee related payables, and deferred income.

Rand million	Notes	Financial assets At amortised cost[1]	Financial assets At FVPL	Financial liabilities at amortised cost	Audited 31 December 2024 12 months Total
Financial assets					
Environmental rehabilitation trusts	17	–	4,266	–	4,266
Financial asset investments		125	2,152	–	2,277
Investment in insurance structure	15	–	1,489	–	1,489
Trade and other receivables[2]	11	3,916	–	–	3,916
Cash and cash equivalents	12	10,103	–	–	10,103
Total financial assets		14,144	7,907	–	22,051
Financial liabilities					
Lease liabilities		–	–	(50)	(50)
Derivative financial instruments	14	–	(462)	–	(462)
Trade and other payables[3]	13	–	–	(4,150)	(4,150)
Total financial liabilities		–	(462)	(4,200)	(4,662)
Net financial assets		14,144	7,445	(4,200)	17,389

[1] The carrying amounts of the financial assets held at amortised cost are deemed to approximate their fair values.
[2] Trade and other receivables exclude prepayments, other tax receivables and employee benefits.
[3] Trade and other payables exclude other tax and employee related payables, and deferred income.

16. FINANCIAL INSTRUMENTS CONTINUED

Fair value hierarchy

IFRS 13 defines a fair value hierarchy to be applied to financial instruments measured at fair value, based on the inputs used to measure their fair value.

The financial instruments carried at fair value can be analysed in terms of the fair value hierarchy as follows:

Rand million	Level 2	Level 3	Reviewed 30 June 2025 6 months Total
Financial assets			
Environmental rehabilitation trusts	4,556	—	4,556
Financial asset investments at FVPL	2,411	—	2,411
Investment in insurance structure	—	1,535	1,535
Derivative financial instruments	529	—	529
Total financial assets carried at fair value	7,496	1,535	9,031

Rand million	Level 2	Level 3	Reviewed 30 June 2024 6 months Total
Financial assets			
Environmental rehabilitation trusts	3,925	—	3,925
Financial asset investments at FVPL	2,012	—	2,012
Investment in insurance structure	—	1,464	1,464
Derivative financial instruments	409	—	409
Total financial assets carried at fair value	6,346	1,464	7,810

Rand million	Level 2	Level 3	Audited 31 December 2024 12 months Total
Financial assets			
Environmental rehabilitation trusts	4,266	—	4,266
Financial asset investments at FVPL	2,152	—	2,152
Investment in insurance structure	—	1,489	1,489
Financial liabilities			
Derivative financial instruments	(462)	—	(462)
Net financial assets carried at fair value	5,956	1,489	7,445

There were no transfers of financial instruments between level 2 and level 3 in the reporting periods presented.

The fair value hierarchy as included in IFRS 13 is as follows:

Fair value hierarchy	Valuation technique
Level 1	The fair value is based on quoted prices in active markets for identical financial instruments
Level 2	The fair value is determined using directly observable inputs other than level 1 inputs
Level 3	The fair value is determined on inputs not based on observable market data

Refer to note 15 for detail on the inputs related to the valuation of the investment in insurance structure, and the movement thereof in the reporting periods presented.

17. ENVIRONMENTAL AND OTHER PROVISIONS

The Group has raised several provisions in relation to our obligations at the reporting date. These comprise environmental provisions in relation to our obligation to perform rehabilitation and decommissioning activities, contributions to the Nkulo Community Partnership Trust, and various other provisions in relation to contractual obligations.

Environmental and other provisions can be analysed as follows:

					Reviewed 30 June 2025 6 months
	Environmental provisions				
Rand million	Environmental rehabilitation	Decommissioning	Trust contributions[1]	Other[2]	Total
Balance at the start of the reporting period	11,416	534	756	213	12,919
Acquisition of the additional interest in the Ensham Business[3]	761	—	—	3	764
Amounts charged[4]	21	—	86	300	407
Adjustments to decommissioning assets	—	(5)	—	—	(5)
Unwinding of discount	521	25	—	—	546
Amounts applied[5]	(135)	—	(1)	(43)	(179)
Reclassifications	—	—	—	(31)	(31)
Balance at the end of the reporting period	12,584	554	841	442	14,421
Classified as:					
Current	702	31	841	430	2,004
Non-current	11,882	523	—	12	12,417

1 Trust contributions reflect amounts contributed to the Nkulo Community Partnership Trust, but not yet distributed to beneficiaries.
2 Other provisions include amounts raised in relation to the ongoing restructuring process being undertaken by the Group.
3 Refer to note 9 for further detail related to the acquisition of the additional interest in the Ensham Business.
4 Amounts charged to provisions relate to amounts recognised through the statement of profit or loss and other comprehensive income in relation to changes in the provisions in the reporting period.
5 Amounts applied to provisions relate to cash paid to settle these obligations, which reduces the provision but is not charged through the statement of profit or loss and other comprehensive income.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS CONTINUED

For the six months ended 30 June 2025

17. ENVIRONMENTAL AND OTHER PROVISIONS CONTINUED

Environmental and other provisions can be analysed as follows continued:

Reviewed 30 June 2024 6 months

Rand million	Environmental provisions: Environmental rehabilitation	Environmental provisions: Decommissioning	Trust contributions[1]	Other	Total
Balance at the start of the reporting period	11,134	562	668	719	13,083
Amounts charged/(credited)[2]	—	—	78	(155)	(77)
Adjustments to decommissioning assets	—	(3)	—	—	(3)
Unwinding of discount	418	27	—	2	447
Amounts applied[3]	(507)	—	(4)	(1)	(512)
Currency movements	(100)	—	—	(5)	(105)
Balance at the end of the reporting period	10,945	586	742	560	12,833
Classified as:					
Current	574	24	742	531	1,871
Non-current	10,371	562	—	29	10,962

1 Trust contributions reflect amounts contributed to the Nkulo Community Partnership Trust, but not yet distributed to beneficiaries.
2 Amounts charged/(credited) to provisions relate to amounts recognised through the statement of profit or loss and other comprehensive income in relation to changes in the provisions in the reporting period.
3 Amounts applied to provisions relate to cash paid to settle these obligations, which reduces the provision but is not charged through the statement of profit or loss and other comprehensive income.

Audited 31 December 2024 12 months

Rand million	Environmental provisions: Environmental rehabilitation	Environmental provisions: Decommissioning	Trust contributions[1]	Other	Total
Balance at the start of the reporting period	11,134	562	668	719	13,083
Amounts charged/(credited)[2]	880	(54)	94	(407)	513
Adjustments to decommissioning assets	52	(15)	—	—	37
Unwinding of discount	955	56	—	3	1,014
Amounts applied[3]	(917)	—	(6)	(93)	(1,016)
Disposal of investment in subsidiary	(455)	(15)	—	—	(470)
Currency movements	(233)	—	—	(9)	(242)
Balance at the end of the reporting period	11,416	534	756	213	12,919
Classified as:					
Current	176	12	756	186	1,130
Non-current	11,240	522	—	27	11,789

1 Trust contributions reflect amounts contributed to the Nkulo Community Partnership Trust, but not yet distributed to beneficiaries.
2 Amounts charged/(credited) to provisions relate to amounts recognised through the statement of profit or loss and other comprehensive income in relation to changes in the provisions in the reporting period.
3 Amounts applied to provisions relate to cash paid to settle these obligations, which reduces the provision but is not charged through the statement of profit or loss and other comprehensive income.

Environmental provisions

Thungela is obliged to undertake decommissioning, rehabilitation, remediation, closure and ongoing post-closure monitoring activities when environmental impacts are caused by the development or ongoing production of a mining property, as well as the decommissioning of infrastructure established on our operating sites. A provision is recognised for the present value of such costs, based on the Group's best estimate of the obligations that exist at the reporting date. It is anticipated that most of these costs will be incurred over a period of up to 20 years post closure of the mines. In South Africa, water treatment costs may be incurred up to 50 years post closure of the mines. The environmental rehabilitation and decommissioning provisions are collectively referred to as the 'environmental provisions'. The environmental provisions are determined per operating site, with the assistance of specialist independent environmental consultants, and taking account of the current land disturbances and the expected costs of rehabilitation. The disturbed areas and expected costs are reassessed in the second half of each year, and any required change in the environmental provisions is recognised on completion of the assessment.

South Africa

In South Africa, the environmental provisions have been determined based on the legal obligations under the existing Mineral and Petroleum Resources Development Regulations, 2004, published under the Mineral and Petroleum Resources Development Act 28 of 2002 (MPRDA Regulations) as a base. This base is then adjusted for our interpretation of the likely increase in costs required to transition to the Financial Provisioning Regulations, 2015, published under the National Environmental Management Act 107 of 1998 (NEMA Financial Provisioning Regulations), for example, costs related to the ongoing pumping and treatment of polluted or extraneous water. The Group's environmental provisions are in line with currently enforceable laws and regulations. The 2015 NEMA Financial Provisioning Regulations have been subject to numerous amendments, with the latest draft thereof published in July 2022. In 2024, the Minister in the Department of Forestry, Fisheries and the Environment published a notice of intention to defer the transition date of these regulations, however a revised date was not published. We await the publication of the updated transition date.

The current draft of the NEMA Financial Provisioning Regulations intends to alter the way companies calculate the financial provisioning required for environmental obligations, and it is likely that compliance with these regulations will substantially increase the required quantum of financial provisioning to be made by mining right holders with existing operations. This likely increase is mainly attributable to the change that specifies that latent (or residual) environmental impacts that may become known in the future will include the pumping and treatment of polluted or extraneous water.

It is important to note that financial provisioning as specified in the NEMA Financial Provisioning Regulations, as well as the existing MPRDA Regulations, does not translate into the environmental provisions as recognised on the statement of financial position, but rather the level of cash or other funding required to be made available to fund the closure of our operations should the Group not be able to do so. The financial provisioning as required by the current MPRDA Regulations amounts to R4,807 million (30 June 2024: R4,581 million, 31 December 2024: R4,807 million), compared to the total environmental provisions recognised for our South African operations of R8,192 million (30 June 2024: R7,933 million, 31 December 2024: R7,973 million). This difference is due to additional costs which we believe we are likely to incur through a combination of our interpretation of the NEMA Financial Provisioning Regulations, as well as actual costs to be incurred in the period up to, and post mine closure, most significantly in relation to water treatment costs.

We have provided for water treatment costs using a combination of active and passive water treatment methods, based on activities currently being performed at our operations. The NEMA Financial Provisioning Regulations require the treatment of water to be provided for using the costs of currently available technologies which the Department of Mineral and Petroleum Resources (DMPR) has approved, based on evidence that the technology is able to consistently achieve the discharge requirements.

Thungela is actively working to prove the efficacy of passive water treatment technologies in collaboration with academia and the relevant government departments. A 50,000 litre per day passive treatment demonstration plant, commissioned in 2022, continues to yield positive results. We will continue to treat different water qualities to optimise process parameters and inform the design of a full-scale plant.

Our long-term post-closure water management strategy includes nature-based solutions such as phytoremediation, a biological process that uses trees to stabilise water levels by taking up mine-impacted water and reducing ingress. We are also creating artificial wetlands using Dongalock™ technology, to improve the quality of seepage from mineral residue facilities. This initiative has been rolled out in areas of the Goedehoop Colliery and the Kromdraai site at the Khwezela Colliery.

17. ENVIRONMENTAL AND OTHER PROVISIONS CONTINUED

Environmental provisions continued

South Africa continued

The NEMA Financial Provisioning Regulations, as well as the MPRDA Regulations, require the Group to make financial provisioning available, which is set aside purely to fund the rehabilitation and decommissioning activities required, to undertake the agreed work programmes, and rehabilitate the mining areas. This financial provisioning can be put aside through a number of vehicles and cannot be accessed for the general use of the Group. Thungela currently maintains the required financial provisioning through two mechanisms, being the environmental rehabilitation trusts and holding financial guarantees with financial institutions for the benefit of the DMPR.

Environmental rehabilitation trusts

Investments held in the environmental rehabilitation trusts can be analysed as follows:

Rand million	**Reviewed 30 June 2025 6 months**	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
Investments in unit trusts	**4,556**	3,925	4,266
Total environmental rehabilitation trusts	**4,556**	3,925	4,266
Balance at the start of the reporting period	**4,266**	3,740	3,740
Growth on assets	**290**	185	526
Balance at the end of the reporting period	**4,556**	3,925	4,266

The rehabilitation trusts aim to achieve their objectives by investing in a diversified portfolio of equity and debt securities of predominantly South African listed companies as well as South African sovereign and corporate debt, through unit trust investments. Each mine's portfolio is managed separately according to each individual mine's risk and life-of-mine profile. The fair value of the environmental rehabilitation trusts is determined based on an externally provided investment statement, reflecting the market performance of the respective instruments in which the funds are invested.

Investments in the unit trusts are recognised as FVPL financial assets. The movement in the environmental rehabilitation trusts' assets includes fair value movements as well as dividend and interest income, where applicable.

These funds are not available for the general use of Thungela and can only be accessed to the extent of actual rehabilitation costs incurred, with approval from the DMPR. All income from these assets is reinvested to further increase the level of financial provisioning held as required by the MPRDA Regulations.

Other environmental investments

The Group also holds a significant value of guarantees to further contribute to the financial provisioning as required by the MPRDA Regulations. These guarantees are primarily held with two financial institutions, and a portion of the annual fee payable on these guarantees is invested in the green fund. The fair value of the other environmental investments is determined based on externally provided investment statements, reflecting the market performance of the underlying money market funds in which the funds are invested. These investments are included in financial asset investments on the statement of financial position.

Other environmental investments in South Africa can be analysed as follows:

Rand million	Reviewed 30 June 2025 6 months	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
Balance at the start of the reporting period	1,209	933	933
Contributions[1]	188	190	209
Disposal of investment in subsidiary	—	—	(24)
Growth on assets	53	41	91
Balance at the end of the reporting period	**1,450**	1,164	1,209

[1] Includes contributions to the green fund of R188 million (30 June 2024: R188 million, 31 December 2024: R204 million).

The Group has contributed an additional R188 million (30 June 2024: R188 million, 31 December 2024: R204 million) to the long-term investments, referred to as the green fund, with two financial institutions to secure the guarantees required to further fund the financial provisioning as required by the MPRDA Regulations. These investments are held as collateral in favour of the financial institutions for the guarantees provided to the Group. The green fund requires an investment of 5.6% and 6.7% of the guarantee amounts annually into the respective funds to reduce the value of the unfunded guarantees over the life of mine. Of the annual investment amount required, 0.6% and 0.8%, respectively, is related to fees, which are not considered part of the investment.

The annual requirement for funding is expected to decrease as the investment value increases, however, the Group is able to contribute to these funds in excess of the required annual investment amount in order to increase our financial provisioning held, and to maximise our return on these investments.

These funds are not available for the general use of Thungela and can only be accessed to fulfil mine closure obligations, or to the extent that the growth on these funds has exceeded the required annual investment amount. The growth on the funds is reinvested to further increase the level of financial provisioning held as required by the MPRDA Regulations.

Thungela's exposure to our environmental obligations in South Africa can be analysed as follows:

Rand million	Reviewed 30 June 2025 6 months	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
Environmental provisions	(8,192)	(7,933)	(7,973)
Environmental rehabilitation trusts	4,556	3,925	4,266
Other environmental investments	1,450	1,164	1,209
Guarantees	3,223	3,221	3,221
Total financial provisioning available	**9,229**	8,310	8,696
Real pre-tax discount rate (%)	4.3 – 5.1	4.7 – 4.9	4.3 – 5.0

The guarantees of R3,223 million (30 June 2024: R3,221 million, 31 December 2024: R3,221 million) are primarily in place to meet any immediate closure obligations under the existing MPRDA Regulations, and are issued in favour of the DMPR. Once Thungela has to comply with the NEMA Financial Provisioning Regulations, it is expected that the level of guarantees required to be held as financial provisioning will increase, which, if required, may be sourced from the existing providers on the market at similar terms to our current guarantees.

17. ENVIRONMENTAL AND OTHER PROVISIONS CONTINUED

Environmental provisions continued

Australia

Mining in Queensland is subject to both Commonwealth and State (Queensland) regulation, and mine rehabilitation is primarily the subject of State regulation. Mining companies in Queensland are required to rehabilitate land disturbed by mining to a safe, structurally stable, non-polluting condition, which is able to sustain a post-mining land use. This rehabilitation must occur progressively throughout the life of the mine.

Regulatory environment

Coal mining is considered an 'environmentally relevant activity' for the purposes of the Environmental Protection Act 1994 (Qld) (EPA). Accordingly, before a mining lease may be issued under the Mineral Resources Act 1989 (Qld) for the purposes of conducting coal mining, the leaseholder must, among other things, obtain an environmental authority issued under the EPA.

One requirement for the issue of an environmental authority, in the case of large coal mines, is to submit a progressive rehabilitation and closure plan and schedule (together 'the PRCP') for approval. The PRCP must include milestones for carrying out environmentally relevant activities on the affected land in such a way that it maximises the progressive rehabilitation of the land to a stable condition.

The PRCP must be prepared in accordance with the requirements set out in the EPA, as well as a detailed statutory guideline issued by the Department of Environment, Science and Innovation (DESI), and may be amended, if required, based on changes in the life-of-mine plan of the operation.

Under the EPA, DESI must determine the environmental rehabilitation costs for the mining activity being undertaken (environmental rehabilitation costs determination). The application must state the period to be covered in the determination (determination period), as well as the estimate of the total cost of rehabilitation for the period, calculated according to the methodology set out in the statutory guidelines.

The environmental rehabilitation costs determination will remain current for the determination period, unless an application for a new determination is made at least three months before the determination period ends, in which case the environmental rehabilitation costs determination will remain current until the new determination has been made.

The most recent environmental rehabilitation costs determination for Ensham, which was issued in May 2025 and is in force until August 2026, amounts to approximately R3,468 million (AUD297 million) (30 June 2024: R3,324 million or AUD274 million, 31 December 2024: R3,196 million or AUD274 million), on a 100% basis.

Holders of environmental authorities for resource activities must contribute to the 'Financial Provisioning Scheme' established under the Mineral and Energy Resources (Financial Provisioning) Act 2018 (Qld) and the Mineral and Energy Resources (Financial Provisioning) Regulation 2018. The nature and amount of the contribution to be made by a holder is determined by the scheme manager, and will be based on the scheme manager's assessment of the risk of the State of Queensland incurring costs and expenses because the holder has not rehabilitated or restored the environment after carrying out the resource activities. The scheme manager may determine that this contribution is to be made by way of a payment into a pooled fund (pool), or the provision of a financial surety, or both.

To the extent that the scheme manager determines the contribution is to be made by payment into the pool, an annual contribution into the pool of up to 2.8% of the environmental rehabilitation costs determination, depending on the risk category allocated to the holder of the environmental authority, is required. However, to the extent that the scheme manager determines that financial surety is required, the holder will be required to obtain this financial surety outside of the pool as a condition of holding the relevant mining lease. The scheme manager may be approached to reassess the required contribution at any time.

Environmental provisions for Ensham

An assessment of the environmental liability for the rehabilitation of the Ensham Mine was prepared by an independent third-party consultant in 2024. This assessment was done from first principles based on an understanding of various inputs, including the volume of material to be moved, the distance to be moved and the method by which the rehabilitation would be completed, as well as the related costs. The costs to be incurred for rehabilitation will be spent over the course of the PRCP as agreed with DESI, which impacts the net present value of the liability recognised on the statement of financial position. Based on the assessment performed, the environmental provisions recognised on the statement of financial position amount to R4,946 million (30 June 2024: R3,598 million, 31 December 2024: R3,977 million).

Sungela and Thungela Resources Australia as the new owners of the mining leases related to the Ensham Mine, have not yet been accepted into the Queensland pool, however, this acceptance continues to be pursued. On this basis, we are required to maintain financial surety for the current environmental rehabilitation costs determination of R3,468 million or AUD297 million (30 June 2024: R3,324 million or AUD274 million, 31 December 2024: R3,196 million or AUD274 million). We are in the process of increasing the financial surety held to reflect the most recent environmental rehabilitation costs determination with the existing financial surety providers.

Other environmental investments

The Group has contributed Rnil (30 June 2024: R855 million, 31 December 2024: R970 million) to the long-term investments held through three financial institutions to secure the required financial surety, issued in favour of the State of Queensland. These investments are held in the name of the financial institutions to build up the required cash collateral for the rehabilitation liability over the remaining life of mine.

The fair value of the other environmental investments is determined based on externally provided investment statements, reflecting the net returns earned on the underlying contributions to the account in which the funds are invested. These investments are included in financial asset investments on the statement of financial position.

Other environmental investments in Australia can be analysed as follows:

Rand million	**Reviewed 30 June 2025 6 months**	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
Balance at the start of the reporting period	**943**	—	—
Contributions	**—**	855	970
Growth on assets	**19**	—	12
Currency movements	**(1)**	(6)	(39)
Balance at the end of the reporting period	**961**	849	943

The surety agreements require an annual investment of between AUD10 million and AUD45 million over the next five years, as well as an annual fee equivalent to 2.0% of the surety amount payable to the financial institutions, which is not considered part of the investment. Should our application into the Queensland pool be successful, the annual investment amounts will become discretionary, based on our assessment of required funding.

These funds are not available for the general use of Thungela and can only be accessed to fulfil mine closure obligations, or to the extent that the growth on these funds has exceeded the environmental rehabilitation costs determination.

17. ENVIRONMENTAL AND OTHER PROVISIONS CONTINUED

Environmental provisions continued

Australia continued

Thungela's exposure to our environmental obligations in Australia can be analysed as follows:

Rand million	**Reviewed 30 June 2025 6 months**	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
Environmental provisions	**(4,946)**	(3,598)	(3,977)
Other environmental investments	**961**	849	943
Financial surety	**3,194**	3,324	3,196
Total financial provisioning available	**4,155**	4,173	4,139
Real pre-tax discount rate (%)	**1.8**	4.1	2.4

Thungela will continue to assess the required rehabilitation activities at the Ensham Mine, and ensure rehabilitation costs and methods are optimised in line with our existing methods where possible.

Contingent liabilities

Thungela is subject to various claims that arise in the ordinary course of business. Additionally, Thungela has provided indemnities against certain liabilities as part of agreements relating to sales or other disposals of business operations in the past. Having taken appropriate legal advice, the Group believes that any material liability arising from the indemnities provided is remote.

Total financial guarantees amounting to R3,297 million (30 June 2024: R3,256 million, 31 December 2024: R3,295 million) have been issued in South Africa in favour of the DMPR and other counterparties, where relevant, including the amount identified for rehabilitation purposes noted above. No financial guarantees are in place in Australia, other than the financial surety related to the rehabilitation costs described above.

In 2023, Thungela was formally served with an application for certification for a class action in relation to coal workers pneumoconiosis. The class action has not yet been certified and no provision has been raised in the condensed consolidated interim financial statements related to this matter.

No contingent liabilities were secured against the assets of Thungela for any of the reporting periods presented.

18. DEFERRED TAX

The Group has recognised deferred tax assets and liabilities based on the underlying nature of various transactions throughout the reporting period and the related tax treatment, which may be different to the accounting treatment thereof.

Deferred tax assets

The movement in the deferred tax assets can be analysed as follows:

Rand million	Notes	**Reviewed 30 June 2025 6 months**	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
Balance at the start of the reporting period		**770**	471	471
Acquisition of the additional interest in the Ensham Business	9	**11**	—	—
Credited to profit or loss	6	**357**	239	367
Credited to other comprehensive loss		**—**	—	2
Currency movements		**—**	—	8
Reclassification		**—**	—	(78)
Balance at the end of the reporting period		**1,138**	710	770

The deferred tax assets at 30 June 2025 are primarily driven by deductible temporary differences arising from the environmental and other provisions held in Thungela Operations Proprietary Limited (TOPL), as well as from the Ensham Business. The Ensham Business also has deferred tax assets from tax losses amounting to R107 million (30 June 2024: R20 million, 31 December 2024: Rnil). These deductible temporary differences are expected to reverse in the normal course of operations.

The recognition of the deferred tax assets is supported by either the Group's forecasting process, or the life-of-mine forecasted cash flows, which included a detailed calculation of the estimated annual taxable income for each financial year up to 2028. The forecasts reflected a substantial taxable income being generated, and therefore sufficient future taxable temporary differences against which to utilise these deductible temporary differences.

There are no deductible temporary differences and unused tax losses for which no deferred tax asset has been recognised on the statement of financial position (30 June 2024: R208 million, 31 December 2024: Rnil).

Deferred tax liabilities

The movement in the deferred tax liabilities can be analysed as follows:

Rand million	Note	**Reviewed 30 June 2025 6 months**	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
Balance at the start of the reporting period		**(1,567)**	(1,637)	(1,637)
Credited/(charged) to profit or loss	6	**78**	(17)	(8)
Currency movements		**—**	3	—
Reclassification		**—**	—	78
Balance at the end of the reporting period		**(1,489)**	(1,651)	(1,567)

19. STATED CAPITAL

Thungela has one class of authorised and issued shares, being ordinary shares. Thungela's ordinary shares began trading on the JSE and LSE from 7 June 2021. Thungela has 140,492,585 shares in issue, and has not issued additional shares in the reporting periods presented.

The resolution to place the unissued shares of Thungela, limited to 5% of the shares in issue, under the control of the directors was approved by the requisite majority of votes at the annual general meeting (AGM) held on 5 June 2025, and so the directors have the authority to issue these shares at their discretion.

Treasury shares held by Group companies

The Group holds a total of 11,919,197 shares in treasury (30 June 2024: 7,474,844, 31 December 2024: 6,925,889) in relation to shares purchased through ongoing share buyback activity, or related to the Thungela share plan.

Subsidiaries of the Group have purchased 3,004,907 (30 June 2024: 906,083, 31 December 2024: 919,731) Thungela shares at an average price of R94.74 per share (30 June 2024: R134.96 per share, 31 December 2024: R134.85 per share) in the reporting period in relation to share awards granted under the Thungela share plan. The purchases were made in terms of Thungela's memorandum of incorporation (MOI) and the shares are held in separate broker accounts for employees, or in the broker accounts of the subsidiary holding the shares, in terms of the rules of the Thungela share plan, until vesting date. A number of share awards have vested in the reporting period, which has reduced the number of treasury shares held in relation to the Thungela share plan. Refer to note 20 for further detail.

The Group continues to undertake share buybacks as a method of returning value to our shareholders. The buybacks took place on the JSE through the order book operated by the JSE trading system. The buybacks were done in terms of the Thungela MOI, and in line with the approval granted by shareholders through a special resolution passed at the AGM. The shares, which are considered treasury shares, were purchased by TOPL and are currently held in a separate broker account. A total of 3,254,559 (30 June 2024: 3,307,667, 31 December 2024: 4,510,667) shares were purchased in relation to the share buybacks at an average price of R100.76 per share (30 June 2024: R133.21 per share, 31 December 2024: R132.95) per share, reflecting a total value of R328 million (30 June 2024: R442 million, 31 December 2024: R601 million).

Of the treasury shares held by Group companies, 10,005,476 shares (30 June 2024: 6,210,579 shares, 31 December 2024: 5,686,373 shares) are held directly by subsidiaries and so do not carry voting rights.

The total number of ordinary shares in issue which carry voting rights at the reporting date is 130,487,109 (30 June 2024: 134,282,006, 31 December 2024: 134,806,212).

20. SHARE-BASED PAYMENTS

The Group operates equity-settled shared-based payment arrangements, which allow certain employees of the Group to receive Thungela shares through the Thungela share plan.

Thungela has recently introduced a cash-settled share plan incorporating both forfeitable and conditional cash awards, as approved by the Thungela remuneration and human resources committee. These cash-settled awards are designated for employees based outside of South Africa. The awards will be settled in cash based on the prevailing Thungela share price at the time of settlement and are contingent upon meeting predefined employment and performance criteria.

Equity-settled share-based payments

The share awards that have been granted to eligible employees in the six months ended 30 June 2025 consist of the Thungela 2025 long-term incentive plan (LTIP) awards and the Thungela 2025 deferred bonus shares (DBS) awards, as approved by the Thungela remuneration and human resources committee. The salient terms of these awards (being either conditional or forfeitable share awards) are consistent with those described in the Thungela Integrated Annual Report for the year ended 31 December 2024.

Thungela 2025 LTIP awards – conditional share awards

The Thungela 2025 LTIP awards were granted on 15 April 2025, in relation to performance for the year ended 31 December 2024. These awards will vest on 15 April 2028 in accordance with the achievement of specific performance conditions over a performance period from 1 January 2025 to 31 December 2027. Once vested, these awards are subject to a further two-year holding period for executive directors. A total of 1,025,783 awards were granted as the Thungela 2025 LTIP awards.

Thungela 2022 LTIP awards – conditional share awards

The Thungela 2022 LTIP awards were granted on 7 March 2022, in relation to performance for the year ended 31 December 2021. These awards vested on 7 March 2025, in accordance with the achievement of specific performance conditions up to 31 December 2024, as approved by the Thungela remuneration and human resources committee. A total of 720,384 shares vested, and were settled using Thungela shares owned by the Group. Included in the share awards vested are 161,593 shares, which were allocated to the executive directors and are subject to a further two-year holding period from the vesting date.

Employees participating in the conditional share awards are entitled to receive additional share awards in lieu of dividends declared on Thungela shares over the vesting period, which are added to the total number of conditional shares awarded and subject to the same vesting conditions. The dividend equivalent share awards are added to the total number of shares subject to vesting, and expensed on the same basis. On 29 April 2025, a total of 129,259 share awards were added to the outstanding Thungela LTIP awards, related to dividend equivalent awards for the dividends declared by Thungela on 17 March 2025.

Thungela 2022 DBS awards – forfeitable share awards

The Thungela 2022 DBS awards were granted on 22 March 2022 in relation to performance in the year ended 31 December 2021. Tranche 3 of these awards vested in full on 22 March 2025 based on the achievement of the employment condition, and was settled using Thungela shares owned by the Group. A total of 90,672 share awards vested.

Thungela 2023 DBS awards – forfeitable share awards

The Thungela 2023 DBS awards were granted on 27 March 2023 in relation to performance in the year ended 31 December 2022. Tranche 2 of these awards vested in full on 27 March 2025 based on the achievement of the employment condition, and was settled using Thungela shares owned by the Group. A total of 131,922 share awards vested.

Thungela 2024 DBS awards – forfeitable share awards

The Thungela 2024 DBS awards were granted on 18 March 2024 in relation to performance in the year ended 31 December 2023. Tranche 1 of these awards vested in full on 18 March 2025 based on the achievement of the employment condition, and was settled using Thungela shares owned by the Group. A total of 287,966 share awards vested.

Thungela 2025 DBS awards – forfeitable share awards

The Thungela 2025 DBS awards were granted on 17 March 2025 in relation to performance for the year ended 31 December 2024. The number of awards that will vest is conditional upon the participants remaining in the employment of the Group for the vesting period, and there are no performance conditions attached to this grant. The Thungela 2025 DBS awards will vest in equal tranches from 17 March 2026 to 17 March 2028. A total of 1,259,435 share awards were granted as the Thungela 2025 DBS awards.

Thungela 2023 retention awards – forfeitable share awards

The Thungela 2023 retention awards were granted on 1 April 2023 in relation to performance for the year ended 31 December 2022. Tranche 3 of these awards vested in full on 1 April 2025 based on the achievement of the employment condition, and was settled using Thungela shares owned by the Group. A total of 33,631 share awards vested.

Cash-settled share-based payments

Thungela 2025 LTIP cash awards – conditional cash awards

The Thungela 2025 LTIP cash awards were granted on 15 April 2025, in relation to performance for the year ended 31 December 2024. These cash awards will vest on 15 April 2028 in accordance with the achievement of specific performance conditions over a performance period from 1 January 2025 to 31 December 2027. A total of 269,883 cash awards were granted as the Thungela 2025 LTIP cash awards.

Thungela 2025 DBS cash awards – forfeitable cash awards

The Thungela 2025 DBS cash awards were granted on 17 March 2025 in relation to performance for the year ended 31 December 2024. The number of units that will vest is conditional upon the participants remaining in the employment of the Group for the vesting period, and there are no performance conditions attached to this grant. The Thungela 2025 DBS cash awards will vest in equal tranches from 17 March 2026 to 17 March 2028. A total of 36,248 units were granted as the Thungela 2025 DBS cash awards.

21. DIVIDENDS

Thungela has declared and paid ordinary dividends to shareholders from retained earnings.

Dividend policy

Any dividend proposed by the board in respect of a financial period will be dependent on and influenced by, among other considerations, the Group's operating results, financial condition, investment strategy, capital requirements and strategic initiatives. The Group will seek to ensure that there is sufficient cash available in order to fund sustaining capital expenditure△ and life extension opportunities without resorting to excessive leverage, recognising the nature of the Group's assets and single commodity price exposure.

Thungela's dividend policy is to target a dividend payout of a minimum of 30% of adjusted operating free cash flow△. The board is committed to delivering attractive shareholder returns, while maintaining disciplined capital allocation. Therefore, in any given financial year, we might declare dividends above the targeted minimum 30% payout ratio, subject to the board being satisfied that subsequent to the dividend declaration, we will have adequate balance sheet flexibility and sufficient funding available to withstand market and coal price volatility, as well as infrastructure constraints.

Dividends paid

Dividends paid in the reporting period can be analysed as follows:

Rand million	**Reviewed 30 June 2025 6 months**	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
Dividends paid to the shareholders of the Group	**1,462**	1,362	1,630
Dividend declared on 17 March 2025 of R11 per ordinary share	**1,462**	—	—
Dividend declared on 19 August 2024 of R2 per ordinary share	**—**	—	268
Dividend declared on 18 March 2024 of R10 per ordinary share	**—**	1,362	1,362
Dividends paid to non-controlling interests	**—**	—	44
Total dividends paid[1]	**1,462**	1,362	1,674

[1] Dividends amounting to R14 million are still to be paid to relevant shareholders at the reporting date (30 June 2024: Rnil, 31 December 2024: Rnil).

Dividend declaration

An interim ordinary cash dividend relating to the reporting period ended 30 June 2025 of R2 per share was declared by the board on 18 August 2025. The dividend, amounting to a return of R281 million to shareholders, has not been recognised as a liability in these condensed consolidated interim financial statements. The final dividend was declared from retained earnings and will be paid in September 2025 to shareholders on the South African register and October 2025 to shareholders on the UK register.

22. RELATED PARTY TRANSACTIONS

Thungela has a number of related party relationships with other companies and individuals. The related parties comprise the entities in which the Group has an investment, as disclosed in note 23, as well as the directors and prescribed officers noted below. Transactions with these related parties are assessed on a consistent basis as those involving other parties.

Directors

Sango Ntsaluba (chairman)#
July Ndlovu (chief executive officer)
Deon Smith (chief financial officer)
Ben Kodisang#
Kholeka Mzondeki#
Seamus French#
Yoza Jekwa#
Tommy McKeith#

Prescribed officers

Johan van Schalkwyk
Carina Venter
Lesego Mataboge
Leslie Martin
Mpumi Sithole
Bernard Dalton

Independent non-executive

The Group enters into various sale and purchase transactions with related parties in the ordinary course of business. These transactions are subject to terms that are no less nor more favourable than those arranged with independent third parties.

Transactions and balances with related parties

The transactions undertaken with related parties in the reporting period, and outstanding balances at the reporting date, can be analysed as follows:

Rand million	**Reviewed 30 June 2025 6 months**	Reviewed 30 June 2024 6 months	Audited 31 December 2024 12 months
Loans to related parties			
RBCT[1]	**125**	90	180
Transactions recognised in the statement of profit or loss and other comprehensive income			
RBCT			
Expenses for services provided	**(177)**	(182)	(362)

[1] The loan is deemed part of the equity investment in RBCT.

23. INVESTMENTS IN OTHER ENTITIES

The Group holds a number of investments in other entities which result in us obtaining control, joint control or significant influence over the entities.

The investments in other entities held by the Group at the reporting date can be analysed as follows:

Legal entity name	Nature of business	Operation	Shareholding %
Direct subsidiaries			
South Africa Coal Operations Proprietary Limited[1]	Investment holding company		100
Thungela Resources Holdings Proprietary Limited	Investment holding company		100
Thungela Treasury Proprietary Limited	Investment holding company		100
Thungela International Proprietary Limited	Investment holding company		100
Indirect subsidiaries			
Thungela Operations Proprietary Limited	Mining company		100
	Mining operation	Isibonelo	
	Mining operation	Goedehoop	
	Mining operation	Greenside	
	Mining operation	Khwezela	
Anglo American Inyosi Coal Proprietary Limited[2]	Mining company		100
	Mining operation	Zibulo	
	Production replacement project	Elders	
Butsanani Energy Investment Holdings Proprietary Limited	Investment holding company		67
Newshelf 1316 Proprietary Limited	Dormant		100
Blue Steam Investments Proprietary Limited	Dormant		100
Main Street 1756 (RF) Proprietary Limited	Investment holding company		100
Thungela Resources Australia Pty Limited[3]	Investment holding company		100
Sungela Holdings Pty Ltd[3,4]	Investment holding company		72.5
Sungela Pty Ltd[3,5]	Investment holding company		100
Ensham Resources Pty Limited[3,5]	Mining company		100
	Mining operation	Ensham Mine	
Ensham Coal Sales Pty. Ltd.[3,5]	Marketing company		100
Nogoa Pastoral Pty. Ltd.[3,5]	Agricultural company		100
	Agricultural operation	Nogoa Pastoral	
Thungela Marketing International Holdings Limited[6]	Investment holding company		100
Thungela Marketing International DMCC[6]	Marketing company		100

1 Thungela holds 90% of the shares in SACO. The Sisonke Employee Empowerment Scheme and the Nkulo Community Partnership Trust, which are controlled by the Group, hold 10% collectively of the shares in SACO. Effectively, Thungela owns 100% of SACO.
2 Thungela Resources Holdings Proprietary Limited holds a 27% interest in Anglo American Inyosi Coal Proprietary Limited. Effectively, Thungela owns 100% of this entity.
3 The place of business and incorporation of this entity is Australia.
4 Thungela Resources Australia holds 72.5% of the shares in Sungela Holdings. Refer to note 2 for detail related to our shareholding in the Ensham Business, and related effective share of earnings.
5 The shareholding in this entity is held through Sungela Holdings as part of the Ensham Business. Refer to note 2 for detail related to our shareholding in the Ensham Business, and related effective share of earnings.
6 The place of business and incorporation of this entity is Dubai.

Legal entity name	Nature of business	Operation	Shareholding %
Indirect joint operations			
Mafube Coal Mining Proprietary Limited	Mining company		50
	Mining operation	Mafube	
Phola Coal Processing Plant Proprietary Limited	Mining company		50
	Processing operation	Phola Coal Processing Plant	
Pamish Investments No. 66 Proprietary Limited[1]	Mining company		49
	Processing operation	Pamish plant	
Indirect associates			
Richards Bay Coal Terminal Proprietary Limited	Port logistics	Richards Bay Coal Terminal	23
Colliery Training College Proprietary Limited[2]	Training provider for companies in the mining industry		23
Indirect trusts			
Nkulo Community Partnership Trust	Community trust		100
Sisonke Employee Empowerment Scheme Trust	Employee trust		100
Anglo American Thermal Coal Environmental Rehabilitation Trust	Rehabilitation trust		100
Mafube Rehabilitation Trust	Rehabilitation trust		50

1 The interest in Pamish Investments No. 66 Proprietary Limited (Pamish) is held through TOPL. Although TOPL legally owns 49% of Pamish, the contractual agreements result in TOPL obtaining 100% of the benefits related to the operations of Pamish.
2 The investment in Colliery Training College Proprietary Limited is considered immaterial to the Group and has not been equity accounted.

The place of business and incorporation of all subsidiaries, joint operations, associates and trusts is South Africa, except where specifically noted otherwise.

24. EVENTS AFTER THE REPORTING PERIOD

The Group monitors activity between the reporting date and the date of the approval of the Interim Financial Statements to ensure that any events that may impact the Group are considered.

Completion of the acquisition of the co-investors' shareholding in Sungela Holdings

On 31 July 2025, the acquisition of the shares held by Mayfair in Sungela Holdings, as detailed in note 2 and note 9, became effective based on the satisfaction of the conditions precedent in the agreement.

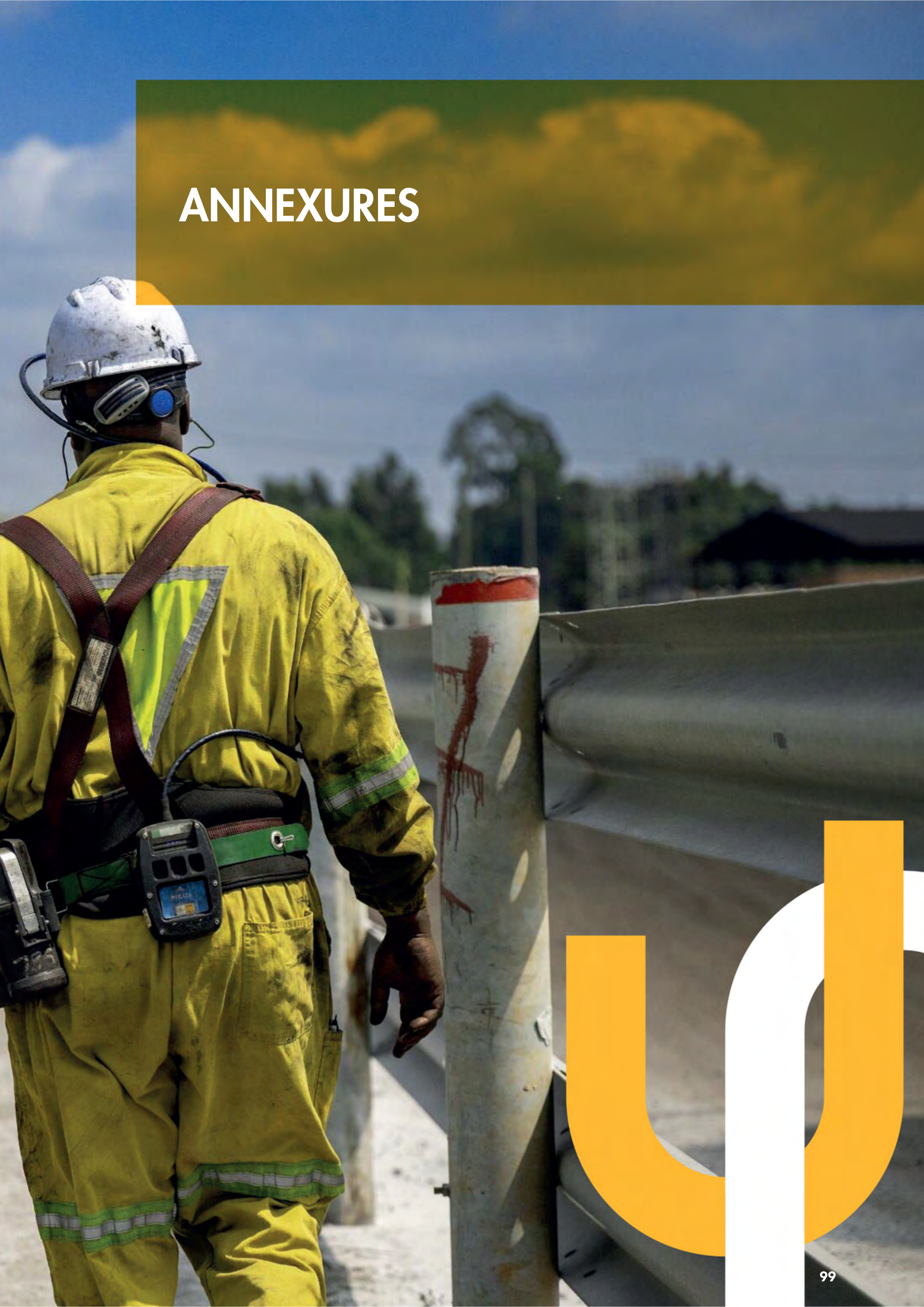
Declaration of dividend and share buyback

On 18 August 2025, the board declared an interim ordinary cash dividend of R2 per share from retained earnings. This represents a total dividend payment of R281 million to shareholders. The dividend will be paid in September 2025 to shareholders on the South African register, and in October 2025 to shareholders on the UK register.

The Group will implement a share buyback, subject to favourable market conditions, in the period commencing 19 August 2025 and, unless revised or terminated earlier, ending the last day prior to the Group's next AGM. The aggregate purchase price of all shares repurchased will be no greater than R140 million.

The interim ordinary cash dividend and share buyback in total amount to returns to shareholders of R421 million, reflecting 87% of the adjusted operating free cash flow△ generated in the six months ended 30 June 2025.

ANNEXURES



ANNEXURE 1

ALTERNATIVE PERFORMANCE MEASURES△

For the six months ended 30 June 2025

TO THE DIRECTORS OF THUNGELA RESOURCES LIMITED

REPORT ON THE ASSURANCE ENGAGEMENT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN ANNEXURE 1 OF THE INTERIM FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

We have completed our assurance engagement to report on the compilation of the pro forma financial information of Thungela Resources Limited (the 'Company' or 'Thungela') (and its subsidiaries (together 'the Group')) by the directors. The pro forma financial information, as set out in annexure 1 of the Interim Financial Statements for the reporting period ended 30 June 2025 (the 'Thungela Interim Financial Statements 2025') consists of non-IFRS measures (the 'pro forma financial information'). The applicable criteria on the basis of which the directors have compiled the pro forma financial information are specified in the Listing Requirements of the JSE Limited (the JSE Listings Requirements) and described in annexure 1 of the Thungela Interim Financial Statements 2025 (the applicable criteria).

The pro forma financial information has been compiled by the directors to improve the comparability of information between reporting periods, either by:
- adjusting for uncontrollable factors or items such as impairments, restructuring costs and other transactions which impact upon IFRS Accounting Standards measures; or
- aggregating measures to aid the users of the condensed consolidated interim financial statements in understanding the activities taking place across Thungela's portfolio.

As part of this process, information about the Group's consolidated financial position and financial performance has been extracted by the directors from the Group's condensed consolidated interim financial statements for the reporting period ended 30 June 2025, on which a review report has been issued on 18 August 2025.

DIRECTORS' RESPONSIBILITY

The directors of the Company are responsible for compiling the pro forma financial information on the basis of the applicable criteria.

OUR INDEPENDENCE AND QUALITY MANAGEMENT

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors*, issued by the Independent Regulatory Board for Auditors' (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).*

The firm applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the directors on the basis of the applicable criteria, based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the pro forma financial information has been compiled, in all material respects, on the basis specified in the applicable criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information is solely to provide users with relevant information and measures on a comparable basis and to assess the performance of the Group.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: V Khutlang
Registered Auditor
Johannesburg, South Africa

18 August 2025

The examination of controls over the maintenance and integrity of the Group's website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

ANNEXURE 1

ALTERNATIVE PERFORMANCE MEASURES△

CONTINUED

For the six months ended 30 June 2025

INTRODUCTION AND PURPOSE

When assessing and discussing Thungela's reported financial performance, financial position and cash flows, the directors may make reference to APMs of historical financial performance, financial position or cash flows that are not defined or specified under IFRS Accounting Standards.

These APMs are considered non-IFRS financial measures, and are presented in order to improve the comparability of information between reporting periods, either by adjusting for items such as impairments, restructuring costs and other transactions which impact upon IFRS Accounting Standards measures or, by aggregating measures, to aid the user of the condensed consolidated interim financial statements in understanding the activity taking place across Thungela's portfolio. The information was extracted from the reviewed condensed consolidated interim financial statements or information underlying the Interim Financial Statements. Certain financial measures cannot be directly derived from the condensed consolidated interim financial statements as they contain additional information, such as operational information and specific metrics, as monitored by the directors.

Non-IFRS financial measures are financial measures other than those defined or specified under relevant IFRS Accounting Standards. To the extent that these measures are not extracted from IFRS disclosure included in the condensed consolidated interim financial statements, these measures constitute pro forma financial information in terms of the JSE Listings Requirements, and are the responsibility of the directors. They are presented for illustrative purposes and to provide users with relevant information and measures on a comparable basis, in order to assess the performance of the Group and, because of their nature, may not fairly present the Group's financial position, changes in equity, results of operations or cash flows. A subset is also used by the Group in setting director and management remuneration. The APMs for the South African and Australian businesses have been separately disclosed below, while the results of the operations of Thungela Marketing International are included in the South African business results. There have been no changes in the definitions of the APMs as defined in the current reporting period.

These measures may not be comparable to similarly titled measures used by other companies. The underlying information used in the presentation of the pro forma financial information has been prepared using the Group's accounting policies, which comply with IFRS Accounting Standards. The APMs should be considered in addition to, and not as a substitute for, or as superior to, measures of financial performance, financial position or cash flows reported in accordance with IFRS Accounting Standards.

This pro forma financial information has been reported on by the independent external auditor, and their unqualified auditor's reasonable assurance opinion is included on pages 100 to 101.

The APMs used by Thungela are as follows:

APM	Definition	Adjustments to reconcile to primary statements	Rationale for adjustments
Statement of profit or loss and other comprehensive income			
Adjusted EBITDA (note A)	Earnings before interest, tax, depreciation and amortisation, adjusted for the impacts of once-off transactions, or transactions which are outside the core operations of the Group	Profit before net finance income and tax, adjusted for: • impairment losses • restructuring costs and termination benefits • costs arising from the acquisition of the Ensham Business • depreciation and amortisation • profit on disposal of investment in subsidiary	To exclude the effect of once-off transactions or transactions outside the core operations of the Group
Adjusted EBITDA margin (note B)	Adjusted EBITDA as a percentage of revenue	None	To reflect the adjusted EBITDA as a gross margin to assess the profitability of the Group

APM	Definition	Adjustments to reconcile to primary statements	Rationale for adjustments
Statement of financial position			
Net cash (note C)	Cash and cash equivalents less cash held in trusts[1], other restricted cash and loans and borrowings	Cash and cash equivalents adjusted for: • restricted cash • loans and borrowings	To reflect cash available for the general use of the Group
Statement of cash flows			
Sustaining capital expenditure (note D)	Stay-in-business capital expenditure, stripping and development capital expenditure and capital expenditure on intangible assets	None	To reflect the capital expenditure required to sustain the normal level of operations for the Group
Adjusted operating free cash flow (note E)	Cash flows from operating activities less sustaining capital expenditure	Cash flows from operating activities, reduced by sustaining capital expenditure	To reflect the cash generated from operations, less the capital expenditure required to sustain the normal operations of the Group
Other APMs			
FOB cost (note F)	Direct cash cost incurred in producing one unit of saleable export product and delivering the product to the vessel for export	Total operating costs adjusted for, among others: • industrial and domestic revenue • administrative costs • contributions to the trusts	To exclude costs incurred not attributable to delivering the coal to the vessel for export
FOB cost per export tonne (note G)	FOB cost calculated per export saleable tonne	None	To reflect FOB cost incurred per tonne of export saleable production
FOB cost excluding royalties (note H)	FOB cost as defined, excluding royalties	FOB cost as defined, adjusted for: • royalties	To exclude royalties, which are directly impacted by the movements in benchmark coal prices, from FOB cost incurred
FOB cost per export tonne excluding royalties (note I)	FOB cost excluding royalties calculated per export saleable tonne	None	To reflect FOB cost incurred, excluding royalties, per tonne of export saleable production
Environmental liability coverage (note J)	The percentage of investments held to fund future rehabilitation, decommissioning and water treatment expenditure	Investments held in the environmental rehabilitation trusts and the other environmental investments, reflected as a percentage of environmental provisions	To determine the available cash collateral as a percentage of the total environmental provisions

[1] Cash held in trusts relates to cash held in the Nkulo Community Partnership Trust and the Sisonke Employee Empowerment Scheme.

ANNEXURE 1

ALTERNATIVE PERFORMANCE MEASURES△

CONTINUED

For the six months ended 30 June 2025

The APMs used in the Interim Financial Statements have been reconciled as below:

A. Adjusted EBITDA

Rand million	Notes	South Africa	Australia	Reviewed 30 June 2025 6 months Total
Loss before net finance income and tax		(882)	(36)	(918)
Add – depreciation	4	686	547	1,233
Add – amortisation	4	38	—	38
Add – costs arising from the acquisition of the Ensham Business		—	53	53
Acquisition and integration costs	9	—	48	48
Fair value adjustments to acquisition-related derivatives	9	—	5	5
Add – restructuring costs and termination benefits		285	—	285
Adjusted EBITDA[1]		**127**	**564**	**691**

[1] Refer to note 3 for an assessment of adjusted EBITDA per reportable segment.

Rand million	Note	South Africa	Australia	Reviewed 30 June 2024 6 months Total
Profit before net finance income and tax		456	512	968
Add – depreciation	4	673	480	1,153
Add – amortisation	4	12	—	12
Add – restructuring costs and termination benefits		13	—	13
Adjusted EBITDA[1]		1,154	992	2,146

[1] Refer to note 3 for an assessment of adjusted EBITDA per reportable segment.

Rand million	Note	South Africa	Australia	Audited 31 December 2024 12 months Total
Profit before net finance income and tax		3,080	1,024	4,104
Add – depreciation	4	1,417	1,006	2,423
Add – amortisation	4	29	—	29
Add – costs arising from the acquisition of the Ensham Business		—	9	9
Expenses for conditional shares granted to non-controlling interests		—	9	9
Add – impairment losses		278	—	278
Less – profit on disposal of investment in subsidiary		(601)	—	(601)
Add – restructuring costs and termination benefits		13	—	13
Adjusted EBITDA[1]		4,216	2,039	6,255

[1] Refer to note 3 for an assessment of adjusted EBITDA per reportable segment.

B. Adjusted EBITDA margin

Rand million (unless otherwise stated)	Notes	South Africa	Australia	Reviewed 30 June 2025 6 months Total
Adjusted EBITDA	A	127	564	691
Revenue	3	11,025	3,788	14,813
Adjusted EBITDA margin (%)		1.2	15	4.7

Rand million (unless otherwise stated)	Notes	South Africa	Australia	Reviewed 30 June 2024 6 months Total
Adjusted EBITDA	A	1,154	992	2,146
Revenue	3	12,046	4,706	16,752
Adjusted EBITDA margin (%)		10	21	13

Rand million (unless otherwise stated)	Notes	South Africa	Australia	Audited 31 December 2024 12 months Total
Adjusted EBITDA	A	4,216	2,039	6,255
Revenue	3	26,304	9,250	35,554
Adjusted EBITDA margin (%)		16	22	18

C. Net cash

Rand million	Note	South Africa	Australia	Reviewed 30 June 2025 6 months Total
Cash and cash equivalents	12	6,438	931	7,369
Less – cash held in trusts	12	(989)	—	(989)
Less – cash held pending ongoing price negotiation	12	—	(130)	(130)
Net cash		5,449	801	6,250

ANNEXURE 1

ALTERNATIVE PERFORMANCE MEASURES△

CONTINUED

For the six months ended 30 June 2025

The APMs used in the Interim Financial Statements have been reconciled as below continued:

C. Net cash continued

Rand million	Note	South Africa	Australia	Reviewed 30 June 2024 6 months Total
Cash and cash equivalents	12	6,588	1,803	8,391
Less – cash held in trusts	12	(822)	—	(822)
Less – cash held pending ongoing price negotiation	12	—	(815)	(815)
Less – loans and borrowings		(71)	—	(71)
Net cash		5,695	988	6,683

Rand million	Note	South Africa	Australia	Audited 31 December 2024 12 months Total
Cash and cash equivalents	12	8,344	1,759	10,103
Less – cash held in trusts	12	(872)	—	(872)
Less – cash held related to acquisition of the additional interest in the Ensham Business	12	—	(560)	(560)
Net cash		7,472	1,199	8,671

D. Sustaining capital expenditure

Rand million	Note	**South Africa**	**Australia**	**Reviewed 30 June 2025 6 months Total**
Stay-in-business capital expenditure	3	**463**	**158**	**621**
Stripping and development capital expenditure	3	**82**	**—**	**82**
Sustaining capital expenditure		**545**	**158**	**703**

Rand million	Note	South Africa	Australia	Reviewed 30 June 2024 6 months Total
Stay-in-business capital expenditure		317	285	602
Property, plant and equipment	3	277	285	562
Intangible assets	3	40	—	40
Stripping and development capital expenditure	3	140	—	140
Sustaining capital expenditure		457	285	742

Rand million	Note	South Africa	Australia	Audited 31 December 2024 12 months Total
Stay-in-business capital expenditure		903	605	1,508
Property, plant and equipment	3	840	605	1,445
Intangible assets	3	63	—	63
Stripping and development capital expenditure	3	192	—	192
Sustaining capital expenditure		1,095	605	1,700

E. Adjusted operating free cash flow

Rand million	Note	**South Africa**	**Australia**	**Reviewed 30 June 2025 6 months Total**
Net cash flows generated from/(utilised in) operating activities		**1,353**	**(166)**	**1,187**
Sustaining capital expenditure	D	**(545)**	**(158)**	**(703)**
Adjusted operating free cash flow		**808**	**(324)**	**484**

Rand million	Note	South Africa	Australia	Reviewed 30 June 2024 6 months Total
Net cash flows generated from operating activities		882	796	1,678
Sustaining capital expenditure	D	(457)	(285)	(742)
Adjusted operating free cash flow		425	511	936

Rand million	Note	South Africa	Australia	Audited 31 December 2024 12 months Total
Net cash flows generated from operating activities		3,966	1,323	5,289
Sustaining capital expenditure	D	(1,095)	(605)	(1,700)
Adjusted operating free cash flow		2,871	718	3,589

ALTERNATIVE PERFORMANCE MEASURES△

CONTINUED
For the six months ended 30 June 2025

The APMs used in the Interim Financial Statements have been reconciled as below continued:

F. FOB cost

Rand million	Notes	South Africa	Australia	Reviewed 30 June 2025 6 months Total
Operating costs	4	11,622	3,771	15,393
Less – industrial and domestic revenue	3	(1,156)	—	(1,156)
Less – depreciation	3	(686)	(547)	(1,233)
Less – amortisation	3	(38)	—	(38)
Less – commodity purchases	3	(713)	(321)	(1,034)
(Less)/add – inventory production movement	3	(417)	25	(392)
Less – demurrage and other expenses	4	(95)	(53)	(148)
Less – exploration and evaluation	4	(48)	—	(48)
Less – foreign exchange losses	4	(97)	(37)	(134)
Add – profit on disposal of property, plant and equipment	4	—	2	2
Add – fair value gains on biological assets[1]		—	5	5
Less – expenses related to contributions to the trusts[2]		(172)	—	(172)
(Less)/add – other administration (expenses)/income	4	(60)	2	(58)
FOB cost		8,140	2,847	10,987

[1] The fair value gains on biological assets are included in other operating expenses.
[2] Expenses related to contributions to the trusts include contributions to the Nkulo Community Partnership Trust of R86 million, as well as expenses recognised for the Sisonke Employee Empowerment Scheme based on services rendered by employees of R86 million.

Rand million	Notes	South Africa	Australia	Reviewed 30 June 2024 6 months Total
Operating costs	4	11,577	4,194	15,771
Less – industrial and domestic revenue	3	(1,681)	—	(1,681)
Less – depreciation	3	(673)	(480)	(1,153)
Less – amortisation	3	(12)	—	(12)
Less – commodity purchases	3	(772)	(691)	(1,463)
Less – inventory production movement	3	(687)	(316)	(1,003)
Less – demurrage and other expenses	4	(116)	(42)	(158)
Less – exploration and evaluation	4	(28)	—	(28)
Less – foreign exchange losses	4	(20)	(34)	(54)
Less – recharged costs from Anglo American – administration expenses	4	(30)	—	(30)
Add – fair value gains on biological assets[1]		—	3	3
Less – expenses related to contributions to the trusts[2]		(156)	—	(156)
Less – other administration expenses	4	(19)	—	(19)
FOB cost		7,383	2,634	10,017

[1] The fair value gains on biological assets are included in other operating expenses.
[2] Expenses related to contributions to the trusts include contributions to the Nkulo Community Partnership Trust of R78 million, as well as expenses recognised for the Sisonke Employee Empowerment Scheme based on services rendered by employees of R78 million.

Rand million	Notes	South Africa	Australia	Audited 31 December 2024 12 months Total
Operating costs	4	23,534	8,217	31,751
Less – industrial and domestic revenue	3	(3,934)	—	(3,934)
Less – depreciation	3	(1,417)	(1,006)	(2,423)
Less – amortisation	3	(29)	—	(29)
Less – commodity purchases	3	(1,609)	(1,374)	(2,983)
Less – inventory production movement	3	(540)	(60)	(600)
Less – demurrage and other expenses	4	(220)	(57)	(277)
Less – exploration and evaluation	4	(87)	—	(87)
Add – foreign exchange gains	4	165	64	229
Less – loss on disposal of property, plant and equipment	4	(14)	—	(14)
Less – recharged costs from Anglo American – administration expenses	4	(47)	—	(47)
(Less)/add – fair value (losses)/gains on biological assets[1]		(9)	4	(5)
Less – expenses related to contributions to the trusts[2]		(187)	—	(187)
Add – other administration income	4	41	—	41
FOB cost		15,647	5,788	21,435

[1] The fair value (losses)/gains on biological assets are included in other operating expenses.
[2] Expenses related to contributions to the trusts include contributions to the Nkulo Community Partnership Trust of R94 million, as well as expenses recognised for the Sisonke Employee Empowerment Scheme based on services rendered by employees of R93 million.

G. FOB cost per export tonne

Rand million (unless otherwise stated)	Note	**South Africa**	**Australia**	**Reviewed 30 June 2025 6 months Total**
FOB cost	F	**8,140**	**2,847**	**10,987**
Export saleable production (kt)[1]		**6,438**	**1,495**	**7,933**
FOB cost per export tonne (Rand/tonne)		**1,264**	**1,904**	**1,385**

[1] Refer to page 17 for further detail.

Rand million (unless otherwise stated)	Note	South Africa	Australia	Reviewed 30 June 2024 6 months Total
FOB cost	F	7,383	2,634	10,017
Export saleable production (kt)[1]		6,167	1,601	7,768
FOB cost per export tonne (Rand/tonne)		1,197	1,645	1,290

[1] Refer to page 17 for further detail.

ALTERNATIVE PERFORMANCE MEASURES△

CONTINUED

For the six months ended 30 June 2025

The APMs used in the Interim Financial Statements have been reconciled as below continued:

G. FOB cost per export tonne continued

Rand million (unless otherwise stated)	Note	South Africa	Australia	Audited 31 December 2024 12 months Total
FOB cost	F	15,647	5,788	21,435
Export saleable production (kt)[1]		13,595	3,458	17,053
FOB cost per export tonne (Rand/tonne)		1,151	1,674	1,257

[1] Refer to page 17 for further detail.

H. FOB cost excluding royalties

Rand million	Notes	**South Africa**	**Australia**	**Reviewed 30 June 2025 6 months Total**
FOB cost	F	**8,140**	**2,847**	**10,987**
Less – royalties	3	**(39)**	**(314)**	**(353)**
FOB cost excluding royalties		**8,101**	**2,533**	**10,634**

Rand million	Notes	South Africa	Australia	Reviewed 30 June 2024 6 months Total
FOB cost	F	7,383	2,634	10,017
Less – royalties	3	(49)	(456)	(505)
FOB cost excluding royalties		7,334	2,178	9,512

Rand million	Notes	South Africa	Australia	Audited 31 December 2024 12 months Total
FOB cost	F	15,647	5,788	21,435
Less – royalties	3	(280)	(834)	(1,114)
FOB cost excluding royalties		15,367	4,954	20,321

I. FOB cost per export tonne excluding royalties

Rand million (unless otherwise stated)	Note	South Africa	Australia	Reviewed 30 June 2025 6 months Total
FOB cost excluding royalties	H	8,101	2,533	10,634
Export saleable production (kt)[1]		6,438	1,495	7,933
FOB cost per export tonne excluding royalties (Rand/tonne)		**1,258**	**1,694**	**1,340**

[1] Refer to page 17 for further detail.

Rand million (unless otherwise stated)	Note	South Africa	Australia	Reviewed 30 June 2024 6 months Total
FOB cost excluding royalties	H	7,334	2,178	9,512
Export saleable production (kt)[1]		6,167	1,601	7,768
FOB cost per export tonne excluding royalties (Rand/tonne)		1,189	1,360	1,225

[1] Refer to page 17 for further detail.

Rand million (unless otherwise stated)	Note	South Africa	Australia	Audited 31 December 2024 12 months Total
FOB cost excluding royalties	H	15,367	4,954	20,321
Export saleable production (kt)[1]		13,595	3,458	17,053
FOB cost per export tonne excluding royalties (Rand/tonne)		1,130	1,433	1,192

[1] Refer to page 17 for further detail.

J. Environmental liability coverage

Rand million (unless otherwise stated)	Note	South Africa	Australia	Reviewed 30 June 2025 6 months Total
Environmental provisions (A)	17	8,192	4,946	13,138
Investments held to fund closure activities (B)		6,006	961	6,967
Environmental rehabilitation trusts	17	4,556	—	4,556
Other environmental investments	17	1,450	961	2,411
Environmental liability coverage (%) (B/A)		**73**	**19**	**53**

ANNEXURE 1

ALTERNATIVE PERFORMANCE MEASURES△

CONTINUED

For the six months ended 30 June 2025

The APMs used in the Interim Financial Statements have been reconciled as below continued:

J. Environmental liability coverage continued

Rand million (unless otherwise stated)	Note	South Africa	Australia	Reviewed 30 June 2024 6 months Total
Environmental provisions (A)	17	7,933	3,598	11,531
Investments held to fund closure activities (B)		5,089	849	5,938
Environmental rehabilitation trusts	17	3,925	—	3,925
Other environmental investments	17	1,164	849	2,013
Environmental liability coverage (%) (B/A)		64	24	51

Rand million (unless otherwise stated)	Note	South Africa	Australia	Audited 31 December 2024 12 months Total
Environmental provisions (A)	17	7,973	3,977	11,950
Investments held to fund closure activities (B)		5,475	943	6,418
Environmental rehabilitation trusts	17	4,266	—	4,266
Other environmental investments	17	1,209	943	2,152
Environmental liability coverage (%) (B/A)		69	24	54

ANNEXURE 2

GLOSSARY

A number of terms have been used in the Interim Financial Statements, using the definitions as detailed below:

Term used	Definition
AAML	Anglo American Marketing Limited
AED	Arab Emirati dirham
AGM	Annual general meeting
Anglo American	The Anglo American plc Group, and its subsidiaries
APM	Alternative performance measure
AUD	Australian dollar
Audley Capital	Audley Energy Limited
Bowen	Bowen Investment (Australia) Proprietary Limited, a subsidiary of LX International
CA(SA)	Chartered Accountant South Africa
Capex	Capital expenditure
CEO	Chief executive officer
CFO	Chief financial officer
Co-investors	Audley Capital and Mayfair, collectively
Coal reserves	Modified indicated and measured coal resources, including consideration of modifying factors that affect extraction. This represents the economically extractable material
Coal resources	The in-situ coal for which there are reasonable prospects for eventual economic extraction
Companies Act of South Africa	Companies Act 71 of 2008 (as amended)
Conditional cash awards	Cash awards granted to participants under the Thungela share plan, which are subject to certain performance conditions and employment conditions
Conditional share awards	Shares or share awards granted to participants under the Thungela share plan, which are subject to certain performance conditions and employment conditions
DBS	Deferred bonus shares
DESI	Department of Environment, Science and Innovation
DMPR	Department of Mineral and Petroleum Resources, previously the Department of Mineral Resources and Energy
EBITDA	Earnings before interest, tax, depreciation and amortisation
Employment condition	The conditions of employment to be satisfied in order for awards under the Thungela share plan to vest on the vesting date
Ensham Business	Thungela's interest in Sungela Holdings, Sungela, Ensham Resources, Ensham Coal Sales and Nogoa Pastoral, collectively
Ensham Coal Sales	Ensham Coal Sales Pty. Ltd.
Ensham Mine	An unincorporated joint venture between Sungela and Bowen
Ensham Resources	Ensham Resources Pty Limited
Environmental provisions	The Group's obligations to undertake decommissioning, rehabilitation, remediation, closure and ongoing post-closure monitoring activities when environmental disturbances are caused by the development or ongoing production of a mining property, as well as the decommissioning of infrastructure established on the operating sites
EPA	Environmental Protection Act 1994 (Qld)
ESG	Environmental, social and governance
EU	European Union
FEC	Foreign exchange contracts
FOB	Free on board
Forfeitable cash awards	Cash awards granted to participants pursuant to the Thungela share plan, the vesting of which is subject to the fulfilment of an employment condition over the employment period

ANNEXURE 2

GLOSSARY CONTINUED

A number of terms have been used in the Interim Financial Statements, using the definitions as detailed below continued:

Term used	Definition
Forfeitable share awards	Shares or share awards granted to participants pursuant to the Thungela share plan, the vesting of which is subject to the fulfilment of an employment condition over the employment period
FSMA	The UK Financial Services and Markets Act 2000 (as amended from time to time)
FVPL	Fair value through profit or loss
GBP	British pound sterling
Group	Thungela and its subsidiaries, joint arrangements and associates
IAS	International Accounting Standard, referencing a specific standard to be applied
IAS 12	Income Taxes
IAS 34	Interim Financial Reporting
IASB	International Accounting Standards Board
IFRS® Accounting Standards	International Financial Reporting Standards (Accounting Standards) as issued by the IASB and the IFRS Interpretations Committee. When used before a number this references a specific standard to be applied
IFRS 3	Business Combinations
IFRS 13	Fair Value Measurement
JV participants	Sungela and Thungela Resources Australia (previously Bowen), collectively, in relation to their interests in the Ensham joint venture and Nogoa joint venture
JSE	Johannesburg Stock Exchange Limited
JSE Listings Requirements	The listings requirements issued by the JSE under the South African Financial Markets Act 19 of 2012 (as amended from time to time) to be observed by issuers of equity securities listed on the JSE
kcal/kg	Kilocalories per kilogram
kt	A measure representing 1,000 tonnes
Life-of-mine plan	A design and financial/economic study of an existing operation in which appropriate assessments have been made of existing geological, mining, social, governmental, engineering, operational, and all other modifying factors, which are considered in sufficient detail to demonstrate that continued extraction is reasonably justified
LSE	London Stock Exchange
LTIP	Long-term incentive plan
LTIP shares	The conditional shares granted to the co-investors through the long-term incentive plan, in relation to the acquisition of the Ensham Business
MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and the delegated acts, implementing acts, technical standards and guidelines thereunder as modified and as such legislation forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, and as modified by UK domestic law from time to time
Mayfair	Mayfair Corporations Group Pty Ltd
MOI	Memorandum of incorporation
MPRDA	The South African Mineral and Petroleum Resources Development Act 28 of 2002
MPRDA Regulations	Mineral and Petroleum Resources Development Regulations, 2004, published under the Mineral and Petroleum Resources Development Act 28 of 2002
Mt	Million tonnes
Mtpa	Million tonnes per annum
NEMA	The South African National Environmental Management Act 107 of 1998 (as amended from time to time)
NEMA Financial Provisioning Regulations	Financial Provisioning Regulations, 2015, published under the National Environmental Management Act 107 of 1998

Term used	Definition
Newcastle Benchmark coal price	Newcastle Benchmark price reference for 6,000kcal/kg coal exported from Newcastle, Australia. The NEWC Index is the main price reference for physical coal contracts in Asia and is the settlement price for a significant volume of index linked contracts
Nogoa Pastoral	Nogoa Pastoral Pty. Ltd.
Offtake agreement	The offtake agreement between the Company, TOPL and AAML, dated 6 March 2021
Performance condition	A performance condition to be satisfied in order for conditional awards to vest under the Thungela share plan
Phola Coal Processing Plant	Phola Coal Processing Plant Proprietary Limited or the Phola Coal Processing Plant
PRCP	Progressive rehabilitation and closure plan and schedule
PwC	PricewaterhouseCoopers Inc.
RBCT	Richards Bay Coal Terminal Proprietary Limited or the Richards Bay Coal Terminal
Richards Bay Benchmark coal price	Benchmark price reference for 6,000kcal/kg thermal coal exported from the RBCT
ROM	Run of mine
SACO	South Africa Coal Operations Proprietary Limited
SAICA	South African Institute of Chartered Accountants
Sisonke Employee Empowerment Scheme	Sisonke Employee Empowerment Scheme Trust
SPA	The share sale and purchase between Thungela Resources Australia and Bowen, relating to the purchase of Bowen's 15% direct interest in Ensham
Sungela	Sungela Pty Ltd
Sungela Holdings	Sungela Holdings Pty Ltd
TARF	Target redemption forwards
TFR	Transnet Freight Rail, a division of Transnet SOC Limited
Thungela or the Company	Thungela Resources Limited
Thungela International	Thungela International Proprietary Limited
Thungela Marketing International	Thungela Marketing International Holdings Limited
Thungela Resources Australia	Thungela Resources Australia Pty Limited
Thungela share plan	The long-term share incentive plan adopted by Thungela to attract, retain, incentivise and reward high-calibre employees
TOPL	Thungela Operations Proprietary Limited
TRCFR	Total recordable case frequency rate per million man hours
Transnet	Transnet SOC Limited
Trusts	The Sisonke Employee Participation Scheme and the Nkulo Community Partnership Trust, collectively
UK	The United Kingdom of Great Britain and Northern Ireland
UK Disclosure Guidance and Transparency Rules	The rules relating to the disclosure of information made in accordance with section 73A(3) of FSMA
UK Listing Rules	The listing rules relating to admission to the UK Official List made under section 73A(2) of FSMA
US	United States
USD	United States dollar
WANOS	Weighted average number of ordinary shares outstanding
ZAR	South African rand

FORWARD-LOOKING STATEMENTS DISCLAIMER AND THIRD-PARTY INFORMATION

This document includes forward-looking statements. All statements included in this document (other than statements of historical facts) are, or may be deemed to be, forward-looking statements, including, without limitation, those regarding Thungela's financial position, business, acquisition and divestment strategy, dividend policy, plans and objectives of management for future operations (including development plans and objectives relating to Thungela's products, production forecasts and resource and reserve positions). By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Thungela, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Thungela therefore cautions that forward-looking statements are not guarantees of future performance.

Any forward-looking statement made in this document or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause Thungela's business not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. Thungela has no duty to, and does not intend to, update or revise the forward-looking statements contained in this document after the date of this document, except as may be required by law. Any forward-looking statements included in this document have not been reviewed or reported on by the Group's independent external auditor.

The information contained within this announcement is deemed by the Group to constitute inside information as stipulated under the market abuse regulation (EU) No. 596/2014 as amended by the market abuse (amendment) (UK MAR) regulations 2019. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

CORPORATE INFORMATION

THUNGELA RESOURCES LIMITED
(Incorporated in the Republic of South Africa)
Registration number: 2021/303811/06
JSE share code: TGA
LSE share code: TGA
ISIN: ZAE000296554
Tax number: 9111917259
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If you have any queries regarding your shareholding in Thungela Resources Limited, please contact the transfer secretaries.

thungela

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