A photograph of three workers in safety gear (hard hats, high-visibility jackets, and tool belts) standing outdoors at a quarry or construction site. They are gathered around a document held by the woman in the center, who is wearing a blue jumpsuit. The two men on either side are wearing yellow high-visibility suits. They appear to be in a discussion. The background shows a large, layered rock face under a blue sky with scattered clouds. The overall scene is professional and industrial.

thungela

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2025



CONTENTS

Group performance in 2025	1
Directors' responsibility and approval of the Annual Financial Statements	2
Responsibility statement on internal financial controls	3
Certificate by the company secretary	3
About this report	4
Message from the chief executive officer	6
Market in context	10
Environmental, social and governance	12
Principal risks and uncertainties	15
Resources and reserves	16
Review of financial performance	20
Review of operational performance	33
Final ordinary cash dividend declaration	36
Directors' report	40
Report of the audit committee	44
Independent auditor's report	48
Consolidated and separate financial statements	
Consolidated statement of profit or loss and other comprehensive income	56
Consolidated statement of financial position	57
Consolidated statement of changes in equity	58
Consolidated statement of cash flows	60
Notes to the consolidated financial statements	62
Separate statement of profit or loss and other comprehensive income	182
Separate statement of financial position	182
Separate statement of changes in equity	183
Separate statement of cash flows	183
Notes to the separate financial statements	184
Annexure 1 – Alternative performance measures	192
Annexure 2 – Ownership structure	202
Annexure 3 – Glossary	204
Annexure 4 – Shareholder information	208
Forward-looking statements disclaimer and third-party information	210
Corporate information	IBC

thungela

Responsibly creating value together for a shared future

CONNECT WITH US

Follow us on LinkedIn and Facebook



www.thungela.com

GROUP PERFORMANCE IN 2025

Delivering on our purpose – to responsibly create value together for a shared future

SAFETY

Fatality

None

(2024: None)

TRCFR Group

2.83

(2024: 1.93)

South Africa

1.80

(2024: 1.07)

Australia

15.72

(2024: 13.21)

FINANCIAL¹

Adjusted EBITDA^Δ

R1.2 billion

(2024: R6.3 billion)

Dividends per share

R4.00

(2024: R13.00)

Share buybacks

R139 million

(2024: R489 million)

(Loss)/earnings per share

(R54.64)

(2024: R26.76)

Headline (loss)/earnings per share

(R6.47)

(2024: R25.59)

CREATING SHARED VALUE

Nkulo Community Partnership Trust

R31 million contribution

(2024: R102 million)

Sisonke Employee Empowerment Scheme

R31 million contribution

(2024: R102 million)

OPERATIONAL SOUTH AFRICA

Export saleable production

13.9Mt

(2024: 13.6Mt)

Export equity sales

13.7Mt

(2024: 12.6Mt)

FOB cost per export tonne^Δ

R1,176

(2024: R1,151)

OPERATIONAL AUSTRALIA¹

Export saleable production

4.0Mt (100% basis)

(2024: 4.1Mt)

Export equity sales

4.0Mt (100% basis)

(2024: 4.1Mt)

FOB cost per export tonne^Δ

R1,598

(2024: R1,674)

¹ The Group's financial results and operational performance for Australia reflect the results of the Ensham Business at 100% of the operations from 28 February 2025. Prior to this date, results for the Ensham Business are reflected at 85%.

^Δ As per annexure 1, this symbol denotes alternative performance measures.

DIRECTORS' RESPONSIBILITY AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 December 2025

The directors are pleased to present the Annual Financial Statements of Thungela Resources Limited (Thungela or the Group or the Company) for the year ended 31 December 2025.

The directors are ultimately responsible for the preparation, fair presentation and integrity of the consolidated financial statements and related financial information of the Group, as well as the separate financial statements of the Company, and the alternative performance measures (APMs) detailed in annexure 1. This includes providing oversight of the preparation, fair presentation and integrity of the consolidated and separate financial statements and related financial information of the Group, as included in these Annual Financial Statements.

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

- the International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (collectively, the 'IFRS® Accounting Standards');
- the South African Institute of Chartered Accountants (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 (as amended), the United Kingdom (UK) Listing Rules and the UK Disclosure Guidance and Transparency Rules.

The consolidated and separate financial statements are based on appropriate accounting policies, which have been consistently applied and which are supported by reasonable judgements and estimates. The consolidated and separate financial statements comprise the statements of financial position at 31 December 2025, the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, the notes to the financial statements, and other information.

The audit committee meets quarterly with the internal and independent external auditors as well as senior management, as appropriate, to evaluate matters concerning their responsibilities as set out in the report of the audit committee on pages 44 to 47.

The Group's internal auditors independently evaluate the internal controls and co-ordinate their audit coverage with the independent external auditor. The Group's independent external auditor is responsible for reporting on whether the consolidated and separate financial statements are fairly presented in accordance with IFRS Accounting Standards. The independent external auditor's report to the shareholders is set out on pages 48 to 53.

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 robust 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 during the year ended 31 December 2025. The directors are of the opinion that the risk management processes and internal financial controls provide reasonable assurance that the financial records may be relied upon for the preparation of these Annual Financial Statements.

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 Δ symbol, and are fully described in annexure 1.

The directors are satisfied that the Group's forecasts, taking into account reasonably possible changes in performance and current market volatility, show that Thungela will continue to operate for the foreseeable future. For this reason, Thungela has adopted the going concern basis in preparing the consolidated and separate financial statements for the year ended 31 December 2025.

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The board of directors confirm that they have collectively reviewed the content of the Thungela Annual Financial Statements for the year ended 31 December 2025, and approved the same at their meeting on 20 March 2026, for presentation to shareholders at the next annual general meeting.

The Annual Financial Statements on pages 3 to 210 were approved by the board of directors and are signed on behalf of the directors by:

Sango Ntsaluba

Sango Ntsaluba
Chairman

23 March 2026

Moses Madondo

Moses Madondo
Chief executive officer

RESPONSIBILITY STATEMENT ON INTERNAL FINANCIAL CONTROLS

For the year ended 31 December 2025

Each of the directors, whose names are stated below, being the chief executive officer and the chief financial officer, hereby confirm the following:

- The Annual Financial Statements set out on pages 56 to 189 fairly present, in all material respects, the financial position, financial performance and cash flows of Thungela in terms of IFRS Accounting Standards.
- To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the Annual Financial Statements false or misleading.
- Internal financial controls have been put in place to ensure that material information relating to Thungela and its consolidated subsidiaries has been provided to effectively prepare the consolidated financial statements of Thungela.
- The internal financial controls are adequate and effective and can be relied upon in compiling the consolidated financial statements, having fulfilled our role and function as executive directors with primary responsibility for the implementation and execution of controls.
- Where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies.
- We are not aware of any fraud involving directors.

Moses Madondo

Moses Madondo

Chief executive officer

Deon Smith

Deon Smith

Chief financial officer

23 March 2026

CERTIFICATE BY THE COMPANY SECRETARY

For the year ended 31 December 2025

In terms of section 88(2)(e) of the Companies Act of South Africa, I, Tovi Ellis, in my capacity as company secretary, confirm that, to the best of my knowledge and belief, Thungela has filed with the Companies and Intellectual Property Commission all such returns and notices for the year ended 31 December 2025, as required of a public company in terms of the Companies Act of South Africa, and that all such returns and notices appear to be true, correct and up to date.

Tovi Ellis

Tovi Ellis

Company secretary

23 March 2026

ABOUT THIS REPORT

ABOUT THUNGELA

Thungela, which means 'to ignite' in isiZulu, is one of the largest producers and exporters 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 five mining operations located in Mpumalanga, South Africa, which consist of both underground and opencast mines, namely Greenside, Khwezela, Zibulo, Mafube and Annea. Thungela owns 100% of the Ensham Mine in Queensland, Australia, reinforcing its geographic diversification strategic pillar.

The establishment of Thungela Marketing International in Dubai underscores the Company's commitment to capturing the full margin on our 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.

THUNGELA'S 2025 ANNUAL REPORTING SUITE

This report is for the year ended 31 December 2025 and reflects the financial and operating results of Thungela, its subsidiaries, joint operations and associates.

The consolidated and separate financial statements have been prepared in line with the requirements of IFRS Accounting Standards and the South African Financial Reporting Requirements, and audited in compliance with the requirements of the Companies Act of South Africa.

This report is supplemented by additional disclosures and reporting included in our annual reporting suite, which includes the Integrated Annual Report and the Environmental, Social and Governance Report. These reports, which will be published on 22 April 2026, should be read together with the Annual Financial Statements for a complete understanding of our business and performance. The reports will be made available on our website at www.thungela.com/investors/annual-reports.



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



Our future is anchored in the choices we make to shape the future we want.

MOSES MADONDO
CHIEF EXECUTIVE OFFICER



Our 2025 results demonstrate another year of strong operational performance, highlighting our ability to control the controllables in a challenging thermal coal market environment. As I reflect on my time since joining Thungela, I am inspired by our people and the strong culture that is grounded in our values of safety, care and respect, accountability, excellence, agility and entrepreneurship.

The ongoing conflict in the Middle East following the recent US-Israeli actions involving Iran has raised new levels of uncertainty and has understandably caused concern, not only for the global economy but for peace, safety and security in the region. We are providing support to our colleagues in Dubai, prioritising their safety and well-being. The uncertainty brought about by the conflict has, once again, increased volatility in the energy market, impacting on the price of oil, gas and coal. We will continue to closely monitor the situation and the impact on our employees and operating environment.

Safety remains at the core of everything we do, ensuring that all our people return from work, safe and healthy each day. I am pleased to report that we have operated for three years without a loss of life. Our unwavering zero-harm mindset is guided by three critical focus areas – risk management, effective work management and a safety culture. The Group's total recordable case frequency rate increased to 2.83, from 1.93, primarily due to the challenging operating environment during the production footprint transition.

As a result, we have implemented targeted interventions for increased risk sections and work crews through leading indicator heatmaps.

Looking at our operational performance, we achieved or exceeded export saleable production guidance. In South Africa, we recorded export saleable production of 13.9Mt, exceeding the production guidance of 12.8Mt to 13.6Mt, reflecting strong performance at Mafube and the ramp-up at the Annea Colliery (previously known as the Elders project). In Australia, we overcame the challenging geological conditions of the first half of the year to deliver export saleable production of 4.0Mt, which was at the upper-end of the guidance range of 3.7Mt to 4.1Mt.

We have made meaningful progress in reshaping our business, enhancing operational flexibility and embedding resilience through the commodity cycle. The Annea Colliery and the Zibulo North Shaft life-extension projects were successfully delivered on time and within budget. Together with the advancement of the Lephalale Coal Bed Methane (LCBM) project and the disposal of assets, aimed at optimising our portfolio and further strengthening the balance sheet, this underscores our ability to execute on our strategic priorities.

Driving our ESG aspirations

Environmental, social and governance (ESG) remains fundamental to our strategy and operations. As a responsible environmental steward, we are committed to reducing scope 1 and 2 emissions by 30% by 2030, against a 2021 baseline, and to reach net zero by 2050. We are pleased to report that, in 2025, we recorded zero level 3 to 5 environmental incidents – the first time since listing in 2021.

Complementing these efforts, our socio-economic development investments remain integral to our purpose. The Thungela Education Initiative and the enterprise and supplier development programme, Thuthukani, continue to deliver measurable and meaningful benefits to schools and suppliers within host communities. The education programme aims to strengthen school leadership, enhance teaching capacity and provide psychosocial and learner support. Together, these programmes demonstrate our dedication to creating long-lasting, sustainable value for our stakeholders and helping to build communities that thrive beyond the life of our mines.

Our performance

In 2025, we delivered robust operational performance, supported by continued productivity gains and disciplined cost management. The Group recorded export saleable production of 17.8Mt, approximately 175kt higher than the output achieved in 2024. In South Africa, the free on board (FOB) cost per export tonne excluding royalties^Δ of R1,170 was below the guidance range of R1,210 to R1,290, highlighting the productivity improvements and cost efficiency initiatives, partially offsetting the impact of inflation and operational transition costs. At the Ensham Mine, the FOB cost per export tonne excluding royalties^Δ of R1,435 was also below the guidance range of R1,470 to R1,580, demonstrating the improved productivity and disciplined cost management.

Transnet Freight Rail (TFR) rail performance improved to 56.8Mt, compared to 51.9Mt in 2024. We recognise the tangible improvements achieved to date, through collaborative efforts between Transnet, the National Logistics Crisis Committee and the coal industry. Strengthening the coal logistics system benefits the broader industry, supporting both established producers and emerging participants, while reinforcing South Africa's position in global coal markets.

The Group reported revenue of R29.6 billion, a 17% decline compared to 2024, driven by lower benchmark coal prices and foreign exchange movements that resulted in a stronger South African rand relative to a weaker US dollar. Our South African operations achieved an average realised export price of R1,336 per tonne, a decrease of 20% compared to 2024. The Ensham Business achieved an average realised export price of R1,877 per tonne, which was 17% lower than in 2024.

The Group recognised non-cash impairment losses of R8.8 billion against our assets, reflecting lower benchmark coal price forecasts, the weakening of the US dollar and the strengthening of the South African rand. The impairment losses are non-cash in nature and do not affect the Group's liquidity or operational capacity.

The Group generated adjusted EBITDA^Δ of R1.2 billion and incurred a net loss of R7.1 billion for the year, impacted by the non-cash impairment losses. Despite the challenging market conditions, the Group generated R2.4 billion in cash flows from operating activities during the year. After investing R2.0 billion in sustaining capital^Δ, the Group remained free cash flow positive, generating adjusted operating free cash flow^Δ of R396 million for the year. The net cash^Δ at 31 December 2025 was R5.1 billion.

Portfolio optimisation in South Africa

We have remained focused on delivering on our strategic priorities. The Annea Colliery was developed to replace production from the Goedehoop Colliery and, as part of this transition, a number of employees and relevant equipment from Goedehoop Colliery have been successfully redeployed to Annea Colliery. This ensures continuity of skills and operational capability. The Zibulo North Shaft life extension project was completed and formally handed over to the operational team, with production ramp-up underway.

Our South African portfolio has continued its transition with the closure of the Goedehoop North and Isibonelo mines, where remaining coal reserves have reached the end of their economic lives. The Isibonelo mine, which supplied its production under a long-term domestic coal supply agreement, ceased operations in December 2025 following the conclusion of the contract. The mine has since transitioned into care and maintenance.

In line with our portfolio optimisation strategy, we have initiated a disposal programme for assets where remaining resources and infrastructure retain value in use but no longer provide optimal long-term economic benefit to the Group. At the end of 2025, we announced the sale of Goedehoop North and we have also concluded an agreement for the disposal of the Kleinkopje mining right at the Khwezela Colliery. These transactions include the transfer of remaining resources and associated infrastructure. The rehabilitation liabilities attributable to the areas being sold will transfer to the purchasers upon the completion of each transaction, which is expected in 2026. This showcases our ability to successfully execute on our strategic priorities, ensuring that we reshape our business and entrench resilience through the cycle.

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

CONTINUED

We have made progress on the LCBM project. The modular liquefied natural gas (LNG) demonstration plant is designed to validate the commercial viability and marketability of the resource. Once commissioned, the plant will supply gas to a generator at the Annea Colliery, enabling the operation to partially offset its reliance on Eskom electricity. Commissioning is expected to be completed during the first half of 2026.

Thermal coal market dynamics

Global economic activity remained subdued in 2025, shaped by the ongoing effects of geopolitics, trade tariffs and volatility in international trade. Rising inflationary pressures, shifts in economic sentiment and fluctuating financial markets further constrained global growth. Within this context, the strengthening of the South African rand placed additional pressure on the competitiveness of the country's export sectors.

The seaborne thermal coal market remained depressed for much of the year, largely due to weak demand in key coal-consuming countries. In China and India, seaborne demand fell short of expectations, as both countries continued to expand domestic production and accelerate investment in alternative energy sources. In Japan, Korea and Taiwan, higher utilisation of gas and nuclear power further reduced coal imports, contributing to sustained downward pressure on the Newcastle Benchmark coal price. Following a prolonged period of low benchmark coal prices across South Africa and Australia in 2025, the market experienced a moderate recovery towards the end of the year. This improvement was driven by restocking at major import hubs and increased demand from the Indian sponge iron market, which provided support for South African export coal.

On the supply side, sustained production levels from Indonesia, Australia and South Africa from late 2024 and throughout 2025 created an imbalance and the market could not fully absorb the increased supply throughout the year. We observed a level of supply discipline in Colombia, where production was curtailed due to the ongoing low coal price environment coupled with higher freight differentials. However, the supply discipline that was expected has not yet fully materialised.

According to the International Energy Agency (IEA), coal continues to be a reliable and affordable source of energy, supplying roughly a third of global electricity, and remains an integral component of energy security as the energy transition progresses. The IEA further notes that many countries are adopting a pragmatic approach that balances ongoing coal use with the deployment of emerging low-carbon technologies. Similarly, the World Economic Forum emphasises that energy transitions in emerging and developing economies must safeguard energy security and economic stability.

Premature or abrupt phase-out of coal risks electricity shortages, rising energy costs and socio-economic disruption, particularly for communities dependent on mining and related industries. Coal continues to underpin affordable electricity, support industrial and infrastructure development and enable economic growth.

Commitment to the capital allocation framework

Our capital allocation framework remains central to our strategy and we prioritise returns to shareholders through the cycle. In 2025, we returned R2.2 billion to shareholders through a combination of cash dividends and share buybacks. During the year, we completed two share buybacks for a total consideration of R469 million, or 4,858,231 shares, which represented 3.5% of issued share capital.

We continued to invest through the cycle, deploying R747 million in 2025 to complete the life extension projects. To date, we have invested a total of R4.2 billion in the Annea Colliery and Zibulo North Shaft, as well as R382 million on the LCBM project, to position the business for long-term competitiveness and value creation. The Group is not currently reserving cash to complete future capital expenditure commitments, as key life-extension projects in South Africa are now substantially complete.

A key element of our capital allocation framework is the cash collateralisation of our environmental liabilities. In South Africa, we contributed R203 million to the green fund and, in Australia, we made an additional R275 million contribution to an investment vehicle with a similar purpose.

The Group's dividend policy is to distribute a minimum of 30% of adjusted operating free cash flow^Δ. In the first half of the year, the Group generated adjusted operating free cash flow^Δ of R484 million, however, in the second half of the year, we incurred negative adjusted operating free cash flow^Δ of R88 million. This required the board to exercise its discretion in determining an appropriate ordinary cash dividend under the current circumstances.

The board remains committed to prioritising shareholder returns where the balance sheet allows for it and where the future prospects of the Group remain supportive of such a distribution. Accordingly, the board has approved a final dividend of R2 per share, or R281 million. Together with the interim dividend of R2 per share, or R281 million, and the R139 million share buyback completed following our interim results, this brings total shareholder returns relating to 2025 performance to R701 million, representing 177% of adjusted operating free cash flow^Δ.

The Sisonke Employee Empowerment Scheme and the Nkulo Community Partnership Trust will receive a further R31 million collectively, in addition to the interim contribution of R31 million.

These distributions result in the Group maintaining a cash buffer of approximately R4.7 billion, which the board considers to be appropriate given the current market environment. In addition, the Group holds undrawn credit facilities of R3.2 billion.

Looking ahead

In 2026, our immediate priorities remain clear: safety, operational excellence and capital allocation.

We remain committed to operating a fatality-free business while further strengthening our safety performance through our targeted interventions and by reinforcing our safety culture.

We continue to focus on controlling the controllables and driving operational excellence through productivity improvements and cost efficiency. These efforts will be supported by the successful ramp-up of the Annea Colliery and Zibulo North Shaft. On the LCBM project, we will continue to validate the commercial viability and marketability of the resource.

Thungela's capital allocation framework remains a cornerstone of our strategy and prioritises maintaining balance sheet resilience, ensuring the long-term sustainability of our assets, by investing through the commodity cycle, while also prioritising returns to shareholders. We continue to review our strategy to ensure that we deliver on our purpose – to responsibly create value together for a shared future.

I look forward to leading this great organisation with energy, ambition and confidence. Our people remain at the heart of everything we achieve – our future is anchored in the choices we make to shape the future we want.

Moses Madondo

Moses Madondo

Chief executive officer

23 March 2026



MARKET IN CONTEXT

MACROECONOMIC ENVIRONMENT

In 2025, the global economy faced numerous challenges, including evolving trade policies, a moderating energy market and elevated geopolitical risks, which affected growth and risk appetite in a number of major economies. Manufacturing targets in key coal-consuming countries were adjusted to account for rising trade-related barriers with the US, including revised tariff charges on imports and exports. Moreover, while the first half of the year reached price levels last seen in 2021, the second half of the year was characterised by heightened uncertainty due to geopolitical events and weak coal fundamentals that affected market sentiment. As a result, coal, oil and gas markets were under pressure, with reduced volatility than in previous years.

Prices were also impacted by weak demand from key seaborne markets, including China, India and Northeast Asian countries, as pressure to meet energy demand with domestic coal and alternative energy sources reduced the levels of their coal imports. Meanwhile, sustained production levels from Indonesia, Australia and South Africa, from late 2024 and throughout 2025, created a supply imbalance that the market could not fully absorb throughout the year.

The South African seaborne supply saw an increase in exports through RBCT as a direct result of Transnet's improved rail performance. Although industry volumes through RBCT were higher, the alternative ports saw a decline in throughput as weaker coal prices rendered the economics unfavourable. The majority of the exports from South Africa were placed into Southeast Asia, with India again accounting for over 50% of total exports through RBCT, and remaining the key market for South African coal.

The Australian market was stable in terms of exports, despite experiencing a brief disruption to coal movements caused by weather and port issues at Newcastle. The export volumes recovered well throughout the year and matched the 2024 export performance. There were changes in trade flows as a result of China and Northeast Asia taking in fewer coal imports. In turn, countries such as Vietnam and Malaysia saw a rise in Australian-origin coal, offsetting the declines elsewhere.

In terms of the broader seaborne market, Southeast Asia experienced an improvement in coal imports this year. The shift in trade flows towards the region between now and the rest of the decade is becoming even more apparent as the economies in this region continue to grow with significant infrastructure development. The main exporting countries are expected to intensify their strategic focus towards Southeast Asia, Africa and the Middle East, while Europe and other developed economies in Asia continue transitioning toward alternative energy sources.

PERFORMANCE IN SOUTH AFRICA

Thermal coal price and exchange rate	2025	2024
Richards Bay Benchmark coal price (US\$/tonne)	89.53	105.30
Average realised export price (US\$/tonne)	74.67	91.56
Average realised export price (Rand/tonne)	1,336	1,679
Realised price as a % of Richards Bay Benchmark coal price	83.4	86.9
ZAR:US\$ average exchange rate	17.89	18.34

The Richards Bay Benchmark coal price decreased by 15% year-on-year, averaging at USD89.53 per tonne in 2025, compared with USD105.30 per tonne in 2024.

In South Africa, we achieved an average realised export price of USD74.67, which represents a discount of 16.6% to the index, compared to 13.1% in 2024. The widening of the discount to index can mainly be attributed to weak market conditions, which resulted in higher discounts throughout the year despite a lower benchmark index.

PERFORMANCE IN AUSTRALIA

Thermal coal price and exchange rate	2025	2024
Newcastle Benchmark coal price (US\$/tonne)	105.37	134.85
Average realised export price (US\$/tonne)	104.93	124.00
Average realised export price (Rand/tonne)	1,877	2,274
Realised price as a % of Newcastle Benchmark coal price	99.6	92.0
ZAR:US\$ average exchange rate	17.89	18.34

The Newcastle Benchmark coal price decreased by 22% over the reporting period, with an average price of USD105.37 per tonne for the year, compared with USD134.85 per tonne in 2024.

At Ensham, we achieved an average realised export price of USD104.93, representing a discount of 0.4% against the Newcastle Benchmark coal price. This is an improvement when compared to the discount of 8.0% for 2024. The improvement in the discount to index is as a result of a higher percentage of fixed-price contracts concluded at higher price levels and lower discounts for index deals.

THE MARKET AHEAD

The recent production curtailment announcements from Indonesia, which potentially include one of the biggest cuts to export supply to date, have introduced uncertainty into the market and may disrupt the balance between supply and demand in the short term. The resulting improvement in coal prices since the end of 2025 is likely to ease downward pressure and establish a price floor above 2025 levels. Ongoing geopolitical tensions continue to influence global trade and energy markets and remain broadly price supportive for the energy markets, including thermal coal.

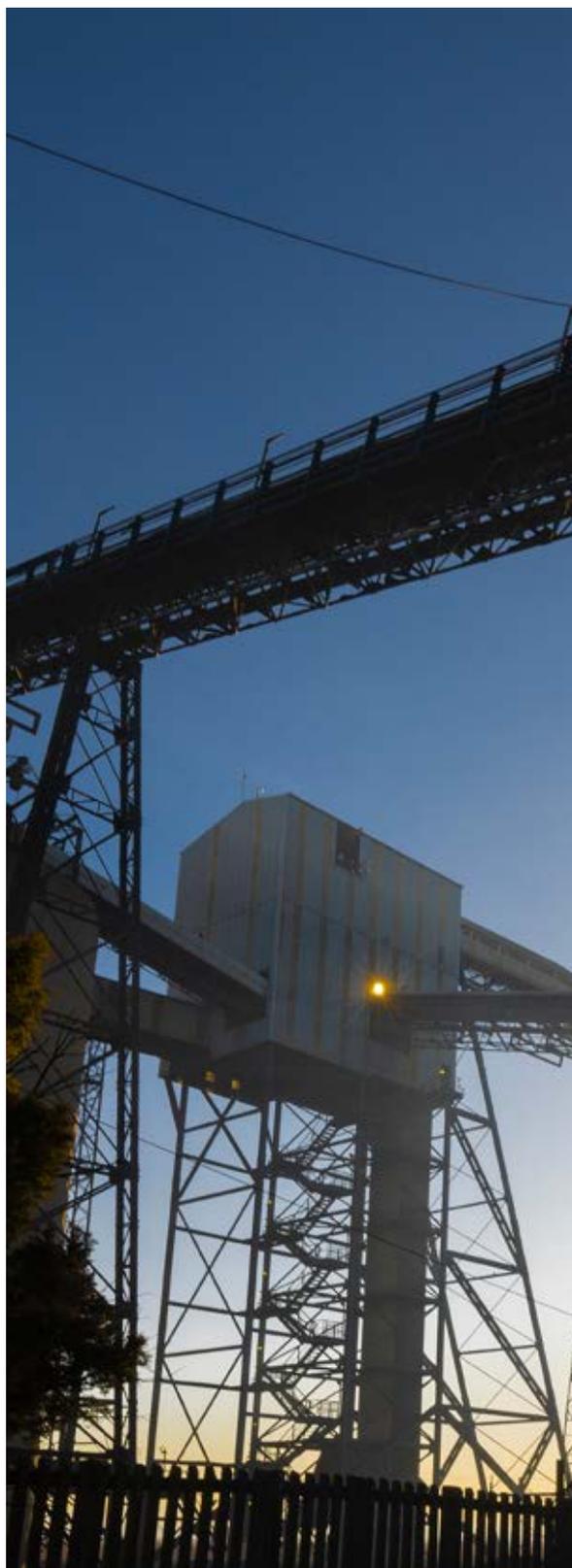
The ongoing conflict in the Middle East has raised energy security fears and resulted in an increase in the price of oil, gas and coal to high levels last seen in 2022 and 2023. The conflict has caused major supply disruptions in the Middle East, with particular concern to the Strait of Hormuz, which supplies approximately 20% of global oil and LNG. If the gas scarcity situation deepens, coupled with the Indonesian supply uncertainty, an expected demand surge will further contribute to the market imbalance.

The long-term fundamentals of coal remain in place. In developing economies, the starting point is energy security. Without reliable and affordable energy, industrialisation, job creation and economic growth are limited. Coal continues to provide immediate, firm and dependable power at scale, which renewable energy cannot yet deliver, reliably or affordably, in most emerging markets. Coal underpins critical industries such as steel, cement and manufacturing, which are foundational for infrastructure development and economic growth.

TRANSNET FREIGHT RAIL PERFORMANCE

TFR delivered steady operational improvements, with full-year rail performance reaching 56.8Mt, up from 51.9Mt in 2024, representing a 9.4% year-on-year increase. This performance underscores a more stable operational environment and reflects the benefits of TFR's ongoing efforts to improve rolling stock availability and strengthen network reliability through its various initiatives.

While operational and structural challenges persist across the freight rail network, the focus remains on strengthening system resilience, improving reliability, and enabling long-term sustainability of South Africa's bulk logistics corridor. Progress is being supported through closer collaboration between industry and Transnet, including improved system performance and operational alignment under the customer collaboration policy. We are encouraged by, and remain supportive of, the Department of Transport's rail reform programme and Transnet's efforts to advance reforms that are expected to improve logistics performance and facilitate greater private sector participation over time.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE

OUR ESG ASPIRATIONS

Driving our ESG aspirations is one of the five pillars of our business strategy. We recognise the inevitable decline in coal demand over coming decades. However, the current trajectory of global electricity needs suggests a more complex transition period. Our role is to provide the essential energy required today while responsibly managing our assets through the evolving energy landscape. We strongly maintain that as long as coal continues to be used, it is crucial for it to be mined responsibly. Our ESG framework guides this approach and is fully embedded in operations, projects and new initiatives under consideration.

OUR ESG PERFORMANCE

Our ESG performance can be analysed using the key metrics as set out below:

Key performance indicators	2025	2024
Safety and health		
Fatalities	—	—
Total recordable case frequency rate (TRCFR) – Group	2.83	1.93
TRCFR – South Africa	1.80	1.07
TRCFR – Australia	15.72	13.21
Environment		
Total energy consumed (million GJ) – Group	3.63	3.63
Total energy consumed (million GJ) – South Africa ¹	3.08	3.02
Total energy consumed (million GJ) – Australia	0.55	0.61
Energy intensity (MJ)/total tonne moved) ^{1,2}	16.78	14.27
Total scope 1 and 2 emissions (ktCO ₂ e) – Group	971	1,045
Total scope 1 and 2 emissions (ktCO ₂ e) – South Africa ¹	717	711
Total scope 1 and 2 emissions (ktCO ₂ e) – Australia ³	255	334
Carbon intensity (kg CO ₂ /total tonne moved) ^{1,2}	3.91	3.35
Freshwater abstraction (ML) – Group	896	1,170
Freshwater abstraction (ML) – South Africa	361	373
Freshwater abstraction (ML) – Australia	535	797
Water efficiency (reuse/recycle) (%) ²	95	97
Water treatment (%)	43	64
Number of level 3 – 5 environmental incidents	0	1
People		
Historically disadvantaged people in senior management (%) ^{2,4}	69	67
Women in senior management (%) ^{2,4}	36	36

¹ Indicators restated for 2024 due to a calculation error of electricity consumption at one site.

² These indicators are for South Africa only.

³ The Ensham fugitive emissions for 2024 have been restated due to a calculation error relating to flared waste gas.

⁴ These metrics reflect employees in senior management, including the Group executive committee.

SAFETY

We are unwavering in our commitment to zero harm, keeping safety at the core of everything we do, so that all of our people return home safe and healthy every day. At 31 December 2025, we had been operating for three years without a loss of life.

The year under review was a period of change as our operations transition which impacted the Group's risk profile. This, in turn, has impacted the safety performance across our operations.

The Group TRCFR increased to 2.83 in 2025 from 1.93 in 2024. In South Africa, the TRCFR increased to 1.80, from 1.07 in 2024. Ensham also saw an increase in its TRCFR, achieving a rate of 15.72 in 2025, from 13.21 in 2024.

Group total recordable injuries rose to 56 in 2025, from 41 in 2024.

To address our 2025 safety performance, we have implemented interventions aimed at targeting those areas with an increased risk. For example, two operations where a number of incidents occurred in close succession were placed on 'intensive care', where senior personnel from other operations provided additional oversight on both the physical and cultural aspects of safety. We also implemented a 'call to action' for all sites to identify potential vulnerabilities and areas for improvement. These interventions resulted in an improvement from the first half of the year to the second, with a 50% reduction in the number of recordable injuries at three sites.

Work is ongoing to align the safety principles at Ensham with that of the Group.

ENVIRONMENTAL STEWARDSHIP

In 2025, the Group recorded zero level 3 to 5 environmental incidents (2024: one level 3 incident). One compliance notice and two pre-directives were received and resolved during the year.

WATER MANAGEMENT

The freshwater abstraction at our South African operations dropped to 361 Megalitres (ML) in 2025 from 373ML in 2024. Freshwater abstraction at Ensham in 2025 was 535ML, significantly lower than 797ML in 2024, owing to improvements made around the sprays on the conveyor system and general preventative maintenance on this system to reduce the need for hosing of fines.

We have consistently achieved our target of 75% water reuse and recycling for the last five years, achieving 95% in 2025. We have also achieved our water treatment target of 40%.

We provide for post-closure water treatment costs using a combination of active and passive water treatment methods, based on research and development activities at our operations. The biological sulphate reduction passive treatment demonstration plant, commissioned in 2022, continues to yield positive results. The techno-economic assessment shows that the plant is more cost-effective than active reverse osmosis and generates less waste. However, it has longer treatment times, requires more land and faces permitting uncertainties as it would be the first of its kind. Further optimisation is also needed to improve the final water quality for irrigation use. The demonstration plant will run for another 12 months to reduce the retention times required and for additional irrigation trials.

We are also implementing other nature-based, post-closure water management solutions, including phytoremediation, a process that uses trees to stabilise water levels. To date, we have planted approximately 320,000 trees across our South African sites.

GREENHOUSE GAS EMISSIONS REDUCTION AND BASELINE UPDATE

In 2023, we published our target to reduce our scope 1 and 2 emissions by 30% by 2030 (from a 2021 baseline), and our pathway to achieve net zero by 2050.

Total scope 1 and 2 emissions for the Group in 2025 were 971ktCO_{2e}, 7.1% lower than the 1,045ktCO_{2e} in 2024 and 25% lower than the 2021 baseline. In South Africa, scope 1 and 2 emissions in 2025 were 717ktCO_{2e}, relatively stable compared to 711ktCO_{2e} in 2024. Carbon intensity was 17% higher at 3.91kg CO_{2e} per total tonne moved compared to 3.35kg CO_{2e} per total tonne moved in 2024. This increase is mainly due to the ramping down of Goedehoop North and Isibonelo Collieries and the opening of a new boxcut at Khwezela's Navigation pit.

Scope 1 and 2 emissions at Ensham were 255ktCO_{2e} in 2025 compared to 334ktCO_{2e} in 2024. This improvement is mainly due to the pre-drainage and flaring of the methane ahead of mining in each section.

Energy intensity in South Africa increased by 18% year-on-year to 16.78 Megajoules (MJ) per total tonne moved, from 14.27MJ per total tonne moved in 2024. Including Ensham, the total energy consumption for the Group in 2025 was the same as in 2024 at 3.63 million Gigajoules (GJ).

We continue to drive efficiency across our operations and to work towards our 2030 target. Central to our pathway to net zero is the incorporation of a minimum of 19 megawatts (MW) of renewable electricity by 2030. A procurement process for the remaining 15MW of renewables is underway.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

CONTINUED

CREATING VALUE FOR A SHARED FUTURE

We are committed to driving long-lasting social impact through our socio-economic development (SED) initiatives while fostering resilient community partnerships and transparent communication.

The Nkulo Community Partnership Trust launched three projects in 2025. These include replacing asbestos classrooms and ablution facilities at Mphephethe Primary School, developing the KwaGuqa water pipeline project and constructing the Bonginhlanhla Stimulation Centre for the Differently Abled in partnership with Mafube. A series of activations were held across the municipalities in which we operate to introduce the community trustees and inform community members about the funding application process.

In 2025, based on our performance, we contributed R62 million to the Sisonke Employee Empowerment Scheme and the Nkulo Community Partnership Trust, collectively.

In South Africa, our SED approach identifies four impact goals, which include improving access to quality education and skills development, improving access to income generation opportunities, improving access to quality community infrastructure and health services and reducing reliance on mines. By purposefully directing our actions toward these goals, we aim to bring about significant improvements in the wellbeing of people in our host communities.

We made significant strides in the implementation of the education initiative in 2025. Highlights include the provision of leadership support and coaching to principals and vice-principals at 45 schools, hosting grade 3 learner camps for over 4,500 learners to equip them with the tools to manage the transition to grade 4, as well as conducting first aid training for all 45 schools and donating first aid kits and setting up and equipping sick bays at the schools.

In 2025, we spent R32 million on enterprise and supplier development (ESD) initiatives. Our ESD programme, Thuthukani, empowers local small, medium and micro enterprises (SMMEs) to become sustainable businesses in South Africa. These initiatives benefited 12 suppliers, 31 enterprise development beneficiaries with business development support and 64 businesses that were aided through the programme's technical enablement initiative. To expose our host community SMMEs to other markets outside of Thungela, we invited 37 SMMEs to network with various delegates at the Black Business Council summit, as well as the G20 Youth Entrepreneurial summit.

A total of 10 Social and Labour Plan (SLP) projects were delivered across the business in 2025. These included four projects from the Annea Colliery's first SLP, aimed at sanitation, water, solar lights and inverter initiatives. We had further projects at Isibonelo (the Emzinoni Multipurpose Centre and Water Transfer Station), two from Goedehoop (the Mhluzi Industrial Park Cafeteria and Water Supply project), and one from Mafube (a Water Supply project benefiting three local farms).

OUR PEOPLE

We achieved Top Employer certification for the fourth consecutive year in 2025. We continue to make considerable improvements in key areas such as career development, diversity, equity and inclusion and wellbeing.

Our success relies on adaptable and driven individuals and teams, all of whom possess the expertise, abilities, and understanding necessary to thrive amid constantly evolving market conditions. The importance of learning and development is central to our human resources approach, as it enhances the effectiveness, security and long-term viability of our operations. In 2025, we spent R237 million on training, or 5.1% of our wage bill, compared to R195 million, or 4.6% of our wage bill, in 2024.

We saw an increase in the percentage of historically disadvantaged people in senior management, from 67% in 2024 to 69% for the year, while the representation of women in senior management remained steady at 36% in 2025.

GOVERNANCE

The board retains ultimate responsibility for the Group strategy. Oversight of systems and processes to identify, assess and manage environmental and social risks and opportunities, together with related reporting and ethics matters, has been delegated to the health, safety, environment and risk committee and the social, ethics and transformation committee.

The board welcomes the release of the King V™ Report on Corporate Governance for South Africa (King V)¹, which is effective for financial years commencing from 1 January 2026. Developments in the corporate governance landscape including amendments to the Companies Act of South Africa and increasing focus on social challenges, climate change, geopolitical tensions, regional conflicts and rapid technological innovation culminated in the publication of King V. In applying King V, the board will continue to consider the broader economic, social and environmental context in which the Group operates and align its governance practices with the 13 principles and recommended practices of King V.

¹ Copyright and trademarks are owned by the Institute of Directors of South Africa, and all its rights are reserved.

PRINCIPAL RISKS AND UNCERTAINTIES

Thungela is exposed to a broad range of risks arising from internal operations and external market conditions. Our risk assessment process is dynamic and iterative, focused on identifying and evaluating risks based on their likelihood and potential impact on the Group's strategic and operational objectives and within defined risk tolerances.

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.

The principal risks and uncertainties to which Thungela is exposed relate to:

- foreign exchange fluctuations;
- community relations;
- coal transport networks;
- employee safety and health;
- ESG and climate change;
- cyber and information security;
- strata and geotechnical failure;
- legislative exposure;
- commodity price;
- relocation and resettlement;
- environmental management;
- geopolitical; and
- event risks, including underground fires, gas and explosion, and shaft conveyance and shaft integrity failures.

The full report detailing the principal risks and uncertainties will be available in the Thungela Integrated Annual Report to be published in April 2026.

RESOURCES AND RESERVES

As at 31 December 2025

INTRODUCTION

For the reporting of the Coal Resources, Coal Reserves and Gas Resources, Thungela conforms to the South African Codes for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, 2016 (the SAMREC Code) and the Reporting of Oil and Gas Resources, 2025 (the SAMOG Code) adopted by the JSE. These codes are accepted as the minimum standards, recommendations and guidelines for the public reporting of Coal Resources, Coal Reserves and Gas Resources. The Group also conforms to Section 14 of the JSE Listings Requirements.

The estimates (tonnes and qualities) for individual assets are reported on a 100% basis and the attributable ownership is stipulated in the Coal Resources and Coal Reserves statement. Resources are reported on an exclusive basis.

STATEMENT BY THE LEAD COMPETENT PERSON

By signing this statement, the lead competent person, Bart Van de Steen, confirms that the information disclosed in this section is compliant with the various codes and Section 14 of the JSE Listings Requirements. The Coal Resources, Coal Reserves and Gas Resources are published in the form and context in which they are intended. The lead competent person has not been unduly influenced by Thungela or any person. The lead competent person has more than 30 years of relevant experience in the main commodity under consideration and is registered as a professional engineer with the Engineering Council of South Africa (ECSA).

Bart Van de Steen

Bart Van de Steen

Head of resource development and operational excellence

PhD

ECSA, Registration No: 20050122

COMPETENCY

Pursuant to the Section 14 of the JSE Listings Requirements, clause 8 of the SAMREC Code and clause 4 of the SAMOG Code, a written consent statement by the coal competent person has been signed in the individual asset competent person's report. A written consent statement by the qualified reserves evaluator for Gas Resources has also been received. They have consented to the inclusion of their estimates in the form and context in which they appear in this section.

A list of the competent persons and qualified reserves evaluator, their affiliation and relevant years of experience will be available in the Thungela Integrated Annual Report to be published in April 2026.

The full report detailing the resources and reserves for Thungela in line with the various codes will be available in the Thungela Integrated Annual Report to be published in April 2026.

RESOURCE AND RESERVE RECONCILIATION

2024 vs 2025

The 2025 Coal Resources and Coal Reserves estimations are derived from the competent persons' reports. Only significant and material changes to the resource and reserve base between 2024 and 2025 are recorded. These changes are tracked by the various reconciliation categories in the graphs below.

For the LCBM project, the resources are as reported in 2024. Since these resources are reported as unchanged, no reconciliation graph is required.

The opening balance for both Figure 1 and Figure 2 below includes the Coal Reserves and Coal Resources respectively of Annea and the Zibulo life extension that was reported under projects in the previous year.

The comparison between the total Coal Reserves, including mineral residue deposits, as at 31 December 2024 and 31 December 2025, is illustrated in Figure 1.

Production includes the tonnes mined and adjustments for the over-/underestimations of mining from the previous reporting period and the mining gains/losses during the reporting period.

Conversion from resources to reserves mainly cater for changes in modifying factors, mine design, the 2025 production outside of mine plan at various operations and to fulfil the contractual commitments at the mineral residue deposits.

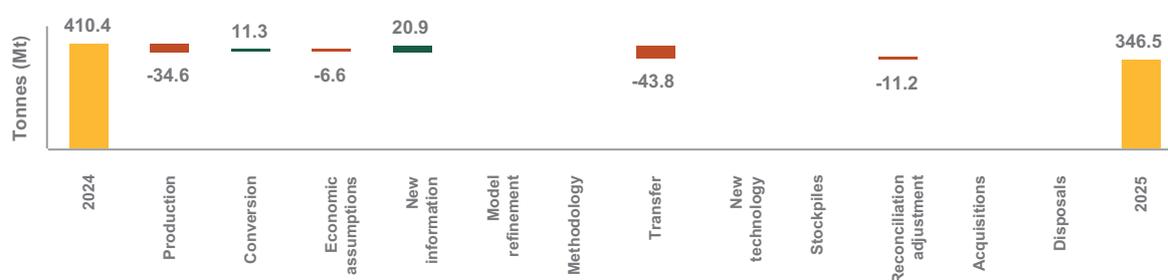
Economic assumptions relate to the updated economic footprints at Annea and Zibulo.

New information pertains to additional drilling information predominantly at Zibulo, as well as at Mafube and Khwezela North.

Transfer accounts for the transfer of reserves to resources outside the mine plan. At Ensham the transfer is driven by exclusions due to licensing and economic considerations. The near term 4 Seam at Mafube is excluded due to market uncertainty. Mine closures and end of mine considerations account for the transfers at Goedehoop North, Isibonelo and Khwezela North, while geological conditions drive the transfers at Zibulo.

Reconciliation adjustment mainly accounts for reserve losses due to coal sterilisation as a consequence of environmental commitments at Mafube and due to unforeseen geological structures at Ensham.

FIGURE 1: OPERATIONS – YEAR-ON-YEAR CHANGES IN COAL RESERVES 2024 vs 2025



The comparison between the total Coal Resources (excluding projects) as at 31 December 2024 and 31 December 2025 is illustrated in Figure 2.

Conversion from resources to reserves are mainly to cater for changes in modifying factors, mine design, the 2025 production outside of mine plan at various operations and to fulfil the contractual commitments at the mineral residue deposits.

Economic assumptions relate to the updated economic footprints at Annea and Zibulo.

New information pertains to the additional drilling information predominantly at Zibulo, as well as additional input to the models of the Goedehoop mineral residue deposits, Mafube and Khwezela North.

Model refinement involves the change in the geological model interpretation at Ensham and Mafube.

Methodology includes the resource estimation approach at Zibulo, Ensham and Annea.

Transfer accounts for the transfer of reserves to resources outside the mine plan. At Ensham the transfer is driven by the reserves exclusion due to licensing and economic considerations. The near term 4 Seam reserves at Mafube are excluded and transferred due to market uncertainty. Mine closures and end of mine considerations account for the transfers of reserves to resources at Goedehoop North, Isibonelo and Khwezela North, while geological conditions drive the transfers at Zibulo. An additional area at Greenside meets the reasonable prospects for eventual economic extraction criteria and is transferred to reportable resources.

Reconciliation adjustment accounts for various gains and losses at the operations including sterilized No 4U and No 5 Seam at Khwezela North, No 4L Seam at Mafube and at Ensham due to unforeseen faulting.

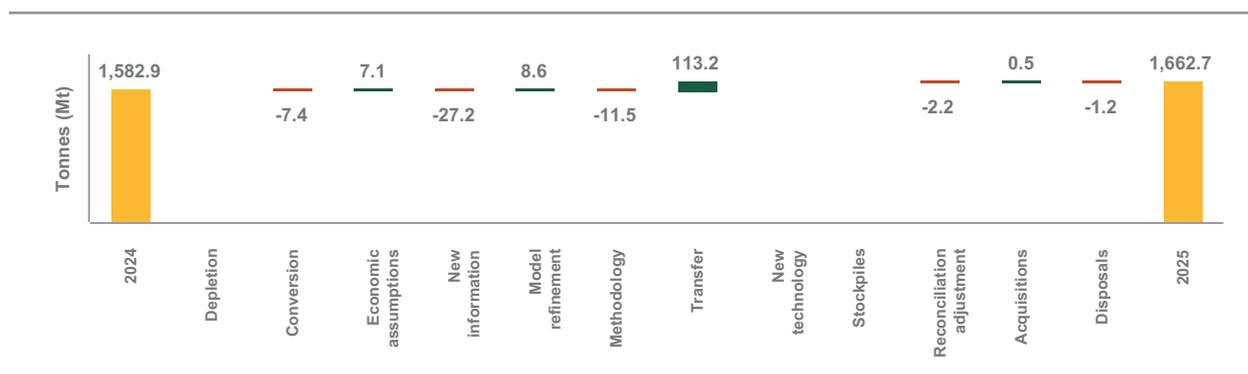
Acquisitions comprise the granted and executed Greenside Vlaklaagte Mining Right.

Disposals of Coal Resources at Goedehoop South account for the Goedehoop South MP 30/52/1/2/2/23 MR that was granted by court order, but not executed, consequently the resources are excluded.

RESOURCES AND RESERVES CONTINUED

As at 31 December 2025

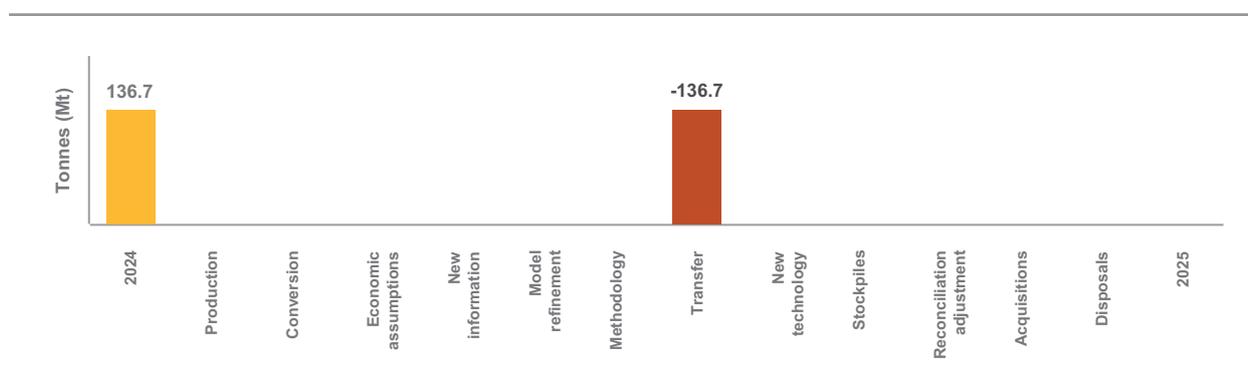
FIGURE 2: OPERATIONS – YEAR-ON-YEAR CHANGES IN COAL RESOURCES OUTSIDE MINE PLAN 2024 vs 2025



The comparison between the total Coal Reserves (Projects) of 31 December 2024 and 31 December 2025 is illustrated in Figure 3.

Transfer is due to Annea (previously known as Elders) and Zibulo life extension (previously known as Zondagsfontein West) now reporting under the reserves (operations) statement table.

FIGURE 3: PROJECTS – YEAR-ON-YEAR CHANGES IN COAL RESERVES 2024 vs 2025

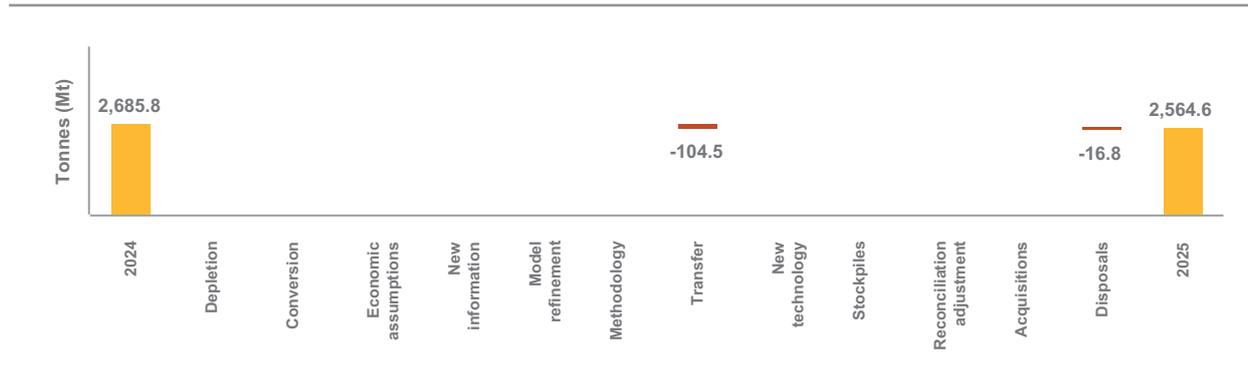


The comparison between the total Coal Resources (Projects) of 31 December 2024 and 31 December 2025 is illustrated in Figure 4.

Transfer is due to Annea (previously known as Elders) and Zibulo life extension (previously known as Zondagsfontein West) now reporting under the resources (operations) statement table.

Disposals account for the South Rand Elandsfontein 92 MR application that was withdrawn and abandoned - relevant notices have been issued by the High Court.

FIGURE 4: PROJECTS – YEAR-ON-YEAR CHANGES IN COAL RESOURCES 2024 vs 2025





**OUR
PERFORMANCE**

REVIEW OF FINANCIAL PERFORMANCE

For the year ended 31 December 2025

Net loss for the year
(R7.1) billion
(2024: R3.5 billion profit)

Headline loss per share
(R6.47)
(2024: R25.59 earnings per share)

Adjusted EBITDA[△]
R1.2 billion
(2024: R6.3 billion)

Net cash[△]
R5.1 billion
(2024: R8.7 billion)

Total dividend per share
R4.00
for the full year

Total returns of
R701 million
to shareholders

DEON SMITH
CHIEF FINANCIAL OFFICER



Our 2025 performance reflects the impact of a materially weaker market environment, with soft seaborne thermal coal prices and a weaker US dollar, coupled with a stronger South African rand, weighing on both revenue and margins. Notwithstanding this volatile market environment, the Group delivered robust operational results, maintained balance sheet strength and continued to advance our strategic growth projects. Our focus remained firmly on managing the factors within our control – safety, cost discipline, operational efficiency, delivery of our capital projects and responsible capital allocation. These actions have seen Thungela remain resilient through a challenging commodity cycle.

Seaborne thermal coal prices continued to soften in 2025, with the Richards Bay Benchmark coal price averaging USD89.53 per tonne, down from USD105.30 per tonne in 2024. The Newcastle Benchmark coal price declined by 22% to an average of USD105.37 per tonne in 2025 from USD134.85 in 2024. Prices were impacted by weak demand from key seaborne markets, as pressure to meet energy demand with domestic coal and alternative energy sources reduced their coal imports. Meanwhile, robust production during the year from Indonesia, Australia and South Africa created an oversupply imbalance that the market could not fully absorb. The medium-term outlook for seaborne thermal coal prices has also softened, due in part to increased domestic production in China and India, together with delayed global supply discipline.

Foreign exchange dynamics also had a material impact on the Group's financial performance. In 2025, the South African rand was stronger relative to the US dollar, trading at an average rate of R17.89 per dollar, compared to R18.34 in 2024.

This movement was driven in part by dollar weakness stemming from geopolitical uncertainty, as well as US trade and foreign policy. At the same time, the rand strengthened relative to the dollar, supported by changes in the South African Reserve Bank's monetary policy stance and renewed optimism in emerging markets more broadly, and South Africa in particular.

The stronger rand and softer benchmark coal prices created a dual headwind to realised prices and, consequently, to earnings in 2025. To support margin resilience in this weaker environment the Group implemented a targeted cost efficiency programme during the year, which delivered approximately R700 million in cost reductions.

The Group's long-term valuation is highly sensitive to movements in benchmark coal prices and the exchange rate as these variables are the primary drivers of future cash generation. The majority of our revenue is earned in US dollars, while our operating costs are denominated in South African rand or Australian dollars. As a result, a stronger producing currency lowers the realised cash value of export receipts, compressing margins even in an environment of strong operational performance.

The combination of stronger producing currency predictions and lower forward-looking benchmark coal prices, at this juncture, results in reduced expected future margins and, consequently, impacts the recognised carrying values of our property, plant and equipment (PPE).

As a result of the prevailing market conditions at the reporting date, as well as the forward-looking coal prices and exchange rate forecasts, we have recognised non-cash impairment losses on PPE of R8.8 billion. The impairment has reduced our PPE balance to R12.1 billion, which now predominantly consists of capital invested after our 2021 listing, including spending on our strategic projects and the purchase of Ensham. The impairment losses therefore largely reflect a write-off of historical capital that had not yet been fully depreciated, particularly at operations nearing the end of their life of mine.

The factors considered in the determination of the value of the recoverable amounts of our PPE also impact the recoverability of the deferred tax assets, reflecting the potential future tax benefit to be realised on our taxable income in subsequent periods. Deferred tax assets of R1.1 billion have not been recognised at the reporting date on the basis of the assessment performed.

The impairment losses and impact of not recognising the deferred tax assets are non-cash items that do not impact the Group's cash flow, liquidity, or operational continuity. Thungela's long-term fundamentals remain intact. At current benchmark prices, a significant component of the seaborne market is expected to be loss-making, suggesting that, with concomitant supply discipline, commodity prices may normalise in the longer term.

When considering the impact of the impairment losses and the deferred tax assets not recognised, Thungela incurred a net loss of R7.1 billion in 2025, comprising a loss of R4.8 billion and R2.3 billion in South Africa and Australia, respectively. After adjusting for the post tax impact of the impairment losses, and profit on asset sales, the Group incurred a headline loss of R839 million, or R6.47 per share for the year.

Earnings were supported by strong net finance income of R2.7 billion, driven largely by net financing gains of R1.9 billion, of which R2.3 billion is from derivative currency instruments, offset by forex movements on cash held in foreign currency.

Despite the challenging market environment, the Group generated R2.4 billion of cash flow from operations and, after spending on sustaining capital^Δ requirements of R2.0 billion, realised adjusted operating free cash flow^Δ of R396 million. The cash generated in the year benefited from a release of working capital of R1.2 billion. The net cash^Δ balance at 31 December 2025 was R5.1 billion.

We continued to demonstrate strong operational performance in 2025 and have outperformed guidance on the back of strong productivity figures at the operations, supported by improved TFR rail performance.

In South Africa, our operations delivered 13.9Mt of export saleable production, exceeding the guidance range of between 12.8Mt and 13.6Mt. This performance was driven mainly by productivity improvements and the ramp-up of Annea. The higher achieved production partially offset the impact of inflation on unit costs, resulting in an FOB cost per export tonne^Δ of R1,176 (R1,170 per tonne excluding royalties). This is below the guidance range of R1,220 to R1,300 and 2.2% higher than the prior year, despite the impact of inflation and a lower domestic revenue offset.

Ensham produced 4.0Mt (on a 100% basis), within the guidance range of between 3.7Mt and 4.1Mt, despite encountering geological challenges in the first half of the year. The resultant FOB cost per export tonne^Δ was R1,598 (R1,435 per tonne excluding royalties), below the lower end of the guidance range.

Export equity sales from our South African operations amounted to 13.7Mt, compared to 12.6Mt in the previous year. This improvement is mainly attributable to improved TFR rail performance. Free-on-truck sales from export stockpiles continued mainly in the first half of the year and amounted to 764kt for 2025. At Ensham, we realised 4.0Mt of export equity sales, on a 100% basis, in line with the production.

The average discount to the Richards Bay Benchmark coal price was 16.6% in 2025, compared to 13.1% in 2024. The widening of the discount to the index can be attributed to weaker market conditions, which resulted in higher discounts throughout the year despite a lower benchmark index.

The discount to the Newcastle Benchmark coal price in 2025 was 0.4%, compared to the discount of 8.0% in 2024. The significantly narrower discount was driven by a relatively higher proportion of fixed-price contracts in the sales book, which were concluded based on a higher Newcastle Benchmark coal price.

Capital expenditure for the Group was R3.1 billion. In South Africa, sustaining capital expenditure^Δ amounted to R1.4 billion, compared to the guidance range of R1.4 billion to R1.7 billion; while expansionary capital expenditure was R1.1 billion, compared to the guidance range of R1.1 billion to R1.2 billion. Expansionary capex is mainly related to the Zibulo North Shaft life extension and LCBM projects. Sustaining capital expenditure^Δ at Ensham of R602 million was below the guidance range of R700 million to R950 million.

REVIEW OF FINANCIAL PERFORMANCE CONTINUED

For the year ended 31 December 2025

DELIVERING ON OUR STRATEGIC PRIORITIES

We continued to make good progress in driving our ESG aspirations, strengthening our environmental commitments through sustained cash collateralisation of our environmental liabilities.

In South Africa, we contributed a further R203 million to the green fund, as required by the providers of the financial guarantees. We also spent R284 million on rehabilitation in South Africa, mainly at the Kromdraai and Bokgoni sites at Khwezela. In Australia, we contributed a further R275 million to the Ensham green fund to be used as cash collateral for the Ensham rehabilitation liability, while we continue to pursue acceptance into the Queensland Financial Provisioning Scheme, and spent a further R227 million on rehabilitation activities. These activities and further investments increased Group environmental liability coverage^Δ to 63%, compared to 54% at 31 December 2024.

The 2025 financial year marked a pivotal moment in reshaping our South African portfolio, as two operations reached the end of their economic lives. Goedehoop's reserves reached end of life at the end of 2025, with a number of the Goedehoop sections and people transitioning to Annea. Isibonelo concluded operations following the expiry of its coal supply agreement with Sasol in December 2025. A restructuring process was initiated as a result of these transitions and we have recognised R308 million in restructuring costs, which were settled by the end of January 2026.

In November 2025, we announced the sale of Goedehoop North – although economical reserves are mined out, the remaining infrastructure provides an opportunity for neighbouring operations with long-life resources to continue to realise economic benefit from the infrastructure. The sale includes the transfer of the associated rehabilitation liability and further optimises the South African portfolio while strengthening the balance sheet. We have also entered into an agreement for the disposal of the Kleinkopje mining right at Khwezela. These transactions are subject to normal regulatory approvals in South Africa and are not yet effective at the reporting date.

The Group's long-term sustainability remains dependent on our strategic life extension projects.

The Zibulo North Shaft project was successfully completed in 2025. With a capital investment of R2.5 billion to date, the project delivered its first coal in June 2025, meeting the planned schedule and budget. We spent R702 million on the project in 2025, and we expect to spend a further R100 million on completion activities in 2026.

The shaft has now been handed over to the operational leadership team, and production ramp-up is underway. Importantly, development work to enable the underground connection with the existing Zibulo workings is progressing according to plan, positioning the asset for long-term operational integration and value creation.

Annea continues to ramp-up, with four sections successfully transferred from Goedehoop and steady state capacity is expected to be reached in 2026.

During 2025, we acquired a modular LNG plant at the LCBM project site and started construction of the associated site infrastructure. The proof of concept wellfield development and water treatment plant was also completed in 2025 and dewatering and gas well ramp-up have commenced. A total of R382 million in capex has been spent to date, and the project is expected to reach completion in 2026, which will include gas-to-power installations, featuring two 3MW gas generators at the Annea Colliery.

DISCIPLINED CAPITAL ALLOCATION

Our capital allocation framework remains central to our strategy and focuses on maintaining balance sheet resilience, investing in our long-life assets, and delivering returns to shareholders through the cycle.

Although adjusted operating free cash flow^Δ was negative in the second half of the year, the Group's strong net cash position of R5.1 billion and a further R3.2 billion in undrawn facilities provide the liquidity needed to navigate market volatility while meeting our obligations. As a result, and demonstrating its commitment to shareholder returns, the board has declared a final dividend of R2 per share, or R281 million in aggregate.

Following these returns, the Group maintains a cash buffer of approximately R4.7 billion, which the board considers appropriate in the current market environment.

Together with the interim dividend and share buyback, total shareholder returns relating to 2025 amount to R701 million, representing 177% of adjusted operating free cash flow^Δ.

CONCLUSION

We once again delivered strong operational performance in 2025, while maintaining balance sheet flexibility and advancing our strategic priorities. The year was however characterised by price weakness, unprecedented foreign currency volatility and margin compression across the seaborne coal market, which negatively impacted our earnings.

The non-cash impairment losses reflect the realities of the current commodity cycle, but the quality of our assets, demonstrated operational excellence and robust balance sheet position continue to provide resilience and a solid foundation for long-term value creation.

We remain focused on controlling the controllables, including safety, operational performance and disciplined capital allocation, ensuring that we are able to continue to deliver on our purpose to responsibly create value together for a shared future.

REVIEW OF FINANCIAL PERFORMANCE CONTINUED

For the year ended 31 December 2025

FINANCIAL OVERVIEW

Rand million (unless otherwise stated)	2025	2024
Revenue	29,599	35,554
Operating costs	(31,297)	(31,751)
(Loss)/profit for the reporting period	(7,107)	3,544
Attributable to non-controlling interests	(22)	(48)
Attributable to the equity shareholders of the Group	(7,085)	3,592
(Loss)/earnings per share (cents/share)	(5,464)	2,676
Headline (loss)/earnings per share (cents/share)	(647)	2,559
Dividends per share (cents/share)	400	1,300
APMs^Δ		
Adjusted EBITDA	1,216	6,255
Adjusted EBITDA margin (%)	4.1	18
FOB cost per export tonne (Rand/tonne) – South Africa	1,176	1,151
FOB cost per export tonne excluding royalties (Rand/tonne) – South Africa	1,170	1,130
FOB cost per export tonne (Rand/tonne) – Ensham Business ¹	1,598	1,674
FOB cost per export tonne excluding royalties (Rand/tonne) – Ensham Business ¹	1,435	1,433
Adjusted operating free cash flow	396	3,589
Net cash	5,054	8,671
Capital expenditure	(3,087)	(3,396)
Environmental liability coverage (%)	63	54

OPERATIONAL OVERVIEW

kt

South Africa		
Run of mine	23,066	25,235
Export saleable production	13,853	13,595
Domestic saleable production	3,755	6,500
Total saleable production	17,608	20,095
Export equity sales	13,741	12,551
Third-party export sales	420	468
Domestic sales from thermal export stockpiles	764	1,095
Other industrial and domestic sales	4,000	5,476
Total sales	18,925	19,590
Ensham		
Run of mine ¹	3,897	3,423
Export equity saleable production ¹	3,897	3,458
Commodity purchases from Bowen ²	88	610
Total saleable production	3,985	4,068
Export equity sales ³	4,022	4,068
Total sales	4,022	4,068

¹ Results for the Ensham Business reflect 100% of the operations thereof from 28 February 2025. Prior to this date, the 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.

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 consolidated financial statements for the year ended 31 December 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 2A of the consolidated financial statements for further details.

REVENUE

Revenue decreased by 17% to R29.6 billion (2024: R35.6 billion), driven primarily by materially lower benchmark coal prices and a stronger South African rand against the US dollar.

Total revenue from our South African operations was R22.1 billion, a decline of 16% compared to R26.3 billion in 2024 – largely due to a 15% year-on-year decrease in the Richards Bay Benchmark coal price. Domestic revenue fell by R1.3 billion year-on-year due to the lower sales volumes from Isibonelo, lower industrial demand and the sale of the Rietvei Colliery in November 2024.

Our South African operations achieved an average realised export price of USD74.67 per tonne in 2025 compared to USD91.56 per tonne in 2024. Realisation as a percentage of the Richards Bay Benchmark coal price averaged 83.4% for 2025 (2024: 86.9%).

The widening of the discount to index can be attributed to weak market conditions, which resulted in higher discounts throughout the year despite a lower benchmark index.

Revenue from Australia decreased by 18% to R7.5 billion, compared to R9.3 billion in 2024, reflective of a 22% decline in the Newcastle Benchmark coal price year-on-year, offset by improved discounts.

Ensham achieved an average realised price of USD104.93 per tonne, compared to USD124.00 per tonne in 2024. The realised price as a percentage of the Newcastle Benchmark coal price averaged 99.6% for 2025. This narrow discount of 0.4%, compared to 8.0% in 2024, was the result of a higher proportion of fixed-price contracts concluded at prices above the benchmark coal price.

The stronger average exchange rate of the South African rand to the US dollar of R17.89 (2024: R18.34) had a negative translation impact on Group revenue, as export sales are denominated in US dollars.

OPERATING COSTS

Operating costs of R31.3 billion in 2025 reflect costs of R23.5 billion and R7.8 billion in South Africa and Australia, respectively, and have decreased by R454 million from R31.8 billion in 2024. The overall reduction reflects reduced on-mine cash costs, as well as lower commodity purchases and charges from environmental provisions.

Inflation impacted the business, increasing costs by 3.8% (2024: 4.9%) in South Africa and 3.9% in Australia.

Selling expenses in South Africa increased mainly due to the increased rail tonnes and in Australia following the acquisition of the 15% direct interest in Ensham.

The stronger average exchange rate increased the net foreign exchange losses on receivables from export sales by R487 million compared to 2024.

Environmental provisions are primarily influenced by the amount of concurrent rehabilitation activities concluded in a year, the annual independent cost assessment of the future cost to be incurred, as well as the rates used to discount expected cash flows. The resultant non-cash charge for 2025 was R879 million lower than in 2024.

Commodity purchases in Australia were R1.1 billion lower in 2025, mainly as a result of the acquisition of the 15% direct interest in Ensham, which was offset by an increase in cash costs of R577 million to reflect the increased production. This resulted in a net cost reduction of R476 million in Australia. In the South African operations, the decrease in commodity purchases of R317 million in 2025 relates primarily to the impact of the reduced benchmark prices.

On-mine cash costs decreased by R749 million year-on-year, with the South African operations contributing approximately R600 million from targeted cost austerity measures. These measures continued into 2026, recognising the ongoing margin pressure.

Royalties decreased by approximately R200 million in each of the South African and Australian operations respectively, due to lower realised prices.

Rbn



REVIEW OF FINANCIAL PERFORMANCE CONTINUED

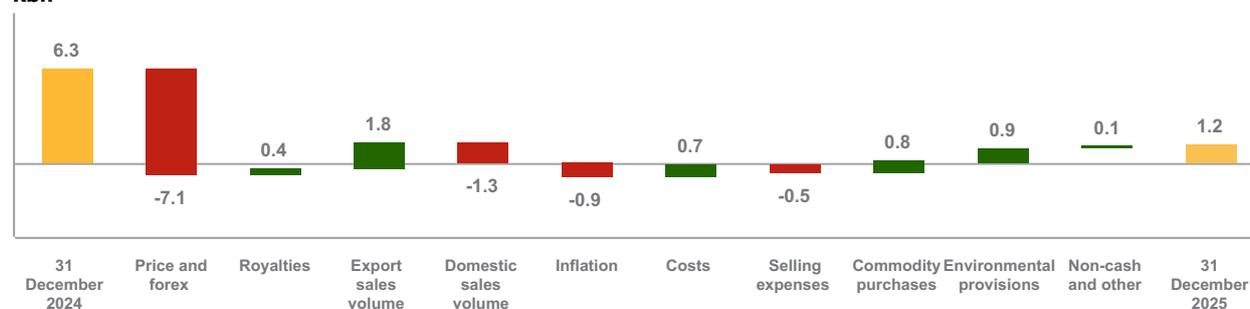
For the year ended 31 December 2025

ADJUSTED EBITDA^Δ

The Group generated adjusted EBITDA^Δ of R1.2 billion (2024: R6.3 billion) at an adjusted EBITDA margin^Δ of 4.1%, compared to 18% in 2024. The decline in earnings was mainly driven by lower benchmark coal prices and a stronger average exchange rate of our producing currencies to the US dollar.

The positive impact from the higher export volumes sold by the South African operations was countered by the lower domestic sales, mainly due to the lower production at Isibonelo.

Rbn



The movement in costs has been largely positive for the Group following targeted cost austerity, lower commodity purchases and a lower charge on the environmental provisions.

The Ensham Business contributed R851 million to adjusted EBITDA^Δ, while the South African business contributed R365 million – these figures include the margin earned by Thungela Marketing International.

PROFIT

We recorded a loss for the reporting period of R7.1 billion (2024: R3.5 billion profit), primarily driven by non-cash impairment losses of R8.8 billion (2024: R278 million) recognised across the South African operations (R7.1 billion) and the Australian operations (R1.7 billion).

Benchmark coal prices and exchange rates remain the primary drivers of long-term cash generation. As the majority of our revenue is earned in US dollars, while operating costs are largely denominated in the producing currencies, the relative strengthening of the South African rand and Australian dollar against the US dollar reduces the realised cash value of export receipts and places pressure on operating margins, despite solid operational delivery.

Benchmark prices have softened as a result of increased domestic supply from China and India, together with a lack of global supply discipline. The combination of stronger local currency predictions and lower forward-looking coal prices, results in reduced expected future margins and, consequently, impacts the carrying values of our PPE.

Based on the forward-looking prices and exchange rate forecasts at the reporting date, we have recognised impairment losses of R8.8 billion, reducing our PPE balance to R12.1 billion. This balance now consists mainly of capital invested subsequent to our listing in 2021, including spend on our strategic projects and the acquisition of Ensham. The impairment losses thus largely reflect a write-off of historical capital that had not yet been fully depreciated.

Given the outcome of the impairment assessment performed, the recoverability of the deferred tax assets, reflecting future available tax benefits, was re-assessed. Deferred tax assets of R1.1 billion have not been recognised, which has increased the loss recognised for the year.

The impairment losses and impact of not recognising the deferred tax assets are non-cash in nature and do not affect the Group's liquidity, cash flow or operational continuity. Importantly, our long-term fundamentals remain intact. At the prevailing benchmark prices, a significant portion of the seaborne market is expected to be loss-making, which suggests that, with concomitant supply discipline, prices may normalise in due course.

As part of our foreign currency risk management activities, the Group entered into and settled several contracts for the sale of foreign currency in 2025. Net finance income of R2.7 billion includes R2.3 billion from gains on derivatives held over future conversions of foreign currency, of which R1.3 billion has been realised in cash.

The Group recognised an income tax credit of R889 million for 2025 as a result of losses incurred in the various underlying statutory entities.

Excluding the after-tax impact of the impairment losses and profit on asset disposals, the Group incurred a headline loss of R839 million, compared to headline earnings of R3.4 billion in 2024.

EARNINGS PER SHARE AND HEADLINE EARNINGS PER SHARE

The loss attributable to the equity shareholders of the Group of R7.1 billion is equivalent to a loss of R54.64 per share, compared to earnings of R26.76 per share in 2024.

The headline loss attributable to the equity shareholders of the Group of R839 million is equivalent to a loss of R6.47 per share, compared to headline earnings of R25.59 per share in 2024.

To determine the headline loss for the year, the loss attributable to the equity shareholders of the Group was adjusted for the after-tax impact of the impairment losses, partially offset by the profit on disposal of assets.

These per share figures are based on a weighted average number of shares outstanding of 129,655,457 (2024: 134,238,447), with the decrease largely attributable to the impact of the share buybacks undertaken in the year.

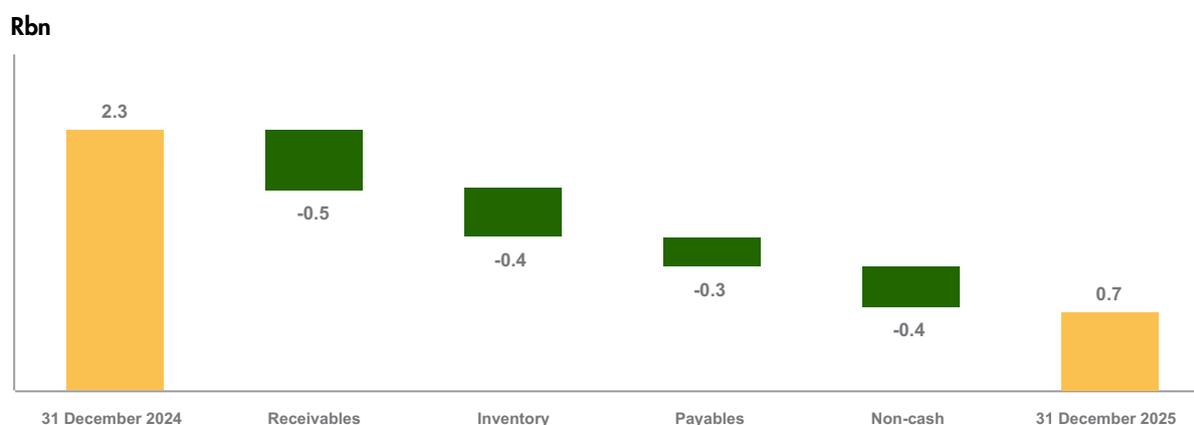
NET WORKING CAPITAL

Net working capital at 31 December 2025 was R753 million (31 December 2024: R2.3 billion).

The decrease in net working capital is mainly attributable to the movement in trade receivables, which was impacted by lower realised coal prices and a stronger South African rand at the reporting date.

Inventory balances reduced mainly as on-mine stockpiles in South Africa reduced, enabled by improved TFR performance and higher sales volumes.

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



REVIEW OF FINANCIAL PERFORMANCE CONTINUED

For the year ended 31 December 2025

ADJUSTED OPERATING FREE CASH FLOW^Δ AND CASH AND CASH EQUIVALENTS

The Group generated R2.4 billion in cash flows from operations and, after funding our sustaining capital expenditure^Δ of R2.0 billion, generated adjusted operating free cash flow^Δ of R396 million (2024: R3.6 billion). This demonstrates the portfolio's continued cash-generating ability, despite the impact of weaker market conditions on revenue and earnings.

Strong operational performance, particularly in South Africa, supported by improved rail performance and higher sales, helped offset the impact of lower realised prices.

The difference between the adjusted EBITDA^Δ and the adjusted operating free cash flow^Δ generated is mainly attributable to the impact of derivative settlements, a release of working capital, sustaining capex^Δ, cash spent on environmental and other provisions and tax payments.

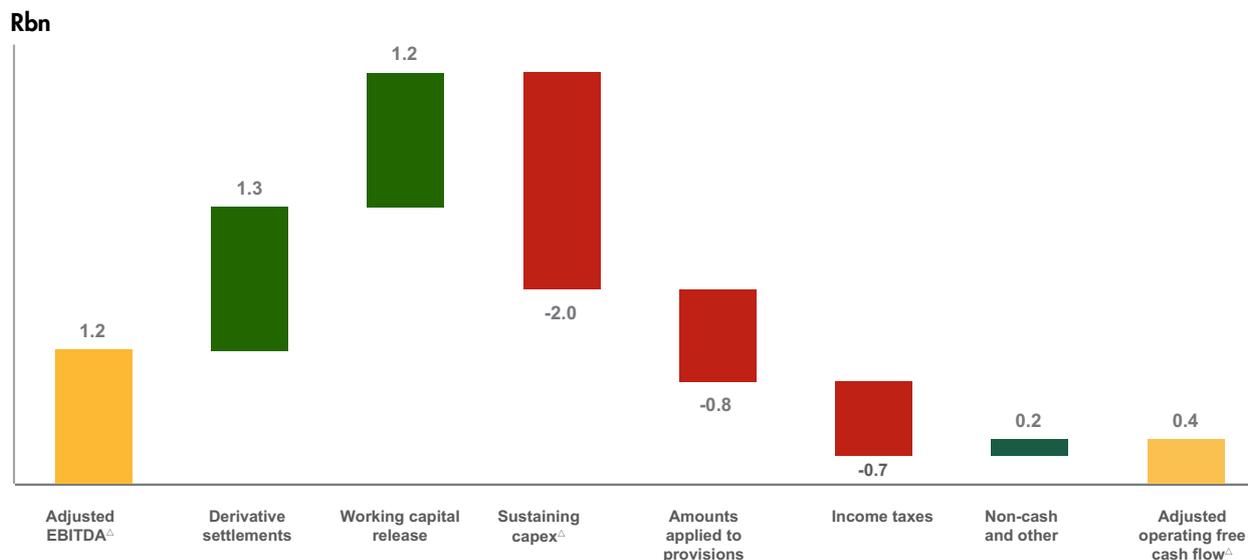
Adjusted operating free cash flow^Δ was positively impacted by the cash inflows from the settlement of derivative contracts related to the sale of foreign currency, amounting to R1.3 billion.

In total, sustaining capex^Δ reduced adjusted operating free cash flow^Δ by R2.0 billion, reflecting R1.4 billion in South Africa and R602 million at Ensham.

Amounts applied to reduce environmental and other provisions of R841 million include R511 million spent on continued rehabilitation work focused on the Khwezela Colliery and at Ensham, as well as the payment of the restructuring costs related to Goedeheop and Isibonelo.

The Group paid income taxes of R683 million, of which R490 million related to Ensham.

The Group ended the year with cash and cash equivalents of R6.1 billion. After deducting the R1.0 billion cash held in the trusts, net cash^Δ amounted to R5.1 billion at the end of the year.



ENVIRONMENTAL PROVISIONS

Environmental provisions are comprehensively assessed on an annual basis and determined with assistance from specialist independent environmental consultants.

The environmental provisions recognised at 31 December 2025 amounted to R12.8 billion (2024: R12.0 billion), with the increase mainly as a result of the acquisition of the 15% direct interest in Ensham.

Investments ringfenced in the environmental rehabilitation trusts and the green funds in South Africa and Australia equated to R8.0 billion (2024: R6.4 billion).

In South Africa, in line with our commitment to the providers of financial guarantees, we contributed R203 million to the green fund in 2025. In Australia, we contributed a further R275 million to an investment vehicle, similar to the green fund, to secure the financial surety required by the Queensland Financial Provisioning Scheme rules.

Our environmental liability coverage^Δ for the South African operations has increased to 83%. When combined with the Ensham Mine, Group coverage has increased to 63% (2024: 54%), as we continue our efforts to cash collateralise our rehabilitation obligations.

SOUTH AFRICAN OPERATIONS

OPERATIONAL PERFORMANCE

Run of mine production decreased by 8.6% to 23,066kt (2024: 25,235kt). The decline was mainly driven by high rainfall at Khwezela and Isibonelo in the first half of the year, and operational challenges at several underground sections. These impacts were partially offset by the continued ramp-up at Annea. The prior year run of mine also benefited from the contribution of Rietvlei, up to its sale in November 2024.

Export saleable production increased by 1.9% to 13,853kt (2024: 13,595kt). Higher production was supported by the ramp-up of Annea and improved equipment efficiency at Mafube, which countered lower yields at Zibulo and Greenside and weather-related disruptions at Khwezela.

Export equity sales increased by 9.5% to 13,741kt (2024: 12,551kt), reflecting improved rail performance from TFR.

Our strategy to manage on-mine stockpile capacity continued through the sale of lower quality export coal into the domestic market through free-on-truck sales of 764kt (2024: 1,095kt) mainly in the first half of the year.

Domestic saleable production decreased by 42% to 3,755kt (2024: 6,500kt), driven primarily by reduced production at Isibonelo, which was negatively impacted by heavy rainfall, the sale of Rietvlei in 2024 and a decline at the other operations as a result of reduced domestic demand. Domestic sales decreased by 27% to 4,000kt (2024: 5,476kt).

FOB COST PER EXPORT TONNE^Δ

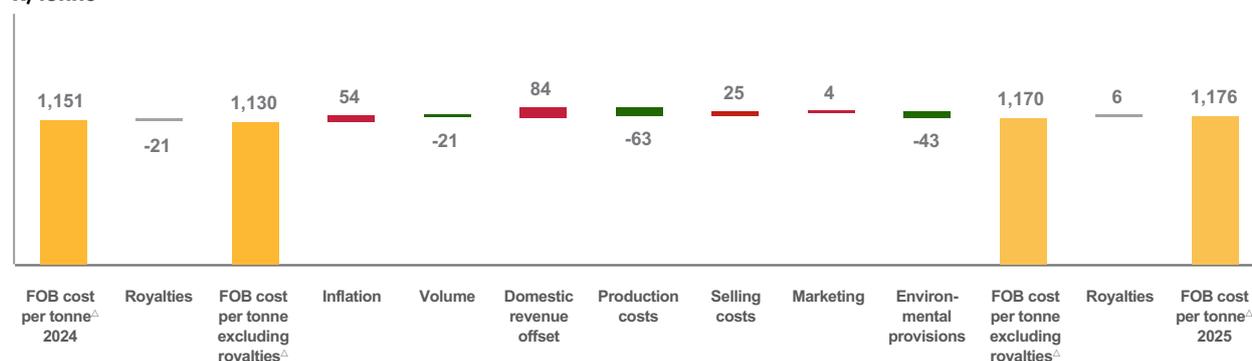
The FOB cost per export tonne excluding royalties^Δ was R1,170 in 2025, compared to R1,130 in the previous year.

The increase was mainly due to inflationary pressures, a lower domestic revenue offset, and higher selling costs.

Higher export production, lower production costs and a reduced non-cash charge related to the annual reassessment of environmental provisions partially curtailed the upward pressure on unit costs.

Including royalties, the FOB cost per tonne^Δ increased by 2.2% to R1,176, compared to R1,151 in 2024.

R/tonne



CAPITAL EXPENDITURE

Capital expenditure in South Africa totalled R2.5 billion (2024: R2.8 billion), comprising both sustaining capex^Δ and expansionary capex.

Stay-in-business capex of R1.1 billion (2024: R903 million) was mainly spent on machine overhauls.

Stripping and development capex increased to R306 million (2024: R192 million), largely driven by work undertaken to access life-of-mine reserves at Khwezela.

Expansionary capex of R1.1 billion in 2025 included R702 million on the Zibulo North Shaft project and R45 million on the Elders project. The projects are both complete – R100 million remains to be spent on Zibulo North Shaft in the first half of 2026. The LCBM project is also progressing well, with R382 million spent to date (R361 million in 2025). The LNG will initially be used to generate power at our Annea operation. The generators and regassification equipment have been procured and installation has commenced.

REVIEW OF FINANCIAL PERFORMANCE CONTINUED

For the year ended 31 December 2025

ENSHAM BUSINESS

OPERATIONAL PERFORMANCE

In 2025, Ensham produced 3,985kt of export saleable production on a 100% basis, inclusive of 88kt purchased from Bowen (prior to the acquisition of the 15% direct interest in Ensham). This compares to 4,068kt on a 100% basis in 2024.

As anticipated, the marginally lower production in 2025 reflects the impact of geological challenges encountered in the first half of the year.

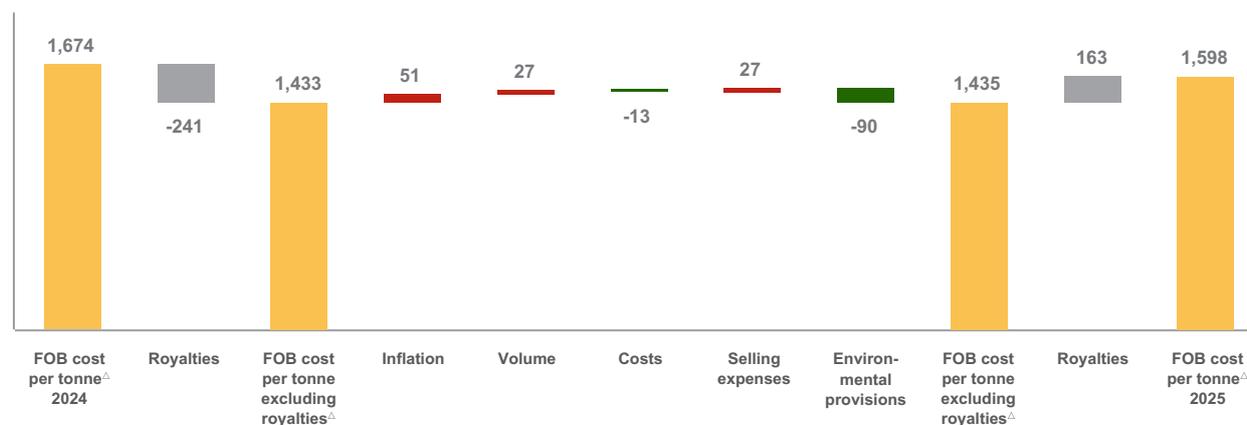
Export equity sales totalled 4,022kt (2024: 4,068kt), including volumes sold domestically in Australia at export-parity prices or better.

FOB COST PER EXPORT TONNE^Δ

The FOB cost per export tonne excluding royalties^Δ remained flat at R1,435 per tonne (2024: R1,433 per tonne). This was largely due to a lower non-cash charge on the environmental provisions, offset by inflation and higher selling expenses following above inflationary rate adjustments and additional rail acquired to fulfil sales commitments.

Including royalties, the FOB cost per tonne^Δ was R1,598 (2024: R1,674 per tonne). The lower royalty expense in 2025 is consistent with the softer benchmark price environment.

R/tonne



CAPITAL EXPENDITURE

The Ensham Business incurred sustaining capital expenditure of R602 million in 2025 (2024: R605 million), which was spent mainly on machinery overhauls and acquiring new mining equipment to address operational requirements.

CAPITAL ALLOCATION

Thungela's capital allocation framework remains a cornerstone of our strategy and prioritises maintaining balance sheet resilience, ensuring the long-term sustainability of our assets by investing through the commodity cycle, while also prioritising returns to shareholders.

Despite a materially weaker price environment and stronger producing currencies against the US dollar, the Group generated R2.4 billion in cash flow from operating activities in 2025. We continued to invest in the long-term future of the business, investing R2.0 billion in sustaining capital expenditure^Δ during the year. After sustaining capital^Δ, the Group generated adjusted operating free cash flow^Δ of R396 million.

We continued to increase our environmental liability coverage^Δ, contributing R203 million to the green fund in South Africa and R275 million to an Australian rehabilitation investment vehicle. Environmental liability coverage^Δ was 63% at the end of 2025, compared to 54% at the end of the previous year.

At 31 December 2025, the Group's net cash^Δ position was R5.1 billion. In addition, we have access to a further R3.2 billion of undrawn facilities. This robust liquidity position ensures that we remain well placed to manage market volatility and fund our investments through the cycle, while at the same time allowing for shareholder returns.

With our key life-extension projects in South Africa now substantially complete, the Group is not currently reserving cash to complete future capital expenditure commitments.

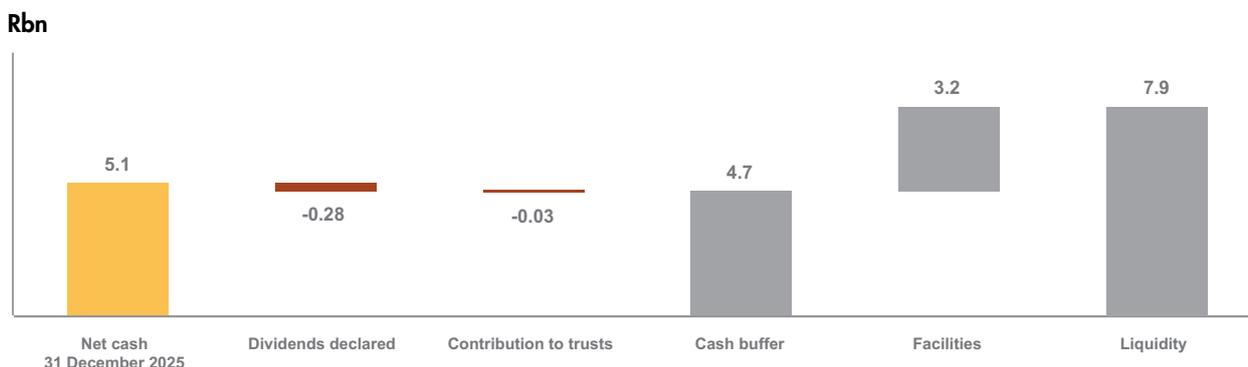
The Group's dividend policy is to distribute a minimum of 30% of adjusted operating free cash flow^Δ in the preceding period to shareholders. However, for the second half of 2025, we incurred negative adjusting operating free cash flow^Δ of R88 million (compared to R484 million generated in the first half), which required the board to exercise its discretion in determining an appropriate ordinary dividend under the current circumstances.

The board remains committed to prioritising shareholder returns where the balance sheet allows for it and where the future prospects of the Group remain supportive of such a payout. Accordingly, the board has approved a final dividend of R2 per share, or R281 million.

Together with the interim dividend of R281 million and share buyback of R139 million completed following our interim results, this brings total shareholder returns relating to 2025 performance up to R701 million in aggregate, representing 177% of adjusted operating free cash flow^Δ generated in 2025.

The Sisonke Employee Empowerment Scheme and the Nkulo Community Partnership Trust will also receive a further R31 million collectively. This is in addition to the R31 million they received based on the results in the first half of the year.

These distributions result in the Group maintaining a cash buffer of approximately R4.7 billion, which the board considers to be appropriate given the current market environment.



This graph does not reflect historical financial information, other than the net cash^Δ balance at 31 December 2025. This is accordingly a conceptual representation of the intended utilisation of the net cash^Δ on hand at the reporting date.

REVIEW OF FINANCIAL PERFORMANCE CONTINUED

For the year ended 31 December 2025

OPERATIONAL GUIDANCE – 2026

	South Africa	Ensham
Export saleable production (Mt)	13.0 – 13.6	3.9 – 4.2
FOB cost per export tonne ^Δ (Rand/tonne)	1,330 – 1,380	1,650 – 1,740
FOB cost per export tonne excluding royalties ^Δ (Rand/tonne)	1,320 – 1,370	1,480 – 1,570
Capital – sustaining ^Δ (Rand million)	700 – 1,000	500 – 700
Capital – expansionary (Rand million)	100	nil

SOUTH AFRICAN OPERATIONS

Export saleable production guidance for 2026 of 13.0Mt to 13.6Mt reflects the changes in our production footprint, coupled with an expectation of further improvements in TFR performance.

Our production footprint is in transition. The Annea Colliery continues to ramp-up and is expected to reach steady state production run rates in 2026 – replacing volumes from Goedehoop following its closure at the end of 2025. Zibulo North is also in ramp-up and is expected to reach steady state production run rates in 2027, while 2026 will be the final year for the Zibulo opencast operation. Production in 2027 is expected to be broadly in line with 2026.

FOB cost per export tonne excluding royalties^Δ is expected to be between R1,320 and R1,370, in line with previous guidance assumptions adjusted for inflation. The equivalent cost including royalties is expected to be between R1,330 and R1,380 per tonne.

Sustaining capital expenditure^Δ is expected to range between R700 million and R1.0 billion. Expansionary capital expenditure of approximately R100 million is expected in 2026, primarily related to completion activities at the Zibulo North Shaft.

ENSHAM

Export saleable production guidance for 2026 is 3.9Mt to 4.2Mt. The mine has a more stable operating base and is now better equipped to traverse geological faults, while we have also made good progress on improving productivity. Production in 2027 is expected to be broadly in line with 2026 levels.

FOB cost per export tonne excluding royalties^Δ is expected to be between R1,480 and R1,570 in 2026. The equivalent cost including royalties is expected to range between R1,650 and R1,740 per tonne.

Sustaining capital expenditure^Δ at Ensham is expected to be between R500 million and R700 million.

REVIEW OF OPERATIONAL PERFORMANCE

For the year ended 31 December 2025

UNDERGROUND OPERATIONS

GOEDEHOOP COLLIERY

	2025	2024
Fatalities	—	—
TRCFR	1.46	1.10
Total saleable production (kt)	3,700	3,378
Export saleable production (kt)	2,724	2,258
Domestic production (kt)	976	1,120
FOB cost per tonne ^Δ (Rand/tonne)	1,298	1,420
FOB cost per tonne excluding royalties ^Δ (Rand/tonne)	1,290	1,388
Capex (Rand million)	—	—

Safety

Goedehoop recorded a TRCFR of 1.46, compared to 1.10 in 2024. Total mining activity reduced as the operation approached the end of life, and sections were planned to transition to Annea. These lower hours contributed to a higher frequency rate, notwithstanding the fact that the mine recorded three recordable incidents in 2025, the same number as in the prior year.

Performance

Export saleable production of 2,724kt for the year was 21% higher than the comparative period, largely as a result of coal from Annea (1,031kt) being washed at Goedehoop. This was done in order to utilise the capacity in the Goedehoop processing plant while the long-term processing solution for Annea was still being brought online.

Domestic saleable production decreased by 13% to 976kt as demand from domestic customers reduced.

FOB cost per tonne excluding royalties^Δ of R1,290 was 7.1% lower than the comparative period due to the higher production.

Reserves at Goedehoop reached the end of economic life and the mine transitioned into care and maintenance at the end of 2025.

GREENSIDE COLLIERY

	2025	2024
Fatalities	—	—
TRCFR	1.60	1.11
Total saleable production (kt)	2,253	2,312
Export saleable production (kt)	2,253	2,312
Domestic production (kt)	—	—
FOB cost per tonne ^Δ (Rand/tonne)	1,333	1,177
FOB cost per tonne excluding royalties ^Δ (Rand/tonne)	1,334	1,143
Capex (Rand million)	44	21

Safety

Greenside recorded a TRCFR of 1.60, compared to 1.11 in the prior year, following four recordable incidents in 2025 (2024: three incidents).

Performance

Export saleable production of 2,253kt for the year was 2.6% lower than the comparative period. This decrease was driven primarily by lower yields.

FOB cost per tonne excluding royalties^Δ of R1,334 was 17% higher than the comparative period, mainly due to lower production and higher maintenance costs aligned to the mine's current operational strategy. These costs are expected to moderate as the Greenside operation nears its end of life.

REVIEW OF OPERATIONAL PERFORMANCE

CONTINUED

For the year ended 31 December 2025

ZIBULO COLLIERY

	2025	2024
Fatalities	—	—
TRCFR	2.56	0.79
Total saleable production (kt)	4,535	5,004
Export saleable production (kt)	4,535	5,004
Domestic production (kt)	—	—
FOB cost per tonne ^Δ (Rand/tonne)	1,127	1,054
FOB cost per tonne excluding royalties ^Δ (Rand/tonne)	1,122	1,049
Capex (Rand million)	950	1,508

Safety

Zibulo recorded a TRCFR of 2.56, compared to 0.79 in the prior year, following eight recordable incidents (2024: three incidents). The mine continuously reinvigorates the safety campaigns to regain previous benchmark performances and this remains a focus area for the executive.

Performance

Export saleable production of 4,535kt in 2025 was 9.4% lower than the prior period, driven by lower yields and operational challenges.

FOB cost per tonne excluding royalties^Δ of R1,122 was 7.0% higher, mainly as a result of the lower production, as well as higher maintenance consumables and contractor costs associated with the ramp-up of the North Shaft.

ENSHAM MINE

	2025	2024
Fatalities	—	—
TRCFR	15.72	13.21
Total saleable production (kt)	3,985	4,068
Export saleable production ¹ (kt)	3,897	3,458
Commodity purchases from Bowen (kt) ²	88	610
Domestic production (kt)	—	—
FOB cost per tonne ^Δ (Rand/tonne)	1,598	1,674
FOB cost per tonne excluding royalties ^Δ (Rand/tonne)	1,435	1,433
Capex (Rand million)	602	605

Safety

Ensham recorded a TRCFR of 15.72 in 2025, a deterioration from 13.21 last year. Our focus remains on reducing recordable injuries at Ensham through targeted safety improvement plans for 2026.

Performance

Ensham produced 3,985kt of export saleable production on a 100% basis in 2025, marginally lower than 2024 due to the impact of geological challenges experienced in the first half of the year. Total saleable production includes 88kt of commodity purchases from Bowen in the first quarter, compared to 610kt in 2024.

The FOB cost per tonne^Δ was R1,598 per tonne, or R1,435 per tonne excluding royalties. The lower cost compared to the prior year is attributable to a lower non-cash adjustment related to the environmental provisions, offset by inflation and higher selling expenses.

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.

OPENCAST OPERATIONS

KHWEZELA COLLIERY

	2025	2024
Fatalities	—	—
TRCFR	0.75	0.46
Total saleable production (kt)	2,012	2,239
Export saleable production (kt)	2,012	2,239
Domestic production (kt)	—	—
FOB cost per tonne ^Δ (Rand/tonne)	1,464	1,130
FOB cost per tonne excluding royalties ^Δ (Rand/tonne)	1,469	1,112
Capex (Rand million)	336	133

Safety

Khwezela recorded a TRCFR of 0.75 in 2025, with two recordable incidents, compared with 0.46 and one incident in the prior year.

Performance

Export saleable production decreased by 10% to 2,012kt, primarily due to high rainfall which negatively impacted haul road conditions and access to coal in the pit in the first half of the year.

FOB cost per tonne excluding royalties^Δ of R1,469 increased by 32% compared to the prior period due to the lower production, a lower credit on the non-cash cost relating to environmental provisions and higher contractor costs related to support required to ensure safe and productive operations in wet conditions.

MAFUBE COLLIERY (ATTRIBUTABLE)

	2025	2024
Fatalities	—	—
TRCFR	1.56	1.92
Total saleable production (kt)	1,888	1,700
Export saleable production (kt)	1,888	1,700
Domestic production (kt)	—	—
FOB cost per tonne ^Δ (Rand/tonne)	946	970
FOB cost per tonne excluding royalties ^Δ (Rand/tonne)	944	949
Capex (Rand million)	193	145

Safety

Mafube recorded an improved TRCFR of 1.56 in 2025, compared to 1.92 in the prior period. The mine reported four recordable incidents in both years, but these occurred over increased operating hours in 2025.

Performance

Export saleable production increased by 11% to 1,888kt, reflecting improved equipment performance and fewer operational challenges compared to 2024.

FOB cost per tonne excluding royalties^Δ of R944 decreased marginally, supported by the higher production base and improved mining practices offset by an increase in the non-cash charge related to the environmental provisions.

ISIBONELO COLLIERY

	2025	2024
Fatalities	—	—
TRCFR	0.61	1.67
Total saleable production (kt)	3,235	4,194
Domestic production (kt) (incl. coal purchases)	3,235	4,194
Capex (Rand million)	—	45

Safety

Isibonelo recorded an improved TRCFR of 0.61 (one incident) in 2025, compared to 1.67 (three incidents) in the prior year. The improvement was delivered through focused safety initiatives.

Performance

Domestic saleable production was 23% lower at 3,235kt in 2025 as productivity was negatively impacted by high rainfall in the first half of the year.

Isibonelo has transitioned to care and maintenance from January 2026.

FINAL ORDINARY CASH DIVIDEND DECLARATION

Final ordinary cash dividend declaration

The Thungela board of directors approved the declaration of a final gross ordinary cash dividend of 200.00 cents per share (South African rand). The dividend has been declared from retained earnings. 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, 23 March 2026	Monday, 23 March 2026
Last day for trading to qualify and participate in the dividend	Tuesday, 14 April 2026	Wednesday, 15 April 2026
Trading ex-dividend commences	Wednesday, 15 April 2026	Thursday, 16 April 2026
Record date to participate in the dividend	Friday, 17 April 2026	Friday, 17 April 2026
Payment date to shareholders	Monday, 20 April 2026	Tuesday, 5 May 2026

No transfers of shareholdings to and from the South African or the UK register will be permitted between Tuesday, 14 April 2026 and Friday, 17 April 2026 (both dates inclusive). Share certificates may not be dematerialised or rematerialised between Wednesday, 15 April 2026 and Friday, 17 April 2026 (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:ZAR22.37912, being the five-day (business days) average GBP:ZAR exchange rate (as quoted by Bloomberg) up to Thursday, 19 March 2026.

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.

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 (SARS) 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, 17 April 2026.

Shareholders are reminded that failure to submit the required documentation by 17 April 2026 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 7.15 pence per share (Pound sterling) – 8.94 pence gross dividend per share less 1.79 pence dividend withholding tax per share.





REPORTS



DIRECTORS' REPORT

For the year ended 31 December 2025

The directors have pleasure in presenting the Annual Financial Statements of Thungela for the year ended 31 December 2025.

NATURE OF BUSINESS

Thungela is a public company incorporated in South Africa.

Thungela is a leading South African thermal coal business, focused exclusively on thermal coal production. It is one of the largest producers and exporters of thermal coal in South Africa, based on aggregate coal reserves and marketable coal production.

Thungela owns the Ensham Business, situated in Queensland, Australia. In 2025, we acquired the remaining interest in the Ensham Business from the non-controlling interests, and we now own 100% of the asset. Refer to note 2A for detail of our shareholding in the Ensham Business.

Thungela markets our coal from South Africa and Australia to our customers through Thungela Marketing International FZCO (Thungela Marketing International), our marketing business based in Dubai.

FINANCIAL RESULTS AND ACCOUNTING POLICIES

The consolidated and separate financial statements have been prepared in line with all relevant regulatory requirements, and can be found on pages 56 to 189. A detailed analysis of the financial and operational performance of the Group can be found on pages 20 to 35.

The accounting policies used in the preparation of the consolidated and separate financial statements have been consistently applied and are supported by reasonable judgements and estimates.

A number of amendments to accounting standards were effective for the first time for financial years beginning on or after 1 January 2025. None of these amendments had a material impact on the Group. Refer to note 3 for detail of the new accounting standards adopted during the year.

REGULATORY COMPLIANCE

Thungela was duly incorporated on 5 January 2021 in compliance with the provisions of the Companies Act of South Africa, and has been operating in conformity with the Thungela memorandum of incorporation (MOI) and all relevant regulatory requirements since incorporation.

The Thungela board is responsible for ensuring that the Group complies with all of our statutory obligations as specified in the Thungela MOI, the Companies Act of South Africa, the JSE Listings Requirements, the UK Listing Rules, as applicable to an International Commercial Companies Secondary Listing, the UK Disclosure Guidance and Transparency Rules, and all other regulatory requirements relevant to the jurisdictions in which we operate.

During the year under review, the Group adhered to the principles and recommended practices of the King IV Report on Corporate Governance™ for South Africa of 2016 (King IV). Following the release of the King V™ Code on Corporate Governance for South Africa of 2025, which is effective for financial years commencing from 1 January 2026 (King V Code), the board has reviewed the updated principles and practices. The board will adopt and implement the King V Code in the upcoming year to ensure continued alignment with evolving governance standards.

The directors recognise that they are ultimately responsible and accountable for the financial performance of the Group. The directors have proactively taken steps to ensure full compliance with all relevant regulatory requirements.

INVESTMENTS IN OTHER ENTITIES

A detailed analysis of the investments Thungela holds in other entities is disclosed in note 37.

AUTHORISED AND ISSUED SHARES AND STATED CAPITAL

There has been no change in the authorised or issued shares of Thungela, being 10,000,000,000 shares and 140,492,585 shares, respectively, in the years presented.

Detail on the stated capital of Thungela is disclosed in note 31.

GOING CONCERN

The financial position of Thungela, its cash flows, net current asset position and net cash^Δ position are set out in the consolidated financial statements. The Group's net cash^Δ at 31 December 2025 is R5,054 million (2024: R8,671 million). The Group's net current asset position of R5,830 million (2024: R10,579 million) continues to be robust. The Group has no significant external debt at 31 December 2025.

The directors have considered Thungela's cash flow forecasts for the period to the end of March 2027, under reasonably expected and stressed scenarios, with consideration given to the impact of the uncertainty of the current economic environment on our 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 consolidated and separate financial statements.

RETURNS TO SHAREHOLDERS

The board recognises the importance of maintaining a consistent dividend policy and clear capital allocation framework, which prioritises the delivery of superior returns to shareholders in the long term, including through dividends and share buybacks.

Returns to shareholders, whether through a dividend or share buyback, 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^Δ and life extension opportunities without resorting to excessive leverage, recognising the nature of the Group's assets and single commodity price exposure.

The board has announced the declaration of a final gross ordinary cash dividend of R2 per share from retained earnings. The dividend will be paid in April 2026 to shareholders on the South African register and in May 2026 to shareholders on the UK register.

Refer to note 33 for detail related to the dividends declared by the Group.

EVENTS AFTER THE REPORTING PERIOD

All events occurring after the reporting date, which are considered material to the consolidated and separate financial statements, have been considered in note 38.

COMPANY SECRETARY

The company secretary of Thungela is Tovi Ellis.

The business and postal address of the company secretary are set out on the inside back cover.

INDEPENDENT EXTERNAL AUDITOR

PricewaterhouseCoopers Inc. (PwC) was reappointed as the Group's independent external auditor at the annual general meeting (AGM) held on 5 June 2025, in accordance with section 90 of the Companies Act of South Africa, for the year ended 31 December 2025.

In accordance with the Companies Act of South Africa, it will be proposed at the next AGM that PwC be reappointed as auditor for the year ending 31 December 2026.

ANNUAL GENERAL MEETING

Thungela's 2025 AGM was held on 5 June 2025 and key outcomes from the meeting were announced in line with the JSE Listings Requirements.

Thungela's next AGM will be held on 5 June 2026.

DIRECTORS' REPORT CONTINUED

For the year ended 31 December 2025

DIRECTORS

The composition of the board remains consistent with the previous year, with six independent non-executive directors and two executive directors. July Ndlovu retired as an executive director on 31 October 2025, and Moses Madondo was appointed as an executive director on 1 November 2025.

At the date of the Annual Financial Statements, the names and positions of the directors, and former directors, of the Group are listed in the table below. There have been no changes to the board between the reporting date and the date of this document.

Director	Position
Sango Ntsaluba	Chairman
Moses Madondo	Chief executive officer
July Ndlovu	Chief executive officer (retired)
Deon Smith	Chief financial officer
Ben Kodisang	Lead independent non-executive director
Kholeka Mzondeki	Independent non-executive director
Seamus French	Independent non-executive director
Tommy McKeith	Independent non-executive director
Yoza Jekwa	Independent non-executive director

DIRECTORS' INTERESTS IN THUNGELA SHARES

The directors' and former directors' beneficial interests in Thungela's issued ordinary shares are shown below:

Director	2025		Total
	Direct	Indirect	
Sango Ntsaluba	3,710	—	3,710
Moses Madondo	180,190	—	180,190
July Ndlovu ¹	727,817	—	727,817
Deon Smith ²	212,478	—	212,478
Kholeka Mzondeki	788	—	788
Seamus French	—	30,816	30,816
Total	1,124,983	30,816	1,155,799

¹ At the reporting date, a discrepancy was noted between July Ndlovu's shareholding and the share register. This discrepancy is due to a collar hedge transaction, as announced on the Stock Exchange News Services (SENS) and Regulatory News Services (RNS) on 5 June 2024. This strategy can cause temporary differences in reported shareholdings, which will be rectified upon the transaction's expiration on 3 June 2026.

² At the reporting date, a discrepancy was noted between Deon Smith's shareholding and the share register. This discrepancy is due to a collar hedge transaction, as announced on SENS and RNS on 29 April 2024. This strategy can cause temporary differences in reported shareholdings, which will be rectified upon the transaction's expiration on 28 April 2026.

Director	2024		Total
	Direct	Indirect	
Sango Ntsaluba	3,710	—	3,710
July Ndlovu ¹	596,550	—	596,550
Deon Smith ²	219,130	—	219,130
Kholeka Mzondeki	788	—	788
Seamus French	—	30,816	30,816
Total	820,178	30,816	850,994

¹ At the reporting date, a discrepancy was noted between July Ndlovu's shareholding and the share register. This discrepancy is due to a collar hedge transaction, as announced on SENS and RNS on 5 June 2024. This strategy can cause temporary differences in reported shareholdings, which will be rectified upon the transaction's expiration on 3 June 2026.

² At the reporting date, a discrepancy was noted between Deon Smith's shareholding and the share register. This discrepancy is due to a collar hedge transaction, as announced on SENS and RNS on 29 April 2024. This strategy can cause temporary differences in reported shareholdings, which will be rectified upon the transaction's expiration on 28 April 2026.

The movements in the directors' and former directors' beneficial interests are as follows:

	2025						
Number of shares	Sango Ntsaluba	Moses Madondo	July Ndlovu	Deon Smith	Kholeka Mzondeki	Seamus French	Total
Balance at the start of the reporting period	3,710	—	596,550	219,130	788	30,816	850,994
Disposal of vested shares ¹	—	—	(8,341)	(4,487)	—	—	(12,828)
Share awards restricted ²	—	—	106,548	55,045	—	—	161,593
Shares held prior to appointment ³	—	5,000	—	—	—	—	5,000
Disposals ⁴	—	—	—	(75,000)	—	—	(75,000)
Share awards granted ^{5,6}	—	175,190	33,060	17,790	—	—	226,040
Balance at the end of the reporting period	3,710	180,190	727,817	212,478	788	30,816	1,155,799

¹ The disposal of vested shares related to the on-market disposal of shares from tranche 3 of the 2022 deferred bonus shares (DBS) award, which vested on 22 March 2025, tranche 2 of the 2023 DBS awards, which vested on 27 March 2025, and tranche 1 of the 2024 DBS awards, which vested on 18 March 2025. The shares were sold in order to settle the tax obligations of the directors in relation to the vesting.

² The 2022 long-term incentive plan (LTIP) awards vested on 7 March 2025, based on the achievement level of the performance conditions approved by the remuneration and human resources committee, as reported in the 2024 Integrated Annual Report. The shares allotted to the executive directors are subject to a two-year holding period and remain restricted until 7 March 2027.

³ These shares were held by Moses Madondo prior to his appointment as chief executive officer.

⁴ The disposals represent on-market disposals of Thungela shares.

⁵ Share awards granted to Moses Madondo related to the sign-on share awards, which carry dividend and voting rights. Participants will be entitled to dividends paid on the ordinary shares underlying their awards prior to the vesting date. The sign-on share awards are forfeitable shares and will vest in equal tranches from 1 August 2026 to 1 August 2028.

⁶ Share awards granted to July Ndlovu and Deon Smith related to the 2025 DBS awards, which carry dividend and voting rights. Participants will be entitled to dividends paid on the ordinary shares underlying their awards prior to the vesting date. The 2025 DBS awards are forfeitable shares and will vest in equal tranches from 17 March 2026 to 17 March 2028.

	2024						
Number of shares	Sango Ntsaluba	July Ndlovu	Deon Smith	Kholeka Mzondeki	Seamus French	Total	
Balance at the start of the reporting period	3,710	772,764	330,868	788	26,487	1,134,617	
Disposal of vested shares ¹	—	(4,487)	(2,413)	—	—	(6,900)	
Off-market collar hedge exercised ^{2,3}	—	(500,000)	(250,000)	—	—	(750,000)	
Share awards restricted ⁴	—	302,589	126,853	—	—	429,442	
Demerger scheme of arrangement ⁵	—	—	—	—	4,329	4,329	
Share awards granted ⁶	—	25,684	13,822	—	—	39,506	
Balance at the end of the reporting period	3,710	596,550	219,130	788	30,816	850,994	

¹ The disposal of vested shares related to the on-market disposal of shares from tranche 2 of the 2022 DBS award, which vested on 22 March 2024, and tranche 1 of the 2023 DBS awards, which vested on 27 March 2024. The shares were sold in order to settle the tax obligations of the directors in relation to the vesting.

² At the reporting date, a discrepancy was noted between July Ndlovu's shareholding and the share register. This discrepancy is due to a collar hedge transaction, as announced on SENS and RNS on 5 June 2024. This strategy can cause temporary differences in reported shareholdings, which will be rectified upon the transaction's expiration on 3 June 2026.

³ At the reporting date, a discrepancy was noted between Deon Smith's shareholding and the share register. This discrepancy is due to a collar hedge transaction, as announced on SENS and RNS on 29 April 2024. This strategy can cause temporary differences in reported shareholdings, which will be rectified upon the transaction's expiration on 28 April 2026.

⁴ The 2021 LTIP awards vested on 16 November 2024, based on the achievement level of the performance conditions approved by the remuneration and human resources committee, as reported in the 2023 Integrated Annual Report. The shares allotted to the executive directors are subject to a two-year holding period and remain restricted until 16 November 2026.

⁵ These shares were allocated to Seamus French as part of the demerger scheme of arrangement. They were released from the shares previously held by Anglo American plc (Anglo American).

⁶ Share awards granted related to the 2024 DBS awards, which carry dividend and voting rights. Participants will be entitled to dividends paid on the ordinary shares underlying their awards prior to the vesting date. The 2024 DBS awards are forfeitable shares and will vest in equal tranches from 18 March 2025 to 18 March 2027.

Details of the awards made to directors and prescribed officers in Thungela shares in terms of the Thungela share plan are disclosed in note 32 and note 39.

There were no changes in the directors' and former directors' shareholding between the reporting date and the date of approval of the Annual Financial Statements.

DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION

Refer to note 39 for detail of the remuneration paid to directors and prescribed officers.

REPORT OF THE AUDIT COMMITTEE

For the year ended 31 December 2025



The Thungela audit committee (committee) is pleased to present its report for the year ended 31 December 2025, in line with the Companies Act of South Africa, the JSE Listings Requirements, and King IV.

The committee has the requisite balance of skills and experience, with a strong emphasis on financial literacy. It upholds the integrity and transparency of our financial reporting by monitoring controls and accounting policies. Additionally, it provides oversight of all audit functions and ensures ongoing excellence within our finance function, enabling the committee to discharge its duties effectively.

All committee members are independent non-executive directors.

COMPOSITION

- Kholeka Mzondeki (chairperson)
- Ben Kodisang
- Tommy McKeith

Brief biographies of the members can be found on the Thungela website at www.thungela.com/about-us/who-we-are.

The chairman of the board, chief executive officer, chief financial officer and senior management attend committee meetings by invitation, together with representatives of the independent external auditor.

COMMITTEE MEETING ATTENDANCE

During the year, the committee met five times, the details of which are set out below:

Member	7 March	9 April	20 May	11 August	10 November
Kholeka Mzondeki (chairperson)	✓	✓	✓	✓	✓
Ben Kodisang	✓	✓	✓	✓	✓
Tommy McKeith	✓	✓	✓	✓	✓

Performance evaluation

During the year, in accordance with King IV recommendations, the board conducted an independent internal evaluation of the committee's performance and effectiveness.

The evaluation aimed to identify and document areas needing strengthening or refinement, taking into account internal and external dynamics and factors that could impact the committee's performance and effectiveness. The assessment concluded that the committee functions effectively.

ROLE AND RESPONSIBILITIES

The committee has ultimate decision-making authority with regard to its statutory duties as contemplated in section 94(7) of the Companies Act of South Africa. The committee has no ultimate decision-making authority in respect of non-statutory matters (unless otherwise delegated to the committee by the board), and the committee makes recommendations to the board in respect of these matters for the board's consideration and, if appropriate, approval.

The committee discharged all of its responsibilities as contained in its terms of reference, including, but not limited to:

- making recommendations to the board regarding the safeguarding of assets, the operation of adequate systems, internal control and reporting processes and the preparation of accurate reporting and financial statements in compliance with legal requirements and accounting standards
- determining the independent external auditor's fees and terms of engagement
- ensuring that the appointment of the independent external auditor complies with the provisions of the Companies Act of South Africa and any other relevant legislation
- determining, from time to time, the nature and extent of non-audit services to be provided by the independent external auditor
- overseeing the independent external audit process and evaluating the effectiveness thereof
- assessing the effectiveness and independence of the independent external auditor
- overseeing the scope and performance of the internal audit process through the risk and assurance function
- assessing the effectiveness and objectivity of the risk and assurance function
- ensuring that the risk and assurance function is appropriately resourced and equipped
- preparing a report to be included in the annual financial statements, in compliance with the Companies Act of South Africa
- managing audit-related inquiries and complaints
- ensuring access to the necessary financial information to allow for effective preparation and reporting on the annual financial statements
- independently reviewing and monitoring the integrity of the annual financial statements
- managing financial and other risks that affect the integrity of reports and the effectiveness of the governance and risk management systems and internal financial controls, to the extent delegated by the board
- reporting to shareholders, through this report, that the committee has complied with section 5.7(h) of the JSE Listings Requirements
- ensuring compliance with the statutory duties of the committee as contained in relevant legislation and the JSE Listings Requirements

- performing such oversight functions as may be determined by the Thungela board
- reviewing the JSE proactive monitoring reports and applying the findings, where applicable

KEY FOCUS AREAS IN 2025

Key focus areas and objectives included:

- considering the appropriateness of the expertise and experience of the chief financial officer and the finance function
- considering the appropriateness of the expertise and experience of the risk and assurance function, including the internal assurance plan, reports and resources
- reviewing the Group's significant accounting matters
- reviewing the Interim Financial Statements, the Annual Financial Statements, the Integrated Annual Report, along with other required documents for publication, and recommending these documents for board approval
- reviewing quarterly financial performance against set targets and the impact of decisions on the annual financial statements
- reviewing, for board approval, the solvency, liquidity and going concern assessments
- considering the key audit matter included in the independent external auditor's report on the consolidated and separate financial statements
- ensuring that appropriate accounting records are kept
- exercising oversight of the financial statements of Group companies
- monitoring the operations of the Group in foreign jurisdictions, including the application of Thungela's internal control and financial reporting standards
- considering risk and assurance reports on the Group's internal controls and business risk management
- reviewing the treasury policy and other relevant policies for board recommendation
- considering the quarterly tax, treasury, accounting and insurance updates, and making recommendations where necessary
- reviewing the ongoing tax matters, and considering the impact on financial reporting
- monitoring and managing credit exposure and risk
- evaluating production targets, cost profiles and capital expenditure
- reviewing non-audit services performed by the independent external auditor
- reviewing the 2026 budget process, assumptions and outcomes ahead of board approval
- reviewing and recommending for board approval the independent auditor's report for inclusion in the annual financial statements
- monitoring entities in other jurisdictions, and the impact on financial reporting
- considering the outcomes of impairment models and the impact on financial reporting

The objectives of the committee were adequately met for the year ended 31 December 2025.

REPORT OF THE AUDIT COMMITTEE CONTINUED

For the year ended 31 December 2025

INTERNAL AUDIT AND INTERNAL CONTROLS

The committee has established that the risk and assurance function, undertaking the internal audit of the Group, is appropriately resourced. The head of risk and assurance engages with the committee chairperson and has a standing invitation to the committee meetings. The risk and assurance function reviews and provides assurance on the adequacy and effectiveness of internal controls, including the internal financial controls.

This year, the committee:

- reviewed and approved the 2026 internal audit plan
- monitored progress against the 2025 internal audit plan
- reviewed the Thungela risk register for appropriateness
- ensured that proper and adequate accounting records are being maintained
- reviewed the chief executive officer and chief financial officer attestation process related to the system of internal financial controls
- considered the internal audit reports on internal controls and business risk management systems
- monitored and reported on emerging risks, especially those related to geographic and market factors
- evaluated the performance of the internal audit team

The committee found nothing to indicate a breakdown in internal financial controls in the audits conducted by the risk and assurance function, nor was there an indication that the internal controls were inadequate in design or implementation.

Meetings were held with the head of risk and assurance in the absence of management for purposes of raising concerns, if any.

INDEPENDENT EXTERNAL AUDITOR

The committee:

- notwithstanding the provisions of section 90(6) of the Companies Act of South Africa, ensured that the appointment of the auditor was presented and included as a resolution at the AGM pursuant to section 61(8) of the Companies Act of South Africa
- satisfied itself that PwC and Ms Vuyiswa Khutlang, in their respective capacities as the independent external audit firm and lead audit partner, were accredited and independent. The committee noted the resignation of Ms Khutlang and the appointment of Mr Sizwe Mtetwa as lead audit partner with effect from 7 October 2025, having met all legislative, professional, and regulatory requirements. His appointment will be presented for shareholder ratification at the next AGM
- assessed the independence of the external audit firm
- approved the PwC terms of engagement and fees for the audit for the year ended 31 December 2025, including the review of the Interim Financial Statements for the six months ended 30 June 2025, in consultation with management, including the audit fees for foreign subsidiaries
- provided oversight of the external audit process
- approved and monitored compliance with the external auditor independence policy
- reviewed the quality and effectiveness of the external audit process and performance against the external audit plan
- reviewed the findings and recommendations by the independent external auditor and confirmed there were no material matters to report
- considered the independent external auditor's suitability assessment in terms of paragraph 5.7(h)(iii) of the JSE Listings Requirements

Meetings were held with the independent external auditor in the absence of management to discuss concerns, if any.

COMMENTS ON THE KEY AUDIT MATTER INCLUDED IN THE INDEPENDENT EXTERNAL AUDITOR'S REPORT

The independent external auditor has reported on one key audit matter in respect of their audit for the year, being:

- impairment of property, plant and equipment and intangible assets (including goodwill)

This matter relates to a material item in the consolidated and separate financial statements, which required judgement and estimates to be applied by management. The committee assessed the methodology, assumptions and judgements applied by management in dealing with the key audit matter. Furthermore, the committee discussed the key audit matter with the independent external auditor to understand their related audit processes and views.

Following this assessment, the committee is comfortable with the conclusions reached by management and the independent external auditor in relation to the key audit matter.

KEY FOCUS AREAS FOR 2026

Key areas of focus for the committee in 2026 will be, among others:

- reviewing financial performance against targets, including the impact on financial statements
- exercising oversight of the external and internal audit processes
- assessing the robustness of the internal financial control framework over financial reporting
- tracking and resolution of outstanding tax matters
- monitoring the operations of the Group in foreign jurisdictions, including the application of Thungela's internal control and financial reporting standards
- monitoring compliance with relevant exchange control regulations
- monitoring the appropriateness of the Group's balance sheet structure and liquidity, recognising ongoing market volatility
- taking into consideration revisions made to the JSE Listings Requirements, as well as the best practice recommendations contained in the King V Code, and updating the committee terms of reference and work plan accordingly
- continuing the assessment of the alignment required with the IFRS S1 and IFRS S2 reporting standards

EXPERTISE OF THE CHIEF FINANCIAL OFFICER AND FINANCE FUNCTION

The committee has reviewed the current performance and future requirements of the financial management of the Group and concluded that the current chief financial officer and finance team have the appropriate skills, experience and expertise required to fulfil their function.

GOING CONCERN

The committee reviewed and assessed the basis of the going concern assumption applied by management and concurred with the assessment that Thungela is a going concern. The committee recommended that the Thungela board approve the consolidated and separate financial statements being prepared on this basis.

RECOMMENDATION OF THE ANNUAL FINANCIAL STATEMENTS FOR APPROVAL BY THE THUNGELA BOARD

The Annual Financial Statements have been prepared using appropriate accounting policies, which conform to IFRS Accounting Standards and other related pronouncements governing financial reporting. The audit committee has recommended the Annual Financial Statements for the year ended 31 December 2025 to the board for approval.

On behalf of the audit committee

Kholeka Mzondeki

Kholeka Mzondeki

Audit committee chairperson

23 March 2026

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF THUNGELA RESOURCES LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

OUR OPINION

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Thungela Resources Limited (the Company) and its subsidiaries (together the Group) as at 31 December 2025, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Thungela Resources Limited's consolidated and separate financial statements set out on pages 56 to 189 comprise:

- the consolidated and separate statements of financial position as at 31 December 2025;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

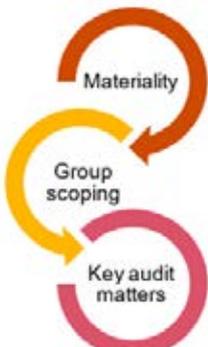
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code), as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. 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)*.

OUR AUDIT APPROACH

Overview

	Final materiality Final materiality (consolidated financial statements): R296 million which represents 1.0% of consolidated revenue. Final materiality (separate financial statements): R43 million which represents 1.0% of the Company's total assets.
	Group audit scope We conducted full scope audits on 17 components that were considered to be financially significant. Analytical review procedures were performed over the remaining components that were considered to be financially inconsequential.
	Key audit matters <ul style="list-style-type: none">• Impairment of property, plant and equipment and intangible assets (including goodwill)

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

In terms of the *IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities*, published in Government Gazette Number 49309 dated 15 September 2023 (EAR Rule), we report final materiality and group audit scope below.

Final materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated and separate financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated and separate financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the final materiality for the consolidated and separate financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated and separate financial statements as a whole.

	Consolidated financial statements	Separate financial statements
<i>Final materiality</i>	R296 million	R43 million
<i>How we determined it</i>	1.0% of consolidated revenue	1.0% of the Company's total assets
<i>Rationale for the materiality benchmark applied</i>	<p>We have selected consolidated revenue as the benchmark because, in our view, it is the benchmark against which the performance of the Group can be consistently measured when year-on-year profit before tax is volatile.</p> <p>We chose 1.0% which is consistent with quantitative materiality thresholds used for profit-oriented companies, where profit/loss before tax is not considered the appropriate benchmark, in this sector.</p>	<p>We chose the total assets benchmark because, in our view, it is the benchmark against which the performance of the Company is most commonly measured by users, and is a generally accepted benchmark.</p> <p>We chose 1.0% which is consistent with qualitative materiality thresholds used for investment holding companies.</p>

INDEPENDENT AUDITOR'S REPORT CONTINUED

Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

For purposes of our group audit scope, we have identified each of the reporting units within the Group as a component. In determining the type of work that needed to be performed for purposes of the group audit, we identified those components that were of financial significance to the Group based on the respective component's contribution to key financial statement line items (consolidated profit or loss before taxation, consolidated revenue or consolidated total assets), risk associated with the respective component and known accounting matters related to the component. We conducted full scope audits on 17 components that were considered to be financially significant to the Group. Analytical review procedures were performed over the remaining components that were considered to be financially inconsequential.

In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group engagement team and other PwC network firms operating under our instruction. Where the work was performed by component auditors, we determined the level of direction, supervision and review we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report in respect of the separate financial statements.

In terms of ISA 701 *Communicating key audit matters in the independent auditor's report* or the EAR Rule (as applicable), we are required to report key audit matters and the outcome of audit procedures or key observations with respect to the key audit matters, and these are included below.

Key audit matter**How our audit addressed the key audit matter****Impairment of property, plant and equipment and intangible assets (including goodwill)**

Refer to notes 2B, 7, 12 and 13 of the consolidated financial statements for disclosures in relation to this key audit matter.

The Group assesses property, plant and equipment (PPE) and intangible assets (including goodwill) for impairment when indicators are identified. In the current year the decrease in benchmark coal prices and strengthening of the exchange rates against the US dollar were identified as impairment indicators. Management performed impairment assessments to determine the recoverable amount of the Zibulo, Goedehoop, Annea, Greenside, Khwezela, Mafube, Isibonelo and Ensham cash-generating units (CGUs).

The recoverable amounts of the respective CGUs were determined on a fair value less costs to sell basis with reference to the life-of-mine forecasted cash flows per the approved financial budgets and, where relevant, a valuation of mineral resources beyond the current life-of mine.

Management recognised an impairment of R8,785 million of which R8,486 million related to PPE, R159 million related to goodwill and R140 million related to intangible assets. The assumptions (inputs) which were used for the cash flow forecasts and the valuations of mineral resources beyond approved mine plans were based on forecasted results and expected market and economic conditions.

The most significant inputs in these forecasts and valuations are: production volumes, costs of production, capital expenditure, forecasts for benchmark coal prices, exchange rates and discount rates. We considered the impairment of PPE, intangible assets and goodwill to be a matter of most significance to the current year audit due to the significant judgement applied in determining the recoverable amounts of the CGUs.

Our audit addressed this key audit matter as follows:

- Through discussions with management, we obtained an understanding of their processes for assessing impairment indicators across PPE and intangible assets, as well as the methodologies and models used in making their assessments.
- We assessed the reasonableness of the impairment indicators identified by management by analysing the financial results of the respective CGUs, paying particular attention to factors that have negatively impacted the Group's operations. We found management's assessment to be reasonable.
- We assessed the reasonableness of the mineral resources beyond the approved mine plan valuations by comparing them to the competent person's report and found them to be reasonable.
- We assessed the reasonableness of the budgeting process adopted in deriving the approved budget, by comparing the current year actual results to the 2025 financial year figures included in the prior year forecast to consider whether the forecasts included assumptions that, with hindsight, had been optimistic. We found management's cash flow forecasts to be mainly consistent with the historical actual results and obtained corroboration from management where the budgeted numbers differed from actuals.

In assessing the reasonableness of future cashflows applied in the models, our audit procedures included:

- Testing the accuracy of the models used by management by performing an independent recalculation and comparing the results of our calculation with that of management. No material exceptions were noted.
- The significant assumptions used by management in the models were subjected to audit procedures as follows:
 - With the assistance of our valuations experts, we assessed the reasonableness of the coal price forecasts (Richards Bay Benchmark coal price and Newcastle Benchmark coal price) used to benchmark the price and exchange rates against analysts' forecasts. Based on the work performed, we found management's assumptions to be within a reasonable range for each respective CGU.
 - With the assistance of our valuation experts we independently recalculated the discount rates used in performing the impairment assessments. These calculations included inspection of relevant third-party sources and data such as the cost of debt, risk-free rates in the market, market risk premiums, debt/equity ratios and the beta of comparable companies. We found the discount rates applied in the models to be within a reasonable range.
 - We compared the production volumes per the life-of-mine plan assumption to the reserves signed off by the Group's Competent Person, and to existing production volumes and approved budgets. We found this to be within a reasonable range for each CGU.
 - We have performed reasonability analytics as well as using the budget presentations per mine to gain an understanding of the drivers of the operating costs, capital costs and unit costs. No material exceptions were noted.

INDEPENDENT AUDITOR'S REPORT CONTINUED

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document(s) titled "Thungela Annual Financial Statements for the year ended 31 December 2025", which include(s) the Directors' Report, the Report of the Audit Committee and the Certificate by the Company Secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the document(s) titled "Thungela Integrated Annual Report for the year ended 31 December 2025" and "Thungela Environmental, Social and Governance Report 2025", which are expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Audit tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Thungela Resources Limited for five year(s). Prior to the incorporation of Thungela Resources Limited, its operations formed part of the Anglo Coal SA operations of Anglo American plc, of which PricewaterhouseCoopers Inc. had been the auditor for one year.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: NBT Mietwa

Registered Auditor

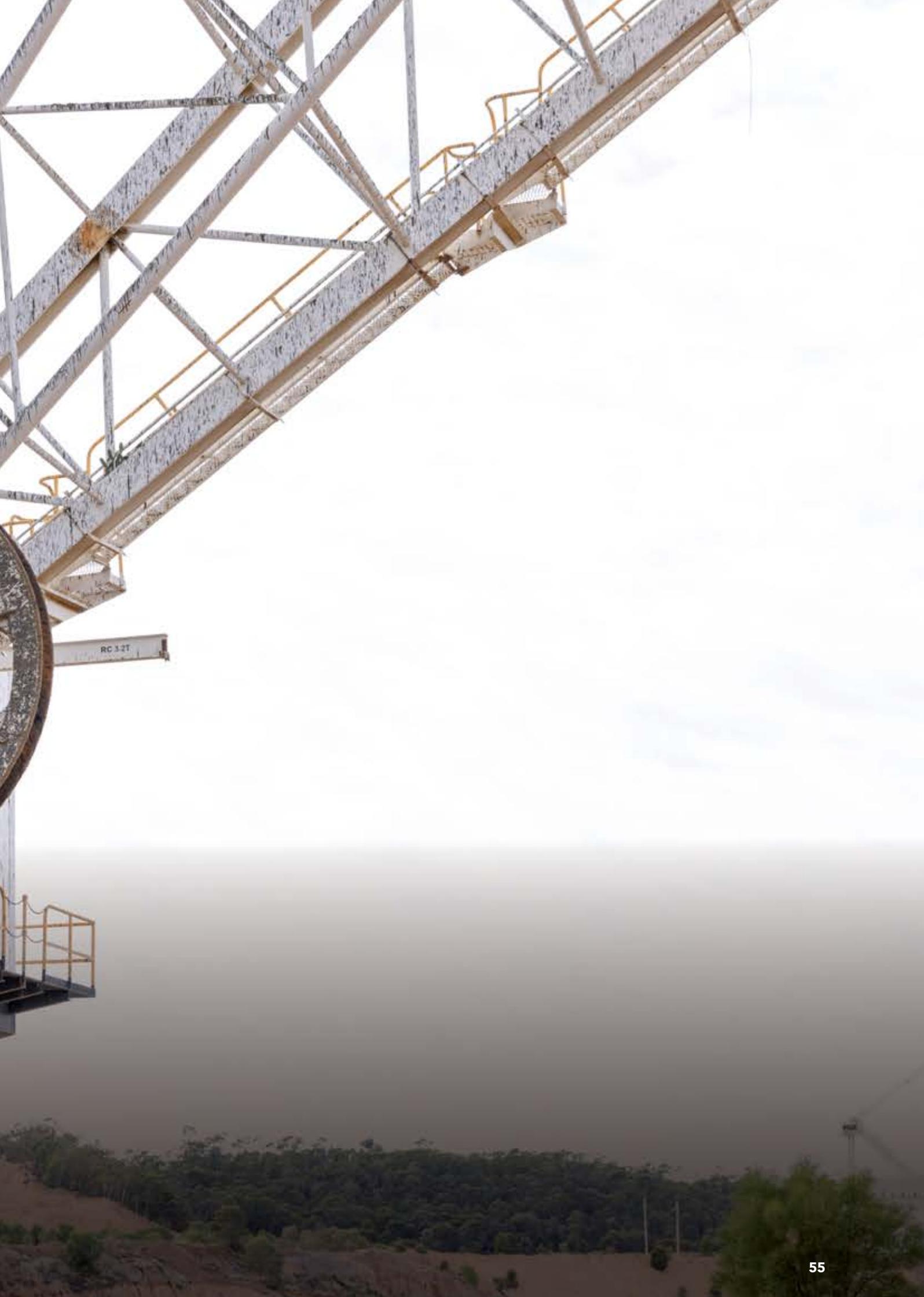
Johannesburg, South Africa

23 March 2026

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.



**CONSOLIDATED
FINANCIAL
STATEMENTS**



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

Rand million	Notes	2025	2024
Revenue	4	29,599	35,554
Operating costs	5	(31,297)	(31,751)
Transactions arising from the acquisition of the Ensham Business		(125)	(9)
Acquisition and integration costs	15	(93)	—
Expenses for conditional shares granted to non-controlling interests	15	—	(9)
Fair value adjustments to acquisition-related derivatives	15	(32)	—
Profit on disposal of investment in subsidiary	16	—	601
Profit on disposal of operation		250	—
Impairment losses	7	(8,785)	(278)
Restructuring costs and termination benefits	8	(308)	(13)
(Loss)/profit before net finance income and tax		(10,666)	4,104
Net finance income		2,670	894
Investment income	9	1,818	1,393
Interest expense	9	(1,088)	(1,157)
Other net financing gains	9	1,940	658
(Loss)/profit before tax		(7,996)	4,998
Income tax credit/(expense)	10	889	(1,454)
(Loss)/profit for the reporting period		(7,107)	3,544
Attributable to:			
Non-controlling interests	34	(22)	(48)
Equity shareholders of the Group		(7,085)	3,592
Other comprehensive loss			
Items that may be reclassified to profit or loss			
Foreign exchange translation losses		(316)	(373)
Items that will not be reclassified to profit or loss			
Remeasurement of retirement benefit obligations	29	(29)	(9)
Related tax	10	8	2
Other comprehensive loss for the reporting period		(337)	(380)
Total comprehensive (loss)/income for the reporting period		(7,444)	3,164
Attributable to:			
Non-controlling interests	34	(26)	(69)
Equity shareholders of the Group		(7,418)	3,233
(Loss)/earnings per share			
Basic (cents/share)	11	(5,464)	2,676
Diluted (cents/share)	11	(5,378)	2,642

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

Rand million	Notes	2025	2024
Assets			
Non-current assets			
Intangible assets	12	134	300
Property, plant and equipment	13	12,121	19,722
Environmental rehabilitation trusts	27	5,296	4,266
Investment in associate	14	187	199
Deferred tax assets	30	1,183	770
Financial asset investments	22	2,729	2,259
Investment in insurance structure	24	1,578	1,489
Trade and other receivables	19	617	229
Other non-current assets	17	71	66
Total non-current assets		23,916	29,300
Current assets			
Inventories	18	3,079	3,444
Trade and other receivables	19	4,088	4,977
Current tax assets	10	57	235
Financial asset investments	22	66	18
Derivative financial instruments	23	508	—
Cash and cash equivalents	20	6,071	10,103
Total current assets		13,869	18,777
Total assets		37,785	48,077
Equity			
Stated capital	31	11,323	11,323
Contributed capital		965	965
Merger reserve		2,606	2,606
Treasury shares	31	(1,539)	(980)
Share-based payments reserve		218	246
Other reserves		(385)	(49)
Retained earnings		2,824	11,449
Equity attributable to the shareholders of the Group		16,012	25,560
Non-controlling interests	34	166	544
Total equity		16,178	26,104
Liabilities			
Non-current liabilities			
Lease liabilities	28	49	19
Retirement benefit obligations	29	447	400
Deferred tax liabilities	30	495	1,567
Derivative financial instruments	23	153	—
Trade and other payables	21	27	—
Environmental and other provisions	27	12,397	11,789
Total non-current liabilities		13,568	13,775
Current liabilities			
Trade and other payables	21	6,414	6,093
Lease liabilities	28	37	31
Environmental and other provisions	27	1,398	1,130
Derivative financial instruments	23	—	462
Current tax liabilities	10	190	482
Total current liabilities		8,039	8,198
Total liabilities		21,607	21,973
Total equity and liabilities		37,785	48,077

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 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		—	—	—
Total comprehensive (loss)/income for the reporting period		—	—	—
Dividends declared in the reporting period	33	—	—	—
Movements in share-based payments reserve ²		—	—	—
Conditional shares granted to non-controlling interests in the Ensham Business	15	—	—	—
Change in ownership of the Ensham Business	15	—	—	—
Disposal of investment in subsidiary	16	—	—	—
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		—	—	—
Total comprehensive loss for the reporting period		—	—	—
Dividends declared in the reporting period	33	—	—	—
Movements in share-based payments reserve ²		—	—	—
Change in ownership of the Ensham Business	15	—	—	—
Reclassification		—	—	—
Treasury shares issued to employees on vesting of share awards		—	—	—
Balance at 31 December 2025		11,323	965	2,606

¹ Includes the retirement benefit obligation reserve of R132 million (2024: R153 million) and the foreign currency translation reserve with a debit of R517 million (2024: R202 million).

² Includes movements as a result of share-based payment expenses of R177 million (2024: R145 million), as per note 32, reduced by the impact of the vesting of shares of R130 million (2024: R113 million) under the Thungela share plan.

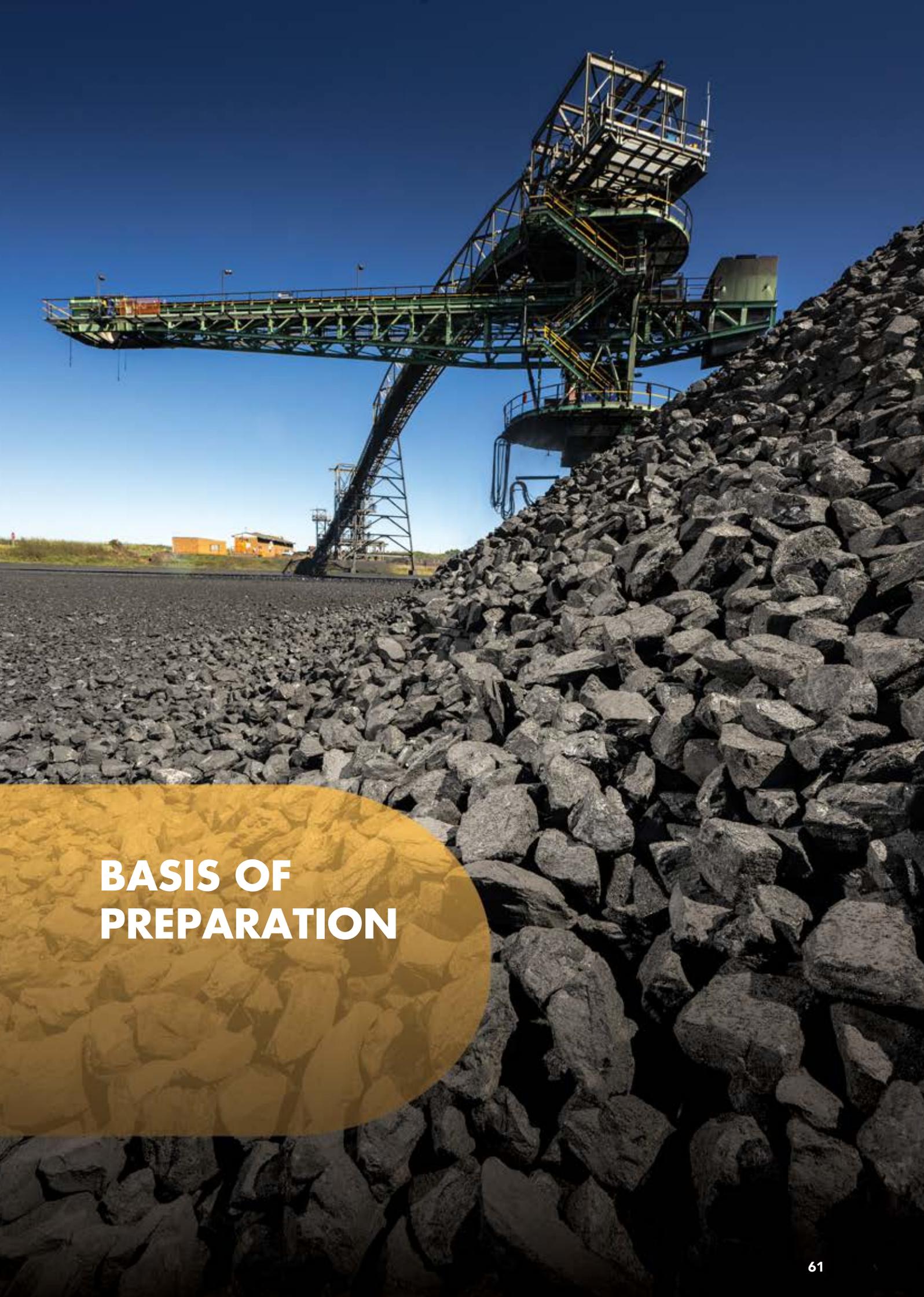
Treasury shares	Share-based payments reserve	Other reserves ¹	Retained earnings	Total equity attributable to shareholders of the Group	Non-controlling interests	Total equity
(493)	214	308	9,686	24,609	(13)	24,596
(724)	—	—	—	(724)	—	(724)
—	—	(359)	3,592	3,233	(69)	3,164
—	—	—	(1,630)	(1,630)	(44)	(1,674)
—	32	—	113	145	—	145
—	9	—	—	9	—	9
—	(9)	2	(75)	(82)	82	—
—	—	—	—	—	588	588
237	—	—	(237)	—	—	—
(980)	246	(49)	11,449	25,560	544	26,104
(772)	—	—	—	(772)	—	(772)
—	—	(333)	(7,085)	(7,418)	(26)	(7,444)
—	—	—	(1,722)	(1,722)	—	(1,722)
—	47	—	130	177	—	177
—	(75)	(19)	285	191	(356)	(165)
—	—	16	(20)	(4)	4	—
213	—	—	(213)	—	—	—
(1,539)	218	(385)	2,824	16,012	166	16,178

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

Rand million	Notes	2025	2024
Cash flows from operating activities			
(Loss)/profit before tax		(7,996)	4,998
Net finance income	9	(2,670)	(894)
(Loss)/profit before net finance income and tax			
Costs arising from the acquisition of the Ensham Business	15	32	9
Profit on disposal of investment in subsidiary	16	—	(601)
Profit on disposal of operation		(250)	—
Impairment losses	7	8,785	278
Depreciation and amortisation	4	2,914	2,452
Share-based payment charges	32	183	145
Increase in provisions		417	443
(Profit)/loss on disposal of property, plant and equipment	5	(48)	14
Other adjustments		(1)	(3)
Movements in working capital		1,217	(99)
Decrease in inventories		433	452
Decrease/(increase) in trade and other receivables		532	(1,055)
Increase in trade and other payables		252	504
Cash flows from operations			
Amounts applied to reduce environmental and other provisions	27	(841)	(1,016)
Settlement of derivative financial instruments	23	1,309	905
Income tax paid	10	(683)	(1,342)
Net cash generated from operating activities			
Cash flows from investing activities			
Expenditure on property, plant and equipment	4	(3,051)	(3,333)
Purchase of right-of-use assets		(36)	(130)
Proceeds on disposal of property, plant and equipment		58	—
Expenditure on intangible assets	12	(36)	(63)
Cash outflow on the acquisition of the Ensham Business	15	(481)	—
Purchase of financial asset investments	22	(664)	(1,179)
Disposal of financial asset investments	22	180	—
Repayment of loans granted to investees	22	35	35
Repayment/(advance) of quasi-equity loans to associate	14	12	(121)
Investment income received		493	685
Proceeds received on disposal of operation		220	—
Proceeds received on disposal of investment in subsidiary	16	—	186
Net cash utilised in investing activities			
Cash flows from financing activities			
Interest expense paid		(111)	(76)
Capital repayment of lease liabilities	28	(49)	(47)
Advance of loans and borrowings		—	113
Purchase of shares by Group companies		(772)	(724)
Dividends paid to the equity shareholders of the Group	33	(1,670)	(1,630)
Dividends paid to non-controlling interests	33	—	(44)
Cash outflow on acquisition of additional interest in the Ensham Business	15	(30)	—
Net cash utilised in financing activities			
Net decrease in cash and cash equivalents			
Cash and cash equivalents at the start of the reporting period			
Net decrease in cash and cash equivalents		(3,534)	(1,039)
Effects of changes in foreign exchange rates ¹		(498)	183
Cash and cash equivalents at the end of the reporting period			
	20	6,071	10,103

¹ Effects of changes in foreign exchange rates consist of foreign exchange losses on cash and cash equivalents of R341 million (2024: R281 million gains) recognised in net finance income, and losses on the revaluation of the cash balances held in foreign subsidiaries of R157 million (2024: R98 million) recognised in other comprehensive income.



BASIS OF PREPARATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. BASIS OF PREPARATION

The material accounting policy information relating to specific underlying transactions and balances has been disclosed in their respective notes.

A. Statement of compliance

The accounting policies applied by the Group and Company comply with IFRS Accounting Standards effective for the Group's reporting period as well as the South African Financial Reporting Requirements, as applicable, the Companies Act of South Africa, the JSE Listings Requirements, the UK Listing Rules and the UK Disclosure Guidance and Transparency Rules.

B. Basis of measurement

The consolidated and separate financial statements for the year ended 31 December 2025 have been prepared on the historical cost basis, except for certain assets and liabilities that are measured at fair value. The consolidated and separate financial statements are prepared on the going concern basis and are presented in South African rand, which is the presentation 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.

The preparation of the consolidated and separate financial statements in conformity with IFRS Accounting Standards requires the use of estimates and also requires us to exercise judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements, are disclosed in note 2.

C. Basis of consolidation

The consolidated financial statements include the results and financial position of Thungela, our subsidiaries, joint operations and associates.

Subsidiaries are entities which the Group controls through our power over the entities, and in respect of which we are exposed, or have rights, to variable returns from our involvement with these entities, and have the ability to affect those returns through our power over those entities.

Joint arrangements are arrangements in which the Group shares joint control with one or more parties. Joint arrangements are classified as either joint operations or joint ventures based on the rights and obligations of the parties to the arrangement. The joint arrangements of the Group are accounted for as joint operations. The Group accounts for joint operations by recognising our share of the joint operations' assets, liabilities, revenue and expenses, including our share of such items held or incurred jointly.

Associates are investments over which the Group has significant influence, which is the power to participate in the financial and operating policy decisions of the investee, but without the ability to exercise control or joint control. Investments in associates are equity accounted and represent the cost of the investment, the post-acquisition share of any profits or losses and other changes in equity, and the long-term debt interests which, in substance, form part of the Group's net investment in the associate.

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of an acquiree is the fair value of the assets transferred, the liabilities assumed and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interests in the acquiree at the non-controlling interests' proportionate share of the fair value of the acquiree's net assets.

The results of subsidiaries, joint operations and associates acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Changes in the Group's ownership interest in a subsidiary that do not result in the Group gaining or losing control of the subsidiary are equity transactions. In order to reflect the change in the relative interests in the subsidiary, the carrying amount of the non-controlling interests is adjusted with a corresponding change in equity attributable to the shareholders of the Group. No gain or loss is recognised in the statement of profit or loss and other comprehensive income related to these transactions.

Where necessary, adjustments are made to the results of subsidiaries, joint operations and associates to bring their accounting policies into line with those used by the Group. Intra-group transactions, balances, income and expenses are eliminated on consolidation, where appropriate. Unrealised profits or losses that arise between group entities are also eliminated.

For subsidiaries that are not wholly owned, non-controlling interests are presented in equity separately from the equity attributable to the shareholders of the Group. Profit or loss and other comprehensive income is attributed to the shareholders of the Group and to non-controlling interests, even if this results in the non-controlling interests having a negative balance.

D. 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 year, where these approximate the rates at the dates of the transactions.

Certain items, including equity and goodwill, held by foreign subsidiaries are translated using the exchange rate at the date of the transaction.

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

E. Financial assets

Investments, other than investments in subsidiaries, joint arrangements and associates, are financial assets and are initially recognised at fair value. The Group's financial assets are classified as either debt instruments at amortised cost or investments at fair value through profit or loss (FVPL).

Financial assets are classified as at amortised cost only if the asset is held within a business model whose objective is to collect the contractual cash flows, and the contractual terms of the asset give rise to cash flows that are solely payments of principal and interest. At subsequent reporting dates, financial assets at amortised cost are measured at amortised cost less a provision for expected credit losses, if appropriate.

The Group assesses, on a forward-looking basis, the expected credit losses, being the difference between the contractual cash flows and the cash flows that are expected to be received, associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in the credit risk of the asset at the reporting date. Increases in the provisions for expected credit losses are recognised in the statement of profit or loss and other comprehensive income. When a subsequent event causes the amount of the provisions for expected credit losses to decrease, the decrease is reversed in the same way.

Financial assets at FVPL are measured at fair value at each reporting date, with changes in the fair value recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

2. ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the consolidated and separate financial statements in conformity with IFRS Accounting Standards requires us to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. These judgements, estimates and assumptions may affect the carrying amounts of assets and liabilities at the date of the consolidated and separate financial statements, and the reported amounts of income and expenses during the year, as set out below. In addition to these items, further details on other judgements and estimates are provided, where applicable, in the relevant notes.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

A. Understanding of our shareholding in the Ensham Business

Our shareholding in the Ensham Business has been effected through three transactions as described in this note. From the effective date of the third transaction, Thungela owns 100% of the Ensham Business.

Understanding of the initial transaction

In the year ended 31 December 2023, Thungela, through our 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 LTIP shares, which carried no voting or dividend rights on their initial issue date, but, if vested, could become ordinary shares in Sungela Holdings on the achievement of specific milestones, each of which will enhance the value of the Ensham Business. Should all of the LTIP shares have vested before the effective date of the third transaction, the legal ownership held by the co-investors in Sungela Holdings would have increased to 30%, on a fully diluted basis. The co-investors only had rights to earnings and distributions relating to the LTIP shares from 31 December in the year that the milestones were met, and as approved by the Sungela Holdings board. Since the effective date of the initial transaction, LTIP shares amounting to 2.5% (2024: 2.5%) of Sungela Holdings had vested. As a result of the vesting of the LTIP shares, Thungela owned 72.5% of the shares issued by Sungela Holdings up to the effective date of the third transaction.

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 was interest-bearing and 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 were required to apply 90% of all distributions they received from Sungela Holdings to the repayment of the loan.

The loan was 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 was not repaid by its final repayment date, some of the secured shares could have been called as security by Thungela International. Should the loan not have been repaid in full, and a portion of the secured shares called, the capital amount of the loan would have been considered fully repaid, even if the value of the secured shares called was lower than the value of the outstanding debt at the repayment date. Thungela International would have, in that case, become the legal owner of the shares called as security. No amount had been repaid by the co-investors against the loan since the effective date of the initial transaction, however, the loan was considered settled as part of the third transaction, as detailed in this note.

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 acquired 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 year ended 31 December 2025 include the results of the 15% additional interest acquired for 10 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; and
- the second payment of R186 million (AUD16 million), which was transferred into an escrow account on the effective date of the transaction, and paid to Bowen in December 2025.

Understanding of the third transaction

In March 2025, Thungela Resources Australia entered into agreements with each of the co-investors to acquire their 27.5% interest in Sungela Holdings, and the remaining unvested LTIP shares (the third transaction).

The agreements were signed in March 2025, but included several conditions precedent that impacted the effective date of the third transaction. The conditions precedent were either met or waived by 31 July 2025 in relation to the Mayfair transaction, and 29 September 2025 in relation to the Audley Capital transaction, which are considered to be the effective dates of the respective transactions.

From 29 September 2025, Thungela owns 100% of the Ensham Business and related companies.

The total consideration in relation to the third transaction amounted to R1,113 million, which is comprised of the following elements:

- Cash consideration of R30 million (USD1.7 million), which was paid to the co-investors in equal parts on the respective effective dates of the transaction.
- Thungela Resources Australia stepped in as borrower on behalf of the co-investors on the loan provided by Thungela International in relation to the initial transaction. The amount outstanding on the loan, including all outstanding interest, of R947 million (AUD82 million) is no longer considered owing by the co-investors. No cash was paid to the co-investors in relation to the settlement of the loan.
- Contingent deferred consideration of up to R273 million (USD15.5 million), which may be payable to the co-investors based on sales of Ensham coal, subject to certain coal price thresholds, for a period of six years from the later of the effective date of the agreement, or the approval of the extension of specific mining leases. At the respective effective dates, the expected value to be paid to the co-investors was R136 million (USD7.7 million), based on forecasted coal prices at those dates. No amount has been paid to the co-investors in relation to the contingent deferred consideration at 31 December 2025.

Understanding of the Ensham Business

The Ensham Mine 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 dates of the respective transactions.

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

Entity	Description
Sungela Holdings	Sungela Holdings is an investment holding company, which owns 100% of the shares issued by Sungela.
Sungela	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.
Ensham Resources	Ensham Resources Pty Limited (Ensham Resources) is the operator of the Ensham Mine, an unincorporated joint venture between Sungela and Thungela Resources Australia (previously Bowen) (collectively, the 'JV participants'), which hold 85% and 15% thereof, 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	Ensham Coal Sales Pty. Ltd. (Ensham Coal Sales) coordinates the sale of coal extracted from the Ensham Mine, and the proceeds on the sales are settled to Sungela and Thungela Resources Australia (previously Bowen) in line with their contractual ownership of the joint venture.
Nogoa Pastoral	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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

2. ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY CONTINUED

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY CONTINUED

A. Understanding of our shareholding in the Ensham Business continued

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 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 year ended 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 coordinates 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 provided by Thungela International was used by the co-investors to fund the acquisition of the majority of their initial 25% shareholding in Sungela Holdings, and was secured by shares representing 20% of the shares in Sungela Holdings. For accounting purposes, while the loan was not repaid, the shares were not considered to have been issued, and Thungela was instead considered to have granted the co-investors an option to acquire the shares in Sungela Holdings. The option was exercisable only to the extent that the loan was 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 applied and recognition of the option issued to them, up to the effective date of the third transaction, the co-investors have enjoyed rights to only 7.5% of the earnings generated by the Ensham Business (2024: 6.5%), following the vesting of a portion of the LTIP shares. From the respective effective dates of the third transaction, the co-investors have no further rights to the earnings generated by the Ensham Business and the relative equity attributable to the co-investors and the shareholders of the Group has been appropriately adjusted. Thungela Resources Australia has stepped in as borrower on the loan, and the option granted to the co-investors on the initial transaction is considered to have lapsed.

The LTIP shares were treated as an equity-settled share-based payment, as they were settled with shares in Sungela Holdings, to the extent that the milestones were met. On the respective vesting dates of the LTIP shares, Thungela recognised a decrease in our share of Sungela Holdings, and a corresponding increase in the non-controlling interests attributable to the co-investors. There was no requirement for earnings related to the LTIP shares to be attributed to the non-controlling interests before the vesting dates, and the change in ownership was accounted for prospectively from the date of vesting. The remaining unvested LTIP shares were considered to be forfeited by the co-investors on the respective effective dates of the third transaction, and Thungela Resources Australia now legally owns 100% of the shares issued by Sungela Holdings.

The acquisition of the additional interest in the Ensham Mine, through the second transaction, 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 of 28 February 2025. 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 third transaction resulted in the Group acquiring a further interest in a subsidiary that we already controlled, and so this is considered to be a transaction between equity participants. The relative interests of the non-controlling interests and the equity shareholders of the Group have been adjusted to reflect the increased shareholding of Thungela from the respective effective dates.

Flow of economic benefits

Thungela is entitled to 100% of the earnings and cash flows generated by the Ensham Business from the respective effective dates of the third transaction, through our legal ownership of shares in Sungela Holdings. From the effective date of the second transaction, Thungela was entitled to 92.5% and 97.3% of the earnings and cash flows generated by the Ensham Business, respectively, based on the accounting treatment described in this note.

In the year ended 31 December 2024, Thungela was entitled to 78.6% and 82.7% of the earnings and cash flows generated by the Ensham Business, respectively.

Fair value of the identifiable net assets acquired

The fair value of the identifiable net assets acquired in the second transaction 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 Mine, as well as other elements required to be considered in terms of the acquisition method per IFRS 3, were finalised in the year ended 31 December 2025 and no further measurement period adjustments are expected.

Refer to note 1.5 for detail related to the acquisition of the additional interest in the Ensham Business.

B. Impairment of assets

The Group assesses at each reporting date whether there are any indicators that our assets or cash-generating units (CGUs) may be impaired, or that an impairment previously recognised may need to be reversed. Operating and economic assumptions, which could affect the valuation of assets using discounted cash flow models, are updated regularly as part of the Group's planning and forecasting processes. Judgement is therefore required to determine whether the updates represent significant changes in the service potential of an asset or CGU, and are therefore indicators of impairment or impairment reversal. The judgement also considers the Group's long-term economic forecasts, market analysts' views and sensitivity analyses of the discounted cash flow models used to value our assets for the purposes of assessing the impairment thereof.

Assets (other than goodwill) that have been previously impaired must be assessed for indicators of both impairment and impairment reversal at the reporting date. Such assets are generally carried in the statement of financial position at a value close to their recoverable amount at the last assessment. Therefore, in principle, any change to operational plans, assumptions or economic parameters could result in further impairment or impairment reversal if an indicator is identified.

For CGUs where indicators of impairment or impairment reversal are identified, the Group performs impairment reviews to assess the recoverable amounts of our operating assets principally with reference to their fair value less costs of disposal, assessed using discounted cash flow models. Mining operations are large, complex assets requiring significant technical and financial resources to operate, and their value may be sensitive to a range of characteristics.

The Group applies judgement in determining the assumptions that are reasonable and consistent with those that would be applied by market participants as outlined in note 7.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

2. ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY CONTINUED

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY CONTINUED

C. 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. These provisions are collectively referred to as the 'environmental provisions'.

Estimates are made in determining the liability in relation to the environmental provisions required as per various environmental regulations and legislation in both South Africa and Australia. These provisions are based on the estimated rehabilitation, closure and required post-closure monitoring costs per operation at the reporting date, inflation and discount rates relevant to the calculation, and the expected date of closure of mining activities in determining the present value of the total environmental provisions.

Because of the long-term nature of the environmental provisions, the greatest uncertainties in estimating the liabilities are the costs that will be incurred and the discount rates applied.

Environmental provisions have been recognised based on the current environmental disturbances caused at the reporting date and for our current assessment of the risk of latent or residual environmental impacts that may become known in the future. Assessments are annually updated by an independent third party for changes in the environmental footprint across our operations, rates used to determine the costs required for closure, regulations, technology and approaches used to conduct rehabilitation.

These costs have been discounted to present value over the period that they are expected to be incurred, which ranges up to 20 years post closure of the operation. In South Africa, water treatment costs are provided for up to 50 years post closure of the operation. Discounting of the costs relating to closure at the reporting date is calculated over the expected closure and rehabilitation plan of each mine, including the impact of concurrent rehabilitation undertaken while mining is ongoing. The closure plan is determined based on the remaining coal reserves per operation, which is assessed on an annual basis.

The Group has provided for water treatment costs at our South African operations using a combination of active and passive water treatment methods, based on activities currently being performed at these operations. The Financial Provisioning Regulations, 2015, published under the National Environmental Management Act 107 of 1998 (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 to be implemented is able to consistently achieve the discharge requirements. Thungela is actively working to prove the efficacy of passive treatment technologies in collaboration with academia and the relevant government departments.

On 1 February 2024, the Minister in the Department of Forestry, Fisheries and the Environment gazetted a notice to defer the transition date of the NEMA Financial Provisioning Regulations, however a revised date was not published. Mining companies will not be required to comply with the NEMA Financial Provisioning Regulations until a new transition date, which is yet to be published. The Group has continued to provide for our interpretation of the increase in costs required as a result of these regulations, mostly in relation to the pumping and treatment of polluted or extraneous water.

Refer to note 27 for further detail related to the environmental provisions.

D. Recognition of deferred tax assets

The Group recognises deferred tax assets in relation to deductible temporary differences only to the extent that we consider it likely that there will be sufficient future taxable temporary differences available against which to utilise these deductions.

The consideration of the recognition of the deferred tax assets is supported by Thungela's forecasting process, which includes a detailed calculation of the estimated annual taxable income, per legal entity, for each financial year. Where the forecast reflects that sufficient taxable income will be generated, and that there will be future available taxable temporary differences against which to utilise the deductible temporary differences, the deferred tax asset is recognised. Where the forecast indicates a potential risk around the availability of sufficient future taxable income and taxable temporary differences, no deferred tax asset is recognised.

The recoverability assessment is updated at each reporting date based on the operations at each underlying statutory entity.

Refer to note 30 for further detail on the deferred tax assets recognised.

OTHER ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

E. Estimating the useful life of property, plant and equipment

The estimation of the useful life of an asset is a matter of judgement, based on the experience of the Group with similar assets. In determining the useful life of items of property, plant and equipment that are depreciated, we consider the expected usage of assets, expected physical wear and tear, legal or similar limits of assets such as mineral rights, as well as obsolescence.

The estimate is further impacted by our best estimation of coal resources and coal reserves, and the expected future life of each of the mines within the Group. The forecast production could be different from the actual coal mined, which may impact the future life of each mine.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2025

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Impact of new standards issued and effective on 1 January 2025

Adopted by the Group

The following amendments to IFRS Accounting Standards have been adopted by the Group from 1 January 2025, with no material impact on the Group's operating results, financial position or disclosures:

Amendments to IAS 21 – lack of exchangeability, with amendments to provide guidance on when a currency is exchangeable and how to determine the exchange rate when exchangeability is lacking

Not adopted by the Group

The following amendments to IFRS Sustainability Disclosure Standards have not been adopted by the Group from 1 January 2025:

Amendments issued by the International Sustainability Standards Board to the Sustainability Accounting Standards Board standards – to enhance their international applicability

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. The Group has not yet adopted these standards. Significant detail of our sustainability-related information will be disclosed in our Environmental, Social and Governance Report to be published in April 2026.

Impact of standards and interpretations not yet effective

At the reporting date, the following relevant new IFRS Accounting Standards, or amendments to existing standards, were in issue but not yet effective:

	Effective for annual periods commencing on or after
Amendments to IFRS 7 and IFRS 9 – new exceptions for the recognition and derecognition of financial assets and financial liabilities for settlement via electronic payment systems	1 January 2026
Amendments to IFRS 7 and IFRS 9 – power purchase agreements, to address the application of own use and hedge accounting requirements for agreements which meet specified criteria	1 January 2026
Amendments to IAS 7, IFRS 1, IFRS 7, IFRS 9 and IFRS 10 – annual improvements to IFRS Accounting Standards, with changes that either clarify the wording or correct relatively minor unintended consequences, oversights or conflicts between the requirements in IFRS Accounting Standards	1 January 2026
IFRS 18 – detailed presentation and base disclosure requirements for financial statements, which will replace the requirements currently described in IAS 1	1 January 2027
IFRS 19 – simplified disclosure for entities without public accountability, but whose parents prepare consolidated financial statements under IFRS Accounting Standards (voluntary standard)	1 January 2027

The above standards and amendments are not expected to have a material impact on the consolidated and separate financial statements in future periods, other than as below, however, the Group will continue to assess the potential impacts thereof.

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 consolidated and separate financial statements.



FINANCIAL PERFORMANCE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2025

4. 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.

Accounting policy

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.

The Group has a dedicated business, operating in Dubai, with responsibility for marketing our coal from South Africa and Australia directly to third parties. Revenue related to the sale of our products through Thungela Marketing International is shown, for accounting purposes only, within the relevant reportable segment, including the margins retained by that entity. Operating costs from the marketing activities undertaken by Thungela Marketing International are presented, for accounting purposes, within the services segment, as these activities support the ongoing operations of the Group.

There have been no changes to the reportable segments identified in the current year. In the year ended 31 December 2024, the Elders project was added to the South Africa underground segment on the extraction of first coal and the commencement of sales activity at the colliery.

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: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • Zibulo • Greenside • Goedehoop • Annea (previously the 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

Revenue

Revenue is recognised in a manner that depicts the pattern of the transfer of thermal coal to customers. The amount recognised reflects the amount to which the Group is entitled in exchange for the sale of thermal coal, exclusive of related discounts and sales taxes. Sales contracts are evaluated to determine the performance obligations, the transaction price and the point at which there is transfer of control. The transaction price is the amount of consideration due in exchange for transferring thermal coal to the customer and is recognised at a specific point in time.

Revenue in South Africa is comprised of export sales to various customers through Thungela Marketing International, as well as domestic sales based on contracts signed with various customers in the areas where the Group mines.

Revenue in Australia includes export sales, predominately to Asian markets, as well as specific domestic sales contracts. The domestic sales in Australia are at export parity prices, or better and, on this basis, all revenue in Australia is disclosed as export revenue.

The Group has applied the practical expedient available in IFRS 15: Revenue from Contracts with Customers, and determined that no significant financing component is included in the consideration received. A sale is recognised when control has been transferred, which is usually when title and significant risks have passed to the customer, and the thermal coal has been delivered.

South Africa

Export sales

Revenue derived from South African export sales is recognised when the thermal coal is loaded onto the vessel at the Richards Bay Coal Terminal (RBCT). The transaction price is determined with reference to the average benchmark price reference for 6,000kcal/kg thermal coal exported from the RBCT (Richards Bay Benchmark coal price) in the month of loading, with various adjustments for quality, grade and calorific value. Revenue is not impacted by changes in the Richards Bay Benchmark coal price subsequent to the month of loading during which control transfers. This revenue is generated in US dollars, and payments received for export revenue are in US dollars.

Domestic sales

Domestic sales are made to various customers in the areas in which the Group operates in South Africa and revenue from these sales is recognised when the thermal coal is delivered to a contractually agreed location, either at the customers' premises, or at the collection point at the operation. The transaction price is contractually agreed based on various inputs and is not always directly impacted by changes in the Richards Bay Benchmark coal price.

Australia

Revenue in Australia is derived from export sales into Asian markets or sales to customers in Australia. Revenue for exported volumes is recognised when coal is loaded onto the vessel at the Port of Gladstone, while revenue for sales railed locally is recognised as the coal is delivered to the customers' premises.

The transaction price is determined with reference to the average Newcastle Benchmark price reference for 6,000kcal/kg coal exported from Newcastle, Australia (Newcastle Benchmark coal price) for the month of loading, with various adjustments for quality, grade and calorific value. Revenue is not impacted by changes in the Newcastle Benchmark coal price subsequent to the month of loading. The revenue is generated either in US dollars or Australian dollars, and payments are received from customers in these currencies. Sales contracts with specific customers include fixed prices for sales, which are negotiated based on the Newcastle Benchmark coal price at a specific point in time. Revenue for these sales is recognised at the agreed fixed price, and is not impacted by subsequent changes in the Newcastle Benchmark coal price for the period of the contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

4. SEGMENTAL INFORMATION CONTINUED

Profit for the reporting period

The profit for the reporting period by reportable segment can be analysed as follows:

Rand million	South Africa			Australia	2025
	Opencast	Underground	Services	Underground	Total
Revenue	7,959	13,673	418	7,549	29,599
Operating costs excluding depreciation and amortisation	(6,935)	(12,341)	(2,409)	(6,698)	(28,383)
Employee costs	(1,309)	(2,895)	(1,078)	(1,472)	(6,754)
Commodity purchases	(881)	—	(411)	(321)	(1,613)
Consumables used in production	(1,203)	(1,041)	(8)	(665)	(2,917)
Maintenance expenditure	(1,548)	(2,004)	(212)	(846)	(4,610)
Production input costs	(591)	(2,262)	(71)	(1,083)	(4,007)
Inventory production movement	44	(575)	—	(19)	(550)
Logistics costs	(991)	(2,544)	(4)	(1,186)	(4,725)
Royalties	(12)	(71)	—	(633)	(716)
Other	(444)	(949)	(625)	(473)	(2,491)
Adjusted EBITDA^Δ	1,024	1,332	(1,991)	851	1,216
Transactions arising from the acquisition of the Ensham Business	—	—	—	(125)	(125)
Acquisition and integration costs	—	—	—	(93)	(93)
Fair value adjustments to acquisition-related derivatives	—	—	—	(32)	(32)
Profit on disposal of operation	250	—	—	—	250
Depreciation and amortisation	(370)	(1,335)	(68)	(1,141)	(2,914)
Impairment losses	(987)	(5,493)	(608)	(1,697)	(8,785)
Restructuring costs and termination benefits	(110)	(106)	(92)	—	(308)
Net finance income/(costs)	179	267	2,295	(71)	2,670
Investment income	713	461	567	77	1,818
Interest expense	(534)	(194)	(129)	(231)	(1,088)
Other financing gains	—	—	1,857	83	1,940
Income tax credit/(expense)	213	1,386	(601)	(109)	889
Profit/(loss) for the reporting period	199	(3,949)	(1,065)	(2,292)	(7,107)

2024

Rand million	South Africa			Australia	Total
	Opencast	Underground	Services	Underground	
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^Δ	1,586	4,622	(1,992)	2,039	6,255
Transactions 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 investment in 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

4. SEGMENTAL INFORMATION CONTINUED

Capital expenditure

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

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

	2025			
Rand million	Expansionary	Stay-in-business	Stripping and development	Total
Property, plant and equipment	1,115	1,630	306	3,051
<i>South Africa</i>	1,115	1,028	306	2,449
Opencast	—	232	297	529
Underground	747	750	9	1,506
Services	368	46	—	414
<i>Australia</i>	—	602	—	602
Underground	—	602	—	602
Intangible assets	—	36	—	36
<i>South Africa</i>	—	36	—	36
Services	—	36	—	36
Total capital expenditure	1,115	1,666	306	3,087
Movement in capital creditors	(52)	(32)	(8)	(92)
South Africa	(52)	(16)	(8)	(76)
Australia	—	(16)	—	(16)
Total additions¹	1,063	1,634	298	2,995

¹ Total additions consist of additions to property, plant and equipment of R2,959 million and additions to intangible assets of R36 million.

	2024			
Rand million	Expansionary	Stay-in-business	Stripping and development	Total
Property, plant and equipment	1,696	1,445	192	3,333
<i>South Africa</i>	1,696	840	192	2,728
Opencast	—	273	66	339
Underground	1,670	444	126	2,240
Services	26	123	—	149
<i>Australia</i>	—	605	—	605
Underground	—	605	—	605
Intangible assets	—	63	—	63
<i>South Africa</i>	—	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 additions¹	1,816	1,441	180	3,437

¹ Total additions consist of additions to property, plant and equipment of R3,374 million and additions to 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. The majority of the revenue and profit of Thungela is derived from mining operations based in South Africa and Australia.

Revenue by product and segment

Rand million					2025
	South Africa		Services	Australia	Total
	Opencast	Underground		Underground	
Thermal export	5,057	13,438	418	7,549	26,462
Industrial and domestic	2,902	235	—	—	3,137
Other industrial and domestic	2,738	51	—	—	2,789
Domestic sales from thermal export stockpiles	164	184	—	—	348
Total revenue	7,959	13,673	418	7,549	29,599

Rand million					2024
	South Africa		Services	Australia	Total
	Opencast	Underground		Underground	
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

Rand million					2025
	South Africa		Services	Australia	Total
	Opencast	Underground		Underground	
India	2,457	7,760	204	—	10,421
Taiwan	347	541	—	3,116	4,004
South Africa	2,902	235	—	—	3,137
Japan	82	376	—	1,131	1,589
Australia	—	—	—	1,180	1,180
Other export destinations ¹	2,171	4,761	214	2,122	9,268
Total revenue	7,959	13,673	418	7,549	29,599

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

4. SEGMENTAL INFORMATION CONTINUED

Revenue continued

Revenue by destination continued

Rand million	2024			Total
	South Africa		Australia	
	Opencast	Underground	Underground	
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 revenue³	10,826	15,478	9,250	35,554

¹ Sales to Anglo American Marketing Limited 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 year. This disclosure does not impact any other lines in the consolidated financial statements.

Revenue by customer

Of the total revenue generated by the Group, 20% (2024: 43%) is attributable to two customers (2024: one customer). Other customers each accounted for less than 10% of the total revenue generated for the years presented. Thungela does not have a significant level of concentration risk across our customer base, due to the marketing activities performed by Thungela Marketing International.

5. OPERATING COSTS

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

Accounting policy

Operating costs incurred in the ongoing operations of the Group are recognised in the statement of profit or loss and other comprehensive income as incurred.

Exploration expenditure is the cost of exploring coal resources, other than that occurring at existing operations and projects, and comprises various studies, drilling and developments. Evaluation expenditure includes the cost of conceptual and pre-feasibility studies and the evaluation of coal resources at existing operations. Exploration and evaluation expenditure is expensed in the year in which it is incurred. Upon the studies proving that the projects are feasible and commercially viable, subsequent and directly attributable expenditures are capitalised within property, plant and equipment.

Operating costs can be analysed as follows:

Rand million	Notes	2025	2024
Employee costs	6	(6,754)	(6,660)
Depreciation	13	(2,830)	(2,423)
Amortisation	12	(84)	(29)
Commodity purchases		(1,613)	(2,983)
Consumables used in production		(2,917)	(3,165)
Maintenance expenditure		(4,610)	(4,115)
Production input costs		(4,007)	(4,960)
Inventory production movement		(550)	(600)
Logistics costs		(4,725)	(4,124)
Demurrage and other expenses		(220)	(277)
Movement in provisions for expected credit losses		(86)	(17)
Royalties		(716)	(1,114)
Exploration and evaluation ¹		(90)	(87)
Exploration expenditure		(40)	(32)
Evaluation expenditure		(50)	(55)
Foreign exchange (losses)/gains		(258)	229
Profit/(loss) on disposal of property, plant and equipment		48	(14)
Audit fees		(25)	(25)
Fees paid to PwC for audit services		(19)	(18)
Fees paid to PwC for non-audit services		(6)	(2)
Fees paid to other auditors for audit services ²		—	(5)
Professional fees		(223)	(258)
Learnership and development expenses		(287)	(278)
Information management expenses		(422)	(369)
Temporary contractor fees		(313)	(249)
Contributions to the Nkulo Community Partnership Trust	27	(101)	(94)
Recharged costs from Anglo American		—	(72)
Administration expenses		—	(47)
Operating expenses		—	(25)
Other administration (expenses)/income		(193)	41
Other operating expenses		(321)	(108)
Total operating costs		(31,297)	(31,751)

¹ Exploration and evaluation expenditure excludes associated employee costs, which are considered immaterial.

² Fees paid to other auditors for audit services represent fees paid to the independent external auditors of the Group's subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

6. EMPLOYEE COSTS

The Group incurs various costs in relation to our employees, including various long-term and short-term benefits.

Accounting policy

The cost of short-term employee benefits, including allocations made through the Sisonke Employee Empowerment Scheme Trust (Sisonke Employee Empowerment Scheme), is recognised during the period in which the employees render the related service. Short-term employee benefits are measured on an undiscounted basis. The accrual for employee entitlements to salaries, bonuses and annual leave represents the amount which the Group has a present legal or constructive obligation to pay as a result of the employees' services provided up to the reporting date.

Employee costs can be analysed as follows:

Rand million	Notes	2025	2024
Wages and salaries		5,859	5,881
Social security costs		126	125
Post-employment benefits		575	525
Share-based payment expenses	32	183	145
Allocations made through the Sisonke Employee Empowerment Scheme		101	93
Restructuring costs and termination benefits		308	—
Total employee costs		7,152	6,769
Less – employee costs capitalised		(90)	(109)
Less – employee costs included in restructuring costs and termination benefits	8	(308)	—
Employee costs included in operating costs	5	6,754	6,660

Post-employment benefits include contributions to defined contribution pension and medical aid plans, current and past service costs related to medical aid plans and other benefits provided to certain employees during retirement. Refer to note 29 for further detail.

Employee costs capitalised relate to costs incurred for employees dedicated to work performed on capital projects.

Sisonke Employee Empowerment Scheme

The Group founded the Sisonke Employee Empowerment Scheme (also referred to as the trust) in June 2021, which subscribed for 5.0% of the ordinary shares, as well as an E preference share, issued by South Africa Coal Operations Proprietary Limited (SACO). The trust is managed by a board of trustees comprised of both employer and employee representatives.

The E preference share entitled the participating employees of the Sisonke Employee Empowerment Scheme to receive a fixed minimum payment of R4,000 per employee per year over the first three years of the plan, ending in 2024. Eligible employees are also entitled to a variable payment over the full term of the plan and a potential lump-sum payment at the end of the life of mine of the SACO asset portfolio at the founding date, at which point the trust will likely be wound up. Eligible employees are defined in the trust deed as permanent employees at specific levels who are employed by one of the specified employer companies on the first day of the month in which SACO declares a dividend to the trust. The trust deed includes rules in relation to good and bad leavers, which may impact the payment of allocations.

The E preference share has been redeemed in the year ended 31 December 2025, in line with the underlying contractual agreements with the trust.

The variable payment to eligible employees is dependent on the value of the dividends declared by SACO on its ordinary shares, given the shareholding that the trust has in SACO. Allocations to the trust are paid to eligible employees within three months of the SACO dividend payment date.

At a Thungela Group level, the grants made to employees are considered to be part of their remuneration and recognised within employee costs as they are incurred, in relation to the amount of the allocation that is expected to vest.

In the year ended 31 December 2025, SACO declared ordinary dividends amounting to R101 million (2024: R93 million) to the Sisonke Employee Empowerment Scheme, which was paid to eligible employees, including the associated tax.

7. IMPAIRMENT LOSSES

The Group is required to assess whether assets may be impaired, or an impairment loss previously recognised may need to be reversed, at each reporting date. The impairment losses recognised are determined based on various judgements around the recoverable amount of each identified CGU.

Accounting policy

Any impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income.

Goodwill arising on business combinations is allocated to the CGUs that are expected to benefit from synergies of the combination and represents the lowest level at which goodwill is monitored by the Group's leadership team for internal management purposes. The CGUs to which goodwill has been allocated are tested for impairment annually, or when events or changes in circumstances indicate that they may be impaired. An impairment of goodwill is not subsequently reversed.

At each reporting date, the Group reviews the carrying amounts of our property, plant and equipment and intangible assets to determine whether there is any indication that those assets are impaired. If such an indication exists, the recoverable amount of those assets is estimated in order to determine the extent of any impairment loss. Where the asset does not generate cash flows that are independent from other assets, we estimate the recoverable amount of the CGU to which the asset belongs. The CGUs are determined as the individual operating mines and impairment is assessed at that level. When assessing assets for impairment, centrally held assets, which do not generate independent cash flows, are allocated to the CGUs on an appropriate basis.

The recoverable amount is the higher of the fair value less costs of disposal and the value in use, assessed using discounted cash flow models. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount.

Subsequent changes to the CGU allocation, to the timing of the forecasted cash flows or to the assumptions used to determine the forecasted cash flows could impact the recoverable amounts of the respective CGUs. There have been no changes to the identified CGUs in the year ended 31 December 2025. In the year ended 31 December 2024, Rietvlei was no longer considered a CGU from the date of the disposal of our interest in that operation, as detailed in note 16. No impairment indicators were identified at this CGU ahead of its disposal.

Impairment losses recognised

In the current year, we have recognised impairment losses across all of our operations, other than Mafube. In the year ended 31 December 2024, the impairment losses were recognised in relation to the Goedehoop operation.

Impairment losses recognised in the year can be analysed as follows:

Rand million	Notes	2025	2024
Property, plant and equipment	13	8,486	231
Goodwill	12	159	—
Intangible assets	12	140	47
Impairment losses		8,785	278
Tax impact	30	(2,303)	(62)
Net impairment losses		6,482	216

Goodwill impairment testing

The recoverable amount of Ensham, which is the only operation with a remaining goodwill balance, is determined on the same basis as the remaining export operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

7. IMPAIRMENT LOSSES CONTINUED

Understanding of our operations

For impairment purposes, our operations are grouped together based on the nature of the revenue generated, which impacts the realisation of the cash flows used to determine the recoverable amounts of the underlying CGUs. The impairment considerations applied have been detailed in this note based on the groupings as described below.

Export operations – South Africa

The mining operations carried out at Zibulo, Goedehoop, Annea, Greenside, Khwezela and Mafube represent the export operations of the Group in South Africa. Export sales are made directly to third-party customers through Thungela Marketing International. The price realised on export sales is determined using the Richards Bay Benchmark coal price as a base, with specific adjustments made for quality, grade, volume and content. These CGUs do supply limited quantities into the domestic market, but domestic sales are not a key value contributor to the CGUs.

Export operation – Australia

Ensham represents the export operation of the Group in Australia. Sales are made directly to third-party customers, either through Thungela Marketing International, or by Ensham itself. The realised sales price is determined using the Newcastle Benchmark coal price as a base, with specific adjustments made for quality, grade, volume and content. The Ensham Business has negotiated fixed-price contracts with some of its customers, and these prices are negotiated at a specific point in the year, in line with market conditions at the time. These fixed-price contracts can be reasonably valued using the Newcastle Benchmark coal price as a base.

Domestic operation – South Africa

Isibonelo represents the domestic operation of the Group in South Africa. This operation sold to a domestic customer under a fixed-term offtake agreement. Contractual prices were escalated annually with reference to various input cost indices. Changes in the Richards Bay Benchmark coal price therefore do not directly impact the life-of-mine revenue assumptions at this operation. Isibonelo has reached the end of its economic life at 31 December 2025 as the offtake agreement with its customer has come to an end, and has been placed on care and maintenance from January 2026.

Centrally held assets

Assets that are held centrally are allocated to the CGUs, for impairment assessment purposes, on an appropriate basis. The centrally held assets allocated to CGUs which have been impaired are allocated a proportionate share of that impairment loss, where appropriate.

Determining recoverable amounts

The recoverable amounts are determined on a fair value less costs of disposal basis with reference to the life-of-mine forecasted cash flows per the approved financial budgets and, where relevant, a valuation of in-situ coal resources beyond the current life-of-mine plan.

Expected future cash flows used in the discounted cash flow models are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, including coal resources and coal reserves and production volumes, together with economic factors such as forecasted benchmark coal prices, forecasted exchange rates, discount rates, estimates of production costs and future capital expenditure. 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), as they depend to a significant extent on unobservable valuation inputs.

Where in-situ coal resources beyond the current life-of-mine plan are included in the recoverable amount, an appropriate risk adjustment is made, or alternatively, the fair value is determined on a comparable transaction basis and added to the recoverable amount.

The discounted cash flow models incorporate a number of key assumptions which can be analysed as follows:

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 realised price for the export operations is calculated using the forecasted benchmark coal prices, with adjustments to reflect the quality and calorific value of the products, to reflect the estimated realised prices at each CGU.

The forecasted Richards Bay Benchmark coal prices, in real terms, used in the estimation of cash flows over the forecast period range from USD95 per tonne to USD105 per tonne (2024: USD100 per tonne to USD107 per tonne). The forecasted Newcastle Benchmark coal prices, in real terms, used in the estimation of cash flows over the forecast period range from USD115 per tonne to USD116 per tonne (2024: USD115 per tonne to USD130 per tonne).

In estimating the forecasted cash flows, the Group also considered the expected realised prices from existing contractual arrangements for the domestic operation. As the existing contractual agreement has come to an end, no price was used in determining the recoverable amount of this CGU (2024: R618 per tonne to R780 per tonne).

Foreign exchange rates

Foreign exchange rates are based on the latest internal forecasts, benchmarked with external sources of information, in line with the approved budget assumptions. Export sales from South Africa are undertaken in US dollars only, and sales from Australia are undertaken in both US dollars and Australian dollars.

The foreign exchange rates used in the estimation of cash flows over the forecast period range from R17.28:USD1 to R17.30:USD1 and AUD1.45:USD1 to AUD1.49:USD1. For the year ended 31 December 2024, the estimated foreign exchange rates utilised ranged from R17.02:USD1 to R18.20:USD1 and AUD1.45:USD1 to AUD1.55:USD1 over the forecast period.

Discount rates

The discounted cash flow models used to determine the recoverable amounts are discounted based on a real post-tax discount rate, assessed annually, of 9.5% (2024: 9.5%) for our South African operations. The discounted cash flow model used to determine the recoverable amount of Ensham is based on a real post-tax discount rate of 7.7% (2024: 9.3%), based on risks specific to the business and the Australian economic environment. The discount rate applied in Australia has reduced based on the risk profile of the mining industry in that country. Adjustments to the discount rate are made for any risks that are not reflected in the underlying cash flows, including the risk profile of the CGU.

Saleable production

The forecasted saleable production used in the discounted cash flow models is based on the approved financial budgets, including any risks related to rail capacity and ongoing production or other challenges. The assumptions used in determining the forecasted saleable production take into account various factors, including coal resources and coal reserves, life-of-mine plans, rail capacity and the approved sales profiles based on the Group's experience and expectations.

Operating costs, capital expenditure and other operating factors

Operating costs and capital expenditure are based on the approved financial budgets. 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, as well as the nature and location of the operations, the risks associated therewith (for example, due to varying geological conditions over time and unforeseen operational issues), and appropriate cost savings over the forecast period.

Climate change

The Group has carefully considered the potential impact of climate-related risks in the estimation of the recoverable amounts. The risks considered include the global trends of decreasing demand for coal, the impact on the cost of capital, the impact on forecasted benchmark coal prices and the increased cost of adhering to applicable regulatory requirements, including carbon pricing, in addition to physical risks caused by climate change.

The life-of-mine models assume that there will be a market for thermal coal over the expected life of mine of our operations after assessing local and global demand forecasts. The prices and other key assumptions represent the Group's best estimate of key market factors, including scenarios related to climate change.

The cost of carbon-related emissions has been considered and incorporated into the discounted cash flow models, based on enacted legislation and expectations for carbon prices based on the latest internal forecasts, benchmarked with external sources.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

7. IMPAIRMENT LOSSES CONTINUED

Impairment loss assessments

Export operations – South Africa

The export operations in South Africa are significantly affected by the Richards Bay Benchmark coal price, along with the production profile of the operations and the ability to rail coal to the RBCT. We have seen consistent improvement in rail performance over the course of the year, and this has been taken into account in determining the forecasted saleable production across our operations.

The Richards Bay Benchmark coal price continued to soften in the year, with the average index price reducing by 15% compared to the year ended 31 December 2024. Prices were impacted by weak demand, coupled with stronger domestic production in key seaborne markets. This has impacted the forward-looking prices as well, as the expected level of supply discipline in the market has not yet been reflected.

The exchange rate of the South African rand to the US dollar has strengthened in the year, from an average of R18.34 in the prior year to R17.89 in the year ended 31 December 2025. The forecasted rate has also strengthened from levels experienced in prior years. This reduces the revenue realised in South African rand and impacts the margins generated at our export operations.

The combination of the deteriorating Richards Bay Benchmark coal price and the strengthening exchange rate of the South African rand to the US dollar has materially reduced the recoverable amounts of our CGUs. The recoverable amounts of our shorter dated, higher-cost operations have been more heavily impacted, and the related carrying amounts have been reduced to zero. The recoverable amounts at our longer-dated operations, Zibulo and Annea, now more closely reflect the capital spent in recent years on our life extension projects. No impairment losses have been recognised at Mafube, as the recoverable amount of that CGU exceeds its carrying amount.

In the year ended 31 December 2024, Goedehoop was fully impaired as a result of the forecast Richards Bay Benchmark coal prices used, as well as the short remaining life of mine of the operation.

The impairment losses recognised and remaining carrying amounts of our CGUs can be analysed as follows:

			2025
Rand million	Reporting segment	Impairment losses	Carrying amounts ¹
Zibulo	Underground	3,273	3,302
Annea	Underground	1,246	1,893
Greenside	Underground	974	—
Khwezela	Opencast	857	—
Mafube	Opencast	—	1,858
Total carrying amount		6,350	7,053

¹ The carrying amounts comprise other intangible assets and property, plant and equipment.

			2024
Rand million	Reporting segment	Impairment losses	Carrying amounts ¹
Zibulo	Underground	—	6,584
Goedehoop	Underground	278	—
Annea	Underground	—	2,138
Greenside	Underground	—	1,302
Khwezela	Opencast	—	708
Mafube	Opencast	—	1,761
Total carrying amount		278	12,493

¹ The carrying amounts comprise other intangible assets and property, plant and equipment.

Sensitivities

The recoverable amounts, based on the discounted cash flow models, are sensitive to changes in input assumptions. The most significant inputs to the discounted cash flow models are the short to medium-term forecasted Richards Bay Benchmark coal prices and foreign exchange rates used to calculate the estimated realised prices across the CGUs, the discount rates applied and the forecasted saleable production across the CGUs. In addition to the base case valuation, alternative scenarios have been considered to assess the impact of changes in these assumptions.

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

		5.0% decrease in saleable production	5.0% decrease in estimated realised prices	2025 0.5% increase in discount rate
Rand million				
Zibulo		(1,594)	(1,817)	(151)
Goedehoop		(5)	(9)	1
Annea		(1,072)	(1,015)	(122)
Greenside		(320)	(413)	4
Khwezela		(452)	(563)	30
Mafube		(605)	(991)	(103)
Total		(4,048)	(4,808)	(341)

		5.0% decrease in saleable production	5.0% decrease in estimated realised prices	2024 0.5% increase in discount rate
Rand million				
Zibulo		(1,601)	(1,993)	(267)
Goedehoop		(99)	(144)	—
Annea		(891)	(1,276)	(124)
Greenside		(316)	(550)	(20)
Khwezela		(443)	(696)	(8)
Mafube		(601)	(1,116)	(138)
Total		(3,951)	(5,775)	(557)

For the year ended 31 December 2025, the impact of the sensitivities shown above would result in an increase in the impairment recognised for Zibulo and Annea, and a reduction in the headroom available at Mafube. No further impairment would be required at Goedehoop, Greenside and Khwezela as these CGUs have been fully impaired.

For the year ended 31 December 2024, the impact of the sensitivities shown above would have resulted in an impairment possibly being recognised at Khwezela and Greenside, and a reduction of headroom at the remaining CGUs. No further impairment would have been required at Goedehoop as all assets had been fully impaired.

The recoverable amounts of our CGUs continue to be the most sensitive to changes in estimated realised prices and saleable production used over the forecast period. The Group continues to identify areas for productivity and cost improvement in response to the current market conditions. We are comfortable that the judgements used to determine the recoverable amounts are reasonable and appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

7. IMPAIRMENT LOSSES CONTINUED

Impairment loss assessments continued

Export operation – Australia

The Newcastle Benchmark coal price has continued to deteriorate in the current year due to weaker demand in key export markets, coupled with stronger domestic production in these countries. We have not yet seen the expected level of supply discipline in the market, which has also impacted the forward-looking Newcastle Benchmark coal price.

The forecasted exchange rate of the Australian dollar to the US dollar has strengthened, which has resulted in a decrease in the revenue realised in Australian dollars at Ensham, and placed pressure on the margins generated.

Ensham has forecast stable saleable production, in line with the improvements noted since we took ownership of the mine in 2023. However, the impact of the lower Newcastle Benchmark coal price has materially reduced the recoverable amount of the CGU, and resulted in impairment losses of R1,697 million being recognised in the year ended 31 December 2025.

The remaining carrying value of Ensham of R5,203 million more closely reflects the original cost of the underlying assets, rather than the fair value recognised on the initial transaction in line with the requirements of IFRS 3.

For the year ended 31 December 2024, there was no impairment recognised for the Ensham CGU due to a relatively stronger price environment and continued improvement in performance of the CGU.

Sensitivities

The recoverable amount, based on the discounted cash flow model, is sensitive to changes in input assumptions. The most significant inputs to the discounted cash flow model are the short to medium-term forecasted Newcastle Benchmark coal prices and foreign exchange rates used to calculate the estimated realised prices, the discount rates applied and the forecasted saleable production. In addition to the base case valuation, alternative scenarios have been considered to assess the impact of changes in these assumptions.

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

Rand million	2025		
	5.0% decrease in saleable production	5.0% decrease in estimated realised prices	0.5% increase in discount rate
Ensham	(1,492)	(1,339)	(55)
Total	(1,492)	(1,339)	(55)

Rand million	2024		
	5.0% decrease in saleable production	5.0% decrease in estimated realised prices	0.5% increase in discount rate
Ensham	(900)	(939)	(77)
Total	(900)	(939)	(77)

For the year ended 31 December 2025, the impact of the sensitivities shown above would result in an increase in the impairment recognised.

For the year ended 31 December 2024, the impact of the sensitivities shown above would have resulted in a possible impairment in relation to the decreases in saleable production and estimated realised prices, and a decrease in available headroom in relation to the increase in the discount rate.

The recoverable amount of the CGU continues to be the most sensitive to changes in estimated realised prices and saleable production used over the forecast period. The Group continues to identify areas for productivity and cost improvement in response to the current market conditions. We are comfortable that the judgements used to determine the recoverable amount are reasonable and appropriate.

Domestic operation – South Africa

At 31 December 2025, the customer offtake agreement at Isibonelo has come to an end, and the mine has been placed into care and maintenance from January 2026. As the mine has come to the end of its economic life, impairment losses of R130 million have been recognised for the year ended 31 December 2025.

In the year ended 31 December 2024, Isibonelo sales were made under a fixed-term offtake agreement with committed production. Prices were contractually agreed and impacted by mining inflation and other inputs. The forecasted production was sufficient to meet the committed production for the year, and so there were no impairment indicators for the Isibonelo CGU.

Sensitivities

As domestic sales prices are largely fixed with annual input cost inflation adjustments, recoverable amounts are the most sensitive to production volumes and cost increases not catered for in the annual sales price adjustment.

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

Rand million	2025	
	5.0% increase in operating expenditure	5.0% decrease in saleable production
Isibonelo	(13)	—
Total	(13)	—

Rand million	2024	
	5.0% increase in operating expenditure	5.0% decrease in saleable production
Isibonelo	(116)	(138)
Total	(116)	(138)

For the year ended 31 December 2025, no further impairment would be required at Isibonelo as all assets have been fully impaired.

For the year ended 31 December 2024, the impact of the sensitivities shown above would have been a decrease in the available headroom, but no impairment of Isibonelo.

Centrally held assets

The assets held centrally by the Group are allocated to all CGUs on an appropriate proportionate basis for impairment assessment purposes. For the year ended 31 December 2025, due to the impairment losses recognised at multiple CGUs across the Group, impairment losses of R608 million were recognised on these centrally held assets. No impairment losses were recognised on the centrally held assets in the year ended 31 December 2024 based on the allocation performed to the appropriate CGUs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

8. RESTRUCTURING COSTS AND TERMINATION BENEFITS

The Group incurs various costs in relation to restructuring costs and termination benefits, based on changes in the underlying structure of the Group.

Accounting policy

Restructuring costs are recognised as an expense at the earlier of the date that the costs are incurred or when the Group is demonstrably committed, without a realistic possibility of withdrawal, to a formal detailed restructuring plan. Benefits that are expected to be wholly settled more than one year after the end of the reporting period are discounted to their present value.

Expenses related to the demerger are incurred directly in relation to the ongoing transition of services away from Anglo American, and are recognised as expenses as incurred.

Restructuring costs and termination benefits can be analysed as follows:

Rand million	2025	2024
Restructuring costs	308	—
Demerger-related costs	—	13
Restructuring costs and termination benefits	308	13
Tax impact	(83)	—
Net restructuring costs and termination benefits	225	13

The Group has undertaken a formal restructuring process in relation to the Goedehoop and Isibonelo operations, based on the collieries reaching the end of their economic lives. The Group has recognised a restructuring provision in line with our estimate of the costs to be incurred through the closure of these operations, specifically in relation to employee costs. The amounts will be paid to employees in line with the individual underlying agreements.

9. 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 income from other financing activities.

Accounting policy

Interest income is recognised in the statement of profit or loss and other comprehensive income using the effective interest rate method.

Growth on the environmental rehabilitation trusts' assets and other environmental investments represents the growth on the investments held in order to mitigate the Group's exposure to environmental provisions, and is recognised in the statement of profit or loss and other comprehensive income as it is earned.

Interest expenses, other than the unwinding of discount on environmental and other provisions, are recognised in the statement of profit or loss and other comprehensive income in the period in which they are incurred. The unwinding of the discount on environmental and other provisions is recognised in the statement of profit or loss and other comprehensive income over the life of the relevant provision, based on the expected outflow of economic benefits in future periods.

Foreign exchange (losses)/gains relate to the translation of cash and cash equivalents held by the Group, which are denominated in foreign currencies.

Fair value movements on derivative financial instruments relate to realised and unrealised movements on various instruments entered into in order to manage the Group's exposure to exchange rate volatility.

Net finance income can be analysed as follows:

Rand million	Notes	2025	2024
Investment income			
Interest income on cash and cash equivalents		471	673
Growth on environmental rehabilitation trusts' assets	27	1,030	526
Growth on other environmental investments	22	153	103
Fair value movement on investment in insurance structure	24	89	44
Other interest income		75	47
Total investment income		1,818	1,393
Interest expense			
Interest and other finance expenses		(127)	(97)
Net interest costs on retirement benefit obligations	29	(43)	(46)
Unwinding of discount on environmental and other provisions	27	(918)	(1,014)
Total interest expense		(1,088)	(1,157)
Other net financing gains			
Foreign exchange (losses)/gains on cash and cash equivalents		(341)	281
Fair value movements on derivative financial instruments	23	2,281	377
Total other net financing gains		1,940	658
Net finance income		2,670	894

10. INCOME TAX CREDIT/(EXPENSE)

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

Accounting policy

The income tax credit/(expense) comprises the sum of current and deferred tax. Income tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income or in equity.

Current tax and deferred tax is recognised in other comprehensive income or in equity if the taxation relates to items that are recognised, in the same or a different period, in other comprehensive income or in equity.

The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Analysis of income tax credit/(expense)

Rand million	Note	2025	2024
Current tax expense		(589)	(1,813)
Charged in respect of the current reporting period		(629)	(1,824)
Credited in respect of prior reporting periods		40	11
Deferred tax credit		1,478	359
Credited in respect of deferred tax assets	30	410	367
Credited/(charged) in respect of deferred tax liabilities	30	1,068	(8)
Total income tax credit/(expense)		889	(1,454)

The South African and Australian corporate tax rates are 27% and 30%, respectively. 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%, based on relevant Pillar Two requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

10. INCOME TAX CREDIT/(EXPENSE) CONTINUED

Analysis of income tax credit/(expense) continued

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.

Previously, the tax consolidated group was headed by Sungela Holdings, however, given the increased shareholding of Thungela Resources Australia in Sungela Holdings, the original tax consolidated group ceased to exist on 1 October 2025. A new tax consolidated group was formed from this date, with Thungela Resources Australia as the head company, and including all Thungela subsidiaries in Australia. As the head company, Thungela Resources Australia is solely responsible for the income tax liabilities of the new tax consolidated group.

Factors affecting income tax credit/(expense)

The income tax credit/(expense) has been impacted by various transactions and can be analysed as follows:

Rand million	2025	2024
(Loss)/profit before tax	(7,996)	4,998
Tax at the applicable rate (South African corporate tax rate) of 27%	2,159	(1,349)
Adjusted for the tax effects of:		
Items non-deductible for tax purposes	(358)	(165)
Depreciation of mineral rights	(6)	(8)
Impairment losses	(71)	(13)
SARS penalties and interest	—	(3)
Royalty and carbon tax prior year adjustment	(1)	(15)
Fair value losses on biological assets	(1)	(3)
Non-deductible items considered capital in nature	(18)	(25)
Expenses related to contributions to the trusts ¹	(59)	(52)
Expenses not incurred in the production of income	(12)	(9)
Transactions related to the acquisition of the Ensham Business ²	(190)	(37)
Items non-taxable for tax purposes	62	231
Contribution to other environmental investments	—	1
Accounting adjustments not taxable	29	74
Disposal of investment in subsidiary ³	—	137
Disposal of operation	13	—
Exempt income	20	19
Other items	(1,010)	(168)
Effect of different tax rates in foreign jurisdictions	103	7
Deferred tax assets previously not recognised	—	6
Deferred tax assets not recognised ⁴	(1,054)	(154)
Current tax expense related to Pillar Two top-up tax	(60)	(18)
Other	1	(9)
Prior year adjustments	36	(3)
Current tax	40	11
Deferred tax	(4)	(14)
Total income tax credit/(expense)	889	(1,454)

¹ Expenses related to contributions to the trusts relates to contributions made to the Nkulo Community Partnership Trust and the Sisonke Employee Empowerment Scheme. Refer to note 6 and note 27 for further detail.

² Transactions related to the acquisition of the Ensham Business relate to the tax impact of various elements of the acquisition, which are considered non-deductible based on the application of the tax laws in Australia. This also includes the impact of the change in the tax consolidated group in the year.

³ Refer to note 16 for further detail related to the disposal of investment in subsidiary.

⁴ Deferred tax assets not recognised reflect mainly assets not recognised in relation to Anglo American Inyosi Coal Proprietary Limited and the Ensham Business. Refer to note 30 for further detail. In the year ended 31 December 2024, this related to losses incurred in Rietvei Mining Company Proprietary Limited until its disposal. The unrecognised deferred tax asset was disposed of along with the disposal of our investment in the company.

The total income tax for the year ended 31 December 2025 reflects a credit, while in the year ended 31 December 2024 it reflected an expense. The effective tax rate for the period of 11% (2024: 29%) is lower (2024: higher) than the applicable statutory rate of corporate tax in South Africa of 27%. The lower effective tax rate is primarily impacted by the deferred tax assets not recognised, the transactions related to the acquisition of the Ensham Business, and other non-deductible expenses incurred throughout the Group.

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

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 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 R60 million may need to be paid by our operations in the United Arab Emirates for the year ended 31 December 2025. For the year ended 31 December 2024, the calculation noted that a top-up tax of R18 million may need to be paid based on these operations, which would be payable by Thungela as the ultimate parent entity of the Group.

The Group continues to apply 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.

Tax amounts included in other comprehensive loss

The tax impact of the individual items presented in other comprehensive loss can be analysed as follows:

Rand million	2025	2024
Tax credit on items that will not be reclassified to profit or loss		
Remeasurement of retirement benefit obligations	8	2
Total income tax credit recognised in other comprehensive loss	8	2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

10. INCOME TAX CREDIT/(EXPENSE) CONTINUED

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	2025	2024
Current tax assets	57	235
Current tax liabilities	(190)	(482)
Net current tax liabilities	(133)	(247)

Income tax paid

The income tax paid in the year can be analysed as follows:

Rand million	2025	2024
Balance at the start of the reporting period	(247)	196
Income tax – current tax charge	(589)	(1,813)
Disposal of investment in subsidiary ¹	—	2
Interest capitalised	17	12
Non-cash movements	—	1
Currency movements	3	13
Balance at the end of the reporting period	133	247
Income tax paid	(683)	(1,342)

¹ Refer to note 16 for further detail related to the disposal of investment in subsidiary.

11. (LOSS)/EARNINGS PER SHARE AND HEADLINE (LOSS)/EARNINGS PER SHARE

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

Accounting policy

The Group calculates and presents basic and diluted (loss)/earnings per share and basic and diluted headline (loss)/earnings per share for its ordinary shares.

The headline (loss)/earnings is calculated by adjusting the (loss)/profit attributable to the equity shareholders of the Group for all separately identifiable remeasurements, which are excluded from the headline (loss)/earnings as defined in Circular 1/2023, net of related tax (both current and deferred) and related non-controlling interests. The headline (loss)/earnings is then divided by the weighted average number of shares outstanding (WANOS) to calculate headline (loss)/earnings per share. Disclosure of the headline (loss)/earnings is not a requirement of IFRS Accounting Standards, but it is a commonly used measure of earnings in South Africa that is more closely aligned with the operating activities of an entity.

The diluted (loss)/earnings and headline (loss)/earnings per share are determined by adjusting the basic and headline (loss)/earnings attributable to the equity shareholders of the Group and the WANOS for the effects of all dilutive potential ordinary shares at the reporting date, which comprise share awards granted to employees in line with the Thungela share plan.

Number of shares

The WANOS used in the calculation of the (loss)/earnings per share and the headline (loss)/earnings per share can be analysed as follows:

Number of shares	2025	2024
Net shares in issue at the start of the reporting period	133,566,696	136,900,568
Adjusted for the weighted average impact of shares:		
Acquired in the reporting period ¹	(4,927,769)	(3,115,877)
Reissued in the reporting period ²	1,016,530	453,756
WANOS at the end of the reporting period	129,655,457	134,238,447
Adjusted for dilutive potential ordinary shares relating to:		
Conditional share awards	1,213,229	1,057,262
Forfeitable share awards	876,693	641,691
Diluted WANOS at the end of the reporting period	131,745,379	135,937,400
Number of shares in issue	140,492,585	140,492,585
Treasury shares held by Group companies ³	(13,708,399)	(6,925,889)
Net shares in issue at the end of the reporting period	126,784,186	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 share buybacks undertaken by the Group. Refer to note 31 and note 32 for details.

² Shares reissued in the reporting period relate to share awards which have vested, or share awards which have been forfeited and subsequently sold, in line with the requirements of the Thungela share plan.

³ Refer to note 31 for detail related to the treasury shares held by Group companies.

(Loss)/earnings per share

(Loss)/earnings per share can be analysed as follows:

Rand million (unless otherwise stated)	2025	2024
(Loss)/profit attributable to the equity shareholders of the Group	(7,085)	3,592
(Loss)/profit used in the calculation of diluted (loss)/earnings per share ¹	(7,085)	3,592
(Loss)/earnings per share		
Basic (cents/share)	(5,464)	2,676
Diluted (cents/share)	(5,378)	2,642

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2025

11. (LOSS)/EARNINGS PER SHARE AND HEADLINE (LOSS)/EARNINGS PER SHARE CONTINUED

Headline (loss)/earnings per share

(Loss)/profit attributable to the equity shareholders of the Group has been reconciled to the headline (loss)/earnings as follows:

Rand million (unless otherwise stated)	Notes	2025	2024
(Loss)/profit attributable to the equity shareholders of the Group		(7,085)	3,592
Adjusted for:			
Excluded remeasurements		8,487	(309)
Impairment of property, plant and equipment	7	8,486	231
Impairment of intangible assets	7	140	47
Impairment of goodwill	7	159	—
Profit on disposal of operation		(250)	—
Profit on disposal of investment in subsidiary	16	—	(601)
(Profit)/loss on disposal of property, plant and equipment	5	(48)	14
Tax effects of excluded remeasurements		(2,241)	(40)
Impairment of property, plant and equipment	7	(2,267)	(62)
Impairment of intangible assets	7	(36)	—
Profit on disposal of operation		55	—
Profit on disposal of investment in subsidiary	16	—	26
Profit/(loss) on disposal of property, plant and equipment		7	(4)
Non-controlling interests related to excluded remeasurements		—	192
Profit on disposal of investment in subsidiary		—	192
Headline (loss)/earnings		(839)	3,435
Headline (loss)/earnings used in the calculation of diluted headline (loss)/earnings per share¹		(839)	3,435
Headline (loss)/earnings per share			
Basic (cents/share)		(647)	2,559
Diluted (cents/share)		(637)	2,527

¹ There were no adjustments to the headline (loss)/earnings used in the calculation of the diluted headline (loss)/earnings per share relating to the potential ordinary shares.



**CAPITAL
BASE**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

12. INTANGIBLE ASSETS

Intangible assets comprise goodwill and other intangible assets, being a servitude related to the Zibulo Colliery and software implemented by the Group.

Accounting policy

Goodwill is subsequently measured at cost less accumulated impairment losses. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment.

Other intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised on a straight-line basis over their estimated useful lives of between three and 20 years. The amortisation period is determined as the period over which the Group expects to obtain benefits from the asset, taking account of all relevant facts and circumstances, including contractual lives and expectations about the renewal of contractual arrangements without significant incremental costs. Amortisation methods, residual values and estimated useful lives are reviewed at least annually.

Capital work-in-progress is measured at cost less any accumulated impairment losses. Amortisation will commence when the assets can operate in the manner intended by management, at which point they will be transferred to the appropriate asset class.

Refer to note 7 for detail of the impairment assessment performed by the Group.

Intangible assets can be analysed as follows:

				2025
Rand million	Goodwill	Other intangibles	Capital work-in-progress	Total
Cost				
Balance at the start of the reporting period	98	647	—	745
Acquisition of the additional interest in the Ensham Business ¹	159	—	—	159
Additions	—	—	36	36
Reclassifications	—	—	25	25
Transfers of capital work-in-progress	—	61	(61)	—
Currency movements	—	(3)	—	(3)
Balance at the end of the reporting period	257	705	—	962
Accumulated amortisation and impairment losses				
Balance at the start of the reporting period	(98)	(347)	—	(445)
Amortisation	—	(84)	—	(84)
Impairment losses	(159)	(140)	—	(299)
Balance at the end of the reporting period	(257)	(571)	—	(828)
Carrying amount				
Balance at the start of the reporting period	—	300	—	300
Balance at the end of the reporting period	—	134	—	134

¹ Refer to note 15 for further detail related to the acquisition of the additional interest in the Ensham Business.

Rand million				2024
	Goodwill	Other intangibles	Capital work-in-progress	Total
Cost				
Balance at the start of the reporting period	98	311	273	682
Additions	—	—	63	63
Transfers of capital work-in-progress	—	336	(336)	—
Balance at the end of the reporting period	98	647	—	745
Accumulated amortisation and impairment losses				
Balance at the start of the reporting period	(98)	(262)	(9)	(369)
Amortisation	—	(29)	—	(29)
Impairment losses	—	(47)	—	(47)
Transfers of capital work-in-progress	—	(9)	9	—
Balance at the end of the reporting period	(98)	(347)	—	(445)
Carrying amount				
Balance at the start of the reporting period	—	49	264	313
Balance at the end of the reporting period	—	300	—	300

Goodwill recognised in the current year relates to the acquisition of the additional interest in the Ensham Business. Refer to note 15 for further detail. The remaining goodwill arose through various historical transactions and was fully impaired in previous years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

13. 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.

Accounting policy

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost is the fair value of the consideration required to acquire and develop the asset and includes the purchase price, acquisition of mineral rights, costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and the initial estimate of any decommissioning provisions.

Capital work-in-progress represents the costs incurred on assets being constructed by the Group, which are capitalised as costs are incurred. These assets are measured at the cost incurred on construction. When the assets can operate in the manner intended by management, or are considered to be impaired, they are transferred to the appropriate asset class. Depreciation will commence once the assets are considered ready for use.

Gains or losses on the disposal of property, plant and equipment are determined by comparing the proceeds from the disposal with the carrying amount of the assets disposed. The gains or losses are recognised in the statement of profit or loss and other comprehensive income when the disposal becomes effective.

Deferred stripping

The removal of rock or soil, overburden, and other waste materials overlying a mineral deposit is often necessary during the initial development of a mine site in order to access the orebody. The process of removing overburden and other mine waste materials is referred to as stripping. The directly attributable cost of this activity is capitalised in full within mining properties if the stripped area will only commence production in more than one year after the stripping costs are incurred. All amounts capitalised in respect of waste removal are depreciated using the unit of production method for the component of the orebody to which they relate, consistent with depreciation of property, plant and equipment.

The removal of waste material after the point at which mining properties are available for use is referred to as production stripping. When the waste removal activity improves access to ore extracted in the current period, the costs of production stripping are charged to the statement of profit or loss and other comprehensive income as operating costs in accordance with the principles of IAS 2: Inventories.

Right-of-use assets

Right-of-use assets are included within property, plant and equipment. At the commencement of the lease, these are recognised at the amount of the corresponding lease liability, adjusted for any lease payments made on or before the lease commencement date, plus any direct costs incurred, an estimate of costs for dismantling, removing, or restoring the underlying asset, and less any lease incentives received.

Refer to note 28 for detail related to the leasing activities of the Group.

Depreciation

Mining properties and items of plant and equipment for which the consumption of economic benefits is linked to production are depreciated to their residual values, from the date that they are considered to be available for use, using the unit of production method based on proved and probable coal reserves. Mining properties include the value of the mining tenement acquired with the Ensham Business, which is depreciated on a straight-line basis over the estimated remaining reserve life.

Land is not depreciated. Buildings and items of plant and equipment for which the consumption of economic benefits is linked primarily to utilisation or to throughput, rather than production, are depreciated to their residual values, from the date that they are considered to be available for use, at varying rates on a straight-line basis over their estimated useful lives or the reserve life, whichever is shorter. Estimated useful lives normally vary from up to 20 years for items of plant and equipment, to a maximum of 50 years for buildings.

Right-of-use assets are depreciated on a straight-line basis over the term of the lease, or, if shorter, the useful life of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components).

Depreciation methods, residual values and estimated useful lives are reviewed at least annually.

Property, plant and equipment can be analysed as follows:

	2025						
Rand million	Mining properties ¹	Land and buildings		Plant and equipment		Capital work-in-progress	Total
		Owned	Right-of-use	Owned ²	Right-of-use		
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 ³	274	231	—	499	5	37	1,046
Additions	—	—	—	—	—	2,959	2,959
Additions to right-of-use assets	—	—	89	—	36	—	125
Disposals	(889)	(4)	(3)	(2,124)	(16)	—	(3,036)
Disposal of operation	—	—	—	(3)	—	—	(3)
Transfers of capital work-in-progress	862	15	—	7,576	—	(8,453)	—
Reclassifications	—	—	—	213	(213)	(25)	(25)
Adjustments to decommissioning assets	—	—	—	15	—	—	15
Currency movements	(167)	(95)	(1)	(246)	(3)	(16)	(528)
Balance at the end of the reporting period	9,710	2,911	127	36,824	53	3,755	53,380
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	(619)	(192)	(15)	(1,973)	(31)	—	(2,830)
Impairment losses	(1,251)	(334)	(26)	(6,776)	(99)	—	(8,486)
Disposals	889	4	2	2,115	9	—	3,019
Disposal of operation	—	—	—	1	—	—	1
Reclassifications	—	—	—	(121)	121	—	—
Currency movements	43	22	—	74	3	—	142
Balance at the end of the reporting period	(6,815)	(1,591)	(76)	(29,245)	(39)	(3,493)	(41,259)
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	2,895	1,320	51	7,579	14	262	12,121

¹ Mining properties includes assets with a carrying value of R96 million, which are not yet considered ready for use.

² Plant and equipment includes assets with a carrying value of R593 million, which are not yet considered ready for use.

³ Refer to note 15 for further detail related to the acquisition of the additional interest in the Ensham Business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

13. PROPERTY, PLANT AND EQUIPMENT CONTINUED

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

Rand million	2024						Total
	Mining properties	Land and buildings		Plant and equipment		Capital work-in-progress	
		Owned	Right-of-use	Owned	Right-of-use		
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 ¹	(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 ¹	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

¹ Refer to note 16 for further detail related to the disposal of investment in subsidiary.

14. INVESTMENT IN ASSOCIATE

The Group holds a 23% ownership interest in Richards Bay Coal Terminal Proprietary Limited (RBCT), over which we are considered to exercise significant influence.

Accounting policy

Associates are investments over which the Group has significant influence, which is the power to participate in the financial and operating policy decisions of the investee, but without the ability to exercise control or joint control. Investments in associates are equity accounted and represent the cost of the investment, the post-acquisition share of any profits or losses and other changes in equity, and the long-term debt interests which in substance form part of the Group's net investment.

The carrying values of investments in associates are reviewed on a regular basis and if there is objective evidence that a sustained decline in value has occurred as a result of one or more events during the period, the investment is impaired.

The investment in associate can be analysed as follows:

Rand million	2025	2024
Balance at the start of the reporting period	199	78
(Repayment)/advance of quasi-equity loans	(12)	121
Balance at the end of the reporting period	187	199

The principal business activity of RBCT is the export of coal from South Africa. RBCT operates on the basis that all costs incurred are recovered from shareholders in proportion to their throughput through the terminal, hence no profit or loss is recognised under the equity method of accounting. The Group's total investment in associate includes loans of R168 million (2024: R180 million), which in substance form part of the Group's net investment in the associate.

The Group has assessed these loans for impairment based on the expected repayment of the loans and risk of default by RBCT, taking into account both forward-looking and historical information available and determined that no impairment is required.

15. ACQUISITION OF THE ADDITIONAL INTEREST IN THE ENSHAM BUSINESS

Thungela acquired an additional 15% interest in the Ensham Mine from Bowen (the second transaction), and the remaining interest in Sungela Holdings from the co-investors (the third transaction) as fully described in note 2A. The effective date of the second transaction was 28 February 2025, and of the third transaction was 31 July 2025 and 29 September 2025 in relation to the transaction with Mayfair and Audley Capital, respectively.

The acquisition of the additional interest in the Ensham Mine 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.

The acquisition of the remaining interest in Sungela Holdings is considered to be a transaction between equity participants, as Thungela is increasing our shareholding in an entity over which we already exercised control.

Accounting policy

Goodwill, or a gain on bargain purchase, is determined by comparing the fair value of the consideration transferred (including contingent consideration) to the fair value of the Group's share of identifiable net assets at the acquisition date. Where this difference is positive, it reflects goodwill, and where it is negative, it results in a gain on bargain purchase. Goodwill is recognised as an intangible asset, while a gain on bargain purchase is recognised directly in the statement of profit or loss and other comprehensive income on the acquisition date.

Transactions which are not considered to be part of the business combination are recognised separately, in line with the relevant IFRS Accounting Standards considerations, and do not impact the goodwill or gain on bargain purchase recognised.

Acquisition and integration costs relate to costs incurred in relation to the business combination, or subsequent integration of the business into the Group, and are expensed as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

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

Accounting for the second transaction

Thungela Resources Australia acquired the 15% direct interest in Ensham, previously held by Bowen, with an effective date of 28 February 2025, which is referred to as the second transaction.

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 CGU, 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 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.

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

Coal prices

The estimated coal prices used were based on the internal forecasts available at the acquisition date, benchmarked with external sources of information to ensure that they were within the range of available external forecasts. The estimated prices were calculated using the forecasted Newcastle Benchmark coal price, with adjustments to reflect the quality and calorific value of the product. Where Ensham had negotiated fixed-price contracts with customers, the estimated price for these sales volumes reflected the agreed fixed price. The forecasted Newcastle Benchmark coal price used in the cash flow model ranged 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 ranged from USD105 per tonne to USD142 per tonne.

Foreign exchange rates

Foreign exchange rates were based on the internal forecasts available at the acquisition date, 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 ranged 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 was 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 was determined using a risk-free real discount rate of 1.8%.

Operating costs, capital expenditure and other operating factors

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

Tax and deferred tax

The tax and deferred tax impact included in the cash flow model was 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 purchase price payable, which was considered the total consideration in line with IFRS 3, 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; and
- the second payment of R186 million (AUD16 million), which was transferred into an escrow account on the effective date of the transaction, and paid to Bowen in December 2025.

Impact on the statement of cash flows

The amounts recognised in the statement of cash flows relating to the second transaction can be analysed as follows:

Rand million	2025
Total consideration	558
Realised foreign exchange gains	(7)
Net cash outflow related to total consideration	551
Less – cash acquired in the Ensham Business ¹	(70)
Net cash outflow on acquisition of the additional interest in the Ensham Business	481

¹ 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 second transaction 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. From the acquisition date of 28 February 2025, the results of Ensham Resources and Nogoia Pastoral are included in the consolidated financial statements at 100% of the underlying entities performance. Prior to this date, the results were included in the consolidated 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 31 December 2025, and no further measurement period adjustments are expected.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2025

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

Accounting for the second transaction continued

Fair value of the net assets of the Ensham Mine continued

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

Rand million	Notes	2025
Assets		
Non-current assets		
Property, plant and equipment	13	1,046
Trade and other receivables		1
Deferred tax assets	30	11
Other non-current assets	17	4
Total non-current assets		1,062
Current assets		
Inventories		135
Trade and other receivables		60
Derivative financial instruments	23	8
Cash and cash equivalents		70
Total current assets		273
Total assets		1,335
Liabilities		
Non-current liabilities		
Lease liabilities	28	3
Environmental and other provisions	27	723
Total non-current liabilities		726
Current liabilities		
Trade and other payables		166
Lease liabilities	28	3
Environmental and other provisions	27	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 was applied where we had sufficient information with respect to 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 was 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 was reflective of its fair value at the acquisition date. The coal inventory on hand at the acquisition date had been sold by 31 December 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.

Derivative financial instruments

The Ensham Mine 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 year. The fixed price element of these contracts was considered to be an above-market transaction, which required 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 relevant contracts with customers have been renegotiated, or the underlying coal has been delivered to customers, and the remaining fair value of the derivative is considered to be Rnil at the reporting date.

Trade and other payables

Trade and other payables were reflected at the book value thereof at the acquisition date. Thungela considered 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 Mine 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 27, 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 reflected 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 foreign exchange rates used to determine the estimated realised 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	2025
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 estimated realised prices	(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 estimated realised prices. The Newcastle Benchmark coal price used at the acquisition date 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

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

Accounting for the second transaction continued

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 in relation to the second transaction can be analysed as follows:

Rand million	2025
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 in the statement of financial position.

Contribution of the additional interest in the Ensham Mine

Based on the accounting treatment applied to the Ensham Mine 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 completion of the second transaction has had no impact on the revenue generated by the Group.

If the second transaction had been effective from 1 January 2025, the Ensham Mine would have contributed an additional net profit of R28 million to the Group for the year ended 31 December 2025.

Accounting for the third transaction

Thungela Resources Australia acquired the remaining 27.5% interest in Sungela Holdings, an existing subsidiary, as well as the remaining unvested LTIP shares (the third transaction), previously held by Audley Capital and Mayfair, in equal parts.

The transaction was subject to a number of conditions precedent, and was considered effective from 31 July 2025 and 29 September 2025, in relation to the Mayfair and Audley Capital agreements, respectively.

The agreements note that Thungela Resources Australia will step in as borrower on the loan granted to the co-investors by Thungela International in relation to the initial transaction. The loan is considered to be fully settled by the co-investors, and the in-substance option granted to them in relation to the loan has now lapsed.

The remaining unvested LTIP shares at the effective date of the third transaction are considered to be forfeited and no further expense in relation to these shares has been recognised in the year ended 31 December 2025.

Determining the total consideration

The total consideration related to the third transaction can be analysed as follows:

Rand million	2025
Cash consideration	30
Loan granted to the co-investors on the initial transaction	947
Contingent deferred consideration	136
Total consideration	1,113

Cash consideration

The cash consideration of R30 million (USD1.7 million) was paid to the co-investors on the effective dates of 31 July 2025 and 29 September 2025, respectively.

Loan granted to the co-investors on the initial transaction

Thungela Resources Australia has stepped in as borrower on the loan provided by Thungela International to the co-investors in relation to the initial transaction. The amount outstanding on the loan, including all outstanding interest, was R947 million (AUD82 million), which is considered to be part of the total consideration. No cash was paid to the co-investors or Thungela International in relation to the loan.

Contingent deferred consideration

The agreements provide for a contingent deferred consideration which may be payable to the co-investors based on sales of Ensham coal, subject to certain coal price thresholds, for a period of six years from the later of the effective date of the agreement, or the approval of the extension of specific mining leases.

The contingent deferred consideration is considered to be a derivative liability as defined in IFRS 9: Financial Instruments (IFRS 9) and is measured at its fair value, being the value expected to be paid to the co-investors over the term of the agreement. The fair value is based on the internal forecast Newcastle Benchmark coal prices available at the effective date, benchmarked with external sources of information, and forecasted sales volumes. The fair value of the derivative will be reassessed at each reporting date.

The fair value of the contingent deferred consideration was determined using a discounted cash flow model. The estimates applied to the cash flows used to determine the value of the contingent deferred consideration at the effective date and the reporting date are consistent with those disclosed in relation to the second transaction, and the impairment considerations as detailed in note 7, respectively. The fair value measurement is considered to be at level 3 in the fair value hierarchy as per IFRS 13.

Subsequent changes to the valuation of the contingent deferred consideration will be recognised in profit or loss and will not affect the total consideration for the third transaction.

The fair value of the contingent deferred consideration can be analysed as follows:

Rand million	2025
Fair value at the effective date of the third transaction	136
Fair value losses	24
Currency movements	(7)
Balance at the end of the reporting period	153

No amounts have been paid to the co-investors in the year ended 31 December 2025 in relation to the contingent deferred consideration. Based on the forecast coal prices applied in the valuation of the contingent deferred consideration at the reporting date, no portion of the liability is considered to be payable in the next 12 months, and the instrument has been classified as a non-current liability in the statement of financial position.

Sensitivity analysis

The discounted cash flow model used to determine the fair value of the contingent deferred consideration at the acquisition date is sensitive to changes in input assumptions, particularly in relation to the forecasted Newcastle Benchmark coal prices. 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	2025
Decrease of 10% in forecasted Newcastle Benchmark coal price	(105)
Increase of 10% in forecasted Newcastle Benchmark coal price	65

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

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

Non-controlling interests

As a result of the accounting treatment applied to the initial transaction, the co-investors have enjoyed rights to only 7.5% of the earnings generated by the Ensham Business up to the effective date of the third transaction (2024: 6.5%), following the vesting of a portion of the LTIP shares. From this date, the co-investors have no further rights to the earnings generated by Ensham, and Thungela now owns 100% of the Ensham Business and related companies.

Through the second transaction, the Group acquired an additional 1.5% shareholding directly in Ensham Coal Sales, and through the third transaction the Group acquired an additional 27.5% shareholding in Sungela Holdings. As these entities were 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 the equity attributable to the shareholders of the Group, to correctly reflect their relative ownership in the Group post the effective dates of the transactions.

As a result of these transactions, R356 million was released from non-controlling interests to equity attributable to the shareholders of the Group, to correctly reflect that there are no further non-controlling interests in the Ensham Business.

In the year ended 31 December 2024, LTIP shares reflective of 1.0% of the shares issued by Sungela Holdings vested. A share-based payment expense of R9 million was recognised based on the grant date fair value of the LTIP shares. As a result of the vesting, the non-controlling interest in the Ensham Business increased by R82 million to correctly reflect their share of the business from that date.

Acquisition and integration costs

Costs directly attributable to the acquisition of the additional interest in the Ensham Business, amounting to R93 million, have been expensed in the year ended 31 December 2025 (2024:Rnil).

16. DISPOSAL OF INVESTMENT IN SUBSIDIARY

Thungela owned a controlling interest in Rietvlei Mining Company Proprietary Limited (RMC), through Butsanani Energy Investment Holdings Proprietary Limited (Butsanani Energy), which we disposed of on 30 November 2024.

Accounting policy

When the disposal of an investment results in the Group losing control of a subsidiary, all assets, liabilities and non-controlling interests of the subsidiary are derecognised on the date of disposal. The difference between the carrying amount of the net assets and non-controlling interests disposed of and the proceeds received will be recognised in the statement of profit or loss and other comprehensive income on the date of disposal.

Understanding of the transaction

Thungela owned a controlling interest in RMC through Butsanani Energy, in which we own a 67% shareholding. Butsanani Energy owned 51% of RMC, however, economically owned only 45% of RMC based on various contractual arrangements. Effectively, Thungela owned 34% (being 67% of 51%) of RMC. The results of RMC were, however, reflected at an effective ownership of 30% (being 67% of 45%) to reflect the underlying contractual agreements.

In 2024, the operator and non-controlling shareholder of RMC purchased Butsanani Energy's shares in the company, in order to more effectively leverage the operations of RMC and its other companies in meeting its fixed-term sale agreements. The disposal was effective on 30 November 2024, upon the completion of the sale of shares and claims agreement and relevant conditions precedent. The total consideration received from the disposal was R120 million, which was received by Butsanani Energy in December 2024.

As part of the disposal, preference shares held by Thungela Operations Proprietary Limited (TOPL) in RMC were also disposed of to the purchaser for their full value of R76 million.

The results of the operations of RMC were recognised in the Group results up to the effective date of the disposal.

Carrying amount of net liabilities disposed of

The carrying value of the net liabilities of RMC which were disposed of can be analysed as follows:

Rand million	2024
Assets	
Non-current assets	
Property, plant and equipment	240
Financial asset investments	24
Total non-current assets	264
Current assets	
Inventories	65
Trade and other receivables	119
Cash and cash equivalents	9
Total current assets	193
Total assets	457
Liabilities	
Non-current liabilities	
Environmental and other provisions	470
Other non-current liabilities	76
Total non-current liabilities	546
Current liabilities	
Lease liabilities	45
Trade and other payables	748
Loans and borrowings	186
Current tax liability	2
Total current liabilities	981
Total liabilities	1,527
Carrying amount of net liabilities disposed of	(1,070)

Profit on disposal of investment in subsidiary

The profit on the disposal of the investment in RMC was determined by comparing the total consideration received to the carrying value of the net liabilities and non-controlling interest disposed of.

The profit on disposal of investment in subsidiary can be analysed as follows:

Rand million	2024
Consideration received	120
Less – transaction costs	(1)
Total consideration	119
Carrying amount of net liabilities disposed of	1,070
Non-controlling interest disposed of	(588)
Profit on disposal of investment in subsidiary	601
Tax impact	(26)
Net profit on disposal of investment in subsidiary	575

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2025

16. DISPOSAL OF INVESTMENT IN SUBSIDIARY CONTINUED

Impact on the statement of cash flows

The amounts recognised in the statement of cash flows relating to the disposal of the investment in RMC can be analysed as follows:

Rand million	2024
Total consideration	119
Cash and cash equivalents disposed of	(9)
Consideration received for preference shares held by TOPL	76
Proceeds received on disposal of investment of subsidiary	186

17. OTHER NON-CURRENT ASSETS

Other non-current assets comprise biological assets.

Accounting policy

Biological assets are measured at fair value less cost to sell, with any changes recognised in profit or loss.

Other non-current assets can be analysed as follows:

Rand million	2025	2024
Biological assets	71	66
Total other non-current assets	71	66

Biological assets include different species such as buffalo, sable and cattle, which are actively managed and bred on estates owned by the Group.

Biological assets can be analysed as follows:

Rand million	Note	2025	2024
Balance at the start of the reporting period		66	72
Acquisition of the additional interest in the Ensham Business	15	4	—
Fair value gains/(losses)		3	(5)
Currency movements		(2)	(1)
Balance at the end of the reporting period		71	66

The fair value of the biological assets is measured based on auction prices (level 1 in the fair value hierarchy) obtained at each reporting date. There is no reasonably possible change in the inputs into the fair value calculation that would have a material impact on the consolidated financial statements.



WORKING CAPITAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

18. 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.

Accounting policy

Inventory is measured at the lower of cost and net realisable value. The production cost of inventory includes an appropriate proportion of depreciation and production overheads.

Cost is determined on the following basis:

- Consumables are measured at cost on either a first-in-first-out or a weighted average cost basis.
- Finished products, being coal stock held at the mine or awaiting export at the port, are measured at production costs and transport costs, where relevant, on a weighted average cost basis.
- Where product is required to be beneficiated after extraction, run of mine stockpiles are not included in the inventory value. This is due to the fact that the incremental costs required to convert the run of mine stock into finished products are significant, and the product is not saleable until these are incurred.
- Where product is not required to be beneficiated after extraction, inventory is considered saleable after extraction, and run of mine stockpiles are appropriately valued at production costs on a weighted average cost basis.

Inventory is recognised as a current asset as it is consumed within the normal business cycle.

The estimation of volumes of stock on hand and the measurement of production costs are calculated by engineers using available industry, engineering and scientific data based on average costs in line with the production period. These are periodically reassessed considering ongoing technical analysis and historical performance.

The net realisable value per product is estimated using actual realised prices for the month, based on the quality, grade and calorific value of the finished products, and deducting costs to sell, including transport costs from the mine to the port, where relevant. Any write down to net realisable value is recognised in profit or loss in the month incurred.

Inventories can be analysed as follows:

Rand million	2025	2024
Consumables	1,340	1,189
Finished products	1,739	2,255
Total inventories	3,079	3,444

The cost of inventories recognised as an expense and included in operating costs amounted to R25,678 million (2024: R27,322 million).

The write-down of inventories to net realisable value recognised throughout the year was not considered material, given historical write downs based on the lower benchmark coal price environment experienced over the past number of years (2024: R154 million).

19. 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 (VAT) and other indirect taxes, prepaid expenses, and amounts receivable for other transactions not related to the sale of thermal coal.

Accounting policy

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost. Trade receivables do not incur any interest, are principally short term in nature, and are measured at their nominal value, net of the appropriate provision for expected credit losses.

Expected credit losses

For trade receivables only, the simplified expected credit loss approach included in IFRS 9 is applied, which requires lifetime expected credit losses to be recognised from the initial recognition of the receivables. Expected credit losses are, in general, recognised where there is a failure to make contractual payments for a period of greater than 60 days, along with an appropriate assessment of forward-looking information. The expected credit losses are estimated using a provision matrix by reference to past default experience and credit ratings, adjusted as appropriate for future observable data.

The Group will write off trade and other receivables where there is information indicating that the customer is in severe financial difficulty and there is no realistic prospect of recovery of the asset, for example, when the customer has been placed under liquidation or entered into bankruptcy proceedings. Trade receivables are written off at the earlier of: management receiving legal confirmation that the outstanding amount is irrecoverable; or when a partial settlement has been reached with the customer; or where the cost of recovery procedures outweighs the benefit of recovering the outstanding amount.

Trade and other receivables can be analysed as follows:

Rand million	2025	2024
Net trade receivables	2,570	3,100
Trade receivables	2,623	3,163
Provision for expected credit losses	(53)	(63)
Other tax receivables ¹	856	836
Prepayments	628	266
Employee benefits	237	188
Net other receivables	414	816
Other receivables ²	556	916
Provision for expected credit losses	(142)	(100)
Total trade and other receivables	4,705	5,206
Classified as:		
Current	4,088	4,977
Non-current	617	229

¹ Other tax receivables include VAT, diesel rebates and other taxes receivable from SARS and the Australian Tax Office.

² Other receivables include accrued income of Rnil (2024: R416 million) for revenue earned but not yet invoiced to domestic customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

19. TRADE AND OTHER RECEIVABLES CONTINUED

Trade receivables

Thungela sells directly to third-party customers through Thungela Marketing International, from the expiry of the previous offtake agreement. 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 R1,980 million (2024: R2,525 million), representing 75% (2024: 80%) of total trade receivables. These receivables are supported by letters of credit or standby letters of credit, and there are no material export receivables on open terms at the reporting date. Per the contractual terms for these receivables, the majority of trade balances are due for payment within 30 days, or shorter, from the 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 quality of the export receivables is considered to be high. Thungela does not have 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 R85 million (2024: R84 million) and software licences to support the ongoing operations of the Group of R55 million (2024: R88 million).

Prepayments also include R396 million (2024: Rnil) in relation to an agreement entered into with a supplier to secure the use of a plant to perform toll washing services for coal mined at Annea. The payment was made to secure the use of the plant, and services of the contractor, over the current life of mine of the Annea resources, and will be unwound as the toll washing services are provided. The contract is not considered to contain a lease as we do not have the right to direct the use of the plant. The amount paid to the contractor is secured by a notarial bond over the plant.

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.

Provisions for expected credit losses

The provision for expected credit losses on trade receivables can be analysed as follows:

			2025
Rand million	Gross carrying amount – trade receivables	Expected loss rate (%)	Provision for expected credit losses
Current	2,560	—	—
Between 1 – 2 months	—	—	—
Between 3 – 4 months	—	—	—
Between 5 – 12 months	—	—	—
Greater than 12 months	63	84	(53)
Total trade receivables	2,623	2.0	(53)

			2024
Rand million	Gross carrying amount – trade receivables	Expected loss rate (%)	Provision for expected credit losses
Current	3,078	0.1	(3)
Between 1 – 2 months	1	100	(1)
Between 3 – 4 months	—	—	—
Between 5 – 12 months	1	100	(1)
Greater than 12 months	83	70	(58)
Total trade receivables	3,163	2.0	(63)

The movement in the provisions for expected credit losses can be analysed as follows:

Rand million	2025	2024
Balance at the start of the reporting period	(163)	(202)
Movements in provisions for expected credit losses	(36)	(17)
Trade receivables	7	14
Other receivables	(43)	(31)
Bad debts written off	4	35
Trade receivables	4	—
Other receivables	—	35
Disposal of investment in subsidiary ¹	—	21
Balance at the end of the reporting period	(195)	(163)

¹ Refer to note 16 for further detail related to the disposal of investment in subsidiary.

20. 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.

Accounting policy

Cash and cash equivalents comprise cash held in bank and short-term investments. Cash and cash equivalents are measured at amortised cost.

Cash and cash equivalents can be analysed as follows:

Rand million	2025	2024
Short-term investments	1,308	2,864
Cash held in bank	3,746	5,807
Cash held in trusts	1,017	872
Cash held related to the acquisition of the additional interest in Ensham	—	560
Total cash and cash equivalents	6,071	10,103

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

20. CASH AND CASH EQUIVALENTS CONTINUED

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 7.1% – 8.9% (2024: 8.0% – 9.9%).

Cash held in bank

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

Cash held in trusts

Cash held in trusts represents cash held in the 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 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 the acquisition of the additional interest in Ensham

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 15 for further detail.

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	Rand million ¹	2025 Total
Cash held in bank	174	43	2		3,363
South Africa	102	—	—		1,687
Australia	13	43	—		699
Dubai	59	—	2		977
Total cash and cash equivalents held in foreign currency	174	43	2		3,363

¹ These amounts have been translated using the spot exchange rates at the reporting date of R16.57:USD1, R11.00:AUD1 and R4.51:AED1.

	USD million	AUD million	AED million	2024 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 the acquisition of the additional interest in Ensham	—	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.

21. TRADE AND OTHER PAYABLES

Trade and other payables include amounts owed to suppliers, employees, tax authorities and other parties that are typically due to be settled within one year of the reporting date.

Accounting policy

Trade and other payables are initially measured at fair value.

Trade and other payables are not interest bearing, are subsequently measured at nominal value, and are derecognised when the associated obligation has been discharged, cancelled or has expired.

Trade and other payables can be analysed as follows:

Rand million	2025	2024
Trade payables	3,187	2,696
Accruals	1,450	1,311
Other tax and employee related payables	1,597	1,818
Other payables	207	268
Total trade and other payables	6,441	6,093
Classified as:		
Current	6,414	6,093
Non-current	27	—

Included within other payables is deferred income of R55 million (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.



FINANCIAL INSTRUMENTS



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

22. FINANCIAL ASSET INVESTMENTS

Financial asset investments comprise investments which do not give the Group control, joint control or significant influence over the investees. These assets also include loans granted to investees and investments held with various financial institutions.

Accounting policy

Investments, other than investments in subsidiaries, joint arrangements and associates, are financial assets and are initially recognised at fair value. The Group's financial assets are classified as either debt instruments at amortised cost or investments at FVPL.

Financial asset investments are derecognised when the right to receive cash flows from the asset has expired, the right to receive cash flows has been retained but an obligation to on pay them in full without material delay has been assumed, or the right to receive cash flows has been transferred together with substantially all of the risks and rewards of ownership.

Financial asset investments at amortised cost comprise loans to various investees from which the Group will collect payments of solely principal and interest.

Financial asset investments at FVPL comprise investments held in relation to the ongoing environmental obligations of the Group, referred to as the green funds. The fair value movements on these investments are reinvested to further improve our environmental liability coverage^A.

Financial asset investments can be analysed as follows:

	2025		
Rand million	At amortised cost	At FVPL	Total
Balance at the start of the reporting period	125	2,152	2,277
Additions	186	478	664
Disposals	(180)	—	(180)
Repayment of loans by investees	(35)	—	(35)
Fair value gains	—	153	153
Interest capitalised	33	—	33
Movement in provision for expected credit losses	(50)	—	(50)
Currency movements	(7)	(60)	(67)
Balance at the end of the reporting period	72	2,723	2,795
Classified as:			
Current	66	—	66
Non-current	6	2,723	2,729

			2024
Rand million	At amortised cost	At FVPL	Total
Balance at the start of the reporting period	145	933	1,078
Additions	—	1,179	1,179
Repayment of loans by investees	(35)	—	(35)
Fair value gains	—	103	103
Disposal of investment in subsidiary ¹	—	(24)	(24)
Interest capitalised	15	—	15
Currency movements	—	(39)	(39)
Balance at the end of the reporting period	125	2,152	2,277
Classified as:			
Current	18	—	18
Non-current	107	2,152	2,259

¹ Refer to note 16 for further detail related to the disposal of investment in subsidiary.

Financial asset investments at amortised cost

The financial asset investments at amortised cost comprise various loans granted to investees in the normal course of business, with counterparties which the Group has long-standing relationships.

Included in financial asset investments at amortised cost are the following amounts:

- An amount of R48 million (2024: R90 million), net of a provision for expected credit losses of R50 million (2024: Rnil), owing by a contractor providing services at the Annea Colliery. The provision for expected credit losses has been raised against this loan based on an increase in our assessment of the underlying credit risk. The remainder of the amount is expected to be recovered within 12 months of the reporting date.
- An amount of R18 million (2024: R35 million) owing by Nasoniti Technical Proprietary Limited. These amounts will be repaid through proceeds on contractually committed saleable product to be purchased by TOPL and thus the credit quality of this loan is considered to be high. The contractual arrangement with Pamish Investments No. 66 Proprietary Limited (Pamish) results in TOPL obtaining all product produced by Pamish, which increases the credit quality of this loan.

The Group has assessed the provisions for expected credit losses required for these loans based on the expected repayment thereof and risk of default by the counterparties, taking into account both forward-looking and historical information available. Based on the assessment performed, we have determined that any further expected credit losses on these loans would not be material.

Financial asset investments at fair value through profit and loss

The financial asset investments at FVPL relate to other environmental investments, referred to as the green funds, held in relation to the Group's environmental rehabilitation obligations. The investments include R1,533 million (2024: R1,209 million) held in South Africa and R1,190 million (2024: R943 million) held in Australia. Refer to note 27 for further detail.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

23. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments consist of derivatives recognised in relation to the acquisition of the additional interest in the Ensham Business and assets or liabilities related to contracts for the forward sales of foreign currency.

Accounting policy

Derivative financial instruments are classified as financial instruments measured at FVPL. The fair value gains and losses on subsequent measurement are recognised in profit or loss each year. All derivatives are held in the statement of financial position and they are classified as current or non-current depending on the contractual maturity of the derivative.

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

Rand million	Note	2025	2024
Balance at the start of the reporting period		(462)	66
Derivatives related to the acquisition of the additional interest in the Ensham Business		(128)	—
Contingent deferred consideration	15	(136)	—
Favourable customer contracts	15	8	—
Cash inflow on settlement of forward sales of foreign currency		(1,309)	(905)
Realised and unrealised fair value gains on forward sales of foreign currency	9	2,281	377
Fair value losses on acquisition-related derivatives		(32)	—
Contingent deferred consideration	15	(24)	—
Favourable customer contracts	15	(8)	—
Currency movements		5	—
Balance at the end of the reporting period		355	(462)
Classified as:			
Current derivative financial asset/(liability) related to forward sales of foreign currency		508	(462)
Non-current acquisition-related derivative financial liability	15	(153)	—

Acquisition-related derivatives

Derivative financial instruments have been recognised in relation to the acquisition of the additional interest in the Ensham Business in line with the underlying contractual agreements. Refer to note 15 for further detail.

Forward sales of foreign currency

The Group is exposed to fluctuations in the exchange rate of the US dollar to both the South African rand and the Australian dollar, as the majority of our export revenue is settled in US dollars. The expenses of the operations are predominantly in the underlying local currencies, meaning the amounts received in US dollars are required to be converted 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 or Australian dollars at future dates.

The conversions are predominantly done through foreign exchange contracts (FECs), geared collar contracts and target redemption forwards (TARFs), 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 instrument that provides a fixed exchange rate for a series of future settlements, subject to a predefined strike price. The contractual commitment in the TARF is limited to a maximum number of conversions, based on the cumulative differential between the spot rate and the strike price at each settlement date – as a result, the full contractual commitment is unlikely to be realised.

The contracts are short term in nature, recognising the need to convert US dollars into the local functional currency for operational requirements. All contracts entered into during the year had minimum conversion rates above the spot rate on the date of contracting, yielding positive cash flow returns on these contracts.

The contracts are considered to be derivative financial instruments and are measured at 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.

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

	2025	
	AU\$:US\$	ZAR:US\$
Total currency contracted (US\$ million)	104	1,063
Contractual conversion rate (AU\$:US\$ ZAR:US\$)	1.54 – 1.55	17.28 – 19.91
Spot exchange rate on settlement (AU\$:US\$ ZAR:US\$)	1.49 – 1.55	16.59 – 19.77
Settlement dates (2025)	July – December	January – December
Cash inflow on settlement (Rand million)	21	1,288
		2024
		ZAR:US\$
Total currency contracted (US\$ million)		1,105
Contractual conversion rate (ZAR:US\$)		18.64 – 19.72
Spot exchange rate on settlement (ZAR:US\$)		17.17 – 19.27
Settlement dates (2024)		January – December
Cash inflow on settlement (Rand million)		905

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

	2025	
	AU\$:US\$	ZAR:US\$
Total currency contracted (US\$ million)	179	1,040
Contractual conversion rate (AU\$:US\$ ZAR:US\$)	1.52 – 1.54	18.50 – 19.75
Forward exchange rate at the reporting date (AU\$:US\$ ZAR:US\$)	1.50	16.62 – 17.05
Spot exchange rate at the reporting date (AU\$:US\$ ZAR:US\$)	1.49	16.57
Volatility applied at the reporting date (%)	—	8.6 – 11
Settlement dates (2026)	January – October	January – December
Unrealised fair value gains on derivative financial instruments (Rand million)	64	444

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

23. DERIVATIVE FINANCIAL INSTRUMENTS CONTINUED

Forward sales of foreign currency continued

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

	2024 ZAR:US\$
Total currency contracted (US\$ million)	1,210
Contractual conversion rate (ZAR:US\$)	18.22 – 20.00
Forward exchange rate at the reporting date (ZAR:US\$)	18.92 – 19.49
Spot exchange rate at the reporting date (ZAR:US\$)	18.87
Volatility applied at the reporting date (%)	13 – 14
Settlement dates (2025)	January – December
Unrealised fair value losses on derivative financial instruments (Rand million)	(462)

While the open forward sales of foreign currency detailed in this note reflect the maximum exposure on the underlying contracts, it is unlikely that the full contractual commitment will be realised based on the market conditions up to the settlement dates. The settlement will be based on the spot prices at the time of settlement compared to the strike prices in the contract.

The table below reflects our estimate of the likely settlement of these contracts at the reporting date:

		January – March	April – June	July – September	October – December	2026 Total
FECs – AU\$:US\$	US\$ million	72	46	41	20	179
	AU\$:US\$	1.53	1.53	1.54	1.54	1.53
TARFs – ZAR:US\$	US\$ million	140	20	–	–	160
	ZAR:US\$	18.52	18.50	–	–	18.52
Geared collars – ZAR:US\$	US\$ million	60	20	–	–	80
	ZAR:US\$	19.50	16.35	–	–	18.71

24. 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.

Accounting policy

The Group does not have control of the insurance cell captive arrangement, based on the rights conferred by the preference shares and underlying agreements. The results of the cell have not been consolidated on this basis.

The terms of the agreements related to the cell do not result in the Group being exposed to insurance risk, as cover is limited to a maximum of the amount contributed, adjusted for movements in the fair value of the cell. The transaction is thus considered an investment in preference shares and is a financial asset measured at FVPL.

The investment in preference shares is measured at fair value at each reporting date, with changes in the fair value recognised in net finance income.

The investment in insurance structure can be analysed as follows:

Rand million	2025	2024
Balance at the start of the reporting period	1,489	1,445
Fair value movements	89	44
Balance at the end of the reporting period	1,578	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 in the years 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.

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	2025	2024
1.0% increase in interest rate	14	13

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

25. FINANCIAL INSTRUMENTS

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

Accounting policy

For financial assets and liabilities that are traded on an active market, such as listed investments, fair value is determined by reference to the market price. For non-traded financial assets and liabilities, fair value is calculated using discounted cash flows, considered to be reasonable and consistent with those that would be used by a market participant and based on observable market data that is readily available (for example, forward exchange rates, interest rates or commodity price curves).

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

						2025
		Financial assets		Financial liabilities		
Rand million	Notes	At amortised cost ¹	At FVPL	At amortised cost	At FVPL	Total
Financial assets						
Environmental rehabilitation trusts	27	—	5,296	—	—	5,296
Financial asset investments	22	72	2,723	—	—	2,795
Investment in insurance structure	24	—	1,578	—	—	1,578
Derivative financial instruments	23	—	508	—	—	508
Trade and other receivables ²	19	2,984	—	—	—	2,984
Cash and cash equivalents	20	6,071	—	—	—	6,071
Total financial assets		9,127	10,105	—	—	19,232
Financial liabilities						
Lease liabilities	28	—	—	(86)	—	(86)
Derivative financial instruments	23	—	—	—	(153)	(153)
Trade and other payables ³	21	—	—	(4,789)	—	(4,789)
Total financial liabilities		—	—	(4,875)	(153)	(5,028)
Net financial assets		9,127	10,105	(4,875)	(153)	14,204

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.

2024

Rand million	Notes	Financial assets		Financial liabilities		Total
		At amortised cost ¹	At FVPL	At amortised cost	At FVPL	
Financial assets						
Environmental rehabilitation trusts	27	—	4,266	—	—	4,266
Financial asset investments	22	125	2,152	—	—	2,277
Investment in insurance structure	24	—	1,489	—	—	1,489
Trade and other receivables ²	19	3,916	—	—	—	3,916
Cash and cash equivalents	20	10,103	—	—	—	10,103
Total financial assets		14,144	7,907	—	—	22,051
Financial liabilities						
Lease liabilities	28	—	—	(50)	—	(50)
Derivative financial instruments ³	23	—	—	—	(462)	(462)
Trade and other payables ⁴	21	—	—	(4,150)	—	(4,150)
Total financial liabilities		—	—	(4,200)	(462)	(4,662)
Net financial assets		14,144	7,907	(4,200)	(462)	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 Derivative financial instruments were incorrectly reflected within financial assets at FVPL rather than financial liabilities at FVPL in the year ended 31 December 2024. The comparative has been re-presented to correctly disclose the derivative financial instruments as financial liabilities at FVPL. This disclosure does not impact any other lines in the consolidated financial statements.

⁴ Trade and other payables exclude other tax and employee related payables, and deferred income.

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	Notes	2025		Total
		Level 2	Level 3	
Financial assets				
Environmental rehabilitation trusts	27	5,296	—	5,296
Financial asset investments at FVPL	22	2,723	—	2,723
Investment in insurance structure	24	—	1,578	1,578
Derivative financial instruments	23	508	—	508
Financial liabilities				
Derivative financial instruments	23	—	(153)	(153)
Net financial assets carried at fair value		8,527	1,425	9,952

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2025

25. FINANCIAL INSTRUMENTS CONTINUED

Fair value hierarchy continued

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

Rand million	Notes	Level 2	Level 3	2024 Total
Financial assets				
Environmental rehabilitation trusts	27	4,266	—	4,266
Financial asset investments at FVPL	22	2,152	—	2,152
Investment in insurance structure	24	—	1,489	1,489
Financial liabilities				
Derivative financial instruments	23	(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 years 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

26. FINANCIAL RISK MANAGEMENT

The Thungela board and the Group executive committee approve and monitor the risk management processes, including documented treasury policies, counterparty limits and reporting structures.

The types of risk exposure, the way such exposure is managed and quantification of the level of exposure in the statement of financial position are monitored by the Group on an ongoing basis.

Credit risk

Credit risk is the risk that a counterparty to a financial asset may cause a loss to the Group by failing to pay its obligation.

The Group's maximum exposure to credit risk from our financial assets can be analysed as follows:

Rand million	Notes	2025	2024
Environmental rehabilitation trusts	27	5,296	4,266
Financial asset investments at FVPL	22	2,723	2,152
Financial asset investments at amortised cost	22	72	125
Investment in insurance structure	24	1,578	1,489
Trade and other receivables ¹	19	2,984	3,916
Cash and cash equivalents	20	6,071	10,103
Total financial assets exposed to credit risk		18,724	22,051

¹ Trade and other receivables exclude prepayments, other tax receivables and employee benefits.

The environmental rehabilitation trusts' assets are managed by a reputable fund manager under an agreed mandate. The mandate is formulated to be consistent with the Group's risk management policies and hence investments are only made in high-quality instruments and adequate diversity is maintained. Refer to note 27 for further detail.

Financial asset investments at FVPL, being the other environmental investments, relate to long-term investments held in order to secure the guarantees required to further fund the financial provisioning requirements in relation to the environmental provisions in South Africa and Australia. Refer to note 27 for further detail.

The investment in insurance structure relates to Thungela's investment in preference shares issued by a financial institution, in a separately identifiable cell captive structure. Refer to note 24 for further detail.

Trade and other receivables relate to receivables arising in the ordinary course of business. Details of the credit quality and credit risk of trade receivables and the associated provisions for expected credit losses are disclosed in note 19.

Cash and cash equivalents represent cash held to fund the normal operations of the Group, including relevant short-term investments held with banks in the countries where we operate. Refer to note 20 for further detail.

Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulty in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset.

Thungela's approach to managing liquidity is to ensure, as far as possible, that we will always have sufficient liquidity to meet our liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. We review the cash flow forecasts of the Group on a regular basis, taking into consideration the adequacy of reserves and banking facilities, including considering stressed scenarios impacted by coal price and foreign exchange rate volatility, rail and infrastructure performance levels, and other reasonably possible risk scenarios.

The Group has undrawn facilities of R3,200 million (2024: R3,200 million) held with reputable financial institutions. These are unsecured facilities and are available to us until February 2028.

The ultimate responsibility for liquidity risk management rests with the Thungela board of directors, which has built appropriate liquidity risk management tools for the management of our short, medium and long-term liquidity management requirements. The Group has no long-term external borrowings, given our robust financial position at 31 December 2025.

The Group is exposed to liquidity risk through our financial liabilities as follows:

- The majority of our trade and other payables are due within one year. The remaining contractual cash outflows are the same as the carrying amount at the reporting date, as provided in note 21.
- The detailed maturity analysis, the carrying amount and undiscounted cash outflows related to lease liabilities are provided in note 28.
- The derivative financial instrument related to the contingent deferred consideration may be payable over the next six years based on sales from Ensham and certain coal price thresholds, as detailed in note 15.

Commodity risk

South Africa

Export revenue in South Africa is recognised once the coal is loaded onto the vessel at the RBCT, and is based on the average Richards Bay Benchmark coal price for the month of loading, adjusted for specific grade and quality discounts. Pricing is not adjusted post the month of sale, and thus trade receivables are not subject to changes in value based on subsequent changes in the Richards Bay Benchmark coal price.

Australia

Revenue in Australia is recognised once the coal is loaded onto the vessel at the Port of Gladstone, or once coal is delivered to the customers' premises for sales in Australia. Sales prices for selected customers are contractually fixed each year, and are negotiated based on the Newcastle Benchmark coal price at a specific point in time. The remaining revenue is determined with reference to the average Newcastle Benchmark coal price in the month of loading, with various adjustments for quality, grade and calorific value. Pricing is not adjusted post the month of sale, and thus trade receivables are not subject to changes in value based on subsequent changes in the Newcastle Benchmark coal price.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

26. FINANCIAL RISK MANAGEMENT CONTINUED

Foreign exchange risk

The Group is exposed to fluctuations in the exchange rates of various currencies, based on our ongoing operations.

Key areas of exposure arise as a result of the following:

- The export revenue, and resultant receivables, generated in South Africa being denominated and settled in US dollars.
- The revenue, and resultant receivables, generated in Australia being denominated and settled in either US dollars or Australian dollars.
- Cash and cash equivalents held in various currencies in the countries in which we operate, as detailed in note 20.
- The consolidation of the net assets of our foreign subsidiaries and conversion of their results from their functional currency to South African rand, which is the presentation currency of the Group.

The Group's material exposure to foreign currency risk can be analysed as follows:

US\$ million	2025	2024
Trade receivables	112	133
Cash and cash equivalents	174	225
Total US\$ exposure	286	358

AU\$ million	2025	2024
Trade receivables	12	—
Cash and cash equivalents	43	146
Net asset value of the Ensham Business ¹	183	287
Total AU\$ exposure	238	433

¹ The net asset value of the Ensham Business is reflected net of trade receivables and cash and cash equivalents, which are reflected separately, and intra-group transactions. The impact of the exposure to foreign currency risk on the net asset value would be recognised in other comprehensive income, through the foreign currency translation reserve.

Sensitivity analysis

The following analysis is intended to illustrate the sensitivity to changes in exchange rates of relevant major currencies to the South African rand, with the impact on the statement of profit or loss and other comprehensive income being as follows:

Rand million	2025	2024
10% increase in ZAR:US\$ exchange rate	473	614
10% increase in ZAR:AU\$ exchange rate	262	506

The sensitivities are calculated with reference to a single moment in time and are subject to change due to a number of factors, including fluctuating underlying balances. The effect of a 10% decrease in the exchange rates to the South African rand will have an equal but opposite effect at the reporting date.

Capital management

The capital structure of the Group consists of cash and cash equivalents, equity attributable to the shareholders of the Group, which comprises stated capital, retained earnings, and other reserves disclosed in the consolidated statement of changes in equity, as well as debt, consisting of lease liabilities.

The Group's capital management objective is to safeguard our ability to meet our liquidity requirements (including commitments in respect of capital expenditure) and continue as a going concern.

On an annual basis, Thungela updates our long-term business plan and these outputs are then incorporated into the budget process. The Group's capital expenditure included in the budget process is targeted to be funded from cash generated from operations. In accordance with the credit facility agreements in place, the Group is subject to specific covenant obligations. The credit facilities remain undrawn at the reporting date and we have complied with all covenants for the period under review.

Any capital that exceeds the operational and liquidity requirements will be assessed against all available opportunities by applying our investment evaluation criteria and, where appropriate, we may make additional distributions to shareholders. These decisions will be evaluated through Thungela's internal decision-making structures before being approved by the board where required.

Offset of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously. No material amounts have been offset in the statement of financial position or associated with enforceable master netting agreements.



LIABILITIES



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

27. 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.

Accounting policy

Environmental provisions

An obligation to incur environmental restoration, rehabilitation and decommissioning costs arises when environmental disturbances are caused by the development or ongoing production of a mining asset. Costs for the restoration of site disturbances, rehabilitation, remediation and environmental monitoring activities, including water treatment costs where required, are estimated using the work of external consultants in conjunction with internal experts.

Such costs arising from the decommissioning of infrastructure and other site preparation work, discounted to their net present value, are provided for and capitalised at the start of each project, as soon as the obligation to incur these costs arises. These costs are recognised in the statement of profit or loss and other comprehensive income over the life of the operation, through the depreciation of the asset and the unwinding of the discount on the provision. Costs for the restoration of subsequent site disturbances, which are created on an ongoing basis during production, are provided for at their net present values and recognised in the statement of profit or loss and other comprehensive income as extraction progresses.

The amount recognised as a provision represents our best estimate of the costs required to complete the restoration and rehabilitation activities, the application of the relevant regulatory framework and the timing of expenditure. These estimates are inherently uncertain and could materially change over time. Changes in the measurement of the provisions relating to the decommissioning of infrastructure or other site preparation work are added to or deducted from the cost of the related asset in the current period. If a decrease in the provision exceeds the carrying amount of the asset, the excess is recognised immediately in the statement of profit or loss and other comprehensive income.

Environmental rehabilitation trusts

Contributions have historically been made to dedicated environmental rehabilitation trusts to fund the estimated cost of rehabilitation and restoration activities for premature closure and end of life closure of the relevant mines, and as required thereafter. The Group exercises full control of these trusts and therefore the trusts are consolidated. The trusts' assets are disclosed separately in the statement of financial position as non-current assets.

The trusts' assets are held in unit trusts through a reputable investment manager and are classified as FVPL financial assets. Fair value gains and losses are recognised as they are generated in net finance income.

Other environmental investments

The Group has agreements with financial institutions to provide financial guarantees or sureties related to funding the costs of rehabilitation and restoration activities. A portion of the premium contributions made under these agreements is invested and held as collateral against the financial guarantees. Contributions are invested in either money market funds or interest-linked corporate accounts, and are classified as FVPL financial assets.

The other environmental investments are recognised as financial asset investments, as disclosed in note 22, and fair value gains and losses are recognised as they are generated in net finance income.

Nkulo Community Partnership Trust

The Group founded the Nkulo Community Partnership Trust (also referred to as the trust) in June 2021, which subscribed for 5.0% of the ordinary shares, as well as a C preference share, issued by SACO. The trust is managed by a board of trustees comprised of both Thungela and community representatives.

The C preference share entitled the trust to a preference dividend of a minimum of R6 million per annum up to 2024, subject to the availability of cash flows in SACO. The C preference share was redeemed in the year ended 31 December 2025 in line with the underlying contractual agreements with the trust. The trust is also entitled to 5.0% of the dividends declared by SACO on ordinary shares. The Group recognises a provision for the constructive obligation it has to the beneficiaries of the Nkulo Community Partnership Trust at the point that the dividends on ordinary shares are declared by SACO.

Other provisions

Other provisions related to contractual obligations are recognised when the Group has an obligation as a result of past events. Other provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date, taking into account the time value of money where relevant.

Environmental and other provisions can be analysed as follows:

Rand million	Environmental provisions				Total
	Environmental rehabilitation	Decommissioning	Trust contributions ¹	Other ²	
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 (credited)/charged ⁴	(22)	(31)	101	315	363
Adjustments to decommissioning assets	(6)	21	—	—	15
Unwinding of discount	869	49	—	—	918
Amounts applied ⁵	(511)	—	(19)	(311)	(841)
Reclassifications	—	—	—	(31)	(31)
Disposal of operation	(28)	(3)	—	—	(31)
Currency movements	(278)	—	—	(3)	(281)
Balance at the end of the reporting period	12,201	570	838	186	13,795
Classified as:					
Current	378	3	838	179	1,398
Non-current	11,823	567	—	7	12,397

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 1.5 for further detail related to the acquisition of the additional interest in the Ensham Business.

⁴ Amounts (credited)/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 CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

27. ENVIRONMENTAL AND OTHER PROVISIONS CONTINUED

Environmental and other provisions can be analysed as follows continued:

Rand million	Environmental provisions		Trust contributions ¹	Other	Total
	Environmental rehabilitation	Decommissioning			
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 ⁴	(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.

⁴ Refer to note 16 for further detail related to the disposal of investment in subsidiary.

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 each year and any required change in the environmental provisions is recognised on the completion of the assessment. A non-cash credit of R53 million (2024: R826 million charge) has been recognised in the statement of profit or loss and other comprehensive income, and a debit to the decommissioning assets of R15 million (2024: R37 million) has been recognised related to the annual assessment performed by the independent consultants, and other factors influencing the provisions. Across our operations, increases in the disturbed areas have been partially offset by the rehabilitation work performed in the year. The environmental provisions are also impacted by the planned timing of rehabilitation activities, which factors into the net present value recognised.

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 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 NEMA Financial Provisioning Regulations, first published in 2015, 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 revised 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 currently enforceable MPRDA Regulations, does not translate into the environmental provisions as recognised in 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 R5,061 million (2024: R4,807 million), compared to the total environmental provisions recognised for our South African operations of R8,233 million (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 DMPR has approved, based on evidence that the technology is able to consistently achieve the discharge requirements.

Thungela continues 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.

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 financial guarantees held with financial institutions for the benefit of the DMPR.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

27. ENVIRONMENTAL AND OTHER PROVISIONS CONTINUED

Environmental provisions *continued*

South Africa *continued*

Environmental rehabilitation trusts

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

Rand million	2025	2024
Investments in unit trusts	5,296	4,266
Total environmental rehabilitation trusts	5,296	4,266
Balance at the start of the reporting period	4,266	3,740
Growth on assets	1,030	526
Balance at the end of the reporting period	5,296	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 into 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 in the statement of financial position.

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

Rand million	2025	2024
Balance at the start of the reporting period	1,209	933
Contributions	203	209
Disposal of investment in subsidiary ¹	—	(24)
Growth on assets	121	91
Balance at the end of the reporting period	1,533	1,209

¹ Refer to note 16 for further detail related to the disposal of investment in subsidiary.

The Group has invested an additional R203 million (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	2025	2024
Environmental provisions	(8,233)	(7,973)
Environmental rehabilitation trusts	5,296	4,266
Other environmental investments	1,533	1,209
Guarantees	3,223	3,221
Total financial provisioning available	10,052	8,696
Real pre-tax discount rate (%)	4.0 – 4.3	4.3 – 5.0

The guarantees of R3,223 million (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.

Australia

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, the 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 R3,268 million (AUD297 million) (2024: R3,196 million or AUD274 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

27. ENVIRONMENTAL AND OTHER PROVISIONS CONTINUED

Environmental provisions *continued*

Australia continued

Regulatory environment continued

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 at Ensham

An assessment of the environmental liability for the rehabilitation of the Ensham Mine was prepared by an independent third-party consultant. This assessment was done from first principles in the year ended 31 December 2024 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 the DESI, which impacts the net present value of the liability recognised in the statement of financial position. Based on the assessment performed, the environmental provisions recognised for Ensham amount to R4,538 million (2024: R3,977 million on an 85% basis).

Sungela and Thungela Resources Australia, as the 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 R3,268 million or AUD297 million (2024: R3,196 million or AUD274 million).

Other environmental investments

The Group has contributed a further R275 million (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 in the statement of financial position.

Other environmental investments in Australia can be analysed as follows:

Rand million	2025	2024
Balance at the start of the reporting period	943	—
Contributions	275	970
Growth on assets	32	12
Currency movements	(60)	(39)
Balance at the end of the reporting period	1,190	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 may become discretionary, based on our assessment of the 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 investment value has exceeded the environmental rehabilitation costs determination.

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

Rand million	2025	2024
Environmental provisions	(4,538)	(3,977)
Other environmental investments	1,190	943
Financial surety	3,268	3,196
Total financial provisioning available	4,458	4,139
Real pre-tax discount rate (%)	2.0	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.

Sensitivity analysis

The Group has determined that the expected cash flows and the discount rates used to value the environmental provisions have a significant impact on the amounts recognised in the statement of financial position.

The impact that reasonably possible changes in these inputs, keeping all other inputs constant, would have on the environmental provisions can be analysed as follows:

Rand million	2025	2024
5.0% increase in expected cash flows	651	666
0.5% increase in discount rate	(536)	(436)

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 (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 consolidated financial statements related to this matter.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

28. LEASE LIABILITIES

Thungela has entered into various agreements which are considered to be leases in line with the requirements of IFRS 16: Leases.

Right-of-use assets have been recognised as part of property, plant and equipment. Refer to note 13 for further detail.

Accounting policy

At the inception of a contract, we assess whether a contract is, or contains, a lease by assessing whether the contract conveys the right to control the use of an identified asset for a period of time, in exchange for consideration.

Lease liabilities are initially measured at the present value of the future lease payments, discounted at the applicable incremental borrowing rates. Variable lease payments are not included in the measurement of lease liabilities and are charged to operating costs as they are incurred.

Subsequent to initial recognition, lease liabilities are measured at amortised cost using the effective interest rate method. Lease liabilities are remeasured when there is a change to the contractual lease payments or the lease term, with an adjustment also being made to the corresponding right-of-use assets.

Leases with a term of less than one year, or committed payments of less than R75,000, are not recognised in the statement of financial position. The Group continues to recognise payments for these leases as an expense on a straight-line basis over the lease term within operating costs.

The contractual payments due in relation to the lease liabilities can be analysed as follows:

Rand million	2025	2024
Contractual undiscounted cash flows		
Maturity analysis of lease payments due:		
Within 1 year	43	34
Between 2 – 5 years	48	21
Over 5 years	11	—
Total undiscounted lease payments	102	55
Impact of discounting	(16)	(5)
Total discounted lease liabilities	86	50
Classified as:		
Current	37	31
Non-current	49	19

The movement in the lease liabilities can be analysed as follows:

Rand million	Notes	2025	2024
Balance at the start of the reporting period		50	66
Acquisition of the additional interest in the Ensham Business	15	6	—
Additions		89	68
Disposal of investment in subsidiary	16	—	(45)
Disposals		(9)	—
Interest capitalised		10	9
Repayment – interest		(10)	(9)
Repayment – capital		(49)	(47)
Currency movements		(1)	(3)
Other movements		—	11
Balance at the end of the reporting period		86	50

The lease liabilities were calculated by discounting contractually escalated lease payments over the lease term at the incremental borrowing rate, derived from a market-related borrowing rate at the inception of the lease contracts. The range of incremental borrowing rates used is 6.3% to 12% (2024: 8.6% to 12%).

The amounts recognised in the statement of profit or loss and other comprehensive income in relation to the leasing activities can be analysed as follows:

Rand million	2025	2024
Interest expense on lease liabilities	10	9
Expenses relating to variable lease payments not included in the measurement of lease liabilities	515	56
Depreciation of right-of-use assets	46	57
Impairment losses	125	—

Thungela has a contract for mining services and related equipment at the Annea Colliery, which is considered to contain a lease as the Group has exclusive use of the mining equipment, and can direct the use thereof. In the year ended 31 December 2025, the contractor was moved to the Zibulo Colliery on substantially the same contract terms. The contract includes both lease and non-lease components and these have been separated based on the value thereof, as specified in the contract. Payments related to the non-lease components are included in operating costs as incurred. The payments related to the lease components are based on services performed and determined on a per tonne extracted basis. These payments are considered fully variable, and no lease liability has been recognised on this basis.

Thungela will provide funding to the contractor for equipment to be purchased by them to fulfil the contract. The cost of the equipment which will need to be purchased over the contract term is estimated in the contract, but is subject to change based on actual costs incurred by the contractor. No lease liability has been recognised for the equipment on this basis. As equipment is purchased by the contractor, and funded by Thungela, it will be recognised as a right-of-use asset. The contractor is no longer performing services at Annea, and ownership of the assets purchased at that mine has now vested with Thungela. These assets have been transferred to owned assets, and will continue to be used in Annea operations. Equipment purchased for the contractor for use at Zibulo will remain as a right-of-use asset until ownership vests with Thungela.

Thungela entered into various mining equipment and land lease contracts at Ensham. The contracts are considered to contain leases, as we have exclusive use of the underlying assets and can direct the use thereof.

The amounts recognised in the statement of cash flows in relation to the leasing activities can be analysed as follows:

Rand million	2025	2024
Lease liabilities – capital repayment	49	47
Lease liabilities – interest repayment (included in interest expenses paid)	10	9
Variable lease payments (included in (loss)/profit before tax)	515	56
Total cash outflow for leases	574	112

The Group is exposed to a total potential future cash outflow of R100 million (2024: R83 million) related to payments for mining and other equipment on contracts that are not considered to contain a lease. In relation to the contractor at the Zibulo Colliery, the Group is exposed to a maximum potential future cash outflow, related to the equipment to be purchased, of R33 million (2024: Rnil), based on the ongoing operations of the contractor.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

29. RETIREMENT BENEFIT OBLIGATIONS

The Group operates both defined benefit and defined contribution pension fund plans and medical aid plans, as well as post-employment medical aid plans for our employees. The post-employment medical aid plans provide healthcare benefits to retired employees and certain dependents.

Accounting policy

The contributions paid or payable in the year for defined contribution plans are recognised in employee costs as incurred.

For post-employment medical aid plans, full actuarial valuations are carried out every year using the projected unit credit method, with the assistance of external advisors.

Remeasurements comprising actuarial gains and losses are recognised in other comprehensive income and are not recycled to profit or loss. Any increase in the present value of the plan obligations expected to arise from employee services during the year is included in operating costs. The interest expense on the retirement benefit obligations is included in net finance income.

Past service costs are recognised immediately in profit or loss, to the extent that the benefits have already vested, or otherwise amortised on a straight-line basis over the average period until the benefits vest. Employer contributions are made in accordance with the terms of each plan and vary each year.

The retirement benefit obligations are unfunded and are recognised in the statement of financial position at the present value of the deficit in the defined benefit plans.

Defined contribution plans

The costs of the defined contribution pension fund plans and medical aid plans represent the actual contributions payable by the Group to the various plans in the year.

The charge for the year for defined contribution pension fund plans (net of amounts capitalised) was R418 million (2024: R386 million) and for defined contribution medical aid plans (net of amounts capitalised) was R153 million (2024: R134 million). Defined contribution plans are governed by the South African Pension Funds Act 24 of 1956 and the Medical Schemes Act 131 of 1998, as regulated by the Council for Medical Schemes.

Defined benefit medical aid plans and post-employment medical aid plans

The assets of these plans are held separately from those of the Group in independently administered funds, in accordance with statutory requirements. The responsibility for the governance of the medical aid plans, including investment and funding decisions, lies with the trustees of each plan.

Employer contributions are made in accordance with the terms of each plan and may vary from year to year. Benefits of R33 million (2024: R32 million) were paid in relation to the medical aid plans in the year ended 31 December 2025, and we expect to contribute R35 million to these medical aid plans in 2026.

The amounts recognised in profit or loss related to the post-employment medical aid plans can be analysed as follows:

Rand million	2025	2024
Amounts included in employee costs	5	5
Interest expense	43	46
Total	48	51

The pre-tax amounts recognised in other comprehensive income related to the post-employment medical aid plans can be analysed as follows:

Rand million	2025	2024
Actuarial losses on plan obligations	29	9
Remeasurement of retirement benefit obligations	29	9

Actuarial losses on plan obligations comprise movements in the obligations arising from changes in financial and demographic assumptions as well as experience on plan liabilities.

The movement in the retirement benefit obligations can be analysed as follows:

Rand million	2025	2024
Balance at the start of the reporting period	400	399
Actuarial losses from changes in assumptions	29	9
Current service costs	3	1
Benefits paid	(33)	(32)
Interest expense	43	46
Other movements	5	(23)
Balance at the end of the reporting period	447	400

The medical aid plans are closed to new members and future benefit accrual; however, there are still active employees who benefit from the plans.

The obligations are applicable to active employees and pensioners as follows:

Rand million	2025	2024
Active employees	95	77
Pensioners	352	323
Total retirement benefit obligations	447	400

Actuarial assumptions

The principal actuarial assumptions used to determine the present value of retirement benefit obligations are as follows (shown as weighted averages):

%	2025	2024
Average discount rate	8.9	11
Average rate of inflation	4.4	5.6
Expected average increase in healthcare costs	6.8	8.0

The weighted average duration of the plans is 10 years (2024: 10 years). This represents the average period over which future benefit payments are expected to be made.

Mortality assumptions are determined based on standard mortality tables with adjustments, as appropriate, to reflect the experience of conditions locally. In South Africa, the PA90 and SA85-90 tables are used. The mortality tables used imply that a male or female aged 60 at the reporting date has a future life expectancy of 18.7 years and 23.4 years, respectively.

The defined benefit plans are exposed to risks such as longevity, investment risk, inflation risk and interest rate risk. The Group's provision of anti-retroviral therapy to HIV-positive staff does not significantly impact the post-employment medical aid plan obligations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

29. RETIREMENT BENEFIT OBLIGATIONS

CONTINUED

Defined benefit medical aid plans and post-employment medical aid plans

continued

Actuarial assumptions

continued

Sensitivity analysis

The significant actuarial assumptions for the determination of the post-employment medical aid plan obligations are the discount rate, inflation rate and life expectancy. The sensitivity analysis below has been provided by the actuaries on an approximate basis based on changes in the assumptions occurring at the end of the year, assuming that all other assumptions are held constant and the effect of all interrelationships is excluded.

The potential impact of reasonably possible changes in key assumptions on the retirement benefit obligations can be analysed as follows:

Rand million	2025	2024
0.5% decrease in discount rate	22	19
0.5% increase in inflation rate	22	19
1 year increase in life expectancy	17	15

Actuarial assumptions are set after consultation with independent experts and before the valuations of the plan obligations are completed. While we believe the assumptions used are appropriate, a change in the assumptions used may impact the profit or loss and other comprehensive income of the Group.

30. DEFERRED TAX

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

Accounting policy

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences, while deferred tax assets are recognised to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or of an asset or liability in a transaction (other than in a business combination) that affects neither taxable income nor accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, joint arrangements and associates, except where the Group can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences, and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax is recognised in profit or loss, except when it relates to items recognised directly in other comprehensive income or in equity, in which case the deferred tax is recognised in the same way.

Deferred tax assets and liabilities are offset by legal entity.

Deferred tax assets

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

Rand million	Notes	2025	2024
Balance at the start of the reporting period		770	471
Acquisition of the additional interest in the Ensham Business	15	11	—
Credited to profit or loss	10	410	367
Credited to other comprehensive loss	10	8	2
Currency movements		(12)	8
Reclassification		(4)	(78)
Balance at the end of the reporting period		1,183	770

The consideration of the recognition of the deferred tax assets is supported by Thungela's forecasting process, which included a detailed calculation of the estimated annual taxable income, per legal entity, for each financial year up to 2028. Where the forecast reflects that sufficient taxable income will be generated, and that there will be future taxable temporary differences available against which to utilise these deductible temporary differences, the deferred tax asset is recognised. Where the forecast indicates a potential risk around the availability of sufficient future taxable income and taxable temporary differences, no deferred tax asset is recognised.

The recoverability assessment is updated at each reporting date based on the operations at each underlying statutory entity.

The deferred tax assets at 31 December 2025 are primarily driven by deductible temporary differences arising from the environmental and other provisions held in TOPL. These deductible temporary differences are expected to reverse in the normal course of operations.

Deferred tax assets of R519 million (2024: Rnil) relating to Anglo American Inyosi Coal Proprietary Limited (AAIC) and R537 million (2024: Rnil) relating to the Ensham Business have not been recognised at the reporting date, based on our assessment of the available future taxable income and taxable temporary differences at these underlying statutory entities.

The deferred tax assets recognised in the statement of financial position can be analysed as follows:

Rand million	2025	2024
Environmental and other provisions	3,314	3,662
Retirement benefit obligations	122	109
Tax losses	50	12
Fair value adjustments	2	6
Share-based payments	(60)	(58)
Other temporary differences	(124)	59
Capital allowances in excess of depreciation	(720)	(1,891)
Environmental rehabilitation trusts	(1,401)	(1,129)
Total deferred tax assets	1,183	770

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

30. DEFERRED TAX CONTINUED

Deferred tax assets continued

The deferred tax credited to the statement of profit or loss and other comprehensive income can be analysed as follows:

Rand million	2025	2024
Environmental and other provisions	(505)	246
Retirement benefit obligations	5	(2)
Tax losses	59	12
Fair value adjustments	(4)	(1)
Share-based payments	(2)	(24)
Other temporary differences	(183)	17
Capital allowances in excess of depreciation	222	196
Environmental rehabilitation trusts	(272)	(139)
Impairment losses	1,090	62
Deferred tax credited to profit or loss	410	367
Deferred tax credited to other comprehensive loss	8	2
Deferred tax credited to total comprehensive (loss)/income	418	369

Deferred tax liabilities

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

Rand million	Note	2025	2024
Balance at the start of the reporting period		(1,567)	(1,637)
Credited/(charged) to profit or loss	10	1,068	(8)
Reclassification		4	78
Balance at the end of the reporting period		(495)	(1,567)

The deferred tax liabilities recognised in the statement of financial position can be analysed as follows:

Rand million	2025	2024
Capital allowances in excess of depreciation	(963)	(1,960)
Environmental rehabilitation trusts	(29)	(23)
Other temporary differences	(1)	4
Share-based payments	—	(1)
Tax losses	248	171
Environmental and other provisions	250	242
Total deferred tax liabilities	(495)	(1,567)

The deferred tax credited/(charged) to the statement of profit or loss and other comprehensive income can be analysed as follows:

Rand million	2025	2024
Capital allowances in excess of depreciation	(208)	(53)
Environmental rehabilitation trusts	(6)	(3)
Other temporary differences	(5)	65
Share-based payments	1	—
Tax losses	65	(13)
Environmental and other provisions	8	(4)
Impairment losses	1,213	—
Deferred tax credited/(charged) to profit or loss	1,068	(8)
Deferred tax credited/(charged) to total comprehensive (loss)/income	1,068	(8)



EQUITY



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

31. 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 years presented.

Accounting policy

Ordinary shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any group entity purchases Thungela's issued shares, reflected as treasury shares for the Group, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the shareholders of the Group until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the shareholders of the Group.

The shares issued by Thungela, and the resultant stated capital, can be analysed as follows:

Number of shares	2025	2024
Authorised		
Ordinary no par value shares	10,000,000,000	10,000,000,000
Issued		
Ordinary no par value shares	140,492,585	140,492,585
Reconciliation of shares in issue		
Shares in issue at the start of the reporting period	140,492,585	140,492,585
Shares in issue at the end of the reporting period	140,492,585	140,492,585
Adjusted for:		
Treasury shares held by Group companies ¹	(13,708,399)	(6,925,889)
Net shares in issue at the end of the reporting period	126,784,186	133,566,696
Rand million		
Balance at the start of the reporting period	11,323	11,323
Balance at the end of the reporting period	11,323	11,323
Adjusted for:		
Treasury shares held by Group companies	(1,539)	(980)
Net balance at the end of the reporting period	9,784	10,343

¹ Treasury shares held by Group companies include 11,700,761 (2024: 5,686,373) shares held directly by subsidiaries, and 2,007,638 (2024: 1,239,516) shares held in separate broker accounts for employees. The shares held in employee broker accounts relate to share awards granted in terms of the Thungela share plan, or sign-on shares, which have not yet vested. These shares are considered treasury shares for accounting purposes until the awards have vested, in line with the rules of the Thungela share plan.

Subsidiaries of the Group have purchased 3,307,455 (2024: 919,731) Thungela shares at an average price of R94.00 per share (2024: R134.85 per share) in the year in relation to share awards granted under the Thungela share plan. The purchases were made in terms of Thungela's 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 the vesting date. The number of treasury shares held in relation to the Thungela share plan was reduced in the year by the vesting of awards, as detailed in note 32.

The Group also undertook share buybacks on the JSE in the year as a method of returning value to our shareholders. 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 4,858,231 (2024: 4,510,667) shares were purchased in relation to the share buybacks at an average price of R96.45 (2024: R132.95) per share, reflecting a total value of R469 million (2024: R601 million).

Of the treasury shares held by Group companies, 11,700,761 (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 128,791,824 (2024: 134,806,212).

The resolution to place the unissued shares of Thungela, limited to 5.0% of the shares in issue, under the control of the directors was approved by the requisite majority of votes at the AGM held on 5 June 2025, and so the directors have the authority to issue these shares at their discretion.

32. SHARE-BASED PAYMENTS

The Group operates both equity and cash-settled share-based payment arrangements, which allow certain employees of the Group to receive Thungela shares through the Thungela share plan or share-linked units through the Thungela cash-settled share plan.

Accounting policy

The Thungela share plan and Thungela cash-settled share plan consist of two components, as approved by the remuneration and human resources committee:

- The award of conditional shares or share-linked units, being the LTIP awards, the vesting of which is conditional upon the fulfilment of certain performance conditions and an employment condition.
- The award of forfeitable shares or share-linked units, being the DBS awards, sign-on awards and retention awards, the vesting of which is subject to the fulfilment of an employment condition.

Employees eligible for awards in our operations outside of South Africa are granted share-linked units, while those within South Africa are granted share awards. Employees do not have a choice of settlement option on the vesting date.

The early vesting of both share awards or share-linked units is permitted as set out in the applicable Thungela share plan and remuneration policy, based on reasons deemed as constituting no fault or good leaver status.

Equity-settled share awards

The Thungela share plan is accounted for as an equity-settled share-based payment arrangement and the grant date fair value of the awards is recognised as an expense, with a corresponding increase in equity, over the vesting period. The amounts recognised as expenses are adjusted to reflect the number of awards that are expected to vest, based on the likely outcomes of the non-market performance conditions and the employment conditions.

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 (the dividend equivalent shares), which are added to the total number of conditional shares awarded, and are subject to the same vesting conditions. The potential impact of the dividend equivalent shares is included in the fair value of the share awards and so is not separately expensed.

Employees participating in the forfeitable share awards are entitled to dividends paid on Thungela shares on the dividend payment dates throughout the vesting period. Should the share awards be forfeited, dividends already paid to employees will not be required to be paid back to the Group.

For conditional share awards, which are subject to market and non-market vesting conditions, the fair value is determined using a Monte Carlo model at the grant date, taking into account the market vesting conditions. For forfeitable share awards, which are subject to non-market vesting conditions only, the fair value is determined based on the unconditional fair value of the shares at the grant date.

All share awards are issued for no consideration, with no exercise or strike price applicable on the vesting date. Each share award will convert into one ordinary share in Thungela on vesting.

The aggregate number of shares that may be settled under the Thungela share plan may not exceed 6,815,590 shares, which reflects 5.0% of the number of issued shares of Thungela as at the date of the adoption of the plan. At 31 December 2025, the total number of shares which are deemed to have been settled under the plan amounted to 2,558,724 (2024: 1,838,340). This leaves 4,256,866 (2024: 4,977,250) shares that can still be used for future settlements under the plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

32. SHARE-BASED PAYMENTS CONTINUED

Accounting policy continued

Cash-settled share-linked units

The Thungela cash-settled share plan is treated as a cash-settled share-based payment arrangement and the fair value of the share-linked units is recognised as an expense over the vesting period, with a corresponding liability raised in the statement of financial position. The liability is included in trade and other payables, and remeasured at each reporting date and on settlement, with changes in the fair value of the share-linked units recognised in profit or loss. The expense recognised is adjusted to reflect the number of share-linked units expected to vest, based on the likely outcomes of the performance conditions and the employment conditions.

Employees participating in the conditional share-linked units are also entitled to receive dividend equivalents in lieu of dividends declared on Thungela shares over the vesting period. Dividend equivalents are comprised of the aggregate value of all ordinary dividends that would have accrued on the same number of ordinary shares as the number of vested share-linked units.

Employees participating in forfeitable share-linked units are entitled to a cash payment equivalent to the value of the dividends on their share-linked units. These dividend-linked payments are paid to employees in the payroll cycle immediately following the dividend payment date. Should the share-linked units be forfeited, dividend-linked payments already made to employees will not be required to be paid back to the Group.

For conditional share-linked units, which are subject to market and non-market vesting conditions, the fair value is determined using a Monte Carlo model at the reporting date, taking into account the market vesting conditions. For forfeitable share-linked units, which are subject to non-market vesting conditions only, the fair value is determined based on the unconditional fair value of the Thungela shares at the reporting date.

All share-linked units are issued for no consideration and will be paid to employees in cash on the vesting date, based on the prevailing value of the Thungela share price at that date.

Equity-settled share-based payments

The share awards that have been granted to eligible employees in the year ended 31 December 2025 consist of the 2025 LTIP awards, the 2025 DBS awards and the 2025 sign-on awards, as approved by the Thungela remuneration and human resources committee.

LTIP awards – conditional share awards

The LTIP awards are granted each year, based on the performance in the previous year, and their vesting is subject to the achievement of performance conditions as well as an employment condition. The LTIP awards do not carry voting rights. Once vested, the LTIP awards are subject to a further two-year holding period for executive directors.

The details of the LTIP awards in place, and impacting the share-based payment expenses in the years presented, are as follows:

Award	Grant date	Vesting date	Number of awards granted	Grant date fair value (Rand/share award)
2025 LTIP awards	15 April 2025 and 1 August 2025	15 April 2028	1,221,837	87.97 – 92.53
2024 LTIP awards	24 May 2024	24 May 2027	588,966	133.31
2023 LTIP awards	26 April 2023	26 April 2026	398,131	155.22
2022 LTIP awards	7 March 2022	7 March 2025	434,844	167.12
2021 LTIP awards	16 November 2021	16 November 2024	1,363,119	60.46

A total of 181,231 (2024: 323,726) share awards were added to the LTIP awards related to dividend equivalent shares for dividends declared by Thungela in the year ended 31 December 2025.

The details of the LTIP awards which have vested or were forfeited, including relevant dividend equivalent awards, in the year are as follows:

Award	Vesting date	2025	
		Number of awards vested or restricted	Number of awards forfeited
2022 LTIP awards	7 March 2025	720,384	4,342
Other LTIP awards forfeited ¹		—	141,779
Total LTIP awards vested		720,384	146,121

¹ The other LTIP awards forfeited relate to employees deemed to be fault or bad leavers. The LTIP awards were forfeited throughout the year as employees left the Group.

Award	Vesting date	2024	
		Number of awards vested or restricted	Number of awards forfeited
2021 LTIP awards	16 November 2024	1,765,603	466,511
Other LTIP awards vested or forfeited ¹		72,737	75,943
Total LTIP awards vested		1,838,340	542,454

¹ The other LTIP awards vested or forfeited relate to employees deemed to be no fault or good leavers, or fault or bad leavers, respectively. The LTIP awards were vested or forfeited throughout the year as employees left the Group.

The 2022 LTIP awards vested on 7 March 2025, in accordance with the achievement of specific performance conditions up to 31 December 2024. Included in the share awards vested are 161,593 shares, which were allotted to the executive directors and are subject to a further two-year holding period from the vesting date.

The 2021 LTIP awards vested on 16 November 2024, in accordance with the achievement of specific performance conditions up to 31 December 2023. Included in the share awards vested are 429,442 shares, which were allotted to the executive directors and are subject to a further two-year holding period from the vesting date.

The number of awards which were vested or forfeited was based on the achievement percentage of the performance conditions, as approved by the Thungela remuneration and human resources committee. The awards were settled using Thungela shares held in treasury by the Group, and a portion of the shares vested were sold to cover the tax obligations of the employees in relation to the vesting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

32. SHARE-BASED PAYMENTS CONTINUED

Equity-settled share-based payments *continued*

LTIP awards – conditional share awards *continued*

The performance conditions and their weightings, that will be applied at the vesting date to the LTIP awards are as follows:

Condition	Weighting (%)			
	2025 LTIP awards	2024 LTIP awards	2023 LTIP awards	2022 and 2021 LTIP awards
Relative total shareholders' return peer (Local) ¹	—	12.5	12.5	7.5
Relative total shareholders' return peer (Global) ¹	12.5	12.5	12.5	7.5
Absolute shareholders' return	12.5	—	—	—
Carbon emissions	—	—	—	10
Carbon intensity	—	—	10	—
Cash margin per export saleable tonne	20	20	20	20
Energy intensity	10	—	—	—
Dividend yield	—	—	—	10
Inclusion and diversity – historically disadvantaged persons representation (South Africa)	5	5	10	10
Inclusion and diversity – female representation (Global)	5	5	—	—
Life of business	15	15	15	15
Lifex capital intensity	10	10	10	10
Renewable energy implementation	—	10	—	—
Water abstraction	10	—	—	—
Water usage – fresh water import	—	2.5	2.5	2.5
Water usage – potable water usage	—	2.5	2.5	2.5
Water usage – water reuse/recycle	—	2.5	2.5	2.5
Water usage – water treatment	—	2.5	2.5	2.5

¹ Represents a market condition relevant to the LTIP awards.

The performance conditions and the level of achievement thereof in each performance period, are determined by the Thungela remuneration and human resources committee.

The weighted average of the vesting outcomes for each measure will determine the overall vesting percentage for the awards. This will be applied to the number of awards outstanding on the vesting date. Achievement of the non-market conditions will be determined independently of the market performance conditions.

The performance conditions apply to both conditional share awards and conditional share-linked units in each grant year, as appropriate.

DBS awards – forfeitable share awards

The DBS awards are granted each year, based on performance in the previous year, and their vesting is subject to the achievement of an employment condition. There are no performance conditions attached to these awards. The DBS awards carry voting rights from the grant date thereof.

The details of the DBS awards in place, and impacting the share-based payment expenses in the years presented, are as follows:

Award	Grant date	Vesting dates ¹	Number of awards granted	Grant date fair value (Rand/share award)
2025 DBS awards	17 March 2025	17 March 2026 – 17 March 2028	1,259,435	114.02
2024 DBS awards	18 March 2024	18 March 2025 – 18 March 2027	893,973	112.49
2023 DBS awards	27 March 2023	27 March 2024 – 27 March 2026	441,037	191.60
2022 DBS awards	22 March 2022	22 March 2023 – 22 March 2025	331,300	155.67

¹ The awards will vest in equal tranches on an annual basis between the vesting dates specified.

The details of the DBS awards which have vested or were forfeited in the year are as follows:

Award	Vesting date	Number of awards vested	Number of awards forfeited
2024 DBS awards tranche 1	18 March 2025	90,672	—
2023 DBS awards tranche 2	27 March 2025	128,875	—
2022 DBS awards tranche 3	22 March 2025	276,238	—
Other DBS awards vested or forfeited ¹		22,893	93,732
Total DBS awards vested		518,678	93,732

¹ The other DBS awards vested or forfeited relate to employees deemed to be no fault or good leavers, or fault or bad leavers, respectively. The DBS awards were vested on a pro-rata basis or forfeited throughout the year as employees left the Group.

Award	Vesting date	Number of awards vested	Number of awards forfeited
2023 DBS awards tranche 1	27 March 2024	149,527	—
2022 DBS awards tranche 2	22 March 2024	104,548	—
Other DBS awards vested or forfeited ¹		539	79,901
Total DBS awards vested		254,614	79,901

¹ The other DBS awards vested or forfeited relate to employees deemed to be no fault or good leavers, or fault or bad leavers, respectively. The DBS awards were vested or forfeited throughout the year as employees left the Group.

The DBS awards vested on the achievement of the relevant employment conditions, or on employees being considered no fault or good leavers, in line with the rules of the Thungela share plan. The awards were settled using Thungela shares purchased by the Group on the grant date of the awards, and a portion of the vested shares was sold to cover the tax obligations of the employees in relation to the vesting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

32. SHARE-BASED PAYMENTS CONTINUED

Equity-settled share-based payments *continued*

2023 retention awards – forfeitable share awards

The 2023 retention awards were granted on 1 April 2023 in relation to performance for the year ended 31 December 2022. These awards are not applicable to executive directors and prescribed officers. 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 2023 retention awards vested in equal tranches from 1 April 2023 to 1 April 2025. Once vested, these awards are subject to a further one-year payback period, during which participants will be obligated to repay the pre-tax amount paid on a pro-rata basis, should the employment condition not be satisfied. A total of 112,997 share awards were granted as the 2023 retention awards, with a grant date fair value of R202.15.

Tranche 3 of these awards vested on 1 April 2025 based on the achievement of the employment condition, and was settled using Thungela shares purchased by the Group on the grant date. A total of 33,631 share awards vested.

Tranche 2 of these awards vested on 1 April 2024 based on the achievement of the employment condition, and was settled using Thungela shares purchased by the Group on the grant date. A total of 36,843 share awards vested.

Sign-on awards – forfeitable share awards

Sign-on awards are granted to employees on their employment date as approved in line with the Thungela remuneration policies. The awards are not subject to any performance conditions and carry voting rights from the grant date thereof.

In the year ended 31 December 2025, sign-on awards of 175,190 were granted, with a grant date fair value of R91.47. These awards will vest between 1 August 2026 and 1 August 2028, subject to the achievement of the employment condition. In the year ended 31 December 2024, 25,758 sign-on awards were granted, with a grant date fair value of between R122.65 and R173.65 per share. The awards will vest between 1 May 2025 and 1 December 2027, subject to the fulfilment of the employment condition.

In the year ended 31 December 2025, sign-on awards of 6,544 (2024: 4,489) vested based on the achievement of the employment condition, which were settled using Thungela shares purchased by the Group on the grant date.

The number of share awards outstanding at the reporting date can be analysed as follows:

	2025				
Number of awards	LTIP awards	DBS awards	Retention awards	Sign-on awards	Total
Balance at the start of the reporting period	1,774,903	1,177,487	33,631	17,640	3,003,661
Awards granted	1,221,837	1,259,435	—	175,190	2,656,462
Dividend equivalent share awards granted	181,231	—	—	—	181,231
Awards vested	(720,384)	(518,678)	(33,631)	(6,544)	(1,279,237)
Awards forfeited	(146,121)	(93,732)	—	(3,168)	(243,021)
Balance at the end of the reporting period	2,311,466	1,824,512	—	183,118	4,319,096

	2024				
Number of awards	LTIP awards	DBS awards	Retention awards	Sign-on awards	Total
Balance at the start of the reporting period	3,243,005	618,029	73,695	—	3,934,729
Awards granted	588,966	893,973	—	25,758	1,508,697
Dividend equivalent share awards granted	323,726	—	—	—	323,726
Awards vested	(1,838,340)	(254,614)	(36,843)	(4,489)	(2,134,286)
Awards forfeited	(542,454)	(79,901)	(3,221)	(3,629)	(629,205)
Balance at the end of the reporting period	1,774,903	1,177,487	33,631	17,640	3,003,661

The inputs used in the measurement of the fair values at grant date for awards granted in terms of the Thungela share plan are as follows:

	2025	
	2025 LTIP awards	2025 DBS awards
Grant date	15 April and 1 August	17 March
Fair value at grant date (Rand/share award)	87.97 – 92.53	114.02
Share price at grant date (Rand/share)	91.47 – 98.52	114.02
Expected volatility (%)	40 – 44	—
Expected life (years)	2.7 – 3.0	1 / 2 / 3
Expected dividend yield (%)	18 – 20	30 / 25 / 21

	2024	
	2024 LTIP awards	2024 DBS awards
Grant date	24 May	18 March
Fair value at grant date (Rand/share award)	133.31	112.49
Share price at grant date (Rand/share)	139.35	112.49
Expected volatility (%)	56	—
Expected life (years)	3	1 / 2 / 3
Expected dividend yield (%)	20	37 / 39 / 37

Expected volatility is based on historical volatilities over a period of time that corresponds to the expected life of the LTIP awards.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2025

32. SHARE-BASED PAYMENTS CONTINUED

Cash-settled share-based payments

2025 LTIP units – conditional share-linked units

The 2025 LTIP share-linked units were granted on 15 April 2025, in relation to performance for the year ended 31 December 2024. The share-linked units 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 LTIP share-linked units were granted, with a fair value of R90.42 at the reporting date.

2025 DBS units – forfeitable share-linked units

The 2025 DBS share-linked units 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 2025 DBS share-linked units will vest in equal tranches from 17 March 2026 to 17 March 2028. A total of 36,248 share-linked units were granted, with a fair value of R95.80 at the reporting date.

Share-based payment expenses

The amounts recognised in the statement of profit or loss and other comprehensive income, in relation to the Thungela share plans, can be analysed as follows:

Rand million	Note	2025	2024
Equity-settled share-based payments		177	145
LTIP awards		66	61
DBS awards		106	78
Retention awards		1	5
Sign-on awards		4	1
Cash-settled share-based payments		6	–
LTIP share-linked units		4	–
DBS share-linked units		2	–
Total share-based payment expenses included in employee costs	6	183	145

33. DIVIDENDS

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

Accounting policy

Dividends are recognised in the year in which the dividends are declared directly in the statement of changes in equity. Dividends proposed or declared subsequent to the reporting date are not recognised as dividends declared in the year.

Treasury shares are held by subsidiaries in respect of awards granted in terms of the Thungela share plan as detailed in note 32. Dividends declared on shares held in relation to the forfeitable share awards are paid to the employees on the dividend payment dates. Dividends declared on shares held in relation to the conditional share awards will be paid to the subsidiary holding the share, in line with the rules of the Thungela share plan.

Treasury shares are also held by a subsidiary in relation to the share buybacks undertaken by Thungela. Dividends declared on these shares are paid to the subsidiary on the dividend payment dates.

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^Δ 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^Δ. 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 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 year can be analysed as follows:

Rand million	2025	2024
Dividends declared to the shareholders of the Group	1,722	1,630
Dividend declared on 18 August 2025 of R2 per ordinary share	260	—
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
Dividends declared to non-controlling interests	—	44
Total dividends declared	1,722	1,674
Dividends not yet paid to shareholders	(52)	—
Total dividends paid	1,670	1,674

Dividend declaration

A final ordinary cash dividend relating to the year ended 31 December 2025 of R2 per share (2024: R11 per share) was declared by the board on 23 March 2026. The dividend, amounting to a return of R281 million to shareholders, has not been recognised as a liability in these consolidated financial statements. The final dividend was declared from retained earnings and will be paid in April 2026 to shareholders on the South African register and in May 2026 to shareholders on the UK register. Together with the interim dividend of R2 per share, this equates to a total dividend of R4 per share for the year ended 31 December 2025.

34. NON-CONTROLLING INTERESTS

There are various non-controlling interests held throughout the Group, as further detailed in note 37. The material non-controlling interests were considered to be held in Sungela Holdings, up to the purchase of the remaining interest in that entity.

On 29 September 2025, Thungela Resources Australia acquired the remaining interest in Sungela Holdings and the Group now owns 100% of the Ensham Business. Refer to note 15 for further detail.

In the year ended 31 December 2024, the non-controlling interest held in Butsanani Energy, including its investment in RMC up to 30 November 2024, was no longer considered to reflect a material non-controlling interest for the Group, following the disposal of the investment in RMC.

Accounting policy

Non-controlling interests represent the profit or loss, other comprehensive income and equity in a subsidiary not attributable, directly or indirectly, to the equity shareholders of the Group.

For subsidiaries which are not wholly owned, non-controlling interests are presented in equity separately from the equity attributable to the shareholders of the Group. Profit or loss and other comprehensive income is attributed to the shareholders of the Group and to non-controlling interests, even if this results in the non-controlling interests having a negative balance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

34. NON-CONTROLLING INTERESTS CONTINUED

The material non-controlling interests can be analysed as follows:

Rand million	2025		2024		
	Sungela Holdings ¹	Total	Sungela Holdings	Butsanani Energy ²	Total
(Loss)/profit for the reporting period attributable to non-controlling interests	(22)	(22)	51	(99)	(48)
Other comprehensive loss attributable to non-controlling interests	(4)	(4)	(21)	—	(21)
Total comprehensive (loss)/income attributable to non-controlling interests	(26)	(26)	30	(99)	(69)
Dividends paid to non-controlling interests	—	—	—	(44)	(44)
Equity attributable to non-controlling interests	—	—	378	166	544

¹ The results of Sungela Holdings have been reflected for the nine months up to 29 September 2025, based on the acquisition of the remaining interest in this entity. Refer to note 2A and note 15 for further detail.

² The results of RMC have been reflected for the 11 months up to 30 November 2024, based on the disposal of the interest in this entity. Refer to note 16 for further detail.

The summarised financial information, without eliminating the impact of intra-group transactions, of the entities in which material non-controlling interests are held can be analysed as follows:

Rand million	2025		2024		
	Sungela Holdings ¹	Total	Sungela Holdings	Butsanani Energy ²	Total
Statement of profit or loss and other comprehensive income					
Revenue	5,396	5,396	9,250	345	9,595
(Loss)/profit for the reporting period	(469)	(469)	511	16	527
Total comprehensive (loss)/income for the reporting period	(561)	(561)	511	16	527
Statement of financial position					
Non-current assets	—	—	7,829	—	7,829
Current assets	—	—	2,812	—	2,812
Non-current liabilities	—	—	(3,988)	—	(3,988)
Current liabilities	—	—	(1,870)	—	(1,870)
Net assets	—	—	4,783	—	4,783
Statement of cash flows					
Cash flows from operating activities	(26)	(26)	1,371	(54)	1,317
Cash flows from investing activities	(302)	(302)	(1,512)	182	(1,330)
Cash flows from financing activities	(131)	(131)	(857)	(105)	(962)
Net (decrease)/increase in cash and cash equivalents³	(459)	(459)	(998)	23	(975)

¹ The results of Sungela Holdings have been reflected for the nine months up to 29 September 2025, based on the acquisition of the remaining interest in this entity. No information related to the statement of financial position has been presented, as there is no non-controlling interest in this entity at 31 December 2025. Refer to note 2A and note 15 for further detail.

² The results of RMC have been reflected for the 11 months up to 30 November 2024, based on the disposal of the interest in this entity. No information related to the statement of financial position has been presented, as the non-controlling interest in this entity at 31 December 2024 is not considered to be material. Refer to note 16 for further detail.

³ The results of Sungela Holdings are reflected without eliminating the impact of intra-group transactions, including the settlement of loans, which are eliminated for Group purposes.



thungela

OTHER INFORMATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

35. COMMITMENTS

The Group is subject to a number of commitments, which have not been accounted for at the reporting date as services have not yet been received.

The Group's commitments can be analysed as follows:

	2025		
Rand million	Contracted but not provided	Port and rail commitments	Total
Due within 1 year	267	4,060	4,327
Due between 1 – 2 years	—	4,097	4,097
Due between 2 – 5 years	—	2,201	2,201
Total commitments	267	10,358	10,625

	2024		
Rand million	Contracted but not provided	Port and rail commitments	Total
Due within 1 year	1,474	3,586	5,060
Due between 1 – 2 years	—	1,003	1,003
Due between 2 – 5 years	—	1,085	1,085
Total commitments	1,474	5,674	7,148

Contracted but not provided

Commitments contracted but not provided for are related to capital projects, which have been contracted for at the reporting date but for which goods and services have not been received.

Port and rail commitments

South Africa

Rail commitments are related to the existing long-term agreement with Transnet Freight Rail (TFR), where the Group has committed to a minimum annual quantity of tonnes railed over the contractual period. The agreement with TFR was extended and will now expire in March 2028.

Australia

Port commitments are related to the existing long-term agreement with Gladstone Port Corporation, where Ensham has a contracted minimum annual quantity of tonnes shipped over the contractual period, which expires on 30 June 2031.

Rail commitments are related to two existing long-term agreements expiring on 31 December 2028, where Ensham has a contracted minimum annual quantity of tonnes railed over the contractual period.

36. 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 37, 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 Nisaluba (chairman)[#]
Moses Madondo (chief executive officer) (appointed as executive director 1 November 2025)
July Ndlovu (chief executive officer) (resigned as executive director 31 October 2025)
Deon Smith (chief financial officer)
Ben Kodisang[#]
Kholeka Mzondeki[#]
Seamus French[#]
Yoza Jekwa[#]
Tommy McKeith[#]

[#] Independent non-executive

Prescribed officers

Johan van Schalkwyk
Carina Venter (resigned 29 August 2025)
Lesego Mataboge
Leslie Martin
Mpumi Sithole
Bernard Dalton
Dan Reynolds (appointed as prescribed officer 1 January 2025)

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 year, and outstanding balances at the reporting date, can be analysed as follows:

Rand million	Note	2025	2024
Loans to related parties			
RBCT ¹	14	168	180
Transactions recognised in the statement of profit or loss and other comprehensive income			
RBCT			
Expenses for services provided		(353)	(362)

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

No transactions have been entered into with key management in the year other than their fixed and variable remuneration, which has been disclosed in note 39.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

37. 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.

Accounting policy

Investments in subsidiaries

The results of subsidiaries are consolidated for the duration of the period in which the Group exercises control over the subsidiary. All intra-group transactions and resultant profits or losses between group companies are eliminated on consolidation.

Investments in joint operations

Joint arrangements are arrangements in which the Group shares joint control with one or more parties. Joint control is the contractually agreed sharing of control of an arrangement and exists only when decisions about the activities that significantly affect the arrangement's returns require the unanimous consent of the parties sharing control. Joint arrangements are classified as either joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangement. In joint operations, the parties have rights to the assets and obligations for the liabilities relating to the arrangement, whereas in joint ventures, the parties have rights to the net assets of the arrangement.

Joint arrangements that are not structured through a separate vehicle are always joint operations. Joint arrangements that are structured through a separate vehicle may be either joint operations or joint ventures, depending on the specific facts and circumstances of the arrangement. In these cases, consideration is given to the legal form of the separate vehicle, the terms of the contractual arrangement and, when relevant, other facts and circumstances. When the activities of an arrangement are primarily designed for the provision of output to the parties, and the parties are substantially the only source of cash flows contributing to the continuity of the operations of the arrangement, this indicates that the parties to the arrangement have rights to the assets and obligations for the liabilities.

The joint arrangements within the Group, being Mafube Coal Mining Proprietary Limited (Mafube Coal Mining), Phola Coal Processing Plant Proprietary Limited and Pamish, are accounted for as joint operations. These arrangements are primarily designed for the provision of output to the parties sharing joint control, indicating that the parties have rights to substantially all of the economic benefits of the assets. The liabilities of the arrangements are in substance satisfied by cash flows received from the parties; this dependence indicates that the parties effectively have obligations for the liabilities. It is primarily these facts and circumstances that give rise to the classification as joint operations.

The Group accounts for joint operations by recognising our share of the assets, liabilities, revenue and expenses of the joint operation, including our share of such items held or incurred jointly.

The investments in other entities held by the Group 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	Mining company		100
	Mining operation	Zibulo	
	Mining operation	Annea	
Butsanani Energy Investment Holdings Proprietary Limited	Investment holding company		67
Thungela Inyosi Coal Securityco Proprietary Limited ²	Dormant		100
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		100
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 FZCO ^{6,7}	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 The Group's application to deregister Thungela Inyosi Coal Securityco Proprietary Limited was submitted on 8 July 2024, and confirmation of deregistration was received on 2 January 2025.

³ The place of business and incorporation of this entity is Australia.

⁴ Thungela Resources Australia holds 100% of the shares in Sungela Holdings from 29 September 2025. Refer to note 2A for detail related to our shareholding in the Ensham Business.

⁵ The shareholding in this entity is held through Thungela Resources Australia and Sungela Holdings as part of the Ensham Business. Refer to note 2A for detail related to our shareholding in the Ensham Business.

⁶ The place of business and incorporation of this entity is Dubai.

⁷ Thungela Marketing International changed its company suffix from DMCC to FZCO on 9 January 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2025

37. INVESTMENTS IN OTHER ENTITIES CONTINUED

The investments in other entities held by the Group can be analysed as follows continued:

Legal entity name	Nature of business	Operation	Shareholding %
Indirect joint operations			
Mafube Coal Mining Proprietary Limited	Mining company Mining operation	Mafube	50
Phola Coal Processing Plant Proprietary Limited	Mining company Processing operation	Phola Coal Processing Plant	50
Pamish Investments No. 66 Proprietary Limited ¹	Mining company Processing operation	Pamish plant	49
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 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.

38. EVENTS AFTER THE REPORTING PERIOD

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

Accounting policy

The Group assesses relevant events that occur between the reporting date and the date that the Annual Financial Statements are authorised for issue. An assessment will be performed to determine if the event is an adjusting or non-adjusting event, and adjustments or disclosure may be made if required.

Escalating tensions in the Middle East

The ongoing conflict in the Middle East following the recent US-Israeli actions involving Iran in early 2026 has raised new levels of uncertainty and has understandably caused concern. The uncertainty brought about by the conflict has, once again, increased volatility in the energy market, impacting on the price of oil, gas and coal. We will continue to closely monitor the situation and the impact on our employees and operating environment.

Declaration of dividend

On 23 March 2026, the board declared a final ordinary cash dividend of R2 per share, or R281 million, from retained earnings. Combined with the interim dividend for 2025, this represents a total dividend payment of R562 million to shareholders related to 2025. The dividend will be paid in April 2026 to shareholders on the South African register, and in May 2026 to shareholders on the UK register.

The ordinary cash dividend and interim share buyback in total amount to returns to shareholders of R701 million, reflecting 177% of the adjusted operating free cash flow^Δ generated in the year ended 31 December 2025.



REMUNERATION



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

39. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION

The remuneration of the directors and prescribed officers has been approved by the Thungela remuneration and human resources committee. The remuneration is paid by subsidiaries of the Thungela Group.

Details regarding the directors' direct and indirect interests in Thungela shares are disclosed in the directors' report.

Executive directors and prescribed officers

The remuneration of the executive directors and prescribed officers can be analysed as follows:

Rand thousand	Basic salary	Retirement and benefits ¹
Executive directors		
Moses Madondo ⁸	3,850	608
July Ndlovu ⁹	9,010	1,425
Deon Smith	6,183	1,002
Total executive directors' remuneration	19,043	3,035
Prescribed officers		
Johan van Schalkwyk	4,538	745
Leslie Martin	3,942	664
Lesego Mataboge	2,997	516
Mpumi Sithole	2,994	482
Carina Venter ¹⁰	1,995	302
Bernard Dalton	3,656	612
Dan Reynolds ¹¹	7,063	347
Total prescribed officers' remuneration	27,185	3,668

¹ Retirement and benefits include pension fund or superannuation contributions, medical aid contributions and other allowances.

² Other payments include payments such as unemployment insurance, leave encashments and long-service awards.

³ Cash component of the short-term incentive (STI), which is attributable to the 2025 financial year, to be paid in the 2026 financial year.

⁴ Deferred bonus component of the STI, which is attributable to the 2025 financial year, to be awarded in the 2026 financial year.

⁵ The 2022 LTIP awards were granted to executive directors on 7 March 2022. The performance was measured on 7 March 2025 and the awards were therefore reflected in the year in which the performance was measured. The awards to the executive directors are subject to a further two-year holding period before they may be disposed of.

⁶ The 2022 LTIP awards were granted to prescribed officers on 7 March 2022, and vested on 7 March 2025 based on the achievement percentage of the performance conditions. The awards were settled using Thungela shares held in treasury by the Group.

						2025	
	Other ²	STI cash ³	STI deferred bonus ⁴	LTIP restricted ⁵	LTIP vested and settled ⁶	Sign-on awards ⁷	Total remuneration
	5	2,829	1,430	—	—	35,356	44,078
	2,461	7,095	—	12,024	—	—	32,015
	1,428	4,100	2,050	6,212	—	—	20,975
	3,894	14,024	3,480	18,236	—	35,356	97,068
	183	2,792	1,396	—	4,844	—	14,498
	1,174	2,614	1,307	—	4,207	—	13,908
	17	1,987	994	—	2,988	—	9,499
	17	1,842	921	—	2,988	—	9,244
	1,606	—	—	—	2,988	—	6,891
	164	2,249	1,125	—	3,582	—	11,388
	—	4,217	2,108	—	—	—	13,735
	3,161	15,701	7,851	—	21,597	—	79,163

⁷ Sign-on award granted to Moses Madondo comprised of a both a cash and deferred share award allocation.

⁸ Moses Madondo was appointed on 1 August 2025 and remuneration reflects amounts paid to him from his appointment date.

⁹ July Ndlovu retired in the current year. The amount reported as other payments includes the encashment of his outstanding leave and a cash retirement award. He is eligible to receive the cash component of the STI attributable to the 2025 financial year to be paid in the 2026 financial year, but no deferred bonus component of the STI will be allocated.

¹⁰ Carina Venter resigned in August 2025 and remuneration reflects amounts paid up to her date of resignation. She is not eligible to be paid an STI for the 2025 performance year and was not paid any separation payments.

¹¹ Dan Reynolds was appointed as a prescribed officer from 1 January 2025. His salary is paid in Australian dollars and has been converted to South African rand for disclosure purposes only.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

39. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION

CONTINUED

Executive directors and prescribed officers

continued

The remuneration of the executive directors and prescribed officers can be analysed as follows continued:

Rand thousand	Basic salary	Retirement and benefits ¹
Executive directors		
July Ndlovu	8,578	1,348
Deon Smith	5,539	896
Total executive directors' remuneration	14,117	2,244
Prescribed officers		
Johan van Schalkwyk	4,319	704
Leslie Martin	3,751	627
Lesego Mataboge	2,758	474
Mpumi Sithole	2,758	443
Carina Venter	2,758	414
Bernard Dalton	3,274	547
Total prescribed officers' remuneration	19,618	3,209

¹ Retirement and benefits include pension fund contributions, medical aid contributions and other allowances.

² Other payments such as unemployment insurance, leave encashments and long-service awards.

³ Cash component of the STI, which is attributable to the 2024 financial year, to be paid in the 2025 financial year.

⁴ Deferred bonus component of the STI, which is attributable to the 2024 financial year, to be awarded in the 2025 financial year.

	Other ²	STI cash ³	STI deferred bonus ⁴	LTIP restricted ⁵	LTIP vested and settled ⁶	2024 Total remuneration
	29	7,456	3,767	38,607	—	59,785
	25	4,055	2,027	16,185	—	28,727
	54	11,511	5,794	54,792	—	88,512
	25	3,162	1,581	—	13,766	23,557
	39	2,746	1,373	—	12,877	21,413
	125	2,019	1,009	—	9,662	16,047
	129	2,019	1,009	—	9,543	15,901
	150	2,019	1,009	—	9,184	15,534
	31	2,397	1,198	—	12,249	19,696
	499	14,362	7,179	—	67,281	112,148

⁵ The 2021 LTIP awards were granted to executive directors on 16 November 2021. The performance was measured on 16 November 2024 and the awards were therefore reflected in the final year of the performance period. The awards to the executive directors are subject to a further two-year holding period before they may be disposed of.

⁶ The 2021 LTIP awards were granted to prescribed officers on 16 November 2021, and vested on 16 November 2024 based on the achievement percentage of the performance conditions. The awards were settled using Thungela shares held in treasury by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

39. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION CONTINUED

Non-executive directors

The composition of the board remains consistent with the previous year, with six independent non-executive directors. Following the unfortunate passing of Thero Setiloane in 2024, Tommy McKeith was appointed to the board on 1 October 2024.

The remuneration of the non-executive directors can be analysed as follows:

Rand	2025	2024
Sango Ntsaluba	1,829,113	1,714,858
Kholeka Mzondeki	1,361,970	1,270,557
Ben Kodisang	1,302,268	1,194,031
Thero Setiloane	—	576,383
Seamus French	1,265,752	1,179,098
Yoza Jekwa	1,284,407	1,266,983
Tommy McKeith	1,290,017	305,877
Total non-executive directors' remuneration	8,333,527	7,507,787

All non-executive directors' fees were paid to the individuals in their personal capacity.

Equity-settled share awards granted to executive directors and prescribed officers

Details regarding share awards are disclosed in note 32.

The share awards granted to executive directors and prescribed officers of the Group under the Thungela share plan can be analysed as follows:

LTIP awards – conditional share awards

	2025				
Number of awards	Opening balance	Granted ¹	Vested and settled or restricted	Forfeited	Total
Executive directors					
Moses Madondo	—	200,435	—	—	200,435
July Ndlovu ²	237,839	214,794	(106,548)	(644)	345,441
Deon Smith	122,870	103,886	(55,045)	(332)	171,379
Total executive directors' awards	360,709	519,115	(161,593)	(976)	717,255
Prescribed officers					
Johan van Schalkwyk	95,808	66,858	(42,921)	(259)	119,486
Leslie Martin	83,212	58,074	(37,276)	(227)	103,783
Lesego Mataboge	59,734	43,905	(26,478)	(159)	77,002
Mpumi Sithole	59,734	43,874	(26,478)	(159)	76,971
Carina Venter	59,734	42,166	(26,478)	(75,422)	—
Bernard Dalton	71,390	53,436	(31,740)	(192)	92,894
Total prescribed officers' awards	429,612	308,313	(191,371)	(76,418)	470,136

¹ The awards granted include a total of 79,511 awards added to the LTIP awards as dividend equivalent share awards granted related to the dividends paid by Thungela in the year ended 31 December 2025.

² All outstanding awards for July Ndlovu will be accelerated to 31 December 2025. These awards will vest based on the Thungela remuneration and human resources committee's assessment of performance and will be time apportioned for completed months of the applicable employment period. The two-year holding period will apply to the vested conditional shares from the vesting date. The vesting will be finalised in 2026.

2024

Number of awards	Opening balance	Granted ¹	Vested and settled or restricted	Forfeited	Total
Executive directors					
July Ndlovu	497,644	122,735	(302,589)	(79,951)	237,839
Deon Smith	223,256	59,985	(126,853)	(33,518)	122,870
Total executive directors' awards	720,900	182,720	(429,442)	(113,469)	360,709
Prescribed officers					
Johan van Schalkwyk	176,824	47,051	(101,301)	(26,766)	95,808
Leslie Martin	161,357	41,652	(94,759)	(25,038)	83,212
Lesego Mataboge	118,969	30,656	(71,104)	(18,787)	59,734
Mpumi Sithole	117,961	30,554	(70,226)	(18,555)	59,734
Carina Venter	114,930	30,247	(67,585)	(17,858)	59,734
Bernard Dalton	148,244	37,099	(90,137)	(23,816)	71,390
Total prescribed officers' awards	838,285	217,259	(495,112)	(130,820)	429,612

¹ The awards granted include a total of 162,028 awards added to the LTIP awards as dividend equivalent share awards granted related to the dividends paid by Thungela in the year ended 31 December 2024.

Each award converts into one ordinary share in Thungela upon vesting. The vesting of these shares is conditional on the achievement of approved performance conditions. The awards carry neither a right to dividends nor voting rights, however participants are entitled to dividend equivalents accrued over the vesting period, to be converted into additional share awards and added to the overall number of awards that will vest. The LTIP awards are subject to a further two-year holding period after the vesting date for executive directors. There is no option for cash settlement of the awards.

The 2022 LTIP award vested on 7 March 2025, based on the achievement level of the performance conditions approved by the Thungela remuneration and human resources committee, as reported in the 2024 Integrated Annual Report (99.4%). Consequently, a total of 2,131 shares were forfeited, resulting in the vesting of 352,964 shares, including the initial allocation and associated dividend equivalent shares. These shares were settled using Thungela shares held in treasury by the Group, and 86,121 shares were sold to settle the tax obligations arising from the vesting for prescribed officers. The shares allotted to the executive directors are subject to a two-year holding period and will remain restricted until 7 March 2027, at which time they will attract tax obligations.

The 2021 LTIP award vested on 16 November 2024, based on the achievement level of the performance conditions approved by the Thungela remuneration and human resources committee, as reported in the 2023 Integrated Annual Report (79.1%). Consequently, a total of 244,289 shares were forfeited, resulting in the vesting of 924,554 shares, including the initial allocation and associated dividend equivalent shares. These shares were settled using Thungela shares held in treasury the Group, and 222,802 shares were sold to settle the tax obligations arising from the vesting for prescribed officers. The shares allotted to the executive directors are subject to a two-year holding period and will remain restricted until 16 November 2026, at which time they will attract tax obligations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

39. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION CONTINUED

Equity-settled share awards granted to executive directors and prescribed officers continued

The share awards granted to executive directors and prescribed officers of the Group under the Thungela share plan can be analysed as follows continued:

DBS awards – forfeitable share awards

	2025				
Number of awards	Opening balance	Granted	Vested and settled	Forfeited	Total
Executive directors					
Moses Madondo	—	—	—	—	—
July Ndlovu ¹	40,317	33,060	(18,531)	—	54,846
Deon Smith	21,893	17,790	(9,966)	—	29,717
Total executive directors' awards	62,210	50,850	(28,497)	—	84,563
Prescribed officers					
Johan van Schalkwyk	16,458	13,872	(7,474)	—	22,856
Leslie Martin	14,345	12,048	(6,542)	—	19,851
Lesego Mataboge	9,893	8,857	(4,600)	—	14,150
Mpumi Sithole	9,887	8,857	(4,594)	—	14,150
Carina Venter	9,673	8,857	(4,477)	(14,053)	—
Bernard Dalton	12,112	10,515	(5,351)	—	17,276
Total prescribed officers' awards	72,368	63,006	(33,038)	(14,053)	88,283

¹ The outstanding awards for July Ndlovu will be accelerated to 31 December 2025. These awards will vest on a time apportioned basis for completed months of the applicable employment period. The vesting will be finalised in 2026.

	2024				
Number of awards	Opening balance	Granted	Vested and settled	Forfeited	Total
Executive directors					
July Ndlovu	24,602	25,684	(9,969)	—	40,317
Deon Smith	13,430	13,822	(5,359)	—	21,893
Total executive directors' awards	38,032	39,506	(15,328)	—	62,210
Prescribed officers					
Johan van Schalkwyk	9,561	10,777	(3,880)	—	16,458
Leslie Martin	8,407	9,360	(3,422)	—	14,345
Lesego Mataboge	6,321	6,129	(2,557)	—	9,893
Mpumi Sithole	6,308	6,129	(2,550)	—	9,887
Carina Venter	5,976	6,129	(2,432)	—	9,673
Bernard Dalton	6,836	7,970	(2,694)	—	12,112
Total prescribed officers' awards	43,409	46,494	(17,535)	—	72,368

Each award converts into one ordinary share in Thungela upon vesting. The awards carry both dividend and voting rights. Participants will be entitled to dividends paid on the ordinary shares underlying their awards prior to the vesting date. Should the awards lapse for any reason, dividends already received by participants will not be required to be paid back. Dividends are paid to the award holders on the dividend payment dates.

Tranche 3 of the 2022 DBS awards vested on 22 March 2025, tranche 2 of the 2023 DBS vested on 27 March 2025 and tranche 1 of the 2024 DBS awards vested on 18 March 2025, based on the achievement of the employment condition, and these tranches were settled using Thungela shares purchased by the Group on the grant date. A total of 61,535 share awards vested, with 27,704 shares being sold on vesting to compensate employees for the tax incurred by them on the vesting of the shares.

Tranche 2 of the 2022 DBS awards vested on 22 March 2024 and tranche 1 of the 2023 DBS vested on 27 March 2024, based on the achievement of the employment condition, and these tranches were settled using Thungela shares purchased by the Group on the grant date. A total of 32,863 share awards vested, with 14,798 shares being sold on vesting to compensate employees for the tax incurred by them on the vesting of the shares.

Thungela sign-on awards – forfeitable share awards

	2025				
Number of awards	Opening balance	Granted	Vested and settled	Forfeited	Total
Executive directors					
Moses Madondo	—	175,190	—	—	175,190
Total executive directors' awards	—	175,190	—	—	175,190

Each award converts into one ordinary share in Thungela upon vesting. The awards carry both dividend and voting rights. Participants will be entitled to dividends paid on the ordinary shares underlying their awards prior to the vesting date. Should the awards lapse for any reason, dividends already received by participants will not be required to be paid back. Dividends are paid to the award holders on the dividend payment dates.

Share-linked units granted to prescribed officers

Details regarding share-linked units are disclosed in note 32.

The share-linked units granted to prescribed officers of the Group under the Thungela cash-settled share plan can be analysed as follows:

LTIP units – conditional share-linked units

	2025				
Number of awards	Opening balance	Granted	Vested and settled	Forfeited	Total
Prescribed officers					
Dan Reynolds	—	98,914	—	—	98,914
Total prescribed officers' awards	—	98,914	—	—	98,914

Each share-linked unit will be settled in cash based on the prevailing Thungela share price at the vesting date. The vesting of the share-linked units is conditional on the achievement of the performance conditions as approved by the Thungela remuneration and human resources committee. Participants in the conditional share-linked units are entitled to receive dividend equivalents on these units at the vesting date. Dividend equivalents are comprised of the aggregate value of all ordinary dividends that would have accrued on the same number of ordinary shares as the number of vested share-linked units.

The background image shows a construction site with concrete walls and a rebar grid. A chain-link fence is visible in the upper portion of the frame. The overall scene is in shades of grey and brown, with a yellow circular graphic element in the lower-left corner.

**SEPARATE
FINANCIAL
STATEMENTS
OF THUNGELA
RESOURCES
LIMITED**



SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

Rand million	Notes	2025	2024
Revenue	2	1,826	1,686
Operating costs	3	(36)	(25)
Impairment losses	5	(3,841)	—
(Loss)/profit before tax		(2,051)	1,661
Income tax expense	4	—	(19)
(Loss)/profit for the reporting period		(2,051)	1,642
Total comprehensive (loss)/income for the reporting period		(2,051)	1,642

SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

Rand million	Notes	2025	2024
Assets			
Non-current assets			
Investments in subsidiaries	5	4,048	7,842
Total non-current assets		4,048	7,842
Current assets			
Loans to related parties	6	217	222
Trade and other receivables		48	—
Total current assets		265	222
Total assets		4,313	8,064
Equity			
Stated capital	7	11,323	11,323
Merger reserve		2,271	2,271
Share-based payments reserve		218	171
Retained losses		(9,635)	(5,758)
Total equity		4,177	8,007
Liabilities			
Current liabilities			
Trade and other payables		58	9
Loans from related parties	6	61	31
Current tax liabilities		17	17
Total current liabilities		136	57
Total liabilities		136	57
Total equity and liabilities		4,313	8,064

SEPARATE STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

Rand million	Note	Stated capital	Merger reserve	Share-based payments reserve	Retained losses	Total equity
Balance at 1 January 2024		11,323	2,271	139	(5,714)	8,019
Total comprehensive income for the reporting period		—	—	—	1,642	1,642
Dividends declared in the reporting period	9	—	—	—	(1,686)	(1,686)
Movements in share-based payments reserve ¹		—	—	32	—	32
Balance at 31 December 2024		11,323	2,271	171	(5,758)	8,007
Total comprehensive loss for the reporting period		—	—	—	(2,051)	(2,051)
Dividends declared in the reporting period	9	—	—	—	(1,826)	(1,826)
Movements in share-based payments reserve ¹		—	—	47	—	47
Balance at 31 December 2025		11,323	2,271	218	(9,635)	4,177

¹ Includes movements as a result of share-based payment expenses of R177 million (2024: R145 million) reduced by the impact of the vesting of shares of R130 million (2024: R113 million) under the Thungela share plan.

SEPARATE STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

Rand million	Notes	2025	2024
Cash flows from operating activities			
(Loss)/profit before tax		(2,051)	1,661
Impairment losses		3,841	—
Movements in working capital		(51)	(2)
Increase in trade and other receivables		(48)	—
Decrease in trade and other payables		(3)	(2)
Cash flows from operations		1,739	1,659
Income tax paid		—	(2)
Net cash generated from operating activities		1,739	1,657
Cash flows from investing activities			
Repayment of loans to related parties	6	5	—
Loans granted to related parties	6	—	(1)
Net cash generated from/(utilised in) investing activities		5	(1)
Cash flows from financing activities			
Dividends paid	9	(1,774)	(1,686)
Advance of loans from related parties	6	30	28
Net cash utilised in financing activities		(1,744)	(1,658)
Net decrease in cash and cash equivalents		—	(2)
Cash and cash equivalents at the start of the reporting period		—	2
Net decrease in cash and cash equivalents		—	(2)
Cash and cash equivalents at the end of the reporting period		—	—

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. BASIS OF PREPARATION

The basis of preparation and principal accounting policies are disclosed in the respective notes to the consolidated financial statements for the year ended 31 December 2025. The accounting policies applied in the separate financial statements are aligned with those applied in the consolidated financial statements.

Thungela was incorporated on 5 January 2021 to operate as the holding company of the Group.

2. REVENUE

The Company's revenue consists of dividends received from its investments in subsidiaries.

Accounting policy

Dividend income is recognised when the Company's right to receive payment has been established and the amount of income can be measured reliably.

Revenue can be analysed as follows:

Rand million	2025	2024
Dividends received from SACO	1,826	1,686
Total revenue	1,826	1,686

3. OPERATING COSTS

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

Accounting policy

Operating costs incurred in the ongoing operations of the Company are recognised in the statement of profit or loss and other comprehensive income as incurred.

Operating costs can be analysed as follows:

Rand million	2025	2024
Foreign exchange (losses)/gains	(6)	5
Non-executive directors' fees	(9)	(9)
Professional fees	(18)	(18)
Other administration expenses	(3)	(3)
Total operating costs	(36)	(25)

4. INCOME TAX EXPENSE

Income tax expense comprises current tax.

Accounting policy

Income tax is recognised in profit or loss.

The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

The Company 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.

Analysis of income tax expense

Rand million	2025	2024
Current tax expense		
Charged in respect of the current reporting period	—	(19)
Total income tax expense	—	(19)

Factors affecting income tax expense

The income tax expense for the year has been impacted by various transactions and can be analysed as follows:

Rand million	2025	2024
(Loss)/profit before tax	(2,051)	1,661
Tax at the applicable rate (South African corporate tax rate) of 27%	554	(448)
Adjusted for the tax effects of:		
Items non-deductible for tax purposes	(10)	(8)
Expenses not incurred in the production of income	(10)	(8)
Items non-taxable for tax purposes	493	455
Dividends received from subsidiary	493	455
Other	(1,037)	(18)
Deferred tax not recognised	(1,037)	—
Current tax expense related to Pillar Two top-up tax	—	(18)
Total income tax expense	—	(19)

The effective tax rate for the year of nil (2024: 1.1%) is lower than the applicable statutory rate of corporate tax in South Africa of 27%.

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

Thungela 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 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 Thungela 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 R60 million may need to be paid by our operations in the United Arab Emirates for the year ended 31 December 2025. For the year ended 31 December 2024, the calculation noted that a top-up tax of R18 million may need to be paid based on these operations, which would be payable by Thungela as the ultimate parent entity of the Group.

Recognition of deferred tax asset

The recognition of the impairment losses on our investments in subsidiaries resulted in deductible temporary differences being available in the Company. Given the nature of the income earned in the Company, there are unlikely to be sufficient taxable temporary differences available in future against which to utilise these deductions. As a result, deferred tax of R1,037 million (2024: Rnil) has not been recognised on these impairment losses.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

5. INVESTMENTS IN SUBSIDIARIES

The Company is the listed holding company of the Thungela Group, and holds investments in various entities as disclosed in note 37 of the consolidated financial statements.

Accounting policy

The Company carries its investments in subsidiaries at cost, including transaction costs and less accumulated impairment losses.

Investments in subsidiaries

The Company holds direct shareholdings in SACO, Thungela Resources Holdings Proprietary Limited (Thungela Resources Holdings), Thungela Treasury Proprietary Limited and Thungela International.

The Company also holds investments in TOPL and AAIC as a result of the equity-settled share-based payment transactions in terms of the Thungela share plan, as detailed in note 32 of the consolidated financial statements. TOPL and AAIC are considered the employer companies in the transactions, with the awards to be settled in Thungela shares.

Investments in subsidiaries can be analysed as follows:

Rand million	2025	2024
Balance at the start of the reporting period	7,842	7,809
Impairment losses	(3,841)	—
Additions relating to the Thungela share plan	47	33
Balance at the end of the reporting period	4,048	7,842

The value of the investment in SACO, amounting to R3,191 million (2024: R6,388 million), is intrinsically linked to the value of the South African operating entities, being TOPL, Mafube Coal Mining and AAIC, as SACO is the holding company of these operating entities. We have assessed the value of the SACO investment held by Thungela on the basis of the valuations performed on these operating entities, to determine whether the investment may be impaired. From the valuations performed, we have identified an indicator of impairment related to the investment held in SACO, and an impairment loss of R3,197 million (2024: Rnil) has been recognised in the statement of profit or loss and other comprehensive income.

The value of the investment in Thungela Resources Holdings, amounting to R638 million (2024: R1,282 million), is intrinsically linked to the value of AAIC, based on its 27% ownership of AAIC. We have assessed the value of the Thungela Resources Holdings investment held by Thungela on the basis of the valuation performed on AAIC to determine whether the investment may be impaired. From the valuation performed, we have identified an indicator of impairment related to the investment held in Thungela Resources Holdings, and an impairment loss of R644 million (2024: Rnil) has been recognised in the statement of profit or loss and other comprehensive income.

The inputs and assumptions used for the impairment assessment of the investments in SACO and Thungela Resources Holdings are consistent with the details disclosed in note 7 of the consolidated financial statements.

6. LOANS TO/(FROM) RELATED PARTIES

The Company has entered into loans with its related parties in the normal course of business. These transactions are undertaken on terms no more or less favourable than those with third parties.

Accounting policy

The loans with related parties are initially recognised at fair value and are classified as debt instruments at amortised cost.

At subsequent reporting dates, the loans to related parties are measured at amortised cost less any provisions for expected credit losses.

The loans with related parties arise in the normal course of business and are considered to be working capital facilities.

The loans to/(from) related parties can be analysed as follows:

Rand million	2025	2024
Balance at the start of the reporting period	191	218
Cash movements	(35)	(27)
Loan granted to SACO	—	1
Loan repaid by SACO	(5)	—
Loan granted by TOPL	(30)	(28)
Balance at the end of the reporting period	156	191
Classified as:		
Loans to related parties	217	222
Loans from related parties	(61)	(31)

All loans are denominated in South African rand, interest free, unsecured and have no fixed repayment terms.

There has been no significant increase in the credit risk relating to the loans granted to related parties since the loans were granted. No provisions for expected credit losses have been recognised on the loans, as there is no uncertainty regarding the recoverability of the outstanding amounts, given that the recoverability of these loans depends on the performance of the underlying operating entities in the Group. Thungela has a reasonable expectation that the working capital loans can be settled within one year of the reporting date.

7. STATED CAPITAL

Ordinary shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

The shares issued by Thungela, and the resultant stated capital, can be analysed as follows:

Number of shares	2025	2024
Authorised		
Ordinary no par value shares	10,000,000,000	10,000,000,000
Issued		
Ordinary no par value shares	140,492,585	140,492,585
Reconciliation of number of shares in issue		
Shares in issue at the start of the reporting period	140,492,585	140,492,585
Shares in issue at the end of the reporting period	140,492,585	140,492,585
Rand million		
Balance at the start of the reporting period	11,323	11,323
Balance at the end of the reporting period	11,323	11,323

Note 31 of the consolidated financial statements for the year ended 31 December 2025 is an integral part of these separate financial statements and details the shares issued by the Company.

The resolution to place the unissued shares of Thungela, limited to 5.0% of the shares in issue, under the control of the directors was approved by the requisite majority of votes at the AGM held on 5 June 2025, and so the directors have the authority to issue these shares at their discretion.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

CONTINUED

For the year ended 31 December 2025

8. SHARE-BASED PAYMENT TRANSACTIONS

The Group has undertaken a number of share-based payment transactions with its employees through the Thungela share plan in the year ended 31 December 2025. Full details of these transactions have been disclosed in note 32 of the consolidated financial statements.

Accounting policy

The expenses associated with the equity-settled share-based payment awards granted in accordance with the Thungela share plan are accounted for in the employee costs of the relevant subsidiaries of the Company on the basis of the subsidiary being the employer of record for the beneficiaries to whom the awards are granted. The share-based payment transactions will be settled using Thungela ordinary shares, either with shares held in treasury by the Group, or by purchasing Thungela shares on the market at the vesting date.

In the separate financial statements, the value of the equity-settled share-based payments is considered to be an additional investment in the relevant employer company by Thungela, with the resultant share-based payment reserve recognised in equity.

9. DIVIDENDS

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

Accounting policy

Dividends are recognised in the year in which the dividends are declared directly in the statement of changes in equity. Dividends proposed or declared subsequent to the reporting date are not recognised as dividends declared in the year.

Treasury shares are held by subsidiaries in respect of awards granted in terms of the Thungela share plan as detailed in note 32 of the consolidated financial statements. Dividends declared on shares held in relation to the forfeitable share awards are paid to the employees on the dividend payment dates. Dividends declared on shares held in relation to the conditional share awards will be paid to the subsidiary holding the shares in line with the rules of the Thungela share plan.

Treasury shares are also held by a subsidiary in relation to the share buybacks undertaken by Thungela. Dividends declared on these shares are paid to the subsidiary on the dividend payment dates.

Dividend policy

Full details of the dividend policy have been disclosed in note 33 of the consolidated financial statements.

Dividends paid

Dividends paid can be analysed as follows:

Rand million	2025	2024
Dividends declared to the external shareholders of the Group	1,722	1,630
Dividend declared on 18 August 2025 of R2 per ordinary share	260	—
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
Dividends declared on treasury shares held by Group companies	104	56
Total dividends declared	1,826	1,686
Dividends not yet paid to shareholders	(52)	—
Total dividends paid	1,774	1,686

Dividend declaration

A final ordinary cash dividend relating to the year ended 31 December 2025 of R2 per share (2024: R11 per share) was declared by the board on 23 March 2026. The dividend, amounting to a return of R281 million to shareholders, has not been recognised as a liability in these separate financial statements. The final dividend was declared from retained earnings and will be paid in April 2026 to shareholders on the South African register and in May 2026 to shareholders on the UK register.

Together with the interim dividend of R2 per share, this equates to a total dividend of R4 per share for the year ended 31 December 2025.

10. EVENTS AFTER THE REPORTING PERIOD

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

Accounting policy

The Company assesses relevant events that occur between the reporting date and the date that the Annual Financial Statements are authorised for issue. An assessment will be performed to determine if the event is an adjusting or non-adjusting event, and adjustments or disclosure may be made if required.

Declaration of dividend

On 23 March 2026, the board declared a final ordinary cash dividend of R2 per share, or R281 million, from retained earnings. Combined with the interim dividend for 2025, this represents a total dividend payment of R562 million to shareholders related to 2025. The dividend will be paid in April 2026 to shareholders on the South African register, and in May 2026 to shareholders on the UK register.

The ordinary cash dividends and interim share buyback in total amount to returns to shareholders of R701 million, reflecting 177% of the adjusted operating free cash flow^Δ generated in the year ended 31 December 2025.

A photograph of a row of blue metal lockers in a hallway. The lockers are arranged in a perspective that recedes into the distance. On the far left, a single locker is painted yellow, while the rest are blue. The lighting is soft, and the overall tone is cool and institutional.

ANNEXURES



ANNEXURE 1

ALTERNATIVE PERFORMANCE MEASURES[△]

For the year ended 31 December 2025

TO THE DIRECTORS OF THUNGELA RESOURCES LIMITED

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

We have completed our assurance engagement to report on the compilation of the pro forma financial information of Thungela Resources Limited (the 'Company') and its subsidiaries (together 'the Group') by the directors. The pro forma financial information, as set out within the Annual Financial Statements of the Group for the year ended 31 December 2025 (the 'Thungela Annual 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 Listings Requirements of the JSE Limited ('The JSE Listings Requirements') and described in annexure 1 of the Thungela Annual Financial Statements 2025 (the 'applicable criteria').

The pro forma financial information has been compiled by the directors solely to improve comparability of information between reporting periods and assist the Group for planning and reporting purposes and setting director and management remuneration.

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 financial statements for the year ended 31 December 2025, on which an audit opinion was issued on 23 March 2026.

DIRECTORS' RESPONSIBILITY FOR THE PRO FORMA FINANCIAL INFORMATION

The directors 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, as required by the JSE Listings Requirements, 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 the pro forma financial information included in the Thungela Annual Financial Statements 2025 is solely to improve comparability of information between reporting periods and assist the Group for planning and reporting purposes and setting director and management remuneration.

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, 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 events 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: NBT Mtetwa

Registered Auditor

Johannesburg, South Africa

23 March 2026

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 year ended 31 December 2025

INTRODUCTION AND PURPOSE

When assessing and discussing Thungela's reported financial performance, financial position and cash flows, the directors may make reference to alternative performance measures (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 consolidated financial statements in understanding the activity taking place across Thungela's portfolio. The information was extracted from the consolidated financial statements or information underlying the Annual Financial Statements. Certain financial measures cannot be directly derived from the consolidated 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 consolidated 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, including the margin earned by Thungela Marketing International, where relevant. There have been no changes in the definitions of the APMs in the years presented.

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 assurance report is included on pages 192 to 193.

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	(Loss)/profit before net finance income and tax, adjusted for: <ul style="list-style-type: none"> • impairment losses • restructuring costs and termination benefits • transactions arising from the acquisition of the Ensham Business • depreciation and amortisation • profit on disposal of subsidiaries or operations 	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 and other restricted cash	Cash and cash equivalents adjusted for: <ul style="list-style-type: none"> restricted cash 	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 of the Group
Adjusted operating free cash flow (note E)	Net 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 our saleable export product and delivering the product to the vessel for export	Total operating costs adjusted for, among others: <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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 year ended 31 December 2025

The APMs used in the consolidated financial statements have been reconciled as below:

A. Adjusted EBITDA

Rand million	Notes	South Africa	Australia	2025 Total
Loss before net finance income and tax		(8,554)	(2,112)	(10,666)
Add – depreciation	4	1,689	1,141	2,830
Add – amortisation	5	84	—	84
Add – transactions arising from the acquisition of the Ensham Business		—	125	125
Acquisition and integration costs	15	—	93	93
Fair value adjustments to acquisition-related derivatives	15	—	32	32
Add – impairment losses	4	7,088	1,697	8,785
Less – profit on disposal of operation	4	(250)	—	(250)
Add – restructuring costs and termination benefits	8	308	—	308
Adjusted EBITDA¹		365	851	1,216

¹ Refer to note 4 for an assessment of the adjusted EBITDA per reportable segment.

Rand million	Notes	South Africa	Australia	2024 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	5	29	—	29
Add – transactions arising from the acquisition of the Ensham Business		—	9	9
Expenses for conditional shares granted to non-controlling interests	15	—	9	9
Add – impairment losses	4	278	—	278
Less – profit on disposal of investment in subsidiary	16	(601)	—	(601)
Add – restructuring costs and termination benefits	8	13	—	13
Adjusted EBITDA¹		4,216	2,039	6,255

¹ Refer to note 4 for an assessment of the adjusted EBITDA per reportable segment.

B. Adjusted EBITDA margin

				2025
Rand million (unless otherwise stated)	Notes	South Africa	Australia	Total
Adjusted EBITDA	A	365	851	1,216
Revenue	4	22,050	7,549	29,599
Adjusted EBITDA margin (%)		1.7	11	4.1

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

C. Net cash

				2025
Rand million	Note	South Africa	Australia	Total
Cash and cash equivalents	20	5,372	699	6,071
Less – cash held in trusts	20	(1,017)	—	(1,017)
Net cash		4,355	699	5,054

				2024
Rand million	Note	South Africa	Australia	Total
Cash and cash equivalents	20	8,344	1,759	10,103
Less – cash held in trusts	20	(872)	—	(872)
Less – cash held related to acquisition of the additional interest in the Ensham Business	20	—	(560)	(560)
Net cash		7,472	1,199	8,671

ANNEXURE 1

ALTERNATIVE PERFORMANCE MEASURES[△]

CONTINUED

For the year ended 31 December 2025

The APMs used in the consolidated financial statements have been reconciled as below continued:

D. Sustaining capital expenditure

Rand million	Note	South Africa	Australia	2025 Total
Stay-in-business capital expenditure		1,064	602	1,666
Property, plant and equipment	4	1,028	602	1,630
Intangible assets	4	36	—	36
Stripping and development capital expenditure	4	306	—	306
Sustaining capital expenditure		1,370	602	1,972

Rand million	Note	South Africa	Australia	2024 Total
Stay-in-business capital expenditure		903	605	1,508
Property, plant and equipment	4	840	605	1,445
Intangible assets	4	63	—	63
Stripping and development capital expenditure	4	192	—	192
Sustaining capital expenditure		1,095	605	1,700

E. Adjusted operating free cash flow

Rand million	Note	South Africa	Australia	2025 Total
Net cash generated from operating activities		2,335	33	2,368
Sustaining capital expenditure	D	(1,370)	(602)	(1,972)
Adjusted operating free cash flow		965	(569)	396

Rand million	Note	South Africa	Australia	2024 Total
Net cash 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

F. FOB cost

				2025
Rand million	Notes	South Africa	Australia	Total
Operating costs	5	23,458	7,839	31,297
Less – industrial and domestic revenue	4	(2,789)	—	(2,789)
Less – depreciation	4	(1,689)	(1,141)	(2,830)
Less – amortisation	4	(84)	—	(84)
Less – commodity purchases	4	(1,292)	(321)	(1,613)
Less – inventory production movement	4	(531)	(19)	(550)
Less – demurrage and other expenses	5	(130)	(90)	(220)
Less – exploration and evaluation	5	(90)	—	(90)
Less – foreign exchange losses	5	(208)	(50)	(258)
Add – profit on disposal of property, plant and equipment	5	48	—	48
(Less)/add – fair value (losses)/gains on biological assets ¹	17	(3)	6	3
Less – expenses related to contributions to the trusts ²	6,27	(202)	—	(202)
(Less)/add – other administration (expenses)/income	5	(195)	2	(193)
FOB cost		16,293	6,226	22,519

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 R101 million, as well as expenses recognised for the Sisonke Employee Empowerment Scheme based on services rendered by employees of R101 million.

				2024
Rand million	Notes	South Africa	Australia	Total
Operating costs	5	23,534	8,217	31,751
Less – industrial and domestic revenue	4	(3,934)	—	(3,934)
Less – depreciation	4	(1,417)	(1,006)	(2,423)
Less – amortisation	4	(29)	—	(29)
Less – commodity purchases	4	(1,609)	(1,374)	(2,983)
Less – inventory production movement	4	(540)	(60)	(600)
Less – demurrage and other expenses	5	(220)	(57)	(277)
Less – exploration and evaluation	5	(87)	—	(87)
Add – foreign exchange gains	5	165	64	229
Less – loss on disposal of property, plant and equipment	5	(14)	—	(14)
Less – recharged costs from Anglo American – administration expenses	5	(47)	—	(47)
(Less)/add – fair value (losses)/gains on biological assets ¹	17	(9)	4	(5)
Less – expenses related to contributions to the trusts ²	6,27	(187)	—	(187)
Add – other administration income	5	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.

ANNEXURE 1

ALTERNATIVE PERFORMANCE MEASURES[△]

CONTINUED

For the year ended 31 December 2025

The APMs used in the consolidated financial statements have been reconciled as below continued:

G. FOB cost per export tonne

	Note	South Africa	Australia	2025 Total
FOB cost (Rand million)	F	16,293	6,226	22,519
Export saleable production (kt)		13,853	3,897	17,750
FOB cost per export tonne (Rand/tonne)		1,176	1,598	1,269

	Note	South Africa	Australia	2024 Total
FOB cost (Rand million)	F	15,647	5,788	21,435
Export saleable production (kt)		13,595	3,458	17,053
FOB cost per export tonne (Rand/tonne)		1,151	1,674	1,257

H. FOB cost excluding royalties

Rand million	Notes	South Africa	Australia	2025 Total
FOB cost	F	16,293	6,226	22,519
Less – royalties	4	(83)	(633)	(716)
FOB cost excluding royalties		16,210	5,593	21,803

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

I. FOB cost per export tonne excluding royalties

	Note	South Africa	Australia	2025 Total
FOB cost excluding royalties (Rand million)	H	16,210	5,593	21,803
Export saleable production (kt)		13,853	3,897	17,750
FOB cost per export tonne excluding royalties (Rand/tonne)		1,170	1,435	1,228

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

J. Environmental liability coverage

Rand million (unless otherwise stated)	Note	South Africa	Australia	2025 Total
Environmental provisions (A)	27	8,233	4,538	12,771
Investments held to fund closure activities (B)		6,829	1,190	8,019
Environmental rehabilitation trusts	27	5,296	—	5,296
Other environmental investments	27	1,533	1,190	2,723
Environmental liability coverage (%) (B/A)		83	26	63

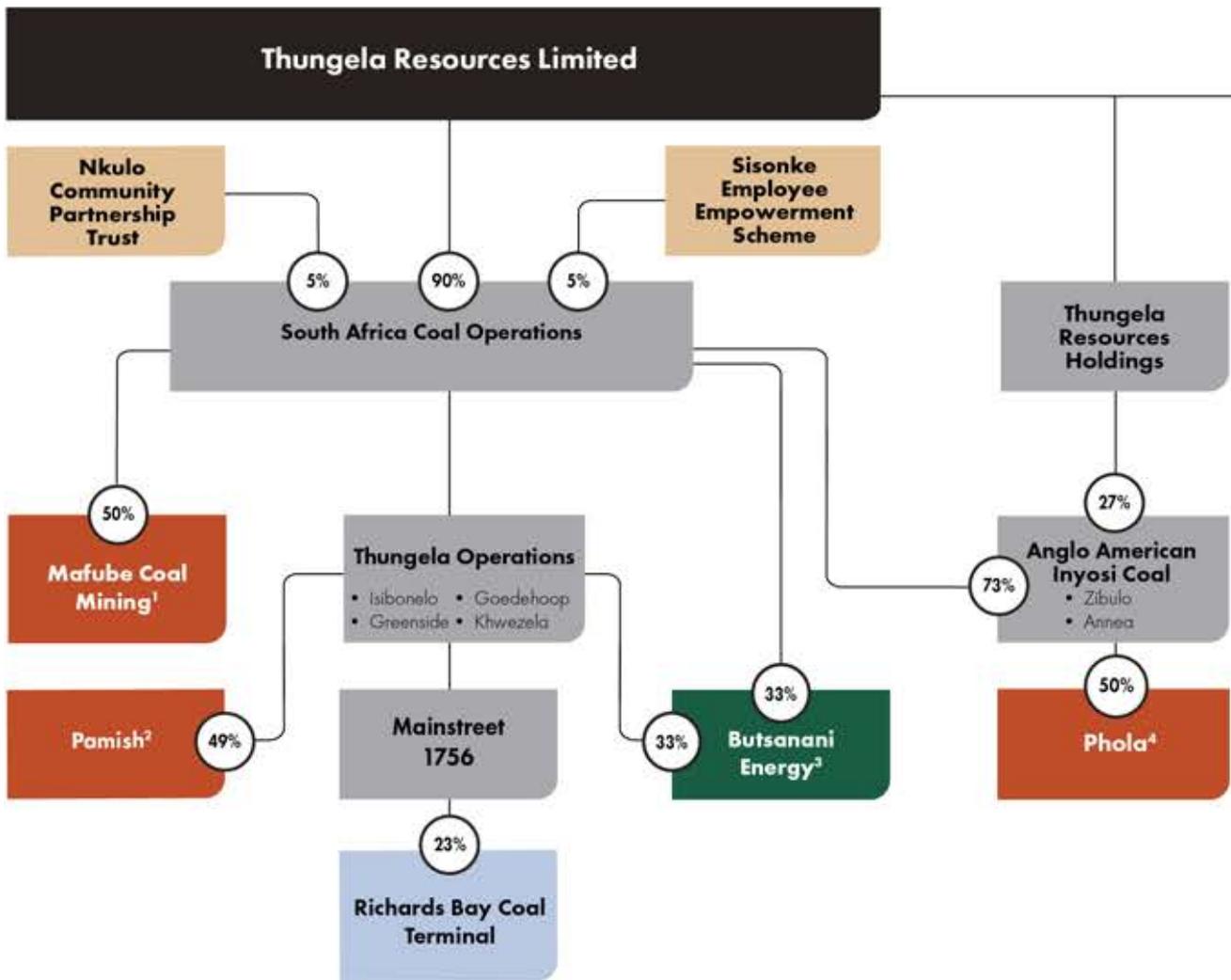
Rand million (unless otherwise stated)	Note	South Africa	Australia	2024 Total
Environmental provisions (A)	27	7,973	3,977	11,950
Investments held to fund closure activities (B)		5,475	943	6,418
Environmental rehabilitation trusts	27	4,266	—	4,266
Other environmental investments	27	1,209	943	2,152
Environmental liability coverage (%) (B/A)		69	24	54

ANNEXURE 2

OWNERSHIP STRUCTURE

As at 31 December 2025

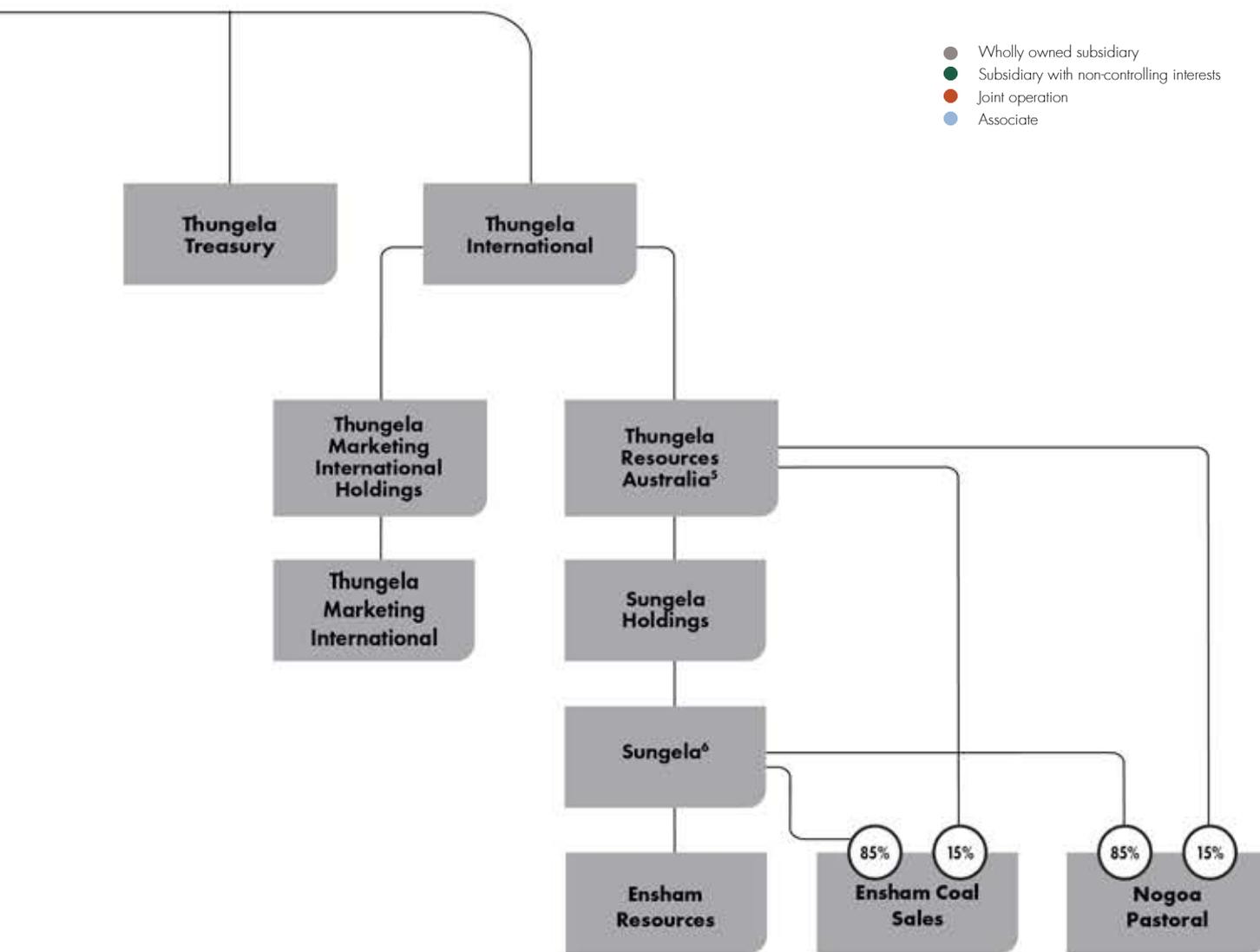
Organisational structure of the Group



¹ Exxaro Coal Mpumalanga Proprietary Limited holds the remaining 50% interest in Mafube Coal Mining Proprietary Limited.

² Nasontji Technical Services Proprietary Limited holds the remaining 51% interest in Pamish Investments No. 66 Proprietary Limited.

³ Vunani Mining Proprietary Limited holds the remaining 33% of Butsanani Energy Investment Holdings Proprietary Limited.



⁴ Seriti Power Proprietary Limited holds the remaining 50% interest in Phola Coal Processing Plant Proprietary Limited.
⁵ Thungela Resources Australia Pty Limited holds a 15% interest in the Ensham and Nogoia unincorporated joint ventures.
⁶ Sungela Pty Ltd holds an 85% interest in the Ensham and Nogoia unincorporated joint ventures.

ANNEXURE 3

GLOSSARY

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

Term used	Definition
AAIC	Anglo American Inyosi Coal Proprietary 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 Pty Ltd, a subsidiary of LX International
Butsanani Energy	Butsanani Energy Investment Holdings Proprietary Limited
Capex	Capital expenditure
CA(SA)	Chartered Accountant South Africa
CEO	Chief executive officer
CFO	Chief financial officer
CGU	Cash-generating unit
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
Co-investors	Audley Capital and Mayfair, collectively
Companies Act of South Africa	Companies Act 71 of 2008 (as amended)
Conditional shares	Shares or share awards granted to participants under the Thungela share plan, which are subject to certain performance conditions and employment conditions
Conditional share-linked units	Share-linked units granted to participants under the Thungela cash-settled share plan, which are subject to certain performance conditions and employment conditions. The units will be settled in cash based on the prevailing Thungela share price on vesting date
DBS	Deferred bonus shares
Demerger	The process to separate Thungela from Anglo American, as fully described in the Combined Prospectus and Pre-listing Statement of Thungela, published on 8 April 2021
DMCC	Dubai Multi Commodity Centre
DMPR	Department of Mineral and Petroleum Resources
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, or share-linked units under the Thungela cash-settled share plan, to vest on the vesting date
Employment period	A specified period of employment over which the employment conditions must be met in relation to the Thungela share plan or the Thungela cash-settled share plan
Ensham Business	Thungela's interest in Sungela Holdings, Sungela, Ensham Resources, Ensham Coal Sales and Nogo Pastoral, collectively
Ensham Coal Sales	Ensham Coal Sales Pty. Ltd.
Ensham Mine	An unincorporated joint venture between Sungela and Thungela Resources Australia (previously 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

Term used	Definition
ESG	Environmental, social and governance
EU	European Union
FOB	Free on board
Forfeitable shares	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
Forfeitable share-linked units	Share-linked units granted to participants pursuant to the Thungela cash-settled share plan, the vesting of which is subject to the fulfilment of an employment condition over the employment period. The units will be settled in cash based on the prevailing Thungela share price on vesting date
FSMA	The UK Financial Services and Markets Act 2000 (as amended from time to time)
FVPL	Fair value through profit or loss
FZCO	Free zone company
Gas resources	Naturally occurring accumulations of gases, typically hydrocarbons, within the Earth's crust that have the potential to be extracted and utilised for various purposes
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 1	Presentation of Financial Statements
IAS 7	Statement of Cash Flows
IAS 12	Income Taxes
IAS 21	The Effects of Changes in Foreign Exchange Rates
IASB	International Accounting Standards Board
IFRS [®] Accounting Standards	International Financial Reporting Standards (Accounting Standards) as issued by the IASB and the IFRS Interpretations Committee (previously known as the IFRIC). When used before a number this references a specific standard to be applied
IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 3	Business Combinations
IFRS 7	Financial Instruments: Disclosure
IFRS 9	Financial Instruments
IFRS 10	Consolidated Financial Statements
IFRS 13	Fair Value Measurement
IFRS 18	Presentation and Disclosure in Financial Statements
IFRS 19	Subsidiaries without Public Accountability
JV participants	Sungela and Thungela Resources Australia (previously Bowen), collectively, in relation to their interests in the Ensham and Nogoia joint ventures
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
King IV	The King IV Report on Corporate Governance™ for South Africa, 2016. Copyright and trademarks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved
King V	The King V™ Report on Corporate Governance for South Africa, 2025. Copyright and trademarks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved

ANNEXURE 3

GLOSSARY CONTINUED

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

Term used	Definition
kt	A measure representing 1,000 tonnes
LCBM project	Lephalale coal bed methane project
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
Mafube Coal Mining	Mafube Coal Mining Proprietary Limited
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
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 Anglo American Marketing Limited, dated 6 March 2021
Pamish	Pamish Investments No. 66 Proprietary Limited
Performance condition	A performance condition to be satisfied in order for conditional awards, or conditional share-linked units, to vest under the Thungela share plan or the Thungela cash-settled share plan
Phola Coal Processing Plant	Phola Coal Processing Plant Proprietary Limited or the Phola Coal Processing Plant
Proved and probable coal reserves	Proved coal reserves are modified measured coal resources, including consideration of modifying factors that affect extraction. It is the economically extractable material. Probable coal reserves are modified indicated or measured coal resources, including consideration of modifying factors that affect extraction
PwC	PricewaterhouseCoopers Inc.
Queensland Financial Provisioning Scheme	Mechanism established under the Mineral and Energy Resources (Financial Provisioning) Act 2018, requiring a security deposit from the holders of an environmental authority to cover potential rehabilitation costs in the event such holders fail to comply with their environmental management and rehabilitation obligations
RBCT	Richards Bay Coal Terminal Proprietary Limited or the Richards Bay Coal Terminal

Term used	Definition
Richards Bay Benchmark coal price	Benchmark price reference for 6,000kcal/kg thermal coal exported from the RBCT
RMC	Rietvlei Mining Company Proprietary Limited
RNS	Regulatory News Services
SACO	South Africa Coal Operations Proprietary Limited
SAICA	South African Institute of Chartered Accountants
SARS	South African Revenue Service
SENS	Stock Exchange News Services
Sisonke Employee Empowerment Scheme	Sisonke Employee Empowerment Scheme Trust
SPA	The share sale and purchase agreement, related to the second transaction
Sungela	Sungela Pty Ltd
Sungela Holdings	Sungela Holdings Pty Ltd
TFR	Transnet Freight Rail, a division of Transnet SOC Limited
Thungela or the Company	Thungela Resources Limited
Thungela cash-settled share plan	The long-term share-linked incentive plan adopted by Thungela to attract, retain, incentivise and reward high-calibre employees, to be settled in cash based on the prevailing Thungela share price
Thungela International	Thungela International Proprietary Limited
Thungela Marketing International	Thungela Marketing International FZCO (previously Thungela Marketing International DMCC)
Thungela Resources Australia	Thungela Resources Australia Pty Limited
Thungela Resources Holdings	Thungela Resources Holdings Proprietary Limited
Thungela share plan	The long-term share incentive plan adopted by Thungela to attract, retain, incentivise and reward high-calibre employees, to be settled in Thungela shares
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

ANNEXURE 4

SHAREHOLDER INFORMATION

As at 31 December 2025

THUNGELA'S PUBLIC AND NON-PUBLIC SHAREHOLDING

Ordinary shares

The Thungela share register as at 31 December can be analysed as follows:

				2025
Shareholder spread	Number of shareholders	% of total shareholders	Number of shares	% of issued share capital
1 to 1,000 shares	36,947	92.37	3,158,591	2.25
1,001 to 10,000 shares	2,232	5.58	7,188,170	5.11
10,001 to 100,000 shares	636	1.59	20,257,625	14.42
100,001 to 1,000,000 shares	165	0.41	49,279,907	35.08
1,000,001 shares and above	19	0.05	60,608,292	43.14
Total	39,999	100.00	140,492,585	100.00

				2024
Shareholder spread	Number of shareholders	% of total shareholders	Number of shares	% of issued share capital
1 to 1,000 shares	39,582	92.73	3,302,155	2.35
1,001 to 10,000 shares	2,308	5.41	7,170,067	5.10
10,001 to 100,000 shares	590	1.38	19,073,635	13.58
100,001 to 1,000,000 shares	186	0.43	54,292,677	38.64
1,000,001 shares and above	20	0.05	56,654,051	40.33
Total	42,686	100.00	140,492,585	100.00

				2025
Distribution of shareholders	Number of shareholders	% of total shareholders	Number of shares	% of issued share capital
Banks and nominee accounts	433	1.08	9,144,177	6.51
Brokerage accounts	167	0.42	14,463,509	10.29
Individuals and private trusts	37,509	93.76	24,663,555	17.55
Insurance and assurance companies	48	0.12	2,079,909	1.48
Investment companies	117	0.29	2,766,033	1.97
Mutual funds	379	0.95	43,409,026	30.90
Other corporations	234	0.59	10,413,644	7.41
Pension and provident funds	318	0.80	22,458,807	15.99
Private corporations	786	1.97	10,827,382	7.71
Sovereign wealth funds	8	0.02	266,543	0.19
Total	39,999	100.00	140,492,585	100.00

				2024
Distribution of shareholders	Number of shareholders	% of total shareholders	Number of shares	% of issued share capital
Banks and nominee accounts	472	1.11	7,528,175	5.36
Brokerage accounts	154	0.36	19,517,974	13.89
Individuals and private trusts	39,888	93.44	19,682,660	14.01
Insurance and assurance companies	59	0.14	2,845,718	2.03
Investment companies	85	0.20	1,876,861	1.33
Mutual funds	472	1.11	43,280,415	30.80
Other corporations	236	0.55	1,629,428	1.16
Pension and provident funds	419	0.98	29,907,199	21.29
Private corporations	891	2.09	13,031,880	9.28
Sovereign wealth funds	10	0.02	1,192,275	0.85
Total	42,686	100.00	140,492,585	100.00

Shareholding type	Number of shareholders	% of total shareholders	Number of shares	2025
				% of issued share capital
Non-public shareholders				
Directors and prescribed officers	12	0.03	1,459,420	1.04
Treasury shares held by Group companies	2	0.01	11,700,761	8.33
Public shareholders	39,985	99.96	127,332,404	90.63
Total	39,999	100.00	140,492,585	100.00

Shareholding type	Number of shareholders	% of total shareholders	Number of shares	2024
				% of issued share capital
Non-public shareholders				
Directors and prescribed officers	11	0.03	1,048,288	0.75
Treasury shares held by Group companies	2	0.00	5,686,373	4.05
Public shareholders	42,673	99.97	133,757,924	95.20
Total	42,686	100.00	140,492,585	100.00

Major shareholders

According to Thungela's share register at 31 December, the following shareholders held beneficial interests equal to or in excess of 5.0% of the issued ordinary share capital of the Company:

Beneficial shareholding of more than 5.0%	Number of shares	2025
		% of issued share capital
Government Employees Pension Fund	17,228,604	12.26
Allan Gray	7,188,844	5.12
Total	24,417,448	17.38

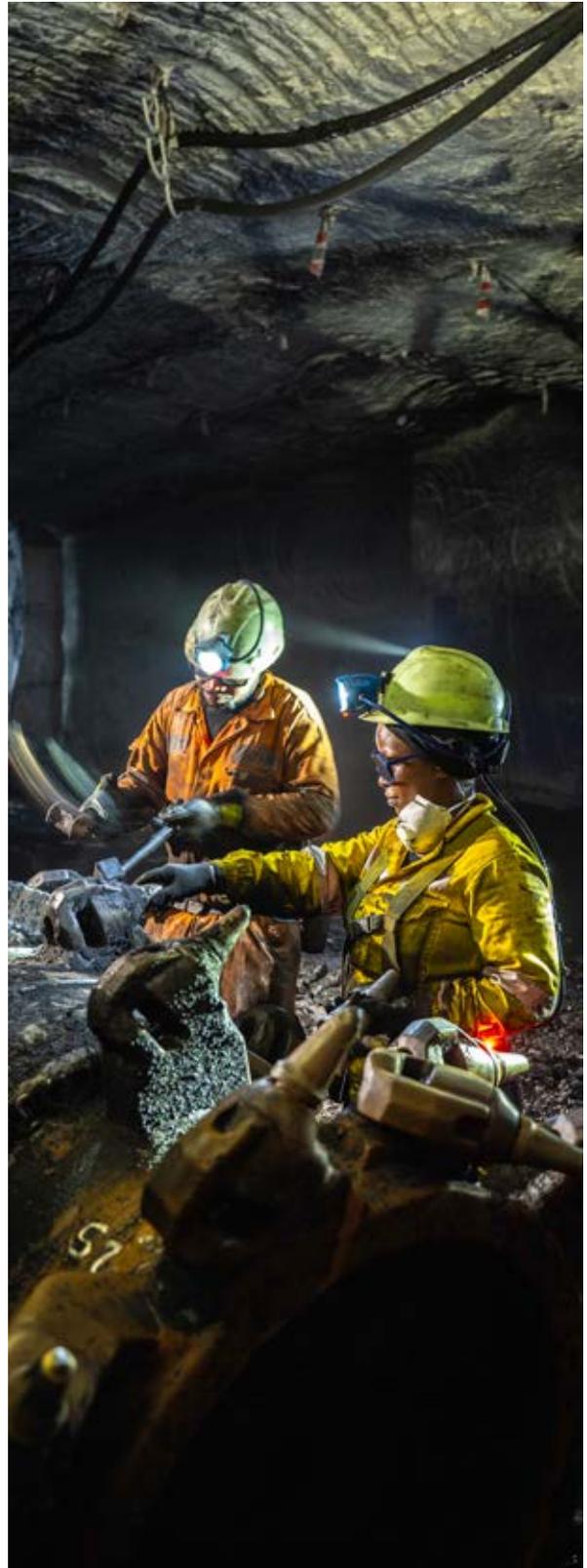
Beneficial shareholdings of more than 5.0%	Number of shares	2024
		% of issued share capital
Government Employees Pension Fund	20,263,512	14.42
Total	20,263,512	14.42

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
(‘Thungela’ or the ‘Group’ or the ‘Company’)

REGISTERED OFFICE

Thungela Resources Limited
25 Bath Avenue
Rosebank
Johannesburg
2196
South Africa
Tel: +27 11 638 9300

POSTAL ADDRESS

PO Box 1521
Saxonwold
2132

DIRECTORS

Executive

Moses Madondo (CEO – appointed 1 November 2025)
Judy Ndlovu (CEO – resigned 31 October 2025)
Gideon (Deon) Frederick Smith (CFO)

Independent non-executive

Sango Siviwe Ntsaluba (chairman)
Kholeka Winifred Mzondeki
Benjamin (Ben) Monaheng Kodisang (lead independent director)
Seamus Gerard French (Irish)
Yoza Noluyolo Jekwa
Thomas (Tommy) David McKeith (Australian)

PREPARED UNDER THE SUPERVISION OF

Gideon (Deon) Frederick Smith CA(SA)

GROUP COMPANY SECRETARY

Altovise (Tovi) Alaxa Ellis
Email: coseccoalsa@thungela.com

INVESTOR RELATIONS

Hugo Nunes or Shreshini Singh
Email: ir@thungela.com

MEDIA

Hulisani Rasivhaga
Email: hulisani.rasivhaga@thungela.com

SA TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
Private Bag X9000
Saxonwold, 2132
Email: Web.Queries@computershare.co.za
Tel: +27 11 370 5000

UK TRANSFER SECRETARIES

Computershare Investor Services (Jersey) Limited
Queensway House
Hilgrove Street, St Helier
Jersey, Channel Islands
Email: WebCorres@computershare.co.uk
Tel: +44 03 7070 2000

SPONSOR

Rand Merchant Bank
(a division of FirstRand Bank Limited)
Tel: +27 11 282 8000

UK FINANCIAL ADVISER AND CORPORATE BROKER

Panmure Liberum Limited
Tel: +44 20 3100 2000

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

Disclaimer

All images in this document have been used with the permission of the subjects in the images or their legal guardian, and with the understanding that these images could be published widely, including on the internet, and may be seen throughout the world by people with access to the internet.



thungela

www.thungela.com

