

EXXARO RESOURCES LIMITED
 Incorporated in the Republic of South Africa
 (Registration Number: 2000/011076/06)
 JSE share code: **EXX**
 ISIN: **ZAE000084992**
 ADR code: **EXXAY**
 (Exxaro or the Company)

TRADING STATEMENT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

Shareholders are advised that Exxaro and its directors have a reasonable degree of certainty relating to the expected financial results of Exxaro for the six-month period ended 30 June 2021.

Headline earnings per share (HEPS) for the six-month period ended 30 June 2021 is expected to increase between 99% and 111% compared to the six-month period ended 30 June 2020. This was mainly due to the increase in our equity-accounted income from Sishen Iron Ore Company Proprietary Limited. In addition, HEPS are based on a lower weighted average number of shares (WANOS) of 250 million following our share repurchase program. WANOS for the six-month period ended 30 June 2020 was 251 million.

Attributable earnings per share (AEPS) for the six-month period ended 30 June 2021 is expected to increase between 84% and 96% compared to the six-month period ended 30 June 2020. In addition to the increase in equity-accounted income in the current period, the financial results in both periods were influenced by various once-off items, such as the gain on the disposal of our Tronox investments in the current period, as well as a gain on the deemed disposal of the previously held 50% equity interest in the Cennergi joint venture in the comparative period. AEPS are based on WANOS of 250 million for the six-month period ended 30 June 2021.

EBITDA¹ for the six-month period ended 30 June 2021 is expected to increase between 5% and 17% compared to the six-month period ended 30 June 2020, mainly due to the inclusion of Cennergi results for the full six-month period. Whilst coal production and sales volumes were impacted by the COVID-19 pandemic and Transnet Freight Rail (TFR) challenges, a healthy increase in the average benchmark API4 export price contributed positively to the coal financial performance.

There were no non-core adjustments² for the six-month period ended 30 June 2021.

The expected ranges are summarised below: -

	Unit	30 June 2020	30 June 2021	30 June 2021
		Reported earnings	Expected earnings	Expected range
HEPS	cents	1 321	2 632 – 2 792	99% - 111% increase
AEPS	cents	1 727	3 184 – 3 388	84% - 96% increase
EBITDA ¹	R million	3 884	4 080 – 4 548	5% - 17% increase
Core HEPS ³	cents	1 339	2 626 – 2 790	96% - 108% increase
Core EBITDA ³	R million	3 929	4 054 – 4 526	3% - 15% increase

Shareholders are advised that Exxaro will release its reviewed financial results for the six-month period ended 30 June 2021 on 12 August 2021. Further details are available on our website, www.exxaro.com.

The forecast financial information on which this trading statement is based has not been reviewed, audited nor reported on by Exxaro's external auditors.

This statement is issued in compliance with the JSE Listings Requirements.

¹EBITDA is calculated by adjusting net operating profit before tax with depreciation, amortisation, impairment charges/reversals and net losses or gains on disposal of assets and investments (including translation differences recycled to profit or loss).

²Non-core items are defined as any major non-recurring transactions identified by management at each reporting period.

³Core HEPS and core EBITDA for the six-month period ended 30 June 2020 are reported after including the following non-core adjustments: -

30 June 2020		Insurance claim recovery	Losses on share of cash flow hedge recycled on deemed disposal of Cennergi JV	
	HEPS			Core HEPS
Cents	1 321	(6)	24	1 339
	EBITDA			Core EBITDA
R million	3 884	(14)	59	3 929

These are not defined terms under International Financial Reporting Standards (IFRS) and may not be comparable with similarly titled measures reported by other companies. The afore-mentioned adjustments are the responsibility of the directors of Exxaro. The adjustments have been prepared for illustrative purposes only and due to their nature, may not fairly present Exxaro's financial position, changes in equity, results of operations or cash flows.

Editor's note:

Exxaro is one of the largest South African based diversified resources companies, with interests in coal, iron ore and energy. www.exxaro.com

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Pretoria

10 August 2021

Lead Equity Sponsor and Debt Sponsor:

Absa Bank Limited (acting through its corporate and investment banking division).

Joint Equity Sponsor

Tamela Holdings Proprietary Limited