

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")

CHANGES TO THE BOARD AND TRADING STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

In compliance with paragraph 3.59 of the JSE Limited Listings Requirements and paragraph 6.39 of the Debt Listings Requirements, as an update to earlier guidance on 3 March 2021, shareholders are advised that the board of directors ("Board") has approved the early exit of Mr MDM Mgojo with effect from 31 July 2022. The appointment of Dr N Tsengwa as chief executive officer will be effective as from 1 August 2022. The Board thanks Mr Mgojo for his invaluable contribution to Exxaro and wishes him well in his retirement and looks forward to Dr Tsengwa's management of the Company.

Shareholders are also advised of the executive appointment of Mr Kgabi Masia in the position of managing director: minerals, formerly held by Dr N Tsengwa. Mr Masia has exposure to Manganese, Coal and Aluminum Operations in his career. He has also worked across multiple functions such as operations, commercial, supply, logistics at a General Manager level and brings deep insight of the sector. He has led and executed decarbonisation strategies and exits. He has operated at executive level when he led South32's SA Coal business and has served more broadly on the Minerals Council. Mr Masia's most recent role was President, South Africa Energy Coal for South 32 and he has worked for one company his entire career (South 32/BHP).

Shareholders are advised that Exxaro and its directors have a reasonable degree of certainty relating to the expected financial results of Exxaro for the year ended 31 December 2021.

Headline earnings per share ("HEPS") for the year ended 31 December 2021 is expected to increase between 50% and 64% compared to the year ended 31 December 2020. Despite the logistical challenges experienced in our coal business and the impact of the stronger ZAR/USD exchange rate on export revenue, this was more than offset by the higher prices realised on both export and domestic sales, and an increase in our equity-accounted income, mainly from Sishen Iron Ore Company (Pty) Ltd. There was a slight decrease in the weighted average number of shares (WANOS) from 251 million for the year ended 31 December 2020 to 247 million for the year ended 31 December 2021, as a result of shares repurchased and cancelled in terms of the R1.5 billion share repurchase programme.

Attributable earnings per share ("AEPS") for the year ended 31 December 2021 is expected to increase between 70% and 84% compared to the year ended 31 December 2020. The financial results in both periods were influenced by various once-off items. Key once-off items for the year ended 31 December 2021 include a loss on disposal of the Exxaro Coal Central group (R946 million), net gains on the disposal of our Tronox investments (R2 217 million) and net gains on translation differences recycled to profit or loss on liquidation of foreign entities (R482 million). AEPS are also based on WANOS of 247 million for the year ended 31 December 2021 compared to 251 million for the year ended 31 December 2020.

EBITDA¹ for the year ended 31 December 2021 is expected to increase between 37% and 51% compared to the year ended 31 December 2020, driven mainly by the positive earnings contribution of our coal business and Cennergi's financial results included for the full twelve months compared to nine months in the previous year.

There were no non-core adjustments² for the year ended 31 December 2021.

The expected ranges are summarised below: -

	Unit	31 December 2020	31 December 2021	31 December 2021
		Reported earnings	Expected earnings	Expected range
HEPS	cents	2 955	4 432 – 4 846	50% - 64% increase
AEPS	cents	2 902	4 933 – 5 340	70% - 84% increase
EBITDA ¹	R million	7 246	9 927 – 10 941	37% - 51% increase
Core HEPS ³	cents	2 973	4 430 – 4 846	49% - 63% increase
Core EBITDA ³	R million	7 291	9 915 – 10 936	36% - 50% increase

Shareholders are advised that Exxaro will release its reviewed financial results for the year ended 31 December 2021 on 3 March 2022. 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 or 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 year ended 31 December 2020 are reported after including the following non-core adjustments: -

31 December 2020		Insurance claim recovery	Losses on share of cash flow hedge recycled on deemed disposal of Cennergi JV	
	HEPS			Core HEPS
Cents	2 955	(6)	24	2 973
	EBITDA			Core EBITDA
R million	7 246	(14)	59	7 291

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

1 March 2022

Lead Equity Sponsor and Debt Sponsor:

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



Joint Equity Sponsor

Tamela Holdings Proprietary Limited

