

# Finance director's pre-close message

Financial year ending 31 December 2025 (FYE25)

This is an overview of the group's expected business performance for FYE25, encompassing strategic, operational, and financial information. Unless otherwise indicated, all comparisons are against the financial year ended 31 December 2024 (FY24).

## DEAR STAKEHOLDER

Exxaro's commitment to zero harm remains central to our sustainability and operational excellence. Following the successful launch of the One Voice Safety Strategy, our leadership team reinforced the importance of safety across all our operations through the recent Leadership Safety Day. This event set the tone as we head into the holiday season, driving focus and accountability throughout the organisation.

As of 31 October 2025, we marked 38 consecutive months without a work-related fatality highlighting the strength of our strategy and the dedication of our people to safety. Our Lost Time Injury Frequency Rate stands at 0.05, improving on last year's rate of 0.06 for the same period.

Following the announcement of changes to the Group Management Structure on 20 August 2025, Exxaro is pleased to announce the appointment of Fortune Ntlhoro, a seasoned commercial and supply chain leader with extensive experience spanning the mining, energy, transport and financial sectors as the Executive Head of Commercial effective 01 November 2025. This appointment completes our group management structure with permanent appointments, positioning us well as we accelerate the execution of our Sustainable Growth and Impact Strategy.

We have successfully completed the disposal of our entire issued share capital in Exxaro FerroAlloys Proprietary Limited to a consortium led by EverSeed Energy Proprietary Limited, through its wholly owned subsidiary, EverSeed Metal Powders Proprietary Limited for a total consideration of R250 million. The transaction has been completed and became effective on 31 October 2025 following the fulfilment of all conditions precedent.

Exxaro is pleased to report that the majority of key suspensive conditions for the acquisition of select manganese assets from Ntsimbintle Holdings and OMH Mauritius have now been fulfilled. Further details are outlined in the following section. This achievement represents a significant milestone in advancing our strategic growth ambitions within energy transition metals.

Since assuming office in January, US President Donald Trump has implemented major policy initiatives across immigration, energy, trade, and foreign relations. These actions, amid cycles of escalation

and de-escalation, have shaped global trade dynamics, triggered inflationary pressures, dampened global investor sentiment, and heightened volatility in financial markets.

The benchmark API4 Richards Bay Coal Terminal (RBCT) export price for FYE25 is expected to average US\$89 per tonne (FY24: US\$105 per tonne), free on board (FOB), reflecting a significant decline from FY24. The iron ore fines price for FYE25 is expected to average US\$100 per dry metric tonne, compared to US\$109 per dry metric tonne in FY24, cost and freight (CFR) China.

Total coal product (including buy-ins) and sales volumes for FYE25 are expected to be in line with FY24 and within the guidance range of 38.9Mt to 42.8Mt. Export sales are also expected to be within the guided range of 6.5Mt to 7.2Mt

Cennergi expects 695GWh electricity generation in FYE25, down 4% from FY24 (725GWh) due to weaker wind conditions. Construction activities are advancing at both the 68MW Lephalale Solar PV Project (LSP) and 140MW Karreebosch Wind Farm facilities. Electricity generation is expected early 2026 and 2027, respectively.

In line with our capital allocation framework and our commitment to returning cash to shareholders, on 24 October 2025, we successfully completed our share repurchase programme announced earlier in March 2025, acquiring a total of 7 391 418 shares, equivalent to 2.12% of the issued share capital.

We anticipate that capital expenditure for our coal business in FYE25 will be approximately 7% higher than in FY24 and within previous guidance, with further details provided in the Coal Capex section.

As at 31 October 2025, the group had a net cash balance of R18 billion (excluding our Energy net debt).

We will provide a detailed account of FYE25 business performance and an outlook on the subsequent six months (1H26) when we announce our annual financial results on or about 19 March 2026.

Yours sincerely

**Riaan Koppeschaar**  
Finance director



# Update on the acquisition of select manganese assets from Ntsimbintle Holdings Proprietary Limited and OMH (Mauritius) Corp

Shareholders are referred to the announcement released on the Stock Exchange News Service of the JSE Limited on 13 May 2025 (the Transaction Announcement) relating to the acquisition of select manganese assets from Ntsimbintle Holdings Proprietary Limited (Ntsimbintle Holdings) and OMH (Mauritius) Corp (OMH Mauritius) (collectively the Sellers) (the Transaction). Capitalised terms used but not otherwise defined in this announcement have the same meaning ascribed to them in the Transaction Announcement.

Exxaro is pleased to advise shareholders that the majority of the key suspensive conditions have been fulfilled in relation to the Transaction:

- Ministerial approval under section 11 of the Mineral and Petroleum Resources Development Act, 2002, in respect of Tshipi,
- approval by the relevant Competition Authorities,
- approval of the Transaction by Ntsimbintle Holdings' shareholders pursuant to sections 112 and 115 of the Companies Act, 2008 as it relates to the Agreement with Ntsimbintle Holdings,
- the waiver by the other shareholders of Hotazel of their pre-emptive rights in respect of Hotazel, and
- the escrow agreements being entered into, and the Warranty and Insurance policies being issued.

The Transaction remains subject to the fulfilment of the remaining suspensive conditions as outlined in the Transaction Announcement by the Long Stop Date, including, *inter alia*, conclusion of discussions on various shareholder rights and consents relating to Mokala, as well as the associated regulatory approval processes.

A further announcement will be made in respect of the fulfilment of the remaining suspensive conditions and/or closing of the Transaction in due course.



# Operational performance

## Coal operations

### MARKETS

The global seaborne thermal coal market continued facing a challenging period of adjustment throughout 2025, as it navigated weak demand, oversupply, evolving energy policies and economic uncertainty. This downward trajectory reflects structural shifts in major consuming markets, particularly China and India, where domestic supply prioritization reduced import dependency.

The Indian steel market saw lower demand and prices due to weak activity in the construction industry and competition from cheaper steel imports affecting demand for South African coal in that region. This resulted in Indian sponge iron producers resorting to domestic coal to cover profit margins. The sooner than anticipated arrival of the monsoon in July also contributed to the weak demand from the Indian market.

Japan sustained elevated coal consumption through most of 2025, driven by seasonal demand dynamics. This occurred despite the commissioning of two nuclear reactors in late 2024, as policies governing slower nuclear restarts contributed to greater reliance on thermal power capacity. Lower than expected renewables (wind and solar) performance in Europe, supported coal burn in that market. This was in addition to the volatility of the oil and gas prices influenced by geopolitical activities that unfolded in 2Q25.

Domestic coal demand remained resilient over the year, despite macroeconomic headwinds affecting end-user industries and

an increase in local supply driven by weaker export pricing. While certain sectors faced heightened cost pressures, others demonstrated adaptability and posted above average growth. Eskom's coal offtake from Grootegeluk was notably constrained, largely due to operational challenges at the two Waterberg-based power stations. Medupi, however, showed signs of recovery in the third quarter following the successful return to service of Unit 4 in July 2025.

### OPERATIONAL PERFORMANCE

During FYE25, we continued to face external pressures with logistical constraints, softer export pricing and variable Eskom offtake.

Through focused optimisation efforts and strengthened coordination across the value chain, we continued to mitigate the impact of market and rail challenges more effectively during FYE25. Cost discipline remained a core focus, with operational excellence continuing to embed efficiency and tighten operational practices across all our sites.

As a result, despite similar external headwinds to FY24, the business demonstrated stronger operational stability in 2025, and enhanced resilience ensuring sustained delivery in a constrained environment.

### PRODUCTION AND SALES VOLUMES

The tables below show a year-on-year comparison of production and sales performance between FY24 and FYE25 as well as FYE25 compared to previous guidance.

Table 1: Coal product ('000 tonnes)

	PRODUCT					
	FYE25 Current Forecast <sup>1</sup>	FY24 Actual	% Change	FYE25 Current Forecast <sup>1</sup>	FYE25 Previous Guidance <sup>2</sup>	% Change
Thermal coal	37 124	37 068	0	37 124	38 479	(4)
Buy-ins	2	2	0	2	2	0
Total thermal product (Including buy-ins)	37 126	37 070	0	37 126	38 481	(4)
Metallurgical	2 451	2 473	(1)	2 451	2 723	(10)
Total product	39 577	39 543	0	39 577	41 204	(4)

<sup>1</sup> Based on the latest internal management forecast assumptions. Final numbers may differ by ±5%.

<sup>2</sup> Provided at results presentation for the six-month period ended 30 June 2025 on 21 August 2025.

# Operational performance continued

## Production

Coal production is expected to remain in line with FY24 and is influenced by demand.

We expect to remain within 4% of the guidance provided on 21 August 2025.

Table 2: Coal sales volumes ('000 tonnes)

	SALES					
	FYE25 Current Forecast <sup>1</sup>	FY24 Actual	% Change	FYE25 Current Forecast <sup>1</sup>	FYE25 Previous Guidance <sup>2</sup>	% Change
<b>Thermal coal</b>	<b>32 142</b>	<b>31 654</b>	<b>2</b>	<b>32 142</b>	<b>33 318</b>	<b>(4)</b>
Eskom	21 563	22 610	(5)	21 563	22 098	(2)
Domestic	4 142	3 190	30	4 142	4 888	(15)
Tied <sup>3</sup>	6 437	5 854	10	6 437	6 332	2
<b>Total metallurgical</b>	<b>351</b>	<b>695</b>	<b>(49)</b>	<b>351</b>	<b>587</b>	<b>(40)</b>
<b>Exports</b>	<b>7 008</b>	<b>7 008</b>	<b>0</b>	<b>7 008</b>	<b>6 831</b>	<b>3</b>
<b>Total sales</b>	<b>39 501</b>	<b>39 357</b>	<b>0</b>	<b>39 501</b>	<b>40 736</b>	<b>(3)</b>

<sup>1</sup> Based on the latest internal management forecast assumptions. Final numbers may differ by ±5%.

<sup>2</sup> Provided at results presentation for the six-month period ended 30 June 2025 on 21 August 2025.

<sup>3</sup> Production supplied to Eskom.

## Sales

Total sales are expected to be in line with FY24. Thermal sales are expected to increase by 2% from FY24, mainly due to a 30% increase in domestic sales and increased sales at our Matla mine. The expected increase in domestic sales is driven by increased product placement to meet demand.

Metallurgical sales are expected to decrease by 49%, driven by the lower demand from steel and metals industries.

The export volumes remain in line with FY24, still supported by optimal logistical resource scheduling and using alternative distribution channels, where it makes financial sense.

Thermal sales at Matla mine (Tied) are expected to increase based on the early coal access planned at Mine 1, along with a robust performance from Mine 2 and Mine 3 following the transition to the North-West Access Sections.

We expect to remain within 3% of the guidance provided on 21 August 2025.

## LOGISTICS AND INFRASTRUCTURE

Transnet Freight Rail (TFR) tipped 46.8Mt at RBCT from January to October 2025. This is equivalent to an annualised tempo of 56.4 Mtpa (FY24: 56.9 Mtpa). The trend across the corridor is indicative of improved operational execution, with fewer disruptions compared to earlier in the year. In FYE25, Exxaro benefited from an improved TFR performance, particularly in Mpumalanga, compared to FY24, however, rail performance from the Waterberg region remains challenging and engagements with TFR to improve performance are ongoing.

## CAPITAL ALLOCATION

Table 3: Coal Capex (R'million)

	FYE25 Current Forecast <sup>1</sup>	FY24 Actual	% Change	FYE25 Current Forecast <sup>1</sup>	FYE25 Previous Guidance <sup>2</sup>	% Change
<b>Grootegeeluk Complex</b>	<b>1 834</b>	<b>1 812</b>	<b>1</b>	<b>1834</b>	<b>1 829</b>	<b>0</b>
<b>Mpumalanga</b>	<b>392</b>	<b>268</b>	<b>46</b>	<b>392</b>	<b>327</b>	<b>20</b>
<b>Total</b>	<b>2 226</b>	<b>2 080</b>	<b>7</b>	<b>2 226</b>	<b>2 156</b>	<b>3</b>

<sup>1</sup> Based on the latest internal management forecast assumptions and estimates, excluding tied operations. Final numbers may differ by ±5%.

<sup>2</sup> Provided at results presentation for the sixth-month period ended 30 June 2025 on 21 August 2025.

Capital expenditure for FYE25 is expected to be 7% higher when compared to FY24. Despite the increase, we expect to remain within our guidance of between R2.1 billion and R2.3 billion capex spend.

We continue to prioritise investing in projects that contribute to our business performance and operational efficiency. The capex increase is driven by the Truck and Shovel strategy at Grootegeeluk and the Double Benching strategy implemented at Belfast in 2025. The production plans at all our mines are aligned with equipment and infrastructure strategies.

The Matla Mine 1 relocation project commenced with construction in August 2020. The expected completion date of the Matla Life of Mine project is 1H26.



# Energy operations

Cennergi's operating wind assets are expected to generate 695GWh of electricity for FYE25 (FY24: 725GWh). While the average plant availability is projected to exceed the contracted levels of 97%, wind conditions are lower than those experienced in FY24.

Construction activities continue to progress at both the 68MW Lephalale Solar PV Project (LSP) and 140MW Karreebosch Wind Farm facilities. The plants are expected to start generating energy in early 2026 and 2027, respectively.

Cennergi has entered into binding agreements with Acciona Energía to acquire majority interests in two fully operational renewable energy assets - the 138MW Gouda Wind Farm (Gouda) in the Western Cape and the 75MW Sishen Solar Facility (Sishen) in the Northern Cape, as well as Acciona Energy South Africa O&M (Pty) Ltd, the company responsible for the operations and maintenance (O&M) of both assets. The purchase price will range between R1.7 billion to R1.8 billion.

Gouda and Sishen are projects that were procured under Bid Window 2 of South Africa's Renewable Energy Independent Power Producer Procurement Programme and sell electricity to Eskom under 20-year take-or-pay Power Purchase Agreements ("PPAs"). The PPAs run until 2034 (Sishen) and 2035 (Gouda).

Acciona Energia currently holds 54.9% of Gouda and Sishen and 80% of Acciona Energy South Africa O&M (Pty) Ltd.



# Sustainable development

## CLIMATE CHANGE RESPONSE STRATEGY IMPLEMENTATION

We continue to navigate the current and emerging business risks posed by climate change and remain committed to achieving carbon neutrality by 2050 and supporting the Just Transition through our Sustainable Growth and Impact Strategy and implementation of our Board approved decarbonisation roadmap.

We have made significant progress in the construction of LSP at our Grootegeluk Mine, a key project in the achievement of our short-term goal of reducing emissions by 40% by 2030, with commercial operation expected in 2026. We are also monitoring our future self-generation projects which are mapped in our decarbonisation roadmap to ensure that we are able to proactively manage risks that may impact the achievement of our short-term target.

Our commitment to decarbonisation extends beyond our operations, to our customers. The construction of Karreeboch Wind Farm, located between Sutherland (Northern Cape) and Matjiesfontein (Western Cape), is currently underway. This project will not only supply 140MW of wind-generated electricity to Northam Platinum Limited but will also contribute to the achievement of national climate objectives, energy security and the transition to a low carbon economy.

## SOCIAL INVESTMENT AND DEVELOPMENT

Delivering meaningful socio-economic value remains a cornerstone of Exxaro's purpose of powering better lives in Africa and beyond. Our initiatives are designed to reduce unemployment, improve access to quality education, support infrastructure development, empowering host communities and fostering inclusive growth. As at 30 September 2025, Exxaro's total social investment amounted to R1 279 million.

A key component of this investment is our Enterprise and Supplier Development programme, which continues to drive transformation and economic participation. During the reporting period:

- 362 black-owned micro, small, and medium enterprises (MSMEs) were supported through local procurement spend of R926.9 million, and
- Nine MSMEs received direct funding support totalling R37 million.

These efforts reflect our commitment to building resilient communities and enabling long-term economic empowerment through targeted investment and strategic partnerships.

## Outlook for 1H26

### ECONOMIC CONTEXT

China-US strategic competition intensified during 2025; however, a framework agreement was reached on 30 October 2025 bilateral meeting in South Korea. This signaled the intent to bring greater certainty to US-China trade relations and enable follow-on talks toward a more comprehensive trade agreement, which will be well received by the markets.

Nonetheless, global economic momentum remains fragile due to the unpredictability of US trade policy.

In South Africa, real GDP growth was modest in early 2025, with a significant quarter-on-quarter strengthening in the second quarter with growth momentum expected to hold and/or continue for the rest of 2025 and into 2026. The policy reforms in the energy, water, ports, and railway sectors continued, with a strong focus on public-private partnerships underscoring investment in public sector infrastructure. South Africa's removal from the Financial Action Task Force (FATF) grey list and S&P Global Ratings upgrade of the foreign-currency sovereign credit rating - from BB- to BB, while maintaining a positive outlook - marks a crucial step towards reaching an investment grade rating.

### COMMODITY MARKETS AND PRICE

Adequate thermal coal and gas inventories with a milder Northern Hemisphere winter reduced the likelihood of the usual end-of-year price uplift, however, upside to demand and prices remain. South Korea's lower nuclear availability, cutbacks to Colombia's supply and the possibility of limited US export availability sets a solid foundation into 2026.

China and India's pivot towards domestic coal, increased renewable penetration, and the expectations of greater gas price competition in key markets are likely to further shape 2026. While the broader transition to renewables continues to shape longer-term trends, short-term supply pressures, growth in electrification, global economic, geopolitical, and geo-economic factors will play a key role in thermal coal market dynamics.

Domestically, improved economic activity could stimulate coal demand, especially as Eskom progresses in resolving operational challenges. Despite ongoing infrastructure constraints, Exxaro continues to explore all viable routes to market to meet customer needs and unlock value.

In the iron ore market, rising supply is back into focus with the commissioning of the Simandou operations - Africa's largest greenfield integrated mine and infrastructure project in Guinea, together with the subdued Chinese demand.

### OPERATIONAL PERFORMANCE

Looking ahead, we anticipate that cost pressures and logistical constraints will remain a defining feature of the operating environment. However, our focus on driving disciplined cost-optimisation initiatives and unlocking further efficiencies across the value chain will ensure that the business continues to thrive. Our commitment to operational excellence, resilience and value delivery will remain central as we navigate the challenges and opportunities ahead.

# Review of the update

The information in this update is the responsibility of the directors of Exxaro and has not been reviewed or reported on by Exxaro's independent external auditors.

## TELECONFERENCE CALL DETAILS

A dial-in teleconference call on the details of this announcement will be held on Tuesday, 2 December 2025 starting at 09:00 SAST.

## PRE-REGISTRATION LINK

Participants must pre-register for the conference through the link below:

<https://services.choruscall.eu/DiamondPassRegistration/register?confirmationNumber=6406113&linkSecurityString=f84385443>

Please note that only registered participants will receive a dial-in number upon registration.

## PLAYBACK

A playback will be available one hour after the end of the conference until 22 December 2025. To access the playback, dial one of the following numbers using the playback code 48109:

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

To access the replay using an international dial-in number, please select the link below.

<https://services.choruscall.com/ccforms/replay.html>

Participants will be required to state their name and company upon entering the call.

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## EDITOR'S NOTE

Exxaro is one of the largest South Africa-based diversified resources companies, with main interests in coal, iron ore, and energy commodities. [www.exxaro.com](http://www.exxaro.com)

Annual financial results for the year ended 31 December 2025 will be announced on or about 19 March 2026.

## INVESTOR RELATIONS

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## LEGEND

FY24 - Financial year ended 31 December 2024

FYE25 - Financial year ending 31 December 2025

1Q25 - First quarter ended 31 March 2025

2Q25 - Second quarter ended 30 June 2025

3Q25 - Third quarter ended 30 September 2025

1Q26 - First quarter ending 31 March 2026

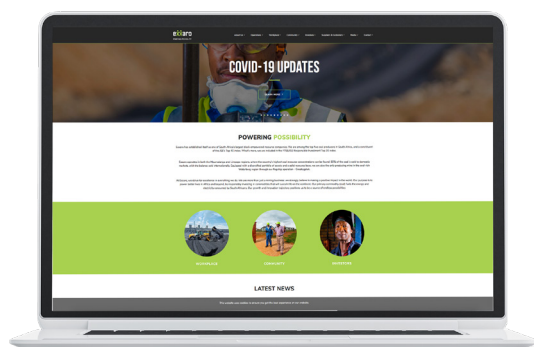
1H26 - Six-month period ending 30 June 2026

## COMMODITY PRICES SOURCE

Coal - IHS Energy

Iron ore - MB Online

2 December 2025



[www.exxaro.com](http://www.exxaro.com)



## DISCLAIMER

The financial information on which any outlook statements are based have not been reviewed nor reported on by Exxaro's external auditor. These forward-looking statements are based on management's current beliefs and expectations and are subject to uncertainty and changes in circumstances. The forward-looking statements involve risks that may affect the group's operations, markets, products, services, and prices. Exxaro undertakes no obligation to update or reverse the forward-looking statements, whether because of new information or future developments.