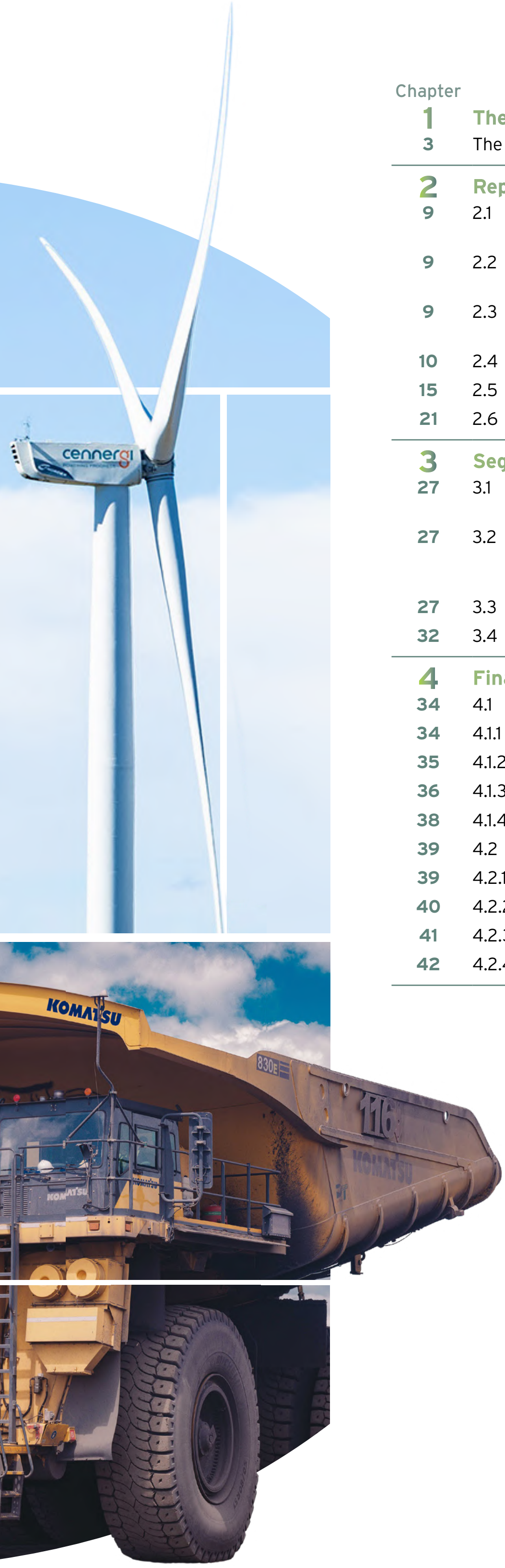
Exxaro Resources Limited
Group and company annual financial statements
for the year ended 31 December 2024

POWERING POSSIBILITY



Contents

1 The year in brief

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

Financial performance

Revenue
R40.7 billion
up 5%

EBITDA
R10.4 billion
down 22%

Cash generated by operations
R10.4 billion
down 22%

Headline earnings
R30.16 per share
down 36%

Attributable earnings
R31.92 per share
down 32%

Final dividend
R8.66 per share
down R1.44 per share

Group financial results

Revenue and EBITDA

	Revenue			EBITDA[1]		
	2024 Rm	2023 Rm	% change	2024 Rm	2023 Rm	% change
Coal	39 115	36 945	6	10 236	12 213	(16)
Energy	1 411	1 345	5	1 031	1 023	1
Ferrous	190	398	(52)	(45)	83	(>100)
Other[2]	9	10	(10)	(799)	80	(>100)
Total	40 725	38 698	5	10 423	13 399	(22)

[1] *EBITDA is calculated by adjusting net operating profit before tax with depreciation, amortisation, impairment charges or impairment reversals, and net losses or gains on disposal of assets and investments (including translation differences recycled to profit or loss). Refer to note 3.3 for key numbers used in the calculation of EBITDA.*
[2] *Relates mainly to the corporate office and smaller operations.*

Group revenue increased by 5% to R40 725 million (2023: R38 698 million), primarily due to a 6% increase in coal revenue driven mainly by higher coal export volumes and higher prices in the domestic market, and a 5% increase in energy revenue.

Group EBITDA declined by 22% to R10 423 million (2023: R13 399 million), mainly attributable to a 16% decrease in coal EBITDA and a negative contribution from the other operating segment, which is discussed further under each business segment.

Equity-accounted income

	Equity-accounted income/(loss)			Dividends received		
	2024 Rm	2023 Rm	% change	2024 Rm	2023 Rm	% change
Coal: Mafube	234	508	(54)	130	1 525	(91)
Coal: RBCT	(7)	(10)	30			
Ferrous: SIOC[1]	3 979	6 157	(35)	3 741	3 386	10
Other: Black Mountain	64	332	(81)			
Total	4 270	6 987	(39)	3 871	4 911	(21)

[1] *Includes Exxaro's share of SIOC's impairment reversal on mining assets, amounting to R596 million. The impairment reversal was due to a life of mine extension based on revisions to the forecast production volume profile.*

Earnings

Headline earnings decreased by 36% to R7 298 million (2023: R11 327 million), mainly driven by the 22% decrease in group EBITDA and a 39% decrease in equity-accounted income. SIOC's equity-accounted income declined by 35%, mainly due to lower iron ore prices and lower sales volumes, partially offset by the effects of an impairment charge reversal. Mafube's equity-accounted income declined by 54%, owing largely to lower coal export prices.

The weighted average number of shares remained unchanged at 242 million, translating into a headline earnings per share of 3 016 cents per share (2023: 4 681 cents per share).

Cash flow and capex

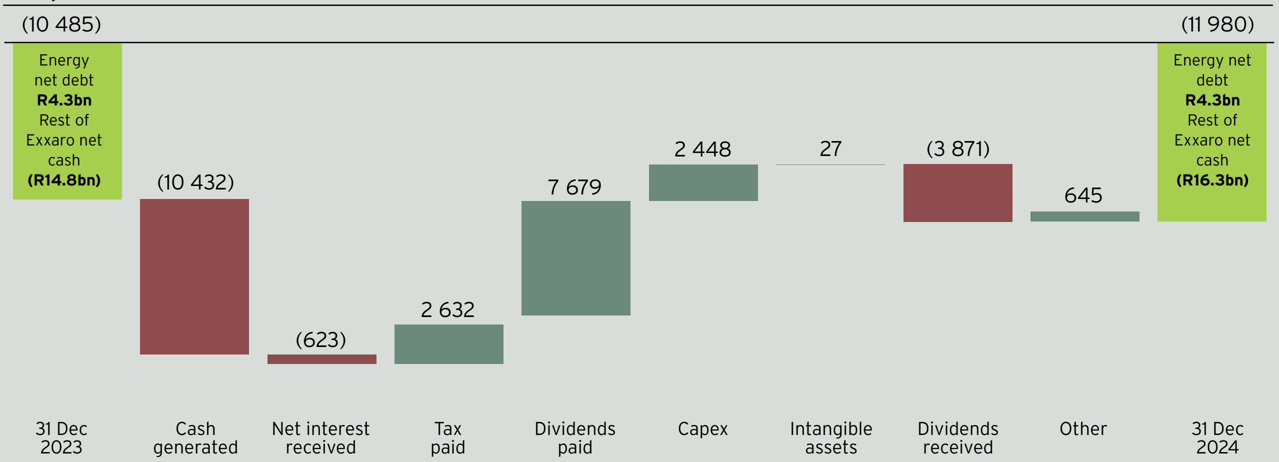
Cash generated by our operations amounted to R10 432 million (2023: R13 307 million), and dividends received from our equity-accounted investments totalled R3 871 million (2023: R4 911 million). These cash inflows were sufficient to cover our capital expenditure, taxation, and ordinary dividends paid.

Total capex decreased by 8% to R2 475 million (2023: R2 699 million). The capex for 2024 comprised R2 146 million, mainly for coal sustaining capital, R302 million expansion capital for our energy projects and R27 million intangible assets.

Debt exposure

Our good cash generation increased our net cash position to R16 309 million (excluding energy's net debt) as at 31 December 2024, compared to a net cash position of R14 834 million at 31 December 2023.

Group net debt cash (R million)



Coal business

Coal markets and commodity prices

The coal market started on a bearish note in the first quarter of 2024 following trends from late 2023. This was primarily due to sufficient coal supply in key markets such as India, Japan, South Korea, and Taiwan, with lower gas prices, making gas a more competitive alternative in Europe. However, geopolitical factors played a significant role in lifting prices higher, alongside the TFR derailment in the first quarter of 2024 and early in the second quarter of 2024.

The resurgence in Indian demand was primarily maintained due to its strong economic growth, despite a brief decline between July and September 2024 due to high stockpiles of South African coal, the monsoon season, low domestic coal prices, and low steel prices. European demand faced headwinds from strong renewable energy generation, revision of coal phase-out targets and cheaper gas prices.

Japanese and South Korean demand remained steady, with Japan continuing to benefit from a diverse energy mix (gas, renewables, nuclear, and coal), but the restart of several nuclear plants posed a risk to coal demand.

The benchmark API4 RBCT export price averaged US$105 per tonne in 2024, compared to US$121 per tonne in 2023, a decline of 13%.

The South African domestic market demand remained resilient in the second half of 2024 despite macro-economic impacts affecting domestic end users. In the Waterberg region, Eskom's coal offtake improved slightly, but operational challenges at power stations continued to impact its ability to consistently take coal from our Grootegeluk mine.

Coal logistics and infrastructure

Rail operations continued to face ongoing disruptions, including cable theft, vandalism, unavailability of locomotives and wagons and infrastructure degradation. Additionally, three derailments affected TFR volume throughput in the first half of 2024. Despite these challenges and rail execution volatility, TFR's performance to the Richards Bay Coal Terminal improved, increasing to 51.9Mtpa (2023: 47.9Mtpa), with a better performance recorded in the second half of 2024.

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

Performance

Coal revenue increased by 6% to R39 115 million in 2024 compared to R36 945 million in 2023. The higher revenue was mainly due to higher export volumes, albeit at a lower realised average export price of US$100 per tonne (2023: US$117 per tonne). Despite the price decline, Exxaro achieved a strong 95% price realisation in 2024 compared to 97% in 2023 owing to our effective market-to-resource optimisation initiatives. Higher domestic sales prices were not sufficient to offset the lower domestic volumes.

However, we also experienced cost pressures driven by inflation, higher selling and distribution costs due to the use of alternate distribution channels, and increased operational and maintenance cost, primarily driven by higher volumes of overburden.

Capex and projects

	2024 Rm	2023 Rm	% change
Sustaining	2 080	2 433	(15)
Commercial – Waterberg	1 812	2 217	(18)
Commercial – Mpumalanga	268	201	33
Other		15	(100)
Total coal capex	2 080	2 433	(15)

The coal businesses capex decreased by 15%, driven by lower sustaining capital spend at Grootegeluk for the Backfill phase 3 and the timing of the haul track replacement strategy.

Equity-accounted investment

Equity-accounted income from Mafube decreased by 54% to R234 million compared to R508 million in 2023, mainly due to lower coal export prices.

Energy business

Cennergi's operating wind assets generated 725GWh of electricity (2023: 727GWh), with revenue increasing by 5% to R1 411 million (2023: R1 345 million).

Cennergi's EBITDA margin on the operating wind assets remained consistent at 80% (2023: 80%), underpinned by the long-term offtake agreements with Eskom.

Construction of the 68MW Lephalale Solar Project at Grootegeluk mine is ongoing, with commercial operations anticipated to start in mid-2025.

Cennergi's operating wind assets project financing of R4 073 million (2023: R4 348 million) will be fully settled by 2031, while the LSP project financing of R1 150 million (2023: R477 million) will be fully settled by 2042. The project financing has no recourse to the Exxaro balance sheet and is hedged through interest rate swaps.

On 17 February 2025, Cennergi Holdings , a wholly owned subsidiary of Exxaro, in partnership with G7 Renewable Energies Proprietary Limited, reached financial close on the 140MW Karreebosch Wind Farm (RF) Proprietary Limited (Karreebosch) project. Karreebosch has a 20-year Power Purchase Agreement with Northam Platinum Limited. Cennergi Holdings acquired 80% of the share capital in Karreebosch as well as 50% of the share capital in Karreebosch Asset Management Proprietary Limited. The total investment cost of the project is anticipated to be R4.7 billion which will in majority be funded with project financing from Nedbank, Absa Bank, and Standard Bank with the financial structure set up to ensure long-term sustainability, as well as with limited recourse to the Exxaro balance sheet.

Ferrous business

The Ferrous business comprises of the FerroAlloys operation. Due to lower offtake from customers, production was curbed to manage full stockpiles, resulting in an EBITDA loss of R45 million, compared to an EBITDA profit of R83 million in 2023.

Exxaro has made significant progress in disposing of our entire shareholding in Exxaro FerroAlloys Proprietary Limited, with the signing of a sale and purchase agreement expected to be concluded in 2025.

Equity-accounted investment

The 35% decrease in equity-accounted income from SIOC to R3 979 million (2023: R6 157 million) was driven by lower iron ore prices and sales volumes, partially offset by the effects of an impairment charge reversal.

In August 2024, we received an interim dividend of R1 634 million from our investment in SIOC. In February 2025, SIOC declared a final dividend to its shareholders. Exxaro's share of the dividend amounts to R1 732 million, which is R98 million higher than the interim dividend received. The dividend will be accounted for in the first half of 2025.

Other business performance

The other segment mainly comprises costs related to the corporate office and smaller operations. The other operating segment reflected an EBITDA loss of R799 million (2023: R80 million EBITDA profit). The key reasons for the variance are:
- Higher insurance costs mainly due to the prior year including a once-off benefit of R375 million resulting from the accounting treatment of the new insurance product entered into, not recurring in 2024;
- Costs incurred to advance our growth and diversification strategy (R192 million); and
- Expenses related to our social impact strategy (R119 million).

Equity-accounted investment

The R268 million decrease in equity-accounted income from Black Mountain to R64 million (2023: R332 million) was mainly due to production challenges resulting in lower production and sales volumes.

Sustainable impact

To deliver on our strategic objectives of people empowered to create impact, reach carbon neutrality by 2050 and becoming a catalyst for economic growth and environmental stewardship, we incorporate responsible and sustainable business practices in everything we do. Not only do we aim to mitigate and manage our negative impact on natural resources, but we also contribute to enhancing ecosystem resilience and the lives of our employees and communities.

Safety

Our safety goal is to achieve Zero Harm by proactively managing safety priorities through the consistent implementation of Exxaro's five safety focus areas. These are incredible safety leadership, effective communication, training, zero tolerance and risk management.

At the end of the financial year, the group completed 28 consecutive months without work related fatalities. This is a significant milestone, not only highlighting the effectiveness of our strategy but also the dedication and commitment of all our employees to safety. Other notable fatality free years reached are:

- Leeuwpan has had zero fatalities since inception, 34 years ago
- FerroAlloys reached 27 years fatality free
- Mafube has had zero fatalities since inception, 20 years ago
- Grootegeluk recorded 12 years fatality free
- Cennergi has had zero fatalities since inception, eight years ago
- Matla reached eight years fatality free
- Belfast reached two years fatality free.

We were honoured to be recognised at the 2024 Coal Safe Awards, which celebrate the efforts of the coal mining industry in upholding safety standards. Amongst other awards received, Exxaro won the 2024 Best in Class Safety Record award.

Our LTIFR for the group of 0.06 in 2024 was an improvement compared to 0.07 per two-hundred thousand man-hours worked in 2023. Our target remained at 0.05.

We continue to drive safety, remaining vigilant to prevent workplace incidents, and fostering a proactive safety culture that safeguards lives and enhances operational resilience. In line with this commitment, we will be rolling out our refreshed safety strategy and embedding it across the group during 2025.

People

Our people are at the heart of everything we do. Exxaro is championing diversity, equity and inclusion and has maintained its value proposition as an employer of choice.

As such, Exxaro has once again received recognition from the Top Employer Institute as a 2025 Top Employer, achieving exceptional performance in areas of business strategy, diversity, equity and inclusion, people strategy, and for our listening strategies.

In 2024, we invested over R400 million to develop our people through comprehensive training programmes, leadership development initiatives and opportunities for continuous learning.

In 2024 we also signed a new three-year wage agreement with all trade unions, demonstrating the existence of strong relations built on trust and mutual respect.

Climate change response strategy implementation

Climate change remains a priority for Exxaro, and we remain committed to lowering our carbon footprint, especially in a fast-changing legislative environment.

Our Decarbonisation Roadmap, which was approved by the board, comprises a comprehensive framework that summarises our key milestones and strategic initiatives necessary for Exxaro to achieve carbon neutrality by 2050. From a 2022 base, we are targeting 40% and 75% cumulative reduction in scope 1 and 2 emissions, in 2030 and 2040 respectively. We will achieve this through renewable energy initiatives as well as equipment and fleet optimisation technology.

Environmental performance

In 2024, we achieved carbon intensity of 4.12tCO_2e/kt TTM against our target of 4.2tCO_2e/kt TTM. This is an improvement of 6.4% from the 2023 carbon intensity of 4.4tCO_2e/kt TTM. Our water intensity of 142 l/t RoM was also within our 180 l/t RoM target, despite an increase from 105 l/t RoM recorded in 2023.

Our mine plans consider land management, mine closure and concurrent rehabilitation supported with financial provisions to ensure we honour our commitments. At the end of the financial year, our efforts on rehabilitation continued as we rehabilitated 477 hectares of disturbed land, increasing our rehabilitated land to 26% from 19% in 2023.

Encouragingly, we recorded zero level 2 and 3 environmental incidents during 2024. As catalysts for economic growth and environmental stewardship, we continue to explore strategic partnerships, adopting green technologies, and employing robust environmental management tools to drive continuous improvement and enhance sustainability.

Exxaro is committed to safeguarding biodiversity through targeted initiatives, including species relocation, wetland rehabilitation, invasive plant management, and implementing conservation programmes that protect the native flora and fauna across our operations. Our impacts on biodiversity are further enhanced by strategic partnerships with conservation organisations and communities.

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

Social investment and development

Delivering meaningful socio-economic value is integral to Exxaro's purpose of powering better lives in Africa and beyond. Our efforts focus on addressing unemployment, enhancing education, and enabling infrastructure development to empower host communities and drive inclusive economic growth.

As at 31 December 2024, social investments amounted to R2.1 billion, of which R28 million was social investment spend by Cennergi, benefiting socio-economic development initiatives including education, welfare, agriculture development, and health. The group's local procurement from black SMME supported 562 SMMEs through enterprise and supplier development initiatives in 2024.

We are making a meaningful impact in our host communities by investing in education. Our early childhood development programmes benefited more than 2 700 children, more than 40 registered early childhood development centres, and more than 180 teachers through professional training. We also successfully connected 27 schools in Mpumalanga and Limpopo with wi-fi networks and provided information and communications technology labs to 20 schools.

In January 2025, Exxaro handed over the newly built Martina Kekana school hall, a block of four classrooms and associated external upgrades to Nelsonskop Primary school in Lephalale, benefiting more than 1 580 children and teachers. At an investment of R20.3 million, the project boosted the local economy, through local company participation and job creation.

Shareholder return

The group has consistently maintained that when determining the level of dividend pay-out and, therefore, the dividend cover, cognisance needs to be taken of the current state of the industry, Exxaro's capital expenditure requirements, and other relevant commitments. This is particularly relevant in the challenging economic environment, including the impact of the logistical challenges.

The board of directors has declared a final cash dividend comprising:
- 2.5 times Adjusted Group Earnings
- Pass through of the SIOC dividend of R1.7 billion.

Notice is hereby given that a gross final cash dividend, number 44 of 866 cents per share, for the year ended 31 December 2024, was declared from income reserves and is payable to shareholders of ordinary shares on 12 May 2025.

For details of the final dividend, please refer to note 5.5. The details will also be published on our website at www.exxaro.com.

Salient dates for payment of the final dividend are:

Last day to trade cum dividend on the JSE	Tuesday, 6 May 2025
First trading day ex-dividend on the JSE	Wednesday, 7 May 2025
Record date	Friday, 9 May 2025
Payment date	Monday, 12 May 2025

No share certificates may be dematerialised or re-materialised between Wednesday, 7 May 2025 and Friday, 9 May 2025, both days inclusive. Dividends for certificated shareholders will be transferred electronically to their bank accounts on the payment date. Shareholders who hold dematerialised shares will have their accounts credited at their central securities depository participant or broker on Monday, 12 May 2025.

Given the net cash position at 31 December 2024 of R16 309 million (excluding energy net debt), in addition to the final dividend declared, the board has approved a R1.2 billion share repurchase programme, subject to prevailing market conditions, and JSE Listings Requirements.

2 Reports

2.1 Responsibility statement on internal financial controls

Each of the directors, whose names are stated below, hereby confirm that:

(a) The annual financial statements, set out on pages 25 to 167, fairly present in all material respects the financial position, financial performance and cash flows of the company and its consolidated subsidiaries in terms of IFRS® Accounting Standards;

(b) 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;

(c) Internal financial controls have been put in place to ensure that material information relating to the company and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the company and its consolidated subsidiaries;

(d) The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

(e) 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; and

(f) We are not aware of any fraud involving directors.

Ben Magara
Chief executive officer

Centurion
10 April 2025

Riaan Koppeschaar
Finance director

Centurion
10 April 2025

2.2 Directors' approval of the financial statements

In terms of section 30(3) of the Companies Act, the group and company annual financial statements for the year ended 31 December 2024 were approved by the board of directors on 10 April 2025 and are signed on its behalf by:

Mvuleni Geoffrey Qhena
Chairman

Centurion
10 April 2025

2.3 Certificate by the group company secretary

In terms of section 88(2)(e) of the Companies Act, I, MH Nana, in my capacity as group company secretary, confirm that, to the best of my knowledge and belief, Exxaro has filed with the Companies and Intellectual Property Commission all such returns and notices for the year ended 31 December 2024, as required of a public company in terms of the Companies Act, and that all such returns and notices appear to be true, correct and up to date.

Michelle Nana
Group company secretary

Centurion
10 April 2025

2.4 Report of the directors

The board of directors (the board) is pleased to present the group and company annual financial statements of Exxaro Resources Limited for the year ended 31 December 2024 (group and company annual financial statements 2024).

Nature of business

Exxaro is a South African-based diversified resources group with an existing coal and energy business and acquisitive growth prospects in minerals and energy solutions. Exxaro is evolving into a sustainable and impactful business that promotes economic growth, environmental stewardship and positive change.

Exxaro's investments in associates include a 20.62% (2023: 20.62%) equity interest in SIOC, which extracts and processes iron ore, a 26% (2023: 26%) equity interest in Black Mountain, which produces zinc, lead, copper and silver in the Northern Cape; and a 10.26% (2023: 10.26%) effective equity interest in RBCT, which is an export terminal, as well as a 50% (2023: 50%) joint venture with Thungela in Mafube, which produces coal.

Exxaro is a public company incorporated in South Africa and is listed on the JSE with headquarters in Centurion, South Africa.

Divestment of non-core assets and investments

FerroAlloys

Exxaro has made significant progress in the process of disposing of the entire shareholding in Exxaro FerroAlloys Proprietary Limited, with the signing of a sale and purchase agreement expected to be concluded in 2025.

Integrated report and supplementary information

The integrated report and supplementary information contain material information on the activities and performance of the group and its various divisions. These reports are unaudited. The board acknowledges its responsibility to ensure the integrity of the integrated report and supplementary information. We have accordingly applied our minds to the integrated report and believe the report addresses all material issues, and fairly presents the integrated performance, impact and sustainability of the organisation.

Corporate governance

Exxaro's board is the focal point and custodian of good corporate governance for the group. The board assumes ultimate accountability and responsibility for the group's performance and affairs. In so doing, it effectively represents and promotes the group's legitimate interests. As a responsible corporate citizen, Exxaro considers its material stakeholders' legitimate interests and expectations to ensure it contributes positively to society and the environment.

Exxaro's corporate governance is underpinned by principles that guide the board in meeting its responsibilities to the company, the group and its stakeholders. These principles enable Exxaro to achieve the King IV™ governance outcomes and fulfil its purpose to power better lives in Africa and beyond through its own ethical and effective leadership.

King IV™ promotes good governance, transparency in leadership and decision making, and a focus on sustainability. Sustainable development is an ethical and economic imperative. It entails economic and social growth to meet present needs without compromising future generations' ability to fulfil their needs. Sustainable development is a fitting response to organisations being an integral part of society, their status as corporate citizens and meeting stakeholders' needs, interests and expectations. Exxaro expresses its commitment to sustainable development through its Sustainable Growth and Impact strategy.

The board sets Exxaro's short, medium and long-term strategic direction through its Sustainable Growth and Impact strategy. It enables sustainable value creation through the approval of a capital allocation model and budget, setting and monitoring performance and culture expectations as well as a group governance framework. The board supports King IV™ strategy-setting principles through an iterative process, which includes an assessment of how sustainability and ESG objectives are integrated into the strategy.

Our integrated medium to long-term decarbonisation roadmap to achieve carbon neutrality by 2050 has been submitted for a peer review to ensure its credibility and subsequent implementation.

We continue to use a strategic performance monitoring dashboard to report on the achievement of prioritised KPIs that are aligned to the strategy, in line with our tiered governance approach.

Full details on how these principles have been applied in Exxaro are set out in the 2024 integrated and ESG reports.

2.4 Report of the directors continued

ESG governance

In terms of the King IV™ guidance paper on Responsibilities of Governing Bodies in Responding to Climate Change, accountability remains with the board, the responsibility for managing and monitoring risk and impact should be delegated to management with defined indicators and targets to measure and assess performance. ESG governance at its essence encapsulates the policies, practices and procedures adopted by the group to manage and enhance its ESG performance. Exxaro works to integrate and embed ESG into the organisation, beyond mere compliance, through a tiered governance structure and lens through which to view the Sustainable Growth and Impact strategy.

More detail on our ESG governance is set out in the 2024 integrated and ESG reports.

Comparability of results

The results for the years ended 31 December 2024 and 2023 were adjusted for the key items as noted in the reconciliation of headline earnings (refer note 5.3).

Accounting policies

The accounting policies applied during the year ended 31 December 2024 are consistent, in all material respects, with those applied in the group and company annual financial statements for the year ended 31 December 2023.

Capital management

Cash inflow → Debt service → Sustaining capex → Dividends → Expansion capex → Growth → Excess cash

The diagram above represents the order of our capital allocation framework. In applying our capital allocation framework, we aim for a gearing ratio of below 1.5 times net debt (excluding ring-fenced project financing) to EBITDA. The capital allocation framework is in line with our commitment to sustainably return cash to shareholders through the cycle while retaining a strong financial position.

During 2024, we received cash of R12.3 billion (2023: R16 billion), comprising R7.8 billion from our operations (net of tax paid) (2023: R10.7 billion), dividend income received from our equity-accounted investments of R3.9 billion (2023: R4.9 billion) as well as net interest received of R0.6 billion (2023: R0.4 billion).

In terms of our capital allocation framework, we utilised this cash, to mainly:
- Sustain our operations with capital expenditure of R2.1 billion (2023: R2.5 billion)
- Expand our operations with further capital expenditure of R0.3 billion (2023: R0.2 billion)
- Pay dividends of R7.7 billion (2023: R7.4 billion).

Share capital

The share capital of the company is summarised as follows:

	Number of shares	
At 31 December	2024	2023
Authorised ordinary shares of R0.01 each	500 000 000	500 000 000
Issued ordinary shares of R0.01 each	349 305 092	349 305 092
Treasury shares held by Eyesizwe	107 612 026	107 612 026
Treasury shares held by Kumba Resources Management Share Trust	158 218	158 218

2.4 Report of the directors continued

Shareholders

An analysis of shareholders and the respective percentage shareholdings appears in chapter 19: annexure 1.

Investments in subsidiaries

Our investments in subsidiaries are fully disclosed in note 17.6.

Shareholder return

The dividend policy is to consider an interim and final dividend for each financial year. At its discretion, the board may consider a special distribution where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board may approve the declaration and payment of dividends.

Exxaro's dividend policy comprises the following two components:
- 2.5 times to 3.5 times Adjusted Group Earnings
- Pass through of the SIOC dividend received.

Exxaro declared the following dividends relating to 2024:

Dividend number 43

Interim dividend number 43 of 796 cents per share was approved by the board on 13 August 2024 and declared in South African rand in respect of the six-month period ended 30 June 2024. The dividend payment date was Monday, 7 October 2024, to shareholders recorded on the register of the company at close of business on Friday, 4 October 2024.

Dividend number 44

Final dividend number 44 of 866 cents per share was approved on 11 March 2025 and declared in South African rand in respect of the year ended 31 December 2024. The final dividend payment date is Monday, 12 May 2025 to shareholders recorded on the register of the company at close of business on Friday, 9 May 2025 (record date). To comply with the requirements of Strate, the last date to trade cum dividend is Tuesday, 6 May 2025. The shares will commence trading ex-dividend on Wednesday, 7 May 2025.

The final dividend declared from income reserves, is subject to a dividend withholding tax of 20% for all shareholders who are not exempt from or do not qualify for a reduced rate of dividend withholding tax. The net local dividend payable to shareholders, subject to dividend withholding tax at a rate of 20%, amounts to 692.80000 cents per share.

The number of ordinary shares in issue at the date of this declaration is 349 305 092. Exxaro company's tax reference number is 9218/098/14/4.

Share repurchase programme

On 11 March 2025, the board approved a share repurchase programme to the value of R1.2 billion, subject to prevailing market conditions, and JSE Listings Requirements.

Events after the reporting period

The events after the reporting period are disclosed in note 18.3.

Directorate and shareholdings of directors

During 2024 the company welcomed Nosipho Molope as an independent non-executive director and audit committee member with effect from 3 January 2024.

At the date of compilation of this report, the following individuals were directors of the company:

MG Qhena	Independent non-executive and chairman of the board
PA Koppeschaar	Finance director and executive director
GJ Fraser-Moleketi	Lead independent non-executive
KM Ireton	Independent non-executive
B Magara[1]	Chief executive officer and executive director
IN Malevu	Non-executive
B Mawasha	Independent non-executive
N Medupe	Independent non-executive
Dr P Mnganga	Independent non-executive
VZ Mntambo	Non-executive
N Molope	Independent non-executive
MLB Msimang	Non-executive
CJ Nxumalo	Independent non-executive
PCCH Snyders	Independent non-executive

[1] *Appointed as CEO on 1 April 2025 and will step down as independent non-executive on 31 March 2025.*

Details of the directors in office at the date of this report are set out in the 2024 integrated and ESG reports.

Details of the directors' shareholdings are contained in note 14.5.3.

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

2.4 Report of the directors continued

Executive leadership changes

We had the following changes to our executive leadership:

	Designation	Date
MH Nana	Group company secretary	Appointed on 1 May 2024
AT Ndoni	Chief strategic resilience and governance officer	Resigned on 30 November 2024
Dr N Tsengwa	CEO and executive director	Resigned on 5 February 2025
B Magara	CEO and executive director	Appointed on 1 April 2025

In accordance with paragraph 3.59(b) of the JSE Listings Requirements shareholders were informed on 6 February 2025 of Dr Nombasa Tsengwa's resignation. The board thanks Dr Nombasa Tsengwa for her years of service and wishes her all the best in her future endeavours.

The board appointed longstanding finance director, Riaan Koppeschaar, as acting CEO while continuing as finance director of Exxaro until 31 March 2025.

Further to the SENS announcement of 6 February 2025, and following an expedited and targeted selection process, the board of directors announced the appointment of Ben Magara as the incoming CEO, effective 1 April 2025. Ben will succeed acting CEO, Riaan Koppeschaar, who will continue in his role as finance director.

Ben is a qualified Mining Engineer and highly regarded mining veteran with over 35 year's industry experience in both soft and hard rock mining at underground and pit operations. He is renowned for driving operation excellence and providing strategic leadership at multiple large mining operations.

Independent external auditor

KPMG Inc., with designated audit partner Safeera Loonat, was re-elected as independent external auditor at the AGM held on 23 May 2024 in accordance with section 90 of the Companies Act in respect of the 2024 financial year.

Audit committee

The audit committee report appears on pages 15 to 20, as well as in the 2024 Integrated and ESG reports.

Borrowing powers and financial assistance

	Group	
	2024 Rm	2023 Rm
Amount approved	67 484	65 309
Total borrowings	(8 220)	(8 923)
Unutilised borrowing capacity	59 264	56 386

The borrowing powers were set at 125% of shareholders' funds (equity attributable to owners of the parent) for both the 2024 and 2023 financial years.

Pursuant to the authorisation granted at the AGM held on 23 May 2024, shareholders approved, in accordance with section 45 of the Companies Act, the granting of financial assistance to related and inter-related companies of Exxaro.

The directors resolved that the company would satisfy the solvency and liquidity test, as contemplated in section 45 of the Companies Act and detailed in section 4 of the Companies Act, post such assistance. The terms under which such assistance will be provided are fair and reasonable to the company.

Employee incentive schemes

Details of the employee incentive schemes are set out in the remuneration committee and remuneration reports in the 2024 integrated and ESG reports and the supplementary information.

Related-party transactions

Details of related-party transactions are set out in note 15.1.

2.4 Report of the directors continued

Going concern

The directors believe that the group and company have adequate financial resources to continue in operation for the foreseeable future. Accordingly, the group and company annual financial statements 2024 have been prepared on a going-concern basis.

The directors are not aware of any new material changes, or any material non-compliance with statutory or regulatory requirements that may adversely impact the group or company.

Registration and administration details

The company registration number is 2000/011076/06. The registered office is The conneXXion, 263B West Avenue, Die Hoewes, Centurion.

Refer chapter 19: annexure 3 for further details.

Lead equity sponsor and debt sponsor

Absa Bank Limited acted as lead equity sponsor and debt sponsor to the company for the financial year ended 31 December 2024.

Joint equity sponsor

Tamela Holdings Proprietary Limited acted as joint equity sponsor to the company for the financial year ended 31 December 2024.

Transfer secretaries

JSE Investor Services Proprietary Limited serves as the South African registrar of the company.

AGM

The 24th (twenty fourth) AGM of shareholders of Exxaro will be held via electronic communication and in person meeting participation (subject to any adjournment or postponement, health and safety protocols) at The conneXXion, 263B West Avenue, Die Hoewes, Centurion, South Africa, in the Auditorium at 10h00 on Thursday, 15 May 2025 (2025 AGM) to consider and, if deemed fit, pass with or without modification, the resolutions presented thereat.

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

2.5 Audit committee report

Committee overview

Composition

Committee members are elected at the AGM by shareholders on recommendation from the board, through the nomination committee.

The board ensures a balance of skills and experience, with a focus on financial literacy, to enable the committee to discharge its function. All committee members are independent non-executive directors.

On recommendation from the board, shareholders at the 2024 AGM approved the appointment of Nosipho Molope as independent non-executive director and audit committee member.

In 2024, the committee maintained its minimum membership of four independent non-executive directors.

The board is satisfied that the committee members have the necessary academic qualifications or experience in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.

Non-executive director Isaac Malevu is a standing invitee to the committee. Other meeting attendees include the chief executive officer, finance director, head of internal audit, group finance manager, chief finance officer: coal, chief strategic resilience and governance officer, chief technology officer and representatives from the external and internal auditors.

Other individuals, including members of management, external consultants and service providers are invited to attend meetings of the committee from time to time in consultation with the committee chairperson.

The internal and external auditors have unrestricted access to the audit committee.

Meetings

As determined by its terms of reference, the committee held four scheduled meetings and one special meeting in 2024.

Members	Designation	Attendance at quarterly meetings	Attendance at special meetings
Nondumiso Medupe	Independent non-executive director and audit committee chairperson	4/4	1/1
Billy Mawasha	Independent non-executive director	4/4	1/1
Chanda Nxumalo	Independent non-executive director	3/4	1/1
Nosipho Molope	Independent non-executive director	4/4	1/1

Two additional annual sessions are held separately with the independent external auditor and internal auditor, without management present, to exchange views and concerns to further strengthen the committee's independent oversight.

Role and purpose

The audit committee is an independent statutory committee with members appointed annually by Exxaro's shareholders in compliance with section 94 of the Companies Act and the principles of good governance. In terms of the Companies Act, this committee has an independent role and is accountable to the board and the company's shareholders.

The committee does not assume the functions of management, which remain the responsibility of the executive directors, prescribed officers, and other members of senior management, nor does it assume accountability for the functions performed by other board committees. In addition to the Companies Act, the committee's duties are guided by the JSE Listings Requirements and King IV.

The committee's terms of reference govern its role and responsibilities. To assist the board, the committee plays an essential role in providing independent oversight of:
- The quality and integrity of the financial statements and related public announcements
- The integrity of the integrated reporting process and content of the integrated suite of reports
- The external auditor's qualification and independence
- The external audit function's scope and effectiveness
- The scope and effectiveness of the overall combined/integrated assurance process
- The efficacy of internal controls and the internal audit function.

Assessing the adequacy of the company's insurance arrangements regarding the nature of its business and insurable risks

The integrity and efficacy of the risk management process relating specifically to internal controls and financial reporting risks through assurance of system controls and policies in place

2.5 Audit committee report continued

Terms of reference

The committee's terms of reference are reviewed annually. The review took place in quarter one of 2025 and the revised terms of reference were subsequently approved by the board. The review ensured the terms of reference remain aligned to relevant legislation, regulations, and King IV.

Performance evaluation

There is no regulatory requirement to conduct an annual external independent performance assessment. However, King IV recommends regular performance evaluations for all board committees and as such it is a governance practice at Exxaro to conduct independent assessments every third year.

An internal evaluation of the committee's performance and effectiveness was conducted in January 2025. The evaluation aims to identify and record areas needing strengthening or refinement while considering internal and external dynamics and factors that may positively or negatively impact the committee's ability to enhance its performance and effectiveness.

2024 in review

Key highlights
The committee received training on accounting developments relating to climate change disclosure
The committee noted the performance and assurance opinion on the sustainability KPIs and recommended that the board agree on the approach to scope 3 reporting to align it with the decarbonisation plan
Exxaro injected an additional R290 million in Exxaro Insurance Company Limited, reinforcing its insurance retention strategy

Committee statements

Finance director and finance function

The committee considered and reviewed an internal assessment of Riaan Koppeschaar's expertise and experience as the finance director and is satisfied that he has the appropriate experience and expertise to execute his responsibilities, including while acting as CEO from 4 December 2024. The evaluation considered the appropriateness of the expertise and adequacy of resources in the finance function.

During the year, the committee reviewed and was satisfied with the key macro-economic indicators and assumptions used to compile the 2025 budget.

The committee is satisfied with the group's hedge effectiveness and loan covenant position applicable to each facility within the group.

The committee considered the criteria for the selection of multi-fund managers and approved the revised dealer limits and counterparty limits for the group's treasury operations in the financial markets.

The committee reviewed the key reporting issues and significant balances for the interim and year-end reporting periods. Furthermore, it reviewed and approved the trading statements for the interim and year-end reporting periods.

Following a deliberation of the base case and downside scenarios presented by management, and having applied the solvency and liquidity test, the committee was satisfied to provide assurance to the board that the company and group satisfied the requirements of the going concern assessment and further recommended the approval of dividends to the board.

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

2.5 Audit committee report continued

Tax compliance status

The reports to the committee include reporting on all tax matters, including tax audits, tax disputes with tax authorities, recognition of deferred tax assets, and the status of tax returns and payments. The committee was also appraised of global tax developments. The committee is satisfied that the group is tax compliant.

Regulatory updates

The committee noted the amendments to the JSE Listings Requirements and the new and revised IFRS® Accounting Standards and pronouncements, and their impact on the group.

In addition, the committee considered the JSE proactive monitoring and thematic reviews.

Annual financial statements

The committee ensured that the finance function re-evaluated its disclosures in line with the latest accounting developments. A clear focus was placed on financial reporting risks and controls presented by geopolitical macro-economic conditions including supply chain disruptions, inflation, interest rates and market volatility.

The group and company annual financial statements for the year ended 31 December 2024 were prepared by management, reviewed by the committee and the board, and audited by the independent external auditor.

The committee is satisfied that the group and company annual financial statements for the year ended 31 December 2024 comply with the relevant provisions of the Companies Act, IFRS Accounting Standards, interpretations issued by the IFRS Interpretations Committee (IFRIC®), Financial Pronouncements (as issued by the Financial Reporting Standards Council), the SAICA Financial Reporting Guides (as issued by the Accounting Practices Committee), the JSE Listings Requirements and applicable accounting policies and practices. The committee is satisfied that the group and company annual financial statements for the year ended 31 December 2024 fairly present a balanced view of the group and company's financial position, financial performance and cash flows.

Effectiveness of internal financial controls

Internal control confirmations are distributed to all business units and corporate service departments in order for management to confirm that no additional reporting issues need to be brought to the attention of the committee. This process verifies that internal controls are being followed in line with policies and governance requirements, it identifies any gaps or weaknesses in internal control processes, and it holds the business units responsible for maintaining and reporting on their control environment.

During the year, the committee, with input and reports from the independent internal and external auditors, as well as an ERM benchmarking exercise, reviewed the system of internal financial reporting procedures. This review considered all Exxaro entities within the consolidated group to ensure that the committee had access to all financial information to allow for effective preparation and reporting on the group and company annual financial statements for the year ended 31 December 2024. Informed by these reviews, the committee confirmed that no material findings came to the committee's attention to indicate the ineffectiveness of internal financial reporting controls during 2024.

Independent external auditor

KPMG was the independent external auditor for 2024, with its delivery partner, AM PhakaMalele. Their reappointment was approved by shareholders as presented by a separate resolution at the AGM on 23 May 2024, in terms of paragraph 3.84 of the JSE Listings Requirements.

The committee oversaw the extent of services provided by the external auditor for assurance and other services.

Assessment and recommendation

The committee has evaluated the appointment of the external auditor and designated audit partner and is satisfied that KPMG meets the independence requirements outlined in section 94(8) of the Companies Act.

The committee considered the relevant information under paragraph 3.84(g)(iii) of the JSE Listings Requirements. Thus, the committee executed its responsibility to consider the suitability of the external auditor and designated individual auditor, as required by paragraphs 3.84(g)(iii) and 3.87, and in terms of their mandate required by paragraph 3.86 of the JSE Listings Requirements.

The committee recommends KPMG with its delivery partner, AM PhakaMalele, for reappointment for the ensuing year ending 31 December 2025 at the upcoming AGM on 15 May 2025 by way of a separate resolution by shareholders in terms of paragraph 3.84(g)(iv) of the JSE Listings Requirements and section 61(8) of the Companies Act.

2.5 Audit committee report continued

Independent external auditor continued

Assessment and recommendation continued

During the review period, the following fees were paid to the independent external auditor:

	2024 Rm	2023 Rm
Statutory audit fees	31	30
Non-audit service fees	3	3
Total	34	33

The policy for engagement of the external auditor to supply assurance and other services was reviewed in 2024. The committee considered the Revisions to the Non-Assurance Services Provisions of the Code from the International Ethics Standards Board for Accountants and the Revisions to the Non-Assurance Services Provisions of the Code from the Independent Regulatory Board for Auditors and set the threshold for assurance and other services for the external auditor at a maximum of 20% of the statutory audit fee for any given financial year. It was confirmed that KPMG, in terms of its internal policy, will not provide any advisory or tax services to its audit clients.

The committee is satisfied with the level and extent of assurance and other services rendered by the external auditors during the year. It was confirmed that KPMG and AM PhakaMalele remained independent of Exxaro.

The committee approved the external audit plan and approach for the financial year ended 31 December 2024.

Transformation

For both 2024 and 2023, KPMG partnered with AM PhakaMalele, a level 1 B-BBEE company, fulfilling Exxaro's commitment to transformation.

Internal audit

The committee ensured that assurance provided by the internal audit function focused on the company's key risks and that the services provided by the function adds value to the organisation.

The internal audit function is partially outsourced to PwC under the management control of Exxaro's head of internal audit. PwC partnered with a level 1 B-BBEE company, Ngubane & Co, to fulfil the internal audit support function. The responsibilities of the internal audit function are detailed in an internal audit charter approved by the committee, which is reviewed and approved annually.

The main function of internal audit is to express an opinion on the effectiveness of governance, risk management and systems of internal controls as well as the internal control environment within the group. It provides an independent and objective consulting service designed to add value, maintain assurance, and improve Exxaro's operations.

The committee holds management accountable to ensure corrective measures are in place to address control deficiencies identified by internal audit or forensic investigations. The committee will continue to monitor the efficacy of these measures.

During the period under review, the committee authorised the CEO and finance director to sign the management representation letter for the interim and year-end reporting periods. Additionally, internal audit provided an assessment to support the CEO and finance director in effecting their responsibility to sign the mandatory responsibility statement in terms of the JSE responsibility statement requirement Item 14, section 3.84(K) which affirms that the internal control environment can be relied on in compiling the annual financial statements.

The committee considered the status of the execution of the annual internal audit plan and the results of completed audits. The committee is pleased with the overall performance of the internal audit function and the services provided.

2.5 Audit committee report continued

Internal audit charter

The internal audit charter was reviewed and was presented to the committee for approval on 6 March 2025. Exxaro internal audit aligned to the new Global Internal Audit Standards that came into effect on 9 January 2025.

The model charter was utilized as a base and the following areas were expanded on, in alignment with the changes in the Global Internal Audit Standards:

- The purpose of the internal audit function has been expanded
- Provides for the process to be followed for changes to the mandate and charter
- A section for audit committee oversight has been added
- Enhanced role and responsibilities of the head of internal audit to include additional information on ethics and professionalism.

Forensic report

The committee noted the status of the forensic investigations and progress with initiatives under the SERC as well as noted the fraud prevention and anti-bribery and corruption programme of 2024.

The committee further noted the proactive assurance training being conducted in collaboration with supply chain management and the ethics office at the BUs.

Combined assurance

As required by King IV, assurance was broadened to cover all sources of assurance, including external assurance, internal audit, management oversight and regulatory inspections. In 2024, the combined assurance model was updated to include the introduction of the five lines of assurance to differentiate the level of risk ownership and independence of assurance efforts by providers.

The model incorporates and optimises all assurance services and functions to enable an effective control environment and support the integrity of information used for internal decision making by management, the governing body and its committees and the organisation's external reports.

An annual combined assurance plan is submitted for approval to the committee, detailing all proposed assurance activities within the group, including the level of assurance. The committee ensures alignment of the combined assurance plan, internal audit plans and external audit plans. Risk acceptance, level 1 finding disclosure process and risk extension requests are adopted as protocols.

The committee's role is to review the effective establishment and operation of combined assurance within the group. To this end, the company established a combined assurance framework. The committee is satisfied that the combined assurance framework is a platform to coordinate Exxaro's assurance functions. The combined assurance framework coordinates assurance coverage for Exxaro's risk exposure as identified and ranked by Exxaro's risk management function, including optimisation of assurance functions aligned with King IV recommended assurance practices.

The committee is satisfied with the arrangements for ensuring an effective and efficient combined assurance model within the group. Furthermore, a benchmarking exercise will be conducted to align the roles and responsibilities of different assurers to avoid duplication.

Technology and information governance

In terms of King IV, the committee exercises oversight of technology and information governance.

The committee received reports on the group's digital transformation as well as the impact of cyber risk on information technology performance to support strategy execution.

The recent organisational effectiveness process necessitated a review of the current information management operating model, and the committee noted the information management strategy, governance, internal and external audit findings, portfolio and enterprise architecture, risk management and enterprise resource planning journey.

In the year, the committee oversaw the implementation of key security projects including the implementation of the privileged access management tool and multi-factor authentication for privileged users.

Several management governance forums enhance decision making, oversight and strategic direction. Foundational policies support these structures by guiding behaviour, expectations and operations.

2.5 Audit committee report continued

Insurance coverage

As it is increasingly challenging for companies with a large carbon footprint to obtain insurance coverage at competitive terms, this is a focal point for the committee. Exxaro has a separate captive insurance company registered in terms of the Insurance Act, 2017 (Act 18 of 2017) to manage short-term insurance arrangements, being Exxaro Insurance Company Limited.

A formal memorandum is submitted quarterly to the committee, setting out the main activities of the insurance company. The committee considered regulatory compliance, level of self-insurance, financial position, external audit plan for the 2024 audit, investment strategy, performance of investments, insurance renewal programme, and associated costs and exclusions during the period under review. In addition, the committee reviewed Exxaro's strategy regarding insurance coverage and self-insurance.

Key focus areas 2024/2025
Monitor the progress and implementation of the strategy concerning the deployment of new post-modern enterprise resource planning solutions to ensure acceptable cost, risk and alignment with the Exxaro strategy
Evaluate whether the company has incorporated digitisation and utilisation of advanced technologies, eg AI
Monitor the impact of utilization of generative AI in financial reporting and auditing
Review Exxaro's future strategy regarding insurance cover and self-insurance, considering global resistance to thermal coal and insurance markets
Monitor the impact of cyber security risks in the finance and internal control environment
Monitor talent challenges in the finance and internal audit functions as a result of the global war for talent

Confirmation

The committee is satisfied that it has discharged its responsibilities and fulfilled its mandate in accordance with its terms of reference, the Companies Act, the JSE Listings Requirements (paragraph 3.84(g) in particular) and King IV.

On behalf of the audit committee

Nondumiso Medupe
Audit committee chairperson

10 April 2025

2.6 Independent Auditor's Report

To the shareholders of Exxaro Resources Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of Exxaro Resources Limited (the group and company) set out on pages 26 to 167, which comprise:

- The group and company statements of financial position at 31 December 2024
- The group and company statements of comprehensive income for the year then ended
- The group and company statements of changes in equity for the year then ended
- The group and company statements of cash flows for the year then ended; and
- The notes to the group and company financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Exxaro Resources Limited at 31 December 2024, and its consolidated and separate financial performance and cash flows for the year then ended in accordance with IFRS® Accounting Standards and the requirements of the South African Companies Act.

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 are independent of the group and company in accordance with the *Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors* (IRBA Code) 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). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on *Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023* (EAR Rule), we report:

Final materiality

The scope of our audit was influenced by our application of materiality. We set quantitative thresholds and overlay qualitative considerations to help us determine the scope of our audit and the nature, timing and extent of our procedures, and in evaluating the effect of misstatements, both individually and in the aggregate, on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the consolidated and separate financial statements as a whole as follows:

	Consolidated financial statements	Separate financial statements
Final materiality	R650 million, which is 4.6% of Profit Before Tax (PBT).	R370 million, which is 4.2% of Profit Before Tax (PBT).
Rationale for benchmark and percentage applied	We chose PBT as it is an appropriate benchmark for an entity that is listed and profit orientated. Profitability is a key performance measure and metric for decision making, to the users of the financial statements. In respect of the consolidated financial statements, we adjusted PBT, for the tax effect of the post-tax share of income of equity-accounted investments. No adjustments were made to PBT for the separate financial statements. We applied 4.6% and 4.2% (consolidated and separate financial statements respectively) which is consistent with quantitative materiality thresholds used for profit-orientated companies in this sector and is further based on our professional judgement after consideration of qualitative factors that impact both the group and company.	

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.

We performed risk assessment procedures to determine which of the group's components are likely to include risks of material misstatement to the consolidated financial statements and which further audit procedures to perform at these components to address those risks. Our judgement included assessing the size of the components, nature of assets, liabilities and transactions within the components as well as specific risks.

In total, we identified 11 components. Of those, we identified 4 components at which further audit procedures were performed on the entire financial information of the component, either because audit evidence needed to be obtained on all or a significant proportion of the component's financial information, or that component represents a pervasive risk of material misstatement to the consolidated financial statements.

2.6 Independent Auditor's Report continued

Group audit scope continued

We also identified 7 components, at which further audit procedures were performed on one or more classes of transactions, account balances or disclosures based on the assessed risks of material misstatement to the consolidated financial statements.

Accordingly, we performed audit procedures on 11 components, of which we involved component auditors in performing the audit work on 9 components.

We also performed analytical procedures at an aggregated group level on the remaining financial information to re-examine our assessment that there is a less than reasonable possibility of a material misstatement in the remaining financial information.

Key audit matter

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 report in respect of the separate financial statements.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

Key audit matter	How the matter was addressed in our audit
Environmental rehabilitation provisions Refer to notes 13.1, 13.2 and 13.3 of the consolidated financial statements	
In determining the present value of the total environmental rehabilitation provisions, management apply significant judgement and assumptions relating to the: • Interpretation and understanding of the laws, regulations and associated legal obligations • Estimation of the undiscounted environmental rehabilitation costs (unscheduled restoration and decommissioning closure costs) which includes: • Determination of the plan or activity required to achieve the fulfilment of the legal and regulatory obligations • Quantification of the extent of disturbance and cost rate to rehabilitate • Expected date of cessation of mining activities (LoM). The group's estimates of the undiscounted environmental rehabilitation costs are based on significant judgements and assumptions made by management, which may not be reasonable or appropriate, resulting in an inaccurate or inappropriately valued provisions. Based on the above factors we have determined the environmental rehabilitation provisions to be a key audit matter in respect of the consolidated financial statements.	Our team included senior, experienced audit team members and our internal environmental rehabilitation provisions specialist team. The procedures we performed included the following: • We updated our understanding of management's processes, procedures and controls implemented by following the process from initiation to recording. • We identified and tested the design and implementation of relevant controls by determining if the process risk points were addressed by the designed control. • We obtained and confirmed our understanding of the methods, models, data and assumptions selected and applied by management (and management's environmental experts) to determine both the undiscounted environmental rehabilitation costs, as well as the present value of the obligation by performing analysis of the selection and application of methods, models, data and assumptions against industry practice, and our understanding of the entity and environmental rehabilitation provisions. • We evaluated the appropriateness of the accounting policies based on the requirements of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* (IAS 37), our understanding of the business and industry practice. • We evaluated the mathematical accuracy of management's models through analysis, recalculation and reasonability checks. • We evaluated the reasonableness of and challenged the selection and application of management's key assumptions and judgements, including: – the interpretation and understanding of the laws, regulations and associated legal obligations against the applicable laws and regulations, industry practice and our understanding of the entity; – the determination of the plan or activity required to achieve the fulfilment of the legal and regulatory obligations against the applicable laws and regulations, industry practice and our understanding of the entity;

2.6 Independent Auditor's Report continued

Key audit matter continued

Key audit matter	How the matter was addressed in our audit
Environmental rehabilitation provisions continued Refer to notes 13.1, 13.2 and 13.3 of the consolidated financial statements	
	– the quantification of the extent of disturbance and the cost rate to rehabilitate to determine the undiscounted environmental rehabilitation costs by assessing the reasonableness of those quantities, rates and specific adjustments as calculated in managements (and managements experts') models; – the expected date of the cessation of mining activities to determine the term of the valuation through analysis of managements expert's assessments and our understanding of the entity; and – the costs and present value of all of the associated water treatment provisions by assessing the reasonableness of those specific assumptions selected and applied. • We evaluated the completeness, accuracy, relevance and reliability of the data used in managements models through a combination of assessing the objectivity and competence of managements experts and internally designed verification procedures. • We evaluated the objectivity, knowledge, skills and ability of management's environmental experts by obtaining an understanding and evidence of their independence, professional qualifications, experience, affiliations and scope of work. • We recalculated the present value of the obligation using independently sourced discount rates and inflation rates, in order to assess the reasonability of the present value of the total environmental rehabilitation provisions. • We evaluated the appropriateness of accounting for the change in estimates recognised in profit or loss or allocated to the related decommissioning asset; and • We evaluated the appropriateness of the disclosures made as presented in consolidated financial statements against the requirements of IAS 37. Based on the procedures performed above in respect of the environmental rehabilitation provisions, we did not identify any significant matters requiring further consideration.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Exxaro Resources Limited Group and company annual financial statements for the year ended 31 December 2024", which includes the Report of the directors, the Audit committee report and the Certificate by the group company secretary as required by the Companies Act of South Africa. The other information does not include the consolidated and 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 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 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, 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.

2.6 Independent Auditor's Report continued

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 as issued by the International Accounting Standards Board (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 and 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 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/or 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 and 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

2.6 Independent Auditor's Report continued

Auditor's responsibilities for the audit of the consolidated and separate financial statements continued

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 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

In terms of the IRBA Rule published in Government Gazette No. 39475 dated 4 December 2015, we report that KPMG Inc. has been the auditor of Exxaro Resources Limited for three years.

KPMG Inc.

KPMG Inc.
Registered Auditor

Per SM Loonat
Chartered Accountant (SA)
Registered Auditor
Director

15 April 2025

3 Segmental reporting

3.1 Accounting policy relating to segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the reportable operating segments. The chief operating decision maker has been defined as the executive committees of the group. Segments reported are based on the group's different commodities and operations.

3.2 Significant judgements and assumptions made by management in applying the related accounting policy

In applying IFRS 8 *Operating Segments*, judgements have been made by management with regards to the identification of reportable segments of the group. The basis on which management identify the reportable segments is described further in note 3.3 and represents management's view of the operations.

3.3 Reportable segments

The segments, as described below, offer different goods and services, and are managed separately based on commodity, location and support function grouping. The group executive committees review internal management reports on these operating segments at least quarterly.

In line with reporting trends, emphasis is placed on controllable costs. Indirect corporate costs are reported on a gross level in the other reportable segment. The performance of the operating segments is assessed based on EBITDA, which is considered to be an appropriate performance measure of profitability for the group's business.

Management has presented the performance measure EBITDA because it monitors this performance measure at a consolidated level and it believes that this measure is relevant to an understanding of the group's financial performance.

EBITDA is not a defined performance measure in IFRS Accounting Standards. The group's definition of EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities.

Coal

The coal operations produce thermal coal, metallurgical coal and SSCC and are made up of the following reportable segments:

Commercial Waterberg: Comprising mainly of the Grootegeluk operation.

Commercial Mpumalanga: Comprising of the Belfast and Leeuwpan operations, as well as the 50% (2023: 50%) joint venture in Mafube with Thungela.

Tied: Comprising of the Matla mine supplying its entire coal supply to Eskom.

Other: Comprising of the other coal affiliated operations, including mines in closure and a 10.26% (2023: 10.26%) equity interest in RBCT.

Revenue and related cost items are allocated between the coal reportable segments and disclosed based on the origin of the initial coal production.

Energy

The energy operations generate electricity from renewable energy technology. The energy reportable segment comprises mainly of the Cennergi controlled operations and LSP which is in the construction phase.

Ferrous

The ferrous operations are made up of the following reportable segments:

Alloys: Comprising of the FerroAlloys operation which manufactures ferrosilicon.

Other: Comprising mainly of the 20.62% (2023: 20.62%) equity interest in SIOC.

Other

The other operations of the group are made up of the following reportable segments:

Base metals: Comprising of the 26% (2023: 26%) equity interest in Black Mountain.

Other: Comprising mainly of the corporate office (rendering corporate management services) and the Ferroland agricultural operation.

3.3 Reportable segments continued

The following tables present a summary of the group's segmental information:

		Coal				
		Commercial				
	Note	Waterberg Rm	Mpumalanga Rm	Tied Rm	Other Rm	Energy Rm
For the year ended 31 December 2024						
External revenue	6.1.2	22 563	9 893	6 659		1 411
Segmental net operating profit/(loss)		8 430	(368)	175	(315)	637
Add back:						
Depreciation and amortisation	6.1.3	1 669	604		14	394
Net losses on disposal of property, plant and equipment	6.1.3	17	10			
Losses on disposal of intangible assets	6.1.3					
EBITDA		10 116	246	175	(301)	1 031
Other key items:						
Raw materials and consumables	6.1.3	(2 162)	(2 868)	(574)	(2)	(1)
Staff costs	6.1.3	(2 897)	(426)	(2 172)	(414)	(76)
Royalties[1]	6.1.3	(1 096)	(85)	(33)	137	
Contract mining	6.1.3	(109)	(1 895)	(4)		
Repairs and maintenance	6.1.3	(1 958)	(343)	(1 021)	(7)	(9)
Railage and transport	6.1.3	(2 149)	(2 554)	(12)		
Movement in provisions	6.1.3	22	(277)	175	(132)	(1)
External finance income	12.1.2	16	5		36	64
External finance costs	12.1.2	(47)	(144)		(100)	(503)
Share of income/(loss) of equity-accounted investments	9.3		234		(7)	
Income tax (expense)/benefit	7.3	(2 171)	130	(54)	(89)	(92)
Cash generated by/(utilised in) operations	6.3.1	9 390	488	52	(712)	1 038
Capital spend on property, plant and equipment		(1 812)	(268)			(302)
At 31 December 2024						
Segmental assets and liabilities						
Deferred tax[2]	7.5					15
Equity-accounted investments	9.4		2 018		2 007	
External assets		32 229	5 684	1 683	3 005	9 334
Total assets		32 229	7 702	1 683	5 012	9 349
External liabilities		2 054	2 761	1 398	1 627	5 552
Deferred tax[2]	7.5	7 419	648	(66)	13	937
Total liabilities		9 473	3 409	1 332	1 640	6 489

1 *Calculated per legal entity.*
2 *Offset per legal entity and tax authority.*

	Ferrous		Other		
	Alloys Rm	Other ferrous Rm	Base metals Rm	Other Rm	Total Rm
For the year ended 31 December 2024					
External revenue	190			9	40 725
Segmental net operating profit/(loss)	(51)			(901)	7 607
Add back:					
Depreciation and amortisation	6			86	2 773
Net losses on disposal of property, plant and equipment					27
Losses on disposal of intangible assets				16	16
EBITDA	(45)			(799)	10 423
Other key items:					
Raw materials and consumables	(41)			(24)	(5 672)
Staff costs	(63)			(932)	(6 980)
Royalties[1]					(1 077)
Contract mining					(2 008)
Repairs and maintenance	(4)			(15)	(3 357)
Railage and transport	(1)			(3)	(4 719)
Movement in provisions				2	(211)
External finance income				1 665	1 786
External finance costs	(1)			(421)	(1 216)
Share of income/(loss) of equity-accounted investments		3 979	64		4 270
Income tax (expense)/benefit	16			(117)	(2 377)
Cash generated by/(utilised in) operations	28			148	10 432
Capital spend on property, plant and equipment	(1)			(65)	(2 448)
At 31 December 2024					
Segmental assets and liabilities					
Deferred tax[2]	25			157	197
Equity-accounted investments		14 329	2 242		20 596
External assets	215	25		21 748	73 923
Total assets	240	14 354	2 242	21 905	94 716
External liabilities	28			3 820	17 240
Deferred tax[2]				(25)	8 926
Total liabilities	28			3 795	26 166

[1] *Calculated per legal entity.*
[2] *Offset per legal entity and tax authority.*

3.3 Reportable segments continued

		Coal				
		Commercial				
	Note	Waterberg Rm	Mpumalanga Rm	Tied Rm	Other Rm	Energy Rm
For the year ended 31 December 2023						
External revenue	6.1.2	22 496	8 666	5 783		1 345
Segmental net operating profit/(loss)		10 173	399	173	(681)	630
Add back:						
Depreciation and amortisation	6.1.3	1 512	595	6	16	393
Net losses on disposal of property, plant and equipment	6.1.3	17	3			
EBITDA		11 702	997	179	(665)	1 023
Other key items:						
Raw materials and consumables	6.1.3	(2 002)	(2 755)	(497)	(2)	(1)
Staff costs	6.1.3	(2 740)	(395)	(1 737)	(253)	(68)
Royalties[1]	6.1.3	(1 188)	(108)	(13)	167	
Contract mining	6.1.3	(60)	(1 434)			
Repairs and maintenance	6.1.3	(1 677)	(282)	(975)	(1)	(9)
Railage and transport	6.1.3	(1 744)	(1 424)	(6)		
Movement in provisions	6.1.3	151	(80)	53	(195)	
External finance income	12.1.2	26	8		61	40
External finance costs	12.1.2	(66)	(97)		(79)	(515)
Share of income/(loss) of equity-accounted investments	9.3		508		(10)	
Income tax expense	7.3	(2 603)	(98)	(27)	(118)	(71)
Cash generated by/(utilised in) operations	6.3.1	11 758	89	148	(203)	1 031
Capital spend on property, plant and equipment		(2 217)	(201)		(15)	(244)
At 31 December 2023						
Segmental assets and liabilities						
Deferred tax[2]	7.5					14
Equity-accounted investments	9.4		1 922		2 014	
External assets		31 930	6 084	1 506	2 774	8 834
Total assets		31 930	8 006	1 506	4 788	8 848
External liabilities		2 590	2 451	1 600	779	5 121
Deferred tax[2]	7.5	7 335	856	(60)	2	903
Total liabilities		9 925	3 307	1 540	781	6 024

[1] *Calculated per legal entity.*
[2] *Offset per legal entity and tax authority.*

	Ferrous		Other		
	Alloys Rm	**Other ferrous Rm**	**Base metals Rm**	**Other Rm**	**Total Rm**
For the year ended 31 December 2023					
External revenue	398			10	38 698
Segmental net operating profit/(loss)	82			(149)	10 627
Add back:					
Depreciation and amortisation	1			192	2 715
Net losses on disposal of property, plant and equipment				37	57
EBITDA	83			80	13 399
Other key items:					
Raw materials and consumables	(58)			(17)	(5 332)
Staff costs	(69)			(829)	(6 091)
Royalties[1]					(1 142)
Contract mining					(1 494)
Repairs and maintenance	(6)			(19)	(2 969)
Railage and transport	(3)			(1)	(3 178)
Movement in provisions				1	(70)
External finance income				1 435	1 570
External finance costs	(1)			(494)	(1 252)
Share of income/(loss) of equity-accounted investments		6 157	332		6 987
Income tax expense	(18)			(296)	(3 231)
Cash generated by/(utilised in) operations	234			250	13 307
Capital spend on property, plant and equipment	(1)			(21)	(2 699)
At 31 December 2023					
Segmental assets and liabilities					
Deferred tax[2]	9			183	206
Equity-accounted investments		14 079	2 263		20 278
External assets	300	26		20 916	72 370
Total assets	309	14 105	2 263	21 099	92 854
External liabilities	40	3		4 860	17 444
Deferred tax[2]				(33)	9 003
Total liabilities	40	3		4 827	26 447

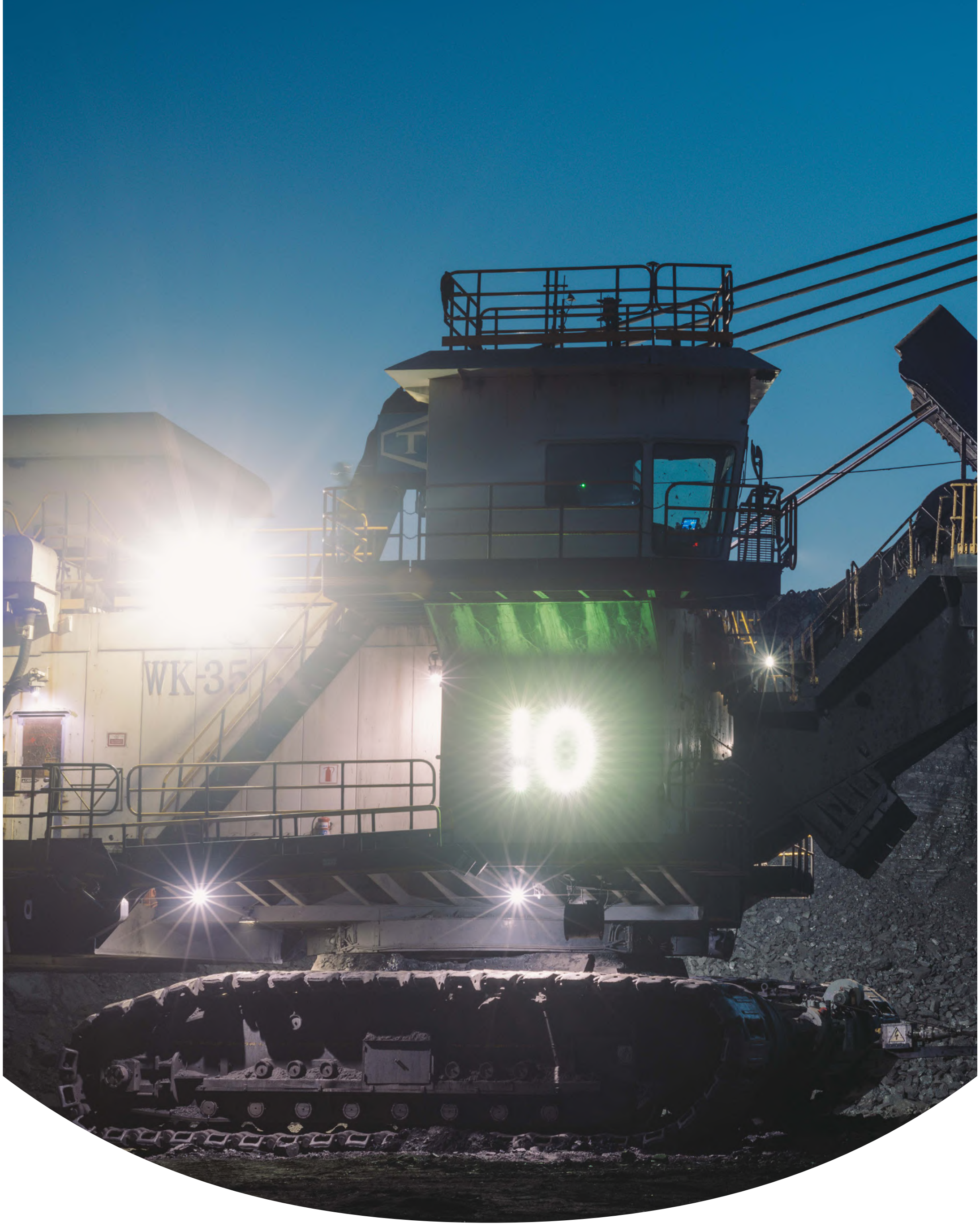
[1] *Calculated per legal entity.*
[2] *Offset per legal entity and tax authority.*

3.4 Geographic location of segment assets

Geographical areas	At 31 December 2024 Rm	2023 Rm
Country of domicile		
– RSA	61 211	61 197
Foreign countries		
– Europe		1
– Australia	125	133
Total carrying amount of non-current assets[1]	61 336	61 331

[1] *Excluding financial assets and deferred tax.*

The information per geographical area is not regularly provided to the chief operating decision maker, but included on an annual basis for purposes of additional information.



4 Financial statements

4.1 Group financial statements

4.1.1 Statement of comprehensive income

For the year ended 31 December	Note	2024 Rm	2023 Rm
Revenue	6.1.2	40 725	38 698
Operating expenses	6.1.3	(33 118)	(28 071)
Net operating profit		7 607	10 627
Finance income	12.1.2	1 786	1 570
Finance costs	12.1.2	(1 216)	(1 252)
Income from financial assets			2
Share of income of equity-accounted investments	9.3	4 270	6 987
Profit before tax		12 447	17 934
Income tax expense	7.3	(2 377)	(3 231)
Profit for the year		10 070	14 703
Other comprehensive (loss)/income, net of tax		(99)	200
Items that will not be reclassified to profit or loss		14	(29)
– Remeasurement of retirement employee obligations		6	
– Changes in fair value of equity investments at FVOCI		6	(31)
– Share of OCI of equity-accounted investments		2	2
Items that may subsequently be reclassified to profit or loss		(94)	244
– Unrealised exchange differences on translation of foreign operations		11	88
– Changes in fair value on cash flow hedges		(20)	(44)
– Changes in fair value on costs of hedging		(5)	(9)
– Share of OCI of equity-accounted investments		(80)	209
Items that have subsequently been reclassified to profit or loss		(19)	(15)
– Recycling of changes in fair value on cash flow hedges		(19)	(15)
Total comprehensive income for the year		9 971	14 903
Profit attributable to:			
Owners of the parent		7 724	11 292
Non-controlling interests		2 346	3 411
Profit for the year		10 070	14 703
Total comprehensive income attributable to:			
Owners of the parent		7 651	11 448
Non-controlling interests		2 320	3 455
Total comprehensive income for the year		9 971	14 903

	Note	cents	cents
Attributable earnings per share	5.2		
Basic		3 192	4 666
Diluted		3 192	4 666

The notes to the financial statements comprise of chapters 3 and 5 to 18 respectively.

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

4.1 Group financial statements continued

4.1.2 Statement of financial position

At 31 December	Note	2024 Rm	2023 Rm
Assets			
Non-current assets		66 799	66 153
Property, plant and equipment	10.1.3	37 292	37 226
Intangible assets	10.2.3	2 598	2 790
Right-of-use assets	11.3	281	308
Equity-accounted investments	9.4	20 596	20 278
Financial assets	10.3.2	5 266	4 616
Deferred tax	7.5	197	206
Other assets	10.4.1	569	729
Current assets		27 917	26 701
Inventories	6.2.2	2 427	2 270
Financial assets	10.3.2	159	210
Trade and other receivables	6.2.3	4 230	3 877
Cash and cash equivalents	6.2.5	20 630	19 859
Current tax receivables		15	3
Other assets	10.4.1	456	482
Total assets		94 716	92 854
Equity and liabilities			
Capital and other components of equity			
Share capital	12.2.2	983	983
Other components of equity		1 119	1 341
Retained earnings		51 885	49 923
Equity attributable to owners of the parent		53 987	52 247
Non-controlling interests	17.7.1	14 563	14 160
Total equity		68 550	66 407
Non-current liabilities		20 351	20 226
Interest-bearing borrowings	12.1.3	7 344	7 480
Lease liabilities	11.4	334	400
Other payables	6.2.4	40	42
Provisions	13.3	3 359	2 963
Retirement employee obligations	14.4	181	176
Financial liabilities	12.1.7	129	127
Deferred tax	7.5	8 926	9 003
Other liabilities	12.1.8	38	35
Current liabilities		5 815	6 221
Interest-bearing borrowings	12.1.3	876	1 443
Lease liabilities	11.4	96	51
Trade and other payables	6.2.4	3 351	3 356
Provisions	13.3	282	222
Financial liabilities	12.1.7	22	14
Current tax payables		214	348
Other liabilities	12.1.8	974	787
Total liabilities		26 166	26 447
Total equity and liabilities		94 716	92 854

4.1 Group financial statements continued

4.1.3 Statement of changes in equity

	Note	Share capital Rm	Other components of equity: Foreign currency translation Rm	Cash flow hedges Rm	Cost of hedging Rm	Equity-settled Rm
At 31 December 2022		983	1 126	19		450
Total comprehensive income/(loss)			232	(47)	(7)	
– Profit for the year						
– Other comprehensive income/(loss) for the year	7.7		232	(47)	(7)	
Transfer to property, plant and equipment (net of tax)[1]				1		
Transactions with owners						(516)
Contributions and distributions						(516)
– Dividends paid	5.6					
– Share-based payments movement[2]						(516)
At 31 December 2023		983	1 358	(27)	(7)	(66)
Total comprehensive income/(loss)			13	(93)	(4)	
– Profit for the year						
– Other comprehensive income/(loss) for the year	7.7		13	(93)	(4)	
Transfer to property, plant and equipment (net of tax)[1]				9	4	
Transactions with owners						(162)
Contributions and distributions						(162)
– Dividends paid	5.6					
– Share-based payments movement[3]						(162)
Changes in ownership interest						
– Recognition of NCI[4]						
At 31 December 2024		983	1 371	(111)	(7)	(228)

[1] *Hedging gains and losses and costs of hedging transferred to the cost of property, plant and equipment during the year.*
[2] *Relates to the net amount of the share-based payment expense of R208 million (2023: R212 million) as well as the deferred tax movement of R49 million (2023: R83 million) and the value of shares acquired in the market to settle vested share-based payment transactions of R321 million (2023: R645 million).*
[3] *Relates to the recognition of the NCI's share of Amakhala SPV's net asset value, amounting to R59 million, upon the exercise of its in-substance share option, amounting to R41 million.*

Foreign currency translation
Arises from the translation of financial statements of foreign operations within the group as well as the share of equity-accounted investments' foreign currency translation reserves.

Cash flow hedges
Comprises the group's cash flow hedge reserves relating to interest rate swaps and the spot rate component of FECs as well as the share of equity-accounted investments' hedging reserves.

Cost of hedging
Comprises the group's cost of hedging reserves which reflects gains or losses on the portion excluded from the designated hedging instrument that relates to the forward element of FECs. It is initially recognised in OCI and accounted for similarly to gains or losses in the hedge reserves.

Equity-settled
Represents the fair value, net of tax, of services received from employees and settled by equity instruments granted.

Retirement employee obligations
Comprises remeasurements, net of tax, on the retirement employee obligations as well as the share of equity-accounted investments' retirement employee obligations reserves.

Financial asset FVOCI revaluation
Comprises the fair value adjustments, net of tax, on the financial assets classified at FVOCI.

Retirement employee obligations Rm	Financial asset FVOCI revaluation Rm	Other Rm	Retained earnings Rm	Attributable to owners of the parent Rm	Non-controlling interests Rm	Total equity Rm
38	63	4	44 136	46 819	12 560	59 379
2	(24)		11 292	11 448	3 455	14 903
			11 292	11 292	3 411	14 703
2	(24)			156	44	200
				1		1
			(5 505)	(6 021)	(1 855)	(7 876)
			(5 505)	(6 021)	(1 855)	(7 876)
			(5 505)	(5 505)	(1 855)	(7 360)
				(516)		(516)
40	39	4	49 923	52 247	14 160	66 407
6	5		7 724	7 651	2 320	9 971
			7 724	7 724	2 346	10 070
6	5			(73)	(26)	(99)
				13		13
			(5 762)	(5 924)	(1 917)	(7 841)
			(5 744)	(5 906)	(1 935)	(7 841)
			(5 744)	(5 744)	(1 935)	(7 679)
				(162)		(162)
			(18)	(18)	18	
			(18)	(18)	18	
46	44	4	51 885	53 987	14 563	68 550

4.1 Group financial statements continued

4.1.4 Statement of cash flows

For the year ended 31 December	Note	2024 Rm	2023 Rm
Cash flows from operating activities		8 425	11 129
Cash generated by operations	6.3.1	10 432	13 307
Interest received	12.1.6	1 720	1 525
Interest paid	12.1.6	(1 095)	(1 100)
Tax (paid)/received	7.6	(2 632)	(2 603)
Cash flows from investing activities		1 084	2 045
Property, plant and equipment acquired		(2 448)	(2 699)
Intangible assets acquired		(27)	
Proceeds from disposal of property, plant and equipment			5
Cash received from financial assets at amortised cost		111	196
ESD loans granted		(130)	(171)
ESD loans settled		84	108
Intervention receivable granted		(33)	
Deferred consideration settled			56
Deposit facilities placed		(360)	(360)
Lease receivables settled		16	16
Contributions to environmental rehabilitation funds			(19)
Dividends received from equity-accounted investments	9.5	3 871	4 911
Dividends received from financial assets			2
Cash flows from financing activities		(8 742)	(8 228)
Interest-bearing borrowings raised	12.1.3	705	489
Interest-bearing borrowings repaid	12.1.3	(1 397)	(658)
Transaction costs paid on interest-bearing borrowings raised	12.1.3		(13)
Lease liabilities paid	11.4	(50)	(41)
Dividends paid to owners of the parent	5.6	(5 744)	(5 505)
Dividends paid to NCI BEE Parties	17.7.1	(1 893)	(1 831)
Dividends paid to NCI of Tsitsikamma SPV and Amakhala SPV	17.7.1	(42)	(24)
Shares acquired in the market to settle share-based payments		(321)	(645)
Net increase in cash and cash equivalents		767	4 946
Cash and cash equivalents at beginning of the year		19 859	14 812
Translation difference on movement in cash and cash equivalents		4	101
Cash and cash equivalents at end of the year	6.2.5	20 630	19 859

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

4.2 Company financial statements

4.2.1 Statement of comprehensive income

For the year ended 31 December	Note	2024 Rm	2023 Rm
Revenue	6.1.2	10 881	10 159
– Revenue from contracts with customers		1 634	1 543
– Dividend revenue		8 861	8 153
– Interest revenue		386	463
Operating expenses	6.1.3	(1 892)	(1 895)
Impairment charges of investments in subsidiaries	8.3		(32)
Finance income	12.1.2	1 502	1 313
Finance costs	12.1.2	(1 633)	(1 543)
Profit before tax		8 858	8 002
Income tax expense	7.3	(9)	(4)
Profit for the year		8 849	7 998
Total comprehensive income for the year		8 849	7 998

There were no components of OCI for the years ended 31 December 2024 and 31 December 2023.

4.2 Company financial statements continued

4.2.2 Statement of financial position

At 31 December	Note	2024 Rm	2023 Rm
Assets			
Non-current assets		11 670	12 644
Property, plant and equipment	10.1.3	94	36
Intangible assets	10.2.3	160	197
Right-of-use assets	11.3	203	249
Investments in subsidiaries	17.4	8 368	8 729
Financial assets	10.3.2	2 690	3 252
Deferred tax	7.5	154	180
Other assets	10.4.1	1	1
Current assets		19 026	19 322
Inventories	6.2.2	9	10
Financial assets	10.3.2	1 421	1 976
Trade and other receivables	6.2.3	237	150
Cash and cash equivalents	6.2.5	17 300	17 151
Current tax receivable		15	
Other assets	10.4.1	44	35
Total assets		30 696	31 966
Equity and liabilities			
Capital and other components of equity			
Share capital	12.2.2	11 227	11 227
Other components of equity		114	259
Retained earnings/(accumulated deficit)		540	(3)
Total equity		11 881	11 483
Non-current liabilities		2 808	3 334
Interest-bearing borrowings	12.1.3	2 499	2 945
Lease liabilities	11.4	256	336
Provisions	13.3	53	53
Current liabilities		16 007	17 149
Interest-bearing borrowings	12.1.3	498	1 153
Lease liabilities	11.4	86	47
Trade and other payables	6.2.4	216	223
Financial liabilities	12.1.7	15 028	15 606
Current tax payable			6
Other liabilities	12.1.8	179	114
Total liabilities		18 815	20 483
Total equity and liabilities		30 696	31 966

4.2 Company financial statements continued

4.2.3 Statement of changes in equity

	Note	Share capital Rm	Other components of equity Equity-settled Rm	Retained earnings/ (accumulated deficit) Rm	Total equity Rm
At 31 December 2022		11 227	743	(40)	11 930
Total comprehensive income				7 998	7 998
– Profit for the year				7 998	7 998
Transactions with owners			(484)	(7 961)	(8 445)
Contributions and distributions			(484)	(7 961)	(8 445)
– Share-based payments movement			(484)		(484)
– Dividends paid	5.6			(7 961)	(7 961)
At 31 December 2023		11 227	259	(3)	11 483
Total comprehensive income				8 849	8 849
- Profit for the year				8 849	8 849
Transactions with owners			(145)	(8 306)	(8 451)
Contributions and distributions			(145)	(8 306)	(8 451)
– Share-based payments movement			(145)		(145)
– Dividends paid	5.6			(8 306)	(8 306)
At 31 December 2024		11 227	114	540	11 881

4.2 Company financial statements continued

4.2.4 Statement of cash flows

For the year ended 31 December	Note	2024 Rm	2023 Rm
Cash flows from operating activities		9 158	11 951
Cash generated by operations	6.3.1	9 329	12 155
– Dividend revenue received		4 115	3 748
– Interest revenue received		386	463
– Other cash generated by operations		4 828	7 944
Interest received	12.1.6	1 502	1 315
Interest paid	12.1.6	(1 637)	(1 529)
Tax (paid)/received	7.6	(36)	10
Cash flows from investing activities		586	630
Property, plant and equipment acquired	10.1.3	(65)	(20)
Intangible assets acquired	10.2.3	(18)	
Proceeds from disposal of property, plant and equipment			2
ESD loans granted		(130)	(171)
ESD loans settled		84	108
Cash received from other financial assets at amortised cost		31	116
Deferred consideration settled			56
Increase in investment in subsidiaries		(328)	(554)
Non-interest-bearing loans to subsidiaries granted		(125)	
Non-interest-bearing loans to subsidiaries settled			601
Interest-bearing loans to subsidiaries granted			(647)
Interest-bearing loans to subsidiaries settled		1 137	1 139
Cash flows from financing activities		(9 625)	(8 850)
Interest-bearing borrowings repaid	12.1.3	(1 093)	(450)
Lease liabilities paid	11.4	(47)	(37)
Dividends paid	5.6	(8 306)	(7 961)
Shares acquired in the market to settle share-based payments		(179)	(402)
Net increase in cash and cash equivalents		119	3 731
Cash and cash equivalents at beginning of the year		17 151	13 366
Translation difference on movement in cash and cash equivalents		30	54
Cash and cash equivalents at end of the year	6.2.5	17 300	17 151

5 Earnings

5.1 Accounting policy relating to earnings

5.1.1 Dividend distributions

Dividends are recognised in the period in which the dividends are declared. These dividends are recorded and disclosed as dividends paid in the statement of changes in equity. Dividends proposed or declared subsequent to the year end are not recognised at the financial year end, but are disclosed in the notes to the annual financial statements as an event after reporting period.

All unclaimed dividends are held in trust until claimed by the relevant shareholder or the relevant shareholder's claim to such dividends prescribes. In total 75% of the unclaimed dividends which have prescribed are allocated to be utilised by Exxaro Aga Setshaba NPC (previously the Exxaro Chairman's Fund), while 25% of the unclaimed dividends are retained in the company to allow funding for any future dividend claims that the company might want to settle despite the prescription period having lapsed.

5.2 Attributable earnings per share

	Group	
For the year ended 31 December	**2024**	**2023**
Profit for the year attributable to owners of the parent (Rm)	7 724	11 292
Earnings per share (cents)		
Basic	3 192	4 666
Diluted	3 192	4 666
Weighted average number of ordinary shares in issue (million)		
Basic	242	242
Diluted	242	242

Exxaro did not issue any ordinary shares during 2024 and 2023. Refer note 12.2.

5.3 Reconciliation of headline earnings

	Group			
For the year ended 31 December 2024	**Gross Rm**	**Tax Rm**	**NCI Rm**	**Net Rm**
Profit attributable to owners of the parent				7 724
Adjusted for:	(756)	203	127	(426)
– IAS 16 Net losses on disposal of property, plant and equipment	27	(7)	(5)	15
– IAS 38 Losses on disposal of intangible assets	16	(4)	(3)	9
– IAS 28 Share of equity-accounted investments' separately identifiable remeasurements[1]	(799)	214	135	(450)
Headline earnings				7 298

[1] *Includes Exxaro's share of SIOC's impairment reversal recognised on mining assets, amounting to R458 million (net of tax and NCI). The impairment reversal was due to a life of mine extension based on revisions to the forecast production volume profile.*

	Group			
For the year ended 31 December 2023	**Gross Rm**	**Tax Rm**	**NCI Rm**	**Net Rm**
Profit attributable to owners of the parent				11 292
Adjusted for:	61	(15)	(11)	35
– IAS 16 Net losses on disposal of property, plant and equipment	57	(15)	(10)	32
– IAS 28 Share of equity-accounted investments' separately identifiable remeasurements	4		(1)	3
Headline earnings				11 327

5.4 Headline earnings per share

For the year ended 31 December	Note	Group 2024	Group 2023
Headline earnings (Rm)	5.3	7 298	11 327
HEPS (cents)			
Basic		3 016	4 681
Diluted		3 016	4 681
Weighted average number of ordinary shares in issue (million)			
Basic		242	242
Diluted		242	242

5.5 Dividend distributions

For the year ended 31 December	2024 cents	2023 cents
Dividend paid per share		
Final dividend	1 010	1 136
Special dividend	572	
Interim dividend	796	1 143
Total dividend paid per share	2 378	2 279

A final cash dividend, number 44, for 2024 of 866 cents per share, was approved by the board of directors on 11 March 2025. The dividend is payable on 12 May 2025 to shareholders who will be on the register on 9 May 2025. This final dividend, amounting to approximately R2 092 million (to external shareholders), has not been recognised as a liability in 2024. It will be recognised in shareholders' equity in the first half of the year ending 31 December 2025.

The final dividend, declared from income reserves, will be subject to a dividend withholding tax of 20% for all shareholders who are not exempt from or do not qualify for a reduced rate of dividend withholding tax. The net local dividend payable to shareholders, subject to dividend withholding tax at a rate of 20% amounts to 692.80000 cents per share.

The number of ordinary shares in issue at the date of this declaration is 349 305 092 (including treasury shares of 107 770 244).

Exxaro company's income tax reference number is 9218/098/14/4.

Salient dates relating to payment of the final dividend

Last day to trade cum dividend on the JSE	Tuesday, 6 May 2025
First trading day ex-dividend on the JSE	Wednesday, 7 May 2025
Record date	Friday, 9 May 2025
Payment date	Monday, 12 May 2025

No share certificate may be dematerialised or re-materialised between Wednesday, 7 May 2025 and Friday, 9 May 2025, both days inclusive. Dividends for certificated shareholders will be transferred electronically to their bank accounts on payment date. Shareholders who hold dematerialised shares will have their accounts at their central securities depository participant or broker credited on Monday, 12 May 2025.

5.6 Notes to the statements of cash flows relating to earnings

For the year ended 31 December	Group 2024 Rm	Group 2023 Rm	Company 2024 Rm	Company 2023 Rm
Dividends paid				
Final dividend	(2 439)	(2 744)	(3 528)	(3 968)
Special dividend	(1 382)		(1 998)	
Interim dividend	(1 923)	(2 761)	(2 780)	(3 993)
Total dividends paid for the financial year	(5 744)	(5 505)	(8 306)	(7 961)

The group dividends paid are different from the company dividends paid due to the dividends on treasury shares, which are eliminated on consolidation.

Total dividends paid in 2024 amounted to R5 744 million. This amount was made up of:
- A final dividend relating to the 2023 financial year of 1 010 cents per share, amounting to R2 439 million (to external shareholders), declared on 12 March 2024 and paid on 13 May 2024
- Given the net cash position at 31 December 2023, the board of directors declared a special dividend of 572 cents per share. The special dividend, amounting to R1 382 million (to external shareholders), was declared on 12 March 2024 and paid on 13 May 2024
- An interim dividend relating to the 2024 financial year of 796 cents per share, amounting to R1 923 million (to external shareholders), declared on 13 August 2024 and paid on 7 October 2024.

6 Operational performance and working capital

6.1 Operational performance

6.1.1 Accounting policies relating to operational performance

6.1.1.1 Revenue

For group, revenue is derived from contracts with customers for the supply of goods and rendering of services.

For company, as an investment holding and services company, revenue is derived from dividend income and interest income received from subsidiaries, associates and JVs (investment holdings), as well as from its revenue from contracts with customers for the rendering of services. In applying IAS 1 *Presentation of financial statements*, management concluded that the ordinary activities of the company do not include income from financial assets that do not relate to subsidiaries, associates and JVs, which are the company's primary investment holding activities. Instead, any income earned on other financial assets is considered incidental in nature.

Revenue from contracts with customers

Timing of recognition

Revenue is recognised when (or as) a performance obligation is satisfied by transferring a promised good or service to a customer. A promised good or service is transferred when (or as) the customer obtains control of that promised good or service.

Measurement on recognition

The amount of revenue recognised is the amount of the transaction price that is allocated to a satisfied performance obligation. The amount is determined on a gross basis when acting as a principal, or on a net basis when acting as an agent.

The total transaction price in a customer contract is allocated to the performance obligations identified in the contract based on their standalone selling prices. The standalone selling prices are determined based on listed prices at which those goods or services are sold in separate transactions. The customer contracts generally contain only one performance obligation and therefore the contract consideration generally reflects the standalone selling price of the performance obligation.

As a permitted practical expedient, no adjustment is made to the transaction price for the effects of the time value of money as the period of time between the delivery of goods or rendering of services and contract payment terms generally do not exceed 60 days, which is considered not to result in a significant financing component.

Nature of goods and services

Below is a summary of the different types of revenue depicting the standard terms and performance obligations for each type:

Revenue type	Performance obligation	Timing of when performance obligation is satisfied	Payment terms
Coal (domestic supply)	Delivery of coal at a contractually agreed-upon delivery point	On delivery (point in time)	Range: 0 to 60 days
Coal (FOB export supply)	Delivery of coal at a contractually agreed-upon delivery point	On delivery (point in time)	Range: 15 to 60 days
Renewable energy (electricity sales)	Delivery of electricity over time at a contractually agreed-upon metering point (output method)	As consumed and measured at the metering point (over time)	Within 60 days
Ferrosilicon	Delivery of ferrosilicon at a contractually agreed-upon delivery point	On delivery (point in time)	Range: 15 to 60 days
Biological goods	Delivery of biological goods at a contractually agreed-upon delivery point	On delivery (point in time)	Range: 15 to 60 days
Stock yard management services	Rendering of stock yard management services over time	As services are performed (over time)	Within 30 days
Project engineering services	Rendering of project engineering services over time	As services are performed (over time)	Within 30 days
Other mine management services	Rendering of other mine management services over time	As services are performed (over time)	Within 30 days
Transportation services	Rendering of freight or other transportation services over time (Including CFR basis for exports, if any, and special transportation arrangements for customers)	As services are performed (over time)	Range: 0 to 60 days
Corporate management services (company)	Rendering of corporate services over time	As services are performed (over time)	Within 30 days
Other services	Mainly rendering of storage services over time	As services are performed (over time)	Within 30 days

Dividend revenue

For company, dividend revenue from subsidiaries, associates and JVs is recognised when the right to receive payment is established.

Interest revenue

For company, interest revenue from subsidiaries is recognised as it accrues in profit or loss, using the effective interest rate method.

6.1 Operational performance continued

6.1.2 Revenue

Revenue is derived from contracts with customers. Revenue has been disaggregated based on timing of revenue recognition, major type of goods and services, major geographic area and major customer industries.

	Group							
	Coal					Ferrous	Other	
	Commercial							
For the year ended 31 December 2024	Waterberg Rm	Mpumalanga Rm	Tied Rm	Other Rm	Energy Rm	Alloys Rm	Other Rm	Total Rm
Segmental revenue reconciliation								
Segmental revenue[1]	22 563	9 893	6 659		1 411	190	9	40 725
Local sales allocated to selling entity[2]		(172)	172					
Export sales allocated to selling entity[3]	(4 427)	(8 427)		12 854				
Total revenue	18 136	1 294	6 831	12 854	1 411	190	9	40 725
By timing and major type of goods and services								
Revenue recognised at a point in time	18 136	1 294	5 716	12 854		187	7	38 194
Coal	18 136	1 294	5 716	12 854				38 000
Ferrosilicon						187		187
Biological goods							7	7
Revenue recognised over time			1 115		1 411	3	2	2 531
Renewable energy					1 411			1 411
Stock yard management services			243					243
Project engineering services			872					872
Transportation services						1		1
Other services						2	2	4
Total revenue	18 136	1 294	6 831	12 854	1 411	190	9	40 725
By major geographic area of customer[4]								
Domestic	18 136	1 294	6 831		1 411	190	9	27 871
Export				12 854				12 854
Europe[5]				4 743				4 743
Asia[6]				7 156				7 156
Other				955				955
Total revenue	18 136	1 294	6 831	12 854	1 411	190	9	40 725
By major customer industries								
Public utilities	15 842		6 831	262	1 411			24 346
Merchants	267	675		11 936				12 878
Steel	1 153	149						1 302
Mining	132	240				133		505
Manufacturing	224					55		279
Food and beverage	175						1	176
Cement	258	101		354				713
Chemicals		109						109
Other	85	20		302		2	8	417
Total revenue	18 136	1 294	6 831	12 854	1 411	190	9	40 725

[1] *Coal segmental revenue is based on the origin of coal production.*
[2] *Relates to product sold to tied mine customer.*
[3] *Relates to product sold by export distribution entity.*
[4] *Determined based on the customer supplied by Exxaro.*
[5] *Relates mainly to Switzerland.*
[6] *Relates mainly to Singapore.*

6.1 Operational performance continued

6.1.2 Revenue continued

	Group							
	Coal					Ferrous	Other	
	Commercial							
For the year ended 31 December 2023	Waterberg Rm	Mpumalanga Rm	Tied Rm	Other Rm	Energy Rm	Alloys Rm	Other Rm	Total Rm
Segmental revenue reconciliation								
Segmental revenue[1]	22 496	8 666	5 783		1 345	398	10	38 698
Export sales allocated to selling entity[2]	(4 538)	(6 539)		11 077				
Total revenue	17 958	2 127	5 783	11 077	1 345	398	10	38 698
By timing and major type of goods and services								
Revenue recognised at a point in time	17 958	2 127	4 729	11 077		392	9	36 292
Coal	17 958	2 127	4 729	11 077				35 891
Ferrosilicon						392		392
Biological goods							9	9
Revenue recognised over time			1 054		1 345	6	1	2 406
Renewable energy					1 345			1 345
Stock yard management services			159					159
Project engineering services			895					895
Transportation services						2		2
Other services						4	1	5
Total revenue	17 958	2 127	5 783	11 077	1 345	398	10	38 698
By major geographic area of customer[3]								
Domestic	17 958	2 127	5 783		1 345	398	8	27 619
Export				11 077			2	11 079
Europe[4]				5 522			1	5 523
Asia[5]				4 600			1	4 601
Other				955				955
Total revenue	17 958	2 127	5 783	11 077	1 345	398	10	38 698
By major customer industries								
Public utilities	14 963		5 783	511	1 345			22 602
Merchants	370	1 230		9 826		2		11 428
Steel	1 462	152						1 614
Mining	250	23				351		624
Manufacturing	357					45		402
Food and beverage	233						2	235
Cement	262	70		314				646
Chemicals		646						646
Other	61	6		426			8	501
Total revenue	17 958	2 127	5 783	11 077	1 345	398	10	38 698

[1] *Coal segmental revenue is based on the origin of coal production.*
[2] *Relates to product sold by export distribution entity.*
[3] *Determined based on the customer supplied by Exxaro.*
[4] *Relates mainly to Switzerland and Germany.*
[5] *Relates mainly to Singapore and Japan.*

The group derives revenue from an external customer which accounts for at least 10% or more of the group's revenues, being 59% or R24 085 million (2023: 57% or R22 092 million).

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

6.1 Operational performance continued

6.1.2 Revenue continued

The company derives the following revenue from its ordinary activities as an investment holding company and services company:

		Company	
For the year ended 31 December	**Note**	**2024 Rm**	**2023 Rm**
Revenue from contracts with customers		1 634	1 543
Rendering of services over time: Corporate management services rendered to subsidiaries	17.3.1	1 634	1 543
Dividend revenue		8 861	8 153
Associates[1]		3 741	3 386
Subsidiaries	17.3.1	5 120	4 767
Interest revenue		386	463
Subsidiaries	17.3.1	386	463
– Interest-bearing back-to-back loans receivable		377	443
– Interest-bearing acquisition loans receivable		1	4
– Interest-bearing treasury facilities receivable		8	16
Total revenue		10 881	10 159

[1] *Dividends received from SIOC.*

6.1 Operational performance continued

6.1.3 Operating expenses

For the year ended 31 December	Note	Group 2024 Rm	Group 2023 Rm	Company 2024 Rm	Company 2023 Rm
Cost by nature					
Operational expense items					
Raw materials and consumables		5 672	5 332	19	11
Depreciation and amortisation		2 773	2 715	97	199
Write-down of inventories to net realisable value		141			
Movements in inventories		(160)	140		7
Staff costs		6 980	6 091	905	804
Other employee-related costs		305	239	100	70
Contract mining		2 008	1 494		
Repairs and maintenance		3 357	2 969	13	16
Railage and transport		4 719	3 178	3	1
Insurance		179	(138)	4	3
Exploration expenditure		12	8		
Royalties		1 077	1 142		
Water		93	79		
Energy		1 113	1 027	8	11
Information management costs		682	690	160	147
Legal and professional fees		398	487	168	97
Movement in provisions	13.3	211	70	(3)	(1)
Movement in retirement employee obligations	14.4	13	11		
Travel and subsistence		139	94	31	23
Security and office cleaning services		138	111	3	4
Licenses		7	6		
Stock yard management services		243	159		
Project engineering services		872	895		
Financial gains and losses					
Currency exchange differences		(97)	(124)	(3)	(5)
ECL's on financial assets at amortised cost		153	21	141	328
Write-off of trade and other receivables	6.2.3.1	13	4		
Write-off of ESD loans		5	2	5	2
Fair value gains recognised on financial instruments at FVPL		(602)	(588)	(4)	(3)
Hedge ineffectiveness on interest rate swap cash flow hedges		12	18		
General items and expenses					
Write-off of other current assets			32		5
Net losses on disposal of property, plant and equipment		27	57		36
Losses on disposal of intangible assets		16		16	
Movement in indemnification asset			5		
Expenses relating to short-term leases		451	567	2	1
Expenses relating to variable leases		254	75		
Operating lease income		(36)	(36)	(8)	(7)
(Gain)/loss on termination or modification of lease	11.3	(2)			2
Research and development costs		2	2		
Own work capitalised[1]		(268)	(434)		
General charges		2 218	1 671	235	144
Total operating expenses		33 118	28 071	1 892	1 895

[1] *Relates to operating expenses incurred that are capitalised to projects where qualifying criteria are met.*

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

6.1 Operational performance continued

6.1.3 Operating expenses continued

The following operating expense items have been further disaggregated:

For the year ended 31 December	Note	Group 2024 Rm	Group 2023 Rm	Company 2024 Rm	Company 2023 Rm
Staff costs		6 980	6 091	905	804
– Salaries and wages		6 160	5 312	748	629
– Share-based payment expense		208	212	108	129
– Termination benefits		23	23	4	4
– Pension and medical costs		589	544	45	42
Consultancy fees[1]		242	284	103	64
Auditor's remuneration[1]		33	33	18	14
– Audit fees		31	30	16	11
– Other services		2	3	2	3
Depreciation and amortisation		2 773	2 715	97	199
– Depreciation of property, plant and equipment	10.1.3	2 512	2 483	6	137
– Depreciation of right-of-use assets	11.3	58	57	52	52
– Amortisation of intangible assets	10.2.3	203	175	39	10
Fair value gains recognised on financial instruments at FVPL		(602)	(588)	(4)	(3)
– Derivative financial instruments		(257)	(278)		
– Debt investments: environmental rehabilitation funds		(222)	(216)	(4)	(3)
– Debt investments: portfolio investments		(11)	(4)		
– Debt investments: deposit facilities		(112)	(90)		
Currency exchange differences		(97)	(124)	(3)	(5)
– Net realised gains		(13)	(78)	(6)	(21)
– Net unrealised (gains)/losses		(84)	(46)	3	16

[1] *Disclosed as part of legal and professional fees.*

6.1 Operational performance continued

6.1.3 Operating expenses continued

For the year ended 31 December	Note	Group 2024 Rm	Group 2023 Rm	Company 2024 Rm	Company 2023 Rm
ECLs on financial assets at amortised cost (impairment losses/(reversal of impairment losses)):		153	21	141	328
Non-current					
Other financial assets at amortised cost	10.3.3		(3)		
– Performing			(3)		
ESD Loans	10.3.3	13	44	13	44
– Performing		(1)		(1)	
– Non-performing		14	44	14	44
Lease receivables		(1)			
– Performing		(1)			
Vendor finance loan	10.3.3	1		1	
– Under-performing		1		1	
Current					
Trade and other receivables	6.2.3.1	96	(45)	3	(1)
Trade receivables		95	(5)		
– Performing		(8)	(6)		
– Non-performing		103	1		
Other receivables		1	(40)	2	
– Non-performing		1	(40)	2	
Indebtedness by subsidiaries	6.2.3.1			1	(1)
– Performing				1	(1)
Non-interest bearing loans to subsidiaries	10.3.3			(1)	(5)
– Performing				(1)	(9)
– Non-performing					4
Other financial assets at amortised cost	10.3.3	(2)	(2)		(2)
– Performing		(2)	(2)		(2)
ESD loans	10.3.3	46	28	46	28
– Performing			(1)		(1)
– Non-performing		46	29	46	29
Vendor finance loan	10.3.3		(1)		(1)
– Performing		(1)	(1)	(1)	(1)
– Under-performing		1		1	
Treasury facilities with subsidiaries	10.3.3			79	265
– Performing					(2)
– Non-performing				79	267

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

6.2 Working capital

6.2.1 Accounting policies relating to working capital

Inventories

Inventories are stated at the lower of cost (determined on the weighted average basis) and net realisable value.

The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and fixed production overheads, but excludes interest charges. Fixed production overheads are allocated on the basis of normal capacity.

Net realisable value represents the estimated selling price in the ordinary course of business less applicable selling expenses. Write-downs to net realisable value and inventory losses are expensed in the period in which the write-downs or losses occur.

Trade receivables

Trade receivables are amounts due from customers for the sale of goods and services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Refer note 16.1 for further accounting policies relating to financial assets at amortised cost.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and bank balances (current, cash management and call accounts) as well as cash equivalents, being short-term highly liquid notice or fixed deposits and money market funds, with a maturity of three months or less, that are readily convertible to a known amount of cash and which are subject to an insignificant risk of change in value.

For purposes of presentation in the statement of cash flows, cash and cash equivalents includes bank overdrafts which are repayable on demand and are used for cash management purposes.

6.2.2 Inventories

	Group		Company	
At 31 December	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Finished products[1]	1 467	1 480		
Work-in-progress[2]	62	12		
Raw materials	4	2		
Plant spares and stores	887	768	9	10
Merchandise[3]	7	8		
Total inventories	2 427	2 270	9	10
[1] *Includes inventory carried at net realisable value amounting to:*	*182*			
[2] *Includes inventory carried at net realisable value amounting to:*	*50*			

[3] *Included in merchandise are biological assets classified as inventories.*

No inventories were pledged as security for liabilities in 2024 nor 2023.

6.2.3 Trade and other receivables

		Group		Company	
At 31 December	Note	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Trade receivables		4 098	3 829		
– Gross		4 214	3 850		
– Impairment allowances		(116)	(21)		
Other receivables		132	48	15	10
– Gross		140	55	18	11
– Impairment allowances		(8)	(7)	(3)	(1)
Indebtedness by subsidiaries	17.5			222	140
– Gross				223	140
– Impairment allowances				(1)	
Total trade and other receivables		4 230	3 877	237	150

6.2 Working capital continued

6.2.3 Trade and other receivables continued

6.2.3.1 Impairment allowances and write-offs

Trade and other receivables are stated after the following allowances for impairment:

At 31 December	Note	Group 2024 Rm	Group 2023 Rm	Company 2024 Rm	Company 2023 Rm
Trade receivables					
Opening balance		(21)	(26)		
– Performing		(20)	(26)		
– Non-performing		(1)			
Movement in impairment allowances	6.1.3	(95)	5		
– Performing		8	6		
– Non-performing		(103)	(1)		
At end of the year		(116)	(21)		
– Performing		(12)	(20)		
– Non-performing		(104)	(1)		
Other receivables					
Opening balance		(7)	(47)	(1)	(1)
– Non-performing		(7)	(47)	(1)	(1)
Movement in impairment allowances	6.1.3	(1)	40	(2)	
– Non-performing		(1)	40	(2)	
At end of the year		(8)	(7)	(3)	(1)
– Non-performing		(8)	(7)	(3)	(1)
Indebtedness by subsidiaries					
Opening balance					(1)
– Performing					(1)
Movement in impairment allowances	6.1.3			(1)	1
– Performing				(1)	1
At end of the year				(1)	
– Performing				(1)	

Trade and other receivables are stated after the following write-offs recognised in profit or loss:

For the year ended 31 December	Note	Group 2024 Rm	Group 2023 Rm
Trade receivables		(13)	
Other receivables			(4)
Total write-off of trade and other receivables	6.1.3	(13)	(4)

For a detailed age analysis of the trade and other receivables refer to note 16.3.3.4.2.

Chapter 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19

6.2 Working capital continued

6.2.4 Trade and other payables

	Group		Company	
At 31 December	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Non-current				
Other payables – retention creditors	40	42		
Total non-current other payables	40	42		
Current				
Trade payables	1 841	1 893	82	95
Other payables	1 510	1 463	134	128
– Retention creditors	179	189	7	
– Accruals and other creditors	1 331	1 274	127	128
Total current trade and other payables	3 351	3 356	216	223
Total trade and other payables	3 391	3 398	216	223

6.2.5 Cash and cash equivalents

	Group		Company	
At 31 December	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Cash on hand and bank balances	9 496	10 672	7 748	9 375
Deposits	6 807	6 366	5 225	4 955
Money market funds	4 327	2 821	4 327	2 821
Cash and cash equivalents	20 630	19 859	17 300	17 151
Included in cash and cash equivalents are amounts subject to the following restrictions by the project financing lenders:	97			
– Cash held for debt service	17			
– Cash held for equipment maintenance reserving	46			
– Cash restricted until debt service fully repaid in 2031	34			

Refer note 16.3.3.2.2 for details of cash and cash equivalents designated as held in a hedging relationship.

6.3 Notes to the statements of cash flows relating to operational performance and working capital

6.3.1 Cash generated by operations

		Group	
For the year ended 31 December	**Note**	**2024 Rm**	**2023 Rm**
Profit before tax		12 447	17 934
Adjusted for:			
Finance income		(1 786)	(1 570)
Finance costs		1 216	1 252
Dividend income from financial assets			(2)
Share of income of equity-accounted investments		(4 270)	(6 987)
Net operating profit		7 607	10 627
Non-cash movements:			
Depreciation and amortisation	6.1.3	2 773	2 715
ECLs on financial assets at amortised costs	6.1.3	153	21
Write-off of trade and other receivables	6.1.3	13	4
Write-off of ESD loans	6.1.3	5	2
Write-off of other current assets	6.1.3		32
Movement in provisions	6.1.3	211	70
Movement in retirement employee obligations	6.1.3	13	11
Net unrealised currency exchange differences	6.1.3	(84)	(46)
Fair value adjustments on financial instruments		(303)	(284)
Write-down of inventories to net realisable value	6.1.3	141	
Gain on modification of lease	6.1.3	(2)	
Net losses on disposal of property, plant and equipment	6.1.3	27	57
Losses on disposal of intangible assets	6.1.3	16	
Indemnification asset movement	6.1.3		5
Share-based payment expense	6.1.3	208	212
Hedge ineffectiveness on interest rate swap cash flow hedges	6.1.3	12	18
Translation of foreign currency items		(14)	(85)
Amortisation of transaction costs prepaid		4	4
Non-cash recoveries		163	23
Non-cash deposit facilities			(373)
Non-cash management fees		45	53
Other non-cash movements		(6)	8
Cash generated by operations before working capital movements		10 982	13 074
Working capital movements			
Increase in inventories		(268)	(212)
(Increase)/decrease in trade and other receivables		(420)	449
Increase in trade and other payables		240	68
Utilisation of provisions	13.3	(102)	(72)
Cash generated by operations		10 432	13 307

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

6.3 Notes to the statements of cash flows relating to operational performance and working capital continued

6.3.1 Cash generated by operations continued

		Company	
For the year ended 31 December	Note	2024 Rm	2023 Rm
Profit before tax		8 858	8 002
Adjusted for:			
Items separately presented:			
Finance income	12.1.2	(1 502)	(1 313)
Finance costs	12.1.2	1 633	1 543
Non-cash movements:			
Dividend revenue from subsidiaries (in specie)		(4 746)	(4 405)
Depreciation and amortisation	6.1.3	97	199
Interest income accrued not yet received			(2)
Impairment charges of investments in subsidiaries	8.3		32
Write-off of other current assets			5
ECLs on financial assets at amortised costs	6.1.3	141	328
Write-off of ESD loans	6.1.3	5	2
Movement in provisions	6.1.3	(3)	(1)
Net unrealised currency exchange differences	6.1.3	3	16
Fair value adjustments on financial instruments	6.1.3	(4)	(3)
Net losses on disposal of property, plant and equipment	6.1.3		36
Losses on disposal of intangible assets	6.1.3	16	
Share-based payment expense	6.1.3	108	129
Amortisation of transaction costs prepaid		4	4
Cash generated by operations before working capital movements		4 610	4 572
Working capital movements			
Decrease/(increase) in inventories		1	(3)
(Increase)/decrease in trade and other receivables		(100)	110
(Increase)/decrease in treasury facilities with subsidiaries at amortised cost (receivable)		(18)	163
Increase/(decrease) in trade and other payables		55	(75)
(Decrease)/increase in non-interest bearing loans from subsidiaries		(3)	685
Increase in treasury facilities with subsidiaries at amortised cost (payable)		4 786	6 703
Utilisation of provisions	13.3	(2)	
Cash generated by operations		9 329	12 155

7 Taxation

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

7.1 Accounting policies relating to taxation

7.1.1 Income tax expense

Income tax expense or benefit comprises the sum of current and deferred tax.

The current tax payable or receivable is based on taxable profit for the year. Taxable profit or loss differs from profit or loss as reported in the statement of comprehensive income as it excludes items of income or expense that are taxable or deductible in other years in the determination of taxable profit or loss (temporary differences). It further excludes items that are never taxable nor deductible (non-temporary differences). The group's liability for tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

7.1.2 Deferred tax

Deferred tax is provided using the balance sheet method on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for tax purposes.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated using tax rates that have been substantively enacted at the reporting date. The effect on deferred tax of any changes in taxation rates is charged to the statement of comprehensive income, except to the extent that it relates to items previously charged directly to equity.

Deferred tax assets and liabilities are set off when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends and has the ability to settle its current tax assets and liabilities on a net basis.

7.1.3 International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12 *Income Taxes*)

The group is within the scope of the Organisation for Economic Co-operation Development (OECD) Pillar Two Model Rules being a multi-national enterprise with consolidated revenue in excess of €750 million. These rules became effective on 1 January 2024. The group has determined that the global minimum top-up tax (GMTT), which is required to be paid under the Global minimum tax (GMT) legislation in terms of the Pillar Two Model Rules, is an income tax in the scope of IAS 12. The group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred as provided for in the amendments to IAS 12, issued in May 2023. Under GMT legislation, the group will be liable to pay a top-up tax for the difference between its Global Anti-Base Erosion (GloBE) effective tax rate per jurisdiction and the 15% minimum rate.

7.2 Significant judgements and assumptions made by management in applying the related accounting policies

Deferred tax assets are recognised only to the extent that it is probable that the deductible temporary differences can be realised from the utilisation of future taxable profits or to the extent of expected probable future transactions which may result in capital gains. This requires management to make assumptions, on a subsidiary-by-subsidiary level, of future taxable profits or expected capital gains in determining the deferred tax asset to be raised.

7.3 Income tax expense

	Group		Company	
For the year ended 31 December	2024 Rm	2023 Rm	2024 Rm	2023 Rm
South African normal tax				
Current	(2 445)	(2 840)	(15)	(1)
– Current year	(2 461)	(2 637)	(40)	
– Prior year	16	(203)	25	(1)
Deferred	109	(333)	6	(3)
– Current year	119	(331)	5	(3)
– Prior year	(10)	(2)	1	
Foreign normal tax				
Current	(32)	(28)		
– Current year	(32)	(28)		
Global minimum top-up tax	(8)			
Dividend withholding tax	(1)	(30)		
Non-resident		(29)		
Resident	(1)	(1)		
Total income tax expense through profit or loss	(2 377)	(3 231)	(9)	(4)

7.4 Reconciliation of tax rates

For the year ended 31 December	Group 2024 Rm	Group 2023 Rm	Company 2024 Rm	Company 2023 Rm
Tax as a percentage of profit before tax	19.1	18.0	0.1	0.1
Tax effect of:				
Net capital losses		(0.1)		(0.1)
Impairments charges				(0.1)
ECLs on financial assets at amortised cost[1]	(0.2)	(0.1)	(0.4)	(1.2)
Expenses not deductible for tax purposes[2]	(1.5)	(0.4)	(0.1)	
Other deductible tax adjustments[3]	0.6	1.3	0.1	0.8
Exempt income[4]	0.1	0.1	27.0	27.5
Post-tax equity-accounted income	9.3	10.5		
Prior year tax adjustments	(0.1)	(1.1)	0.3	
Deferred tax assets not recognised	(0.2)	(0.8)		
Re-instatement of deferred tax assets previously not recognised	0.3			
Remeasurements of foreign normal tax	0.3	0.2		
Dividend withholding tax		(0.2)		
Global minimum top-up tax	(0.1)			
Imputed income from controlled foreign companies and investments	(0.6)	(0.4)		
Standard tax rate	27.0	27.0	27.0	27.0
Effective tax rate, excluding income from equity-accounted investments	29.1	29.5		

	Group 2024	Group 2023	Company 2024	Company 2023
[1] *Relates to ECLs on loans which do not qualify for doubtful debt allowances (section 11(j)).*				
[2] *Expenses not deductible for tax purposes:*	*(1.5)*	*(0.4)*	*(0.1)*	
– Consulting, legal and other professional fees	*(0.1)*	*(0.2)*	*(0.1)*	
– Penalties and interest on taxes	*(0.2)*			
– Distribution to beneficiaries of Exxaro ESOP Trust and expenditure incurred by Exxaro Aga Setshaba NPC (tax exempt institutions)	*(0.5)*	*(0.2)*		
– Expenses incurred relating to non-trading entities	*(0.3)*			
– Other	*(0.4)*			
[3] *Other deductible tax adjustments:*	*0.6*	*1.3*	*0.1*	*0.8*
– Share-based payments	*0.3*	*0.6*	*0.2*	*0.9*
– Foreign tax credit	*0.3*	*0.2*		
– Other		*0.5*	*(0.1)*	*(0.1)*
[4] *Mainly relates to dividend income received.*				

7.5 Deferred tax

At 31 December	Group 2024 Rm	Group 2023 Rm	Company 2024 Rm	Company 2023 Rm
The movements on deferred tax are as follows:				
At beginning of the year	(8 797)	(8 414)	180	234
Items charged to profit or loss	109	(333)	6	(3)
– Current year	119	(331)	5	(3)
– Prior year	(10)	(2)	1	
Items charged directly to equity	(53)	(84)	(32)	(51)
– Share-based payments movement	(49)	(83)	(32)	(51)
– Cash flow hedges	(3)	(1)		
– Cost of hedging	(1)			
Items charged directly to other comprehensive income	12	34		
– Cash flow hedges	14	22		
– Cost of hedging	2	3		
– Financial assets at FVOCI	(2)	9		
– Retirement employee obligations	(2)			
At end of the year	(8 729)	(8 797)	154	180
– Deferred tax asset	197	206	154	180
– Deferred tax liability	(8 926)	(9 003)		

7.5 Deferred tax continued

	At 31 December 2023		
	Assets Rm	Liabilities Rm	Total net liability Rm
Property, plant and equipment	(11)	(9 365)	(9 376)
Customer contracts		(559)	(559)
Right-of-use assets	(63)	(14)	(77)
Share-based payments	104	70	174
Other accruals and provisions	61	(72)	(11)
Bad debt reassessment		6	6
Restoration provisions	205	571	776
Decommissioning provisions	1	68	69
Leave pay accrual	9	59	68
Retention payables		25	25
Prepayments	(3)	(61)	(64)
Environmental rehabilitation funds	(12)	(662)	(674)
Income received in advance		9	9
Inventories	3	38	41
Lease receivables		(11)	(11)
Local tax losses carried forward	166	897	1 063
Revaluation of financial assets at FVOCI		(104)	(104)
Retirement employee obligations		48	48
Deferred tax assets not recognised or derecognised	(375)	(87)	(462)
Unclaimed donations		22	22
Lease liabilities	105	16	121
Cash flow hedge reserves	9	26	35
Cost of hedging reserve	3		3
Contributions to Exxaro ESOP Trust	4	77	81
Portfolio investments			
Total	206	(9 003)	(8 797)

Chapter 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19

	Group					
	Movement during the year			At 31 December 2024		
	Recognised in profit or loss Rm	Recognised in OCI Rm	Recognised directly in equity Rm	Assets Rm	Liabilities Rm	Total net liability Rm
Property, plant and equipment	54			(3)	(9 319)	(9 322)
Customer contracts	44				(515)	(515)
Right-of-use assets	3			(55)	(19)	(74)
Share-based payments	9		(49)	72	62	134
Other accruals and provisions	83			47	25	72
Bad debt reassessment	19				25	25
Restoration provisions	(124)			14	638	652
Decommissioning provisions	27			1	95	96
Leave pay accrual	6			9	65	74
Retention payables				1	24	25
Prepayments	(2)			(2)	(64)	(66)
Environmental rehabilitation funds	(64)			(11)	(727)	(738)
Income received in advance	9				18	18
Inventories	3			2	42	44
Lease receivables	3				(8)	(8)
Local tax losses carried forward	(232)			88	743	831
Revaluation of financial assets at FVOCI		(2)			(106)	(106)
Retirement employee obligations	3	(2)			49	49
Deferred tax assets not recognised or derecognised	321			(77)	(64)	(141)
Unclaimed donations	(19)				3	3
Lease liabilities	(5)			95	21	116
Cash flow hedge reserves	(13)	14	(3)	9	24	33
Cost of hedging reserve		2	(1)	4		4
Contributions to Exxaro ESOP Trust	(14)			3	64	67
Portfolio investments	(2)				(2)	(2)
Total	109	12	(53)	197	(8 926)	(8 729)

7.5 Deferred tax continued

	Company			
	At 31 December 2023	Movement during the year		At 31 December 2024
	Total asset Rm	Recognised in profit or loss Rm	Recognised directly in equity Rm	Total asset[1] Rm
Property, plant and equipment	(14)	8		(6)
Right-of-use assets	(67)	12		(55)
Share-based payments	104		(32)	72
Other accruals and provisions	21	16		37
Bad debt reassessment		1		1
Restoration provisions	14			14
Leave pay accrual	7	1		8
Retention payables		1		1
Environmental rehabilitation funds	(10)	(1)		(11)
Prepayments	(2)	1		(1)
Lease liabilities	103	(11)		92
Calculated losses	21	(21)		
Contributions to Exxaro ESOP Trust	3	(1)		2
Total	180	6	(32)	154

[1] *The deferred tax asset recognised for the company is supported by sufficient forecast profits to be utilised. The forecast profits are based on agreements in place with commodity businesses within Exxaro.*

Tax on calculated assessable losses

	Group	
At 31 December	2024 Rm	2023 Rm
Deferred tax assets not recognised, relating to:		
Local accumulated tax losses	(140)	(237)
Current year tax losses calculated	(30)	(42)

At 31 December 2024, Exxaro estimated that there would be no tax losses in Switzerland. Revenue tax losses of R420 million (AU$36 million) and R3 345 million capital losses (AU$286 million) are estimated to be available, but not verified in Australia. Revenue tax losses of R3 078 million are carried forward and are available for offset against any future taxable profits of the relevant companies in South Africa.

In total, as at 31 December 2024, deferred tax assets have been recognised of R691 million related to South Africa for tax losses carried forward, in the consolidated financial statements of the group at the applicable income tax rate of 27%. In addition, no deferred tax assets have been recognised in respect of R140 million in South Africa as it is not considered probable that there will be future taxable profits available. No deferred tax assets have been recognised or derecognised in the consolidated financial statements of the group relating to Australia or Switzerland.

7.6 Notes to the statements of cash flows relating to taxation

7.6.1 Tax (paid)/received

	Group		Company	
For the year ended 31 December	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Amounts (payable)/receivable at beginning of the year	(345)	(42)	(6)	5
Amounts charged to the statement of comprehensive income	(2 486)	(2 898)	(15)	(1)
Arising on translation of foreign operations	(4)	(4)		
Interest accrued paid/(not yet paid)	4	(4)		
Amounts payable/(receivable) at end of the year	199	345	(15)	6
Tax (paid)/received	(2 632)	(2 603)	(36)	10

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

7.7 Tax effect of other comprehensive income

	Group							
	2024				2023			
For the year ended 31 December	Gross Rm	Tax Rm	NCI Rm	Net Rm	Gross Rm	Tax Rm	NCI Rm	Net Rm
Unrealised exchange differences on translation of foreign operations	11		(3)	8	88		(20)	68
Changes in fair value of equity investments at FVOCI	8	(2)	(1)	5	(40)	9	7	(24)
Remeasurement of retirement employee obligations	8	(2)	(1)	5				
Changes in fair value on cash flow hedges:	(27)	7	4	(16)	(61)	17	12	(32)
– Interest rate swaps	(26)	7	4	(15)	(51)	14	10	(27)
– FECs	(1)			(1)	(10)	3	2	(5)
Recycling of changes in fair value on cash flow hedges:	(26)	7	8	(11)	(20)	5	4	(11)
– Interest rate swaps	(26)	7	8	(11)	(20)	5	4	(11)
Changes in fair value on cost of hedging:	(7)	2	1	(4)	(12)	3	2	(7)
– FECs	(7)	2	1	(4)	(12)	3	2	(7)
Total before share of OCI of equity-accounted investments	(33)	12	8	(13)	(45)	34	5	(6)
Share of OCI of equity-accounted investments relating to:	(101)	23	18	(60)	211		(49)	162
– Unrealised exchange differences on translation of foreign operations	7		(2)	5	214		(50)	164
– Remeasurement of retirement employee obligations	3	(1)	(1)	1	3	(1)		2
– Cash flow hedge reserve movement	(111)	24	21	(66)	(6)	1	1	(4)
Total	(134)	35	26	(73)	166	34	(44)	156

8 Business environment and portfolio changes

8.1 Accounting policies relating to business environment and portfolio changes

8.1.1 Impairment of non-current assets

The carrying amounts of non-current assets (or CGUs) are reviewed whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indicator of impairment exists, the recoverable amount of the asset is estimated as the higher of the fair value less costs of disposal and the value in use.

For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the CGU to which the asset belongs. An impairment loss is recognised whenever the carrying amount of the CGU exceeds its recoverable amount.

A previously recognised impairment loss is reversed (or partially reversed) if there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined (net of depreciation and amortisation) had no impairment loss been recognised in prior years. Assets previously impaired are reviewed for possible reversal of impairment at each reporting period.

Goodwill is tested annually for impairment (refer note 10.2.1 for related policy).

Impairment charges are presented on the face of the statement of comprehensive income:
(i) within net operating profit when the impairment relates to non-current operating assets of the group;
(ii) alongside share of income of equity accounted investments when the impairment relates to associates and joint ventures.

8.2 Significant judgements and assumptions made by management in applying the related accounting policies

IAS 36 *Impairment of Assets* (IAS 36)

In applying IAS 36, impairment assessments are performed whenever events or changes in circumstances indicate that the carrying amount of an asset or CGU may not be recoverable. Management, in particular, have identified and track indicators such as the movement in group market capitalisation, volatility in exchange rates, commodity prices and the economic environment in which the businesses operate, to assess whether there is an indication of impairment.

Estimates are made in determining the recoverable amount of assets which includes the estimation of cash flows and discount rates used. In estimating the cash flows, management bases its cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the assets. The discount rates used reflect the current market assessment of the time value of money and the risks specific to the assets for which the future cash flow estimates have not been adjusted.

Judgements were required in the determination of key variables and future market conditions, particularly in relation to the parameters included in the following table:

Coal operations	2024 Rm	2023 Rm
Discount rate	14.30%	14.30%
Rand/US$ exchange rate	R17.70 to R18.10	R17.90 to R18.10
Coal API4 long-term price (per tonne)	US$98.00	US$86.00
Coal domestic selling price range (per tonne)	R1 000 to R1 500	R1 000 to R1 500

Management considered and assessed reasonably possible changes to the key assumptions and have not identified any instances that could cause the carrying amount of the coal operations to exceed its recoverable amount.

Refer note 10.2.2 for details of the impairment testing performed on the Cennergi CGU.

8.3 Impairment charges of non-current assets

8.3.1 Impairment charges of investments in subsidiaries

	Company	
For the year ended 31 December	2024 Rm	2023 Rm
Investments in subsidiaries		
Impairment charges		(32)
- Rocsi Holdings Proprietary Limited[1]		(6)
- Exxaro Holdings Proprietary Limited[2]		(26)
Total impairment charges of investments in subsidiaries[3]		(32)

[1] *On 31 December 2023, an impairment assessment was performed by comparing the carrying amount of the investment in Rocsi Holdings Proprietary Limited to its net asset value (the recoverable amount). As a result, an impairment of R6 million was recognised.*

[2] *On 31 December 2023, an impairment assessment was performed by comparing the carrying amount of the investment in Exxaro Holdings Proprietary Limited to its net asset value (the recoverable amount). As a result, an impairment of R26 million was recognised.*

[3] *Tax effect of nil.*

9 Associates and joint arrangements

9.1 Accounting policies relating to investments in associates and joint arrangements

Associates are those entities in which the group has significant influence, but not control nor joint control, over the financial and operating policies. Significant influence is presumed to exist when Exxaro holds between 20% and 50% of the voting rights of another entity, however, the determination of whether significant influence exists is also subject to the consideration of other facts and circumstances which are a matter of judgement.

Joint arrangements are arrangements in which the group has joint control, established by contracts requiring unanimous consent for decisions on the activities that significantly affect the arrangements' returns. Joint arrangements are classified and accounted for as follows:

- Joint operation: when the group has rights to the assets and obligations for the liabilities relating to an arrangement, each of its assets and liabilities, including its share of those held or incurred jointly, are proportionately accounted for in relation to the joint operation
- JV: when the group has rights only to the net assets of the arrangements, its interest is accounted for using the equity method, similar to the accounting treatment for associates.

The company carries its investments in associates and JVs at cost less accumulated impairment losses.

For group, the cost of investments in associates and JVs is the fair value at the date of acquisition.

For group, investments in associates and JVs are subsequently measured using the equity method and are recognised initially at cost less accumulated impairment losses. The cost of the investments includes transaction costs.

The group financial statements include Exxaro's share of the profit or loss and OCI of equity-accounted investees, after adjustments to align the accounting policies with those of Exxaro, from the date that significant influence commences until the date that it ceases.

The cumulative post-acquisition movements in profit or loss and OCI are adjusted against the carrying amount of the investment in the group financial statements.

The group's interest in associates and joint ventures is carried in the statement of financial position at an amount that reflects its share of the net assets and the goodwill on acquisition.

Dilution gains and losses arising on investments in associates are recognised in profit or loss.

Unrealised gains from downstream transactions with equity-accounted investees are eliminated against the investment to the extent of Exxaro's interest in the investee. Unrealised gains from upstream transactions with equity-accounted investees are eliminated against related assets to the extent of Exxaro's interest in the investee.

9.2 Significant judgements and assumptions made by management in applying the related accounting policies

In applying IAS 28 *Investments in Associates*, management has assessed the level of influence that the group has and in particular have concluded that significant influence exists on its 10.26% (2023: 10.26%) effective interest in RBCT as a result of Exxaro's representation on the board of directors of RBCT.

In applying IFRS 11 *Joint Arrangements*, management assessed the level of influence that the group has on its investments in joint arrangements and consequently classified the investment in Mafube as a JV due to the fact that unanimous consent is required for board decisions.

9.3 Income from investments in associates and joint ventures

	Group	
For the year ended 31 December	2024 Rm	2023 Rm
Associates	4 036	6 479
SIOC	3 979	6 157
RBCT	(7)	(10)
Black Mountain	64	332
Joint ventures	234	508
Mafube	234	508
Share of income of equity-accounted investments	4 270	6 987

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

9.4 Investments in associates and joint arrangements

At 31 December	Nature of business[1]	Country of incorporation	Percentage holding 2024 %	Percentage holding 2023 %	Group 2024 Rm	Group 2023 Rm	Fair value[2] 2024 Rm	Fair value[2] 2023 Rm
Unlisted								
Associates					18 578	18 356		
SIOC[3]	M	RSA	20.62	20.62	14 329	14 079	22 712	42 799
RBCT	T	RSA	10.26	10.26	2 007	2 014		
Black Mountain[4]	M	RSA	26.00	26.00	2 242	2 263		
Insect Technology[5]	WC	UK	25.85	25.85				
LightApp[6]	EN	Israel	27.99	28.01				
GAM[7]	EN	RSA	22.00	22.00				
Joint ventures					2 018	1 922		
Mafube	M	RSA	50.00	50.00	2 018	1 922		
Total investments in associates and joint ventures					20 596	20 278		
Unincorporated joint operations								
Moranbah coal project	M	AUS	50.00	50.00				

1 M — Mining, T — Export terminal, WC — Waste conversion, EN — Energy.
2 Fair value represents the directors' valuation at the reporting date.
3 The fair value of SIOC is determined by applying an adjusted equity valuation technique, based on the share price of Kumba Iron Ore Limited on 31 December 2024 of R326.25 per share (31 December 2023: R614.78 per share), adjusted for a liquidity discount rate of 20% (2023: 20%). The fair value of SIOC represents a Level 2 valuation, in terms of the fair value hierarchy. For company, the investment value is less than R1 million.
4 Black Mountain's financial year end is 31 March and therefore not coterminous with that of Exxaro. Financial information has been obtained from published information or management accounts as appropriate.
5 The investment in Insect Technology was fully impaired in 2020.
6 The investment in LightApp was fully impaired in 2022.
7 The investment in GAM was fully impaired in 2019.

Security provided

In 2024, the shares in Black Mountain have been provided as security for the project financing raised by Black Mountain.

Restrictions

There are no significant restrictions on the ability of associates or joint ventures to transfer funds to Exxaro in the form of cash dividends.

Risks

Refer note 10.1.4 for details with regard to capital commitments relating to associates and JVs.

Refer note 13.4 for details with regard to contingent liabilities relating to associates and JVs.

There are no loan commitments with associates and JVs for 2024 and 2023.

9.5 Movement analysis of investments in associates and joint ventures

		Group					
		Associates		Joint ventures		Total equity-accounted investments	
At 31 December	Note	2024 Rm	2023 Rm	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Gross carrying amount							
At beginning of the year		18 971	15 676	1 922	2 999	20 893	18 675
Net share of results		4 041	6 470	226	448	4 267	6 918
– Share of income	9.3	4 036	6 479	234	508	4 270	6 987
– Elimination of movement in unrealised profit		5	(9)	(8)	(60)	(3)	(69)
Dividends received[1]		(3 741)	(3 386)	(130)	(1 525)	(3 871)	(4 911)
Share of movement in reserves		(78)	211			(78)	211
At end of the year		19 193	18 971	2 018	1 922	21 211	20 893
Accumulated impairment							
At beginning of the year		(615)	(615)			(615)	(615)
At end of the year[2]		(615)	(615)			(615)	(615)
Net carrying amount at end of the year		18 578	18 356	2 018	1 922	20 596	20 278

[1] *Relates to: SIOC of R3 741 million (2023: R3 386 million) and Mafube of R130 million (2023: R1 525 million).*
[2] *Accumulated impairments relate to: GAM R58 million, Insect Technology R504 million and LightApp R53 million.*

9.6 Summarised financial information of associates and joint ventures

The summarised financial information set out below relates to the associates and JVs that are material to the group, and represents 100% of the entity's financial performance and position, as adjusted to reflect adjustments made by Exxaro when using the equity method.

	Associates			Joint venture
	SIOC Rm	RBCT Rm	Black Mountain Rm	Mafube Rm
Statements of comprehensive income				
For the year ended 31 December 2024				
Revenue	68 529	1 544	7 508	3 517
Operating expenses	(46 009)	(1 388)	(6 081)	(2 938)
Operating profit	22 520	156	1 427	579
Impairment reversal of non-current assets	3 940			
Net operating profit	26 460	156	1 427	579
Finance income	649		58	76
Finance costs	(457)	(258)	(871)	(31)
Profit/(loss) before tax	26 652	(102)	614	624
Income tax (expense)/benefit	(7 354)	26	(368)	(172)
Profit/(loss) for the year	19 298	(76)	246	452
Other comprehensive income/(loss)	33	7	(326)	
Total comprehensive income/(loss) for the year	19 331	(69)	(80)	452
Dividends paid to Exxaro	3 741			130
Statements of financial position				
At 31 December 2024				
Non-current assets	66 715	22 670	17 567	3 996
Current assets	31 764	660	306	1 459
Total assets	98 479	23 330	17 873	5 455
Equity and liabilities				
Total equity	69 525	19 558	8 623	4 035
Non-current liabilities	17 586	2 654	6 405	1 233
Current liabilities	11 368	1 118	2 845	187
Total equity and liabilities	98 479	23 330	17 873	5 455
Included above in JVs:				
Cash and cash equivalents				804
Depreciation and amortisation				237

9.6 Summarised financial information of associates and joint ventures continued

	Associates			Joint venture
	SIOC Rm	RBCT Rm	Black Mountain Rm	Mafube Rm
Statements of comprehensive income				
For the year ended 31 December 2023				
Revenue	86 234	1 493	9 135	3 713
Operating expenses	(45 281)	(1 354)	(7 551)	(2 696)
Net operating profit	40 953	139	1 584	1 017
Finance income	652		86	259
Finance costs	(836)	(270)	(38)	(48)
Profit/(loss) before tax	40 769	(131)	1 632	1 228
Income tax (expense)/benefit	(10 909)	35	(353)	(333)
Profit/(loss) for the year	29 860	(96)	1 279	895
Other comprehensive income/(loss)	1 036	(1)	(11)	
Total comprehensive income/(loss) for the year	30 896	(97)	1 268	895
Dividends paid to Exxaro	3 386			1 525
Statements of financial position				
At 31 December 2023				
Non-current assets	59 941	22 319	13 033	3 915
Current assets	38 938	643	1 250	1 680
Total assets	98 879	22 962	14 283	5 595
Equity and liabilities				
Total equity	68 337	19 627	8 703	3 843
Non-current liabilities	16 092	2 181	3 880	1 179
Current liabilities	14 450	1 154	1 700	573
Total equity and liabilities	98 879	22 962	14 283	5 595
Included above in JVs:				
Cash and cash equivalents				862
Depreciation and amortisation				234

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

9.7 Reconciliation of carrying amounts of investments in associates and joint ventures

Set out below is a reconciliation of the equity attributable to owners of the parent (closing net assets) in 9.6, to the corresponding carrying value of the equity-accounted investment.

	Group			
	Associates			Joint venture
	SIOC Rm	RBCT Rm	Black Mountain Rm	Mafube Rm
At 31 December 2024				
Closing net assets	69 525	19 558	8 623	4 035
Interest in equity-accounted investment (%)	20.62	10.26	26.00	50.00
Interest in equity-accounted investment	14 336	2 007	2 242	2 018
Unrealised profit in closing balances	(7)			
Carrying value	14 329	2 007	2 242	2 018
At 31 December 2023				
Closing net assets	68 337	19 627	8 703	3 843
Interest in equity-accounted investment (%)	20.62	10.26	26.00	50.00
Interest in equity-accounted investment	14 091	2 014	2 263	1 922
Unrealised profit in closing balances	(12)			
Carrying value	14 079	2 014	2 263	1 922

10 Assets

Chapter 10:
Assets

10.1 Property, plant and equipment

10.1.1 Accounting policies relating to property, plant and equipment

Property, plant and equipment

Land and assets under construction are stated at cost and are not depreciated. Buildings, including certain non-mining residential buildings, and all other items of property, plant and equipment are reflected at cost less accumulated depreciation and accumulated impairment losses. The cherry trees qualify as bearer plants under the definition of IAS 41 *Agriculture* and are therefore accounted for under the requirements of IAS16 *Property, Plant and Equipment*. The cherry trees are classified as immature until the produce can be commercially harvested, at which point depreciation commences. Immature cherry trees are measured at accumulated cost.

Depreciation is charged on a systematic basis over the estimated useful lives of the assets after taking into account the estimated residual values of the assets. Useful life is either the period of time over which the asset is expected to be used or the number of production or similar units expected to be obtained from the use of the asset.

Items of property, plant and equipment are capitalised in components where components have a different useful life to the main item of property, plant and equipment to which the component can be logically assigned.

An asset's residual value and useful life is reviewed, and adjusted if appropriate, at the end of each reporting period.

The estimated useful lives of items of property, plant and equipment are:

	Units of measure	Coal		Energy		Ferrous		Other	
		2024	2023	2024	2023	2024	2023	2024	2023
Mineral properties	Years	1 to 40	1 to 25						
Residential buildings	Years	5 to 40	1 to 40						
Buildings and infrastructure	Years	1 to 40	1 to 40	26.3 and 26.4	26.3 and 26.4	10 to 20	10 to 20	20 to 25	20 to 25
Machinery, plant and equipment	Years	1 to 40	1 to 40	3 to 26.4	3 to 26.4	5 to 25	5 to 25	1 to 20	1 to 20
	Hours ('000)	13 to 120	13 to 120						
	Tonnes (Mt)	1 300	1 300						
Site preparation and mining development	Years	2 to 20	1 to 25						
Bearer plants (mature)	Years							7	7

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or when no future economic benefits are expected from its use or disposal.

Exploration costs

Exploration and evaluation costs are expensed until management (as determined per project) concludes that future economic benefits (as determined per project) are more likely than not of being realised. In evaluating if expenditure meets the criteria to be capitalised, several sources of information depending on the level of exploration, are utilised. While the criteria for determining capitalisation is based on the probability of future economic benefits, the information that management uses to make that determination depends on the level of exploration.

Development costs

Development expenditure is accumulated separately for each area in which economically recoverable resources (as determined per project) have been identified. Such expenditure comprises costs directly attributable to the construction of an asset and the related infrastructure, including the cost of material, direct labour and an appropriate proportion of production overheads. Development costs are capitalised once approval for such development is obtained from management (as determined per project). On completion of development, all assets included in assets under construction are reclassified to the appropriate asset class of property, plant and equipment to which it relates.

10.1.2 Significant judgements and assumptions made by management in applying the related accounting policies

Depreciation and useful lives

The depreciable amounts of assets are allocated on a systematic basis over their useful lives. In determining the depreciable amount, management makes assumptions in respect of the residual value of assets based on the expected estimated amount that the entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal. If an asset is expected to be abandoned the residual value is estimated at nil. In determining the useful life of assets, management considers the expected usage of assets, expected physical wear and tear, legal or similar limits of assets such as mineral rights, as well as obsolescence.

Management makes estimates of Coal Resources and Coal Reserves in accordance with the SAMREC Code (2009) for South African properties and the Joint Ore Reserves Committee (JORC) Code (2012) for Australian properties. Such estimates relate to the category for the resource (measured, indicated or inferred), the quantum and the grade.

10.1 Property, plant and equipment continued

10.1.3 Property, plant and equipment composition and analysis

		Group								
At 31 December 2024	Note	Land Rm	Mineral properties Rm	Residential land and buildings Rm	Buildings and infra-structure Rm	Machinery, plant and equipment Rm	Site preparation and mining development Rm	Bearer plants Rm	Assets under construction Rm	Total Rm
Gross carrying amount										
At beginning of the year		537	1 109	784	10 666	37 558	724	2	1 353	52 733
Additions					400	1 294			778	2 472
Changes in decommissioning assets	13.3				17	24			2	43
Borrowing costs capitalised	12.1.2								81	81
Disposals					(2)	(406)				(408)
Transfer from equity reserves[1]									17	17
Transfer between classes					150	435			(585)	
Exchange differences on translation		(8)								(8)
At end of the year		529	1 109	784	11 231	38 905	724	2	1 646	54 930
Accumulated depreciation										
At beginning of the year			(670)	(266)	(2 484)	(11 612)	(354)	(1)		(15 387)
Charges for the year	6.1.3		(33)	(26)	(446)	(1 927)	(80)			(2 512)
Disposals					2	379				381
At end of the year			(703)	(292)	(2 928)	(13 160)	(434)	(1)		(17 518)
Accumulated impairment										
At beginning of the year					(32)	(87)			(1)	(120)
At end of the year					(32)	(87)			(1)	(120)
Net carrying amount at end of the year		529	406	492	8 271	25 658	290	1	1 645	37 292

[1] *Relates to hedging gains and losses and cost of hedging.*

10.1 Property, plant and equipment continued

10.1.3 Property, plant and equipment composition and analysis continued

		Group								
At 31 December 2023	Note	Land Rm	Mineral properties Rm	Residential land and buildings Rm	Buildings and infra-structure Rm	Machinery, plant and equipment Rm	Site preparation and mining development Rm	Bearer plants Rm	Assets under construction Rm	Total Rm
Gross carrying amount										
At beginning of the year		526	1 109	784	9 984	38 092	656	2	1 172	52 325
Additions					487	1 021	20		969	2 497
Transfer to intangible assets	10.2.3					(930)			(24)	(954)
Transfer from right-of-use assets	11.3					1				1
Changes in decommissioning assets	13.3				12	(10)				2
Borrowing costs capitalised	12.1.2								17	17
Disposals					(9)	(1 119)			(40)	(1 168)
Transfer from equity reserves[1]									2	2
Transfer between classes					192	503	48		(743)	
Exchange differences on translation		11								11
At end of the year		537	1 109	784	10 666	37 558	724	2	1 353	52 733
Accumulated depreciation										
At beginning of the year			(627)	(240)	(2 056)	(11 557)	(278)	(1)		(14 759)
Charges for the year	6.1.3		(43)	(26)	(437)	(1 901)	(76)			(2 483)
Transfer to intangible assets	10.2.3					749				749
Disposals					9	1 097				1 106
At end of the year			(670)	(266)	(2 484)	(11 612)	(354)	(1)		(15 387)
Accumulated impairment										
At beginning of the year					(32)	(87)			(1)	(120)
At end of the year					(32)	(87)			(1)	(120)
Net carrying amount at end of the year		537	439	518	8 150	25 859	370	1	1 352	37 226

[1] *Relates to hedging gains and losses and cost of hedging.*

10.1 Property, plant and equipment continued

10.1.3 Property, plant and equipment composition and analysis continued

At 31 December 2024	Note	Company Buildings and infra-structure Rm	Machinery, plant and equipment Rm	Assets under construction Rm	Total Rm
Gross carrying amount					
At beginning of the year		1	60	7	68
Additions			2	63	65
Disposals			(7)		(7)
Transfer between classes		5	9	(14)	
At end of the year		6	64	56	126
Accumulated depreciation					
At beginning of the year			(32)		(32)
Charges for the year	6.1.3		(6)		(6)
Disposals			6		6
At end of the year			(32)		(32)
Net carrying amount at end of the year		6	32	56	94

At 31 December 2023	Note	Company Buildings and infra-structure Rm	Machinery, plant and equipment Rm	Assets under construction Rm	Total Rm
Gross carrying amount					
At beginning of the year		1	972	145	1 118
Additions				20	20
Disposals			(76)	(40)	(116)
Transfer to intangible assets	10.2.3		(930)	(24)	(954)
Transfer between classes			94	(94)	
At end of the year		1	60	7	68
Accumulated depreciation					
At beginning of the year			(722)		(722)
Charges for the year	6.1.3		(137)		(137)
Disposals			78		78
Transfer to intangible assets	10.2.3		749		749
At end of the year			(32)		(32)
Net carrying amount at end of the year		1	28	7	36

10.1.4 Capital commitments

At 31 December	Group 2024 Rm	Group 2023 Rm	Company 2024 Rm	Company 2023 Rm
Contracted	3 416	4 115	29	1
Contracted for the group (owner-controlled)	1 690	2 115	29	1
Share of capital commitments of associates	1 531	1 973		
Share of capital commitments of joint ventures	195	27		
Authorised, but not contracted	2 055	2 287	328	179
Authorised, but not contracted (owner-controlled)	2 055	2 287	328	179

Capital expenditure will be financed from available cash resources, funds generated from operations and available borrowing capacity.

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

10.2 Intangible assets

10.2.1 Accounting policies relating to intangible assets

Goodwill

Goodwill that arises on the acquisition of subsidiaries is presented with intangible assets.

Goodwill is carried at cost less accumulated impairment losses and is not subject to amortisation, but rather tested annually for impairment or more frequently if events or changes in circumstances indicate a potential impairment.

For purposes of impairment testing, goodwill acquired in a business combination is allocated to each CGU, or group of CGUs, which is expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of the value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Patents, licences, software and customer contracts

Patents, licences, software and customer contracts are intangible assets with a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of the finite useful life assets from the date available for use. The amortisation method, useful lives and residual values are reviewed at each reporting date and adjusted where appropriate. The estimated useful lives of intangible assets with a finite useful life are:

	2024	2023
Customer contracts	16.3 and 16.4 years	16.3 and16.4 years
Patents and licences	1 to 25 years	1 to 25 years
Software	3 to 10 years	3 to 10 years

Impairment testing is undertaken when circumstances indicate that the carrying amount may not be recoverable.

Intangible assets under development

Intangible assets under development are stated at cost and not amortised but tested annually for impairment. Development expenditure is accumulated separately for each project. Such expenditure comprises costs directly attributable to the development of an asset, including the cost of services, direct labour and an appropriate proportion of overheads. Development costs are capitalised once approval for such development is obtained from management (as determined per project). On completion of development, all assets included in assets under development are reclassified to the appropriate asset class to which it relates.

10.2.2 Significant judgements and assumptions made by management in applying the related accounting policies

Impairment testing of goodwill

In allocating goodwill, the Cennergi group of companies has been identified as a single CGU to which the goodwill of R521 million has been allocated.

The Cennergi CGU was assessed for impairment as at 31 December 2024 and 31 December 2023 as a result of the requirement to test goodwill annually for impairment. There were no indicators of impairment for the Cennergi CGU during the reporting period. No impairment charge was required as the recoverable amount, determined using fair value less costs of disposal, exceeded the carrying amount on 31 December 2024.

The recoverable amount was derived using a DCF model which is a Level 3 valuation technique in terms of the fair value hierarchy. The valuation has been performed in South African rand using the following information:
- Approved financial budgets and outlook covering a period up to five years
- Project financing models post the five year outlook period up to the end of the contractual life of the power purchase agreements
- Extrapolated results for a further post contractual 10 year period, representing the expected additional economic life for which the wind farms are expected to operate.

10.2 Intangible assets continued

10.2.2 Significant judgements and assumptions made by management in applying the related accounting policies continued

Impairment testing of goodwill continued

The key assumptions made by management (expressed in nominal terms) and management's approach to determining these key assumptions is summarised as follows:

Key assumptions	Management's approach used to determine the values	2024	2023
Discount rate	Determined applying a risk free rate of return adjusted for risks inherent to the Cennergi CGU.	10.53%	10.53%
Remaining life of Cennergi CGU	The wind farms are expected to have a further operating capability of an additional 10 years post the existing power purchase agreements in accordance with technical engineering assessments. In addition, given the expected growth in demand for energy in South Africa, coupled with limited supply of energy, and in particular the worldwide drive towards energy supply to be from renewable sources, it is considered that there is a market with value post the existing power purchase agreements.	22.4 years	23.4 years
Gigawatt generation	The gigawatt generation assumption has been determined based on past experience, as well as environmental assessments of wind conditions and capability of the turbines.	668GWh to 725GWh	668GWh to 725GWh
Tariff escalation range	The tariff is based on CPI escalation during the power purchase agreement term which has been determined based on past experience and from economist projected outlooks of CPI. For the post 10 year period the tariff has been set at a reduced constant expected CPI.	4.5%	4.5%

Management considered and assessed reasonably possible changes to the key assumptions and have not identified any instances that could cause the carrying amount of the Cennergi CGU to exceed its recoverable amount.

10.2.3 Intangible assets composition and analysis

		Group					
At 31 December 2024	Note	Goodwill Rm	Customer Contracts Rm	Patents and licences Rm	Software Rm	Intangible assets under development Rm	Total Rm
Gross carrying amount							
At beginning of the year		521	2 685	41	930	19	4 196
Additions					5	22	27
Disposals					(90)		(90)
Transfer between classes					12	(12)	
At end of the year		521	2 685	41	857	29	4 133
Accumulated amortisation							
At beginning of the year			(615)	(34)	(757)		(1 406)
Disposals					74		74
Charges for the year	6.1.3		(164)	(1)	(38)		(203)
At end of the year			(779)	(35)	(721)		(1 535)
Net carrying amount at end of the year		521	1 906	6	136	29	2 598

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

10.2 Intangible assets continued

10.2.3 Intangible assets composition and analysis continued

At 31 December 2023	Note	Group Goodwill Rm	Customer Contracts Rm	Patents and licences Rm	Software Rm	Intangible assets under development Rm	Total Rm
Gross carrying amount							
At beginning of the year		521	2 685	36			3 242
Transfer from property, plant and equipment	10.1.3				930	24	954
Transfer between classes				5		(5)	
At end of the year		521	2 685	41	930	19	4 196
Accumulated amortisation							
At beginning of the year			(451)	(31)			(482)
Transfer from property, plant and equipment	10.1.3				(749)		(749)
Charges for the year	6.1.3		(164)	(3)	(8)		(175)
At end of the year			(615)	(34)	(757)		(1 406)
Net carrying amount at end of the year		521	2 070	7	173	19	2 790

At 31 December 2024	Note	Company Patents and licences Rm	Software Rm	Intangible assets under development Rm	Total Rm
Gross carrying amount					
At beginning of the year		27	930	19	976
Additions			5	13	18
Disposals		(2)	(90)		(92)
Transfer between classes			12	(12)	
At end of the year		25	857	20	902
Accumulated amortisation					
At beginning of the year		(22)	(757)		(779)
Disposals		2	74		76
Charges for the year	6.1.3		(39)		(39)
At end of the year		(20)	(722)		(742)
Net carrying amount at end of the year		5	135	20	160

At 31 December 2023	Note	Company Patents and licences Rm	Software Rm	Intangible assets under development Rm	Total Rm
Gross carrying amount					
At beginning of the year		22			22
Transfer from property, plant and equipment	10.1.3		930	24	954
Transfer between classes		5		(5)	
At end of the year		27	930	19	976
Accumulated amortisation					
At beginning of the year		(20)			(20)
Charges for the year	6.1.3	(2)	(8)		(10)
Transfer from property, plant and equipment	10.1.3		(749)		(749)
At end of the year		(22)	(757)		(779)
Net carrying amount at end of the year		5	173	19	197

10.3 Financial assets

10.3.1 Accounting policies relating to financial assets

The accounting policy for financial assets is disclosed in note 16.1.

10.3.2 Financial assets composition

At 31 December	Note	Group 2024 Rm	Group 2023 Rm	Company 2024 Rm	Company 2023 Rm
Non-current					
Financial assets at FVOCI		442	434		
Equity: unlisted – Chifeng[1]		442	434		
Financial assets at FVPL		4 557	3 839	42	38
Debt: unlisted – environmental rehabilitation funds		2 657	2 422	42	38
Debt: unlisted – portfolio investments		513	461		
Debt: unlisted – deposit facilities[2]		1 387	956		
Derivative financial assets designated as hedging instruments		1	2		
Cash flow hedge derivatives: interest rate swaps[3]		1	2		
Financial assets at amortised cost		266	341	2 648	3 214
ESD loans[4]		68	106	68	106
– Gross		131	156	131	156
– Impairment allowances		(63)	(50)	(63)	(50)
Vendor finance loan[5]		80	127	80	127
– Gross		81	127	81	127
– Impairment allowance		(1)		(1)	
Interest-bearing loans to subsidiaries[6]	17.5			2 500	2 981
Other financial assets at amortised cost		118	108		
– Environmental rehabilitation funds		118	108		
Total non-current financial assets per statement of financial position	16.3	5 266	4 616	2 690	3 252
Current					
Financial assets at FVPL		2	22		
Derivative financial assets		2	22		
Financial assets at amortised cost		157	188	1 421	1 976
ESD loans[4]		83	63	83	63
– Gross		247	181	247	181
– Impairment allowances		(164)	(118)	(164)	(118)
Vendor finance loan[5]		62	50	62	50
– Gross		63	51	63	51
– Impairment allowance		(1)	(1)	(1)	(1)
Intervention receivable[7]		8			
Investment deposits[8]		4		4	
Interest-bearing loans to subsidiaries[6]	17.5			502	1 158
Non-interest-bearing loans to subsidiaries[9]	17.5			701	575
– Gross				760	635
– Impairment allowances				(59)	(60)
Treasury facilities with subsidiaries[10]	17.5			69	130
– Gross				415	397
– Impairment allowances				(346)	(267)
Other financial assets at amortised cost			75		
– Deferred pricing receivable[11]			77		
– Employee receivables		4	4	4	4
– Impairment allowances		(4)	(6)	(4)	(4)
Total current financial assets per statement of financial position	16.3	159	210	1 421	1 976
Total financial assets per statement of financial position		5 425	4 826	4 111	5 228

1 Exxaro holds an 8.81% (2023: 8.81%) shareholding in Chifeng.
2 Deposit or credit facilities that are contractual arrangements with insurance providers with an initial five-year term and are used to cover insurance claims over the term of the contracts. The balance of the facilities is refunded at the end of the term, net of fees, returns and claims incurred. Annual premiums are required to be placed in the facilities over the term yielding returns on underlying fund portfolios.
3 Relates to interest rate swaps designated in a hedging relationship to hedge interest rate risk exposure resulting from interest payments on the project financing. Refer note 16.3.3.2.3.2.
4 Interest-free loans advanced to successful applicants in terms of the Exxaro ESD programme.
5 Vendor finance loan granted to Overlooked Colliery Proprietary Limited as part of the disposal of the ECC operation. The loan is unsecured, repayable from 1 October 2022 and bears interest at:
– Prime Rate for the period 3 September 2021 to 30 September 2024
– Prime Rate plus 1 for the period 1 October 2024 to 30 September 2025
– Prime Rate plus 2 for the period 1 October 2025 to 30 September 2026
– Prime Rate plus 3 for the period 1 October 2026 to 30 September 2027.
6 Includes back-to-back loans as well as other interest-bearing loans. Refer note 17.5 for details of the terms and conditions.
7 Relates to amounts advanced for funding logistical projects.
8 Investment deposits with a term of three to 12 months.
9 These loans are interest-free, unsecured and repayable on demand.
10 Treasury facilities with subsidiaries have no fixed repayment terms and are repayable on demand. Interest is charged at money market rates.
11 Relates to a deferred pricing adjustment which arose during 2017 and was fully settled in 2024.

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

10.3 Financial assets continued

10.3.3 Impairment allowances movement analysis

At 31 December	Note	Group 2024 Rm	Group 2023 Rm	Company 2024 Rm	Company 2023 Rm
ESD loans					
Opening balance		(168)	(96)	(168)	(96)
– Performing		(2)	(3)	(2)	(3)
– Non-performing		(166)	(93)	(166)	(93)
Movement in impairment allowances		(59)	(72)	(59)	(72)
– Performing	6.1.3	1	1	1	1
– Non-performing	6.1.3	(60)	(73)	(60)	(73)
At end of the year		(227)	(168)	(227)	(168)
– Performing		(1)	(2)	(1)	(2)
– Non-performing		(226)	(166)	(226)	(166)
Vendor finance loan					
Opening balance		(1)	(2)	(1)	(2)
– Performing		(1)	(2)	(1)	(2)
Movement in impairment allowance		(1)	1	(1)	1
– Performing	6.1.3	1	1	1	1
– Under-performing	6.1.3	(2)		(2)	
At end of the year		(2)	(1)	(2)	(1)
– Performing			(1)		(1)
– Under-performing		(2)		(2)	
Other financial assets at amortised cost					
Opening balance		(6)	(11)	(4)	(6)
– Performing		(2)	(7)		(2)
– Non-performing		(4)	(4)	(4)	(4)
Movement in impairment allowances		2	5		2
– Performing	6.1.3	2	5		2
At end of the year		(4)	(6)	(4)	(4)
– Performing			(2)		
– Non-performing		(4)	(4)	(4)	(4)
Non-interest-bearing loans to subsidiaries					
Opening balance				(60)	(65)
– Performing				(7)	(16)
– Non-performing				(53)	(49)
Movement in impairment allowances				1	5
– Performing	6.1.3			1	9
– Non-performing	6.1.3				(4)
At end of the year				(59)	(60)
– Performing				(6)	(7)
– Non-performing				(53)	(53)
Treasury facilities with subsidiaries					
Opening balance				(267)	(2)
– Performing					(2)
– Non-performing				(267)	
Movement in impairment allowances				(79)	(265)
– Performing	6.1.3				2
– Non-performing	6.1.3			(79)	(267)
At end of the year				(346)	(267)
– Non-performing				(346)	(267)

10.4 Other assets

10.4.1 Other assets composition

At 31 December	Group 2024 Rm	Group 2023 Rm	Company 2024 Rm	Company 2023 Rm
Non-current				
Reimbursements[1]	443	588		
Biological assets	37	33		
Lease receivables[2]	18	29		
Other	71	79	1	1
Total non-current other assets	569	729	1	1
Current				
VAT	62	37	11	4
Diesel rebates	40	58		
Royalties	63	69		
Prepayments[3]	229	254	32	30
Lease receivables[2]	11	9		
Other	51	55	1	1
Total current other assets	456	482	44	35
Total other assets	1 025	1 211	45	36

1 *Amounts recoverable from Eskom in respect of the rehabilitation, environmental expenditure and retirement employee obligations of the Matla operation at the end of LoM.*
2 *The lease relates to the upgrade of the Zeeland Water Treatment Works (in Lephalale, South Africa), of which Exxaro funds the capital for a period of 15 years. The municipality's share of the capital expenditure will be recovered through fixed monthly instalments over this period. The minimum lease instalments are payable monthly with no escalation and calculated at a rate of 14.3% (2023: 14.3%) per annum.*
3 *Includes an amount of R83.7 million (2023: R123 million) which relates to advance payments for assets under construction.*

11 Leases

11.1 Accounting policies relating to leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At inception, or upon reassessment, of a contract that contains a lease component, the consideration in the contract is allocated to each lease and non-lease component on the basis of their relative standalone prices.

An accounting policy choice was made not to apply IFRS 16 *Leases* to leases of intangible assets.

As lessee

a) Recognition

A lease is recognised as a lease liability and corresponding right-of-use asset at the commencement date of the lease. Each lease payment is allocated between the settlement of the lease liability and finance costs. The finance costs are charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis, except when there is a purchase option which is expected to be exercised, in which case it is depreciated over the asset's useful life.

Non-lease components, contained in a lease, are recognised as an expense in profit or loss when incurred.

b) Measurement

i) Initial measurement

Right-of-use assets	Lease liabilities
Measured at cost which is: • The amount of the initial measurement of the lease liability • Plus any lease payments made at or before the commencement date • Less any lease incentives received • Plus any initial direct costs • Plus estimated restoration costs.	Measured at the present value of the following lease payments: • Fixed payments (including in-substance fixed payments), less any lease incentives receivable • Variable lease payments that are based on an index or a rate • Amounts expected to be payable by the lessee under residual value guarantees • The exercise price of a purchase option if the lessee is reasonably certain to exercise that option • Payments of penalties for terminating the lease if the lease term reflects the lessee exercising that option. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, an incremental borrowing rate is applied.

ii) Subsequent measurement

Right-of-use assets	Lease liabilities
The right-of-use asset is measured applying the cost model where a right-of-use asset falls within the scope of IAS 16 *Property, Plant and Equipment*. Measured at: • Cost less • Accumulated depreciation and accumulated impairment losses • Adjusted for any remeasurements or modifications of the lease liability.	The lease liability is measured by: • Increasing the carrying amount to reflect interest on the lease liability • Reducing the carrying amount to reflect the lease payments made • Remeasuring the carrying amount to reflect any reassessment or lease modification or to reflect revised in-substance fixed lease payments.

Useful lives	2024	2023
Land and buildings	15 to 26.4 years	10 to 30 years
Residential land and buildings		2 years
Buildings and infrastructure	1.5 to 10 years	3 to 10 years
Machinery, plant and equipment	2 to 5 years	3 to 5 years

Incremental borrowing rates	2024	2023
Lease term: greater than 12 but less than 18 months:		
Local	11.25%	11.75%
Foreign	1.35%	1.35%
Lease term greater than 18 months	10.25% to 11.75%	10.25% to 10.87%

c) Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis, over the lease term, as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Leases of low-value assets comprise IT equipment, furniture, fittings and appliances as well as tools and other small equipment.

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

11.2 Judgements and assumptions made by management in applying the related accounting policies

a) Incremental borrowing rates

In determining the incremental borrowing rates, management considers the term of the lease, the nature of the asset being leased and the funding strategy and principles applied by the group's strategic treasury department.

b) Extensions and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

11.3 Right-of-use assets

		Group				
At 31 December 2024	**Note**	**Land and buildings Rm**	**Residential land and buildings Rm**	**Buildings and infra-structure Rm**	**Machinery, plant and equipment Rm**	**Total Rm**
Gross carrying amount						
At beginning of the year		61		524	2	587
Additions	11.4			3		3
Remeasurement adjustments[1]	11.4	19		7		26
Lease expiry				(7)		(7)
At end of the year		80		527	2	609
Accumulated depreciation						
At beginning of the year		(8)		(270)	(1)	(279)
Charges for the year	6.1.3	(2)		(55)	(1)	(58)
Lease expiry				7		7
Lease modification	6.1.3			2		2
At end of the year		(10)		(316)	(2)	(328)
Net carrying amount at end of the year		70		211		281

[1] *Relates to remeasurements arising from changes in CPI, as well as lease terms.*

		Group				
At 31 December 2023	**Note**	**Land and buildings Rm**	**Residential land and buildings Rm**	**Buildings and infra-structure Rm**	**Machinery, plant and equipment Rm**	**Total Rm**
Gross carrying amount						
At beginning of the year		58	2	513	2	575
Additions	11.4			1	1	2
Remeasurement adjustments[1]	11.4	3		9		12
Lease expiry and terminations			(2)			(2)
Lease modification				1		1
Transfer to property, plant and equipment	10.1.3				(1)	(1)
At end of the year		61		524	2	587
Accumulated depreciation						
At beginning of the year		(5)	(2)	(215)	(1)	(223)
Charges for the year	6.1.3	(3)		(54)		(57)
Lease expiry and terminations			2			2
Lease modification				(1)		(1)
At end of the year		(8)		(270)	(1)	(279)
Net carrying amount at end of the year		53		254	1	308

[1] *Relates to remeasurements arising from changes in CPI, as well as lease terms.*

11.3 Right-of-use assets continued

At 31 December 2024	Note	Company Buildings and infrastructure Rm	Company Total Rm
Gross carrying amount			
At beginning of the year		502	502
Remeasurement adjustments[1]	11.4	6	6
At end of the year		508	508
Accumulated depreciation			
At beginning of the year		(253)	(253)
Charges for the year	6.1.3	(52)	(52)
At end of the year		(305)	(305)
Net carrying amount at end of the year		203	203

[1] *Relates to remeasurements arising from changes in CPI, as well as lease terms.*

At 31 December 2023	Note	Company Buildings and infrastructure Rm	Company Total Rm
Gross carrying amount			
At beginning of the year		497	497
Remeasurement adjustments[1]	11.4	7	7
Lease modification	6.1.3	(2)	(2)
At end of the year		502	502
Accumulated depreciation			
At beginning of the year		(201)	(201)
Charges for the year	6.1.3	(52)	(52)
At end of the year		(253)	(253)
Net carrying amount at end of the year		249	249

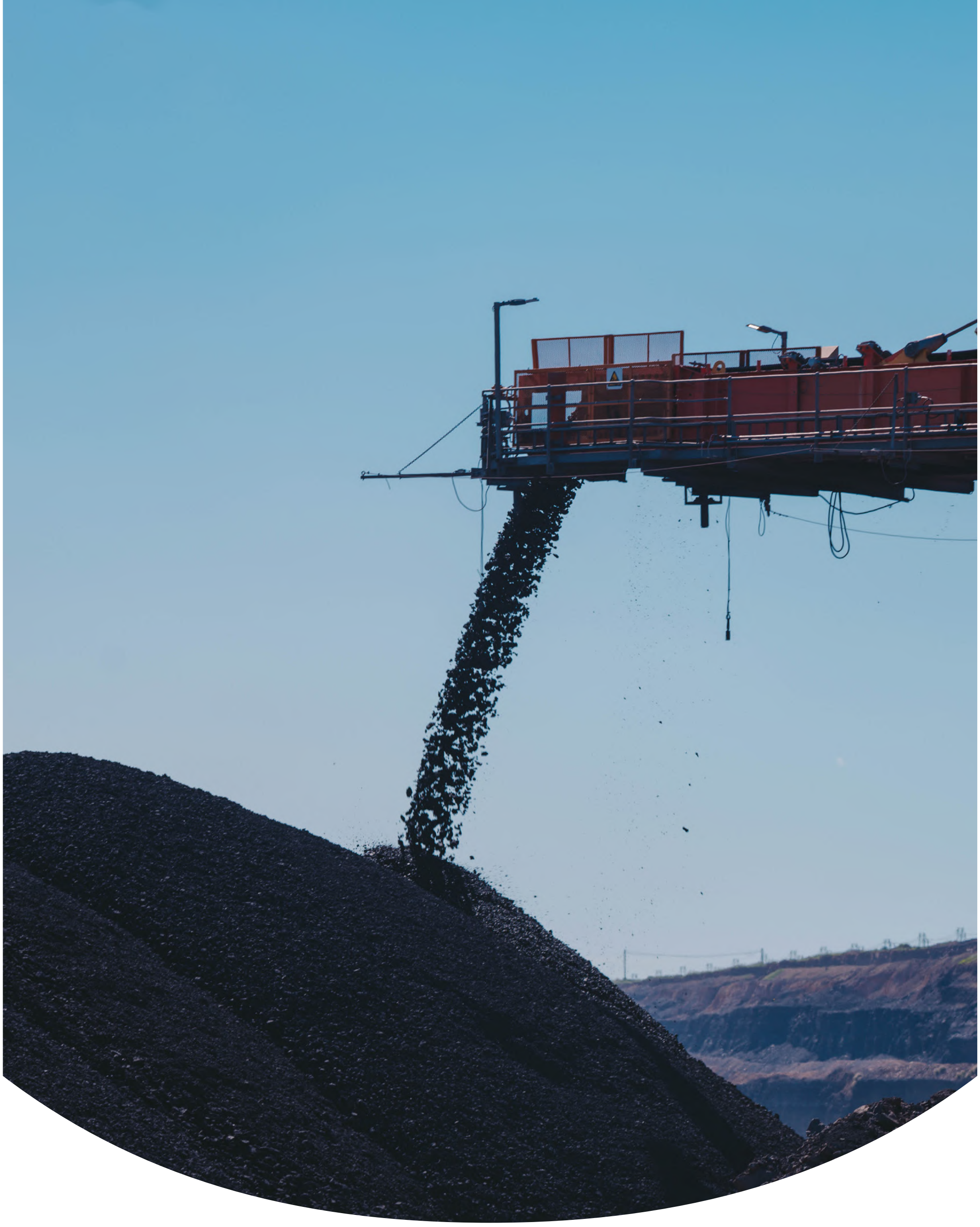
[1] *Relates to remeasurements arising from changes in CPI, as well as lease terms.*

11.4 Lease liabilities

At 31 December	Group 2024 Rm	Group 2023 Rm	Company 2024 Rm	Company 2023 Rm
Non-current	334	400	256	336
Current	96	51	86	47
Total lease liabilities[1]	430	451	342	383

[1] *Refer note 16.3.3.3 for details of the undiscounted contractual cash flow maturities.*

At 31 December	Note	Group 2024 Rm	Group 2023 Rm	Company 2024 Rm	Company 2023 Rm
Analysis of movement in lease liabilities					
At beginning of the year		451	478	383	413
New leases	11.3	3	2		
Lease remeasurement adjustments	11.3	26	12	6	7
Capital repayments		(50)	(41)	(47)	(37)
– Lease payments		(96)	(89)	(85)	(78)
– Interest charges	12.1.2	46	48	38	41
At end of the year		430	451	342	383



12 Funding

12.1 Debt

12.1.1 Accounting policies relating to net financing costs and interest-bearing borrowings

Borrowing costs, finance income and other financing expenses

Fees paid on the establishment of loan facilities are capitalised to the loan as transaction costs to the extent that it is directly related to the establishment of the loan facility. These fees are deferred until the draw down occurs upon which it is amortised over the loan term using the effective interest rate method. To the extent that it is not probable that some or all of the facility will be drawn down (ie such as the revolving credit facility), the fee is capitalised as a prepayment and amortised over the period of the facility to which it relates.

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Interest income is recognised as it accrues in profit or loss, using the effective interest rate method.

Fees and commission

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or financial liability are included in the measurement of the effective interest rate. Other fees and commission expenses relate mainly to transaction and service fees and are expensed in operating expense as the services are rendered.

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

12.1.2 Net financing income/(costs)

		Group		Company	
For the year ended 31 December	Note	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Finance income		1 786	1 570	1 502	1 313
Interest income relating to:		1 796	1 579	1 502	1 313
– Financial assets at amortised cost		33	42	19	24
– Cash and cash equivalents		1 699	1 439	1 483	1 288
– Financial assets at FVPL		57	61		
– Non-financial assets		2	31		1
– Finance leases		5	6		
Reimbursement of interest income on environmental rehabilitation funds		(10)	(9)		
Finance costs		(1 216)	(1 252)	(1 633)	(1 543)
Interest expense relating to:		(1 042)	(1 068)	(1 624)	(1 533)
– Interest-bearing borrowings	12.1.3	(974)	(982)	(374)	(439)
– Financial liabilities at amortised cost		(1)	(14)		
– Non-financial liabilities		(21)	(24)		
– Treasury facilities payable	17.3.2			(1 212)	(1 053)
– Lease liabilities	11.4	(46)	(48)	(38)	(41)
Net fair value gains/(losses) on interest rate swaps designated as cash flow hedges recycled from OCI:		26	20		
– Realised fair value loss		(35)	(44)		
– Unrealised fair value gain		61	64		
Unwinding of discount rate on rehabilitation costs	13.3	(304)	(244)	(5)	(5)
Recovery of unwinding of discount rate on rehabilitation costs		28	28		
Amortisation of transaction costs		(5)	(5)	(4)	(5)
Borrowing costs capitalised[1]	10.1.3	81	17		
Total net financing income/(costs)		570	318	(131)	(230)

[1] *Borrowing costs capitalisation rate:* *9.73%* *9.93%*

12.1 Debt continued

12.1.3 Interest-bearing borrowings

At 31 December	Group 2024 Rm	Group 2023 Rm	Company 2024 Rm	Company 2023 Rm
Non-current[1]	7 344	7 480	2 499	2 945
Loan facility	2 499	2 945	2 499	2 945
Project financing[2]	4 845	4 535		
Current[3]	876	1 443	498	1 153
Loan facility	498	507	498	507
Project financing[2]	378	290		
Bonds[4]		646		646
Total interest-bearing borrowings	8 220	8 923	2 997	4 098
Summary of interest-bearing borrowings by period of redemption[5]*:*				
Less than six months	468	1 074	275	930
Six to 12 months	408	369	223	223
Between one and two years	2 951	794	2 499	446
Between two and three years	561	2 948		2 499
Between three and four years	687	556		
Between four and five years	813	682		
More than five years	2 332	2 500		
Total interest-bearing borrowings	8 220	8 923	2 997	4 098
[1] *The non-current portion represents:*	*7 344*	*7 480*	*2 499*	*2 945*
– Capital	*7 356*	*7 497*	*2 500*	*2 950*
– Reduced by transaction costs	*(12)*	*(17)*	*(1)*	*(5)*
[2] *Interest-bearing borrowings relating to the energy operations.*				
[3] *The current portion represents:*	*876*	*1 443*	*498*	*1 153*
– Capital	*827*	*1 379*	*450*	*1 093*
– Interest capitalised	*54*	*69*	*52*	*64*
– Reduced by transaction costs	*(5)*	*(5)*	*(4)*	*(4)*

[4] *The R643 million senior unsecured floating rate note matured in June 2024.*

[5] *Refer note 16.3.3.3 for details of the undiscounted contractual cash flow maturities.*

At 31 December	Group 2024 Rm	Group 2023 Rm	Company 2024 Rm	Company 2023 Rm
Analysis of movement in interest-bearing borrowings				
At beginning of the year	8 923	9 093	4 098	4 539
Interest-bearing borrowings raised	705	489		
Interest-bearing borrowings repaid	(1 397)	(658)	(1 093)	(450)
Interest expense	974	982	374	439
Interest paid	(990)	(975)	(386)	(435)
Capitalisation of transaction costs		(13)		
Amortisation of transaction costs	5	5	4	5
At end of the year	8 220	8 923	2 997	4 098

12.1 Debt continued

12.1.4 Salient terms and conditions of interest-bearing borrowings

Borrower	Instrument	Security	Interest payment basis	Debt assumed date
Loan facility				
Exxaro	Bullet term loan facility	Unsecured	Floating	26 April 2021
	Amortised term loan facility	Unsecured	Floating	26 April 2021
	Revolving credit facility	Unsecured	Floating	26 April 2021
Project financing				
Amakhala SPV	Term loan and reserve facility	Secured[1]	Floating	1 April 2020
	Term loan facility	Secured[1]	Fixed[2]	1 April 2020
Tsitsikamma SPV	Term loan and reserve facility	Secured[1]	Floating	1 April 2020
LSP SPV	Term loan and reserve facility	Secured[1]	Floating	11 July 2023
	Revolving credit facility	Secured[1]	Floating	11 July 2023
DMTN Programme (bonds)				
Exxaro	R643 million senior unsecured floating rate note	Unsecured	Floating	13 June 2019

[1] *Security held over the assets and share capital of Tsitsikamma SPV, Amakhala SPV and LSP SPV respectively.*
[2] *The facility will become a floating rate facility from 30 June 2026.*

Financial covenants

Loan facility

There were no financial covenant defaults or breaches in terms of the loan facility during the reporting periods.

The financial covenants in terms of the loan facility are the following:
- Ratio of consolidated net debt[1] to equity of the group for any measurement period shall be less than 0.8:1
- Ratio of consolidated EBITDA (excluding project financing as well as non-cash BEE credential costs) to net interest expense of the group for any measurement period shall not be less than 4:1
- Ratio of consolidated net debt[1] to consolidated EBITDA (excluding project financing and non-cash BEE credential costs, including dividends received from equity-accounted investments) of the group for any measurement period shall be less than 3:1.

[1] *For purposes of financial covenants, net debt is adjusted for project financing, pending litigation and other claims as well as other financial guarantees (refer note 13.4.1).*

Project financing

There were no financial covenants defaults or breaches in terms of the project financing during the reporting periods.

The financial covenants in terms of the project financing are the following:

Tsitsikamma SPV

- Historic debt service cover ratio[1] for the calculation period ending on a calculation date is not less than 1.10:1
- Minimum annual forecast debt service cover ratio for the next calculation period is not less than 1.10:1
- Loan life cover ratio[2] is not less than 1.15:1
- Project life cover ratio[3] is not less than 1.25:1.

[1] *The ratio of A to B where, A is the aggregate cash flow available for debt service (CFADS) less taxes and B is the aggregate of the finance costs, in each case for the relevant calculation period.*
[2] *The ratio of A to B where, A is the net present value of forecast CFADS from such calculation date to (and including) the final scheduled repayment date, discounted at the discount rate (as produced by the financial model) and B is the aggregate of the facility outstanding on such calculation date.*
[3] *The ratio of A to B where, A is the net present value of forecast CFADS from such calculation date to the end of the tenor of the power purchase agreement discounted at the discount rate and B is the aggregate of facility outstanding as at such calculation date.*

Borrower	Maturity date		Carrying value (Rm)	Undrawn portion (Rm)	Interest rate Base rate	Interest rate Margin	Effective rate for transaction costs
Loan facility							
Exxaro	26 April 2026	2024	2 540	nil	3-month JIBAR	240 basis points (2.40%)	0.11%
		2023	2 539	nil		240 basis points (2.40%)	0.11%
	26 April 2026	2024	457	nil	3-month JIBAR	230 basis points (2.30%)	0.06%
		2023	913	nil		230 basis points (2.30%)	0.10%
	26 April 2026	2024	nil	3 250	1-month JIBAR	265 basis points (2.65%)	N/A
		2023	nil	3 250		265 basis points (2.65%)	N/A
Project financing							
Amakhala SPV	30 June 2031	2024	2 360	273	3-month JIBAR	371 to 681 basis points (3.71% to 6.81%)	N/A
		2023	2 504	273		371 to 683 basis points (3.71% to 6.83%)	N/A
	30 June 2031	2024	127	nil	9.46% up to 30 June 2026, thereafter 3-month JIBAR	360 to 670 basis points (3.60% to 6.70%)	N/A
		2023	135	nil		360 to 670 basis points (3.60% to 6.70%)	N/A
Tsitsikamma SPV	31 December 2030	2024	1 586	148	3-month JIBAR	276 basis points (2.76%)	N/A
		2023	1 709	155		277 basis points (2.77%)	N/A
LSP SPV	31 December 2042	2024	1 122	145	3-month JIBAR	250 to 360 basis points (2.50% to 3.60%)	0.01% were applicable
		2023	463	803		250 to 360 basis points (2.50% to 3.60%)	0.01% were applicable
	31 August 2025	2024	28	21	3-month JIBAR	180 basis points (1.80%)	N/A
		2023	14	36		180 basis points (1.80%)	N/A
DMTN Programme (bonds)							
Exxaro	13 June 2024	2024	nil	nil	3-month JIBAR	N/A	N/A
		2023	646	nil		189 basis points (1.89%)	N/A

Amakhala SPV

- Projected senior debt service cover ratio[1] for the immediately following measurement period is not less than 1.10:1
- Historic senior debt service cover ratio[1] for the immediately preceding measurement period is not less than 1.10:1
- Senior loan life cover ratio[2], as at each measurement date, is not less than 1.15:1
- Senior project life cover ratio[2], as at each measurement date, is not less than 1.30:1
- Projected total debt service cover ratio[3] for the immediately following measurement period is not less than 1.05:1
- Historic total debt service cover ratio[3] for the immediately preceding measurement period is not less than 1.05:1
- Total loan life cover ratio[4], as at each measurement date, is not less than 1.10:1
- Total project life cover ratio[4], as at each measurement date, is not less than 1.20:1.

[1] *The ratio of CFADS to senior debt service for that period.*
[2] *The ratio of the applicable total present value amount, as at that measurement date to the sum of (i) the senior facility outstanding and (ii) all the IFC facility outstandings, as calculated and produced by the financial model, as part of the forecast for that measurement date.*
[3] *The ratio of CFADS to total senior debt service for that period.*
[4] *The ratio of the applicable total present value amount, as at that measurement date to total facility outstanding, as calculated and produced by the financial model, as part of the forecast for that measurement date.*

LSP SPV

There are no financial covenants to be reported on at 31 December 2024 and 31 December 2023 as the LSP project is in the construction phase. Financial covenants will become effective on the Commercial Operations Date.

12.1 Debt continued

12.1.5 Net cash

At 31 December	Group 2024 Rm	Group 2023 Rm	Company 2024 Rm	Company 2023 Rm
Net cash is presented by the following items on the statement of financial position:				
Non-current interest-bearing debt	(7 678)	(7 880)	(2 755)	(3 281)
Interest-bearing borrowings	(7 344)	(7 480)	(2 499)	(2 945)
Lease liabilities	(334)	(400)	(256)	(336)
Current interest-bearing debt	(972)	(1 494)	(584)	(1 200)
Interest-bearing borrowings	(876)	(1 443)	(498)	(1 153)
Lease liabilities	(96)	(51)	(86)	(47)
Cash and cash equivalents	20 630	19 859	17 300	17 151
Cash and cash equivalents	20 630	19 859	17 300	17 151
Total net cash	11 980	10 485	13 961	12 670

12.1.6 Notes to the statements of cash flows relating to net financing costs received/(paid)

For the year ended 31 December	Note	Group 2024 Rm	Group 2023 Rm	Company 2024 Rm	Company 2023 Rm
Interest received		1 720	1 525	1 502	1 315
Finance income	12.1.2	1 786	1 570	1 502	1 313
Non-cash flow items					
– Interest income accrued not yet received		(71)	(48)		2
– Reimbursement of interest income on environmental rehabilitation funds	12.1.2	10	9		
– Finance lease interest income adjustment	12.1.2	(5)	(6)		
Interest paid		(1 095)	(1 100)	(1 637)	(1 529)
Finance costs	12.1.2	(1 216)	(1 252)	(1 633)	(1 543)
Non-cash flow items					
– Unwinding of discount rate on rehabilitation costs	12.1.2	304	244	5	5
– Recovery of unwinding of discount rate on rehabilitation costs	12.1.2	(28)	(28)		
– Amortisation of transaction costs	12.1.2	5	5	4	5
– Borrowing costs capitalised	12.1.2	(81)	(17)		
– Unrealised fair value gain on interest rate swaps designated as cash flow hedges recycled from OCI	12.1.2	(61)	(64)		
– Finance costs capitalised to loans less finance costs paid and interest accrued not yet paid		(18)	12	(13)	4
Net financing costs received/(paid)		625	425	(135)	(214)

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

12.1 Debt continued

12.1.7 Financial liabilities composition

At 31 December	Note	Group 2024 Rm	Group 2023 Rm	Company 2024 Rm	Company 2023 Rm
Non-current					
Derivative financial liabilities designated as hedging instruments		129	127		
– Cash flow hedge derivatives: interest rate swaps[1]		129	127		
Total non-current financial liabilities per statement of financial position	16.3	129	127		
Current					
Financial liabilities at FVPL		22			
– Derivative financial liabilities		22			
Derivative financial liabilities designated as hedging instruments			14		
– Cash flow hedge derivatives: FECs[2]			14		
Financial liabilities at amortised cost				15 028	15 606
– Non-interest-bearing loans from subsidiaries[3]	17.5			92	769
– Treasury facilities with subsidiaries[4]	17.5			14 936	14 837
Total current financial liabilities per statement of financial position	16.3	22	14	15 028	15 606
Total financial liabilities per statement of financial position		151	141	15 028	15 606

[1] *Relates to interest rate swaps designated in a hedging relationship to hedge interest rate risk exposure resulting from interest payments on the project financing. Refer note 16.3.3.2.3.2.*
[2] *Relates to FECs designated in a hedging relationship to hedge foreign exchange risk exposure on the purchase of US dollar foreign denominated capital purchases funded by ZAR denominated project financing. The FECs portion of the hedges have been settled. Refer note 16.3.3.2.2.*
[3] *Loans granted by subsidiary companies which are interest-free, unsecured and repayable on demand.*
[4] *Treasury facilities with subsidiary companies have no fixed repayment terms and are repayable on demand. Interest is charged at money market rates.*

12.1.8 Other liabilities composition

At 31 December	Group 2024 Rm	Group 2023 Rm	Company 2024 Rm	Company 2023 Rm
Non-current				
Long-term incentives	13	10		
Income received in advance	25	25		
Total non-current other liabilities	38	35		
Current				
Leave pay	274	250	29	26
Bonuses	380	280	134	73
VAT	171	99		
Royalties		40		
Carbon tax	3	3		
Customer advance payments	38	4		
Other	108	111	16	15
Total current other liabilities	974	787	179	114
Total other liabilities	1 012	822	179	114

12.2 Equity

12.2.1 Accounting policy relating to share capital

Where any company within the Exxaro group of companies purchase Exxaro shares (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the group's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental costs and the related income tax effects, is included in equity attributable to the group's equity holders.

The shares are listed on the JSE, with one vote per share, and shareholders are entitled to dividends declared from time to time.

12.2.2 Share capital

	Group		Company	
At 31 December	**2024 Rm**	**2023 Rm**	**2024 Rm**	**2023 Rm**
Authorised				
500 000 000 (2023: 500 000 000) ordinary shares of R0.01 each[1]	5	5	5	5
Issued and fully paid				
349 305 092 (2023: 349 305 092) ordinary shares of R0.01 each	3	3	3	3
Share premium	11 224	11 224	11 224	11 224
Treasury shares held by Eyesizwe	(10 242)	(10 242)		
Treasury shares held by Kumba Resources Management Share Trust	(2)	(2)		
Total share capital	983	983	11 227	11 227
[1] *Authorised unissued ordinary shares at year-end (number of shares):*			*150 694 908*	*150 694 908*

	Group	
	Number of shares	
At 31 December	**2024**	**2023**
Treasury shares in issue		
Held by Eyesizwe	107 612 026	107 612 026
Held by Kumba Resources Management Share Trust	158 218	158 218
Treasury shares in issue at end of the year	107 770 244	107 770 244

Exxaro's issued ordinary shares, net of treasury shares were 241 534 848 on 31 December 2024 (2023: 241 534 848).

Refer to the notice of the AGM for resolutions pertaining to the unissued ordinary shares under the control of the directors until the forthcoming AGM.

Exxaro has no unlisted securities.

12.2.3 Share repurchases

Exxaro had no share repurchase transactions during 2024 nor 2023.

13 Provisions and contingencies

13.1 Accounting policies relating to provisions and contingencies

Provision is made for future cost of environmental rehabilitation consisting of activities relating to restoration, decommissioning as well as cost of residual impact at a rehabilitated mine after final closure, restoration and decommissioning have been completed. Estimates are based on unscheduled closure cost that are reviewed internally every six months and by external consultants every three years or earlier, should the level of risk require such external review. Where provision is made for dismantling of assets and site restoration cost, an asset of similar initial value is raised and depreciated in accordance with the accounting policy for property, plant and equipment.

13.2 Significant judgements and assumptions made by management in applying the related accounting policies

Environmental rehabilitation

Estimates are made in determining the present liability of the environmental rehabilitation obligation consisting of a restoration provision, decommissioning provision and a residual impact provision. Each of these provisions are based on an estimate of unscheduled closure cost on 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 rehabilitation liability.

On 20 November 2015, the FPR:2015 was promulgated by the Minister of Environmental Affairs for South Africa as replacement of financial provisioning and rehabilitation legislation contained in the MPRDA and NEMA. After promulgation of the FPR:2015, the DEA met with various stakeholders who sought clarification on a number of issues. This resulted in amended regulations pertaining to the financial provisioning for prospecting, exploration, mining or production operations which were issued on 10 November 2017.

On 21 September 2018, the Minister of Environmental Affairs for South Africa amended the FPR:2015 by extending the transitional period from 19 February 2019 to 19 February 2020. All holders of mining or exploration rights or permits therefore would have had to comply with the financial provisioning requirements in terms of the MPRDA until 20 February 2020 when the FPR:2015 would come into effect. However, the revised FPR:2015 has not been finally promulgated by the DEA and the transitional period has now been extended indefinitely.

The obligation to ensure that water is treated according to statutory requirements is specifically included in the scope of both internal and external reviews of closure cost. Cost relating to water treatment from the expected date of decanting is quantified for a period of 50 years and the discounted value is included in the environmental rehabilitation provisions for relevant mines. The majority of cost relating to water treatment is included in the provision for residual impact. Where necessary, the cost associated with constructing and maintaining a water treatment plant has also been included. Any water treatment cost incurred at current operating mines is included in profit or loss in the year to which it relates.

Discounting of the cost relating to unscheduled closure on reporting date is calculated over the expected LoM of each mine. The LoM is based on remaining reserves at each mine as well as the level of complexity to perform mining activities at these reserves.

The assumption that post-closure rehabilitation will take place over a period of five years resulted in discounting of the costs included in the residual impact provision to be calculated over the expected remaining LoM and an additional five years for post-closure activities to be completed.

Other site closure cost

The provision includes estimates for the cost required to be incurred in support of execution of activities stipulated in the closure rehabilitation plan for each of the mines in closure. Provision is made on a piecemeal basis for those operating expenses supporting the rehabilitation, but which are not included in the environmental rehabilitation provision.

Key assumptions

	At 31 December	
	2024	**2023**
Long-term PPI (%)	4.8	4.8
Risk-free discount rate[1]		
– Period of discounting: 1 to 5 years (%)	9.25	8.98
– Period of discounting: 6 to 15 years (%)	11.34	12.26
– Period of discounting: 16 to 35 years (%)	11.43	12.53
LoM (years)	0 to 33	0 to 34

[1] *Excluding post-closure cost discounting.*

Sensitivities

Sensitivities calculated on changes in the discount rate, based on unscheduled closure cost on 31 December each year, are as follows:

	At 31 December	
	2024 Rm	**2023 Rm**
Increase/(decrease) in net operating profit:		
Resulting from a 1% increase in discount rate	217	156
Resulting from a 1% decrease in discount rate	(237)	(169)
Increase/(decrease) in environmental rehabilitation provisions:		
Resulting from a 1% increase in discount rate	(296)	(225)
Resulting from a 1% decrease in discount rate	329	249

13.3 Provisions

		Group					
		Environmental rehabilitation					
At 31 December 2024	Note	Restoration Rm	Decommis-sioning Rm	Residual impact Rm	Other site closure cost Rm	Other Rm	Total Rm
At beginning of the year		1 823	258	975	127	2	3 185
Charge to operating expenses	6.1.3	180	25	3	3		211
Unwinding of discount rate	12.1.2	201	32	60	11		304
Change in provisions capitalised to property, plant and equipment	10.1.3	2	41				43
Utilised during the year	6.3.1	(58)		(21)	(21)	(2)	(102)
Total provisions at end of the year		2 148	356	1 017	120		3 641
Non-current		1 999	355	908	97		3 359
Current		149	1	109	23		282

		Group					
		Environmental rehabilitation					
At 31 December 2023	Note	Restoration Rm	Decommis-sioning Rm	Residual impact Rm	Other site closure cost Rm	Other Rm	Total Rm
At beginning of the year		1 682	305	832	118	4	2 941
Charge/(reversal) to operating expenses	6.1.3	10	(81)	122	19		70
Unwinding of discount rate	12.1.2	178	32	24	10		244
Change in provisions capitalised to property, plant and equipment	10.1.3		2				2
Utilised during the year	6.3.1	(47)		(3)	(20)	(2)	(72)
Total provisions at end of the year		1 823	258	975	127	2	3 185
Non-current		1 692	257	908	106		2 963
Current		131	1	67	21	2	222

13.3 Provisions continued

At 31 December 2024	Note	Company Environmental rehabilitation Restoration Rm	Company Total Rm
At beginning of the year		53	53
Reversal to operating expenses	6.1.3	(3)	(3)
Unwinding of discount rate	12.1.2	5	5
Utilised during the year	6.3.1	(2)	(2)
Total provisions at end of the year		53	53
Non-current		53	53

At 31 December 2023	Note	Company Environmental rehabilitation Restoration Rm	Company Total Rm
At beginning of the year		49	49
Reversal to operating expenses	6.1.3	(1)	(1)
Unwinding of discount rate	12.1.2	5	5
Total provisions at end of the year		53	53
Non-current		53	53

Funding

The FPR:2015 contains funding requirements in the form of financial guarantees as well as trust funds. Exxaro has financial guarantees per mine, which are ceded to the DMRE, as well as environmental trust funds.

The current funding excess compared to the present values of the environmental provisions is demonstrated as follows:

At 31 December		Group 2024 Rm	Group 2023 Rm
Total environmental provisions		(3 521)	(3 056)
– Present value of unscheduled restoration and decommissioning costs discounted over LoM		(2 504)	(2 081)
– Present value of unscheduled post-closure residual impact costs discounted over LoM and five years of rehabilitation		(1 017)	(975)
Environmental rehabilitation funds in trust[1]		2 775	2 530
Financial guarantees ceded to the DMRE	13.4.1	3 552	3 552
Current funding excess		2 806	3 026

[1] *Includes both the environmental rehabilitation funds classified as financial assets at FVPL and financial assets at amortised cost. Refer note 10.3.2.*

The table below demonstrates the environmental rehabilitation cost in the event of immediate closure:

At 31 December	Group 2024 Rm	Group 2023 Rm
Estimated unscheduled restoration and decommissioning closure costs (undiscounted)	(7 046)	(7 576)
Estimated unscheduled post-closure residual impact cost[1]	(1 513)	(1 751)

[1] *Long-term post-closure water treatment cost included at the net present value.*

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

13.4 Contingent liabilities and contingent assets

13.4.1 Contingent liabilities

At 31 December	Group 2024 Rm	Group 2023 Rm	Company 2024 Rm	Company 2023 Rm
Pending litigation and other claims[1]	107	112		
Operational guarantees[2]	4 255	4 183	680	608
– Financial guarantees ceded to the DMRE	3 552	3 552		
– Other financial guarantees	703	631	680	608
Total contingent liabilities	4 362	4 295	680	608

[1] *Relates to commercial disputes of which the outcome is uncertain.*
[2] *Includes guarantees to banks and other institutions in the normal course of business from which it is anticipated that no material liabilities will arise.*

In November 2023, Exxaro received service of an application seeking the permission of the High Court of South Africa to certify classes for purposes of a class action for damages against Exxaro and three of its related entities, being Exxaro Coal Proprietary Limited, Exxaro Coal Mpumalanga Proprietary Limited and Mafube Coal Mining Proprietary Limited, as well as other respondents. Following legal advice, Exxaro delivered its notice of intention to oppose the certification application. Exxaro served and filed its Answering Affidavit (together with annexures and supporting affidavits) timeously on 6 December 2024. The Deputy Judge President has assigned 25 November 2025 to 5 December 2025 for the certification hearing.

The timing and occurrence of any possible outflows of the contingent liabilities above are uncertain.

Share of equity-accounted investments' contingent liabilities

At 31 December	Group 2024 Rm	Group 2023 Rm
Share of contingent liabilities of equity-accounted investments	1 697	1 427

13.4.2 Contingent assets

At 31 December	Group 2024 Rm	Group 2023 Rm
Back-to-back guarantees	134	134
Other[1]	100	54
Total contingent assets	234	188

[1] *Relates to performance guarantees issued to Exxaro in terms of various capital project agreements.*

The timing and occurrence of any possible inflows of the contingent assets are uncertain.

14 People

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

14.1 Accounting policies relating to employee benefits

14.1.1 Retirement employee benefits

Defined contribution plans

Defined contribution retirement funds are provided for the benefit of employees, the assets of which are held in separate funds. These funds are funded by contributions from employees and the employer, taking account of the recommendations of independent actuaries. Employer contributions to the defined contribution funds are recognised in profit or loss in the year to which it relates.

Guarantees are not provided in respect of returns in the defined contribution funds.

Defined benefit obligations

A retirement medical contribution obligation exists for certain in-service and retired employees who are members of accredited medical aid funds. This benefit is no longer offered to employees. The liability is determined using the projected unit credit method. Remeasurements arising from experience adjustments and changes in actuarial assumptions are recognised immediately in OCI. Remeasurements recognised in OCI will not be reclassified to profit or loss. Net interest expense and other expenses related to the retirement medical contribution obligation are recognised in profit or loss.

14.1.2 Short and long-term benefits

The cost of all short-term employee benefits, such as salaries, bonuses, housing allowances, medical and other contributions, are recognised during the period in which the employee renders the related service.

The vesting portion of long-term benefits is recognised and provided for in the reporting period, based on current total cost to company.

14.1.3 Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits.

Termination benefits are recognised when a commitment has been demonstrated to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy which has been accepted by an employee. If the benefits fall due more than 12 months after the reporting date, they are discounted to present value.

14.1.4 Equity compensation benefits

Senior management, including executive directors and eligible employees, participate in the LTIP, DBP and BMP incentive schemes.

The LTIP, DBP and BMP are treated as equity-settled share-based payment schemes. The fair value is expensed over the vesting period of the instrument with a corresponding increase in equity. The fair value of these schemes are determined at grant date and subsequently reviewed at each reporting period only for changes in non-market performance conditions and employee attrition rates applicable to each scheme.

Exxaro has an agreement with its subsidiary companies to charge the subsidiaries for the LTIP and DBP equity compensation share schemes granted to the subsidiaries' employees.

The movement in equity in the company's financial statements relating to the recharge of the share-based payments of subsidiaries is accounted for against investments in subsidiaries and is eliminated on consolidation for group reporting purposes.

14.2 Significant judgements and assumptions made by management in applying the related accounting policies

IFRS 2 *Share-Based Payment*

In applying IFRS 2 *Share-Based Payment*, management has made certain judgements in respect of the fair value option pricing models to be used in determining the various share-based payment arrangements in respect of employees, as well as the variable elements used in these models.

For share-based payments with employees, estimates are made in determining the fair value of equity instruments granted. Assumptions are used in the valuation models and include assumptions regarding future dividend yield, risk-free rate, expected employee attrition rate, expected share volatility and expected option life and TSR vesting condition (refer note 14.3.4).

IAS 19 *Employee Benefits*

In applying IAS 19 *Employee Benefits*, management is required to make judgements when determining the classification of each scheme, such judgements include the identification as to the nature of benefits provided by each scheme.

For defined benefit schemes, management is required to make estimates and assumptions about the discount rate, future remuneration changes, employee attrition rates, administration costs, changes in benefits, medical cost trends, inflation rates, exchange rates and life expectancy. In making these estimates and assumptions, management considers advice provided by external advisers, such as actuaries (refer note 14.4).

14.3 Employee benefits

14.3.1 Retirement funds

Independent funds provide retirement and other benefits for all permanent employees, retired employees and their dependants.

At the end of the financial year, the main defined contribution retirement funds were:
- Exxaro Provident Fund (the previous Exxaro Pension Fund and Exxaro Provident Fund were consolidated into one fund during 2023)
- Mine Workers Provident Fund
- Sentinel Retirement Fund.

Bargaining unit employees pay a contribution of 8% with the employer's contribution of 15% to the above funds being expensed as incurred.

Other members generally pay a contribution of 7% with the employer's contribution of 10% to the above funds being expensed as incurred.

All funds are registered in South Africa and are governed by the South African Pension Funds Act of 1956.

Defined contribution funds

Employer contributions to each fund were as follows:

	Group		Company	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Exxaro Provident Fund	219	204	42	38
Mine Workers Provident Fund	65	63		
Sentinel Retirement Fund	86	81	4	4
Total employer contributions paid	370	348	46	42

14.3.2 Medical aid

Contributions are made to defined contribution medical aid schemes for the benefit of permanent employees and their dependents who choose to belong to one of a number of employer accredited schemes. The contributions expensed in profit or loss amount to R217 million (2023: R198 million).

14.3.3 Incentive schemes

14.3.3.1 Short-term incentives

The following short-term incentive (STI) schemes are in place:
- Group incentive scheme (GIS)
- Line of sight (LOS) incentive scheme
- Energy business annual incentive scheme

GIS salient features

Participants to the GIS include all executive to middle management level employees (FU to DM Paterson) in the group functions and coal business as well as employees in group functions (DL Paterson and below).

The scheme rewards the achievement of annual goals, which in turn are aligned to the medium and longer-term business strategy. All participants will receive payments that reflect annual achievements when performance targets and funding requirements are met. Annual goals are apportioned in the ratio of 80% to business performance (based on financial, operational and strategic, as well as safety and climate change KPIs) and 20% to individual performance.

Participants are paid annually.

LOS salient features

LOS schemes are applicable to the operating business units only. The participants in these schemes include permanent employees, in roles graded at and below DL Paterson, based at the operations.

The measurement and payment cycles align with monthly and quarterly reporting periods. Participants are incentivised to deliver consistent, safe and quality production volumes.

Energy business annual incentive scheme

Participants include the employees of the energy business. The scheme rewards the achievement of strategic objectives of the business by measuring certain strategic and financial targets. All participants will receive payments that reflect annual achievements when performance targets and funding requirements are met.

Participants are paid annually.

14.3.3.2 Long-term incentives

The following long-term incentive scheme is in place:
- Energy business value appreciation rights plan (VARP)

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

14.3 Employee benefits continued

14.3.3 Incentive schemes continued

14.3.3.2 Long-term incentives continued

Energy business VARP

The scheme aims to incentivise the executive to middle management level employees of the energy business to drive particular financial measures linked to value creation, encourage long-term focus on sustainable growth and to attract the right talent.

The scheme vests in tranches of a third, annually in years three, four and five. The vesting of each tranche is subject to meeting conditions of employment and a performance milestone relevant for each portion thereof.

14.3.4 Equity compensation benefits

Equity compensation benefits are provided to selected employees through the following share-based payment schemes:

LTIP

An LTIP is a conditional award of Exxaro shares offered to qualifying senior employees. The shares vest after three years subject to certain performance conditions being met. The extent to which the performance conditions are met governs the number of shares that vest. The LTIP is an equity-settled share-based payment scheme.

Participants in the 2024 and 2023 LTIP grant obtained the right (provided performance conditions are met) to receive a number of Exxaro shares. The vesting of the award is based on:
- 33.33%: ROCE of the group and is calculated for a minimum and maximum performance condition
- 33.33%: The TSR of the group and is calculated for a minimum and maximum performance condition
- 33.34%: The achievement of ESG targets based on the FTSE Russel Index.

Performance between these targets will result in proportional vesting which will be calculated using a linear sliding scale between the minimum and maximum performance conditions. Grants have a vesting period of three years at which the performance conditions are calculated.

DBP

The aim of the DBP is to encourage executive directors and senior management to sacrifice a part of their bonuses for the purpose of acquiring shares in the company in exchange for an upliftment in the number of shares received. Participants may sacrifice a percentage of their (post-tax) bonus in exchange for Exxaro shares at the ruling market price. The pledged shares are then held in trust for a three-year period, thus until the vesting date of the matching award. At vesting date, the company will make an additional award of shares by matching the shareholding on a one-for-one basis (matching award). Participants will consequently become unconditionally entitled to both the original pledged shares as well as the matching award of shares.

A participant may elect to dispose of and withdraw the pledged shares from the scheme at any stage. However, if the pledged shares are withdrawn before the expiry of the pledge period, the participant forfeits the matching award. The DBP is an equity-settled share-based payment scheme.

BMP

Middle- and senior management of qualifying energy companies participate in the BMP through an award of rights to Exxaro shares calculated at a predetermined percentage of the energy business annual incentive scheme amount. 50% of the award vests after 12 months and the remaining 50% after 24 months, conditional on continued employment with the group for the vesting periods. Participants are not entitled to rights in respect of the shares until vesting takes place. Following the vesting of a matching incentive, the settlement of the shares to the participant are subject to the fulfilment of a free cash flow condition for the Cennergi group of companies.

The primary purpose of the BMP is to reward key personnel in achieving the strategic objectives of the energy business, ensure transparent remuneration practices and encourage a long-term focus, align business and individual performance with stakeholder objectives and to drive management retention through the reward of superior performance.

The BMP is an equity-settled share-based scheme.

Details of the schemes:

		LTIP		DBP	
Number of instruments		**2024 '000**	**2023 '000**	**2024 '000**	**2023 '000**
Outstanding at beginning of the year		5 720	7 354	111	133
Issued during the year		2 686	2 367	44	53
Exercised during the year		(1 829)	(3 334)	(39)	(59)
Lapsed/cancelled during the year		(317)	(667)	(3)	(16)
Outstanding at end of the year		6 260	5 720	113	111
Terms of outstanding instruments at end of the year	Expiry date				
	2024[1]		1 878	1	41
	2025	1 577	1 646	23	23
	2026	2 091	2 196	46	47
	2027	2 592		43	
		6 260	5 720	113	111
Total value of shares outstanding (Rm)[2]		989	1 170	18	23

[1] *Employees were restricted from trading.*
[2] *Based on a share price of R157.95 (2023: R204.48).*

14.3 Employee benefits continued

14.3.4 Equity compensation benefits continued

Number of instruments		BMP 2024 '000
Issued during the year		4
Outstanding at end of the year		4
Terms of outstanding instruments at end of the year	Expiry date	
	2025	2
	2026	2
		4
Total value of shares outstanding (Rm)[1]		1

[1] *Based on a share price of R157.95.*

Fair value of equity compensation instruments

In determining the fair value of services received as consideration for equity instruments, measurement is referenced to the fair value of the equity instrument granted.

During the current year, one new DBP, four new LTIP's and one BMP have been granted.

The conditional matching awards granted in terms of the DBP are the economic equivalent of granting an Exxaro share at no consideration, but without dividend rights for the period from the grant date to vesting date. Therefore, the value of the DBP is equal to the grant date share price less the present value of the future dividends expected to be granted over the term of the scheme. The DBP fair value is multiplied by the pledged shares in trust.

The value of the LTIP is the economic equivalent of granting an Exxaro share at no consideration, but without dividend rights for the period from the grant date to vesting date. Therefore, the value of the LTIP is equal to the grant date share price, less the present value of the future dividends expected to be granted over the term of the scheme. In determining the fair value, a Monte Carlo simulation model has been used to take into account the market vesting condition (TSR target). The non-market vesting conditions (ROCE and ESG targets) are taken into account when determining the number of options expected to vest.

The volatility input into the LTIP valuation model is determined by using a historical approach, which uses the historical price data of the underlying shares. The historical period used to determine the volatility is equal in length to the period from the valuation date up to and including the maturity date.

The conditional matching awards granted in terms of the BMP are the economic equivalent of granting an Exxaro share at no consideration, but without dividend rights for the period from the grant date to vesting date. Therefore, the value of the BMP is equal to the grant date share price less the present value of the future dividends expected to be granted over the term of the scheme. The BMP is multiplied with the number of shares after taking into account the probable achievement of the non-market condition and the completion of a service period.

The key assumptions are summarised as follows:

	2024	2023
Average fair value for grants during the year (Rand per grant)		
LTIP	105.45	112.11
DBP	168.98	130.14
BMP	139.43	
Inputs to the valuation models for		
LTIP		
– Share price at valuation date (Rand per share)	160.00 to 181.01	186.55
– Weighted average option life (years)	3	3
– Dividend yield over the life of the option (continuous compounding) (%)	9.25 to 11.38	8.46 to 13.92
– Risk-free interest rate (%)	7.23 to 8.52	7.76
– Exxaro equity equally weighted volatility (%)	34.24 to 35.02	39.67
– TSR peer companies equally weighted volatility (%)	40.83 to 41.25	42.49
DBP		
– Share price at valuation date (Rand per share)	168.98	186.55
– Weighted average option life (years)	3	3
– Dividend yield over the life of the option (continuous compounding) (%)	11.39	8.46 to 13.92
– Risk-free interest rate (%)	8.11	7.76
BMP		
– Share price at valuation date (Rand per share)	168.98	
– Option life (years):		
Tranche one	1	
Tranche two	2	
– Dividend yield over the life of the option (continuous compounding) (%)		
Tranche one	14.68	
Tranche two	11.83	
– Risk-free interest rate (%)		
Tranche one	8.18	
Tranche two	8.06	

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

14.4 Retirement employee obligations

Following the merger with Eyesizwe Proprietary Limited in November 2006 and the successful creation of Exxaro, the retirement healthcare benefit which was provided to a group of continuation and in-service members on the Witbank Coal Medical Aid Scheme was honoured. During 2017, Exxaro Coal Mpumalanga Proprietary Limited withdrew from the Witbank Coal Medical Aid Scheme and the members were moved to the Discovery Health Medical Scheme and Bonitas Medical Aid Scheme. This benefit, which is no longer offered, applied to certain employees previously employed by Eyesizwe Proprietary Limited or Ingwe Coal and comprises a subsidy of contributions.

Exxaro Coal Mpumalanga Proprietary Limited's contribution to the retirement healthcare benefit of employees for the year ended 31 December 2024 amounts to R10.7 million (2023: R9.4 million).

The obligation represents a present value amount, which is actuarially valued every two years. Any remeasurements are recognised in OCI.

The movement in the net defined benefit medical obligation over the year is summarised as follows:

		Group	
At 31 December	**Note**	**2024 Rm**	**2023 Rm**
At beginning of the year		176	165
Charge to operating expenses	6.1.3	13	11
– Current and past service costs		2	2
– Interest expense		22	20
– Expected employer benefit payments		(11)	(11)
Remeasurements[1]		(8)	
At end of the year		181	176

[1] *Tax on remeasurements amounts to R2.17 million (2023: nil).*

The defined benefit medical obligation is composed by country as follows:			
– RSA		181	176
Present value of unfunded obligations		181	176
The actuarial assumptions were as follows:			
Discount rate (%)		12.2	12.8
Healthcare cost inflation (%)		7.9	8.8
Expected retirement age (years)		60 or 63	60

14.5 Directors' and prescribed officers' remuneration

14.5.1 Remuneration policy

The remuneration committee has a defined mandate from the board of directors aimed at:

- Ensuring that the chairman, directors and senior executives are fairly rewarded for their individual contributions to the group's overall performance
- Ensuring that the remuneration strategies and packages, including the incentive schemes, are related to performance, are suitably competitive and give due regard to the interests of the shareholders and the financial and commercial health of the group.

14.5.2 Summary of remuneration

	NCOE/guaranteed remuneration plus circumstantial			Short-term incentives	Long-term incentives
2024	Basic salary R	Benefits and allowances[1] R	Retirement fund contributions R	Performance bonuses[2] R	Gains on management share schemes R
Executive directors					
Dr N Tsengwa[8]	8 551 807	330 488	665 091		13 910 110
PA Koppeschaar	6 353 469	262 198	508 121	4 010 572	8 318 829
Total executive directors' remuneration	14 905 276	592 686	1 173 212	4 010 572	22 228 939
Prescribed officers					
S Govender[9]	2 938 993	311 091	274 245	1 313 392	2 219 214
L Groenewald	4 950 085	212 973	496 690	4 514 049	3 507 115
RE Lilleike	4 459 427	55 833	323 570	2 724 180	
PK Masia	5 283 171		419 190		
JG Meyer	4 361 194	357 219	401 225	2 305 816	4 198 909
MH Nana[10]	2 072 179		161 157	916 388	
AT Ndoni[11]	3 018 327	159 836	220 722		2 259 892
TT Ratsheko[12]	2 605 792	48 254	162 293	997 402	1 896 597
JA Rock	4 098 884	210 598	301 110	2 076 548	
M Veti	4 339 876		383 438	2 042 298	4 517 623
Total prescribed officers' remuneration	38 127 928	1 355 804	3 143 640	16 890 073	18 599 350

2024	Fees for services R	Fees for services rendered to subsidiaries R	Total R
Non-executive directors			
GJ Fraser-Moleketi	1 495 520		1 495 520
KM Ireton	891 534		891 534
B Magara[13]	1 100 503		1 100 503
IN Malevu	707 165		707 165
B Mawasha	917 671		917 671
L Mbatha[14]	282 759	123 785	406 544
N Medupe	1 147 289		1 147 289
Dr P Mnganga	1 121 908		1 121 908
VZ Mntambo	768 756	218 535	987 291
N Molope[15]	913 632		913 632
MLB Msimang	895 573		895 573
CJ Nxumalo	1 106 079		1 106 079
MG Qhena (Chairman)	2 397 450		2 397 450
PCCH Snyders	1 311 845		1 311 845
Total non-executive directors' remuneration	15 057 684	342 320	15 400 004

Other				Long-term incentives			
Exit payment paid[3] R	Recognition[4] R	Other[5] R	Total remuneration R	VARP expense[6] R	Share-based payment expense[7] R	Gains on management share schemes R	Total remuneration expense R
	4 260	15 879	23 477 635		11 885 251	(13 910 110)	21 452 776
	4 260		19 457 449		5 846 252	(8 318 829)	16 984 872
	8 520	15 879	42 935 084		17 731 503	(22 228 939)	38 437 648
	82 060		7 138 995		1 483 280	(2 219 214)	6 403 061
	4 260		13 685 172	1 728 524	179 395	(3 507 115)	12 085 976
			7 563 010		2 185 083		9 748 093
	4 260		5 706 621		5 435 663		11 142 284
	4 260		11 628 623		2 808 681	(4 198 909)	10 238 395
		2 420 000	5 569 724		264 036		5 833 760
1 884 174	4 260	2 114 268	9 661 479		(898 016)	(2 259 892)	6 503 571
	4 260		5 714 598		1 201 206	(1 896 597)	5 019 207
		1 383 179	8 070 319		1 432 369		9 502 688
	4 260		11 287 495		3 066 706	(4 517 623)	9 836 578
1 884 174	107 620	5 917 447	86 026 036	1 728 524	17 158 403	(18 599 350)	86 313 613

1 *Includes leave days purchased as well as travel and acting allowances.*
2 *All incentive schemes are performance related and were approved by the board of directors.*
3 *Includes a mutual separation package.*
4 *Includes long service awards and LTIFR rewards.*
5 *Includes leave encashments, sign-on bonuses and retention allowances.*
6 *Relates to the energy business VARP long-term incentive.*
7 *Amount recognised for share-based payment expenses, in terms of IFRS 2, in respect of equity-settled share-based payment schemes for services rendered during the year. The employee will only be entitled to the options once all vesting conditions have been met.*
8 *Resigned on 5 February 2025.*
9 *Appointed as acting chief coal operations officer on 15 November 2024. Remuneration information relates to the full year.*
10 *Appointed as group company secretary on 1 May 2024.*
11 *Resigned on 30 November 2024.*
12 *Appointed as acting chief strategic resilience and governance officer on 25 September 2024. Remuneration information relates to the full year.*
13 *Appointed as CEO on 1 April 2025 and will step down as independent non-executive director.*
14 *Retired on 23 May 2024.*
15 *Appointed on 3 January 2024.*

Retirement amounts relate to defined contribution retirement funds.

14.5 Directors' and prescribed officers' remuneration continued

14.5.2 Summary of remuneration continued

2023	NCOE/guaranteed remuneration plus circumstantial			Short-term incentives	Long-term incentives
	Basic salary R	Benefits and allowances[1] R	Retirement fund contributions R	Performance bonuses[2] R	Gains on management share schemes R
Executive directors					
Dr N Tsengwa	7 942 454	307 754	640 422	4 359 964	12 352 870
PA Koppeschaar	5 978 529	230 784	493 080	2 364 604	16 841 852
Total executive directors' remuneration	13 920 983	538 538	1 133 502	6 724 568	29 194 722
Prescribed officers					
H Bhola[8]	2 151 310	271 685	197 875		3 373 356
AS de Angelis[9]	1 919 566	43 633	137 638	618 150	6 727 930
L Groenewald[10]	4 483 150	145 844	441 921	3 203 299	6 905 039
RE Lilleike[11]	1 065 395	13 339	77 304		
PK Masia	5 060 073		408 165	1 929 194	
JG Meyer	4 073 907	346 513	389 933	1 357 674	5 036 546
MI Mthenjane[12]	2 558 475	65 396	209 949		7 848 945
AT Ndoni	2 825 232	71 386	196 748	797 073	
JA Rock[13]	875 923		63 136		
M Veti	4 072 757		373 354	1 254 870	7 725 257
Total prescribed officers' remuneration	29 085 788	957 796	2 496 023	9 160 260	37 617 073

2023	Fees for services R	Benefits and allowances[14] R	Fees for services rendered to subsidiaries R	Total R
Non-executive directors				
GJ Fraser-Moleketi	1 423 075			1 423 075
KM Ireton	800 011			800 011
B Magara	897 586			897 586
IN Malevu	685 337			685 337
B Mawasha	885 625			885 625
L Mbatha	681 040		70 068	751 108
N Medupe[15]	829 565			829 565
Dr P Mnganga	1 001 950			1 001 950
VZ Mntambo	684 262			684 262
LI Mophatlane[16]	525 499			525 499
MLB Msimang	851 536			851 536
V Nkonyeni[16]	462 885			462 885
CJ Nxumalo	1 072 369			1 072 369
MG Qhena (Chairman)	2 301 119			2 301 119
PCCH Snyders	1 238 558	8 541		1 247 099
Total non-executive directors' remuneration	14 340 417	8 541	70 068	14 419 026

1 *Includes leave days purchased as well as travel and acting allowances.*
2 *All incentive schemes are performance related and were approved by the board of directors.*
3 *Includes severance package.*
4 *Includes long service awards and LTIFR rewards.*
5 *Includes leave encashments, sign-on bonuses and retention allowances.*
6 *Relates to the energy business VARP long-term incentive.*
7 *Amount recognised for share-based payment expenses, in terms of IFRS 2, in respect of equity-settled share-based payment schemes for services rendered during the year. The employee will only be entitled to the options once all vesting conditions have been met.*
8 *Ceased to be acting executive head: human resources on 16 October 2023. Remuneration information relates to the period until resignation on 30 November 2023.*
9 *Accepted a voluntary severance package on 31 July 2023.*
10 *Appointed as managing director: energy on 1 April 2023 after acting in the position since 16 August 2022. Remuneration information relates to the full year.*
11 *Appointed as chief growth officer on 1 October 2023.*
12 *Resigned on 18 August 2023.*
13 *Appointed as chief people and performance officer on 16 October 2023.*
14 *Travelling reimbursements for visiting various operations of the company during the year.*
15 *Appointed on 3 January 2023.*
16 *Retired on 18 May 2023.*

Retirement amounts relate to defined contribution retirement funds.

Other				Long-term incentives			
Exit payment paid[3] R	Recognition[4] R	Other[5] R	Total remuneration R	VARP expense[6] R	Share-based payment expense[7] R	Gains on management share schemes R	Total remuneration expense R
	63 460		25 666 924		10 200 448	(12 352 870)	23 514 502
	2 760		25 911 609		5 623 616	(16 841 852)	14 693 373
	66 220		51 578 533		15 824 064	(29 194 722)	38 207 875
	2 760	291 182	6 288 168		1 307 136	(3 373 356)	4 221 948
1 771 596	3 760	208 186	11 430 459		2 261 770	(6 727 930)	6 964 299
	2 760		15 182 013	3 276 180	1 892 191	(6 905 039)	13 445 345
		1 200 000	2 356 038		308 287		2 664 325
	2 314		7 399 746		3 686 001		11 085 747
	2 760		11 207 333		2 826 144	(5 036 546)	8 996 931
	3 760	492 862	11 179 387		(1 561 347)	(7 848 945)	1 769 095
	2 760	722 290	4 615 489		1 261 745		5 877 234
		2 766 357	3 705 416		167 556		3 872 972
	63 460		13 489 698		2 969 195	(7 725 257)	8 733 636
1 771 596	84 334	5 680 877	86 853 747	3 276 180	15 118 678	(37 617 073)	67 631 532

14.5.3 Directors' interests in Exxaro shares

	2024		2023	
At 31 December	Direct number	Indirect number	Direct number	Indirect number
Beneficial interests (number of shares)				
PA Koppeschaar	74 446	8 023	74 446	1 774
VZ Mntambo		4 448 839		4 448 839
Dr N Tsengwa	179 578	6 401	135 712	3 359

At 31 December	2024 %	2023 %
Percentages of direct and indirect shareholdings		
PA Koppeschaar	0.02	0.02
VZ Mntambo	1.27	1.27
Dr N Tsengwa	0.05	0.04

There have been no changes in the directors' interests in Exxaro shares between the end of the financial year 2024 and the date on which the annual financial statements were approved, except as issued on SENS.

14.5 Directors' and prescribed officers' remuneration continued

14.5.4 Share options and restricted share awards

The following options and rights in shares in the company were exercised or are outstanding in favour of directors and prescribed officers of the company under the company's share option schemes:

Management share scheme – LTIP

2024	Rights held at 31 December[1] Number	Exercisable period	Proceeds if exercisable at 31 December[2] R	Pre-tax gain if exercisable at 31 December[2] R	Options exercised during the year Number	Shares forfeited[3] Number	Sale price/ market price R	Pre-tax gain R	Date exercised
Executive directors									
Dr N Tsengwa		01/04/2024			79 047	1 068	168.78	13 341 553	01/04/2024
	14 224	01/04/2025	2 246 681	2 246 681					
	78 093	01/04/2025	12 334 789	12 334 789					
	112 157	01/04/2026	17 715 198	17 715 198					
	132 640	01/04/2027	20 950 488	20 950 488					
	337 114		53 247 156	53 247 156	79 047	1 068		13 341 553	
PA Koppeschaar		01/04/2024			49 288	666	168.78	8 318 829	01/04/2024
	41 816	01/04/2025	6 604 837	6 604 837					
	51 829	01/04/2026	8 186 391	8 186 391					
	61 258	01/04/2027	9 675 701	9 675 701					
	154 903		24 466 929	24 466 929	49 288	666		8 318 829	
Prescribed officers									
S Govender		01/04/2024			12 775	172	168.78	2 156 165	01/04/2024
	10 838	01/04/2025	1 711 862	1 711 862					
	13 531	01/04/2026	2 137 221	2 137 221					
	15 993	01/04/2027	2 526 094	2 526 094					
	40 362		6 375 177	6 375 177	12 775	172		2 156 165	
L Groenewald		01/04/2024			18 920	255	168.78	3 193 318	01/04/2024
	16 832	01/04/2025	2 658 614	2 658 614					
	16 832		2 658 614	2 658 614	18 920	255		3 193 318	
RE Lilleike	38 223	01/10/2026	6 037 323	6 037 323					
	41 604	01/04/2027	6 571 352	6 571 352					
	79 827		12 608 675	12 608 675					
PK Masia	34 170	01/04/2025	5 397 152	5 397 152					
	34 170	01/04/2025	5 397 152	5 397 152					
	42 264	01/04/2026	6 675 599	6 675 599					
	49 954	01/04/2027	7 890 234	7 890 234					
	160 558		25 360 137	25 360 137					
JG Meyer		01/04/2024			24 878	336	168.78	4 198 909	01/04/2024
	21 107	01/04/2025	3 333 851	3 333 851					
	26 308	01/04/2026	4 155 349	4 155 349					
	31 094	01/04/2027	4 911 297	4 911 297					
	78 509		12 400 497	12 400 497	24 878	336		4 198 909	
MH Nana	12 417	01/05/2027	1 961 265	1 961 265					
	12 417		1 961 265	1 961 265					
AT Ndoni		01/11/2024			12 003	162	167.09	2 005 581	01/12/2024
		01/04/2025				9 296			
		01/04/2026				11 499			
		01/09/2026				8 481			
		01/04/2027				22 551			
					12 003	51 989		2 005 581	
TT Ratshekо		01/04/2024			10 118	136	168.78	1 707 716	01/04/2024
	8 583	01/04/2025	1 355 685	1 355 685					
	10 708	01/04/2026	1 691 329	1 691 329					
	12 649	01/04/2027	1 997 910	1 997 910					
	31 940		5 044 924	5 044 924	10 118	136		1 707 716	
JA Rock	24 928	16/10/2026	3 937 378	3 937 378					
	27 591	01/04/2027	4 357 998	4 357 998					
	52 519		8 295 376	8 295 376					
M Veti		01/04/2024			23 130	312	168.78	3 903 881	01/04/2024
	19 623	01/04/2025	3 099 453	3 099 453					
	24 271	01/04/2026	3 833 604	3 833 604					
	28 687	01/04/2027	4 531 112	4 531 112					
	72 581		11 464 169	11 464 169	23 130	312		3 903 881	

1 *Option strike price is nil.*
2 *Based on a share price of R157.95 which prevailed on 31 December 2024.*
3 *Shares forfeited due to performance conditions not being fully met and shares forfeited due to resignation in the year.*

14.5 Directors' and prescribed officers' remuneration continued

14.5.4 Share options and restricted share awards continued

2023	Rights held at 31 December[1] Number	Exercisable period	Proceeds if exercisable at 31 December[2] R	Pre-tax gain if exercisable at 31 December[2] R	MSR election[3] Number	Options exercised during the year Number	Shares forfeited[4] Number	Sale price/ market price R	Pre-tax gain R	Date exercised
Executive directors										
Dr N Tsengwa		01/04/2023				65 405	884	187.75	12 279 789	01/04/2023
	80 115	01/04/2024	16 381 915	16 381 915						
	14 224	01/04/2025	2 908 524	2 908 524						
	78 093	01/04/2025	15 968 457	15 968 457						
	112 157	01/04/2026	22 933 863	22 933 863						
	284 589		58 192 759	58 192 759		65 405	884		12 279 789	
PA Koppeschaar		01/04/2023				83 938	1 134	187.75	15 759 360	01/04/2023
	49 954	01/04/2024	10 214 594	10 214 594						
	41 816	01/04/2025	8 550 536	8 550 536						
	51 829	01/04/2026	10 597 994	10 597 994						
	143 599		29 363 124	29 363 124		83 938	1 134		15 759 360	
Prescribed officers										
H Bhola		01/04/2023				16 838	227	187.75	3 161 335	01/04/2023
		01/04/2024					10 447			
		01/04/2025					8 828			
		01/04/2026					10 920			
						16 838	30 422		3 161 335	
AS de Angelis		01/04/2023				32 965	445	187.75	6 189 179	01/04/2023
	19 066	01/04/2024	3 898 616	3 898 616						
	15 960	01/04/2025	3 263 501	3 263 501						
	19 822	01/04/2026	4 053 203	4 053 203						
	54 848		11 215 320	11 215 320		32 965	445		6 189 179	
L Groenewald		01/04/2023				32 562	440	187.75	6 113 516	01/04/2023
	19 175	01/04/2024	3 920 904	3 920 904						
	16 832	01/04/2025	3 441 807	3 441 807						
	36 007		7 362 711	7 362 711		32 562	440		6 113 516	
RE Lilleike	38 223	01/10/2026	7 815 839	7 815 839						
	38 223		7 815 839	7 815 839						
PK Masia	34 170	01/04/2025	6 987 082	6 987 082						
	34 170	01/04/2025	6 987 082	6 987 082						
	42 264	01/04/2026	8 642 143	8 642 143						
	110 604		22 616 307	22 616 307						
JG Meyer		01/04/2023			21 798	21 798	589	187.75	4 092 575	01/04/2023
	25 214	01/04/2024	5 155 759	5 155 759						
	21 107	01/04/2025	4 315 959	4 315 959						
	26 308	01/04/2026	5 379 460	5 379 460						
	72 629		14 851 178	14 851 178	21 798	21 798	589		4 092 575	
MI Mthenjane		01/04/2023			4 109	36 985	555	187.75	6 943 934	01/04/2023
		01/04/2024					23 767			
		01/04/2025					19 895			
		01/04/2026					24 608			
					4 109	36 985	68 825		6 943 934	
AT Ndoni	12 165	01/11/2024	2 487 499	2 487 499						
	9 296	01/04/2025	1 900 846	1 900 846						
	11 499	01/04/2026	2 351 316	2 351 316						
	8 481	01/09/2026	1 734 195	1 734 195						
	41 441		8 473 856	8 473 856						
JA Rock	24 928	16/10/2026	5 097 277	5 097 277						
	24 928		5 097 277	5 097 277						
M Veti		01/04/2023				40 532	548	187.75	7 609 883	01/04/2023
	23 442	01/04/2024	4 793 420	4 793 420						
	19 623	01/04/2025	4 012 511	4 012 511						
	24 271	01/04/2026	4 962 934	4 962 934						
	67 336		13 768 865	13 768 865		40 532	548		7 609 883	

1 *Option strike price is nil.*
2 *Based on a share price of R204.48 which prevailed on 31 December 2023.*
3 *Election to transfer shares arising from the vested options to the MSR portfolio.*
4 *Shares forfeited due to performance conditions not being fully met and shares forfeited due to resignation in the year.*

14.5 Directors' and prescribed officers' remuneration continued

14.5.4 Share options and restricted share awards continued

Management share scheme – DBP

2024	Rights held at 31 December[1] Number	Exercisable period	Proceeds if exercisable at 31 December[2] R	Pre-tax gain if exercisable at 31 December[2] R	Options exercised during the year Number	Shares forfeited[3] Number	Sale price/ market price R	Pre-tax gain R	Date exercised
Executive directors									
Dr N Tsengwa		19/03/2024			589		171.54	101 037	19/03/2024
		31/03/2024			2 770		168.78	467 521	31/03/2024
	6 401	31/03/2027	1 011 038	1 011 038					
	6 401		1 011 038	1 011 038	3 359			568 558	
PA Koppeschaar[4]	750	21/09/2024	118 463	118 463					
	1 024	04/03/2025	161 741	161 741					
	6 249	31/03/2027	987 030	987 030					
	8 023		1 267 234	1 267 234					
Prescribed officers									
S Govender		19/03/2024			179		171.54	30 706	19/03/2024
		31/08/2024			202		160.12	32 344	31/08/2024
	735	31/03/2025	116 093	116 093					
	735		116 093	116 093	381			63 050	
L Groenewald		19/03/2024			200		171.54	34 308	19/03/2024
		31/03/2024			1 275		168.78	215 195	31/03/2024
		21/09/2024			409		157.20	64 295	21/09/2024
	1 004	04/03/2025	158 582	158 582					
	1 845	31/03/2025	291 418	291 418					
	2 849		450 000	450 000	1 884			313 798	
PK Masia	5 098	31/03/2027	805 229	805 229					
	5 098		805 229	805 229					
JG Meyer[4]	301	21/09/2024	47 543	47 543					
	301		47 543	47 543					
AT Ndoni		04/03/2025				96			
		31/03/2026				1 676			
		31/03/2027				1 170			
						2 942			
TT Ratsheko		19/03/2024			144		171.54	24 702	19/03/2024
		31/03/2024			820		168.78	138 400	31/03/2024
		31/08/2024			161		160.12	25 779	31/08/2024
	391	04/03/2025	61 758	61 758					
	583	31/03/2025	92 085	92 085					
	974		153 843	153 843	1 125			188 881	
M Veti[4]		19/03/2024			449		171.54	77 021	19/03/2024
		31/03/2024			3 180		168.78	536 720	31/03/2024
	278	21/09/2024	43 910	43 910					
	7 230	31/03/2026	1 141 979	1 141 979					
	3 316	31/03/2027	523 762	523 762					
	10 824		1 709 651	1 709 651	3 629			613 741	

[1] *Option strike price is nil.*
[2] *Based on a share price of R157.95 which prevailed on 31 December 2024.*
[3] *Shares forfeited due to resignation in the year.*
[4] *Will be allowed to exercise the September 2024 tranche once removed from the insider register.*

14.5 Directors' and prescribed officers' remuneration continued

14.5.4 Share options and restricted share awards continued

Management share scheme – DBP continued

2023	Rights held at 31 December[1] Number	Exercisable period	Proceeds if exercisable at 31 December[2] R	Pre-tax gain if exercisable at 31 December[2] R	Options exercised during the year Number	Shares forfeited[3] Number	Sale price/ market price R	Pre-tax gain R	Date exercised
Executive directors									
Dr N Tsengwa		31/08/2023			432		169.17	73 081	31/08/2023
	589	19/03/2024	120 439	120 439					
	2 770	31/03/2024	566 410	566 410					
	3 359		686 849	686 849	432			73 081	
PA Koppeschaar		31/03/2023			4 778		191.01	912 646	31/03/2023
		31/08/2023			1 004		169.17	169 847	31/08/2023
	750	21/09/2024	153 360	153 360					
	1 024	04/03/2025	209 388	209 388					
	1 774		362 748	362 748	5 782			1 082 493	
Prescribed officers									
H Bhola		31/03/2023			1 110		191.01	212 021	31/03/2023
		19/03/2024				137			
		31/03/2024				778			
		31/08/2024				159			
		04/03/2025				394			
		31/03/2025				584			
		31/03/2026				1 996			
					1 110	4 048		212 021	
AS de Angelis		31/03/2023			1 092		191.01	208 583	31/03/2023
		31/08/2023			466		169.17	78 833	31/08/2023
	202	19/03/2024	41 305	41 305					
	1 269	31/03/2024	259 485	259 485					
	227	21/09/2024	46 417	46 417					
	2 491	31/03/2026	509 360	509 360					
	4 189		856 567	856 567	1 558			287 416	
L Groenewald		31/03/2023			3 655		191.01	698 142	31/03/2023
		31/08/2023			552		169.17	93 382	31/08/2023
	200	19/03/2024	40 896	40 896					
	1 275	31/03/2024	260 712	260 712					
	409	21/09/2024	83 632	83 632					
	1 004	04/03/2025	205 298	205 298					
	1 845	31/03/2025	377 266	377 266					
	4 733		967 804	967 804	4 207			791 524	
JG Meyer		31/03/2023			4 942		191.01	943 971	31/03/2023
	301	21/09/2024	61 548	61 548					
	301		61 548	61 548	4 942			943 971	
AT Ndoni	96	04/03/2025	19 630	19 630					
	1 676	31/03/2026	342 708	342 708					
	1 772		362 338	362 338					
M Veti		31/08/2023			682		169.17	115 374	31/08/2023
	449	19/03/2024	91 812	91 812					
	3 180	31/03/2024	650 246	650 246					
	278	21/09/2024	56 845	56 845					
	7 230	31/03/2026	1 478 390	1 478 390					
	11 137		2 277 293	2 277 293	682			115 374	

1 *Option strike price is nil.*
2 *Based on a share price of R204.48 which prevailed on 31 December 2023.*
3 *Shares forfeited due to resignation in the year.*

14.5 Directors' and prescribed officers' remuneration continued

14.5.4 Share options and restricted share awards continued

Management share scheme – BMP

2024	Rights held at 31 December[1] Number	Exercisable period	Proceeds if exercisable at 31 December[2] R	Pre-tax gain if exercisable at 31 December[2] R
Prescribed officers				
L Groenewald	1 149	01/04/2025	181 485	181 485
	1 149	01/04/2026	181 485	181 485
	2 298		362 970	362 970

[1] *Option strike price is nil.*
[2] *Based on a share price of R157.95 which prevailed on 31 December 2024.*

MSR portfolio shares

2024	Rights held at 31 December Number	Exercisable period	Proceeds if exercisable at 31 December[1] R	Pre-tax gain if exercisable at 31 December[1] R	MSR exercised during the year Number	Sale price/ market price R	Pre-tax gain R	Date exercised
Prescribed officers								
JG Meyer	10 796	30/06/2026	1 705 228	1 705 228				
	21 798	30/06/2026	3 442 994	3 442 994				
	32 594		5 148 222	5 148 222				
AT Ndoni		31/10/2026			1 522	167.09	254 311	01/12/2024
					1 522		254 311	
M Veti	433	30/06/2026	68 392	68 392				
	1 730	30/06/2026	273 254	273 254				
	2 163		341 646	341 646				

[1] *Based on a share price of R157.95 which prevailed on 31 December 2024.*

2023	Rights held at 31 December Number	Exercisable period	Proceeds if exercisable at 31 December[1] R	Pre-tax gain if exercisable at 31 December[1] R	MSR election during the year Number	MSR exercised during the year Number	Sale price/ market price R	Pre-tax gain R	Date exercised
Prescribed officers									
AS de Angelis						1 638	153.44	251 335	18/08/2023
						1 638		251 335	
JG Meyer	10 796	30/06/2026	2 207 566	2 207 566					
	21 798	30/06/2026	4 457 255	4 457 255	21 798				
	32 594		6 664 821	6 664 821	21 798				
MI Mthenjane						2 035	147.30	299 756	21/08/2023
					4 109	4 109	147.30	605 256	21/08/2023
					4 109	6 144		905 012	
AT Ndoni	1 522	31/10/2026	311 219	311 219	1 522				
	1 522		311 219	311 219	1 522				
M Veti	433	30/06/2026	88 540	88 540					
	1 730	30/06/2026	353 750	353 750					
	2 163		442 290	442 290					

[1] *Based on a share price of R204.48 which prevailed on 31 December 2023.*

15 Related parties

15.1 Related-party transactions

Transactions with related parties are on terms that are not more nor less favourable than those arranged with independent third parties.

Shareholders

The principal shareholders of the company at 31 December 2024 are detailed in chapter 19, annexure 1.

Directors

Details relating to directors' emoluments and shareholdings (including options) in the company are disclosed in note 14.5.

Senior employees

Details relating to option and share transactions are disclosed in note 14.3.4.

Key management personnel

For Exxaro, other than the executive and non-executive directors and executive committee members, no other key management personnel were identified. Refer note 14.5 for details on directors' and prescribed officers' remuneration.

Subsidiaries

Details of transactions with and investments in subsidiaries are disclosed in chapter 17.

Structured and special purpose entities

The group has an interest in the following structured entities and special purpose entities which are consolidated unless otherwise indicated:

Entity	Nature of business
Exxaro Chairman's Fund[1]	Local social economic development
Exxaro Foundation[1,2]	Local social economic development
Exxaro Employee Empowerment Participation Scheme Trust	Employee share incentive trust
Exxaro Employee Empowerment Trust	Employee share incentive trust
Exxaro Environmental Rehabilitation Fund	Trust fund for mine closure
Exxaro Insurance Company Limited	Captive insurance company that provides certain non-life insurance cover to subsidiaries within the group
Exxaro Mountain Bike Academy NPC[1]	Local social economic development
Exxaro People Development Initiative NPC[1]	Local social economic development – bridging classes
Kumba Resources Management Share Trust	Management share incentive trust
Exxaro Employee Share Ownership Trust	Structured entity to hold shares in Exxaro ESOP SPV for the benefit of qualifying beneficiaries
Exxaro ESOP SPV RF Proprietary Limited	Structured entity to hold shares in Eyesizwe for the benefit of Exxaro ESOP Trust
Exxaro Aga Setshaba NPC[1]	Structured entity to benefit communities
Eyesizwe (RF) Proprietary Limited	Structured entity to hold the BEE shares
Matla and Arnot Rehabilitation Trust	Trust fund for mine closure

[1] *Non-profit organisation.*
[2] *Deregistered in 2024.*

Associates and joint ventures

Details of associates and JVs are disclosed in chapter 9. Details of trading transactions and balances are summarised below.

	Group			
	Associates		Joint ventures	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Items of income/(expense) recognised during the year				
Sales of goods and services rendered	2	269	49	45
Purchases of goods and services rendered	(149)	(146)	(1 751)	(1 851)
Outstanding balances at 31 December				
Included in trade and other receivables	23	31	16	4
Included in trade and other payables	(9)	(7)	(174)	(155)

16 Financial instruments

16.1 Accounting policies relating to financial instruments

16.1.1 Financial assets

(i) Classification

Financial assets are classified in the following measurement categories:
- Those measured subsequently at fair value, either through OCI (FVOCI), or through profit or loss (FVPL)
- Those measured at amortised cost.

The classification depends on the business model for managing the financial assets as well as the contractual terms of the cash flows.

For financial assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether an irrevocable election has been made at the time of initial recognition to account for the equity investment at FVOCI.

Debt investments are reclassified when, and only when, the business model for managing those assets change.

(ii) Measurement

At initial recognition, a financial asset is measured at its fair value, plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

Debt instruments

Subsequent measurement of debt instruments depends on the business model applied for managing the asset and the cash flow characteristics of the asset. Currently there are two measurement categories into which debt instruments are classified, as summarised in the table below. There are no debt instruments classified as FVOCI.

Category	Relevant financial assets	Business model and cash flow characteristics	Movements in carrying amount	Derecognition	Impairment
Amortised cost	• Trade and other receivables • Other financial assets • Related party financial assets • ESD loans • Vendor finance loan • Cash and cash equivalents.	Financial assets that are held for collection of contractual cash flows where those cash flows represent SPPI.	Interest income is included in finance income using the effective interest rate method. Foreign exchange gains and losses are recognised in profit or loss and presented in operating expenses.	Gains or losses arising on derecognition are recognised directly in profit or loss and presented in operating expenses.	Impairment losses are presented as a separate line item in the notes to the statement of comprehensive income. The impairment losses are considered to be immaterial and therefore have not been presented as a separate line on the face of the statement of comprehensive income.
FVPL	• Debt securities • Derivative financial assets.	Financial assets that do not meet the criteria for amortised cost or FVOCI.	Gains and losses on a debt investment that is subsequently measured at FVPL are recognised in profit or loss and presented on a net basis within operating expenses in the period in which it arises. Interest income and dividends are recognised in profit or loss.	Gains or losses arising on derecognition are recognised directly in profit or loss and presented in operating expenses.	Not applicable as measured at fair value.

16.1 Accounting policies relating to financial instruments continued

16.1.1 Financial assets continued

(ii) Measurement continued

Equity instruments

Equity investments are subsequently measured at fair value. Management has elected to present fair value gains and losses on equity investments in OCI. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from these investments continue to be recognised in profit or loss as income from financial assets when the right to receive payment is established.

Changes in the fair value of financial assets at FVPL are recognised in operating expenses in the statements of comprehensive income. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment

ECLs associated with debt instruments carried at amortised cost are assessed on a forward-looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (ie the difference between the cash flows receivable in accordance with the contract and the cash flows that are expected to be received). ECLs are discounted at the effective interest rate of the financial asset.

ECL allowances are measured on either of the following bases:
- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

For trade receivables, the simplified approach permitted by IFRS 9 *Financial Instruments* (IFRS 9) is applied, which requires lifetime ECLs to be recognised from initial recognition of the trade receivables. To measure the ECLs, trade receivables are grouped based on shared credit risk characteristics (corporate entities, SMEs and public sector entities) and the days past due to assess significant increase in credit risk. In addition, forward-looking macro-economic conditions and factors are considered when determining the ECLs for trade receivables, namely trading conditions in the relevant domestic markets and international coal market, relevant domestic prices and export coal prices as well as economic growth and inflationary outlook in the short term. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan and a failure to make contractual payments for a period of greater than 120 days past due.

For other financial assets measured at amortised cost, the ECL is based on the 12-month ECL allowance or a lifetime ECL allowance. The 12-month ECL allowance is the portion of lifetime ECL allowances that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the ECL will be based on the lifetime ECL allowance.

Credit risk on a financial asset is assumed to have increased significantly if it is more than 30 days past due.

A financial asset is considered to be in default when contractual payments are 90 days past due. However, in certain cases, a financial asset is considered to be in default when internal or external information indicates that the outstanding contractual amounts are unlikely to be received in full before taking into account any credit enhancements held over the financial asset.

The financial assets measured at amortised cost are categorised as follows:

Category	Definition	Basis for recognition of ECL allowance
Performing	Counterparty has a low risk of default and a strong capacity to meet contractual cash flows of principle and/or interest (where applicable).	12-month ECLs: where the expected lifetime of a financial asset measured at amortised cost is less than 12 months, ECLs are measured based on its expected lifetime.
Under-performing	There is a significant increase in credit risk of the counterparty since initial recognition. A significant increase in credit risk is presumed if principle and/or interest (where applicable) payments are 30 to 90 days past due.	Lifetime ECLs
Non-performing	Counterparty has a high risk of default and there is a high probability that the counterparty will be unable to meet contractual cash flows of principal and/or interest (where applicable). There has been a further significant increase in credit risk since recognition. A further significant increase in credit risk is presumed if the principal and/or interest (where applicable) repayments are more than 90 days past due.	Lifetime ECLs
Write-off	There is no reasonable expectation that the principal and/or interest (where applicable) will be recovered. Management have exhausted all measures to collect contractual cash flows, including the assistance of debt collection agencies and failed repayment negotiation attempts.	Financial asset measured at amortised cost is written off.

16.1 Accounting policies relating to financial instruments continued

16.1.2 Derivative financial instruments

Derivative financial instruments, such as interest rate swaps and FECs, may be entered into to manage exposures to certain financial risks such as interest rate and foreign currency risks.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and subsequently remeasured to fair value at the end of each reporting period. The resulting gain or loss is recognised immediately in profit or loss unless the derivative is designated as a hedging instrument and found to be effective, in which event the timing of recognition in profit or loss depends on the nature of the hedge relationship.

On initial recognition, when the transaction price differs from the fair value of other observable current market transactions in the same instrument or based on the valuation technique whose variables include only data from observable markets, the difference between the transaction price and fair value is recognised immediately in profit or loss. In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognised in profit or loss when the inputs become observable, namely, when the instrument is derecognised or over the life of the transaction.

Counterparty risk from derivative transactions is taken into account when reporting the fair value of derivative positions. The adjustment to the fair value is known as the DVA.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless there is both a legally enforceable right and intention to offset.

A derivative that is not designated, nor found to be effective as a hedging instrument, is presented as a non-current financial asset or a non-current financial liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives not designated, nor found to be effective as a hedging instrument, are presented as current financial assets or current financial liabilities.

16.1.3 Hedge accounting

The group designate derivatives entered into under project financing arrangements as hedging instruments in respect of foreign currency risk and interest rate risk in cash flow hedges. Hedges of foreign exchange risk on such foreign firm commitments for capital purchases are accounted for as cash flow hedges.

At inception of the hedge relationship, the risk management objective and strategy for undertaking the hedged transactions, as well as the economic relationship between the hedging instruments and hedged items (including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items) is documented.

The effectiveness of the hedging instrument offsetting changes in cash flows of the hedged item attributable to the hedged risk is assessed and documented at inception and on an ongoing basis. The hedge relationship is determined to be effective when all of the following requirements are met:
- There is an economic relationship between the hedged item and the hedging instrument
- The effect of credit risk does not dominate the value changes that result from that economic relationship
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that is actually hedged and the quantity of the hedging instrument that is actually used to hedge that quantity of the hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the hedge ratio of the hedging relationship is adjusted (ie rebalances the hedge) so that it meets the qualifying criteria again.

The group designate only changes in the spot exchange rate as a hedged item for its foreign firm commitments. Changes in the forward element are recognised in OCI and accumulated in the cost of hedging reserve.

The full fair value of a derivative designated and found to be effective as a hedging instrument is classified as:
- A non-current financial asset or financial liability when the remaining maturity of the hedged item is more than 12 months; or
- A current financial asset or financial liability when the remaining maturity of the hedged item is less than 12 months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in OCI and accumulated in the cash flow hedge reserve within equity, but limited to the cumulative change in fair value of the hedged item from inception of the hedge. The cumulative change in fair value of the hedged item includes the portion of the designation date fair value (at acquisition date) of the hedged instrument that has been settled since the inception of the hedging relationship. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in OCI and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged expected transaction results in the recognition of a non-financial asset, the gains and losses previously recognised in OCI and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset. This transfer does not affect OCI. Furthermore, if it is expected that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Hedge accounting is discontinued only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in OCI and accumulated in the cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the expected transaction occurs. When the transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to profit or loss.

Chapter 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19

16.1 Accounting policies relating to financial instruments continued

16.1.4 Loan commitments issued by the group and company

Undrawn loan commitments are commitments under which, over the duration of the commitment, the group and company are required to provide a loan with pre-specified terms to the counterparty. These contracts are in the scope of the ECL requirements of IFRS 9.

When estimating 12-month or lifetime ECLs for undrawn loan commitments, the group and company estimates the expected portion of the loan commitment that will be drawn down over 12 months or its expected life, respectively. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting. The cash shortfalls include the realisation of any collateral. The expected cash shortfalls are discounted at an approximation to the expected effective interest rate on the loan.

16.2 Judgements and assumptions made by management in applying the related accounting policies

In applying IFRS 9 *Financial Instruments*, management makes judgements and assumptions in determining the impairment losses to be recognised in relation to financial assets. The ECL allowances for financial assets are based on assumptions about risk of default and expected loss rates. Judgement is used in making these assumptions and selecting the inputs to the impairment calculation, based on past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

The following judgements and assumptions were applied for trade and other receivables:
The trade and other receivables are categorised into public sector entities, corporate entities as well as SMEs. Intercompany debtors are classified as SMEs, and the same PD and LGD multipliers as used for external trade and other receivables are used to calculate intercompany ECLs. Where Exxaro company is indebted to related parties, Exxaro's external credit rating is used to determine its PD and LGD multipliers.

The table below sets out the PD and LGD multipliers used.

		Percentage of gross trade receivables %	PD %	LGD %
2024	Public sector entities	59	5.23	30.00
	Corporate entities	7	0.11 to 2.11	31.00
	SMEs	34	3.45	22.76
2023	Public sector entities	54	6.11	53.00
	Corporate entities	9	0.11 to 2.43	29.00
	SMEs	37	4.48	26.44

The following judgements and assumptions were applied for ESD loans:

The ESD loans are categorised as SMEs and the PD and LGD is determined on the basis similar to that of trade receivables for performing loans. ESD loans that are over 90 days outstanding are classified as non-performing and are provided for in full. These are non-interest-bearing loans granted to ESD applicants.

The table below sets out the PD and LGD multipliers used.

		Percentage of ESD loans %	PD %	LGD %
2024	Performing (SMEs)	40	3.45	22.76
	Non-performing	60	100.00	100.00
2023	Performing (SMEs)	51	4.48	26.44
	Non-performing	49	100.00	100.00

16.3 Financial instruments

16.3.1 Carrying amounts and fair value amounts of financial instruments

The tables below set out the group and company's classification of each category of financial assets and financial liabilities.

At 31 December 2024	Note	Group Financial assets at FVOCI Rm	Financial assets/ (liabilities) at FVPL Rm	Financial assets/ (liabilities) at amortised cost Rm	Derivative financial assets/ (liabilities) designated as hedging instruments Rm	Total carrying amount Rm
Financial assets						
Non-current						
Financial assets, consisting of:	10.3.2	442	4 557	266	1	5 266
– Equity: unlisted – Chifeng		442				442
– Debt: unlisted – environmental rehabilitation funds			2 657			2 657
– Debt: unlisted – portfolio investments			513			513
– Debt: unlisted – deposit facilities			1 387			1 387
– Cash flow hedge derivatives: interest rate swaps					1	1
– ESD loans				68		68
– Vendor finance loan				80		80
– Other financial assets at amortised cost				118		118
Total non-current financial assets		442	4 557	266	1	5 266
Current						
Financial assets, consisting of:	10.3.2		2	157		159
– ESD loans				83		83
– Vendor finance loan				62		62
– Derivative financial assets			2			2
– Intervention receivable				8		8
– Investment deposits				4		4
Trade and other receivables, consisting of:	6.2.3			4 230		4 230
– Trade receivables				4 098		4 098
– Other receivables				132		132
Cash and cash equivalents	6.2.5			20 630		20 630
Total current financial assets			2	25 017		25 019
Total financial assets		442	4 559	25 283	1	30 285
Financial liabilities						
Non-current						
Interest-bearing borrowings	12.1.3			(7 344)		(7 344)
Other payables	6.2.4			(40)		(40)
Financial liabilities, consisting of:	12.1.7				(129)	(129)
– Cash flow hedge derivatives: interest rate swaps					(129)	(129)
Total non-current financial liabilities				(7 384)	(129)	(7 513)
Current						
Interest-bearing borrowings	12.1.3			(876)		(876)
Trade and other payables	6.2.4			(3 351)		(3 351)
Financial liabilities, consisting of:	12.1.7		(22)			(22)
– Derivative financial liabilities			(22)			(22)
Total current financial liabilities			(22)	(4 227)		(4 249)
Total financial liabilities			(22)	(11 611)	(129)	(11 762)

Due to the short-term nature of the current financial assets and current financial liabilities, the carrying amount is assumed to be the same as the fair value.

The carrying amounts of non-current financial instruments measured at amortised cost approximate fair value due to the nature and terms of these instruments.

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

16.3 Financial instruments continued

16.3.1 Carrying amounts and fair value amounts of financial instruments continued

At 31 December 2023	Note	Group Financial assets at FVOCI Rm	Financial assets at FVPL Rm	Financial assets/ (liabilities) at amortised cost Rm	Derivative financial assets/ (liabilities) designated as hedging instruments Rm	Total carrying amount Rm
Financial assets						
Non-current						
Financial assets, consisting of:	10.3.2	434	3 839	341	2	4 616
– Equity: unlisted – Chifeng		434				434
– Debt: unlisted – environmental rehabilitation funds			2 422			2 422
– Debt: unlisted – portfolio investments			461			461
– Debt: unlisted – deposit facilities			956			956
– Cash flow hedge derivatives: interest rate swaps					2	2
– ESD loans				106		106
– Vendor finance loan				127		127
– Other financial assets at amortised cost				108		108
Total non-current financial assets		434	3 839	341	2	4 616
Current						
Financial assets, consisting of:	10.3.2		22	188		210
– ESD loans				63		63
– Vendor finance loan				50		50
– Derivative financial assets			22			22
– Other financial assets at amortised cost				75		75
Trade and other receivables, consisting of:	6.2.3			3 877		3 877
– Trade receivables				3 829		3 829
– Other receivables				48		48
Cash and cash equivalents	6.2.5			19 859		19 859
Total current financial assets			22	23 924		23 946
Total financial assets		434	3 861	24 265	2	28 562
Financial liabilities						
Non-current						
Interest-bearing borrowings	12.1.3			(7 480)		(7 480)
Other payables	6.2.4			(42)		(42)
Financial liabilities, consisting of:	12.1.7				(127)	(127)
– Cash flow hedge derivatives: interest rate swaps					(127)	(127)
Total non-current financial liabilities				(7 522)	(127)	(7 649)
Current						
Interest-bearing borrowings	12.1.3			(1 443)		(1 443)
Trade and other payables	6.2.4			(3 356)		(3 356)
Financial liabilities, consisting of:	12.1.7				(14)	(14)
– Cash flow hedge derivatives: FECs					(14)	(14)
Total current financial liabilities				(4 799)	(14)	(4 813)
Total financial liabilities				(12 321)	(141)	(12 462)

Due to the short-term nature of the current financial assets and current financial liabilities, the carrying amount is assumed to be the same as the fair value.

The carrying amounts of non-current financial instruments measured at amortised cost approximate fair value due to the nature and terms of these instruments.

16.3 Financial instruments continued

16.3.1 Carrying amounts and fair value amounts of financial instruments continued

At 31 December 2024	Note	Company Financial assets at FVPL Rm	Financial assets/ (liabilities) at amortised cost Rm	Total carrying amount Rm
Financial assets				
Non-current				
Financial assets, consisting of:	10.3.2	42	2 648	2 690
– Debt: unlisted – environmental rehabilitation funds		42		42
– ESD loans			68	68
– Vendor finance loan			80	80
– Interest-bearing loans to subsidiaries			2 500	2 500
Total non-current financial assets		42	2 648	2 690
Current				
Financial assets, consisting of:	10.3.2		1 421	1 421
– ESD loans			83	83
– Vendor finance loan			62	62
– Investment deposits			4	4
– Interest-bearing loans to subsidiaries			502	502
– Non-interest-bearing loans to subsidiaries			701	701
– Treasury facilities with subsidiaries			69	69
Trade and other receivables, consisting of:	6.2.3		237	237
– Other receivables			15	15
– Indebtedness by subsidiaries			222	222
Cash and cash equivalents	6.2.5		17 300	17 300
Total current financial assets			18 958	18 958
Total financial assets		42	21 606	21 648
Financial liabilities				
Non-current				
Interest-bearing borrowings	12.1.3		(2 499)	(2 499)
Total non-current financial liabilities			(2 499)	(2 499)
Current				
Interest-bearing borrowings	12.1.3		(498)	(498)
Trade and other payables	6.2.4		(216)	(216)
Financial liabilities, consisting of:	12.1.7		(15 028)	(15 028)
– Non-interest-bearing loans from subsidiaries			(92)	(92)
– Treasury facilities with subsidiaries			(14 936)	(14 936)
Total current financial liabilities			(15 742)	(15 742)
Total financial liabilities			(18 241)	(18 241)

Due to the short-term nature of the current financial assets and current financial liabilities, the carrying amount is assumed to be the same as the fair value.

The carrying amounts of non-current financial instruments measured at amortised cost approximate fair value due to the nature and terms of these instruments.

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

16.3 Financial instruments continued

16.3.1 Carrying amounts and fair value amounts of financial instruments continued

		Company		
At 31 December 2023	Note	Financial assets at FVPL Rm	Financial assets/ (liabilities) at amortised cost Rm	Total carrying amount Rm
Financial assets				
Non-current				
Financial assets, consisting of:	10.3.2	38	3 214	3 252
– Debt: unlisted – environmental rehabilitation funds		38		38
– ESD loans			106	106
– Vendor finance loan			127	127
– Interest-bearing loans to subsidiaries			2 981	2 981
Total non-current financial assets		38	3 214	3 252
Current				
Financial assets, consisting of:	10.3.2		1 976	1 976
– ESD loans			63	63
– Vendor finance loan			50	50
– Interest-bearing loans to subsidiaries			1 158	1 158
– Non-interest-bearing loans to subsidiaries			575	575
– Treasury facilities with subsidiaries			130	130
Trade and other receivables, consisting of:	6.2.3		150	150
– Other receivables			10	10
– Indebtedness by subsidiaries			140	140
Cash and cash equivalents	6.2.5		17 151	17 151
Total current financial assets			19 277	19 277
Total financial assets		38	22 491	22 529
Financial liabilities				
Non-current				
Interest-bearing borrowings	12.1.3		(2 945)	(2 945)
Total non-current financial liabilities			(2 945)	(2 945)
Current				
Interest-bearing borrowings	12.1.3		(1 153)	(1 153)
Trade and other payables	6.2.4		(223)	(223)
Financial liabilities, consisting of:	12.1.7		(15 606)	(15 606)
– Non-interest-bearing loans from subsidiaries			(769)	(769)
– Treasury facilities with subsidiaries			(14 837)	(14 837)
Total current financial liabilities			(16 982)	(16 982)
Total financial liabilities			(19 927)	(19 927)

Due to the short-term nature of the current financial assets and current financial liabilities, the carrying amount is assumed to be the same as the fair value.

The carrying amounts of non-current financial instruments measured at amortised cost approximate fair value due to the nature and terms of these instruments.

16.3 Financial instruments continued

16.3.2 Fair values

16.3.2.1 Fair value hierarchy

Financial assets and financial liabilities at fair value have been categorised in the following hierarchy structure, based on the inputs used in the valuation technique:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included in Level 1 that are either directly or indirectly observable.

Level 3 – Inputs that are not based on observable market data (unobservable inputs).

	Group		
At 31 December 2024	Fair value Rm	Level 2 Rm	Level 3 Rm
Financial assets at FVOCI	442		442
Equity: unlisted – Chifeng	442		442
Financial assets at FVPL	4 557	4 557	
Non-current debt: unlisted – environmental rehabilitation funds	2 657	2 657	
Non-current debt: unlisted – portfolio investments	513	513	
Non-current debt: unlisted – deposit facilities	1 387	1 387	
Derivative financial assets designated as hedging instruments	1	1	
Non-current cash flow hedge derivatives: interest rate swaps	1	1	
Derivative financial assets	2	2	
Current derivative financial assets	2	2	
Derivative financial liabilities designated as hedging instruments	(129)	(129)	
Non-current cash flow hedge derivatives: interest rate swaps	(129)	(129)	
Derivative financial liabilities	(22)	(22)	
Current derivative financial liabilities	(22)	(22)	
Net financial assets held at fair value	4 851	4 409	442

Reconciliation of Level 3 hierarchy	Chifeng Rm
At 31 December 2023	434
Movement during the year	
Gains recognised in OCI (pre-tax effect)[1]	8
At 31 December 2024	442

[1] *Tax on Chifeng amounts to R1.72 million.*

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

16.3 Financial instruments continued

16.3.2 Fair values continued

16.3.2.1 Fair value hierarchy continued

	Group		
At 31 December 2023	**Fair value Rm**	**Level 2 Rm**	**Level 3 Rm**
Financial assets at FVOCI	434		434
Equity: unlisted – Chifeng	434		434
Financial assets at FVPL	3 839	3 839	
Non-current debt: unlisted – environmental rehabilitation funds	2 422	2 422	
Non-current debt: unlisted – portfolio investments	461	461	
Non-current debt: unlisted – deposit facilities	956	956	
Derivative financial assets designated as hedging instruments	2	2	
Non-current cash flow hedge derivatives: interest rate swaps	2	2	
Derivative financial assets	22	22	
Current derivative financial assets	22	22	
Derivative financial liabilities designated as hedging instruments	(141)	(141)	
Non-current cash flow hedge derivatives: interest rate swaps	(127)	(127)	
Current cash flow hedge derivatives: FECs	(14)	(14)	
Net financial assets held at fair value	4 156	3 722	434

Reconciliation of Level 3 hierarchy	**Chifeng Rm**
At 31 December 2022	474
Movement during the year	
Losses recognised in OCI (pre-tax effect)[1]	(40)
At 31 December 2023	434

[1] *Tax on Chifeng amounts to R8.66 million.*

	Company	
At 31 December 2024	**Fair value Rm**	**Level 2 Rm**
Financial assets at FVPL	42	42
Non-current debt: unlisted – environmental rehabilitation funds	42	42
Financial assets held at fair value	42	42

	Company	
At 31 December 2023	**Fair value Rm**	**Level 2 Rm**
Financial assets at FVPL	38	38
Non-current debt: unlisted – environmental rehabilitation funds	38	38
Financial assets held at fair value	38	38

16.3 Financial instruments continued

16.3.2 Fair values continued

16.3.2.2 Transfers

Transfers between levels of the fair value hierarchy are recognised as at the end of the reporting period during which the transfer has occurred. There were no transfers between Level 1 and Level 2 nor between Level 2 and Level 3 of the fair value hierarchy.

16.3.2.3 Valuation process applied

The fair value computations of investments are performed by the strategic finance department, reporting to the finance director, on a six-monthly basis. The valuation reports are discussed with the chief operating decision maker and the audit committee in accordance with Exxaro's reporting governance.

16.3.2.4 Current derivative financial instruments

Level 2 fair values for simple over-the-counter derivative financial instruments are based on market quotes. These quotes are assessed for reasonableness by discounting estimated future cash flows using the market rate for similar instruments at measurement date.

16.3.2.5 Environmental rehabilitation funds, portfolio investments and deposit facilities

Level 2 fair values for debt instruments held in the environmental rehabilitation funds, portfolio investments and deposit facilities are based on quotes provided by the financial institutions at which the funds are invested at measurement date.

16.3.2.6 Non-current cash flow hedge derivatives: interest rate swaps

Level 2 fair values for interest rate swaps are based on valuations provided by the financial institutions with whom the interest rate swaps have been entered into, and take into account credit risk. The valuations are assessed for reasonability by discounting the estimated future cash flows based on observable ZAR swap curves.

16.3.2.7 Current cash flow hedge derivatives: forward exchange contracts

Level 2 fair values for hedge accounted FECs are based on valuations provided by the financial institutions with whom the FECs have been entered into, and take into account credit risk. The valuations are assessed for reasonability by discounting the estimated future cash flows based on observable ZAR/US$ forward rates.

16.3.2.8 Valuation techniques used in the determination of fair values within Level 3 of the hierarchy, as well as significant inputs used in the valuation models

Chifeng

Chifeng is classified within a Level 3 of the fair value hierarchy as there is no quoted market price or observable price available for this investment. This unlisted investment is valued as the present value of the estimated future cash flows, using a DCF model. The valuation technique is consistent to that used in previous reporting periods.

The significant observable and unobservable inputs used in the fair value measurement of the investment in Chifeng are rand/RMB exchange rate, RMB/US$ exchange rate, zinc LME price, production volumes, operational costs and the discount rate.

At 31 December 2024	Inputs	Sensitivity of inputs and fair value measurement[1]	Sensitivity analysis of a 10% increase in the inputs is demonstrated below[2] Rm
Observable inputs			
Rand/RMB exchange rate	R2.59/RMB1	Weakening of the rand to the RMB	44
RMB/US$ exchange rate	RMB6.43 to RMB7.04/US$1	Weakening of the RMB to the US$	123
Zinc LME price (US$ per tonne in real terms)	US$2 500 to US$2 660.02	Increase in price of zinc concentrate	123
Unobservable inputs			
Production volumes	447 719.5 tonnes	Increase in production volumes	27
Operational costs (US$ million per annum in real terms)	US$71.47 to US$75.17	Decrease in operations costs	(96)
Discount rate	10.54%	Decrease in the discount rate	(26)

[1] *Change in observable or unobservable input which will result in an increase in the fair value measurement.*
[2] *A 10% decrease in the respective inputs would have an equal but opposite effect on the above, on the basis that all other variables remain constant.*

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

16.3 Financial instruments continued

16.3.2 Fair values continued

16.3.2.8 Valuation techniques used in the determination of fair values within Level 3 of the hierarchy, as well as significant inputs used in the valuation models continued

Chifeng continued

At 31 December 2023	Inputs	Sensitivity of inputs and fair value measurement[1]	Sensitivity analysis of a 10% increase in the inputs is demonstrated below[2] Rm
Observable inputs			
Rand/RMB exchange rate	R2.58/RMB1	Weakening of the rand to the RMB	43
RMB/US$ exchange rate	RMB6.22 to RMB6.76/US$1	Weakening of the RMB to the US$	118
Zinc LME price (US$ per tonne in real terms)	US$2 395.67 to US$2 500	Increase in price of zinc concentrate	118
Unobservable inputs			
Production volumes	447 719.5 tonnes	Increase in production volumes	25
Operational costs (US$ million per annum in real terms)	US$70.19 to US$74.43	Decrease in operations costs	(92)
Discount rate	10.54%	Decrease in the discount rate	(27)

[1] *Change in observable or unobservable input which will result in an increase in the fair value measurement.*
[2] *A 10% decrease in the respective inputs would have an equal but opposite effect on the above, on the basis that all other variables remain constant.*

Inter-relationships

Any inter-relationships between unobservable inputs is not considered to have a significant impact within the range of reasonably possible alternative assumptions for both reporting periods.

16.3.3 Risk management

16.3.3.1 Financial risk management

The group's strategic treasury function predominantly provides financial risk management services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the group through internal risk reports which analyse exposure by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The group's objectives, policies and processes for measuring and managing these risks are detailed below.

The group seeks to minimise the effects of these risks by using derivative financial instruments to hedge these risk exposures. The use of derivative financial instruments is governed by the group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, commodity price risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis and the results are reported to the audit committee.

Financial instruments, including derivative financial instruments, are not entered into nor traded for speculative purposes rather, financial instruments are entered into to manage and reduce the possible adverse impact on earnings and cash flows of changes in interest rates and foreign currency exchange rates.

Capital management

In managing its capital, the group focuses on a prudent gearing position, return on shareholders' equity (or ROCE) and the level of dividends to shareholders. The group's policy is to cover its annual net funding requirements through long-term loan facilities with maturities spread over time. Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.

16.3 Financial instruments continued

16.3.3 Risk management continued

16.3.3.2 Market risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect profit or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The group's activities expose it primarily to the financial risks of changes in the environmental rehabilitation funds, portfolio investment and deposit facilities quoted prices (see 16.3.3.2.1), foreign currency exchange rates (see 16.3.3.2.2) and interest rates (see 16.3.3.2.3). The group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risks and interest rate risks, including:
- Currency FECs, currency options and currency swap agreements to manage the exchange rate risk arising on the export of coal and import of capital expenditure
- Interest rate swaps and interest rate forwards to manage interest rate risk on the interest-bearing borrowings.

16.3.3.2.1 Price risk management

The group's exposure to equity price risk arises from investments held by and classified either as at FVOCI or at FVPL. Currently, the group's exposure to equity price risk is not considered to be significant as Chifeng is seen as a non-core investment.

The group's exposure to price risk in relation to quoted prices of the environmental rehabilitation funds, portfolio investments and deposit facilities is not considered a significant risk as the funds are invested with reputable financial institutions in accordance with a strict mandate to ensure capital preservation and growth. The funds are held for strategic purposes rather than trading purposes.

16.3.3.2.2 Foreign currency risk management

Certain transactions are denominated in foreign currencies, hence exposures to exchange rate fluctuations arise.

The currency in which transactions are entered into is mainly denominated in US dollar, euro and Australian dollar.

Exchange rate exposures are managed within approved policy parameters utilising FECs, currency options and currency swap agreements.

The group maintains a fully covered exchange rate position in respect of foreign balances (if any) and imported capital equipment resulting in these exposures being fully converted to rand. Trade-related import exposures are managed through the use of economic hedges arising from export revenue as well as through FECs. Trade-related export exposures are hedged using FECs and currency options with specific focus on short-term receivables. Any open exposure to foreign currency risk on these balances is insignificant as the turnaround time is generally less than 30 days. Foreign denominated capital purchases funded by ZAR denominated project financing arrangements are hedged using FECs.

Uncovered cash and cash equivalents as at 31 December 2024 amount to US$71.22 million (2023: US$38.92 million).

Monetary items have been translated at the closing rate at the last day of the reporting period.

The FECs which are used to hedge foreign currency exposure mostly have a maturity of less than one year from the reporting date. When necessary, FECs are rolled over at maturity.

The following significant exchange rates applied during the year:

	2024			2023		
	Average spot rate	Average achieved rate	Closing spot rate	Average spot rate	Average achieved rate	Closing spot rate
US$	18.32	18.80	18.87	18.45	18.94	18.30
€	19.82		19.53	19.94		20.19
AU$	12.10		11.68	12.26		12.46

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

16.3 Financial instruments continued

16.3.3 Risk management continued

16.3.3.2 Market risk management continued

16.3.3.2.2 Foreign currency risk management continued

Hedge accounting: Cash flow hedges – forward exchange contracts

FECs are designated as hedging instruments in cash flow hedges of expected US dollar capital purchases. Additionally, cash held in US dollar for purposes of settling the final purchase transactions are designated as part of the hedging relationship. These transactions are highly probable, and relate to the group's commitments under construction projects subject to project financing arrangements.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the FECs match the terms of the expected highly probable expected transactions (ie, notional amount and expected payment date). The group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the FECs are identical to the hedged risk components. To test the hedge effectiveness, the group use the "dollar offset method" and compare the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks. Hedge ineffectiveness can arise from:

- Existence of day one fair value of the hedging instrument
- A significant change in the credit risk during the period of the hedge
- Changes in the amount or timing of the payments to the contractor
- The forward element inherent in each FEC and
- Effects of foreign currency basis spread.

The group is holding the following FECs and US$ bank balances associated with the hedging relationship:

	2024		
	0 to 6 months	6 to 12 months	Total
US$ denominated cash and cash equivalents (in Rm)	381		381

	2023		
	0 to 6 months	6 to 12 months	Total
US$ denominated cash and cash equivalents (in Rm)	151		151
FEC Notional amount (in Rm)	338	142	480
Average forward rate (ZAR/US$)	19.09	20.29	19.56

Financial performance effects of hedging recognised during the year:

			Group	
For the year ended 31 December	Line item in which recognised	Note	2024 Rm	2023 Rm
Transfer to property, plant and equipment	Assets under construction	10.1.3	17	2

Financial position effect of hedging instruments and hedging items

	Group	
At 31 December	2024 Rm	2023 Rm
Hedging instruments: Outstanding US$ buy FECs and US$ cash available to settle the transaction		
Nominal amount	391	637
Carrying amount	381	137
– Current financial liability		(14)
– US$ denominated cash and cash equivalents	381	151
Cumulative loss in fair value used for calculating hedge ineffectiveness	(10)	(21)
Hedged items: Cash flows on US$ capital purchases		
Nominal amount	391	637
Carrying amount in cash flow hedge reserve	(3)	19
Carrying amount in cost of hedge reserve	14	1
Cumulative loss in fair value used for calculating hedge ineffectiveness	(10)	(21)

16.3 Financial instruments continued

16.3.3 Risk management continued

16.3.3.2 Market risk management continued

16.3.3.2.2 Foreign currency risk management continued

Hedge accounting: Cash flow hedges – forward exchange contracts continued

Cost of hedging and cash flow hedge reserves composition:

	Group			
	Cost of hedging reserve		Cash flow hedge reserves	
At 31 December	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Reserves relating to foreign currency risk exposure	(10)	(9)	2	(6)
– Gross	(14)	(12)	3	(8)
– Deferred tax thereon	4	3	(1)	2
Reserves relating to interest rate risk exposure			(26)	12
– Gross			(35)	17
– Deferred tax thereon			9	(5)
Balance of share of movements of equity-accounted investees			(87)	
Balance of NCI share of reserves	3	2		(33)
Total	(7)	(7)	(111)	(27)

Movement analysis of cash flow hedge reserves relating to foreign currency risk exposure:

	Group			
	Gross			
	Cost of hedge Rm	Cash flow hedge – spot foreign exchange component Rm	Tax Rm	Net Rm
At 31 December 2022				
Movement during the year				
Change in fair value of FEC recognised in OCI	(12)	(10)	6	(16)
Transferred to property, plant and equipment		2	(1)	1
At 31 December 2023	(12)	(8)	5	(15)
Movement during the year				
Change in fair value of FEC recognised in OCI	(7)	(1)	2	(6)
Transferred to property, plant and equipment	5	12	(4)	13
At 31 December 2024	(14)	3	3	(8)

16.3.3.2.3 Interest rate risk management

The group is exposed to interest rate risk as it borrows and deposits funds at floating interest rates on the money market and extended bank borrowings. The group's main interest rate risk arises from long-term borrowings with floating rates, which expose the group to cash flow interest rate risk. The risk is managed by undertaking controlled management of the interest structures of the investments and borrowings, maintaining an appropriate mix between fixed and floating interest rate facilities in line with the interest rate expectations. The group also uses interest rate swaps and interest rate forwards to manage the interest rate risk exposure.

When the contractual terms of the borrowings and covenants thereof require the use of hedging instruments to mitigate the risk of fluctuations of the underlying interest rate risk cash flow exposure and the impact on profit or loss of specific projects being financed, the group looks to apply hedge accounting where an effective hedge relationship is expected and to the extent that such exposure poses a real risk to the achievement of the loan covenants.

The financial institutions chosen are subject to compliance with the relevant regulatory bodies.

16.3 Financial instruments continued

16.3.3 Risk management continued

16.3.3.2 Market risk management continued

16.3.3.2.3 Interest rate risk management continued

Interest rate benchmark reform

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. The group's main IBOR exposure at 31 December 2024 was indexed to JIBAR. The South African Reserve Bank (SARB) indicated its intention to move away from JIBAR and to create an alternative reference rate for South Africa. The SARB has confirmed its preference for the adoption of the South African Rand Overnight Index Average (ZARONIA) as the preferred unsecured candidate to replace JIBAR in cash and derivative instruments.

On 2 November 2022, the SARB commenced publishing ZARONIA primarily to allow market participants to observe its performance and consider the implications of adopting it as a replacement for the JIBAR. The observation period ended on 3 November 2023. Certain observation period statistics have been restated to reflect revisions that were processed post their publication. Market participants may use ZARONIA as a reference rate in financial contracts. The Market Practitioners Group has designated ZARONIA as the successor rate to replace JIBAR. The SARB has indicated that the transition from JIBAR to ZARONIA is a multi-year initiative and that a formal announcement of the cessation of JIBAR will be made during 2025, and the production of the benchmark should be discontinued before the end of 2026.

The group's strategic treasury function monitors and manages the group's transition to alternative rates. The group's strategic treasury function evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties.

Non-derivative financial liabilities

The group's IBOR exposures to non-derivative financial liabilities as at 31 December 2024 are the secured project financing and unsecured loan facility indexed to JIBAR. Refer note 12.1.3.

Derivatives

The group holds interest rate swaps for risk management purposes that are designated in cash flow hedging relationships. The interest rate swaps have floating legs that are indexed to JIBAR. Refer note 16.3.3.2.3.2.

Hedge accounting

The group's hedged items and hedging instruments as at the reporting date are indexed to JIBAR. These benchmark rates are quoted each day and the IBOR cash flows are exchanged with counterparties as usual. Refer note 16.3.3.2.3.2.

There is uncertainty about when and how replacement may occur with respect to the relevant hedged items and hedging instruments. As a result, the group continues to apply the amendments to IFRS 9 issued in September 2019 (Phase 1) to those hedging relationships.

16.3.3.2.3.1 Loan facility and bonds

The loan facility and bonds were entered into at floating interest rates.

The interest rate repricing profile for the loan facility and bonds is summarised below for group and company:

	1 to 6 months Rm	Total borrowings Rm
At 31 December 2024		
Non-current interest-bearing borrowings: loan facility and bond	(2 499)	(2 499)
Current interest-bearing borrowings: loan facility and bond	(498)	(498)
Total interest-bearing borrowings: loan facility and bond	(2 997)	(2 997)
Percentage profile (%)	100	100
At 31 December 2023		
Non-current interest-bearing borrowings: loan facility and bond	(2 945)	(2 945)
Current interest-bearing borrowings: loan facility and bond	(1 153)	(1 153)
Total interest-bearing borrowings: loan facility and bond	(4 098)	(4 098)
Percentage profile (%)	100	100

16.3 Financial instruments continued
16.3.3 Risk management continued
16.3.3.2 Market risk management continued
16.3.3.2.3 Interest rate risk management continued
16.3.3.2.3.1 Loan facility and bonds continued

Interest rate sensitivity

The following table reflects the potential impact on earnings, given an increase in interest rates of 50 basis points:

	2024 Rm	2023 Rm
Impact on earnings: loss	(15)	(20)

A decrease in interest rates of 50 basis points would have an equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

16.3.3.2.3.2 Project financing

The group is exposed to the risk of variability in future interest payments on the project financing, attributable to fluctuations in 3-month JIBAR, during operations phase, and 1-month JIBAR during the construction phase. The designated hedged items are the group of expected floating interest rate cash flows arising from the project financing, up to the notional amount of each interest rate swap, over the term of the hedging relationship. The notional amounts per interest rate swap match up to the designated exposure being hedged.

Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between the hedging instruments and the hedged items. This will effectively result in recognising interest expense at a fixed interest rate for the hedged project financing.

The exposure profile is summarised as follows:

	Group			
	Percentage exposure			
At 31 December	2024 %	2023 %	2024 Rm	2023 Rm
Project financing nominal amount	100	100	(5 223)	(4 825)
– Linked to fixed rate	2	3	(127)	(135)
– Linked to floating rate	98	97	(5 096)	(4 690)
Project financing nominal amount linked to floating rate	98	97	(5 096)	(4 690)
Interest rate swap notional amount (swap floating rate to fixed rate)	(74)	(83)	3 872	4 002
Effective floating rate exposure on project financing	24	14	(1 224)	(688)

Interest rate sensitivity

The following table reflects the potential impact on earnings and equity, given an increase in interest rates of 50 basis points:

	Group	
Impact	2024 Rm	2023 Rm
Increase in finance costs	6	3
Increase in equity	28	41

A decrease in interest rates of 50 basis points would have an equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

16.3 Financial instruments continued

16.3.3 Risk management continued

16.3.3.2 Market risk management continued

16.3.3.2.3 Interest rate risk management continued

16.3.3.2.3.2 Project financing continued

Hedge accounting: Cash flow hedges – interest rate swaps

Hedge effectiveness

The group has assumed certain interest rate swaps from its business combination with Cennergi, as well as entered into new interest rate swaps for further project financing arrangements that have similar critical terms as the hedged item, such as reference rates, reset dates, payment dates, maturities and notional amounts. The group does not hedge 100% of its project financing, therefore the hedged item is identified as a proportion of the outstanding project financing up to the notional amount of the interest rate swaps. As all critical terms matched during the year, there is an economic relationship.

Hedge effectiveness is determined at the inception of the hedge relationships, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged items and hedging instruments.

Hedge ineffectiveness for interest rate swaps is assessed frequently. It may occur due to:
- The DVA on the interest rate swaps which is not matched by the project financing
- Differences in critical terms between the interest rate swaps and project financing
- Changes to amounts or timing of drawdowns during construction phase.

The recognised ineffectiveness in 2024 amounted to R12 million (2023: R18 million) and is mainly as a result of the DVA. Credit valuation adjustments are not considered due to the terms of the underlying loans, which allow for set-off.

The interest rate swaps require settlement of net interest receivable or payable every six months during the operations phase, and every 1-month during construction phase. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

The following tables detail the financial position and performance of the interest rate swap contracts outstanding at the end of the reporting period and their related hedged items.

Financial performance effects of hedging recognised during the year

			Group	
For the year ended 31 December	**Line item in which recognised**	**Note**	**2024 Rm**	**2023 Rm**
Fair value losses resulting from hedge ineffectiveness	Operating expenses	6.1.3	(12)	(18)
Fair value gains on settlement of underlying swap (reclassified from OCI)	Finance costs	12.1.2	26	20

Hedging instruments and hedged items

	Group	
At 31 December	**2024 Rm**	**2023 Rm**
Hedged items: Cash flows on floating rate project financing linked to JIBAR		
Nominal amount	3 872	4 002
Carrying amount in cash flow hedge reserve	(35)	17
Cumulative gains in fair value used for calculating hedge ineffectiveness	47	7
Hedging instruments: Outstanding receive floating, pay fixed contracts		
Nominal amount	3 872	4 002
Carrying amount	(128)	(125)
– Non-current financial asset	1	2
– Non-current financial liability	(129)	(127)
Cumulative losses in fair value used for calculating hedge ineffectiveness	(203)	(209)

16.3 Financial instruments continued

16.3.3 Risk management continued

16.3.3.2 Market risk management continued

16.3.3.2.3 Interest rate risk management continued

16.3.3.2.3.2 Project financing continued

Hedge accounting: Cash flow hedges – interest rate swaps continued

Hedging reserves

Cash flow hedge reserves composition:

	Group	
At 31 December	2024 Rm	2023 Rm
Cash flow hedge reserve – interest rate swaps	(26)	12
– Gross	(35)	17
– Deferred tax thereon	9	(5)
Cash flow hedge reserve – spot element of FECs	2	(6)
– Gross	3	(8)
– Deferred tax thereon	(1)	2
Balance of share of movements of equity-accounted investees	(87)	
Balance of NCI share of financial instruments revaluation reserve		(33)
Cash flow hedge reserves	(111)	(27)

Movement analysis of cash flow hedge reserve – interest rate swaps:

	Group		
	Gross Rm	Tax Rm	Net Rm
At 31 December 2022	88	(24)	64
Movement during the year			
Change in fair value of interest rate swaps recognised in OCI	(51)	14	(37)
Reclassified from OCI to profit or loss in finance costs	(20)	5	(15)
At 31 December 2023	17	(5)	12
Movement during the year			
Change in fair value of interest rate swaps recognised in OCI	(26)	7	(19)
Reclassified from OCI to profit or loss in finance costs	(26)	7	(19)
At 31 December 2024	(35)	9	(26)

16.3.3.3 Liquidity risk management

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the group's short, medium and long-term funding and liquidity management requirements.

The group manages liquidity risk by monitoring forecast cash flows in compliance with loan covenants and ensuring that adequate unutilised borrowing facilities are maintained.

Chapter 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19

16.3 Financial instruments continued

16.3.3 Risk management continued

16.3.3.3 Liquidity risk management continued

Borrowing capacity is determined by the board of directors, from time to time.

	Group 2024 Rm	Group 2023 Rm
Amount approved	67 484	65 309
Total borrowings	(8 220)	(8 923)
Unutilised borrowing capacity	59 264	56 386

The group's capital base and the borrowing powers of the company and the group were set at 125% of shareholders' funds (equity attributable to owners of the parent) for both the 2024 and 2023 financial years.

Standard payment terms for the majority of trade payables is the end of the month following the month in which the goods are received or services are rendered. A number of trade payables do, however, have shorter contracted payment periods.

To avoid incurring interest on late payments, financial risk management policies and procedures are entrenched to ensure the timeous matching of orders placed with goods received notes or services acceptances and invoices.

16.3.3.3.1 Maturity profile of financial instruments

Contractual cash flows for financial instruments which are subject to floating interest rates are based on the closing floating interest rate at reporting date.

The following tables detail the contractual maturities of certain financial assets and financial liabilities:

	Group		Maturity			
At 31 December 2024	**Carrying amount Rm**	**Contractual cash flows Rm**	**0 to 12 months Rm**	**1 to 2 years Rm**	**2 to 5 years Rm**	**More than 5 years Rm**
Financial assets[1]						
ESD loans	151	151	83	48	20	
Vendor finance loan	142	160	71	53	36	
Intervention receivable	8	8	8			
Investment deposits	4	4	4			
Cash flow hedge derivatives: interest rate swaps	1					
Derivative financial assets	2	2	2			
Lease receivables	29	34	14	14	6	
Trade and other receivables	4 230	4 230	4 230			
Cash and cash equivalents	20 630	20 630	20 630			
Total financial assets	25 197	25 219	25 042	115	62	
Percentage profile (%)		100	99	1		
Financial liabilities						
Interest-bearing borrowings	(8 220)	(12 061)	(1 737)	(3 558)	(3 257)	(3 509)
– Loan facility	(2 997)	(3 370)	(785)	(2 585)		
– Project financing	(5 223)	(8 691)	(952)	(973)	(3 257)	(3 509)
Lease liabilities	(430)	(659)	(101)	(109)	(266)	(183)
Non-current other payables	(40)	(40)		(3)	(37)	
Trade and other payables	(3 351)	(3 352)	(3 352)			
Cash flow hedge derivatives: interest rate swaps	(129)	(157)	(55)	(42)	(57)	(3)
Derivative financial liabilities	(22)	(22)	(22)			
Total financial liabilities	(12 192)	(16 291)	(5 267)	(3 712)	(3 617)	(3 695)
Percentage profile (%)		100	32	23	22	23
Liquidity gap identified[2]	13 005	8 928	19 775	(3 597)	(3 555)	(3 695)

[1] *Excludes the environmental rehabilitation funds at amortised cost of R118 million.*
[2] *The liquidity gap identified will be funded by cash generated from operations and the undrawn facilities in place.*

16.3 Financial instruments continued

16.3.3 Risk management continued

16.3.3.3 Liquidity risk management continued

16.3.3.3.1 Maturity profile of financial instruments continued

	Group					
			Maturity			
At 31 December 2023	Carrying amount Rm	Contractual cash flows Rm	0 to 12 months Rm	1 to 2 years Rm	2 to 5 years Rm	More than 5 years Rm
Financial assets						
ESD loans	169	169	63	49	57	
Vendor finance loan	177	216	64	60	92	
Other financial assets at amortised cost[1]	75	78	78			
Cash flow hedge derivatives: interest rate swaps	2	3	1	1	1	
Derivative financial assets	22	22	22			
Lease receivables	38	48	14	14	20	
Trade and other receivables	3 877	3 877	3 877			
Cash and cash equivalents	19 859	19 859	19 859			
Total financial assets	24 219	24 272	23 978	124	170	
Percentage profile (%)		100	98	1	1	
Financial liabilities						
Interest-bearing borrowings	(8 923)	(12 924)	(2 388)	(1 623)	(5 555)	(3 358)
- Loan facility	(3 452)	(4 183)	(852)	(743)	(2 588)	
- Project financing	(4 825)	(8 062)	(857)	(880)	(2 967)	(3 358)
- Bonds	(646)	(679)	(679)			
Lease liabilities	(451)	(668)	(95)	(101)	(325)	(147)
Non-current other payables	(42)	(44)		(16)	(28)	
Trade and other payables	(3 356)	(3 356)	(3 356)			
Cash flow hedge derivatives: interest rate swaps	(127)	(105)	(30)	(30)	(42)	(3)
Cash flow hedge derivatives: FECs	(14)	(21)	(21)			
Total financial liabilities	(12 913)	(17 118)	(5 890)	(1 770)	(5 950)	(3 508)
Percentage profile (%)		100	34	10	35	21
Liquidity gap identified[2]	11 306	7 154	18 088	(1 646)	(5 780)	(3 508)

[1] *Excludes the environmental rehabilitation funds at amortised cost of R108 million.*
[2] *The liquidity gap identified will be funded by cash generated from operations and the undrawn facilities in place.*

16.3 Financial instruments continued
16.3.3 Risk management continued
16.3.3.3 Liquidity risk management continued
16.3.3.3.1 Maturity profile of financial instruments continued

	Company				
			Maturity		
At 31 December 2024	Carrying amount Rm	Contractual cash flows Rm	0 to 12 months Rm	1 to 2 years Rm	2 to 5 years Rm
Financial assets					
ESD loans	151	151	83	48	20
Vendor finance loan	142	160	71	53	36
Investment deposits	4	4	4		
Trade and other receivables	237	237	237		
Cash and cash equivalents	17 300	17 300	17 300		
Non-interest-bearing loans to subsidiaries	701	701	701		
Interest-bearing loans to subsidiaries	3 002	3 379	792	2 587	
Treasury facilities with subsidiaries	69	69	69		
Total financial assets	21 606	22 001	19 257	2 688	56
Percentage profile (%)		100	88	12	
Financial liabilities					
Interest-bearing borrowings	(2 997)	(3 370)	(785)	(2 585)	
– Loan facility	(2 997)	(3 370)	(785)	(2 585)	
Lease liabilities	(342)	(429)	(91)	(99)	(239)
Trade and other payables	(216)	(216)	(216)		
Non-interest-bearing loans from subsidiaries[1]	(92)	(92)	(92)		
Treasury facilities with subsidiaries	(14 936)	(14 936)	(14 936)		
Total financial liabilities	(18 583)	(19 043)	(16 120)	(2 684)	(239)
Percentage profile (%)		100	85	14	1
Liquidity gap identified	3 023	2 958	3 137	4	(183)

[1] *The majority of the non-interest-bearing loans from subsidiaries are not expected to be called upon in the foreseeable future.*

16.3 Financial instruments continued
16.3.3 Risk management continued
16.3.3.3 Liquidity risk management continued
16.3.3.3.1 Maturity profile of financial instruments continued

	Company					
			Maturity			
At 31 December 2023	Carrying amount Rm	Contractual cash flows Rm	0 to 12 months Rm	1 to 2 years Rm	2 to 5 years Rm	More than 5 years Rm
Financial assets						
ESD loans	169	169	63	49	57	
Vendor finance loan	177	216	64	60	92	
Trade and other receivables	150	150	150			
Cash and cash equivalents	17 151	17 151	17 151			
Non-interest-bearing loans to subsidiaries	575	575	575			
Interest-bearing loans to subsidiaries	4 139	4 931	1 540	750	2 641	
Treasury facilities with subsidiaries	130	130	130			
Total financial assets	22 491	23 322	19 673	859	2 790	
Percentage profile (%)		100	84	4	12	
Financial liabilities						
Interest-bearing borrowings	(4 098)	(4 862)	(1 531)	(743)	(2 588)	
– Loan facility	(3 452)	(4 183)	(852)	(743)	(2 588)	
– Bonds	(646)	(679)	(679)			
Lease liabilities	(383)	(505)	(85)	(92)	(301)	(27)
Trade and other payables	(223)	(223)	(223)			
Non-interest-bearing loans from subsidiaries[1]	(769)	(769)	(769)			
Treasury facilities with subsidiaries	(14 837)	(14 837)	(14 837)			
Total financial liabilities	(20 310)	(21 196)	(17 445)	(835)	(2 889)	(27)
Percentage profile (%)		100	82	4	14	
Liquidity gap identified	2 181	2 126	2 228	24	(99)	(27)

[1] *The majority of the non-interest-bearing loans from subsidiaries are not expected to be called upon in the foreseeable future.*

16.3.3.4 Credit risk management
Credit risk relates to potential default by counterparties on cash and cash equivalents, loans, investments, trade receivables and other receivables.

The group limits its counterparty exposure arising from money market and derivative instruments by only dealing with well established financial institutions of high-credit standing. The group's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded are spread among approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the audit committee annually.

Trade receivables consist of a number of customers with whom Exxaro has long-standing relationships. A high portion of term supply arrangements exists with such customers resulting in limited credit exposure which exposure is limited by performing customer creditworthiness or country risk assessments.

The group strives to enter into sales contracts with customers which stipulate the required payment terms. It is expected of each customer that these payment terms are adhered to. Where trade receivables balances become past due, the normal recovery procedures are followed to recover the debt, where applicable new payment terms may be arranged to ensure that the debt is fully recovered.

Exxaro has concentration risk as a result of its exposure to one major customer. This is, however, not considered significant as the customer adheres to the stipulated payment terms.

Exxaro establishes an allowance for non-recoverability or impairment that represents its estimate of ECLs in respect of trade receivables, other receivables, loans, cash and cash equivalents and investments. The main components of these allowances are a 12-month ECL component that results from possible default events within the 12 months after the reporting date and a lifetime ECL component that results from all possible default events over the expected life of a financial instrument.

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

16.3 Financial instruments continued

16.3.3 Risk management continued

16.3.3.4 Credit risk management continued

16.3.3.4.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. None of the financial assets were held as collateral for any security provided.

Detail of the trade receivables credit risk exposure:

At 31 December	Group 2024 %	Group 2023 %
By geographical area		
RSA	70	77
Europe	6	9
Asia	21	8
Australia		4
USA	3	2
Total	100	100
By industry		
Public utilities	59	54
Mining	2	5
Manufacturing	1	1
Merchants	31	28
Food and beverage		1
Steel	6	6
Cement	1	1
Other		4
Total	100	100

Detailed impairment analysis of financial assets measured at amortised cost:

At 31 December 2024	Group Total Rm	Group Performing Rm	Group Under-performing Rm	Group Non-performing Rm
ESD loans	151	151		
– Non-current – gross	131	68		63
– Non-current – impairment allowances	(63)			(63)
– Current – gross	247	84		163
– Current – impairment allowances	(164)	(1)		(163)
Vendor finance loan	142		142	
– Non-current – gross	81		81	
– Non-current – impairment allowance	(1)		(1)	
– Current – gross	63		63	
– Current – impairment allowance	(1)		(1)	
Intervention receivable	8	8		
– Current – gross	8	8		
Investment deposits	4	4		
– Current – gross	4	4		
Other financial assets at amortised cost	118	118		
– Non-current – gross	118	118		
– Current – gross	4			4
– Current – impairment allowances	(4)			(4)
Lease receivables[1]	29	29		
– Non-current – gross	18	18		
– Current – gross	11	11		
Trade receivables	4 098	4 093		5
– Gross	4 214	4 105		109
– Impairment allowances	(116)	(12)		(104)
Other receivables	132	131		1
– Gross	140	131		9
– Impairment allowances	(8)			(8)
Cash and cash equivalents	20 630	20 630		
Total financial assets at amortised cost	25 312	25 164	142	6

[1] *Lease receivables are within the scope of the impairment requirements of IFRS 9.*

16.3 Financial instruments continued

16.3.3 Risk management continued

16.3.3.4 Credit risk management continued

16.3.3.4.1 Exposure to credit risk continued

	Group			
At 31 December 2023	**Total Rm**	**Performing Rm**	**Under-performing Rm**	**Non-performing Rm**
ESD loans	169	169		
– Non-current – gross	156	107		49
– Non-current – impairment allowances	(50)	(1)		(49)
– Current – gross	181	64		117
– Current – impairment allowances	(118)	(1)		(117)
Vendor finance loan	177	177		
– Non-current – gross	127	127		
– Current – gross	51	51		
– Current – impairment allowance	(1)	(1)		
Other financial assets at amortised cost	183	183		
– Non-current – gross	108	108		
– Current – gross	81	77		4
– Current – impairment allowances	(6)	(2)		(4)
Lease receivables[1]	38	38		
– Non-current – gross	29	29		
– Non-current – impairment allowances	(1)	(1)		
– Current – gross	10	10		
Trade receivables	3 829	3 588	72	169
– Gross	3 850	3 608	72	170
– Impairment allowances	(21)	(20)		(1)
Other receivables	48	48		
– Gross	55	48		7
– Impairment allowances	(7)			(7)
Cash and cash equivalents	19 859	19 859		
Total financial assets at amortised cost	24 303	24 062	72	169

[1] *Lease receivables are within the scope of the impairment requirements of IFRS 9.*

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

16.3 Financial instruments continued

16.3.3 Risk management continued

16.3.3.4 Credit risk management continued

16.3.3.4.1 Exposure to credit risk continued

	Company			
At 31 December 2024	**Total Rm**	**Performing Rm**	**Under-performing Rm**	**Non-performing Rm**
ESD loans	151	151		
– Non-current – gross	131	68		63
– Non-current – impairment allowances	(63)			(63)
– Current – gross	247	84		163
– Current – impairment allowances	(164)	(1)		(163)
Vendor finance loan	142		142	
– Non-current – gross	81		81	
– Non-current – impairment allowance	(1)		(1)	
– Current – gross	63		63	
– Current – impairment allowance	(1)		(1)	
Investment deposits	4	4		
– Current – gross	4	4		
Other financial assets at amortised cost				
– Current – gross	4			4
– Current – impairment allowances	(4)			(4)
Other receivables	15	15		
– Gross	18	15		3
– Impairment allowances	(3)			(3)
Indebtedness by subsidiaries	222	222		
– Gross	223	223		
– Impairment allowances	(1)	(1)		
Non-interest-bearing loans to subsidiaries	701	700		1
– Current – gross	760	706		54
– Current – impairment allowances	(59)	(6)		(53)
Interest-bearing loans to subsidiaries	3 002	3 002		
– Non-current – gross	2 500	2 500		
– Current – gross	502	502		
Treasury facilities with subsidiaries	69	69		
– Gross	415	69		346
– Impairment allowances	(346)			(346)
Cash and cash equivalents	17 300	17 300		
Total financial assets at amortised cost	21 606	21 463	142	1

16.3 Financial instruments continued

16.3.3 Risk management continued

16.3.3.4 Credit risk management continued

16.3.3.4.1 Exposure to credit risk continued

	Company		
At 31 December 2023	Total Rm	Performing Rm	Non-performing Rm
ESD loans	169	169	
– Non-current – gross	156	107	49
– Non-current – impairment allowances	(50)	(1)	(49)
– Current – gross	181	64	117
– Current – impairment allowances	(118)	(1)	(117)
Vendor finance loan	177	177	
– Non-current – gross	127	127	
– Current – gross	51	51	
– Current – impairment allowance	(1)	(1)	
Other financial assets at amortised cost			
– Current – gross	4		4
– Current – impairment allowances	(4)		(4)
Other receivables	10	10	
– Gross	11	10	1
– Impairment allowances	(1)		(1)
Indebtedness by subsidiaries	140	140	
– Gross	140	140	
Non-interest-bearing loans to subsidiaries	575	575	
– Current – gross	635	582	53
– Current – impairment allowances	(60)	(7)	(53)
Interest-bearing loans to subsidiaries	4 139	4 139	
– Non-current – gross	2 981	2 981	
– Current – gross	1 158	1 158	
Treasury facilities with subsidiaries	130	130	
– Gross	397	130	267
– Impairment allowances	(267)		(267)
Cash and cash equivalents	17 151	17 151	
Total financial assets at amortised cost	22 491	22 491	

16.3.3.4.2 Trade and other receivables age analysis

	Group					
		Current		Past due		
At 31 December 2024	Total Rm	1 to 30 days Rm	31 to 60 days Rm	61 to 90 days Rm	91 to 180 days Rm	>180 days Rm
Trade receivables	4 098	4 094			4	
– Gross	4 214	4 105			13	96
– Impairment allowances	(116)	(11)			(9)	(96)
Other receivables	132	121	5	4		2
– Gross	140	121	6	4	3	6
– Impairment allowances	(8)		(1)		(3)	(4)
Total carrying amount of trade and other receivables	4 230	4 215	5	4	4	2

16.3 Financial instruments continued

16.3.3 Risk management continued

16.3.3.4 Credit risk management continued

16.3.3.4.2 Trade and other receivables age analysis continued

	Group					
		Current		Past due		
At 31 December 2023	**Total Rm**	**1 to 30 days Rm**	**31 to 60 days Rm**	**61 to 90 days Rm**	**91 to 180 days Rm**	**>180 days Rm**
Trade receivables	3 829	3 475	177	73	104	
– Gross	3 850	3 495	178	73	104	
– Impairment allowances	(21)	(20)	(1)			
Other receivables	48	40	2	1		5
– Gross	55	41	2	1	1	10
– Impairment allowances	(7)	(1)			(1)	(5)
Total carrying amount of trade and other receivables	3 877	3 515	179	74	104	5

	Company		
		Current	
At 31 December 2024	**Total Rm**	**1 to 30 days Rm**	**91 to 180 days Rm**
Other receivables	15	15	
– Gross	18	16	2
– Impairment allowances	(3)	(1)	(2)
Indebtedness by subsidiaries	222	222	
– Gross	223	223	
– Impairment allowances	(1)	(1)	
Total carrying amount of trade and other receivables	237	237	

	Company				
		Current		Past due	
At 31 December 2023	**Total Rm**	**1 to 30 days Rm**	**31 to 60 days Rm**	**61 to 90 days Rm**	**>180 days Rm**
Other receivables	10	4	2	1	3
– Gross	11	4	2	1	4
– Impairment allowances	(1)				(1)
Indebtedness by subsidiaries	140	140			
– Gross	140	140			
Total carrying amount of trade and other receivables	150	144	2	1	3

16.3 Financial instruments continued

16.3.3 Risk management continued

16.3.3.4 Credit risk management continued

16.3.3.4.3 Credit quality of financial assets

The credit quality of cash and cash equivalents has been assessed by reference to external credit ratings available from Fitch, Standard & Poor's and Global credit rating.

	Group		Company	
At 31 December	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Cash and cash equivalents				
Fitch ratings				
F1+	3 013	3 861	2 690	3 530
Standard & Poor's ratings				
A-1+	14 117	13 983	11 110	11 606
Global credit rating				
AA(za)	1 000	1 007	1 000	1 007
AA+(za)	2 500	1 008	2 500	1 008
Total cash and cash equivalents	20 630	19 859	17 300	17 151

Fitch ratings

F1 Highest credit quality

"+" denotes any exceptionally strong credit feature

Standard & Poor's

A-1+ Highest certainty of payment

A-1 Very high certainty of payment

Global credit ratings

AA(za) Very strong financial security characteristics relative to other issuers in the same country

AA+(za) Very strong financial security characteristics relative to other issuers in the same country

16.3.3.4.4 Collateral

No collateral was held by the group as security, nor any other enhancements over the financial assets during the years ended 31 December 2024 and 2023.

Guarantees

The group did not obtain financial or non-financial assets by taking possession of collateral it holds as security or calling on guarantees during the financial year ended 31 December 2024 and 31 December 2023. The guarantees issued relate to operational liabilities (refer note 13.4.1 on contingent liabilities).

16.3.4 Loan commitments

Loan commitments have been granted to the following parties:

	Group		Company	
At 31 December	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Total loan commitments[1]	38	12	38	12
ESD applicants[2]	38	12	38	12

[1] *The loan commitments were undrawn for the reporting periods.*
[2] *Loans approved and awarded to successful ESD applicants.*

17 Subsidiaries

17.1. Accounting policies relating to subsidiaries

17.1.1 Subsidiaries

The results of subsidiaries are included for the duration of the period in which the group exercises control over its subsidiaries. All intercompany transactions and resultant profits or losses between group companies are eliminated on consolidation. Where necessary, accounting policies for subsidiaries are changed to ensure consistency with the policies adopted by the group. If it is not practical to change the policies, the appropriate adjustments are made on consolidation to ensure consistency within the group.

The results of structured entities that, in substance, are controlled by the group, are consolidated.

The company carries its investments in subsidiaries at cost, including transaction costs and initial fair value measurements of contingent consideration arising on acquisition date, less accumulated impairment losses. Subsequent fair value remeasurements of the contingent consideration are recognised in profit or loss.

17.1.1.2 Investments in share-based payments

Exxaro has an agreement with its subsidiary companies to charge the subsidiaries for the equity compensation share schemes (refer Chapter 14) granted to the subsidiaries' employees.

The movement in equity in the company's financial statements relating to the recharge of the share-based payments of subsidiaries is accounted for against investments in subsidiaries and is eliminated on consolidation for group reporting purposes.

17.1.1.3 Foreign operations

The results and financial position of all the group entities (none of which have the currency of a hyper-inflationary economy at or for the year ended 31 December 2024 and 2023) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities at rates of exchange ruling at the reporting date
- Equity items are translated at historical rates
- Income, expenditure and cash flow items at weighted average rates
- Goodwill and fair value adjustments arising on acquisition at rates of exchange ruling at the reporting date.

Exchange differences on translation are accounted for in OCI. These differences will be recognised in profit or loss upon realisation of the underlying operation.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (ie the reporting entity's interest in the net assets of that operation) are taken to OCI. When a foreign operation is sold, exchange differences that were recorded in OCI are recognised in profit or loss.

17.1.1.4 Changes in ownership interest(s) in subsidiaries without change in control

Transactions with NCIs that do not result in loss of control are accounted for as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired in the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on the acquisition of NCI are also recognised in equity.

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

17.2 Significant judgements and assumptions made by management in applying the related accounting policies

17.2.1 Control assessment for consolidation of subsidiaries

In applying IFRS 10 *Consolidated Financial Statements* management has applied judgement in assessing whether Exxaro has control over certain entities where the percentage shareholding does not provide control.

Eyesizwe

Exxaro has control over Eyesizwe even though the group only holds a 24.9% (2023: 24.9%) equity interest in Eyesizwe which is made up of the company's equity interest of 14.9% and a further 10% held equally by Exxaro ESOP SPV and Exxaro Aga Setshaba NPC. Eyesizwe was created and designed for the sole purpose of providing Exxaro with BEE credentials and as a structure to hold Exxaro shares. The implementation of the Replacement BEE Transaction protects the stability of Exxaro's operations reinforcing the sustainability of relationships with key stakeholders, equips Exxaro for growth by positioning Exxaro with market-leading empowerment credentials in the South African mining sector and creates long-term value for shareholders.

Exxaro is able to direct the strategic direction of Eyesizwe and, as per the transaction agreements, Eyesizwe's MoI may not be amended or replaced without Exxaro's prior written consent. All these points indicate that Exxaro has been involved from the inception of the Replacement BEE Transaction to ensure that the design and operation of Eyesizwe achieves the purpose for which it was created. Additionally, Eyesizwe cannot dispose of Exxaro shares without the prior consent of Exxaro. Exxaro has significant exposure to the variable returns of Eyesizwe, through the creation and maintenance of the BEE credentials during the lock-in period as well as through the equity investment held by Exxaro in Eyesizwe. All these factors have been considered in determining that, even though Exxaro does not have majority voting rights in Eyesizwe, it still has control over Eyesizwe and consolidates the results of Eyesizwe in the group results of Exxaro.

17.2.2 Non-controlling interests

Eyesizwe NCI

As part of the Replacement BEE Transaction, implemented in 2017, Eyesizwe was incorporated and established as the empowerment vehicle to hold 30% of Exxaro shares. A portion of the 30% acquired interest was financed by means of an issue of Eyesizwe preference shares to various financial institutions. The shares held by Eyesizwe in Exxaro were provided as security for these preference shares.

The outstanding preference share obligation was settled early by Eyesizwe during October 2019 as a result of the dividends which were received from Exxaro. This has resulted in Eyesizwe's other shareholders (IDC and Eyesizwe SPV Proprietary Limited) becoming true equity shareholders as they are now exposed to both upside and downside risk in relation to the Exxaro shares.

From an Exxaro group perspective this resulted in the recognition of NCIs for Eyesizwe's other shareholders. On initial recognition the NCI in Eyesizwe was recognised at the net asset value of the consolidated Eyesizwe results. Subsequent to initial recognition, the NCI shares in the movement of profit or loss and OCI.

Cennergi group NCI

In 2020, Cennergi, as the acquiree, had outstanding share-based payment transactions that Exxaro, as the acquirer, did not replace, cancel or exchange as part of the acquisition. The share-based payment transactions had vested and was therefore accounted for as part of NCI in the Cennergi group acquisition and measured at their market-based measure in terms of IFRS 2 *Share-Based Payment* (IFRS 2). These arrangements were viewed as in-substance share options with the minorities, as the minorities were not exposed to downside risk nor benefit, until such time as the underlying shareholder financing of the arrangements had been settled.

Subsequently, the in-substance share option holders in Tsitsikamma SPV and Amakhala SPV have become true equity shareholders as they are now exposed to both upside and downside risk in relation to the Tsitsikamma SPV and Amakhala SPV shares respectively. The NCI of Tsitsikamma SPV and Amakhala SPV has been recognised at the net asset value at the date on which the in-substance share options were exercised.

17.3 Transactions with subsidiaries

17.3.1 Revenue

For the year ended 31 December	Note	Company 2024 Rm	Company 2023 Rm
Corporate management services rendered to the following subsidiaries:	6.1.2	1 634	1 543
Exxaro Coal Proprietary Limited		1 116	1 070
Exxaro Coal Mpumalanga Proprietary Limited		459	432
Other subsidiaries		59	41
Dividend revenue from the following subsidiaries:	6.1.2	5 120	4 767
Exxaro Coal Proprietary Limited[1]		4 719	3 910
Eyesizwe (RF) Proprietary Limited		374	362
Rocsi Holdings Proprietary Limited[1]		27	495
Interest revenue from the following subsidiaries:	6.1.2	386	463
From interest-bearing back-to-back loans receivable with:		377	443
– Exxaro Coal Proprietary Limited		377	443
From interest-bearing acquisition loans receivable with:		1	4
– Exxaro Aga Setshaba NPC		1	4
From treasury facilities receivable with:		8	16
– Other subsidiaries		8	16

[1] *Relates to dividends in specie.*

17.3 Transactions with subsidiaries continued

17.3.2 Finance costs

For the year ended 31 December	Note	Company 2024 Rm	Company 2023 Rm
Interest expense on treasury facilities payable with:	12.1.2	(1 212)	(1 053)
Exxaro Coal Proprietary Limited		(967)	(964)
Exxaro Coal Mpumalanga Proprietary Limited		(245)	(88)
Other subsidiaries			(1)

17.4 Summary of investments in subsidiaries

	Company					
	Gross carrying amount		Accumulated impairment losses[1]		Net carrying amount	
At 31 December	2024 Rm	2023 Rm	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Unlisted subsidiaries equity shares	10 907	11 226	(2 776)	(2 776)	8 131	8 450
Share-based payments	237	279			237	279
Investments in subsidiaries	11 144	11 505	(2 776)	(2 776)	8 368	8 729

[1] *The accumulated impairment losses relate to (i) Exxaro Australia Holdings Proprietary Limited of R2 744 million (2023: R2 744 million) (ii) Exxaro Holdings Proprietary Limited of R26 million (2023: R26 million) and (iii) Rocsi Holdings Proprietary Limited of R6 million (2023: R6 million).*

17.5 Summary of indebtedness by/(to) subsidiaries

		Company					
		Gross carrying amount		Impairment allowances		Net carrying amount	
At 31 December	Note	2024 Rm	2023 Rm	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Indebtedness by subsidiaries							
Non-current		2 500	2 981			2 500	2 981
Interest-bearing loans receivable[1]	10.3.2	2 500	2 981			2 500	2 981
Current		1 900	2 330	(406)	(327)	1 494	2 003
Interest-bearing loans receivable[1]	10.3.2	502	1 158			502	1 158
Non-interest-bearing loans receivable[2]	10.3.2	760	635	(59)	(60)	701	575
Interest-bearing treasury facilities receivable[3]	10.3.2	415	397	(346)	(267)	69	130
– ZAR treasury facilities receivable	10.3.2	415	397	(346)	(267)	69	130
Indebtedness by subsidiaries	6.2.3	223	140	(1)		222	140
Total indebtedness by subsidiaries		4 400	5 311	(406)	(327)	3 994	4 984
Indebtedness to subsidiaries							
Current		(15 028)	(15 606)			(15 028)	(15 606)
Non-interest-bearing loans payable	12.1.7	(92)	(769)			(92)	(769)
Interest-bearing treasury facilities payable	12.1.7	(14 936)	(14 837)			(14 936)	(14 837)
– ZAR treasury facilities payable	12.1.7	(13 987)	(14 277)			(13 987)	(14 277)
– US$ treasury facilities payable	12.1.7	(949)	(560)			(949)	(560)
Total indebtedness to subsidiaries		(15 028)	(15 606)			(15 028)	(15 606)
Net indebtedness to subsidiaries		(10 628)	(10 295)	(406)	(327)	(11 034)	(10 622)

1 *The credit risk relating to these subsidiary parties is considered very low and therefore seen as performing. There have been no changes to this assessment as these parties are continuously performing against contractual terms and are in a good liquidity position. The ECL has been considered to be immaterial.*
2 *Relates mainly to impairment allowances on Gravelotte Iron Ore Company Proprietary Limited of R53 million (2023: R53 million).*
3 *Relates to an impairment allowance on Ferroland Grondtrust Proprietary Limited of R346 million (2023: R267 million). The lifetime ECL allowance basis was applied following a significant increase in credit risk.*

Terms and conditions of indebtedness

Non-bearing loans

The loans are unsecured, have no fixed terms of repayment and are repayable within one month of a demand notice.

Interest-bearing treasury facilities

Treasury facilities are unsecured, have no fixed repayment terms and are repayable on demand. Interest is charged at money market rates.

Indebtedness (trade related)

Certain subsidiaries are charged corporate management service fees which are repayable within 30 days.

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

17.5 Summary of indebtedness by/(to) subsidiaries continued

Terms and conditions of indebtedness continued

Interest-bearing loans receivable

Interest-bearing loans receivable, and their redemption profiles, comprise:

	Company					
	Acquisition loans receivable[1]		Back-to-back loans receivable[2]		Net carrying amount	
At 31 December	2024 Rm	2023 Rm	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Back-to-back loans receivable						
Exxaro Coal Proprietary Limited			3 002	4 108	3 002	4 108
Acquisition loans receivable						
Exxaro Aga Setshaba NPC		31				31
Total unsecured loans		31	3 002	4 108	3 002	4 139
Summary by financial year of redemption:						
Less than six months			277	933	277	933
Six to 12 months			225	225	225	225
Between one and two years			2 500	450	2 500	450
Between two and three years				2 500		2 500
More than five years		31				31
Total unsecured loans		31	3 002	4 108	3 002	4 139

[1] *The acquisition loans receivable were fully settled in 2024.*

[2] *The back-to-back loans receivable have similar terms as agreed with external lenders (excluding the project financing) except for interest, which is charged based on 3-month JIBAR plus a margin. Refer note 12.1.4 for detailed terms and conditions of the external borrowings, excluding the project financing. The fixed margin percentage at the end of the reporting period on the back-to-back loans is summarised as follows:*
Revolving credit facility: 2.76% (2023: 2.76%)
Bullet term loan facility: 2.51% (2023: 2.51%)
Amortised term loan facility: 2.41% (2023: 2.41%).

17.6 Detailed analysis of investments in subsidiaries and indebtedness by/(to) subsidiaries

			Investment in subsidiaries			
			Investment in shares[1]		Investment in share-based payments	
	Country[2]	Nature of business[3]	2024 R	2023 Rm	2024 Rm	2023 Rm
Direct investments						
Cennergi Holdings Proprietary Limited	RSA	H	2 437 330 416	2 437 330 416		
Colonna Properties Proprietary Limited	RSA	B	2 518 966	2 518 966		
Exxaro Australia Holdings Proprietary Limited[4]	AUS	H	803 932 214	765 066 307		
Exxaro Base Metals and Industrial Minerals Holdings Proprietary Limited	RSA	H	1	1		
Exxaro Chairman's Fund	RSA	S				
Exxaro Coal Proprietary Limited	RSA	M	1 868 325 864	1 868 325 864	44	78
Exxaro Employee Empowerment Participation Scheme Trust[5]	RSA	S				
Exxaro Employee Empowerment Trust[5]	RSA	S				
Exxaro Environmental Rehabilitation Fund	RSA	S				
Exxaro ESOP SPV RF Proprietary Limited	RSA	S	100	100		
Exxaro FerroAlloys Proprietary Limited	RSA	A	1	1	2	2
Exxaro Foundation[6]	RSA	S				
Exxaro Holdings Proprietary Limited[7]	RSA	H	433 575 451	433 575 451		
Exxaro Insurance Company Limited[8]	RSA	I	1 102 000 000	812 000 000		
Exxaro Aga Setshaba NPC	RSA	E				
Exxaro Mountain Bike Academy NPC	RSA	E				
Exxaro People Development Initiative NPC[5]	RSA	E				
Exxaro Properties (Groenkloof) Proprietary Limited[5]	RSA	B	1	1		
Eyesizwe (RF) Proprietary Limited (14.86%)	RSA	S	1 482 907 923	1 482 907 923		
Ferroland Grondtrust Proprietary Limited	RSA	F	2	2	5	5
Gravelotte Iron Ore Company Proprietary Limited	RSA	B	1	1		
Kumba Resources Management Share Trust	RSA	S				
Rocsi Holdings Proprietary Limited[9]	RSA	H		647 948 268		
Total direct investments in subsidiaries			8 130 590 940	8 449 673 301	51	85
Indirect investments						
Amakhala Emoyeni RF Proprietary Limited (95%)	RSA	R				
Coastal Coal Proprietary Limited	RSA	MIC			1	1
Cennergi Proprietary Limited	RSA	H				
Cennergi Services Proprietary Limited	RSA	C				
Lephalale Solar Proprietary Limited	RSA	R				
Lephalale Solar II Proprietary Limited[10]	RSA	R				
Lephalale Solar III Proprietary Limited[10]	RSA	R				
K2021699383 (South Africa) Proprietary Limited[10]	RSA	R				
Icarus Solar Power Plant (RF) Proprietary Limited[11]	RSA	R				
Karreebosch Mbane Proprietary Limited[10]	RSA	R				
Karreebosch SAN Proprietary Limited[10]	RSA	S				
Exxaro Australia Proprietary Limited	AUS	P				
Exxaro Coal Mpumalanga Proprietary Limited	RSA	M			188	194
Exxaro International Trading AG	SW	C			(3)	(1)
Exxaro Reductants Proprietary Limited[5]	RSA	A				
The Vryheid (Natal) Railway Coal and Iron Company Proprietary Limited	RSA	MIC				
Exxaro Employee Share Ownership Trust	RSA	S				
Tsitsikamma RF Proprietary Limited (75%)	RSA	R				
Total indirect investment in subsidiaries					186	194
Total investment in subsidiaries			8 130 590 940	8 449 673 301	237	279

1 *At 100% holding except where otherwise indicated.*
2 *Country of incorporation: RSA — Republic of South Africa, AUS — Australia, SW — Switzerland.*
3 *M — Mining, B — Property, C — Service, E — Not for profit company, F — Farming, H — Holdings, I — Insurance, A — Manufacturing, P — Exploration, S — Structured entity, MIC – Mines in closure, R – Renewable energy.*
4 *Increase in investment relates to a cash subscription of R38 million and loan capitalisation of R9 million in 2024.*
5 *Entity in process of liquidation or deregistration.*
6 *Deregistered on 13 March 2024.*
7 *Impairment charge on investment in subsidiary of R26 million recognised in 2023.*
8 *Share subscriptions for cash amounting to R290 million (2023: R500 million).*
9 *In 2024, a return of capital was declared and the company is in the process of liquidation. In 2023, an impairment charge of R6 million was recognised.*
10 *Entity reserved for future renewable energy projects.*
11 *Entity acquired holding a single asset renewable energy development project.*

	Type of indebtedness	Total indebtedness receivable/(payable)			
		Total indebtedness by		(Total indebtedness to)	
		2024 Rm	2023 Rm	2024 Rm	2023 Rm
Direct investments					
Cennergi Holdings Proprietary Limited	Non-interest-bearing	115	108	(2)	
Colonna Properties Proprietary Limited					
Exxaro Australia Holdings Proprietary Limited					
Exxaro Base Metals and Industrial Minerals Holdings Proprietary Limited	Non-interest-bearing	217	216		
Exxaro Chairman's Fund					
Exxaro Coal Proprietary Limited	Total	3 130	4 198	(11 579)	(12 513)
	– Interest-bearing	3 002	4 108		
	– Treasury facility			(11 579)	(12 513)
	– Current indebtedness	128	90		
Exxaro Employee Empowerment Participation Scheme Trust					
Exxaro Employee Empowerment Trust					
Exxaro Environmental Rehabilitation Fund					
Exxaro ESOP SPV RF Proprietary Limited					
Exxaro FerroAlloys Proprietary Limited	Total	72	83		
	– Treasury facility	67	82		
	– Current indebtedness	5	1		
Exxaro Foundation					
Exxaro Holdings Proprietary Limited	Non-interest-bearing			(6)	(6)
Exxaro Insurance Company Limited					
Exxaro Aga Setshaba NPC	Interest-bearing		31		
Exxaro Mountain Bike Academy NPC					
Exxaro People Development Initiative NPC					
Exxaro Properties (Groenkloof) Proprietary Limited					
Eyesizwe (RF) Proprietary Limited (14.86%)					
Ferroland Grondtrust Proprietary Limited	Total	5	49		
	– Treasury facility	2	48		
	– Current indebtedness	3	1		
Gravelotte Iron Ore Company Proprietary Limited					
Kumba Resources Management Share Trust	Non-interest-bearing			(84)	(81)
Rocsi Holdings Proprietary Limited	Non-interest-bearing				(646)
Total direct investments in subsidiaries		3 539	4 685	(11 671)	(13 246)
Indirect investments					
Amakhala Emoyeni RF Proprietary Limited (95%)					
Coastal Coal Proprietary Limited	Non-interest-bearing	287	184		
Cennergi Proprietary Limited					
Cennergi Services Proprietary Limited					
Lephalale Solar Proprietary Limited					
Lephalale Solar II Proprietary Limited					
Lephalale Solar III Proprietary Limited					
K2021699383 (South Africa) Proprietary Limited					
Icarus Solar Power Plant (RF) Proprietary Limited					
Karreebosch Mbane Proprietary Limited					
Karreebosch SAN Proprietary Limited					
Exxaro Australia Proprietary Limited					
Exxaro Coal Mpumalanga Proprietary Limited	Total	86	48	(3 357)	(2 324)
	– Treasury facility			(3 357)	(2 324)
	– Current indebtedness	86	48		
Exxaro International Trading AG					
Exxaro Reductants Proprietary Limited	Non-interest-bearing				(36)
The Vryheid (Natal) Railway Coal and Iron Company Proprietary Limited	Non-interest-bearing	82	67		
Exxaro Employee Share Ownership Trust					
Tsitsikamma RF Proprietary Limited (75%)					
Total indirect investment in subsidiaries		455	299	(3 357)	(2 360)
Total investment in subsidiaries		3 994	4 984	(15 028)	(15 606)

17.7 Non-controlling interests

17.7.1 Composition and analysis of non-controlling interests

Subsidiaries with non-controlling interests	Nature of business	Principal place of business	Voting power of non-controlling interests 2024 %	2023 %
Subsidiaries with equity shareholders				
Eyesizwe	BEE structured entity	Gauteng	75.14	75.14
Tsitsikamma SPV	Renewable energy	Eastern Cape	25.00	25.00
Amakhala SPV[1]	Renewable energy	Eastern Cape	5.00	
Subsidiaries with share option holders				
Amakhala SPV[1]	Renewable energy	Eastern Cape		5.00

[1] On 30 April 2024, the share option holders of Amakhala SPV exercised their share options becoming true equity shareholders.

	Profit allocated to NCI		OCI allocated to NCI		Dividends and distributions paid to NCI		Accumulated NCI	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Subsidiaries with equity shareholders	2 346	3 411	(26)	44	(1 935)	(1 855)	14 563	14 119
Eyesizwe	2 318	3 399	(22)	47	(1 893)	(1 831)	14 243	13 841
Tsitsikamma SPV	25	12	(3)	(3)	(39)	(24)	263	278
Amakhala SPV	3		(1)		(3)		57	
Subsidiaries with share option holders								41
Amakhala SPV								41
Total NCIs	2 346	3 411	(26)	44	(1 935)	(1 855)	14 563	14 160

Movement analysis of NCI:	NCI equity shareholders 2024 Rm	2023 Rm	NCI share option holders 2024 Rm	2023 Rm	Total NCI 2024 Rm	2023 Rm
At beginning of the year	14 119	12 519	41	41	14 160	12 560
Total comprehensive income	2 320	3 455			2 320	3 455
Share of profit for the year	2 346	3 411			2 346	3 411
Share of OCI for the year	(26)	44			(26)	44
Transactions with owners of subsidiary companies	(1 935)	(1 855)			(1 935)	(1 855)
Dividends paid	(1 935)	(1 855)			(1 935)	(1 855)
Changes in ownership interest	59		(41)		18	
Initial recognition of NCI equity shareholder[1]	59		(41)		18	
– Derecognise share option[1]			(41)			
At end of the year	14 563	14 119		41	14 563	14 160

[1] On 30 April 2024, the share option holders of Amakhala SPV exercised their share options becoming true equity shareholders.

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

17.7 Non-controlling interests continued

17.7.2 Summarised financial information of non-controlling interests

The summarised financial information set out below relates to the subsidiaries in which NCI share.

At 31 December	Amakhala SPV 2024 Rm	Amakhala SPV 2023 Rm	Tsitsikamma SPV 2024 Rm	Tsitsikamma SPV 2023 Rm	Eyesizwe 2024 Rm	Eyesizwe 2023 Rm
Statements of financial position						
Non-current assets	3 867		2 986	3 157	18 622	18 164
Current assets	359		229	219	47	19
Total assets	4 226		3 215	3 376	18 669	18 183
Non-current liabilities	2 857		1 993	2 120		
Current liabilities	223		171	135	3	3
Total liabilities	3 080		2 164	2 255	3	3
Net assets	1 146		1 051	1 121	18 666	18 180
Accumulated NCIs	57		263	278	14 243	13 841

	Amakhala SPV For the 8 months ended 31 December 2024 Rm	Amakhala SPV 2023 Rm	Tsitsikamma SPV For the 12 months ended 31 December 2024 Rm	Tsitsikamma SPV 2023 Rm	Eyesizwe For the 12 months ended 31 December 2024 Rm	Eyesizwe 2023 Rm
Statements of comprehensive income						
Revenue	580		611	557		
Net operating profit/(loss)	287		308	250	(14)	(6)
Income from equity-accounted investments					3 098	4 528
Net (finance costs)/income	(178)		(168)	(180)	2	1
Income tax expense	(35)		(42)	(23)	(1)	
Profit for the year	74		98	47	3 085	4 523
Other comprehensive (loss)/income	(31)		(11)	(10)	(29)	63
Total comprehensive income for the year	43		87	37	3 056	4 586
Profit attributable to:	74		98	47	3 085	4 523
Owners of the parent	71		73	35	767	1 124
Non-controlling interests	3		25	12	2 318	3 399
Other comprehensive (loss)/income attributable to:	(31)		(11)	(10)	(29)	63
Owners of the parent	(30)		(8)	(7)	(7)	16
Non-controlling interests	(1)		(3)	(3)	(22)	47
Total comprehensive income attributable to:	43		87	37	3 056	4 586
Owners of the parent	41		65	28	760	1 140
Non-controlling interests	2		22	9	2 296	3 446
Statements of cash flows						
Cash flows from operating activities	115		284	218	(12)	(3)
Cash flows from investing activities					2 559	2 446
Cash flows from financing activities	(253)		(278)	(188)	(2 519)	(2 431)
Net (decrease)/increase in cash and cash equivalents	(138)		6	30	28	12
Dividends paid to non-controlling interests:	(3)		(39)	(24)	(1 893)	(1 831)

18 Compliance

18.1 Basis of preparation

18.1.1 Statement of compliance

The group (consolidated) and the company (separate) annual financial statements as at and for the year ended 31 December 2024 have been prepared under the supervision of Mr PA Koppeschaar CA(SA), SAICA registration number: 00038621.

The principal accounting policies of Exxaro Resources Limited (the company) and its entities (the group) as well as the disclosures made in these annual financial statements comply with International Financial Reporting Standards (IFRS® Accounting Standards) (as issued by the International Accounting Standards Board (IASB®)), effective for the financial year, as well as the SAICA Financial Reporting Guides (as issued by the Accounting Practices Committee), and Financial Pronouncements (as issued by the Financial Reporting Standards Council), the Companies Act (applicable to companies reporting under IFRS Accounting Standards) and the JSE Listing Requirements.

18.1.2 Basis of measurement

The financial statements are prepared on the historical cost basis, except for the revaluation to fair value of financial instruments, share-based payments and biological assets. The financial statements are prepared on the going-concern basis.

The financial statements are presented in South African rand, which is the company's functional and presentation currency. However, the group measures the transactions of each of its material operations using the functional currency determined for that specific entity, which, in most instances, is the currency of the primary economic environment in which the operation conducts its business.

Management considers key financial metrics and loan covenant compliance in its approved medium-term budgets, together with its existing term facilities, to conclude that the going concern assumption used in compiling the annual financial statements is relevant.

The material accounting policies applied for 2024 are consistent with those applied in 2023, except for the adoption of new or amended standards as set out below.

18.1.3 Basis of consolidation

The group annual financial statements present the consolidated financial position and changes therein, operating results and cash flow information of the company and its subsidiaries as those of a single entity.

18.1.4 Judgements and key assumptions made by management in applying accounting policies

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to exercise its judgement in the process of applying the accounting policies. Such judgements, apart from those involving estimates, have been made by management. Details of these judgements have been included within the relevant chapters. Additionally, the use of certain critical accounting estimates is required. Key assumptions concerning the future, and other key sources of estimation uncertainty at the financial year end, may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year if the assumption or estimation changes significantly. Details of key assumptions and key sources of estimation uncertainty have been included within the relevant chapters.

18.2 Adoption of new, amended and revised standards and interpretations

18.2.1 New, amended and revised standards adopted during 2024

Exxaro has applied changes to IFRS Accounting Standards that are mandatorily effective for reporting periods beginning on or after 1 January 2024. The changes and their impact on Exxaro are summarised below. Overall, the adoption of these amendments did not impact the recognition nor measurement of the amounts reported in these financial statements.

Standard	Key requirements
IFRS 16 *Leases* – Measurement of lease liability in a sale and leaseback transaction	The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right-of-use it retains. The amendment had no impact on the financial statements.
IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosure* – Disclosure of qualitative and quantitative information about supplier finance arrangements	The amendments clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments had no impact on the financial statements.

18.2 Adoption of new, amended and revised standards and interpretations continued

18.2.2 New, amended and revised standards not yet adopted

New accounting standards, amendments to accounting standards and interpretations issued, that are not yet effective on 31 December 2024, have not been early adopted. It is expected that where applicable, these standards and amendments will be adopted on each respective effective date. The group continuously evaluates the impact of these standards and amendments. The assessments of the effect of the implementation of these new, amended or revised standards are ongoing.

Standard	Key requirements	Mandatory application date
IAS 21 *The Effects of Changes in Foreign Exchange Rates* – Lack of exchangeability	The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The effect of the implementation of these amendments will have no impact as Exxaro is not exposed to lack of exchangeability in foreign currency.	1 January 2025
IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* – Classification and Measurement of Financial Instruments	These amendments: • Clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system • Clarify and add further guidance for assessing whether a financial asset meets the SPPI criterion • Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of ESG targets); and • Make updates to the disclosures for equity instruments designated at FVOCI. The effect of the implementation of these amendments are not expected to have a material impact.	1 January 2026
IFRS 7 *Financial Instruments: Disclosures* – gain or loss on derecognition	This is a narrow scope amendment to delete an obsolete reference that remained in IFRS 7 following the publication of IFRS 13 *Fair Value Measurement* and to make the wording of the requirements of IFRS 7 relating to disclosure of a gain or loss on derecognition consistent with the wording and concepts in IFRS 13. The effect of the implementation of this amendment is not expected to have a material impact.	1 January 2026
IFRS 10 *Consolidated Financial Statements* – determination of a "de facto agent"	Narrow scope amendment to clarify whether a party acts as a de facto agent in assessing control of an investee. The effect of the implementation of this amendment is not expected to have a material impact.	1 January 2026
IAS 7 *Statement of Cash Flows* – cost method	Narrow scope amendment to replace the term "cost method" with "at cost" following the removal of the definition of "cost method" from the IFRS Accounting Standards. The effect of the implementation of this amendment is not expected to have a material impact.	1 January 2026

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

18.2 Adoption of new, amended and revised standards and interpretations continued

18.2.2 New, amended and revised standards not yet adopted continued

Standard	Key requirements	Mandatory application date
IFRS 18 *Presentation and Disclosure in Financial Statements* (IFRS 18)	IFRS 18 replaces IAS 1 *Presentation of Financial Statements*, which sets out presentation and base disclosure requirements for financial statements. IFRS 18 introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analysing and comparing companies: • Improved comparability in the statement of profit or loss (income statement) through the introduction of three defined categories for income and expenses, namely operating, investing and financing, to improve the structure of the income statement, and a requirement for all companies to provide new defined subtotals, including operating profit • Enhanced transparency of management defined performance measures with a requirement for companies to disclose explanations of those company-specific measures that are related to the income statement • More useful grouping of information in the financial statements through enhanced guidance on how to organise information and whether to provide it in the primary financial statements or in the notes, as well as a requirement for companies to provide more transparency about operating expenses. The group is currently working to identify the impact this new IFRS Accounting Standard will have on the primary financial statements and notes to the financial statements.	1 January 2027
IFRS 19 *Subsidiaries without Public Accountability: Disclosures* (IFRS 19)	IFRS 19 is a voluntary standard that applies to entities without public accountability, but whose parents prepare consolidated financial statements under the IFRS Accounting Standards. IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. A subsidiary is eligible if: • It does not have public accountability; and • It has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. IFRS 19 is not applicable to the Exxaro group or company as the instruments are publicly traded, but will be considered for the subsidiary entities within the Exxaro group.	1 January 2027

18.3 Events after the reporting period

Details of the final dividend declared are provided in note 5.5.

Subsequent to 31 December 2024, the following notable events occurred:

Karreebosch project

On 17 February 2025, Cennergi Holdings, a wholly owned subsidiary of Exxaro, in partnership with G7 Renewable Energies Proprietary Limited, reached financial close on the 140MW Karreebosch project. Karreebosch has a 20-year Power Purchase Agreement with Northam Platinum Limited. Cennergi Holdings acquired 80% of the share capital in Karreebosch as well as 50% of the share capital in Karreebosch Asset Management Proprietary Limited. The total investment cost of the project is anticipated to be R4.7 billion which will in majority be funded with project financing from Nedbank, Absa Bank and Standard Bank with the financial structure set up to ensure long-term sustainability, as well as limited recourse to the Exxaro balance sheet.

At the time of approving the group and company annual financial statements 2024, Exxaro was still in the process of completing the accounting assessment and valuation of the Karreebosch project against the requirements of IFRS 3 *Business Combinations*.

Share repurchase programme

On 11 March 2025, the board approved a share repurchase programme to the value of R1.2 billion, subject to prevailing market conditions and the JSE Listings Requirements.

The directors are not aware of any other significant matter or circumstance arising after the reporting period up to date of this report, not otherwise dealt with in this report.

19 Annexures (unaudited)

Annexure 1: Shareholder analysis

1.1 Exxaro public and non-public shareholding 2024

Shareholder type	Number of shareholders	% of total shareholders	Number of shares	% of issued share capital
Non-public shareholders	16	0.068	108 359 726	31.01
Eyesizwe[1]	1	0.004	107 612 026	30.81
Kumba Management Share Trust	1	0.004	158 218	0.05
Directors				
– PA Koppeschaar[2]	1	0.004	82 469	0.02
– Dr N Tsengwa[2]	1	0.004	185 979	0.05
Prescribed officers[2]	7	0.030	211 109	0.06
Subsidiary directors[2]	2	0.009	58 625	0.01
Share option scheme trustees[2]	3	0.013	51 300	0.01
Public shareholders	22 337	99.932	240 945 366	68.99
Total	22 353	100.000	349 305 092	100.00

[1] *Includes indirect shareholding through Eyesizwe of the following directors:*
– VZ Mntambo *4 448 839* *1.27*

[2] *Includes direct and DBP shareholding.*

1.2 Registered shareholder spread

In accordance with the JSE Listings Requirements, the following table confirms the spread of registered shareholders at 31 December 2024:

Shareholder spread	Number of shareholders	% of total shareholders	Number of shares	% of issued share capital
1 to 1 000 shares	19 576	87.58	2 625 243	0.75
1 001 to 10 000 shares	1 801	8.06	5 874 420	1.68
10 001 to 100 000 shares	708	3.17	22 994 200	6.58
100 001 to 1 000 000 shares	225	1.00	62 153 628	17.80
1 000 001 shares and above	43	0.19	255 657 601	73.19
Total	22 353	100.00	349 305 092	100.00

1.3 Substantial investment management and beneficial interests above 5%

Through regular analysis of Strate registered holdings, and pursuant to the provisions of section 56 of the Companies Act, the following shareholders held 5% or more (directly and indirectly) of the issued share capital as at 31 December 2024:

Shareholder spread	Number of shares	% of issued share capital
Investment management shareholdings		
Eyesizwe	107 612 026	30.81
Public Investment Corporation (PIC)	45 452 981	13.01
M&G investment Managers Proprietary Limited	27 331 479	7.82
Total	180 396 486	51.64
Beneficial shareholdings		
Eyesizwe	107 612 026	30.81
Government Employees Pension Fund	56 436 663	16.16
Total	164 048 689	46.97

Annexure 2: Definitions

The following definitions are to be used in a group context.

Adjusted Group Earnings

Group adjusted net profit after tax (excluding SIOC adjusted equity-accounted income) less NCI of Exxaro subsidiaries (excluding NCI of Eyesizwe).

Attributable cash flow per ordinary share

Cash flow from operating activities after adjusting for participation of NCIs therein, divided by the weighted average number of ordinary shares in issue during the year.

Attributable earnings

Earnings attributable to owners of the parent (Exxaro) which is determined by deducting earnings attributable to non-controlling shareholders from total earnings of the group.

Capital employed

Total equity plus net debt minus both non-current financial assets, and other non-current assets.

Current ratio

Total current assets divided by total current liabilities.

Dividend cover: Adjusted Group Earnings

Group adjusted net profit after tax (excluding SIOC adjusted equity-accounted income) less NCI of Exxaro subsidiaries (excluding NCI of Eyesizwe) divided by dividends paid (excluding the pass through of the SIOC dividend).

Dividend yield

Dividends per ordinary share divided by closing share price per ordinary share.

Earnings per ordinary share:

Attributable earnings basis

Attributable earnings divided by the weighted average number of ordinary shares in issue (net of treasury shares) during the year.

Headline earnings basis

Headline earnings divided by the weighted average number of ordinary shares in issue (net of treasury shares) during the year.

EBIT

Net operating profit before interest, tax, impairment charges or impairment reversals and net losses or gains on the disposal of assets and investments (including translation differences recycled to profit or loss).

EBITDA

Net operating profit before interest, tax, depreciation, amortisation, impairment charges or impairment reversals and net losses or gains on the disposal of assets and investments (including translation differences recycled to profit or loss).

Effective interest rate

The rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

Financial cost cover: EBIT cover

EBIT divided by net financing costs.

Financial cost cover: EBITDA cover

EBITDA divided by net financing costs.

Chapter
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

Annexure 2: Definitions continued

Good leavers

A participant whose employment with employer companies is terminated due to:

(i) the Participant's:
- retrenchment
- retirement
- death
- serious disability or incapacitation
- promotion out of the relevant qualifying category; or

(ii) the employer company ceasing to form part of the employer companies, provided that any transfer of employment by a participant to another employer company shall not be deemed to constitute any terminations of employment by a participant with the employer companies.

Headline earnings

Earnings attributable to owners of the parent (Exxaro) adjusted for gains or losses on items of a capital nature, recognising the tax and NCIs impact on these adjustments.

Headline earnings yield

Headline earnings per ordinary share divided by the closing share price on the JSE.

Interest-bearing debt

Sum of interest-bearing borrowings and lease liabilities. The calculations include the respective items classified as non-current liabilities held-for-sale.

Invested capital

Total equity, interest-bearing debt, non-current provisions and net deferred tax less cash and cash equivalents.

Materiality

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that primary users of general purpose financial statements make, on the basis of those financial statements, which provide financial information about the reporting entity.

Materiality is determined on a case-by-case basis depending on the facts and circumstances pertaining to the item, transaction, adjustment, information or event (matter) taking into account both qualitative and quantitative factors.

Net assets

Total assets less total liabilities less NCIs which equates to equity of owners of the parent (Exxaro).

Net debt or cash

Net debt or cash is calculated as the sum of interest-bearing borrowings, lease liabilities and overdraft less cash and cash equivalents. The calculations include the respective items classified as non-current assets and liabilities held-for-sale.

Net debt to equity ratio

Net debt or cash as a percentage of total equity.

Net operating profit

Net operating profit or loss equals revenue less operating expenses, major once-off expense items and impairment charges of non-current operating assets, plus impairment reversals of non-current operating assets and major non-recurring income items. Major non-recurring items which relate to significant corporate activities are presented separately on the statement of comprehensive income between operating profit or loss and net operating profit or loss.

Non-core items

Gains and losses adjusted in the calculation of headline earnings.

Number of years to repay interest-bearing debt

Interest-bearing debt divided by cash flow from operating activities.

Operating margin

Net operating profit as a percentage of revenue.

Annexure 2: Definitions continued

Operating profit

Operating profit or loss equals revenue less operating expenses before impairment charges or impairment reversals of non-current operating assets and major non-recurring items.

Operating segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses; and whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources allocated to the segment and assess its performance; and for which discrete financial information is available.

Return on capital employed

Net operating profit plus income from non-equity-accounted investments plus income from equity-accounted investments, as a percentage of average capital employed.

Return on invested capital

Net operating profit plus income from non-equity-accounted investments plus income from equity-accounted investments, as a percentage of the average invested capital.

Return on net assets

Net operating profit plus income from non-equity-accounted investments plus income from equity-accounted investments, as a percentage of the average net assets.

Return on ordinary shareholders' equity:

Attributable earnings

Attributable earnings as a percentage of average equity attributable to owners of the parent (Exxaro).

Headline earnings

Headline earnings as a percentage of average equity attributable to owners of the parent (Exxaro).

Revenue per employee

Revenue divided by the average number of employees during the year.

Total asset turnover

Revenue divided by average total assets.

WANOS

The number of shares in issue at the beginning of the year, increased by shares issued during the year, decreased by share repurchases during the year and treasury shares, weighted on a time basis for the period in which they have participated in the earnings of the group.

In the case of shares issued pursuant to a share capitalisation award in lieu of dividends, the participation of such shares is deemed to be from the date of issue.

Annexure 3: Administration

Registered office
Exxaro Resources Limited
The conneXXion
263B West Avenue
Die Hoewes, Centurion, 0157
South Africa
Telephone +27 12 307 5000

Company registration number: 2000/011076/06
JSE share code: EXX
ISIN code: ZAE000084992
ADR code: EXXAY
Bond issuer code: EXXI

Group company secretary
MH Nana

Independent external auditor
KPMG Inc.
KPMG Crescent
85 Empire Road
Parktown, 2913

Commercial bankers
ABSA Bank Limited

Corporate legal advisers
Inlexso Proprietary Limited

United States ADR Depository
The Bank of New York Mellon
101 Barclay Street
New York NY10286
United States of America

Lead equity sponsor and debt sponsor
Absa Bank Limited (acting through its Corporate and Investment Banking Division)
Absa Sandton North Campus
15 Alice Lane
Sandton, 2196

Joint equity sponsor
Tamela Holdings Proprietary Limited
First floor, Golden Oak House, Ballyoaks Office Park
35 Ballyclare drive
Bryanston, 2021

Transfer secretaries
JSE Investor Services Proprietary Limited
One Exchange Square
2 Gwen Lane
Sandown, Sandton
2196

Prepared under the supervision of:
PA Koppeschaar CA(SA)
SAICA registration number: 0038621

Annexure 4: Shareholders' diary

Financial year end	31 December
Annual general meeting	May
Reports and accounts published	
Announcement of annual results	March
Integrated report and annual financial statements	April
Interim report for the six months ended 30 June	August
Distribution	
Final dividend declaration	March
Payment	April/May
Interim dividend declaration	August
Payment	September/October

Glossary

Adjusted Group Earnings	Group adjusted net profit after tax (excluding SIOC adjusted equity-accounting income) less NCI of Exxaro subsidiaries (excluding NCI of Eyesizwe)
AGM	Annual general meeting
Amakhala SPV	Amakhala Emoyeni RE Project 1 (RF) Proprietary Limited
API4	All publications index 4 (FOB Richards Bay 6000/kcal/kg)
AU$	Australian dollar
AUS	Australia
B-BBEE	Broad-based black economic empowerment
BEE	Black economic empowerment
BEE Parties	External shareholders of Eyesizwe
Black Mountain	Black Mountain Proprietary Limited
BMP	Bonus Matching Plan
Capex	Capital expenditure
Cennergi	Cennergi Holdings Proprietary Limited group of companies
Cennergi Holdings	Cennergi Holdings Proprietary Limited
CEO	Chief Executive Officer
CFR	Cost and freight
CGU	Cash-generating unit
Chifeng	Chifeng NFC Zinc Co. Limited
Companies Act	Companies Act of South Africa No 71 of 2008, as amended
CPI	Consumer price index
DBP	Deferred bonus plan
DCF	Discounted cash flow
DEA	Department of Environmental Affairs
DMRE	Department of Mineral Resources and Energy
DMTN	Domestic Medium-Term Note
DVA	Debit value adjustment
EBITDA	Net operating profit before interest, tax, depreciation, amortisation, impairment charges or impairment reversals and net losses or (gains) on the disposal of assets and investments (including translation differences recycled to profit or loss)
ECC	Exxaro Coal Central Proprietary Limited or ECC group of companies
ECL(s)	Expected credit loss(es)
ESD	Enterprise and supplier development
ESG	Environment, social and governance
Exxaro	Exxaro Resources Limited
Exxaro ESOP SPV	Exxaro ESOP SPV RF Proprietary Limited
Eyesizwe	Eyesizwe (RF) Proprietary Limited, a special purpose private company which has a 30.81% shareholding in Exxaro
FEC(s)	Forward exchange contract(s)
FerroAlloys	Exxaro FerroAlloys Proprietary Limited
Ferroland	Ferroland Grondtrust Proprietary Limited
Financial close	The finalisation and execution of all the necessary finance and project documents, satisfaction of all lender conditions precedent or waiver or deferment thereof, formal finalisation of funding sources (debt and equity), enabling the project to move forward with construction and implementation.
FOB	Free on board
FPR:2015	NEMA Financial provisioning regulations, 2015
FVOCI	Fair value through other comprehensive income
FVPL	Fair value through profit or loss

GAM	Global Asset Management Limited
GIS	Group incentive scheme
GWh	Gigawatt hour
HDSA	The meaning given to it, or any equivalent or replacement term, in the broad-based socio-economic empowerment charter for the South African Mining Industry, developed under section 100 of the MPRDA, as amended or replaced from time to time
HEPS	Headline earnings per share
IAS	International Accounting Standard(s)
IASB	International Accounting Standards Board
IFRIC	IFRS Interpretations Committee
IFRS(s)	International Financial Reporting Standard(s) (as issued by the IASB)
IM	Information management
Insect Technology	Insect Technology Group Holdings UK Limited
JIBAR	Johannesburg Interbank Average Rate
JORC	Joint Ore Reserves Committee Code
JSE	JSE Limited
JV	Joint venture
Karreebosch	Karreebosch Wind Farm (RF) Proprietary Limited
kcal	Kilocalorie
King IV™	King IV Report on Corporate Governance™ for South Africa, 2016[1]
KPI(s)	Key performance indicator(s)
KPMG	KPMG Inc.
kt	Kilo tonnes
LGD	Loss given default
LightApp	LightApp Technologies Limited
LME	London Metal Exchange
LoM	Life of mine
LOS	Line of sight incentive
LSP	Lephalale Solar Photovoltaic Project
LSP SPV	Lephalale Solar Proprietary Limited
LTIFR	Lost-time injury frequency rate
LTIP	Long-term incentive plan
Mafube	Mafube Coal Proprietary Limited
MoI	Memorandum of Incorporation
MPRDA	Mineral and Petroleum Resources Development Act 28 of 2002
MSR	Minimum shareholding requirement
Mtpa	Million tonnes per annum
NCI(s)	Non-controlling interest(s)
NCOE	Notional cost of employment
NEMA	National Environmental Management Act, 1998
NPC	Not-for-profit company
OCI	Other comprehensive income
PD	Probability of default
PIC	Public Investment Corporation

PPI	Producer Price Index
Prime Rate	South African prime bank rate
PwC	PricewaterhouseCoopers Incorporated
RBCT	Richards Bay Coal Terminal Proprietary Limited
Replacement BEE Transaction	BEE transaction which was implemented in 2017 and resulted in Exxaro being held 30% by HDSAs
Rbn	Rand billion
Rm	Rand million
RMB	Chinese renminbi
ROCE	Return on capital employed
RoM	Run-of-mine
RSA	Republic of South Africa
SAICA	South African Institute of Chartered Accountants
SAMREC Code	The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves
SIOC	Sishen Iron Ore Company Proprietary Limited
SME(s)	Small and medium enterprise(s)
SMME(s)	Small, medium and micro enterprise(s)
SPPI	Solely payments of principal and interest
SSCC	Semi-soft coking coal
STI	Short-term incentives
tCO_2e/kt TTM	tonnes (t) of carbon dioxide (CO_2) equivalent (e) per 1 000 total tonnes mined
TFR	Transnet Freight Rail
Thungela	"Thungela Resources Limited, through its subsidiary South Africa Coal Operations Proprietary Limited"
Tsitsikamma SPV	Tsitsikamma Community Wind Farm Proprietary Limited
TSR	Total shareholder return
UK	United Kingdom
US$	United States dollar
USA	United States of America
VAT	Value Added Tax
WANOS	Weighted average number of shares

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exxaro