Thungela Resources - A Leading Export Thermal Coal Business

6 May 2021
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Section 1
Welcome and Transaction Overview

Ryan Africa
# Agenda for the Day

<table>
<thead>
<tr>
<th>Start (UK Time)</th>
<th>Start (SA Time)</th>
<th>Topic</th>
<th>Presenter</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>8:00</td>
<td>9:00</td>
<td>1. Welcome and Overview of Transaction</td>
<td>Ryan Africa</td>
<td>3</td>
</tr>
<tr>
<td>8:10</td>
<td>9:10</td>
<td>2. Introduction to the Company</td>
<td>July Ndlovu</td>
<td>7</td>
</tr>
<tr>
<td>8:50</td>
<td>9:50</td>
<td>4. Reserves and Resources</td>
<td>Leslie Martin</td>
<td>25</td>
</tr>
<tr>
<td>9:00</td>
<td>10:00</td>
<td>5. Introduction to the Assets</td>
<td>Johan Van Schalkwyk / Leslie Martin</td>
<td>31</td>
</tr>
<tr>
<td>9:30</td>
<td>10:30</td>
<td>Q&amp;A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9:50</td>
<td>10:50</td>
<td>Break</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10:10</td>
<td>11:10</td>
<td>6. Financial and Regulatory</td>
<td>Deon Smith</td>
<td>56</td>
</tr>
<tr>
<td>10:40</td>
<td>11:40</td>
<td>7. ESG</td>
<td>July Ndlovu / Carina Venter / Mpumi Sithole</td>
<td>73</td>
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<tr>
<td>11:10</td>
<td>12:10</td>
<td>8. HR and Industrial Relations</td>
<td>Lesego Mataboge</td>
<td>90</td>
</tr>
<tr>
<td>11:15</td>
<td>12:15</td>
<td>9. Investment Proposition Recap</td>
<td>July Ndlovu</td>
<td>95</td>
</tr>
<tr>
<td>11:20</td>
<td>12:20</td>
<td>Q&amp;A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12:00</td>
<td>13:00</td>
<td>Closing Remarks</td>
<td>July Ndlovu</td>
<td></td>
</tr>
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</table>
## Transaction Summary

<table>
<thead>
<tr>
<th>Transaction Overview</th>
<th>• Demerger of Anglo American’s thermal coal operations in South Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listing Entity</td>
<td>• Thungela Resources Limited</td>
</tr>
<tr>
<td>Listing Venue</td>
<td>• Primary listing on the Johannesburg Stock Exchange (JSE Ticker: TGA)</td>
</tr>
<tr>
<td></td>
<td>• Standard listing on the London Stock Exchange (LSE Ticker: TGA)</td>
</tr>
<tr>
<td>Demerger Process</td>
<td>• 100% of the issued share capital of Thungela will be held by existing Anglo American shareholders who will receive one Thungela share for every ten Anglo American shares they hold</td>
</tr>
<tr>
<td>Timing</td>
<td>• Demerger effective following close of business on 4 June 2021</td>
</tr>
<tr>
<td></td>
<td>– Demerger approved by Anglo American shareholders; court approval required to implement the demerger</td>
</tr>
<tr>
<td></td>
<td>• Thungela shares commence unconditional trading on 7 June 2021</td>
</tr>
</tbody>
</table>
## Today’s Presenters

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>July Ndlovu</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Deon Smith</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>Johan Van Schalkwyk</td>
<td>Chief Operating Officer</td>
</tr>
<tr>
<td>Leslie Martin</td>
<td>Executive Head of Technical</td>
</tr>
<tr>
<td>Carina Venter</td>
<td>Executive Head of Safety, Health and Environment</td>
</tr>
<tr>
<td>Lesego Mataboge</td>
<td>Executive Head of Human Resources</td>
</tr>
<tr>
<td>Mpumi Sithole</td>
<td>Executive Head of Corporate Affairs</td>
</tr>
<tr>
<td>Bernard Dalton</td>
<td>Executive Head of Marketing</td>
</tr>
</tbody>
</table>

### Years of Mining Experience
- July Ndlovu: 30 years
- Deon Smith: 15 years
- Johan Van Schalkwyk: 24 years
- Leslie Martin: 25 years
- Carina Venter: 21 years
- Lesego Mataboge: 24 years
- Mpumi Sithole: 11 years
- Bernard Dalton: 12 years
Section 2
Introduction to the Company

July Ndlovu
Our Purpose, Ambition and Values

Purpose
Responsibly creating value together for a shared future

Ambition
Be a leading export thermal coal business

Continued Focus
• Concentrate on existing assets
• Retain single-commodity focus on thermal coal in South Africa

How to Succeed
• Elimination of fatalities
• Focus on cost and capital optimisation
• Continue pursuing productivity gains
• Establish a lean support model
• Focus on margin driven commercial opportunities

Priorities
Elimination of fatalities  Operational excellence  Lean organisation and fast decisions  Optimise Supply Chain to “buy better and use better”  High ESG standards

Values
Safety  Care & Respect  Accountability  Excellence  Agility  Entrepreneurship
Thungela at a Glance

A High Quality Thermal Coal Business

As of 2020

- 5,500 kcal/kg
  Calorific value

- 16.5 Mt
  Export production

- 137 Mt
  Saleable Reserves

- $51/t
  FOB cost per export saleable tonne

- c.80%
  Revenue generated from export sales

- 756 Mt
  Resources

Production Mix

% of Production (2020)

- Domestic - Industrial: 37%
  c.30 Mt

- Domestic - ESKOM: 9%

- Export: 54%

Notes:
1. Represents 50% of Mafube’s 2020 total production

High Quality Operations

Underground Operations
(Thungela’s effective ownership)

- 2020 Total Production (Mt)
- Zibulo (73%): 5.2
- Greenside (100%): 4.5
- Goedehoop (100%): 6.1

Open Cast Operations
(Thungela’s effective ownership)

- 2020 Total Production (Mt)
- Mafube (50%): 1.81
- Khwezela (100%): 6.2
- Isibonelo (100%): 4.2
- Rietvlei (34%): 2.5

Rail link ~600 km

KWA-ZULU NATAL
MPUMALANGA

Notes:
1. Represents 50% of Mafube’s 2020 total production
Summary Financials

Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Rm</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>24,545</td>
</tr>
<tr>
<td>2019</td>
<td>18,592</td>
</tr>
<tr>
<td>2020</td>
<td>18,254</td>
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Adjusted EBITDA

<table>
<thead>
<tr>
<th>Year</th>
<th>Rm</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>1,060</td>
</tr>
<tr>
<td>2019</td>
<td>8,116</td>
</tr>
<tr>
<td>2020</td>
<td>788</td>
</tr>
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</table>

Capex

<table>
<thead>
<tr>
<th>Year</th>
<th>Rm</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>2,815</td>
</tr>
<tr>
<td>2019</td>
<td>3,863</td>
</tr>
<tr>
<td>2020</td>
<td>2,869</td>
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</table>

Adjusted Operating FCF1

<table>
<thead>
<tr>
<th>Year</th>
<th>Rm</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>4,131</td>
</tr>
<tr>
<td>2019</td>
<td>(1,688)</td>
</tr>
<tr>
<td>2020</td>
<td>(1,741)</td>
</tr>
</tbody>
</table>

Notes:
1. Adjusted operating free cash flow is calculated by taking net cash flows from operating activities less sustaining capital expenditure.
## Key Leadership

<table>
<thead>
<tr>
<th>Board of Directors</th>
<th>Executive Management</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Chairperson</strong></td>
<td>July Ndlovu CEO</td>
</tr>
<tr>
<td>Sango Ntsaluba</td>
<td>Deon Smith CFO</td>
</tr>
<tr>
<td>July Ndlovu</td>
<td>Johan Van Schalkwyk Chief Operating Officer</td>
</tr>
<tr>
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<td>Carina Venter Head of Safety, Health and Environment</td>
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<tr>
<td>Ben Kodisang</td>
<td>Lesego Mataboge Head of Human Resources</td>
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<tr>
<td>Kholeka Mzondeki</td>
<td>Leslie Martin Head of Technical</td>
</tr>
<tr>
<td>Thero Setiloane</td>
<td>Mpumi Sithole Head of Corporate Affairs</td>
</tr>
<tr>
<td>Seamus French¹</td>
<td>Bernard Dalton Head of Marketing</td>
</tr>
</tbody>
</table>

**Notes:**
1. With effect from the Demerger effective time

**Abbreviations:**
- **R&R:** Rehabilitation and Reintegration
- **Financial**
- **ESG**
- **HR**
Key Messages for Today

1. Thermal coal remains a key pillar of the global energy mix
2. Strong track record of reserves and resources conversion
3. Well positioned portfolio of assets
4. Robust balance sheet; opportunity for cost and capital optimisation
5. Strong ESG focus with key commitments to the social and environmental aspects
6. Competent, diverse and inclusive workforce with a passion for the business
Thermal Coal Remains a Key Energy Pillar

**Global thermal coal power generation**

**Global power generation**

<table>
<thead>
<tr>
<th>Year</th>
<th>Thermal Coal</th>
<th>Hydro</th>
<th>Natural gas</th>
<th>Nuclear</th>
<th>Oil</th>
<th>Other</th>
<th>Renewables</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>35%</td>
<td>17%</td>
<td>24%</td>
<td>10%</td>
<td>2%</td>
<td>2%</td>
<td>10%</td>
</tr>
<tr>
<td>2030</td>
<td>31%</td>
<td>15%</td>
<td>22%</td>
<td>10%</td>
<td>1%</td>
<td>1%</td>
<td>20%</td>
</tr>
</tbody>
</table>

**Source:** Wood Mackenzie data and forecasts
Robust Global Demand for Thermal Coal, Particularly in Asia

- Average global coal-fired power generation of ~10,200 TWh over next 10 years, exceeds 2020 generation of 9,235 TWh.
- Asia’s share of the coal-fired power generation market is expected to continue to grow to 86% by 2030 (from 79% in 2020) to ~8,910 TWh.
- Market is gearing towards higher-energy, less emissions-intensive thermal coal.
- South Asian region requires large amounts of low-cost power to support economic development and is expected to see continued growth in thermal coal demand.

Source: Wood Mackenzie data and forecasts
Industrializing Economies a Key Export Destination: India, a Case Study

- India is the largest export market for South African thermal coal and is a good proxy for the rest of the market in South Asia
- Currently 17% of seaborne thermal coal demand and is forecast to remain high
  - Power demand increasing as the country continues to develop, urbanise and industrialise
  - Thermal coal power generation capacity continues to be added
  - Base load thermal coal required to complement renewables
  - Ambitious nuclear and renewable power generation targets are unlikely to be met
  - Domestic supply constraints

Source: Wood Mackenzie data and forecasts
Similar Demand Outlook in Other Key Asian Markets

**China**
- Total seaborne thermal coal demand expected to decrease from 187 Mt in 2020 to 149 Mt in 2030, however requires significant import tonnages given domestic supply issues.

**Pakistan**
- 5 GW of coal-fired power commissioned in Pakistan since 2016.
- Additional 1.3 GW of coal-fired power in advanced construction stages.

**Bangladesh**
- Seaborne thermal coal imports expected to increase from 7.6 Mt in 2020 to 12.8 Mt by 2030.
- Thermal coal power stations under construction to reduce energy costs.

**Vietnam**
- Demand expected to increase by 51 Mt between 2020 and 2030.
- Demand will increasingly be filled from seaborne import market.

Source: Wood Mackenzie data and forecasts
South African Thermal Coal Seaborne Supply in Decline

- Total South African seaborne supply forecast to decline by 23 Mt between 2020 and 2035
- Production capacity is forecast to decline as coal reserves are depleted at currently operating mines
- On a global basis, the story is similar with export supply from operating mines globally reducing from c.950 Mt in 2020 to c.750 Mt by 2030

Source: Wood Mackenzie data and forecasts
These Positive Fundamentals are Supporting Higher Prices

- Our range of calorific export products are well-suited to this environment
- Prices of thermal coal have recovered from the lows of 2020
- Demand recovery and increases in new coal-fired power capacity will support prices to recover and stabilise at marginal cost levels

Wood Mackenzie Expecting Higher Prices for an Extended Period

<table>
<thead>
<tr>
<th>Year</th>
<th>Nominal</th>
<th>Real</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>2025F</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>2030F</td>
<td>70</td>
<td></td>
</tr>
<tr>
<td>2035F</td>
<td>80</td>
<td></td>
</tr>
<tr>
<td>YTD average</td>
<td>$90/t</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
1. FOB South Africa market price in US$/t; Wood Mackenzie price forecasts in nominal terms (2% inflation assumed to convert from Wood Mackenzie price forecasts which are in 2020 real terms)
2. FOB South Africa average market price from 1 January 2021 to 4 May 2021
Majority of Thungela’s Assets are Low on the Cost Curve

2021 Global Energy Adjusted Seaborne Thermal FOB Total Cash Cost Curve

Cumulative production

- Thungela
- South African Peers’ Thermal Coal Operations
- Rest of World

Source: Wood Mackenzie data and forecasts
Pricing Mechanics for South African Export Thermal Coal

- South African benchmark thermal coal price is FOB Richards Bay 6,000 kcal/kg
- Average realised prices for export thermal coal differs from the benchmark due to:
  - Relative difference between the calorific value sold and the benchmark
  - Specific quality discounts (e.g. ash, sulphur)
  - Timing differences between the contract price and spot prices
Reconciliation of 2020 Benchmark to Realised Price

Benchmark Price to Realised Export Price

R/t

Benchmark Market Price

Linear Calorific Discount

• Driven by difference between actual calorific value and 6,000 kcal/kg benchmark product
• For FY20, ~10% average discount

Product Quality Discount

• Driven by supply/demand factors for a given lower quality product
• Quality includes various factors such as ash content and sulphur

Marketing Margin

• Marketing fee paid to Anglo American to market Thungela’s coal
• Will remain roughly similar under the terms of the marketing contract

Realised Export Price

798

Total Discount for 2020: ~26%

1,082

Average price received by Thungela for its export product in FY20
Brief Overview of Domestic Contracts

Isibonelo

- On 2 July 2019, Thungela and Sasol entered into an agreement for the supply of coal by the Isibonelo colliery to Sasol Synfuels.
- Agreement expires on 30 June 2025 unless extended.
- Pricing is based on various indices and adjusted annually.
  - In FY20, Isibonelo supplied Sasol with 4.2 Mt of thermal coal, generating R1,476m of revenue.

Rietvlei

- Rietvlei produces thermal coal which is currently all sold to Eskom under a coal supply agreement.
- Delivered price is negotiated with Eskom at the time of contract renewal.
- Coal supply based on recurring short-term contracts, current agreement expires on 28 February 2024.
  - In FY20, Rietvlei supplied 2.5 Mt of thermal coal to Eskom, generating R1,049m of revenue.

Mineral Residue Deposit (“MRD”)

- This is a by-product of Thungela’s production and is a result of previously mined product that has been placed on residue deposits.
- Sold into the domestic market dependent on buyer demand.
- Generally short-term contracts with buyers on an as-needs basis.
Richards Bay Coal Terminal - A Leading Global Coal Export Terminal

- Thungela has an equity ownership of 23.2% in the operating company of the Richards Bay Coal Terminal (RBCT)
- RBCT has undergone several expansions since its commissioning in 1976, with design capacity now at 91 Mtpa
- Terminal operates on a 24-hour basis
- Operates 2.2km quay with 6 berths, four ship loaders and stockyard capacity available to shareholders of 8.2Mt
- All Thungela export product is exported through RBCT

- Well positioned on established rail network
- Guaranteed access to key export markets
Coal Resources in the Coalfield

4 economic seams and MRDs form the basis of a primary product and middlings of varying qualities

- **No. 5 Seam** - high quality shallow and relatively thin seam that is not very persistent over the basin. Where present, it has generally been mined extensively by UG methods
- **No. 4 Seam** - high to medium quality seam, varying in thickness from ~2 to ~6m
- **No. 3 Seam** - very thin seam, and hence uneconomic; not exploited at any of our collieries
- **No. 2 Seam** - relatively thick seam with the lower, high-quality section of the seam previously extensively mined by UG mining methods over a large portion of the coal basin
- **No. 1 Seam** - seam of low medium thickness, varying in quality from average to good

- **Middling** - secondary product derived from the beneficiation process. In plants designed for this purpose, a secondary medium to lower quality saleable coal is derived from the washing process at a minimal incremental cost in addition to the primary, higher quality product

- **Mineral Residue Deposit (MRD)** - facility containing the remainder of previously processed material. More modern and more efficient beneficiation techniques together with demand for lower energy products opened up opportunities for re-processing this material
Well Diversified Portfolio with Further Brownfield Optionality

2020 Attributable Reserves

<table>
<thead>
<tr>
<th>Mt</th>
<th>Underground Operations</th>
<th>Opencast Operations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Zibulo</td>
<td>Greenside</td>
<td>Goedehoop</td>
</tr>
<tr>
<td>48</td>
<td>31</td>
<td>27</td>
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</table>

Share of Reserves

<table>
<thead>
<tr>
<th>Mt</th>
<th>Underground Operations</th>
<th>Opencast Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Zibulo</td>
<td>Greenside</td>
</tr>
<tr>
<td>24%</td>
<td>13%</td>
<td>19%</td>
</tr>
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</table>

2020 Attributable Resources

<table>
<thead>
<tr>
<th>Mt</th>
<th>Underground Operations</th>
<th>Opencast Operations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Zibulo</td>
<td>Greenside</td>
<td>Goedehoop</td>
</tr>
<tr>
<td>409</td>
<td>19</td>
<td>221</td>
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Share of Resources

<table>
<thead>
<tr>
<th>Mt</th>
<th>Underground Operations</th>
<th>Opencast Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Zibulo</td>
<td>Greenside</td>
</tr>
<tr>
<td>54%</td>
<td>3%</td>
<td>29%</td>
</tr>
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</table>

Notes:
1. ROM tonnes - total proved and probable reserves including from mineral residue deposit operations of Goedehoop and Greenside attributable to Thungela Resources as at 31-Dec-20
2. Total mineable tonnes in situ (MTIS) resources include measured, indicated and inferred resources attributable to Thungela Resources and include resources from the mineral residue deposit at Greenside but exclude the Zondagsfontein West project.
3. Includes attributable MTIS from Zondagsfontein West project.
Opportunity to Refocus on Reserves Replacement with Focused Capital Allocation

### Attributable Reserves Evolution

<table>
<thead>
<tr>
<th>Year</th>
<th>Reserves</th>
<th>Depletion</th>
<th>Conversion</th>
<th>Care &amp; Maintenance</th>
<th>2020 Reserves</th>
<th>Medium-Term Conversion Potential</th>
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<tbody>
<tr>
<td>2016</td>
<td>316</td>
<td></td>
<td>74</td>
<td></td>
<td>(46)</td>
<td>200</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(144)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**
1. ROM tonnes - total proved and probable reserves attributable to Thungela Resources and include resources from mineral residue deposits at Goedehoop and Greenside
2. Based on 2020 asset perimeter
3. Includes assumptions and new information

**Commentary**

- **A** Thermal coal production from reserves from 2017 to 2020
- **B** Conversions from reportable resources and mineral inventory
- **C** Main contributor was placing Kleinkopje on care & maintenance
- **D** Potential tonnage from lifex and projects

---

Resource conversion has replaced >50% of mining depletion

Potential upside from projects at various stages of feasibility assessment
Significant Resource Potential from Projects

Attritable Resources Evolution from Operations and Projects

Mt

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>892</td>
<td></td>
<td></td>
<td>49</td>
<td>876</td>
<td></td>
</tr>
</tbody>
</table>

Notes: Estimates for visual representation based on company assumptions
1. Total mineable tonnes in situ (MTIS) resources include measured, indicated and inferred resources attributable to Thungela Resources and include resources from the mineral residue deposit at Greenside but exclude any coal that is in reserves
2. Based on 2020 asset perimeter
3. Includes resources from the Elders Project (~120Mt)

Commentary

A Conversions to reportable reserves
B Inclusions (positive) and exclusions (negative) of resources as a result of various elements which include permitting, ceding, closure, planning and/or mining conditions
C Dalyshope (Waterberg) coal resources upgraded from mineral inventory to reportable resources due to the framework commercial agreement

Near-term, some investment into advanced projects with well-understood resources could facilitate conversion to reserves
Asset Overview of Reserve and Resource Base

<table>
<thead>
<tr>
<th>Asset</th>
<th>Attributable ROM Reserves(^1) (Mt)</th>
<th>Attributable Saleable Reserves(^1) (Mt)</th>
<th>Calorific Value(^{1,2}) (kcal / kg)</th>
<th>Attributable Resources(^{1,3}) (Mt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zibulo</td>
<td>48.0</td>
<td>34.5</td>
<td>6,010</td>
<td>408.7</td>
</tr>
<tr>
<td>Greenside</td>
<td>31.0</td>
<td>21.1</td>
<td>5,740</td>
<td>18.5</td>
</tr>
<tr>
<td>Goedehoop</td>
<td>27.3</td>
<td>17.5</td>
<td>5,180</td>
<td>220.8</td>
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<tr>
<td>Mafube</td>
<td>27.6</td>
<td>18.0</td>
<td>5,400</td>
<td>33.1</td>
</tr>
<tr>
<td>Khwezela</td>
<td>37.2</td>
<td>17.4</td>
<td>5,990</td>
<td>57.2</td>
</tr>
<tr>
<td>Isibonelo</td>
<td>27.1</td>
<td>27.1</td>
<td>4,670</td>
<td>7.2</td>
</tr>
<tr>
<td>Rietvlei</td>
<td>1.6</td>
<td>1.6</td>
<td>5,020</td>
<td>10.4</td>
</tr>
<tr>
<td>Elders</td>
<td></td>
<td></td>
<td></td>
<td>120.2</td>
</tr>
<tr>
<td>Dalyshope</td>
<td></td>
<td></td>
<td></td>
<td>2,111.4</td>
</tr>
<tr>
<td>Total</td>
<td>199.8</td>
<td>137.2</td>
<td>5,500</td>
<td>2,987.5</td>
</tr>
</tbody>
</table>

Notes:
1. Rounding of figures may cause computational discrepancies
2. Weighted average saleable quality, reported on a gross as received basis, rounded to the nearest 10 kcal / kg
3. Total mineable tonnes in situ (MTIS) resources include measured, indicated and inferred resources attributable to Thungela Resources and include resources from the mineral residue deposit at Greenside as well as resources from Greenfield Projects but exclude any coal that is in reserves
Asset Overviews

Section 5 A

Johan Van Schalkwyk
High Quality Operations Delivering Premium Products

Underground Operations

1. Zibulo 73%¹
   - Reserves³ 48 Mt
   - Resources⁴ 409 Mt
   - LOM 9 years

2. Greenside 100%
   - Reserves³ 31 Mt
   - Resources⁴ 19 Mt
   - LOM 6 years

3. Goedehoop 100%
   - Reserves³ 27 Mt
   - Resources⁴ 221 Mt
   - LOM 5 years

Open Cast Operations

4. Mafube 50%²
   - Reserves³ 28 Mt
   - Resources⁴ 33 Mt
   - LOM 11 years

5. Khwezela 100%
   - Reserves³ 37 Mt
   - Resources⁴ 57 Mt
   - LOM 8 years

6. Isibonelo 100%
   - Reserves³ 27 Mt
   - Resources⁴ 7 Mt
   - LOM 6 years

7. Rietvlei 34%⁶
   - Reserves³ 2 Mt
   - Resources⁴ 10 Mt
   - LOM 3 years

Notes:
1. 73% interest in Zibulo through Anglo Inyosi Coal
2. 50% ownership in Mafube with Exxaro as other shareholder
3. ROM tonnes in Reserve
4. Resources exclusive of reserve
5. Reserve and Resource numbers above contain MRD
6. Effective 34% ownership of Rietvlei through Butsanani Energy
Zibulo Overview
Multi-product mine delivering high quality export coal

Operation Schematic

Source of Coal
- Underground
- Open cast
- Silo

Beneficiation
- Phola Coal Processing Plant
- Rapid Loading Terminal
- RBCT
- Export Market

Logistics and Distribution

End Market

Key Mine Facts

73% Thungela Ownership

Owned and Managed Operation

General Manager
Tman Mphokane (20 years experience)

- Large underground mechanised bord and pillar mining operation
- Small open cast pit operation
- ROM reserves\(^1\) of 48Mt and a LOM of 9 years
- Significant life of mine extension potential
- Phola Coal Processing Plant is 50/50 JV with South 32
- Two product streams - Export and Middlings\(^2,3\)

Notes:
1. Reserves available expressed as ROM tonnes
2. Middlings product refers to the first wash by product at the plant
3. The Zibulo middlings product (4,800 kcal/kg secondary product) can be split between domestic and/or export markets depending on rail and market considerations at that point in time
Zibulo Plan

Produces premium export product and middlings product

- Consistent saleable production over LOM
- Primary yield ~50%, 6,000 kcal/kg product
- First quartile of the global seaborne cost curve
- Stripping and development for accessing the northern UG reserve and the new OC boxcut, increases capital in 2021

### Saleable Production

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mt</td>
<td>5.3</td>
<td>5.2</td>
<td>5.6</td>
<td>6.3</td>
<td>6.1</td>
<td>6.1</td>
<td>6.1</td>
<td>6.1</td>
<td>6.1</td>
<td>6.1</td>
<td>6.1</td>
</tr>
</tbody>
</table>

### Total Yield

- **2021F**
  - Total yield: 77%
  - Primary yield: 49%
- **2022F**
  - Total yield: 78%
  - Primary yield: 49%
- **2023F**
  - Total yield: 78%
  - Primary yield: 49%

### Sustaining Capital Expenditure

<table>
<thead>
<tr>
<th>Year</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rm</td>
<td>1,044</td>
<td>524</td>
<td>423</td>
</tr>
</tbody>
</table>

**Notes:**
1. Information sourced from the CPR
2. Inferred from CPR information
Zibulo Life Extension
Could add 10 years of life

Zibulo
• Progressing to feasibility study phase
• Project focusing on extraction of 2 Seam coal
• Adds c.10 years to current LOM
• c.8.4Mt of ROM production per annum
Greenside Overview
Export product mine with additional product from MRD

Operation Schematic

- Source of Coal
  - Underground
    - Coal Handling and Preparation Plant 1
  - Mineral Residue Deposits¹
    - Coal Handling and Preparation Plant 2
  - Ultrafine Material Plant
  - Rapid Loading Terminal
  - RBCT
  - Export Market
  - Domestic Market

Key Mine Facts

- 100% Thungela Ownership
- Owned and Managed Operation
- General Manager: Neo Monareng (19 years experience)
- Underground mechanised bord and pillar mining operation
- Targeting extraction of the 4 Seam
- ROM reserves² of 31Mt and a LOM of 6 years
- Two sources of coal - Underground and MRD
- Two product streams – Primary export and Middlings (Middlings can be supplied to export or domestic market)

Notes:
1. Mineral Residue Deposits ("MRD") are previously mined material that has been placed on Residue Stockpiles
2. Reserves available expressed as ROM tonnes
Greenside Plan
Progressing to fully export focused production

- Primary export saleable production fairly consistent over the next 5 years
- Product flexibility in terms of market supply (domestic vs export)
- LOM targeting exclusively export production from 2023 onwards
- Primary product LOM yield ~63%, 5,800 kcal/kg product
- Second quartile of the global seaborne cost curve
- Stripping and development capex in 2021 plan enables full access to the east block in the latter part of 2021

Saleable Production\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Mt</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>1.3</td>
</tr>
<tr>
<td>2020</td>
<td>0.9</td>
</tr>
<tr>
<td>2021F</td>
<td>1.1</td>
</tr>
<tr>
<td>2022F</td>
<td>1.1</td>
</tr>
<tr>
<td>2023F</td>
<td>3.4</td>
</tr>
<tr>
<td>2024F</td>
<td>3.6</td>
</tr>
<tr>
<td>2025F</td>
<td>3.3</td>
</tr>
<tr>
<td>2026F</td>
<td>1.5</td>
</tr>
</tbody>
</table>

Notes:
1. Information sourced from the CPR
2. Inferred from CPR information
3. Yield from underground production

Total Yield\(^{1,2,3}\)

<table>
<thead>
<tr>
<th></th>
<th>2021F</th>
<th>2022F</th>
<th>2023F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export</td>
<td>76%</td>
<td>70%</td>
<td>65%</td>
</tr>
<tr>
<td>Domestic</td>
<td>71%</td>
<td>63%</td>
<td>59%</td>
</tr>
</tbody>
</table>

Sustaining Capital Expenditure\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Rm</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021F</td>
<td>232</td>
</tr>
<tr>
<td>2022F</td>
<td>169</td>
</tr>
<tr>
<td>2023F</td>
<td>35</td>
</tr>
</tbody>
</table>

Notes:
1. Information sourced from the CPR
2. Inferred from CPR information
3. Yield from underground production
Goedehoop Overview
Underground export operation with domestic product from MRD

Operation Schematic

1. Source of Coal
2. Beneficiation
3. Logistics and Distribution
4. End Market

Underground

Mineral Residue Deposits

Coal Handling and Preparation Plant

Independent Train Loading Facility

RBCT

Export Market

Domestic Market

Key Mine Facts

100% Thungela Ownership

Owned and Managed Operation

Dawid Taljaard
(31 years experience)

Important Notes:

1. Mineral Residue Deposits ("MRD") are previously mined material that has been placed on Residue Stockpiles
2. Reserves available expressed as ROM tonnes

KEY HIGHLIGHTS

- Underground mechanised bord and pillar mining operation
- Targeting extraction of the 2 and 4 Seams
- ROM reserves\(^2\) of 27Mt and a LOM of 5 years
- Producing export quality coal
- Domestic production from MRD and sold as a raw product
Goede hoop Plan
Two shift mechanised bord and pillar operation

- Saleable export production consistent over the next 3 years
- Domestic MRD production ends in 2023
- Primary product yield ~55%, 5,700 kcal/kg product
- Positioned within the second quartile of the global seaborne cost curve
- Lower capital costs as the mine ramps down

### Saleable Production

<table>
<thead>
<tr>
<th>Year</th>
<th>Export (Mt)</th>
<th>Domestic (Mt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>2.1</td>
<td>3.9</td>
</tr>
<tr>
<td>2020</td>
<td>3.9</td>
<td>2.2</td>
</tr>
<tr>
<td>2021F</td>
<td>2.5</td>
<td>2.5</td>
</tr>
<tr>
<td>2022F</td>
<td>2.8</td>
<td>2.7</td>
</tr>
<tr>
<td>2023F</td>
<td>1.5</td>
<td>2.5</td>
</tr>
<tr>
<td>2024F</td>
<td>2.5</td>
<td>0.9</td>
</tr>
</tbody>
</table>

### Total Yield

- 2021F: 54%
- 2022F: 56%
- 2023F: 55%

### Sustaining Capital Expenditure

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (Rm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021F</td>
<td>162</td>
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<tr>
<td>2022F</td>
<td>97</td>
</tr>
<tr>
<td>2023F</td>
<td>37</td>
</tr>
</tbody>
</table>

Notes:
1. Information sourced from the CPR
2. Inferred from CPR information
Mafube Overview
Joint ownership operation producing exclusively for the export market

KEY HIGHLIGHTS
- Long life open cast mining operation with a low strip ratio
- Targeting extraction of the 4, 2 and 1 Seams
- Attributable ROM reserves\(^1\) of 28Mt and a LOM of 11 years
- Significant life of mine extension potential
- Two product streams - Export and Middlings

Notes:
1. Reserves available expressed as ROM tonnes

General Manager
Shepherd Nkadimeng
(17 years experience)
**Mafube Plan**

**Production of consistently high-quality export product**

- Consistent delivery of >3.5Mt of saleable product over LOM
- Positioned within the second quartile of the global seaborne cost curve
- Primary product yield ~40%, 5850 kcal/kg product
- Product mix is flexible over life
- Sustaining capex in 2021 relates to equipment overhauls

---

### Saleable Export Production\(^1,2\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Mt</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>3.6</td>
</tr>
<tr>
<td>2020</td>
<td>3.6</td>
</tr>
<tr>
<td>2021F</td>
<td>3.7</td>
</tr>
<tr>
<td>2022F</td>
<td>3.5</td>
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<tr>
<td>2023F</td>
<td>3.9</td>
</tr>
<tr>
<td>2024F</td>
<td>3.7</td>
</tr>
<tr>
<td>2025F</td>
<td>3.6</td>
</tr>
<tr>
<td>2026F</td>
<td>3.7</td>
</tr>
<tr>
<td>2027F</td>
<td>3.7</td>
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<td>2028F</td>
<td>3.7</td>
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<tr>
<td>2030F</td>
<td>3.1</td>
</tr>
<tr>
<td>2031F</td>
<td>0.7</td>
</tr>
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</table>

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### Total Yield\(^2,3\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Min %</th>
<th>Max %</th>
<th>Average %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021F</td>
<td>64%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022F</td>
<td>63%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023F</td>
<td>67%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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### Sustaining Capital Expenditure\(^1,2\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Rm</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021F</td>
<td>872</td>
</tr>
<tr>
<td>2022F</td>
<td>564</td>
</tr>
<tr>
<td>2023F</td>
<td>500</td>
</tr>
</tbody>
</table>

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**Notes:**

1. All information shown on 100% basis
2. Information sourced from the CPR
3. Inferred from CPR information
Khwezela Overview
Export product from new Navigation section

Operation Schematic

- Source of Coal
- Beneficiation
- Logistics and Distribution
- End Market

Opencast Operations

- Coal Handling and Preparation Plant
- Rail Load-out Terminal
- RBCT
- Export Market

Key Mine Facts

- Open cast mining operation with low stripping ratio
- Targeting extraction of the 5, 4, 2 and 1 Seams
- ROM reserves\(^1\) of 37Mt and a LOM of 8 years
- Current operations ramping up at the newly established Navigation pit
- Primary production of export quality coal

Notes:
1. Reserves available expressed as ROM tonnes

General Manager
Luctor Roode
(26 years experience)
Khwezela Plan
Production from the new Navigation pit, producing exclusively for the export market

• Saleable production fairly consistent over LOM going forward
• Decrease in production from 2021 due to Bokgoni being placed on care and maintenance
• Steady state production from Navigation expected in 2022
• Capital costs in 2022 relate primarily to the establishment of the B boxcut in the Navigation pit

Notes:
1. Information sourced from the CPR
2. Inferred from CPR information
Khwezela Life Extension
Conversion of resource adds potentially 10 years of life

Khwezela
• Progressing to feasibility study phase
• Targeting the Clydesdale area as an open cast operation
• c.4.6Mt of ROM production per annum
• Adds c.10 years to current LOM
Isibonelo Overview
Simple mining operation producing a crushed and screened raw product

**Operation Schematic**

- **Source of Coal**
- **Beneficiation by sizing**
- **Open cast Operations**
- **Crush and Screen Facility**
- **Sasol Synfuels**
- **End Market**

**Key Mine Facts**

- **100% Thungela Ownership**
- **Owned and Managed Operation**
- **General Manager**
  - Dirk Miller
  - (33 Years experience)

**KEY HIGHLIGHTS**

- Open cast mining operation
- ROM reserves\(^1\) of 27Mt and a LOM of 6 years
- Exclusively supplies Sasol under a Coal Supply Agreement
- Agreement ends during 2025, subject to extension

Notes:
1. Reserves available expressed as ROM tonnes
Isibonelo Plan
Consistent delivery into Sasol Synfuels CSA

- Two open pits producing 4.8 Mtpa of ROM coal
- Product is sold raw, once crushed and screened, to Sasol
- Sustaining capex is predominantly for machine overhauls

<table>
<thead>
<tr>
<th>Year</th>
<th>Saleable Domestic Production^1</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>4.5 Mt</td>
</tr>
<tr>
<td>2020</td>
<td>4.2 Mt</td>
</tr>
<tr>
<td>2021F</td>
<td>4.8 Mt</td>
</tr>
<tr>
<td>2022F</td>
<td>4.8 Mt</td>
</tr>
<tr>
<td>2023F</td>
<td>4.8 Mt</td>
</tr>
<tr>
<td>2024F</td>
<td>4.8 Mt</td>
</tr>
<tr>
<td>2025F</td>
<td>4.6 Mt</td>
</tr>
<tr>
<td>2026F</td>
<td>3.4 Mt</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Yield^1,2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021F</td>
<td>100%</td>
</tr>
<tr>
<td>2022F</td>
<td>100%</td>
</tr>
<tr>
<td>2023F</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Sustaining Capital Expenditure^1</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021F</td>
<td>Rm 168</td>
</tr>
<tr>
<td>2022F</td>
<td>Rm 124</td>
</tr>
<tr>
<td>2023F</td>
<td>Rm 79</td>
</tr>
</tbody>
</table>

Notes:
1. Information sourced from the CPR
2. Inferred from CPR information
Rietvlei Overview
Thungela holds a minority stake in the Rietvlei Colliery

- Construction of the Rietvlei Colliery started in November 2018 with first production during 2019
- Thungela has a 34% interest in Rietvlei colliery
- Colliery is a small-scale truck and shovel open cast mine
- Mining undertaken exclusively by contractors
- Independently managed operation
- Domestic quality product supplied to Eskom, agreement expires in February 2024
- Sufficient resource to extend current operations

### Historical Production

<table>
<thead>
<tr>
<th>Year</th>
<th>Attributable to Thungela</th>
<th>Other shareholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>0.4</td>
<td>0.8</td>
</tr>
<tr>
<td>2020</td>
<td>1.7</td>
<td>0.8</td>
</tr>
</tbody>
</table>

Mt

+1.3
Production Potential
Saleable production potential as depicted in the Competent Person’s Reports

Notes:
1. Excludes production from Rietvlei
2. Information for the outlook period sourced from CPRs and may differ from Management’s guidance
3. Rounding of production data may cause computational discrepancies

---

Saleable Production by Mine¹,²,³

<table>
<thead>
<tr>
<th>Year</th>
<th>Zibulo</th>
<th>Mafube</th>
<th>Khwezela</th>
<th>Greenside</th>
<th>Goedehoop</th>
<th>Isibonelo</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>28</td>
<td>5</td>
<td>6</td>
<td>2</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>2020</td>
<td>28</td>
<td>4</td>
<td>6</td>
<td>2</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>2021F</td>
<td>25</td>
<td>5</td>
<td>6</td>
<td>2</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>2022F</td>
<td>26</td>
<td>5</td>
<td>6</td>
<td>2</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>2023F</td>
<td>23</td>
<td>5</td>
<td>6</td>
<td>2</td>
<td>2</td>
<td>6</td>
</tr>
</tbody>
</table>

Saleable Production by Market¹,²,³

<table>
<thead>
<tr>
<th>Year</th>
<th>Export</th>
<th>Domestic</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>28</td>
<td>5</td>
</tr>
<tr>
<td>2020</td>
<td>28</td>
<td>6</td>
</tr>
<tr>
<td>2021F</td>
<td>13</td>
<td>5</td>
</tr>
<tr>
<td>2022F</td>
<td>12</td>
<td>4</td>
</tr>
<tr>
<td>2023F</td>
<td>9</td>
<td>4</td>
</tr>
</tbody>
</table>

---

¹ Excludes production from Rietvlei
² Information for the outlook period sourced from CPRs and may differ from Management’s guidance
³ Rounding of production data may cause computational discrepancies
Portfolio Evolution and Impact on Saleable Production
Sub economic production removed from plan in 2021

Notes:
1. Excludes Rietvlei production
2. Landau 3 entails the MRD related production at Khwezela
3. Other relates to production improvements in the plan relating to increased production at Zibulo, Navigation ramp up (Khwezela) and Isibonelo
Successful Track Record of Developing and Operating Assets

Section 5 B

Leslie Martin
Developing the Asset Base to Ensure Business Life
The hard decisions have been taken to protect the business

Business Life Extended Through Execution of Projects

All Projects Delivered on Time and Budget to Date

- Zibulo Colliery (2010): Production ramp up from underground to 5Mt achieved in 2012
- Mafube Colliery (2004): First production in 2009
- Khwezela Navigation (2020): In ramp-up and poised to deliver further value creation

Taking Decisions to Protect the Business

- Ensure the sustainability of the business by focusing on economically profitable extraction
- Closing sub-economic assets or placing on care and maintenance:
  - Bokgoni on care and maintenance
  - Goedehoop South production ceased
Focus on Operating Improvement
Improve the productivity of the mines

Positive Approach to Improving Business Performance

• Goedehoop prime section:
  – Prime sections delivered a 54% improvement in production
  – Further potential improvements being investigated

• Breakthrough productivity
  – Technology initiatives at Mafube to enhance accuracy of overall process
  – Implementation of new methods to maximise cutting time

• Redeployment of equipment from closed operations
Changing the Way Things are Done
A team that has innovated and continues to improve the business

### Business Improvements

- **Advanced Process Control:**
  - Operating enhancement through automation

- **Geophones:**
  - Utilisation of seismic intelligence to increase extraction of bord and pillar areas

- **Bucket load enhancement:**
  - Increased the rated suspended load of our draglines through continual monitoring of boom stress
  - Improved volume that can be loaded in the bucket

- **Passive water treatment:**
  - Low maintenance, cost and energy water treatment facility using biological processes
  - Remediation of mine water, producing a discharge quality water
  - Operational since 2015 at a closed colliery to neutralise acid decant and remove metals
# Simplified Financial Model

## 2020 Performance\(^1\)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export saleable production</td>
<td>16.5 Mt</td>
<td>2021 production guidance: 15-16 Mt</td>
</tr>
<tr>
<td>Benchmark export price</td>
<td>R1,082/t</td>
<td></td>
</tr>
<tr>
<td>Realised discount</td>
<td>~26%</td>
<td>&lt;20% current discount</td>
</tr>
<tr>
<td>Average realised export price</td>
<td>R798/t</td>
<td></td>
</tr>
<tr>
<td>FOB export cost per unit</td>
<td>R833/t</td>
<td>2021 guidance: ~R830/t</td>
</tr>
<tr>
<td>Other costs per unit(^2)</td>
<td>R29/t</td>
<td></td>
</tr>
<tr>
<td>Margin per unit</td>
<td>R(64)/t</td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>R(1.0)bn</td>
<td></td>
</tr>
<tr>
<td>Working capital(^3)</td>
<td>R0.1bn</td>
<td></td>
</tr>
<tr>
<td>Sustaining capex</td>
<td>R(1.8)bn</td>
<td>2021 guidance R2.6-3.0bn</td>
</tr>
<tr>
<td>Tax paid</td>
<td>R(0.1)bn</td>
<td></td>
</tr>
<tr>
<td>Rehab funding &amp; other(^4)</td>
<td>R1.0bn</td>
<td>Rehab cash outflow: 5.5% guarantees</td>
</tr>
<tr>
<td>Adjusted operating free cash flow</td>
<td>R(1.7)bn</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
1. Please refer to Thungela pre-listing statement for full definitions and details
2. Includes corporate and project studies (R15/t) and demurrage & non-FOB expenses (R14/t)
3. Cash flow statement working capital movements (movement in inventories plus receivables less payables)
4. Includes rehab and retirement benefits, share based payments, profit / losses on disposal of PPE, restructuring costs and other adjustments
5. Calculated as $101 multiplied by R16.46 USD/ZAR rate multiplied by 16.463 Mt export saleable production

![R2.7bn EBITDA for +$10/t benchmark price\(^5\)](image)

>30% adjusted operating free cash flow paid as dividend
Revenue - Considerations in Relation to the AA Offtake Agreement

Key Features of the Offtake Agreement

- **Term**
  - Three-years, with an additional transitional period of up to six months thereafter

- **Price**
  - Based on an agreed formula, linked to index prices and independent broker quotes, taking into consideration the quality of the export coal supplied less a market-related fee

Forecast Export Saleable Production

<table>
<thead>
<tr>
<th>Mt</th>
<th>2020A</th>
<th>2021F</th>
<th>2022F</th>
<th>2023F</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>15-16</td>
<td>&gt;16</td>
<td>&gt;16</td>
<td></td>
</tr>
</tbody>
</table>

Benchmark Price to Realised Export Price

<table>
<thead>
<tr>
<th>R/t</th>
<th>1,082</th>
</tr>
</thead>
</table>

- **Benchmark Market Price**
- **Linear Calorific Discount**
- **Product Quality Discount**
- **Marketing Margin**
- **Realised Export Price**

Marketing fee paid by Thungela to Anglo American

- Total forecast production: 1,082 Mt
- Realised export price: 798 R/t
## Revenue – Considerations in Relation to Capital Support Mechanism

### Key Features of the Capital Support Agreement

#### Term
- From demerger to 31 December 2022

#### Trigger Price
- **Minimum price set at R1,175 per tonne** of benchmark quality coal and adjusted in accordance with the quality of the product
  - Based on Thungela’s export product basket for the 2020 financial year, the effective Trigger Price would have been approximately R894 per tonne
- Payments be subject to an annual maximum amount of:
  - **R1,500m from commencement until the end of FY21**; and
  - **R2,500m for FY22**
- Net payments are applied on a monthly basis and subject to a true-up at the end of each year
Robust Balance Sheet with Additional Capital Support in Place

Pro Forma Capitalisation

Rm

All intercompany cash and debt extinguished on 31 May 2021

At 1 June 2021

Day 1 Cash Injection

Potential Capital Support 2021

Potential Capital Support 2022
Working Capital Analysis

Key Balance Sheet Working Capital Items

Rm

| Year | Trade and Other Payables | Inventories | Trade and Other Receivables | Net Working Capital per Balance Sheet
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>3,453</td>
<td>1,123</td>
<td>(4,000)</td>
<td>576</td>
</tr>
<tr>
<td>2019</td>
<td>3,368</td>
<td>1,317</td>
<td>(4,157)</td>
<td>528</td>
</tr>
<tr>
<td>2020</td>
<td>3,476</td>
<td>1,211</td>
<td>(4,513)</td>
<td>174</td>
</tr>
</tbody>
</table>

Notes:
1. Sum of trade receivables and inventory less trade payables. Numbers as presented in the balance sheet in the Thungela pre-listing statement.
Breakdown of Capital Expenditure

**Capital Expenditure by Category**

<table>
<thead>
<tr>
<th>Category</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021F</th>
<th>2022F</th>
<th>2023F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expansionary/lifex</td>
<td>1,726</td>
<td>2,080</td>
<td>2,869</td>
<td>~2,600</td>
<td>~2,700</td>
<td></td>
</tr>
<tr>
<td>Stripping and development</td>
<td>219</td>
<td>228</td>
<td>221</td>
<td>~2,700</td>
<td>~2,800</td>
<td>~2,900</td>
</tr>
<tr>
<td>Stay-in-business</td>
<td>870</td>
<td>1,555</td>
<td>1,537</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Expansionary/lifex**: Extending life of existing assets.
- **Stripping and development**: Enabling access within assets, e.g. open cast box-cut expenditure.
- **Stay-in-business**: Maintaining the integrity of infrastructure and assets for installed life of mine.

*Expected to decrease linearly between the 2021 and 2023 forecasts.*
Closure Costs Provision and Funding

Environmental Costs and Funding Status as at 31 December 2020

Rm

- Environmental Trust
- Guarantees
- Total Funding
- Gross Balance Sheet

Environmental Restoration and Decommissioning Liability

- Non-Current - 5,676
- Current - 774
- Total Funding - 6,450

- Cash in Trust - 2,902
- Green fund - 188

- 3% Rehabilitation coverage – % of gross balance sheet liability for which there is cash collateral in trust

A minimum of 5.5% of outstanding guarantees to be invested into green fund per annum
Operating Cost Analysis

Evolution of Operating Costs

Rm

2018

18,5971

2% 9% 38% 23%

4% 4% 7% 21%

5% 7% 20%

1,659 7,049 3,648 4,214

Cash

Non-Cash

2019

19,132

2% 8% 35% 23%

4% 4% 6% 22%

7% 19% 21%

1,242 6,646 4,057 4,371

Cash

Non-Cash

2020

20,351

4% 12% 34% 22%

4% 4% 4% 9%

6% 8% 8%

1,277 6,852 3,894 4,379

Cash

Non-Cash

Notes:
1. Excludes profits and losses on disposals (profit of R509m in 2018)
2. Non-cash items
3. Includes evaluation and exploration costs, royalties, forex losses and small amounts of net other operating expenses
Cost Momentum Expected to be Positive Post-demmerger

Evolution of Costs

<table>
<thead>
<tr>
<th>Rm</th>
<th>Total Operating Costs 2020</th>
<th>Bokgoni Care and Maintenance</th>
<th>Navigation Ramp Up</th>
<th>Anglo American Recharges</th>
<th>Transitional Services Agreement</th>
<th>Standalone Service Procurement</th>
<th>Total Operating Costs 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>20,351</td>
<td>2020</td>
<td>802</td>
<td></td>
<td>802</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## 2020 All-in Sustaining Cost for the Business

### Total Export Costs

<table>
<thead>
<tr>
<th></th>
<th>Rm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Operating Costs</td>
<td>20,351</td>
</tr>
<tr>
<td>Domestic Revenue and Other</td>
<td>(6,629)</td>
</tr>
<tr>
<td>FOB Export Costs</td>
<td>13,722</td>
</tr>
</tbody>
</table>

### Export Costs per Saleable Tonne

<table>
<thead>
<tr>
<th></th>
<th>R/t</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOB Export Costs Per Tonne</td>
<td>833</td>
</tr>
<tr>
<td>Other Cash Costs</td>
<td>204</td>
</tr>
<tr>
<td>Non-Cash Costs</td>
<td>(143)</td>
</tr>
<tr>
<td>Total All-in Sust. Costs</td>
<td>894</td>
</tr>
<tr>
<td>Realised Export Price</td>
<td>798</td>
</tr>
</tbody>
</table>

**Notes:**

1. Domestic revenue and other treated as a by-product in arriving at FOB export costs. Other includes non-cash costs, non-FOB selling expenses, studies and corporate, royalties and cost of coal bought and a small amount of other.
Robust and Transparent Approach to Capital Allocation

- Balanced and disciplined approach to allocating capital
- Priority is stay-in-business capex, green fund then base dividend
- Projects must compete with additional shareholder returns

Investment Evaluation Criteria – Focus on value accretive, fast payback, competitive margin projects:
- NPV over capex
- Payback
- IRR greater than WACC
- Capital intensity ($/t)
- Lower half cost curve position
Group Operational Outlook

**Export Saleable Production**

<table>
<thead>
<tr>
<th>Year</th>
<th>Mt</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020A</td>
<td>16</td>
</tr>
<tr>
<td>2021F</td>
<td>15-16</td>
</tr>
<tr>
<td>2022F</td>
<td>&gt;16</td>
</tr>
<tr>
<td>2023F</td>
<td>&gt;16</td>
</tr>
</tbody>
</table>

**FOB Export Costs**

<table>
<thead>
<tr>
<th>Year</th>
<th>R/t, real</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020A</td>
<td>833</td>
</tr>
<tr>
<td>2021F</td>
<td>~830</td>
</tr>
<tr>
<td>2022F</td>
<td>~830</td>
</tr>
<tr>
<td>2023F</td>
<td>~830</td>
</tr>
</tbody>
</table>

**Capex**

<table>
<thead>
<tr>
<th>Year</th>
<th>R Bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020A</td>
<td>2.9</td>
</tr>
<tr>
<td>2021F</td>
<td>~2.6 – 3.0</td>
</tr>
<tr>
<td>2022F</td>
<td>~1.7</td>
</tr>
<tr>
<td>2023F</td>
<td></td>
</tr>
</tbody>
</table>

- **Stay-in-business Capex**
- **Expansionary Capex**
- **Stripping & Development**

- Targeting flat FOB export costs on a real basis for the next three years
- Expected to decrease linearly between the 2021 and 2023 forecasts
Regulatory Considerations, Licensing and Permits

Section 6 B

Deon Smith
Broad-Based Black Economic Empowerment status

Current Status
- Thungela is sufficiently empowered and meets and exceeds the empowerment requirements of the MPRDA
- Thungela has been empowered through a number of transactions over the years which includes the disposal of either entire assets or interests in some of the assets

Measurement Methodology
- Compliance with key sections of the MPRDA is based on three key principles regarding the measurement of historically disadvantaged South African ("HDSA") ownership:
  1. Units of production
  2. Mandated Investments
  3. Direct HDSA shareholding

Partnership Plans
- Direct ownership in the Group’s operations will be in place following the transaction through the Community Partnership Trust and Employee Partnership Plan
  - Thungela was already sufficiently empowered before the creation of the Partnership Plans
  - The intention of these trusts is not directly to impact Thungela’s empowerment status
# Key Mining Rights

Thungela’s mining rights more than cover the existing asset lives and Thungela either owns or has security of tenure over the majority of the land required to continue with mining operations.

## Greenside
- 2 rights¹
- Expiry Date: July 2034

## Khwezela
- 3 rights¹
- Expiry Date: July 2029 – November 2030

## Zibulo
- 3 rights¹
- Expiry Date: October 2034 – June 2040

## Isibonelo
- 1 right¹
- Expiry Date: November 2038

## Dalyshope
- 1 right¹
- Expiry Date: Application Pending²

## Mafube
- 2 rights¹
- Expiry Date: July 2030 – November 2043

## Goedehoop
- 7 rights¹
- Expiry Date: April 2038 – September 2042

## Elders
- 1 right¹
- Expiry Date: April 2048

**Notes:**
1. Includes granted and pending mining, prospecting and exploration rights
2. Application for mining right submitted and accepted by DMRE in November 2020, approval is pending

---

1. Includes granted and pending mining, prospecting and exploration rights
2. Application for mining right submitted and accepted by DMRE in November 2020, approval is pending
Section 7
ESG

July Ndlovu, Carina Venter and Mpumi Sithole
A Robust ESG Framework Underpins our Licence to Operate

A strong policy centred around the social impact of our business

ESG FRAMEWORK

Environmental Stewardship
- We minimise our impact on the environment and operate to achieve sustainable closure outcomes

Shared Value for our Stakeholders
- We empower our workforce and work with our stakeholders to deliver shared value safely

Responsible Decision-Making and Leadership
- We embrace strong corporate governance principles to manage risk and build trust

- Efficient use of resources
- Climate risk management
- Land stewardship and biodiversity

- Safety, health and wellbeing
- Inclusion and empowerment
- Community Partnerships

- Ethical behaviour
- Governance & disclosure
- Integrated risk management
Corporate Governance Principles
Establishing an orderly environment and creating value for all shareholders

Key Pillars of Corporate Governance

Board Governance  Financial Governance  Risk Governance  Social and Sustainable Governance

Purpose, Strategy and Values

Governance Principles

Pillars of Value

- Financial
- Safety and Health
- Environmental
- Socio-political
- People
- Production
- Cost

Governance Outcomes

Ethical Leadership  Effective Management

Strong Business Performance  Trust and Credibility
# Experienced and Diverse Board

Covers all relevant areas of expertise

<table>
<thead>
<tr>
<th>Board of Directors</th>
<th>Executive Experience</th>
<th>Mining Experience</th>
<th>Listed Company Board Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-independent Directors</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>July Ndlovu&lt;br&gt;CEO</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Deon Smith&lt;br&gt;CFO</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Seamus French&lt;br&gt;Non-Executive Director</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Independent Directors</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sango Ntsaluba&lt;br&gt;Chairperson and Independent Non-executive Director</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Ben Kodisang&lt;br&gt;Independent Non-Executive Director</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Kholeka Mzondeki&lt;br&gt;Independent Non-Executive Director</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Thero Setiloane&lt;br&gt;Independent Non-Executive Director</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

- **Executive Experience**
- **Mining Experience**
- **Listed Company Board Experience**
# Board Committees

To establish strong governance and ensure effective oversight of important areas

<table>
<thead>
<tr>
<th>Committee</th>
<th>Members¹</th>
<th>Other Board Meeting Attendees</th>
<th>Minimum # of Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Audit Committee</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Kholeka Mzondeki (Chairman)</td>
<td>• Sango Ntsaluba • July Ndlovu • Deon Smith</td>
<td>4 times a year</td>
<td></td>
</tr>
<tr>
<td>• Ben Kodisang</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Thero Setiloane</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Remuneration and Nomination Committee</strong></td>
<td>• Ben Kodisang (Chairman) • Sango Ntsaluba • Seamus French • Kholeka Mzondeki</td>
<td>2 times a year</td>
<td></td>
</tr>
<tr>
<td>• Ben Kodisang (Chairman)</td>
<td>• July Ndlovu</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Sango Ntsaluba</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Seamus French</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Kholeka Mzondeki</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Social and Ethics Committee</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Thero Setiloane (Chairman)</td>
<td>• Deon Smith</td>
<td></td>
<td>2 times a year</td>
</tr>
<tr>
<td>• Sango Ntsaluba</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• July Ndlovu</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Seamus French</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Lesego Mataboge</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Risk and Sustainability Committee</strong></td>
<td>• Sango Ntsaluba (Chairman) • July Ndlovu • Seamus French • Ben Kodisang • Kholeka Mzondeki • Thero Setiloane</td>
<td>4 times a year</td>
<td></td>
</tr>
<tr>
<td>• Sango Ntsaluba</td>
<td>• Deon Smith</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• July Ndlovu</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Seamus French</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Ben Kodisang</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Kholeka Mzondeki</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Thero Setiloane</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:
1. The members shown are as appointed by the Thungela Board on 31 March 2021.

- Majority of committee members are independent non-executive directors
- Committees comprise of prominent professionals that are distinguished in both the South African and international context
- Committees have a clear responsibility to the Board to deliver on broader ESG outcomes
- Well positioned from a South African and UK corporate governance perspective
## Safety, Health and Wellbeing at the Forefront of the Business

Zero harm is our commitment

### Description and Overview

#### Elimination of loss of life incidents:

- **Back to basics** – A clear set of fundamentals, which when adhered to consistently will guarantee safe production outcomes
- **Work management** – Improve the way we plan, manage and execute work, safely and productively
- **Culture change** – Transforming our safety behaviour across the organisation

#### Be Well program:

- Health programme deployed across the business involving collaboration between the sites and hospital staff to manage wellness
- Manage wellness initiatives and KPIs to reduce BMI, smoking, blood pressure, HIV etc.

### Key Objectives

- Zero loss of life incidents
- Decrease frequency of recordable cases
- Focused leadership interactions
- Robust 4-layer risk management system, including critical controls
- All work is effectively planned, executed and monitored
- Verifications and inspections
- Increase knowledge of HIV status, provide treatment and prevent infection between tests
- Decrease occupational health hazard exposure – ensure medical surveillance
- Wellbeing programme roll out
Progress in Safety and Health
Continued and consistent improvements in Safety and Health

Key Safety Metrics

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Recordable Injuries</th>
<th>Fatalities</th>
<th>TRCFR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>42</td>
<td>2</td>
<td>1.85</td>
</tr>
<tr>
<td>2019</td>
<td>34</td>
<td>1</td>
<td>1.48</td>
</tr>
<tr>
<td>2020</td>
<td>30</td>
<td>1</td>
<td>1.51</td>
</tr>
</tbody>
</table>

Key Health Metrics

<table>
<thead>
<tr>
<th>Year</th>
<th>Known HIV Status</th>
<th>Receiving ART</th>
<th>Medical Surveillance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>91%</td>
<td>92%</td>
<td>100%</td>
</tr>
<tr>
<td>2019</td>
<td>94%</td>
<td>93%</td>
<td>100%</td>
</tr>
<tr>
<td>2020</td>
<td>92%</td>
<td>93%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Notes:
1. TRCFR: Total recordable case frequency rate
2. ART: Anti-retroviral Treatment
3. Receiving ART: Percentage refers to the percentage of those with known HIV that are receiving Anti-retroviral Treatments
Environmental Stewardship
Managing our resources to ensure sustainability

**Objectives**

**Efficient use of Resources**
- Reduce energy consumption
- Reduce freshwater consumption
- Maximise recycling of waste

**Climate Risk Management**
- Reduce scope 1 and 2 emissions
- Mitigation and adaptation plans identified
- Good practice disclosure

**Land Stewardship and Biodiversity**
- Regional biodiversity plans implemented
- Closure plans in place
- Closure liabilities adequately provided for

**Targets**

- 15% improvement in Energy Efficiency against business-as-usual projections by 2025
- Reuse/recycle 75% of mine affected water abstracted from the open cast or underground workings

- Reduction in carbon emissions of 15% from the 2016 baseline by 2025
- Zero reportable environmental incidents
Flagship Environmental Initiatives
Thungela initiatives which add back value to the environment

**eMalahleni Water Reclamation Plant**
- Commissioned eMalahleni Water Reclamation Plant in October 2007 at a cost of ~ZAR1.4bn
- Augments drinking water supply to eMalahleni local municipality
- Supplies clean, treated water into the water stressed Olifants River Catchment and provides fit-for-purpose water to operations to reduce freshwater abstraction

**Wetland Rehabilitation at Isibonelo**
- A world first in wetland rehabilitation through adoption of a novel approach
- Forms integral part of the mine’s approach to restoring wetland function and biodiversity to offset that lost during mining operations
- Wetland plant species rescued during site establishment reintroduced to improve biodiversity of wetland
- Project includes local employment opportunities and skills development

**Mafube Irrigation Trials**
- Government, academia and Mafube Coal partner in Mafube crop irrigation project
- More than 30 years of research indicates mine water may be safe for agricultural use
- The research project involves Mafube’s establishment of two 19-hectare trial sites, one on virgin land and the other on rehabilitated mine land
- The first crop was irrigated with water from the Mafube pit and has since been harvested
Reducing GHG Emissions
Significant progress made, but remains a key focus area

• Achieved a 16% reduction in CO₂e since 2018, though this includes asset disposals, assets on care and maintenance and the 2020 production performance
• On track for 2025 target: Reduction of 15% from the 2016 baseline
• A number of projects are in place and being considered in order to meet the Carbon reduction targets
Community Partnerships
Building an inclusive environment

Understand the community and help deliver their priorities, proactively engage all stakeholders and uphold human rights

<table>
<thead>
<tr>
<th>Description and Overview</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Respect and uphold human rights</td>
</tr>
<tr>
<td>• Create a conducive environment to engage to work together</td>
</tr>
<tr>
<td>• Promote social cohesion</td>
</tr>
<tr>
<td>• Empower and build capacity through education, scholarships, training and skills development</td>
</tr>
<tr>
<td>• Increase host community procurement</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Zero human rights violations resulting from our activities</td>
</tr>
<tr>
<td>• Fund community initiatives</td>
</tr>
<tr>
<td>• Uphold international standards on implementation, disclosure and reporting</td>
</tr>
<tr>
<td>• Partnerships, leveraging group resources and mitigation of the social impact of mining and closure</td>
</tr>
<tr>
<td>• Enterprise and youth supported</td>
</tr>
<tr>
<td>• Host community procurement</td>
</tr>
</tbody>
</table>
Partnering with our Stakeholders for Shared Value
Our people are integral to our business

Overview Of Thungela’s Community and Employee Ownership

Community Partnership Plan

Employee Partnership Plan

SACO¹

Key Transaction Outcomes and Benefits

1. Commitment to enduring positive legacy
2. Direct equity stakes of 5% each with additional dividend²
3. Creating value for employees and communities

Key Transaction Outcomes

Minimum Benefits

Employees: Minimum dividend of R4,000 pa³
Communities: Minimum dividend of R6m pa (from 2022)

Notes:
1. South African Coal Operations (Pty) Ltd
2. Special share classes will be established to facilitate the payment of the minimum dividends to both the employee and community partnership plans (additional benefits to the ordinary shares)
3. Qualifying employees only. Guaranteed until 2024. Vesting every three years

² Dividends are paid in addition to the base dividend.
³ Dividends are paid on an annual basis.
Uplifting the Communities where we Operate
Community upliftment is a key priority for Thungela

Covid Response, Health and Welfare
Supplier and Enterprise Development
Education
Other

Social Development Spend (Rm)
30
29
26
5

c.R90m Spent Around our Communities (2020)

Case Study 1 – Improving Healthcare at Mafube

- Clinic built to serve Sikhululwe agricultural village and environs
- Partnered with Department of Health: R14m investment

Case Study 2 – Community Scholarship Programme

- Scholarships for students from our host communities
- Programme has invested R40m into education

LIVELIHOODS
~ 12,600 people supported

HEALTH
~ 63,000 people benefit

WATER
~ 91,250 people supplied

EDUCATION
~ 23,100 learners and 24 schools
Responding to a New COVID Environment
Taking measures to protect the health and wellbeing of our employees and their families

| **WeCare** | • Rolled out the *WeCare programme to all*
| | – Programme launched to mitigate Covid-19 impact and the national lockdown |

| **Highveld Hospital (Covid-19)** | • *Highveld Hospital* was made available to treat Covid-19 patients;
| | – Installed 50 additional bed units in licensed facility capable of accommodating 134 patients
| | – Established a Covid-19 testing laboratory
| | – Set up a command centre (tracking, tracing, plotting and monitoring data and reporting) |

| **Communication Programme** | • *Communication programme* was established to educate people about Covid-19 |

| **Ongoing Employee & Community Support** | • Continued support of the communities through:
| | – procuring school uniforms from local suppliers supporting 819 students across 3 municipalities
| | – Community Behavior Change Programme aimed at reinforcing prevention measures within the communities
| | • *Employee support programme* was launched to help employees with mental health challenges through *CareWays* |
Host Community Spend
Continued increase in spend into our communities

Growing Spend in the Community

Host Community Spend (Rbn)

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spend</td>
<td>0.90</td>
<td>1.20</td>
<td>1.50</td>
</tr>
</tbody>
</table>

67% increase since 2018

- Direct spend into communities
- Creates employment opportunities within community and supports livelihoods
- Inclusivity extends beyond the mine gate
Section 8
HR and Industrial Relations

Lesego Mataboge
Optimised Workforce
Stable and experienced workforce across our operations

### Our Employees

<table>
<thead>
<tr>
<th>Department</th>
<th>Number of Employees (2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zibulo</td>
<td>1,591</td>
</tr>
<tr>
<td>Khwezela</td>
<td>1,357</td>
</tr>
<tr>
<td>Goedehoop</td>
<td>1,104</td>
</tr>
<tr>
<td>Greenside</td>
<td>904</td>
</tr>
<tr>
<td>Mafube</td>
<td>759</td>
</tr>
<tr>
<td>Isibonelo</td>
<td>572</td>
</tr>
<tr>
<td>Rietvlei</td>
<td>517</td>
</tr>
<tr>
<td>Corporate</td>
<td>721</td>
</tr>
</tbody>
</table>

**Total Employees:** 7,525

### Employee Mix

- **Permanent**: 64%
- **Contractor**: 36%

### Employee Age Profile

- **Average Age**: c.41 years

**Notes:**
1. Includes both permanent employees and contractors
2. Includes employees that make up the shared services such as the hospital
Employee Relations
Sound employee relations practices maintain strong relationships

**Trade Union Considerations**

- Majority of the workforce unionised under National Union of Mineworkers (NUM)
- Governed by collective bargaining agreements
- Formal recognition agreement in place

**Trade Union Engagements**

- NUM engagement at a central and on-mine level
  - Bi-monthly Central Forums
  - Monthly Mine / Unions meetings
  - Elected Full Time Shop Steward and a Full Time Union Coordinator

**Wage Agreements**

- Covers c.86% of employees
- A two-year wage agreement until June 2022
- Mafube JV concluded a wage agreement at the same time

**Permanent Employees in Trade Unions**

% of Employees (2020)

- Trade Union (NUM) 76%
- Non-Trade Union 24%
## Inclusion and Diversity

We are creating a culture that values inclusion and diversity

### Inclusion and Diversity Policy

<table>
<thead>
<tr>
<th>Thungela Values</th>
<th>• Underpinned by the Company’s values and code of conduct</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transparency in Reporting</td>
<td>• Open communication of our goals and performance to all stakeholders</td>
</tr>
<tr>
<td>I&amp;D Initiatives</td>
<td>• Developing a disability-friendly workplace and inclusive culture at all levels</td>
</tr>
</tbody>
</table>

### % of HDSA at Senior Levels

<table>
<thead>
<tr>
<th>% of Employees (2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Management</td>
</tr>
<tr>
<td>Executive Management</td>
</tr>
</tbody>
</table>

### Women in Senior Leadership Positions

- Female graduate and leadership development initiatives
  - Women in Leadership Program
  - Stay Interviews for 100% of female talent

- ‘Bullying, Harassment and Violence (BHV)’ training to create an inclusive working environment

Goal to reach 33% by 2023

<table>
<thead>
<tr>
<th>% Females at Senior Management Level and Above</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
</tr>
<tr>
<td>17%</td>
</tr>
<tr>
<td>2019</td>
</tr>
<tr>
<td>19%</td>
</tr>
<tr>
<td>2020</td>
</tr>
<tr>
<td>23%</td>
</tr>
</tbody>
</table>
Talent Management
Developing talent through interventions

**Wide Range of Initiatives**

- Bursary and Graduate Development Programme for key disciplines
- Leadership Development Programmes for employees
- Career Development Panels and Manager-Once-Removed Sessions to optimise employee engagement, career development and retention of critical skills
- Annual talent reviews and succession planning
- Mentoring and coaching to ensure successor readiness
- Nurturing a culture of high performance teams
- Ensuring we have a market-aligned approach to remuneration that takes into account the output of the talent management processes and initiatives

**Training and Development Outcomes**

- Female representation in talent pool: 32%
- Promotions coming from talent population in 2020: 85%
- Talent Retention: 94%
- Succession plans developed for critical roles at Executive Leadership level: 100%
- In 2020, 38 bursary students and 66 graduate professionals in training, with 28 bursary students and 65 graduate professionals in training for 2021
Section 9
Investment Proposition Recap

July Ndlovu
Thungela Investment Proposition

1. Leading South African thermal coal exporter

2. Integrated rail and port infrastructure

3. Low cash cost and high margin assets, well-positioned to benefit from favourable thermal coal market environment

4. Strong pipeline of brownfield and greenfield options

5. Right-sized organisational model

6. Experienced management team
Q&A and Closing Remarks
Organisational Structure Accounting and Tax Implications

Post-deemerger Organisational Structure of the Group

Anglo American Marketing Limited

Thungela Operations Pty Ltd (“TOPL”)
- Isibonelo
- Greenside
- Goedehoop
- Khwezela
- Dalyshope Project

Thungela Resources Limited

Employee Partnership Plan

Nkulo Community Partnership Trust

South African Coal Operations Pty Ltd ("SACO")

Anglo American Inyosi Coal Pty Ltd (“AAIC”)  
- Zibulo
- Elders Project

Mafube Coal Mining

Butsani Energy (owns 51% of Rietvlei Mining Company)

1. Thungela indirectly holds the 23.2% interest in RBCT through its wholly owned subsidiary, Main Street 1756 (RF) Proprietary Limited

Effective Tax Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>26.0%</td>
<td>1.5%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

Key:
- Consolidated
- Proportionately Consolidated
- Equity Accounted
- Coal Sale Agreements
Considerations in Relation to the AA Offtake Agreement

“The Offtake Agreement ensures that customers receive a consistent service and supply of thermal coal while Thungela concentrates on enhancing the performance of its operations while continuing to receive optimal value for its products in the market. The transition period also provides time for Thungela to build its own global marketing capabilities should it choose to do so.”

### Key Terms of the Offtake Agreement

#### Main Parties
- Thungela and Anglo American Marketing Limited (“AAML”)

#### Term
- Expected to commence on 1 June 2021, unless the demerger and admissions are delayed or cannot proceed
- Three-year term, with an additional transitional period of up to six months thereafter

#### Services
- Thungela will sell and deliver its export thermal coal to AAML
- AAML will purchase export thermal coal from, and provide sales and marketing services to, the Group

#### Price
- Determined in accordance with an agreed formula, linked to index prices, taking into consideration the quality of the export coal supplied (including branded products – supported by independent broker quotes) less a market-related marketing fee

#### Termination
- After two years Thungela can ask for proposals from third parties to take over the services provided by AAML at the end of the three-year term
- In the event that ESG considerations make it, in AAML’s opinion, undesirable for AAML to continue to perform its obligations under the Offtake Agreement, AAML is entitled to terminate

### Benchmark Price to Realised Export Price

<table>
<thead>
<tr>
<th>Benchmark Price to Realised Export Price</th>
<th>R/t</th>
</tr>
</thead>
<tbody>
<tr>
<td>R/t</td>
<td>1,082</td>
</tr>
</tbody>
</table>

**Marketing fee paid by Thungela to Anglo American Marketing Limited:**

**Benchmark Market Price**

**Product Quality Discount**

**Realised Export Price**

**Linear Calorific Discount**

**Marketing Margin**
# Considerations in Relation to Capital Support Mechanism

“Whilst the current outlook for export thermal coal prices remains positive, abnormally weak market conditions for seaborne thermal coal were experienced globally during 2020 as a result of lower global demand and market uncertainty stemming from the effects of COVID-19. As the ongoing effects of COVID-19 remain uncertain, Anglo American has agreed that, if there are adverse global market conditions, as determined by thermal coal prices falling below a certain threshold, ASA will provide capital support to the Group until 31 December 2022.”

<table>
<thead>
<tr>
<th>Main Parties</th>
<th>Thungela and Anglo South Africa (“ASA”)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term</td>
<td>Expected to commence on 1 June 2021, unless the demerger and admissions are delayed or cannot proceed</td>
</tr>
<tr>
<td></td>
<td>Terminates on 31 December 2022</td>
</tr>
<tr>
<td>Services</td>
<td>ASA will provide Thungela with capital support in the event that the implied market price falls below R1,175/t</td>
</tr>
<tr>
<td>Key Terms</td>
<td>Minimum implied market price set at R1,175 per tonne of benchmark quality coal and adjusted in accordance with the quality of the product (“Trigger Price”)</td>
</tr>
<tr>
<td></td>
<td>Based on Thungela’s export product basket for the 2020 financial year, the effective Trigger Price would have been approximately R894 per tonne</td>
</tr>
<tr>
<td></td>
<td>Payments will be subject to an annual maximum amount of:</td>
</tr>
<tr>
<td></td>
<td>(i) R1,500m from commencement until the end of FY21; and</td>
</tr>
<tr>
<td></td>
<td>(ii) R2,500m for FY22</td>
</tr>
<tr>
<td>Payment Basis</td>
<td>Payments will be determined by calculating the difference between:</td>
</tr>
<tr>
<td></td>
<td>The actual, year to date, proceeds received by Thungela pursuant to the Offtake Agreement; and</td>
</tr>
<tr>
<td></td>
<td>The proceeds that would have been received by Thungela had the Trigger Prices been applied to the actual year to date equity tonnes delivered by the Company to AAML</td>
</tr>
<tr>
<td></td>
<td>Net payments are applied on a monthly basis and subject to a true-up at the end of each calendar year</td>
</tr>
</tbody>
</table>