

Chief Financial Officer's Pre-close statement
for the financial year ending 31 December 2025

Thungela Resources Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2021/303811/06)
JSE share code: TGA
LSE share code: TGA
ISIN: ZAE000296554
(*'Thungela'* or the *'Company'* and together with its affiliates, the *'Group'*)

Chief Financial Officer's Pre-close statement for the financial year ending 31 December 2025

Dear Stakeholder

At Thungela, we remain unconditional on operating a fatality-free business. We are pleased that our business has now operated for nearly three years without a fatality, as we remain focused on ensuring that our employees go home without harm every day.

As the production profile in South Africa transitions, with the closure of Goedehoop and the successful ramp-up of Annea Colliery (previously known as the Elders project), as well as the hand-over of the Zibulo North Shaft project to the operation, we are confident that we will achieve approximately 13.7Mt of export saleable production, which is above the guidance range of 12.8Mt to 13.6Mt. Our production momentum has also benefitted from consistent rail performance and improvements by Transnet Freight Rail (TFR), with an annualised 56.6Mt run-rate for the industry for the period ended 30 November 2025. This reflects an improvement of 9% on the 51.9Mt delivered in 2024.

At our interim results in August 2025, we reported that in Australia⁽¹⁾, we had mined through more challenging geology at Ensham during the first half of the year, which impacted qualities and resulted in a higher stockpile of lower quality run of mine coal. Our marketing team in Dubai successfully secured contracts for the lower quality coal which has resulted in improved sales and lower stockpiles. Accordingly we expect to report export saleable production of 3.8Mt at Ensham, which is within the guidance range of between 3.7Mt to 4.1Mt.

Global economic activity remains uncertain and influenced by the effects of tariffs and persistent volatility surrounding international trade. These factors, such as inflationary pressures, global economic sentiment and financial market volatility, continue to weigh

on overall growth. The impact of the stronger South African rand is also affecting the competitiveness of South African exports.

Seaborne thermal coal prices remain depressed on the back of weak demand, caused mainly by the uncertainty around the impact of tariffs and lower gas prices, while the supply discipline that was expected, has not yet fully materialised. Demand from China and India, the largest importers of thermal coal, remained below expectations for most of the year, as a result of increasing domestic production and support for the growth of alternative energy sources. Indian steelmakers faced growing competition from lower-cost imported steel, which in turn reduced demand for South African coal and further impacted prices. Increased gas and nuclear power generation in Japan, Korea, and Taiwan further curtailed coal demand which contributed to Newcastle coal prices recording a four-year low of approximately USD90 per tonne in September 2025.

Following these low coal prices across South Africa and Australia, we have observed initial restocking at major import hubs and a gradual recovery in sentiment as reflected in the forward price curves which are now in contango into 2026 and 2027.

The following are the key insights into our performance for the period 1 January 2025 to 30 November 2025 (the year to date(2)), and our expectations for the financial year ending 31 December 2025 (FY 2025(2)).

- Benchmark coal prices have weakened in 2025 with the Richards Bay Benchmark coal price(3) averaging USD89.63 per tonne for the year to date, compared to USD105.30 per tonne for FY 2024(2). The Newcastle Benchmark coal price(4) has averaged USD105.11 per tonne for the year to date, compared to USD134.85 per tonne for FY 2024.

- Discount to the Richards Bay Benchmark coal price is approximately 15% for the year to date, compared to 13.1% for FY 2024. The average realised export price for product sold through the Richards Bay Coal Terminal for the year to date is USD75.89 per tonne, compared to USD91.56 per tonne for FY 2024.

- Discount to the Newcastle Benchmark coal price has been approximately 1% for the year to date, compared to a discount of 8.0% for FY 2024. The average realised export price in Australia for the year to date was USD104.82 per tonne, compared to USD124.00 per tonne for FY 2024.

- Export saleable production relating to our South African operations is expected to be approximately 13.7Mt for FY 2025, compared to 13.6Mt in FY 2024.

This production performance reflects the continued ramp-up at Annea, strong performance at Mafube, offset by lower volumes from Khwezela which was impacted by abnormally high rainfall in the first half of the year.

- FOB cost per export tonne excluding royalties for South Africa for FY 2025 is expected to be below the guidance range of between R1,210 to R1,290 per tonne, mainly due to a non-cash rehabilitation adjustment and strong production performance. The FOB cost per export tonne including royalties is also expected to be below the guidance range of R1,220 to R1,300 per tonne.
- Export equity sales for South Africa is expected to be approximately 13.6Mt for FY 2025, compared to 12.6Mt for FY 2024. The increase was enabled by the higher export saleable production and improved rail performance.
- Export saleable production at Ensham(5) for FY 2025 is expected to be approximately 3.8Mt (on a 100% basis), compared to 4.1Mt in FY 2024. The lower expected export saleable production in FY 2025 is mainly due to more challenging geology experienced in the first half of the year.
- FOB cost per export tonne excluding royalties at Ensham for FY 2025 is expected to be within the guidance range of between R1,470 to R1,580 per tonne. Including royalties, the FOB cost per export tonne is also expected to be in the lower half of the guidance range of R1,650 to R1,780 per tonne.
- Export equity sales for Ensham(5) is expected to be approximately 3.9Mt for FY 2025, on a 100% basis, compared to 4.1Mt for FY 2024.
- Capital expenditure for the South African operations for FY 2025 is expected to be approximately R2,600 million. This consists of R1,400 million relating to sustaining capital, which is at the lower end of the guidance range of between R1,400 to R1,700 million, and expansionary capital of R1,200 million relating mainly to the Elders and Zibulo North Shaft projects, which is at the upper end of the guidance range of between R1,100 to R1,200 million.
- Sustaining capital expenditure at Ensham for FY 2025 is expected to be approximately R650 million (on a 100% basis), which is marginally below the guidance range of between R700 to R950 million (on a 100% basis).

The Group will undertake the annual assessment of the value of property, plant and equipment (PPE) ahead of finalising the 2025 annual financial results. The assessment

requires significant judgement in relation to forward-looking market-related conditions, specifically benchmark coal prices and foreign exchange rates, which are currently at levels that does not support the carrying value of our PPE balances. We will update the market once the assessment has been completed, which is expected to be before the release of our annual results.

Portfolio optimisation in South Africa

Our South African portfolio is currently in a period of transition, with the closure of select operations where coal reserves have reached the end of their economic life. We have initiated a disposal programme for assets where remaining resources and infrastructure that retain value in use cannot be fully utilised for our own economic benefit. We recently announced the sale of Goedehoop North and we have also finalised a similar agreement at Khwezela's Kleinkopje mining right. These transactions include the remaining resources and related infrastructure. In addition, the rehabilitation liability attributable to the areas being sold will also be transferred to the purchaser, upon completion of each transaction. This showcases our ability to successfully execute on our strategic priorities, ensuring that we reshape our business and entrench resilience through the cycle.

Commitment to capital allocation framework

The Group has continued to invest through the cycle, which is demonstrated by the completion of the Elders project, as well as the progress made on the Zibulo North Shaft project. The Elders life extension project was completed in 2025 for R1.8 billion and we expect total aggregate expansionary capital expenditure of R2.5 billion for the Zibulo North Shaft life extension project by the end of the year. The balance of R100 million will be spent in the first half of 2026.

We have made good progress at the Lephalale Coal bed Methane project and have started to receive some of the major equipment, such as the first generator, while the LNG plant is expected to be received by the end of the year. The civil works and the water treatment plant are also complete.

The board has continued to prioritise shareholder returns and in 2025, we have returned R2.1 billion to shareholders, through cash dividends and share buybacks. During the year, we completed the share buybacks that were announced at the full-year 2024 results and the interim 2025 results, resulting in the purchase of 4,858,231 shares, representing 3.4% of issued share capital, for a total consideration of approximately R468 million. These shares are held as treasury shares by a subsidiary of the Group.

In line with prior periods, several transactions that typically conclude in December are expected to impact our 31 December 2025 net cash 6 position. These include the green fund contribution in Australia and the provisional tax payments in South Africa and Australia. Our net cash balance at 31 December 2025 is accordingly expected to range between R4.9 billion and R5.2 billion. The net cash balance range includes approximately R1.2 billion, on a full-year basis, of cash generated relating from foreign exchange derivatives.

The board reaffirms its commitment to the Company's dividend policy, which is to distribute a minimum of 30% of adjusted operating free cash flow(7) to shareholders. Furthermore, the board will consider an appropriate cash buffer which provides flexibility to invest through the cycle and prioritise shareholder returns.

We acknowledge that in the current low price environment and the impact of other macro-economic factors, cash preservation measures are required to remain cost competitive while maintaining balance sheet flexibility. The Group continues to spend sustaining capital in a responsible manner to preserve the sustainability of the business and is committed to maintaining cost discipline across the business.

Productivity improvements across the portfolio, coupled with the improvements in TFR rail performance, has limited the production hiatus we previously expected from the closure of Goedehoop and ramp-up of Annea in 2026. Export saleable production in 2026 is expected to be approximately 0.5Mt lower than the full year actual export saleable production in 2025.

We remain confident in the long-term fundamentals of the coal market, recognising its role in the energy mix in support of global energy demand. Together with a structural supply shortfall from underinvestment in new mines and the depletion of existing supply, this remains a driver for longer-term price support for high quality thermal coal.

The Group expects to release its annual results on or about 23 March 2026.

Deon Smith
Chief Financial Officer
Annexure A: Operational performance

Table 1: Export saleable production by operation

Export saleable 2024 2025 % change

production Actual Forecast(8)

Mt (a) (b) (b-a)/a

South Africa 13.6 13.7 1%

Underground 9.7 9.9 3%

Zibulo 5.0 4.5 (9)%

Greenside 2.3 2.3 (1)%

Goedehoop(9) 2.3 2.6 17%

Annea 0.1 0.5 459%

Opencast 3.9 3.8 (3)%

Khwezela 2.2 2.0 (12)%

Mafube 1.7 1.8 9%

Australia

Ensham(2) 3.5 3.8 10%

Total 17.1 17.5 3%

Table 2: Export sales by segment

Export sales 2024 2025 % change

Mt Actual Forecast(8)

South Africa 12.6 13.6 8%

Underground 9.2 10.0 9%

Opencast 3.4 3.6 8%

Australia 4.1 3.9 (4)%

Ensham (100%) 4.1 3.9 (4)%

Underground 4.1 3.9 (4)%

Total 16.7 17.5 5%

Footnotes

1. Following the completion of Thungela's purchase of the remaining 15% of the Ensham Mine from LX International, the results of the Ensham Mine are included in the Thungela Group results at 100% from 28 February 2025. Full details relating to the accounting treatment applied to the Ensham Business, including the acquisition of the remaining 15% interest, were provided in the Interim Financial Statements for the six months ended 30 June 2025.

2. "Year to date" refers to the period from 1 January 2025 to 30 November 2025.

FY 2025 refers to the period from 1 January 2025 to 31 December 2025.

FY 2024 refers to the period from 1 January 2024 to 31 December 2024.

3. Richards Bay Benchmark price reference for 6,000kcal/kg thermal coal exported from the Richards Bay Coal Terminal.

4. Newcastle Benchmark price reference for 6,000kcal/kg coal exported from Newcastle, Australia. The NEWC Index is the main price reference for physical coal contracts in Asia and is the settlement price for a significant volume of index-linked contracts.

5. Production at Ensham is crushed and screened before being sold into either the export or Australian domestic market. Sales into the Australian domestic market are at export parity prices and, as a result, all production at Ensham is considered to be export saleable production.

6. Net cash, an alternative performance measure, is cash and cash equivalents less restricted cash, which is cash held by the Group, that is not held at the discretion of the directors.

7. Adjusted operating free cash flow is net cash flows from operating activities less sustaining capex.

8. Based on the latest available management forecasts. Final figures may differ by \pm 5%.

9. Export saleable production for Goedehoop includes approximately 556kt (2024: 563kt) attributable to the Nasonti operation.

Review of Pre-close statement

The information in this Pre-close statement is the responsibility of the directors of Thungela and has not been reviewed or reported on by the Group's independent external auditor.

A trading statement will be released once the Group has reasonable certainty on the expected ranges for earnings per share and headline earnings per share and to the extent required by the JSE Listings Requirements.

Investor call details

A conference call and audio webinar relating to the details of this announcement will be held at 13:00 SAST on Tuesday, 9 December 2025. A recording of the audio webinar will be made available on the Thungela website on the same date – www.thungela.com/investors.

Conference call registration:

<https://services.choruscall.eu/DiamondPassRegistration/register?confirmationNumber=2082726&linkSecurityString=507358aa6>

Audio webcast registration:

<https://themediiframe.com/mediaframe/webcast.html?webcastid=3TYTQaBd>

Disclaimer

This announcement includes forward-looking statements. All statements other than statements of historical facts contained in this announcement, including, without limitation, those regarding Thungela's financial position, business, acquisition and divestment strategy, dividend policy, plans and objectives of management for future operations (including development plans and objectives relating to Thungela's products, production forecasts and Reserve and Resource positions), are, or may be deemed to be, forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Thungela or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Group assumes no responsibility to update forward-looking statements in this announcement except as may be required by law.

The information contained in this announcement is deemed by the Company to constitute inside information as stipulated under the market abuse regulation (EU) no. 596/2014 as amended by the market abuse (amendment) (UK mar) regulations 2019. Upon the publication of this announcement via the regulatory information service, this inside information is now considered to be in the public domain.

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Johannesburg

9 December 2025

Date: 09-12-2025 09:00:00

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