

Thungela Resources Limited Trading Statement for the six months ended 30 June 2022

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')

Thungela Resources Limited Trading Statement for the six months ended 30 June 2022

Shareholders are advised that Thungela and its directors have a reasonable degree of certainty related to the expected financial results of the Group for the six months ended 30 June 2022 in line with paragraph 3.4(b) of the JSE Listings Requirements.

Expected earnings and headline earnings per share

Shareholders are advised that earnings per share ('EPS') for the six months ended 30 June 2022 (the 'current period') is expected to be between R66.85 and R67.45, an increase of between R63.72 and R64.32 per share compared to the earnings per share of R3.13 for the six months ended 30 June 2021 (the 'prior period').

Headline earnings per share⁽¹⁾ ('HEPS') for the current period is expected to be between R66.85 and R67.45, an increase of between R63.80 and R64.40 per share compared to HEPS of R3.05 for the prior period.

Headline earnings attributable to shareholders of the Group for the current period is likely to be between R8.9 billion and R9.0 billion (compared to R227 million in the prior period).

These EPS and HEPS figures are calculated using a weighted average number of shares ('WANOS') of 133,267,081 for the current period and 74,408,794 for the prior period.

Earnings increased as a result of the increase in revenue driven by the strong Benchmark coal price for thermal coal and higher realised prices achieved in the first half of 2022 but was impacted by increased operating costs which have been driven by increased royalty charges and external factors such as rising costs across the energy complex, as well as global inflationary pressures. Given the strong Benchmark coal price forward curve, earnings have also been negatively impacted by fair value losses on the price risk management programme undertaken by the Group and the capital support agreement.

The expected EPS and HEPS ranges for the current period are summarised in the table below:

Expected EPS/HEPS range (Rand per share) period	Expected increase from prior (Rand per share)
EPS 66.85 – 67.45	63.72 – 64.32
HEPS 66.85 – 67.45	63.80 – 64.40

The internal restructure, as fully detailed in the Annual Financial Statements for the year ended 31 December 2021, was completed on 31 March 2021 and had an impact on financial and non-financial information of the Group in the prior period. For the current period, the condensed consolidated interim financial statements will reflect the Group as it is likely to exist on a forward-looking basis and can be compared to the performance of the Group that was presented on a pro forma basis for the prior period. No additional pro forma financial information will be presented for the current period.

Key areas of judgement which may impact the expected EPS and HEPS figures above are in the process of being finalised, and any changes to these ranges, if necessary, will be communicated to shareholders. The improved EPS and HEPS range compared to the Pre-Close and Trading Statement issued in June 2022 is as a result of a combination of factors, including a higher average Benchmark coal price for

the month of
June and movements in the ZAR:USD exchange rate.

Thungela expects to release its interim financial results for the six months ended 30 June 2022 on 15 August 2022. The financial results will be released on the Johannesburg Stock Exchange News Service and the London Stock Exchange Regulatory News Service and will be accompanied by an investor webinar and conference call on the same date.

The live webinar and conference call will start at 12:00 SAST (11:00 BST). Details to register for the webinar and conference call are available below:

Webinar registration: https://78449.themediaframe.com/links/thungela220815_1200.html

Conference call registration:
<https://services.choruscall.za.com/DiamondPassRegistration/register?confirmationNumber=7257076&linkSecurityString=f59556630>

Deon Smith
Chief Financial Officer

Footnote

(1) HEPS is determined in reference to Circular 1/2021 – Headlines earnings ('Circular 1/2021') as issued by the South African Institute of Chartered Accountants. In order to calculate headline earnings, earnings attributable to equity shareholders of the Group is adjusted for separately identifiable remeasurements, as defined in Circular 1/2021, net of related tax and non-controlling interests.

Review of Trading Statement

The information contained in this Trading Statement is the responsibility of the directors of Thungela and has not been reviewed or reported on by the Group's independent external auditor.

Disclaimer

This document includes forward-looking statements. All statements other than statements of historical facts included in this document, 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 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 required by law.

The information contained within 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.

Investor Relations

Ryan Africa

Email: ryan.africa@thungela.com

Media Contacts

Tarryn Genis

Email: tarryn.genis@thungela.com

UK Financial adviser and corporate broker

Liberum Capital Limited

Sponsor
Rand Merchant Bank
(A division of FirstRand Bank Limited)

Johannesburg
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