

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

Tax number: 9111917259

('Thungela' or the 'Company' and, together with its affiliates, the 'Group')

2025 Annual results and final ordinary cash dividend declaration

Thungela's 2025 results reflect operational excellence and shareholder returns, embedding resilience through the cycle

- Operated a fatality-free business for 3 consecutive years
- Group recorded export saleable production of 17.8Mt, exceeding guidance
- Adjusted operating free cash flow* of R396 million for the year and net cash* of R5.1 billion at 31 December 2025
- Declaration of a final ordinary cash dividend of R2 per share, taking full year dividend to R4 per share
- Annea Colliery and Zibulo North Shaft life-extension projects completed, ramp-up in progress

Key performance metrics ¹ (Rand million unless otherwise stated)	31 December 2025	31 December 2024	% change
Export saleable production - South Africa (kt)	13,853	13,595	1.9
Export saleable production - Ensham (on a 100% basis) (kt)	3,985	4,068	(2.0)
Revenue	29,599	35,554	(17)
(Loss)/Profit for the reporting period	(7,107)	3,544	(301)
(Loss)/Earnings per share (cents/share)	(5,464)	2,676	(304)
Headline (loss)/earnings per share (cents/share)	(647)	2,559	(125)
Dividend per share (cents/share)	400	1,300	(69)
Alternative performance measures*			
Adjusted EBITDA	1,216	6,255	(81)
Adjusted EBITDA margin (%)	4.1	18	(14pp)
Adjusted operating free cash flow	396	3,589	(89)
Net cash	5,054	8,671	(42)
Capital expenditure	(3,087)	(3,396)	(9.1)
FOB cost per export tonne excluding royalties - South Africa (Rand/tonne)	1,170	1,130	3.5
FOB cost per export tonne excluding royalties - Ensham (Rand/tonne)	1,435	1,433	—

¹ The Group's financial results and operational performance for Australia reflect the results of the Ensham Business at 100% of the operations from 28 February 2025. Prior to this date, the results for the Ensham Business are reflected at 85%.

MESSAGE FROM MOSES MADONDO, CHIEF EXECUTIVE OFFICER

Our 2025 results demonstrate another year of strong operational performance, highlighting our ability to control the controllables in a challenging thermal coal market environment. As I reflect on my time since joining Thungela, I am inspired by our people and the strong culture that is grounded in our values of safety, care and respect, accountability, excellence, agility and entrepreneurship.

The ongoing conflict in the Middle East following the recent US-Israeli actions involving Iran has raised new levels of uncertainty and has understandably caused concern, not only for the global economy but for peace, safety and security in the region. We are providing support to our colleagues in Dubai, prioritising their safety and well-being. The uncertainty brought about by the conflict has, once again, increased volatility in the energy market, impacting on the price of oil, gas and coal. We will continue to closely monitor the situation and the impact on our employees and operating environment.

Safety remains at the core of everything we do, ensuring that all our people return from work, safe and healthy each day. I am pleased to report that we have operated for three years without a loss of life. Our unwavering zero-harm mindset is guided by three critical focus areas – risk management, effective work management and a safety culture. The Group's total recordable case frequency rate increased to 2.83, from 1.93, primarily due to the challenging operating environment during the production footprint transition. As a result, we have implemented targeted interventions for increased risk sections and work crews through leading indicator heatmaps.

Looking at our operational performance, we achieved or exceeded export saleable production guidance. In South Africa, we recorded export saleable production of 13.9Mt, exceeding the production guidance of 12.8Mt to 13.6Mt, reflecting strong performance at Mafube and the ramp-up at the Annea Colliery (previously known as the Elders project). In Australia, we overcame the challenging geological conditions of the first half of the year to deliver export saleable production of 4.0Mt, which was at the upper-end of the guidance range of 3.7Mt to 4.1Mt.

We have made meaningful progress in reshaping our business, enhancing operational flexibility and embedding resilience through the commodity cycle. The Annea Colliery and the Zibulo North Shaft life-extension projects were successfully delivered on time and within budget. Together with the advancement of the Lephalale Coal Bed Methane (LCBM) project and the disposal of assets, aimed at optimising our portfolio and further strengthening the balance sheet, this underscores our ability to execute on our strategic priorities.

Driving our ESG aspirations

Environmental, social and governance (ESG) remains fundamental to our strategy and operations. As a responsible environmental steward, we are committed to reducing scope 1 and 2 emissions by 30% by 2030, against a 2021 baseline, and to reach net zero by 2050. We are pleased to report that, in 2025, we recorded zero level 3 to 5 environmental incidents – the first time since listing in 2021.

Complementing these efforts, our socio-economic development investments remain integral to our purpose. The Thungela Education Initiative and the enterprise and supplier development programme, Thuthukani, continue to deliver measurable and meaningful benefits to schools and suppliers within host communities. The education programme aims to strengthen school leadership, enhance teaching capacity and provide psychosocial and learner support. Together, these programmes demonstrate our dedication to creating long-lasting, sustainable value for our stakeholders and helping to build communities that thrive beyond the life of our mines.

Our performance

In 2025, we delivered robust operational performance, supported by continued productivity gains and disciplined cost management. The Group recorded export saleable production of 17.8Mt, approximately 175kt higher than the output achieved in 2024. In South Africa, the free on board (FOB) cost per export tonne excluding royalties* of R1,170 was below the guidance range of R1,210 to R1,290, highlighting the productivity improvements and cost efficiency initiatives, partially offsetting the impact of inflation and operational transition costs. At the Ensham Mine, the FOB cost per export tonne excluding royalties* of R1,435 was also below the guidance range of R1,470 to R1,580, demonstrating the improved productivity and disciplined cost management.

Transnet Freight Rail (TFR) rail performance improved to 56.8Mt, compared to 51.9Mt in 2024. We recognise the tangible improvements achieved to date, through collaborative efforts between Transnet, the National Logistics Crisis Committee and the coal industry. Strengthening the coal logistics system benefits the broader industry, supporting both established producers and emerging participants, while reinforcing South Africa's position in global coal markets.

The Group reported revenue of R29.6 billion, a 17% decline compared to 2024, driven by lower benchmark coal prices and foreign exchange movements that resulted in a stronger South African rand relative to a weaker US dollar. Our South African operations achieved an average realised export price of R1,336 per tonne, a decrease of 20% compared to 2024. The Ensham Business achieved an average realised export price of R1,877 per tonne, which was 17% lower than in 2024.

The Group recognised non-cash impairment losses of R8.8 billion against our assets, reflecting lower benchmark coal price forecasts, the weakening of the US dollar and the strengthening of the South African rand. The impairment losses are non-cash in nature and do not affect the Group's liquidity or operational capacity.

The Group generated adjusted EBITDA* of R1.2 billion and incurred a net loss of R7.1 billion for the year, impacted by the non-cash impairment losses. Despite the challenging market conditions, the Group generated R2.4 billion in cash flows from operating activities during the year. After investing R2.0 billion in sustaining capital*, the Group remained free cash flow positive, generating adjusted operating free cash flow* of R396 million for the year. The net cash* at 31 December 2025 was R5.1 billion.

Portfolio optimisation in South Africa

We have remained focused on delivering on our strategic priorities. The Annea Colliery was developed to replace production from the Goedehoop Colliery and, as part of this transition, a number of employees and relevant equipment from Goedehoop Colliery have been successfully redeployed to Annea Colliery. This ensures continuity of skills and operational capability. The Zibulo North Shaft life extension project was completed and formally handed over to the operational team, with production ramp-up underway.

Our South African portfolio has continued its transition with the closure of the Goedehoop North and Isibonelo mines, where remaining coal reserves have reached the end of their economic lives. The Isibonelo mine, which supplied its production under a long-term domestic coal supply agreement, ceased operations in December 2025 following the conclusion of the contract. The mine has since transitioned into care and maintenance.

In line with our portfolio optimisation strategy, we have initiated a disposal programme for assets where remaining resources and infrastructure retain value in use but no longer provide optimal long-term economic benefit to the Group. At the end of 2025, we announced the sale of Goedehoop North and we have also concluded an agreement for the disposal of the Kleinkopje mining right at the Khwezela Colliery. These transactions include the transfer of remaining resources and associated infrastructure. The rehabilitation liabilities attributable to the areas being sold will transfer to the purchasers upon the completion of each transaction, which is expected in 2026. This showcases our ability to successfully execute on our strategic priorities, ensuring that we reshape our business and entrench resilience through the cycle.

We have made progress on the LCBM project. The modular liquefied natural gas demonstration plant is designed to validate the commercial viability and marketability of the resource. Once commissioned, the plant will supply gas to a generator at the

Annea Colliery, enabling the operation to partially offset its reliance on Eskom electricity. Commissioning is expected to be completed during the first half of 2026.

Thermal coal market dynamics

Global economic activity remained subdued in 2025, shaped by the ongoing effects of geopolitics, trade tariffs and volatility in international trade. Rising inflationary pressures, shifts in economic sentiment and fluctuating financial markets further constrained global growth. Within this context, the strengthening of the South African rand placed additional pressure on the competitiveness of the country's export sectors.

The seaborne thermal coal market remained depressed for much of the year, largely due to weak demand in key coal-consuming countries. In China and India, seaborne demand fell short of expectations, as both countries continued to expand domestic production and accelerate investment in alternative energy sources. In Japan, Korea and Taiwan, higher utilisation of gas and nuclear power further reduced coal imports, contributing to sustained downward pressure on the Newcastle Benchmark coal price. Following a prolonged period of low benchmark coal prices across South Africa and Australia in 2025, the market experienced a moderate recovery towards the end of the year. This improvement was driven by restocking at major import hubs and increased demand from the Indian sponge iron market, which provided support for South African export coal.

On the supply side, sustained production levels from Indonesia, Australia and South Africa from late 2024 and throughout 2025 created an imbalance and the market could not fully absorb the increased supply throughout the year. We observed a level of supply discipline in Colombia, where production was curtailed due to the ongoing low coal price environment coupled with higher freight differentials. However, the supply discipline that was expected has not yet fully materialised.

According to the International Energy Agency (IEA), coal continues to be a reliable and affordable source of energy, supplying roughly a third of global electricity, and remains an integral component of energy security as the energy transition progresses. The IEA further notes that many countries are adopting a pragmatic approach that balances ongoing coal use with the deployment of emerging low-carbon technologies. Similarly, the World Economic Forum emphasises that energy transitions in emerging and developing economies must safeguard energy security and economic stability.

Premature or abrupt phase-out of coal risks electricity shortages, rising energy costs and socio-economic disruption, particularly for communities dependent on mining and related industries. Coal continues to underpin affordable electricity, support industrial and infrastructure development and enable economic growth.

Commitment to the capital allocation framework

Our capital allocation framework remains central to our strategy and we prioritise returns to shareholders through the cycle. In 2025, we returned R2.2 billion to shareholders through a combination of cash dividends and share buybacks. During the year, we completed two share buybacks for a total consideration of R469 million, or 4,858,231 shares, which represented 3.5% of issued share capital.

We continued to invest through the cycle, deploying R747 million in 2025 to complete the life extension projects. To date, we have invested a total of R4.2 billion in the Annea Colliery and Zibulo North Shaft, as well as R382 million on the LCBM project, to position the business for long-term competitiveness and value creation. The Group is not currently reserving cash to complete future capital expenditure commitments, as key life-extension projects in South Africa are now substantially complete.

A key element of our capital allocation framework is the cash collateralisation of our environmental liabilities. In South Africa, we contributed R203 million to the green fund and, in Australia, we made an additional R275 million contribution to an investment vehicle with a similar purpose.

The Group's dividend policy is to distribute a minimum of 30% of adjusted operating free cash flow*. In the first half of the year, the Group generated adjusted operating free cash flow* of R484 million, however, in the second half of the year, we incurred negative adjusted operating free cash flow* of R88 million. This required the board to exercise its discretion in determining an appropriate ordinary cash dividend under the current circumstances.

The board remains committed to prioritising shareholder returns where the balance sheet allows for it and where the future prospects of the Group remain supportive of such a distribution. Accordingly, the board has approved a final dividend of R2 per share, or R281 million. Together with the interim dividend of R2 per share, or R281 million, and the R139 million share buyback completed following our interim results, this brings total shareholder returns relating to 2025 performance to R701 million, representing 177% of adjusted operating free cash flow*.

The Sisonke Employee Empowerment Scheme and the Nkulo Community Partnership Trust will receive a further R31 million collectively, in addition to the interim contribution of R31 million.

These distributions result in the Group maintaining a cash buffer of approximately R4.7 billion, which the board considers to be appropriate given the current market environment. In addition, the Group holds undrawn credit facilities of R3.2 billion.

Looking ahead

In 2026, our immediate priorities remain clear: safety, operational excellence and capital allocation.

We remain committed to operating a fatality-free business while further strengthening our safety performance through our targeted interventions and by reinforcing our safety culture.

We continue to focus on controlling the controllables and driving operational excellence through productivity improvements and cost efficiency. These efforts will be supported by the successful ramp-up of the Annea Colliery and Zibulo North Shaft. On the LCBM project, we will continue to validate the commercial viability and marketability of the resource.

Thungela's capital allocation framework remains a cornerstone of our strategy and prioritises maintaining balance sheet resilience, ensuring the long-term sustainability of our assets, by investing through the commodity cycle, while also prioritising returns to shareholders. We continue to review our strategy to ensure that we deliver on our purpose – to responsibly create value together for a shared future.

I look forward to leading this great organisation with energy, ambition and confidence. Our people remain at the heart of everything we achieve – our future is anchored in the choices we make to shape the future we want.

OPERATIONAL GUIDANCE – 2026

	South Africa	Ensham
Export saleable production (Mt)	13.0 – 13.6	3.9 – 4.2
FOB cost per export tonne* (Rand/tonne)	1,330 – 1,380	1,650 – 1,740
FOB cost per export tonne excluding royalties* (Rand/tonne)	1,320 – 1,370	1,480 – 1,570
Capital – sustaining* (Rand million)	700 – 1,000	500 – 700
Capital – expansionary (Rand million)	100	nil

South African operations

Export saleable production guidance for 2026 of 13.0Mt to 13.6Mt reflects the changes in our production footprint, coupled with an expectation of further improvements in TFR performance.

Our production footprint is in transition. The Annea Colliery continues to ramp-up and is expected to reach steady state production run rates in 2026 – replacing volumes from Goedehoop following its closure at the end of 2025. Zibulo North is also in ramp-up and is expected to reach steady state production run rates in 2027, while 2026 will be the final year for the Zibulo opencast operation. Production in 2027 is expected to be broadly in line with 2026.

FOB cost per export tonne excluding royalties* is expected to be between R1,320 and R1,370, in line with previous guidance assumptions adjusted for inflation. The equivalent cost including royalties is expected to be between R1,330 and R1,380 per tonne.

Sustaining capital expenditure* is expected to range between R700 million and R1.0 billion. Expansionary capital expenditure of approximately R100 million is expected in 2026, primarily related to completion activities at the Zibulo North Shaft.

Ensham

Export saleable production guidance for 2026 is 3.9Mt to 4.2Mt. The mine has a more stable operating base and is now better equipped to traverse geological faults, while we have also made good progress on improving productivity. Production in 2027 is expected to be broadly in line with 2026 levels.

FOB cost per export tonne excluding royalties* is expected to be between R1,480 and R1,570 in 2026. The equivalent cost including royalties is expected to range between R1,650 and R1,740 per tonne.

Sustaining capital expenditure* at Ensham is expected to be between R500 million and R700 million.

DIVIDEND DECLARATION

The board has declared a final ordinary cash dividend of R2 per share, payable to shareholders on the Johannesburg Stock Exchange and the London Stock Exchange in April 2026 and May 2026, respectively.

Further details regarding the dividend declaration can be found in a separate announcement dated 23 March 2026 on the Johannesburg Stock Exchange News Services (SENS) and the London Regulatory News Services (RNS).

FORWARD-LOOKING STATEMENTS

This announcement includes forward-looking statements. All statements included in this document (other than statements of historical facts) are, or may be deemed to be, forward-looking statements, 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 resource and reserve positions). 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. Thungela therefore cautions that forward-looking statements are not guarantees of future performance.

Any forward-looking statement made in this announcement or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause Thungela's business not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. Thungela has no duty to, and does not intend to, update or revise the forward-looking statements contained in this announcement after the date of this document, except as may be required by law. Any forward-looking statements included in this announcement have not been reviewed or reported on by the Group's independent external auditor.

Investors are cautioned not to rely on these forward-looking statements and are encouraged to read the Annual Financial Statements for the year ended 31 December 2025 (Annual Financial Statements 2025), which are available from the Thungela website via the following web link:

<https://www.thungela.com/investors/financial-results>

ALTERNATIVE PERFORMANCE MEASURES

Throughout this results announcement, a range of financial and non-financial measures are used to assess our performance, including a number of financial measures that are not defined or specified under International Financial Reporting Standards (IFRS Accounting Standards), which are termed 'alternative performance measures' (APMs). Management uses these measures to monitor the Group's financial performance alongside IFRS Accounting Standards measures, to improve the comparability of information between reporting periods. These APMs should be considered in addition to, and not as a substitute for, or as superior to, measures of financial performance, financial position or cash flows reported in accordance with IFRS Accounting Standards. APMs are not uniformly defined by all companies, including those in the Group's industry. Accordingly, these measures may not be comparable with similarly titled measures and disclosures by other companies. In this results announcement, APMs are denoted with an asterisk (*).

RESULTS ANNOUNCEMENT

This results announcement, including the forward-looking statements, is the responsibility of the directors of Thungela.

Shareholders are advised that this results announcement is only a select extract of the information contained in the Annual Financial Statements 2025 and does not contain full or complete details. Any investment decisions by investors and/or shareholders should be based on a consideration of the full Annual Financial Statements 2025 as a whole and investors and/or shareholders are encouraged to review the Annual Financial Statements 2025, which are available on the Thungela website via the following web link: <https://www.thungela.com/investors/financial-results>, and available on the JSE's cloudlink, at <https://senspdf.jse.co.za/documents/2026/JSE/ISSE/TGAE/TGAFY2025.pdf>

This results announcement has been prepared in compliance with the JSE Limited Listings Requirements.

A conference call and webcast relating to the details of this results announcement will be held at 12:00 SAST (10:00 GMT) on Monday, 23 March 2026. Registration details for the conference call and webcast are below:

Conference call:

<https://services.choruscall.it/DiamondPassRegistration/register?confirmationNumber=7721589&linkSecurityString=160b7e901e>

Webcast:

<https://78449.themediaframe.com/links/thungela260323.html>

The consolidated financial statements for the year ended 31 December 2025 were audited by PricewaterhouseCoopers Inc. who have issued an unqualified audit opinion thereon. The full independent auditor's report and Annual Financial Statements 2025 are available for viewing on the Thungela website via the following web link: <https://www.thungela.com/investors/financial-results>.

This results announcement has not been audited or reviewed by the Group's independent external auditor. Any reference to future financial performance included in this announcement has not been separately reported on by the Group's independent external auditor.

The Company's registered office is located at: 25 Bath Avenue, Rosebank, Johannesburg, 2196, South Africa.

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.

On behalf of the board of directors
Sango Ntsaluba, Chairperson
Moses Madondo, Chief executive officer

Johannesburg, South Africa

Date of SENS release: 23 March 2026

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