

# Exxaro Resources Limited

Summarised group annual  
financial statements for the year  
ended 31 December 2022 and  
notice of the annual general  
meeting

**exxaro**  
POWERING POSSIBILITY



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This publication only includes statutory information. All other reports are available on the website at [www.exxaro.com](http://www.exxaro.com).

The following reports, which should be read with this report, as well as the audited group and company annual financial statements for the year ended 31 December 2022, will be available on our website on 18 April 2023

- Integrated report
- Supplementary report
- Mineral Resources and Mineral Reserves statement

## **CONTACT**

Ongoing feedback from stakeholders helps us contextualise certain issues needed for more informed understanding by readers. We welcome your suggestions, which should be directed to:

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# Highlights

## GROUP FINANCIAL PERFORMANCE

**R46.4 billion**

Revenue, up 41%

**R19.0 billion**

EBITDA, up 78%

**R57.13 per share**

Attributable earnings, up 11%

**R18.9 billion**

Cash generated by operations, up 79%

**R11.36 per share**

Final dividend

**R60.16 per share**

Headline earnings, up 28%

## SUSTAINABLE OPERATIONS

**LTIFR of 0.05**

### OPERATIONAL PERFORMANCE

**43.1 Mt**

Coal production volumes

**42.1 Mt**

Coal sales volumes

**671 GWh**

Renewable energy generation

### SIOC

**R4.9 billion**

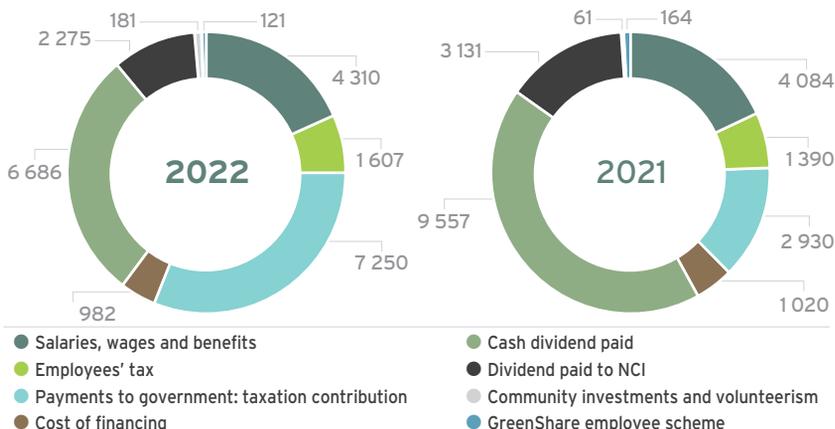
Adjusted<sup>1</sup> equity-accounted income

**R1.4 billion**

Exxaro's share of final dividend declared

<sup>1</sup> Adjusted for non-core items.

(Rm)



# Audited group statement of comprehensive income

## For the year ended 31 December

	2022 Rm	2021 Rm
<b>Revenue</b> (note 8)	46 369	32 771
<b>Operating expenses</b> (note 9)	(30 148)	(24 343)
<b>Operating profit</b>	16 221	8 428
Loss on disposal of subsidiaries (note 11)	(1)	(947)
Impairment charges of non-current operating assets (note 12)	(21)	(21)
<b>Net operating profit</b>	16 220	7 460
Finance income (note 13)	694	239
Finance costs (note 13)	(1 052)	(860)
Income from financial assets	6	55
Share of income of equity-accounted investments (note 14)	6 477	9 790
Impairment charges of equity-accounted investments (note 12)	(53)	(53)
<b>Profit before tax</b>	22 292	16 684
Income tax expense	(4 287)	(2 203)
Profit for the year from continuing operations	18 005	14 481
Profit for the year from discontinued operations (note 7)	1 892	1 892
<b>Profit for the year</b>	18 005	16 373
<b>Other comprehensive income/(loss), net of tax</b>	384	(913)
<i>Items that will not be reclassified to profit or loss:</i>	14	40
– Remeasurement of retirement employee obligations	3	3
– Changes in fair value of equity investments at FVOCI	10	49
– Share of OCI of equity-accounted investments	1	(9)
<i>Items that may subsequently be reclassified to profit or loss:</i>	300	302
– Unrealised exchange differences on translation of foreign operations	34	39
– Changes in fair value on cash flow hedges	113	84
– Share of OCI of equity-accounted investments	153	179
<i>Items that have subsequently been reclassified to profit or loss:</i>	70	(1 255)
– Recycling of unrealised exchange differences on translation of foreign operations	70	(482)
– Recycling of changes in fair value on cash flow hedges	70	105
– Recycling of share of OCI of equity-accounted investments	70	(878)
<b>Total comprehensive income for the year</b>	18 389	15 460
<b>Profit attributable to:</b>		
Owners of the parent	13 826	12 667
– Continuing operations	13 826	11 202
– Discontinued operations	(1)	1 465
Non-controlling interests	4 179	3 706
– Continuing operations	4 179	3 279
– Discontinued operations	(1)	427
<b>Profit for the year</b>	18 005	16 373
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	14 113	11 954
– Continuing operations	14 113	11 169
– Discontinued operations	(1)	785
Non-controlling interests	4 276	3 506
– Continuing operations	4 276	3 277
– Discontinued operations	(1)	229
<b>Total comprehensive income for the year</b>	18 389	15 460
<b>Attributable earnings per share</b>	<b>cents</b>	<b>cents</b>
Aggregate		
– Basic	5 713	5 128
– Diluted	5 713	5 128
Continuing operations		
– Basic	5 713	4 535
– Diluted	5 713	4 535
Discontinued operations		
– Basic	(1)	593
– Diluted	(1)	593

# Audited group statement of financial position

At 31 December

	2022 Rm	(Re-presented) <sup>1</sup> 2021 Rm
<b>ASSETS</b>		
<b>Non-current assets</b>	63 357	63 298
Property, plant and equipment	37 446	38 351
Intangible assets	2 760	2 927
Right-of-use assets	352	401
Inventories	176	145
Equity-accounted investments (note 16)	18 060	17 322
Financial assets (note 23)	3 539	3 237
Deferred tax	254	369
Other assets (note 17)	770	546
<b>Current assets</b>	21 788	12 419
Inventories	1 728	1 606
Financial assets (note 23)	376	311
Trade and other receivables (note 23)	4 199	2 701
Cash and cash equivalents (note 23)	14 812	7 042
Current tax receivables <sup>1</sup>	101	24
Other assets <sup>1</sup> (note 17)	572	735
<b>Total assets</b>	85 145	75 717
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and other components of equity</b>		
Share capital	983	983
Other components of equity	1 700	1 560
Retained earnings	44 136	37 007
<b>Equity attributable to owners of the parent</b>	46 819	39 550
Non-controlling interests	12 560	10 548
<b>Total equity</b>	59 379	50 098
<b>Non-current liabilities</b>	20 574	20 841
Interest-bearing borrowings (note 18)	8 378	9 255
Lease liabilities (note 19)	438	470
Other payables (note 23)	25	53
Provisions (note 21)	2 762	2 201
Retirement employee obligations	165	159
Financial liabilities (note 23)	112	406
Deferred tax	8 668	8 271
Other liabilities (note 22)	26	26
<b>Current liabilities</b>	5 192	4 778
Interest-bearing borrowings (note 18)	715	1 000
Lease liabilities (note 19)	40	34
Trade and other payables (note 23)	3 340	2 230
Provisions (note 21)	179	101
Financial liabilities (note 23)	5	
Overdraft (note 20)		1
Current tax payables <sup>1</sup>	143	418
Other liabilities <sup>1</sup> (note 22)	770	994
<b>Total liabilities</b>	25 766	25 619
<b>Total equity and liabilities</b>	85 145	75 717

<sup>1</sup> Current tax receivables have been reclassified as a separate line item from other assets. Similarly, current tax payables have been reclassified as a separate line item from other liabilities. These reclassifications have been made to disaggregate these items on the face of the statement of financial position to provide a better presentation of assets and liabilities for users.

# Audited group statement of changes in equity

	Other components of equity			
	Share capital Rm	Foreign currency translation Rm	Financial instruments revaluation Rm	Equity- settled Rm
<b>At 31 December 2020</b>	1 021	1 869	(255)	903
<i>Total comprehensive (loss)/income</i>		(882)	138	
– Profit for the year				
– Other comprehensive (loss)/income for the year		(882)	138	
<i>Transactions with owners</i>	(38)			(307)
Contributions and distributions	(38)			(122)
– Dividends paid (note 5)				
– Distributions to NCI share option holders				
– Share-based payments movement				(122)
– Shares repurchased and cancelled	(38)			
– Share repurchase expenses				
– Transfer of fair value adjustments on disposal of equity investment at FVOCI to retained earnings				
Changes in ownership interest				(185)
– Disposal of associates				(185)
– Disposal of subsidiaries				
<b>At 31 December 2021</b>	983	987	(117)	596
<i>Total comprehensive income</i>		139	136	1
– Profit for the year				
– Other comprehensive income for the year		139	136	1
<i>Transactions with owners</i>				(147)
Contributions and distributions				(147)
– Dividends paid (note 5)				
– Distributions to NCI share option holders				
– Share-based payments movement				(147)
Changes in ownership interest				
– Recognition of NCI <sup>1</sup>				
<b>At 31 December 2022</b>	983	1 126	19	450

<sup>1</sup> Relates to the recognition of the 9% NCI share option holder in Tsitsikamma SPV as true NCI upon the exercise of the share option.

## Foreign currency translation

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

## Financial instruments' revaluation

Comprises the group's cash flow hedge reserves as well as the share of equity-accounted investments' hedging reserves.

## Equity-settled

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

## Retirement employee obligations

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

## Financial asset FVOCI revaluation

Comprises the fair value adjustments, net of tax, on the financial assets classified at FVOCI as well as the share of equity-accounted investments' financial asset FVOCI revaluation reserves.

Retirement employee obligations Rm	Financial asset FVOCI revaluation Rm	Other Rm	Retained earnings Rm	Attributable to owners of the parent Rm	Non- controlling interests Rm	Total equity Rm
(21)	(5)	4	35 265	38 781	9 340	48 121
1	30		12 667	11 954	3 506	15 460
			12 667	12 667	3 706	16 373
1	30			(713)	(200)	(913)
55	30		(10 925)	(11 185)	(2 298)	(13 483)
	20		(11 045)	(11 185)	(3 131)	(14 316)
			(9 557)	(9 557)	(3 124)	(12 681)
					(7)	(7)
			(1 462)	(122)		(122)
			(6)	(1 500)		(1 500)
				(6)		(6)
	20		(20)			
55	10		120		833	833
55			130			
	10		(10)		833	833
35	55	4	37 007	39 550	10 548	50 098
3	8		13 826	14 113	4 276	18 389
			13 826	13 826	4 179	18 005
3	8			287	97	384
			(6 697)	(6 844)	(2 264)	(9 108)
			(6 686)	(6 833)	(2 275)	(9 108)
			(6 686)	(6 886)	(2 274)	(8 960)
					(1)	(1)
			(11)	(147)		(147)
			(11)	(11)	11	
			(11)	(11)	11	
38	63	4	44 136	46 819	12 560	59 379

# Audited group statement of cash flows

## For the year ended 31 December

	2022 Rm	2021 Rm
<b>Cash flows from operating activities</b>	14 410	8 432
Cash generated by operations (note 10)	18 863	10 552
Interest paid	(982)	(1 017)
Interest received	650	217
Tax paid	(4 121)	(1 320)
<b>Cash flows from investing activities</b>	3 990	13 419
Property, plant and equipment acquired (note 15)	(1 652)	(2 471)
Proceeds from disposal of property, plant and equipment	4	11
Cash received from financial assets at amortised cost	90	72
ESD loans granted	(112)	(101)
ESD loans settled	50	61
Settlement of deferred consideration	94	
Portfolio investments acquired	(400)	
Loan to associate settled		3
Lease receivables settled	15	15
Increase in environmental rehabilitation funds	(8)	(79)
Proceeds from disposal of subsidiaries		99
Proceeds from disposal of associate (note 7)		5 763
Dividend income received from equity-accounted investments	5 903	9 991
Dividend income received from financial assets	6	55
<b>Cash flows from financing activities</b>	(10 617)	(18 032)
Interest-bearing borrowings raised (note 20)		4 725
Interest-bearing borrowings repaid (note 20)	(1 181)	(8 076)
Lease liabilities paid (note 19)	(34)	(36)
Loan from NCI repaid		(69)
Dividends paid to owners of the parent (note 5)	(6 686)	(9 557)
Dividends paid to NCI BEE Parties	(2 237)	(3 119)
Dividends paid to NCI of Tsitsikamma SPV	(37)	(5)
Distributions to NCI share option holders	(1)	(7)
Shares acquired in the market to settle share-based payments	(441)	(382)
Shares repurchased including transaction expenses		(1 506)
<b>Net increase in cash and cash equivalents</b>	7 783	3 819
Cash and cash equivalents at beginning of the year	7 041	3 187
Translation difference on movement in cash and cash equivalents	(12)	35
<b>Cash and cash equivalents at end of the year</b>	14 812	7 041
Cash and cash equivalents	14 812	7 042
Overdraft		(1)

# Notes to the summarised group annual financial statements

## 1. CORPORATE BACKGROUND

Exxaro, a public company incorporated in South Africa, is a diversified resources group with interests in the coal (controlled and non-controlled), energy (controlled) and ferrous (controlled and non-controlled) markets. These summarised group annual financial statements as at and for the year ended 31 December 2022 (summarised annual financial statements) comprise the company and its subsidiaries (together referred to as the group) and the group's interest in associates and joint ventures.

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## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

The summarised group annual financial statements have been derived from the audited group and company annual financial statements 2022 of Exxaro, which are available on Exxaro's website at [www.exxaro.com](http://www.exxaro.com) and at the registered office of Exxaro. These summarised group annual financial statements do not contain sufficient information to allow for a complete understanding of the financial results and state of affairs of the group, which is provided by the detailed audited group and company annual financial statements 2022. These summarised group annual financial statements do not include all the disclosure required for a complete set of group and company annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS) (as issued by the IASB). Selected summarised notes have been included in this report for a better understanding of the relevant transactions during the year.

These summarised group annual financial statements have been prepared under the supervision of the finance director, Mr PA Koppeschaar, in accordance with the JSE Listings Requirements for abridged reports and the requirements of the Companies Act No 71 of 2008 of South Africa, as amended applicable to summary financial statements.

The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS and the SAICA Financial Reporting Guides (as issued by the Accounting Practices Committee) and Financial Pronouncements (as issued by the Financial Reporting Standards Council) and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*. These summarised group annual financial statements have been prepared on the historical cost basis, excluding financial instruments, share-based payments and biological assets, which are at fair value, and conform, in this regard, to IFRS.

The preparation and presentation of the summarised group annual financial statements included in this report is the responsibility of Exxaro's directors. The directors take full responsibility for the summarised annual financial statements and that the financial information has been correctly extracted from the underlying audited group and company annual financial statements 2022.

The summarised group annual financial statements do not include the directors' report, which forms part of the group and company annual financial statements 2022.

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## 3. ACCOUNTING POLICIES AND OTHER COMPLIANCE MATTERS

The accounting policies applied are in terms of IFRS and are consistent with those of the group annual financial statements as at and for the year ended 31 December 2021. A number of new or amended IFRS standards became effective for the current year. The group did not have to make any significant changes to its accounting policies nor make retrospective adjustments as a result of adopting these standards.

### 3.1 Income tax

The reduction of the statutory income tax rate from 28% to 27% was substantively enacted on 23 February 2022 and is effective for years of assessment beginning on or after 1 April 2022. As a result, the relevant deferred tax balances have been remeasured. The impact of the change in the statutory income tax rate has been recognised in the income tax expense line item, amounting to R316 million, except to the extent that it relates to items previously recognised directly in equity or other comprehensive income. For the group, such items include the equity-settled share-based payment reserves, financial assets FVOCI revaluation reserves and cash flow hedge reserves.

### 3.2 Impact of new, amended or revised standards issued but not yet effective

New accounting standards, amendments to accounting standards and interpretations issued, that are relevant to the group, but not yet effective on 31 December 2022, have not been early adopted. The group continuously evaluates the impact of these standards and amendments. On adopting the amendment to IAS 1 *Presentation of financial statements* (IAS 1) effective on 1 January 2023, Exxaro plan to early adopt the subsequent amendment to IAS 1, effective 1 January 2024, regarding the classification of current and non-current liabilities.

### 3.3 Impact of the Russian-Ukraine conflict

The financial reporting impact of the Russian-Ukraine conflict has been assessed by management and factored in as a consideration in making relevant estimates and assumptions, in particular impairment assessments.

The coal price and rand/US\$ exchange rate assumptions used to forecast future cash flows for impairment assessment purposes have been updated to consider the short-term observable impact of the Russian-Ukraine conflict, as well as the forecasted medium and longer-term impact on the world economy and commodity prices.

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# Notes to the summarised group annual financial statements

continued

## 4. RECONCILIATION OF GROUP HEADLINE EARNINGS

	Gross Rm	Tax Rm	NCI Rm	Net Rm
<b>For the year ended 31 December 2022</b>				
Profit attributable to owners of the parent				13 826
Adjusted for:	1 285	(333)	(220)	732
– IFRS 10 Loss on disposal of subsidiary	1			1
– IAS 16 Net losses on disposal of property, plant and equipment	97	(27)	(17)	53
– IAS 28 Loss on dilution of investment in associate	2			2
– IAS 28 Share of equity-accounted investments' separately identifiable remeasurements <sup>1</sup>	1 132	(306)	(191)	635
– IAS 36 Impairment charges of non-current assets	53		(12)	41
<b>Headline earnings</b>				14 558
Continuing operations				14 558
<sup>1</sup> Includes Exxaro's share of SIOC's impairment charge recognised on the Kolomela assets, amounting to R626 million (net of tax and NCI).				
<b>For the year ended 31 December 2021</b>				
Profit attributable to owners of the parent				12 667
Adjusted for:	(1 684)	266	319	(1 099)
– IFRS 10 Loss on disposal of subsidiaries	947	(93)	(196)	658
– IAS 16 Net losses on disposal of property, plant and equipment	46	(14)	(7)	25
– IAS 21 Net gains on translation differences recycled to profit or loss on disposal of investment in foreign associate	(876)		197	(679)
– IAS 21 Net gains on translation differences recycled to profit or loss on deregistration of foreign subsidiaries	(482)		111	(371)
– IAS 28 Net gains on disposal of associates	(1 339)	379	217	(743)
– IAS 28 Share of equity-accounted investments' separately identifiable remeasurements	(1)			(1)
– IAS 36 Impairment charges of non-current assets	21	(6)	(3)	12
<b>Headline earnings</b>				11 568
Continuing operations				11 512
Discontinued operations				56

# Notes to the summarised group annual financial statements

continued

## 4. RECONCILIATION OF GROUP HEADLINE EARNINGS *continued*

	For the year ended 31 December	
	2022 cents	2021 cents
<b>Headline earnings per share</b>		
Aggregate		
– Basic	6 016	4 683
– Diluted	6 016	4 683
Continuing operations		
– Basic	6 016	4 660
– Diluted	6 016	4 660
Discontinued operations		
– Basic		23
– Diluted		23

Refer note 5 for details regarding the number of shares.

# Notes to the summarised group annual financial statements

continued

## 5. DIVIDEND DISTRIBUTIONS

An interim cash dividend, number 39, for 2022 of 1 593 cents per share (R3 848 million to external shareholders) was declared on 16 August 2022 and paid on 3 October 2022.

A final cash dividend, number 40, for 2022 of 1 136 cents per share, was approved by the board of directors on 14 March 2023. The dividend is payable on 8 May 2023 to shareholders who will be on the register on 5 May 2023. This final dividend, amounting to approximately R2 744 million (to external shareholders), has not been recognised as a liability in these summarised annual financial statements. It will be recognised in shareholders' equity in the first half of the year ending 31 December 2023.

The final dividend declared from income reserves, will be subject to a dividend withholding tax of 20% for all shareholders who are not exempt from or do not qualify for a reduced rate of dividend withholding tax. The net local dividend payable to shareholders, subject to dividend withholding tax at a rate of 20% amounts to 908.80000 cents per share.

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

	For the year ended 31 December	
	2022 Rm	2021 Rm
<b>Dividends paid</b>	6 686	9 557
Final dividend (relating to prior year)	2 838	3 119
Special dividend		1 363
Interim dividend (relating to current year)	3 848	5 075
	<b>cents</b>	<b>cents</b>
<b>Dividend paid per share</b>	2 768	3 863
Final dividend (relating to prior year)	1 175	1 243
Special dividend		543
Interim dividend (relating to current year)	1 593	2 077
	<b>At 31 December</b>	
	<b>2022</b>	<b>2021</b>
Issued share capital (number of shares) <sup>1</sup>	349 305 092	349 305 092
Ordinary shares (millions)		
– Weighted average number of shares	242	247
– Diluted weighted average number of shares	242	247

<sup>1</sup> Includes treasury shares of 107 770 244 (2021: 107 770 244).

# Notes to the summarised group annual financial statements

continued

## 6. SEGMENTAL INFORMATION

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

In line with reporting trends, emphasis is placed on controllable costs. Indirect corporate costs are reported on a gross level in the other reportable segment.

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

The comparative segmental information has been re-presented for the equity interest in LightApp, which has been reclassified from the energy segment to the other segment, in line with the revised strategic focus of the group.

### Coal

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

Commercial Waterberg: Comprising mainly of the Grootegeluk operation.

Commercial Mpumalanga: Comprising the Belfast and Leeuwpan operations, as well as the 50% (2021: 50%) joint venture in Mafube with Thungela. The ECC operation, including the 49% equity interest in Tumelo, formed part of this reportable segment until the effective date of disposal on 3 September 2021.

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

Other: Comprising of the other coal affiliated operations, including mines in closure and a 10.26% (2021: 10.26%) equity interest in RBCT.

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

### Energy

The energy operations generate energy (electricity) from renewable energy technology. The energy reportable segment comprises mainly of the Cennergi controlled operation.

### Ferrous

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

Alloys: Comprising of the FerroAlloys operation which manufactures ferrosilicon.

Other: Comprising mainly of the 20.62% (2021: 20.62%) equity interest in SIOC.

### TiO<sub>2</sub>

Following the disposal of Tronox Holdings plc and Tronox SA during 2021, the TiO<sub>2</sub> reportable segment has been discontinued (refer note 7).

### Other

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

Base metals: Comprising of the 26% (2021: 26%) equity interest in Black Mountain.

Other: Comprising mainly of the corporate office (rendering corporate management services), the Ferroland agricultural operation, the 25.85% (2021: 25.85%) equity interest in Insect Technology and the 28.01% (2021: 28.59%) equity interest in LightApp.

# Notes to the summarised group annual financial statements

continued

## 6. SEGMENTAL INFORMATION *continued*

The following table presents a summary of the group's segmental information:

	Coal				
	Commercial		Tied Rm	Other Rm	Energy Rm
	Water- berg Rm	Mpuma- langa Rm			
<b>For the year ended 31 December 2022</b>					
<b>External revenue</b> (note 8)	23 613	15 797	5 561		1 159
<b>Segmental net operating profit/(loss)</b>	11 731	5 323	151	(389)	437
External finance income (note 13)	24	4		5	20
External finance costs (note 13)	(58)	(91)		(62)	(503)
Income tax (expense)/benefit	(3 178)	(1 307)	(61)	473	60
Depreciation and amortisation (note 9)	(1 490)	(609)	(14)	(6)	(391)
Net losses on disposal of property, plant and equipment (note 9)	(9)	(72)		(7)	
Impairment charges of equity-accounted investments (note 12)					
Loss on disposal of subsidiary (note 11)					
Loss on dilution of investment in associate (note 9)					
Share of income/(loss) of equity-accounted investments (note 14)		1 902		(10)	
<b>Cash generated by/(utilised in) operations</b>	12 874	6 539	267	(1 459)	837
<b>Capital spend on property, plant and equipment</b> (note 15)	(1 348)	(252)		(5)	(20)
<b>At 31 December 2022</b>					
<b>Segmental assets and liabilities</b>					
Deferred tax <sup>1</sup>					1
Equity-accounted investments (note 16)		2 999		2 024	
External assets	30 897	6 068	1 213	3 258	8 614
<b>Total assets</b>	30 897	9 067	1 213	5 282	8 615
External liabilities	1 857	2 577	1 301	1 143	4 804
Deferred tax <sup>1</sup>	6 997	978	(56)	(108)	884
<b>Total liabilities</b>	8 854	3 555	1 245	1 035	5 688

<sup>1</sup> Offset per legal entity and tax authority.

# Notes to the summarised group annual financial statements

continued

## 6. SEGMENTAL INFORMATION *continued*

	Ferrous		Other		Total Rm
	Alloys Rm	Other ferrous Rm	Base metals Rm	Other Rm	
<b>For the year ended 31 December 2022</b>					
<b>External revenue</b> (note 8)	224			15	46 369
<b>Segmental net operating profit/(loss)</b>	49	(1)		(1 081)	16 220
External finance income (note 13)				641	694
External finance costs (note 13)	(1)			(337)	(1 052)
Income tax (expense)/benefit	(5)			(269)	(4 287)
Depreciation and amortisation (note 9)	(7)			(164)	(2 681)
Net losses on disposal of property, plant and equipment (note 9)				(9)	(97)
Impairment charges of equity-accounted investments (note 12)				(53)	(53)
Loss on disposal of subsidiary (note 11)				(1)	(1)
Loss on dilution of investment in associate (note 9)				(2)	(2)
Share of income/(loss) of equity-accounted investments (note 14)		4 077	578	(70)	6 477
<b>Cash generated by/(utilised in) operations</b>	(22)	(1)		(172)	18 863
<b>Capital spend on property, plant and equipment</b> (note 15)	(1)			(26)	(1 652)
<b>At 31 December 2022</b>					
<b>Segmental assets and liabilities</b>					
Deferred tax <sup>1</sup>	11	1		241	254
Equity-accounted investments (note 15)		11 104	1 933		18 060
External assets	421	25		16 335	66 831
<b>Total assets</b>	432	11 130	1 933	16 576	85 145
External liabilities	26	1		5 389	17 098
Deferred tax <sup>1</sup>				(27)	8 668
<b>Total liabilities</b>	26	1		5 362	25 766

<sup>1</sup> Offset per legal entity and tax authority.

# Notes to the summarised group annual financial statements

continued

## 6. SEGMENTAL INFORMATION *continued*

For the year ended 31 December 2021 (Re-presented) <sup>1</sup>	Coal				
	Commercial		Tied Rm	Other Rm	Energy Rm
	Water- berg Rm	Mpuma- langa Rm			
<b>External revenue</b> (note 8)	16 852	9 439	5 089	15	1 193
<b>Segmental net operating profit/(loss)<sup>1</sup></b>	7 137	534	147	(235)	525
– Continuing operations	7 137	534	147	(235)	525
– Discontinued operations					
External finance income (note 13)	23	2		11	12
External finance costs (note 13)	(50)	(116)		(51)	(503)
Income tax (expense)/benefit	(2 160)	(208)	(45)	272	(26)
– Continuing operations	(2 160)	(208)	(45)	272	(26)
– Discontinued operations					
Depreciation and amortisation (note 9)	(1 447)	(636)	(14)	(4)	(388)
Net losses on disposal of property, plant and equipment (note 9)	(22)	(3)	4		
Impairment charges of non-current operating assets (note 12)	(21)				
Net gains on disposal of associates					
– Discontinued operations (note 7)					
Loss on disposal of subsidiaries		(946)			
Share of income/(loss) of equity-accounted investments <sup>1</sup>		404		(19)	
– Continuing operations (note 14)		404		(19)	
– Discontinued operations (note 7)					
<b>Cash generated by/(utilised in) operations</b>	8 533	1 481	127	(297)	904
<b>Capital spend on property, plant and equipment</b> (note 15)	(1 990)	(392)	(1)	(17)	(1)
<b>At 31 December 2021 (Re-presented)<sup>1</sup></b>					
<b>Segmental assets and liabilities</b>					
Deferred tax <sup>2</sup>		51	33	118	38
Equity-accounted investments (note 16)		1 780		2 034	
External assets	30 880	6 391	1 216	2 167	8 516
<b>Total assets<sup>1</sup></b>	30 880	8 222	1 249	4 319	8 554
External liabilities	2 122	1 744	1 212	547	5 239
Deferred tax <sup>2</sup>	7 220	180		1	920
<b>Total liabilities</b>	9 342	1 924	1 212	548	6 159

<sup>1</sup> LightApp has been reclassified from the energy segment to the other segment.

<sup>2</sup> Offset per legal entity and tax authority.

# Notes to the summarised group annual financial statements

continued

## 6. SEGMENTAL INFORMATION *continued*

For the year ended 31 December 2021 (Re-presented) <sup>1</sup>	Ferrous		Other		Total Rm	
	Alloys Rm	Other ferrous Rm	TiO <sub>2</sub> Rm	Base metals Rm		Other Rm
<b>External revenue</b> (note 8)	168				15	32 771
<b>Segmental net operating profit/(loss)<sup>1</sup></b>	14		2 217		(662)	9 677
– Continuing operations	14				(662)	7 460
– Discontinued operations			2 217			2 217
External finance income (note 13)			2		189	239
External finance costs (note 13)	(1)				(139)	(860)
Income tax (expense)/benefit			(379)		(36)	(2 582)
– Continuing operations					(36)	(2 203)
– Discontinued operations			(379)			(379)
Depreciation and amortisation (note 9)	(10)				(178)	(2 677)
Net losses on disposal of property, plant and equipment (note 9)					(25)	(46)
Impairment charges of non-current operating assets (note 12)						(21)
Net gains on disposal of associates			1 339			1 339
– Discontinued operations (note 7)			1 339			1 339
Loss on disposal of subsidiaries					(1)	(947)
Share of income/(loss) of equity-accounted investments <sup>1</sup>		9 037	54	352	16	9 844
– Continuing operations (note 14)		9 037		352	16	9 790
– Discontinued operations (note 7)			54			54
<b>Cash generated by/(utilised in) operations</b>	(41)	(3)			(152)	10 552
<b>Capital spend on property, plant and equipment</b> (note 15)	(1)				(69)	(2 471)
<b>At 31 December 2021 (Re-presented)<sup>1</sup></b>						
<b>Segmental assets and liabilities</b>						
Deferred tax <sup>2</sup>	18				111	369
Equity-accounted investments <sup>1</sup> (note 16)		12 037		1 350	121	17 322
External assets	358	26			8 472	58 026
<b>Total assets<sup>1</sup></b>	376	12 063		1 350	8 704	75 717
External liabilities	28	1			6 455	17 348
Deferred tax <sup>2</sup>					(50)	8 271
<b>Total liabilities</b>	28	1			6 405	25 619

<sup>1</sup> LightApp has been reclassified from the energy segment to the other segment.

<sup>2</sup> Offset per legal entity and tax authority.

# Notes to the summarised group annual financial statements

continued

## 7. DISCONTINUED OPERATIONS

The discontinued operations related to Tronox SA and Tronox Holdings plc.

Financial information relating to the discontinued operations is set out below:

	For the year ended 31 December
	2021 Rm
<b>Financial performance</b>	
Net gains on translation differences recycled to profit or loss on disposal of investment in foreign associate	876
Gain on financial instruments revaluations recycled to profit or loss	2
<b>Operating profit</b>	878
Net gains on disposal of associates <sup>1</sup>	1 339
– Total disposal consideration	7 781
– Carrying amount of investments sold	(6 442)
<b>Net operating profit</b>	2 217
Share of income of equity-accounted investment	54
<b>Profit before tax</b>	2 271
Income tax expense	(379)
<b>Profit for the year from discontinued operations</b>	1 892
<b>Other comprehensive loss, net of tax</b>	(878)
<i>Items that have subsequently been reclassified to profit or loss:</i>	(878)
– Recycling of share of OCI of equity-accounted investments	(878)
<b>Total comprehensive income for the year</b>	1 014
<b>Cash flow information</b>	
Cash flow attributable to investing activities	
– Proceeds from disposal of associate	5 763
<b>Cash flow attributable to discontinued operations</b>	5 763

<sup>1</sup> Comprises a loss of R664 million on the disposal of Tronox SA and a gain of R2 003 million on the disposal of Tronox Holdings plc.

# Notes to the summarised group annual financial statements

continued

## 8. REVENUE

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

For the year ended 31 December 2022	Coal				Ferrous		Other	Total Rm
	Commercial				Energy Rm	Alloys Rm	Other Rm	
	Water- berg Rm	Mpuma- langa Rm	Tied Rm	Other Rm				
<b>Segmental revenue reconciliation</b>								
Segmental revenue <sup>1</sup>	23 613	15 797	5 561		1 159	224	15	46 369
Export sales allocated to selling entity <sup>2</sup>	(7 621)	(13 769)		21 390				
<b>Total revenue</b>	15 992	2 028	5 561	21 390	1 159	224	15	46 369
<b>By timing and major type of goods and services</b>								
<b>Revenue recognised at a point in time</b>	15 992	2 028	4 311	21 390		220	13	43 954
Coal	15 992	2 028	4 311	21 390				43 721
Ferrosilicon						220		220
Biological goods							13	13
<b>Revenue recognised over time</b>			1 250		1 159	4	2	2 415
Renewable energy					1 159			1 159
Stock yard management services			125					125
Project engineering services			1 125					1 125
Transportation services						2		2
Other services						2	2	4
<b>Total revenue</b>	15 992	2 028	5 561	21 390	1 159	224	15	46 369
<b>By major geographic area of customer<sup>3</sup></b>								
<b>Domestic</b>	15 992	2 028	5 561		1 159	224	14	24 978
<b>Export</b>				21 390			1	21 391
Europe <sup>4</sup>				16 984				16 984
Asia <sup>5</sup>				3 899			1	3 900
Other				507				507
<b>Total revenue</b>	15 992	2 028	5 561	21 390	1 159	224	15	46 369
<b>By major customer industries</b>								
Public utilities	13 287		5 561	940	1 159			20 947
Merchants	315	1 363		19 840				21 518
Steel	1 317	125						1 442
Mining	242	44				180		466
Manufacturing	407	6		213		44		670
Food and beverage	145						1	146
Cement	223			158				381
Chemicals		481						481
Other	56	9		239			14	318
<b>Total revenue</b>	15 992	2 028	5 561	21 390	1 159	224	15	46 369

<sup>1</sup> Coal segmental revenue is based on the origin of coal production.

<sup>2</sup> Relates to revenue sold by export distribution entity.

<sup>3</sup> Determined based on the customer supplied by Exxaro.

<sup>4</sup> Relates mainly to Switzerland and UK.

<sup>5</sup> Relates mainly to Singapore and Japan.

# Notes to the summarised group annual financial statements

continued

## 8. REVENUE continued

For the year ended 31 December 2021	Coal				Ferrous		Other	Total Rm
	Commercial				Energy Rm	Alloys Rm	Other Rm	
	Water- berg Rm	Mpuma- langa Rm	Tied Rm	Other Rm				
<b>Segmental revenue reconciliation</b>								
Segmental revenue <sup>1</sup>	16 852	9 439	5 089	15	1 193	168	15	32 771
Export sales allocated to selling entity <sup>2</sup>	(2 495)	(6 328)		10 823				
<b>Total revenue</b>	14 357	1 111	5 089	10 838	1 193	168	15	32 771
<b>By timing and major type of goods and services</b>								
<b>Revenue recognised at a point in time</b>	14 357	1 111	3 953	10 823		162	14	30 420
Coal	14 357	1 111	3 953	10 823				30 244
Ferrosilicon						162		162
Biological goods							14	14
<b>Revenue recognised over time</b>			1 136	15	1 193	6	1	2 351
Renewable energy					1 193			1 193
Stock yard management services			177					177
Project engineering services			959					959
Other mine management services				15				15
Transportation services						2		2
Other services						4	1	5
<b>Total revenue</b>	14 357	1 111	5 089	10 838	1 193	168	15	32 771
<b>By major geographic area of customer<sup>3</sup></b>								
<b>Domestic</b>	14 357	1 111	5 089	15	1 193	168	14	21 947
<b>Export</b>				10 823			1	10 824
Europe				7 092			1	7 093
Asia				2 955				2 955
Other				776				776
<b>Total revenue</b>	14 357	1 111	5 089	10 838	1 193	168	15	32 771
<b>By major customer industries</b>								
Public utilities	12 031		5 089		1 193			18 313
Merchants	235	752		10 449				11 436
Steel	1 147	119		15				1 281
Mining	165	153		52		134		504
Manufacturing	364					34		398
Food and beverage	197						5	202
Cement	175	3						178
Chemicals		80						80
Other	43	4		322			10	379
<b>Total revenue</b>	14 357	1 111	5 089	10 838	1 193	168	15	32 771

<sup>1</sup> Coal segmental revenue is based on the origin of coal production.

<sup>2</sup> Relates to revenue sold by export distribution entity.

<sup>3</sup> Determined based on the customer supplied by Exxaro.

# Notes to the summarised group annual financial statements

continued

## 9. SIGNIFICANT ITEMS INCLUDED IN OPERATING EXPENSES

	For the year ended 31 December	
	2022 Rm	2021 Rm
Raw materials and consumables <sup>1</sup>	(7 620)	(4 339)
Staff costs	(5 862)	(5 583)
Royalties	(1 821)	(970)
Contract mining	(812)	(1 675)
Repairs and maintenance	(2 785)	(2 628)
Railage and transport	(3 019)	(2 175)
Legal and professional fees	(387)	(491)
Movement in provisions (note 21)	(474)	(4)
Depreciation and amortisation	(2 681)	(2 677)
– Depreciation of property, plant and equipment	(2 457)	(2 445)
– Depreciation of right-of-use assets	(58)	(65)
– Amortisation of intangible assets	(166)	(167)
Hedge ineffectiveness on cash flow hedges (note 23.2)	(13)	(10)
Net losses on disposal of property, plant and equipment	(97)	(46)
Net realised and unrealised currency exchange differences	777	64
Net gains on translation differences recycled to profit or loss on deregistration of foreign subsidiaries		482
Gain on derecognition of financial assets at FVOCI		175
Loss on dilution of investment in associate	(2)	
Expected credit losses ((impairment losses)/reversal of impairment losses) <sup>2</sup>	(79)	57

<sup>1</sup> Relates mainly to increased coal buy-ins from Mafube.

<sup>2</sup> Relates mainly to the recognition of an ECL on the ESD loans amounting to R64 million.

# Notes to the summarised group annual financial statements

continued

## 10. CASH GENERATED BY OPERATIONS

	For the year ended 31 December	
	2022 Rm	2021 Rm
Net operating profit	16 220	9 677
– Continuing operations	16 220	7 460
– Discontinued operations		2 217
<i>Non-cash movements:</i>		
Depreciation and amortisation	2 681	2 677
Impairment charges of non-current operating assets		21
ECLs on financial assets at amortised cost	79	(57)
Write-off of trade and other receivables and ESD loans	4	92
Movement in provisions	474	4
Movement in retirement employee obligation	9	12
Net currency exchange differences	32	(27)
Fair value adjustments on financial instruments	(51)	(232)
Gain on termination of lease	(3)	
Loss on termination of right-of-use asset	1	
Net losses on disposal of property, plant and equipment	97	46
Loss on disposal of subsidiaries	1	947
Gain on derecognition of financial asset at FVOCI		(175)
Loss on dilution of investment in associate	2	
Net gains on disposal of associates		(1 339)
Indemnification asset movement	(5)	
Share-based payment expense	207	246
Hedge ineffectiveness on cash flow hedges	13	10
Translation of net investment in foreign operations	(8)	(3)
Translation of foreign currency items	(351)	(147)
Amortisation of transaction costs prepaid	4	5
Non-cash recoveries	(194)	8
Net gains on translation differences recycled to profit or loss on deregistration of foreign subsidiaries		(482)
Net gains on translation differences recycled to profit or loss on disposal of investment in foreign associate		(876)
Gain on financial instruments revaluations recycled to profit or loss on disposal of associate		(2)
Other non-cash movements	5	2
<b>Cash generated from operations before working capital movements</b>	<b>19 217</b>	<b>10 407</b>
<i>Working capital movements</i>		
Decrease/(increase) in inventories	1	(113)
(Increase)/decrease in trade and other receivables	(1 312)	266
Increase in trade and other payables	999	40
Utilisation of provisions	(42)	(48)
<b>Cash generated by operations</b>	<b>18 863</b>	<b>10 552</b>

# Notes to the summarised group annual financial statements

continued

## 11. LOSS ON DISPOSAL OF SUBSIDIARIES

	For the year ended 31 December	
	2022 Rm	2021 Rm
Disposal of Aquicure	(1)	
Disposal of ECC operation		(946)
Disposal of ADX		(1)
<b>Total loss on disposal of subsidiaries</b>	<b>(1)</b>	<b>(947)</b>

## 12. IMPAIRMENT CHARGES OF NON-CURRENT ASSETS

	For the year ended 31 December	
	2022 Rm	2021 Rm
<b>Thabametsi</b>		
Impairment charges		(21)
– Property, plant and equipment		(21)
Total impairment charges of non-current operating assets		(21)
<b>Investments in associates</b>		
Impairment charges	(53)	
– LightApp	(53)	
Total impairment charges of equity-accounted investments	(53)	
<b>Net impairment charges of non-current assets</b>	<b>(53)</b>	<b>(21)</b>
Net tax effect		6
<b>Net effect on attributable earnings</b>	<b>(53)</b>	<b>(15)</b>

### LightApp

Exxaro's investment in LightApp was identified not to be a strategic fit for Exxaro. As such, Exxaro did not participate in LightApp's request for bridge funding and decided to dispose of its interest in LightApp at an appropriate time. Despite LightApp receiving some financing from other shareholders and a grant to alleviate some cash-flow constraints, the sustainability of the business remains under pressure.

On 31 December 2022, the equity interest in LightApp was impaired to nil.

# Notes to the summarised group annual financial statements

continued

## 13. NET FINANCING COSTS

	For the year ended 31 December	
	2022 Rm	2021 Rm
<b>Finance income</b>	694	239
Interest income	692	232
Reimbursement of interest income on environmental rehabilitation funds	(6)	(4)
Finance lease interest income	7	8
Commitment fee income	1	3
<b>Finance costs</b>	(1 052)	(860)
Interest expense	(783)	(745)
Net fair value loss on interest rate swaps designated as cash flow hedges recycled from OCI:	(97)	(146)
– Realised fair value loss	(163)	(201)
– Unrealised fair value gain	66	55
Unwinding of discount rate on rehabilitation costs	(228)	(242)
Recovery of unwinding of discount rate on rehabilitation costs	30	32
Interest expense on lease liabilities	(50)	(53)
Amortisation of transaction costs	(6)	(13)
Borrowing costs capitalised <sup>1</sup>	82	307
<b>Total net financing costs</b>	(358)	(621)
<sup>1</sup> Borrowing costs capitalisation rate (%)	6.09	6.14

## 14. SHARE OF INCOME OF EQUITY-ACCOUNTED INVESTMENTS

	For the year ended 31 December	
	2022 Rm	2021 Rm
<b>Associates</b>	4 575	9 415
SIOC	4 077	9 037
RBCT	(10)	(19)
Black Mountain	578	352
Tumelo		29
LightApp	(70)	16
<b>Joint ventures</b>	1 902	375
Mafube	1 902	375
<b>Share of income of equity-accounted investments</b>	6 477	9 790

# Notes to the summarised group annual financial statements

continued

## 15. CAPITAL SPEND AND CAPITAL COMMITMENTS

	At 31 December	
	2022 Rm	2021 Rm
<b>Capital spend</b>		
To maintain operations	1 401	1 635
To expand operations	251	836
<b>Total capital spend on property, plant and equipment</b>	<b>1 652</b>	<b>2 471</b>
<b>Capital commitments</b>		
Contracted	2 481	2 071
– Contracted for the group (owner-controlled)	1 614	1 313
– Share of capital commitments of equity-accounted investments	867	758
Authorised, but not contracted (owner-controlled)	2 322	1 402

## 16. EQUITY-ACCOUNTED INVESTMENTS

	At 31 December	
	2022 Rm	2021 Rm
<b>Associates</b>	15 061	15 542
SIOC	11 104	12 037
RBCT	2 024	2 034
Black Mountain	1 933	1 350
LightApp <sup>1</sup>		121
<b>Joint ventures</b>	2 999	1 780
Mafube	2 999	1 780
<b>Total net carrying value of equity-accounted investments</b>	<b>18 060</b>	<b>17 322</b>

<sup>1</sup> On 31 December 2022, the investment in LightApp was impaired to nil. Refer note 12.

## 17. OTHER ASSETS

	At 31 December	
	2022 Rm	2021 Rm
<b>Non-current</b>	770	546
Reimbursements <sup>1</sup>	605	388
Biological assets	38	27
Lease receivables	38	45
Other	89	86
<b>Current</b>	572	735
VAT	31	351
Diesel rebates	100	113
Royalties	95	1
Prepayments	283	208
Lease receivables	8	7
Other	55	55
<b>Total other assets</b>	<b>1 342</b>	<b>1 281</b>

<sup>1</sup> Amounts recoverable from Eskom in respect of the rehabilitation, environmental expenditure and retirement employee obligations of the Matla operation at the end of LoM.

# Notes to the summarised group annual financial statements

continued

## 18. INTEREST-BEARING BORROWINGS

	At 31 December	
	2022 Rm	2021 Rm
<b>Non-current<sup>1</sup></b>	8 378	9 255
Loan facility	3 391	4 061
Project financing <sup>2</sup>	4 344	4 551
Bonds <sup>3</sup>	643	643
<b>Current<sup>1</sup></b>	715	1 000
Loan facility	502	491
Project financing <sup>2</sup>	210	149
Bonds <sup>3</sup>	3	360
<b>Total interest-bearing borrowings</b>	<b>9 093</b>	<b>10 255</b>
<i>Summary of interest-bearing borrowings by period of redemption:</i>		
Less than six months	377	694
Six to 12 months	338	306
Between one and two years	1 361	652
Between two and three years	795	1 361
Between three and four years	2 947	795
Between four and five years	554	3 172
Over five years	2 721	3 275
<b>Total interest-bearing borrowings</b>	<b>9 093</b>	<b>10 255</b>
<sup>1</sup> Reduced by the amortisation of transaction costs:		
– Non-current	(9)	(14)
– Current	(5)	(6)
<sup>2</sup> Interest-bearing borrowings relating to Cennergi.		
<sup>3</sup> The R357 million senior unsecured floating rate note matured in June 2022.		
<b>Overdraft</b>		
Bank overdraft		1

The bank overdraft is repayable on demand. Interest is based on current South African money market rates.

Refer note 20 for the amounts repaid and raised in relation to interest-bearing borrowings.

There were no defaults or breaches in terms of interest-bearing borrowings during the reporting periods.

The loan facility is subject to the following financial covenants:

- Ratio of consolidated net debt<sup>1</sup> to equity of the group for any measurement period shall be less than 0.8:1
- Ratio of consolidated EBITDA (excluding non-cash BEE credential costs) to net interest paid of the group for any measurement period shall not be less than 4:1
- Ratio of consolidated net debt<sup>1</sup> to consolidated EBITDA (excluding non-cash BEE credential costs, including dividends received from equity-accounted investments) of the group for any measurement period shall be less than 3:1.

<sup>1</sup> For purposes of financial covenants, net debt is adjusted for project financing, pending litigation and other claims as well as other financial guarantees (refer note 24.1).

# Notes to the summarised group annual financial statements

continued

## 18. INTEREST-BEARING BORROWINGS *continued*

The performance against these financial covenants was as follows:

	At 31 December	
	2022	2021
Net (cash)/debt: equity (%)		
– Target	<80	<80
– Actual	(15.99)	(1)
EBITDA: interest cover (times)		
– Target	>4	>4
– Actual <sup>1</sup>		35
Net debt: EBITDA (times)		
– Target	<3	<3
– Actual <sup>2</sup>		

<sup>1</sup> 2022: Exxaro (excluding Cennergi project financing) is in a net finance income position.

<sup>2</sup> Exxaro (excluding Cennergi's net debt) is in a net cash position.

Below is a summary of the salient terms and conditions of the facilities at 31 December 2022:

	Loan facility		
	Bullet term loan	Amortised term loan	Revolving credit facility
Aggregate nominal amount available (Rm)	2 500	1 350	3 250
Undrawn portion (Rm)	nil	nil	3 250
Issue date	26 April 2021	26 April 2021	26 April 2021
Maturity date	26 April 2026	26 April 2026	26 April 2026
Capital payments	The total outstanding amount is payable on final maturity date	Repay each loan in full in equal consecutive semi-annual instalments on the last business day of April and October of each year	The total outstanding amount is payable on final maturity date
Duration (months)	60	60	60
Secured or unsecured	Unsecured	Unsecured	Unsecured
<b>Interest</b>			
Interest payment basis	Floating rate	Floating rate	Floating rate
Interest payment period	Three months	Three months	Monthly
Interest rate			
– Base rate	3-month JIBAR	3-month JIBAR	1-month JIBAR
– Margin	240 basis points (2.40%)	230 basis points (2.30%)	265 basis points (2.65%)
Effective interest rates for the transaction costs	0.11%	0.14%	N/A

# Notes to the summarised group annual financial statements

continued

## 18. INTEREST-BEARING BORROWINGS *continued*

	Project financing		
	Tsitsikamma SPV loan facility	Amakhala SPV loan facilities	Amakhala SPV loan facilities
Remaining nominal amount outstanding (Rm)	1 801	2 610	141
Undrawn portion (Rm)	137	273	nil
Debt assumed date	1 April 2020	1 April 2020	1 April 2020
Maturity date	31 December 2030	30 June 2031	30 June 2031
Capital payments	Semi-annual instalments ranging incrementally over the term from 0.18% to 10.65% of the nominal amount	Semi-annual instalments ranging incrementally over the term from 0.18% to 10.65% of the nominal amount	Semi-annual instalments ranging incrementally over the term from 0.18% to 10.65% of the nominal amount
Duration (months)	129	135	135
Secured or unsecured <sup>1</sup>	Secured	Secured	Secured
<b>Interest</b>			
Interest payment basis	Floating rate <sup>2</sup>	Floating rate <sup>2</sup>	Fixed rate <sup>3</sup>
Interest payment period	Semi-annual	Semi-annual	Semi-annual
Interest rate			
– Base rate	3-month JIBAR	3-month JIBAR	9.46% up to 30 June 2026, thereafter 3-month JIBAR
– Margin/all in margin range	278 basis points (2.78%)	371 to 685 basis points (3.71% to 6.85%)	360 to 670 basis points (3.60% to 6.70%)

<sup>1</sup> Security held over the assets and share capital of Tsitsikamma SPV and Amakhala SPV respectively.

<sup>2</sup> Interest payments are hedged from a floating rate to a fixed rate (refer note 23.2).

<sup>3</sup> The facility will become a floating rate facility from 30 June 2026.

# Notes to the summarised group annual financial statements

continued

## 18. INTEREST-BEARING BORROWINGS *continued*

	<b>DMTN Programme (bonds)</b>
	<b>R643 million senior unsecured floating rate note</b>
Aggregate nominal amount (Rm)	643
Issue date or draw down date	13 June 2019
Maturity date	13 June 2024
Capital payments	No fixed or determined payments, the total outstanding amount is payable on final maturity date
Duration (months)	60
Secured or unsecured	Unsecured
<b>Interest</b>	
Interest payment basis	Floating rate
Interest payment period	Three months
Interest rate	
– Base rate	3-month JIBAR
– Margin	189 basis points (1.89%)

# Notes to the summarised group annual financial statements

continued

## 19. LEASE LIABILITIES

	At 31 December	
	2022 Rm	2021 Rm
Non-current	438	470
Current	40	34
<b>Total lease liabilities</b>	<b>478</b>	<b>504</b>
<i>Summary of lease liabilities by period of redemption:</i>		
Less than six months	19	16
Six to 12 months	21	18
Between one and two years	51	43
Between two and three years	62	53
Between three and four years	66	53
Between four and five years	81	66
Over five years	178	255
<b>Total lease liabilities</b>	<b>478</b>	<b>504</b>
<b>Analysis of movement in lease liabilities</b>		
At beginning of the year	504	522
New leases		1
Lease terminations	(3)	
Reclassification to non-current liabilities held-for-sale		5
Lease remeasurement adjustments	10	12
Interest not paid (accrued)	1	
Capital repayments	(34)	(36)
– Lease payments	(83)	(89)
– Interest charges	49	53
<b>At end of the year</b>	<b>478</b>	<b>504</b>
The lease liabilities relate to the right-of-use assets. Interest is based on incremental borrowing rates ranging between 8.97% and 10.43% (2021: 6.09% and 10.43%).		

## 20. NET CASH/(DEBT)

	At 31 December	
	2022 Rm	2021 Rm
Net cash/(debt) is presented by the following items on the statement of financial position:		
<b>Non-current interest-bearing debt</b>	(8 816)	(9 725)
Interest-bearing borrowings	(8 378)	(9 255)
Lease liabilities	(438)	(470)
<b>Current interest-bearing debt</b>	(755)	(1 034)
Interest-bearing borrowings	(715)	(1 000)
Lease liabilities	(40)	(34)
<b>Net cash and cash equivalents</b>	14 812	7 041
Cash and cash equivalents	14 812	7 042
Overdraft		(1)
<b>Total net cash/(debt)</b>	<b>5 241</b>	<b>(3 718)</b>

# Notes to the summarised group annual financial statements

continued

## 20. NET CASH/(DEBT) continued

Analysis of movement in net cash/(debt):

	Liabilities arising from financing activities			Total Rm
	Cash and cash equivalents/(overdraft) Rm	Non-current interest-bearing debt Rm	Current interest-bearing debt Rm	
<b>Net debt at 31 December 2020</b>	3 187	(7 954)	(6 200)	(10 967)
<b>Cash flows</b>	3 819	(2 750)	6 137	7 206
Operating activities	8 432			8 432
Investing activities	13 419			13 419
Financing activities	(18 032)	(2 750)	6 137	(14 645)
– Interest-bearing borrowings raised	4 725	(4 725)		
– Interest-bearing borrowings repaid	(8 076)	1 975	6 101	
– Distributions to NCI share option holders	(7)			(7)
– Dividends paid to NCI of Tsitsikamma SPV	(5)			(5)
– Loan from NCI repaid	(69)			(69)
– Lease liabilities paid	(36)		36	
– Dividends paid to owners of the parent (note 5)	(9 557)			(9 557)
– Shares acquired in the market to settle share-based payments	(382)			(382)
– Shares repurchased including transaction expense	(1 506)			(1 506)
– Dividends paid to NCI BEE Parties	(3 119)			(3 119)
<b>Non-cash movements</b>		979	(971)	8
Amortisation of transaction costs		(3)	(10)	(13)
Interest accrued			19	19
Lease remeasurements and modifications		(12)		(12)
Disposal of lease liabilities		7	8	15
New leases		(1)		(1)
Transfers between non-current and current liabilities		988	(988)	
<b>Translation difference on movement in cash and cash equivalents</b>	35			35
<b>Net debt at 31 December 2021</b>	7 041	(9 725)	(1 034)	(3 718)

# Notes to the summarised group annual financial statements

continued

## 20. NET CASH/(DEBT) continued

	Liabilities arising from financing activities			Total Rm
	Cash and cash equivalents/ (overdraft) Rm	Non-current interest-bearing debt Rm	Current interest-bearing debt Rm	
<b>Net debt at 31 December 2021</b>	7 041	(9 725)	(1 034)	(3 718)
<b>Cash flows</b>	7 783	225	990	8 998
Operating activities	14 410			14 410
Investing activities	3 990			3 990
Financing activities	(10 617)	225	990	(9 402)
– Interest-bearing borrowings repaid	(1 181)	225	956	
– Distributions to NCI share option holders	(1)			(1)
– Dividends paid to NCI of Tsitsikamma SPV	(37)			(37)
– Lease liabilities paid	(34)		34	
– Dividends paid to owners of the parent (note 5)	(6 686)			(6 686)
– Shares acquired in the market to settle share-based payments	(441)			(441)
– Dividends paid to NCI BEE Parties	(2 237)			(2 237)
<b>Non-cash movements</b>		684	(711)	(27)
Amortisation of transaction costs			(6)	(6)
Interest accrued		(1)	(13)	(14)
Lease remeasurements and modifications		(7)		(7)
Transfers between non-current and current liabilities		692	(692)	
<b>Translation difference on movement in cash and cash equivalents</b>	(12)			(12)
<b>Net cash at 31 December 2022</b>	14 812	(8 816)	(755)	5 241

# Notes to the summarised group annual financial statements

continued

## 21. PROVISIONS

	Environmental rehabilitation			Other site closure cost Rm	Other Rm	Total Rm
	Restoration Rm	Decommissioning Rm	Residual impact Rm			
<b>At 31 December 2022</b>						
At beginning of the year	1 479	350	407	56	10	2 302
Charge/(reversal) to operating expenses (note 9)	81	(72)	385	80		474
– Additional provisions	116		390	80		586
– Unused amounts reversed	(35)	(72)	(5)			(112)
Unwinding of discount rate on rehabilitation costs (note 13)	148	37	43			228
Provisions capitalised to property, plant and equipment		(10)				(10)
Utilised during the year	(15)		(3)	(18)	(6)	(42)
Utilised but not yet paid	(11)					(11)
<b>Total provisions at end of the year</b>	<b>1 682</b>	<b>305</b>	<b>832</b>	<b>118</b>	<b>4</b>	<b>2 941</b>
– Non-current	1 565	305	800	92		2 762
– Current	117		32	26	4	179
<b>At 31 December 2021</b>						
At beginning of the year	1 420	295	323	79	14	2 131
(Reversal)/charge to operating expenses (note 9)	(46)	(11)	63	(1)	(1)	4
– Additional provisions	122	10	109			241
– Unused amounts reversed	(168)	(21)	(46)	(1)	(1)	(237)
Unwinding of discount rate on rehabilitation costs (note 13)	161	36	44		1	242
Provisions capitalised to property, plant and equipment		32				32
Utilised during the year	(14)		(6)	(24)	(4)	(48)
Reclassification to non-current liabilities held-for-sale	(42)	(2)	(17)	2		(59)
<b>Total provisions at end of the year</b>	<b>1 479</b>	<b>350</b>	<b>407</b>	<b>56</b>	<b>10</b>	<b>2 302</b>
– Non-current	1 408	350	398	43	2	2 201
– Current	71		9	13	8	101

# Notes to the summarised group annual financial statements

continued

## 22. OTHER LIABILITIES

	At 31 December	
	2022 Rm	2021 Rm
<b>Non-current</b>		
Income received in advance	26	26
<b>Current</b>	770	994
Termination benefits		82
Leave pay	234	241
Bonuses <sup>1</sup>	362	481
VAT	61	26
Royalties		73
Carbon tax	3	2
Customer advance payments	3	
Other	107	89
<b>Total other liabilities</b>	<b>796</b>	<b>1 020</b>

<sup>1</sup> From 1 January 2022, Exxaro implemented a new short-term incentive scheme, which comprises the group incentive scheme (GIS) and line of sight (LOS) incentive schemes.

## 23. FINANCIAL INSTRUMENTS

The group holds the following financial instruments:

	At 31 December	
	2022 Rm	2021 Rm
<b>Non-current</b>		
<b>Financial assets</b>		
<i>Financial assets at FVOCI</i>	474	446
Equity: unlisted – Chifeng	474	446
<i>Financial assets at FVPL</i>	2 607	2 173
Debt: unlisted – environmental rehabilitation funds	2 187	2 173
Debt: unlisted – portfolio investments	420	
<i>Financial assets at amortised cost</i>	447	618
ESD loans <sup>1</sup>	102	91
– Gross	108	99
– Impairment allowances	(6)	(8)
Vendor finance loan <sup>2</sup>	173	293
– Gross	173	300
– Impairment allowance		(7)
Other financial assets at amortised cost	172	234
– Environmental rehabilitation funds	99	94
– Deferred pricing receivable <sup>3</sup>	76	145
– Impairment allowances	(3)	(5)
<i>Derivative financial assets designated as hedging instruments</i>	11	
Cash flow hedge derivatives: interest rate swaps <sup>4</sup>	11	
<b>Financial liabilities</b>		
<i>Financial liabilities at amortised cost</i>	(8 403)	(9 308)
Interest-bearing borrowings	(8 378)	(9 255)
Other payables	(25)	(53)
<i>Derivative financial liabilities designated as hedging instruments</i>	(112)	(406)
Cash flow hedge derivatives: interest rate swaps <sup>4</sup>	(112)	(406)

<sup>1</sup> Interest-free loans advanced to successful applicants in terms of the Exxaro ESD programme.

<sup>2</sup> Vendor finance loan granted to Overlooked Colliery as part of the disposal of the ECC operation. The repayment terms were revised during 2022. The loan is unsecured, repayable from 1 October 2022 and bears interest at:

- Prime Rate for the period 3 September 2021 to 30 September 2024
- Prime Rate plus 1 for the period 1 October 2024 to 30 September 2025
- Prime Rate plus 2 for the period 1 October 2025 to 30 September 2026
- Prime Rate plus 3 for the period 1 October 2026 to 30 September 2027.

<sup>3</sup> Relates to a deferred pricing adjustment which arose during 2017. The amount receivable will be settled over seven years (ending 2024) and bears interest at Prime Rate less 2%.

<sup>4</sup> Refer note 23.2.

# Notes to the summarised group annual financial statements

continued

## 23. FINANCIAL INSTRUMENTS continued

	At 31 December	
	2022 Rm	2021 Rm
<b>Current</b>		
<b>Financial assets</b>		
<i>Financial assets at amortised cost</i>	19 330	10 050
ESD loans <sup>1</sup>	76	90
– Gross	166	114
– Impairment allowances	(90)	(24)
Vendor finance loan <sup>2</sup>	121	7
Other financial assets at amortised cost	122	210
– Deferred pricing receivable <sup>3</sup>	70	67
– Deferred consideration receivable <sup>4</sup>	56	150
– Employee receivables	4	4
– Impairment allowances	(8)	(11)
Trade and other receivables	4 199	2 701
Trade receivables	4 124	2 626
– Gross	4 150	2 647
– Impairment allowances	(26)	(21)
Other receivables	75	75
– Gross	122	101
– Impairment allowances	(47)	(26)
Cash and cash equivalents	14 812	7 042
<i>Financial assets at FVPL</i>	57	4
Derivative financial assets	57	4
<b>Financial liabilities</b>		
<i>Financial liabilities at amortised cost</i>	(4 055)	(3 231)
Interest-bearing borrowings	(715)	(1 000)
Trade and other payables	(3 340)	(2 230)
– Trade payables	(1 559)	(999)
– Other payables	(1 781)	(1 231)
Overdraft		(1)
<i>Financial liabilities at FVPL</i>	(5)	
Derivative financial liabilities	(5)	

<sup>1</sup> Interest-free loans advanced to successful applicants in terms of the Exxaro ESD programme.

<sup>2</sup> Vendor finance loan granted to Overlooked Colliery as part of the disposal of the ECC operation. The repayment terms were revised during 2022. The loan is unsecured, repayable from 1 October 2022 and bears interest at:

– Prime Rate for the period 3 September 2021 to 30 September 2024

– Prime Rate plus 1 for the period 1 October 2024 to 30 September 2025

– Prime Rate plus 2 for the period 1 October 2025 to 30 September 2026

– Prime Rate plus 3 for the period 1 October 2026 to 30 September 2027.

<sup>3</sup> Relates to a deferred pricing adjustment which arose during 2017. The amount receivable will be settled over seven years (ending 2024) and bears interest at Prime Rate less 2%.

<sup>4</sup> Relates to deferred consideration receivable which arose on the disposal of the ECC operation.

The group has granted the following loan commitments:

	At 31 December	
	2022 Rm	2021 Rm
<b>Total loan commitments<sup>1</sup></b>	96	250
Mafube <sup>2</sup>		250
ESD applicants <sup>3</sup>	96	

<sup>1</sup> The loan commitments were undrawn for the reporting periods.

<sup>2</sup> The revolving credit facility which was available for five years, ending 2023, was cancelled early during June 2022.

<sup>3</sup> Loans approved and awarded to successful ESD applicants.

# Notes to the summarised group annual financial statements

continued

## 23. FINANCIAL INSTRUMENTS *continued*

### 23.1 Fair value hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities.

These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to the valuation techniques used. The different levels are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the group can access at the measurement date.

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

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

	Fair value Rm	Level 2 Rm	Level 3 Rm
<b>At 31 December 2022</b>			
<b>Financial assets at FVOCI</b>	474		474
Equity: unlisted – Chifeng	474		474
<b>Financial assets at FVPL</b>	2 607	2 607	
Non-current debt: unlisted – environmental rehabilitation funds	2 187	2 187	
Non-current debt: unlisted – portfolio investments	420	420	
<b>Derivative financial assets designated as hedging instruments</b>	11	11	
Non-current cash flow hedge derivatives: interest rate swaps	11	11	
<b>Derivative financial assets</b>	57	57	
Current derivative financial assets	57	57	
<b>Derivative financial liabilities</b>	(5)	(5)	
Current derivative financial liabilities	(5)	(5)	
<b>Derivative financial liabilities designated as hedging instruments</b>	(112)	(112)	
Non-current cash flow hedge derivatives: interest rate swaps	(112)	(112)	
<b>Net financial assets held at fair value</b>	3 032	2 558	474
<b>At 31 December 2021</b>			
<b>Financial assets at FVOCI</b>	446		446
Equity: unlisted – Chifeng	446		446
<b>Financial assets at FVPL</b>	2 173	2 173	
Non-current debt: unlisted – environmental rehabilitation funds	2 173	2 173	
<b>Derivative financial assets</b>	4	4	
Current derivative financial assets	4	4	
<b>Derivative financial liabilities designated as hedging instruments</b>	(406)	(406)	
Non-current cash flow hedge derivatives: interest rate swaps	(406)	(406)	
<b>Net financial assets held at fair value</b>	2 217	1 771	446

# Notes to the summarised group annual financial statements

continued

## 23. FINANCIAL INSTRUMENTS continued

### 23.1 Fair value hierarchy continued

Reconciliation of financial assets and financial liabilities within Level 3 of the hierarchy:

	Chifeng Rm	Total Rm
<b>At 31 December 2020</b>	222	222
<i>Movement during the year</i>		
Gains recognised in OCI (pre-tax effect) <sup>1</sup>	49	49
Disposal <sup>2</sup>	(217)	(217)
Acquisition <sup>2</sup>	392	392
<b>At 31 December 2021</b>	446	446
<i>Movement during the year</i>		
Gains recognised in OCI (pre-tax effect) <sup>1</sup>	28	28
<b>At 31 December 2022</b>	474	474

<sup>1</sup> Tax on Chifeng amounts to R17.61 million (31 December 2021: nil).

<sup>2</sup> During 2021, the four Chifeng refinery companies embarked on a process to consolidate the separate companies into one consolidated entity. The investments in the separate companies for certain of the phases were derecognised and the investment in the consolidated entity, which includes all phases of the Chifeng refinery, was recognised on the consolidation date. Exxaro holds an 8.81% shareholding in Chifeng.

#### Transfers

The group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. There were no transfers between Level 1 and Level 2 nor between Level 2 and Level 3 of the fair value hierarchy.

#### Valuation process applied

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

#### Current derivative financial instruments

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

#### Environmental rehabilitation funds and portfolio investments

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

#### Interest rate swaps

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

# Notes to the summarised group annual financial statements

continued

## 23. FINANCIAL INSTRUMENTS *continued*

### 23.2 Hedge accounting: Cash flow hedges

The following tables detail the financial position and performance of the interest rate swaps outstanding at the end of the reporting period and their related hedged items.

#### 23.2.1 Financial performance effects of hedging recognised during the year:

	Line item in which recognised	For the year ended 31 December	
		2022 Rm	2021 Rm
Fair value losses resulting from hedge ineffectiveness	Operating expenses	(13)	(10)
Fair value losses on settlement of underlying swap (reclassified)	Finance costs	(97)	(146)

#### 23.2.2 Hedging reserves

The hedging reserve relates to the fair value movements on cash flow hedges of interest rate swaps. The reserve is included within the financial instruments' revaluation reserve on the condensed group statement of changes in equity, which includes the group's share of movements in its equity-accounted investees' hedging reserves.

#### Financial instruments' revaluation reserve composition:

	At 31 December	
	2022 Rm	2021 Rm
<b>Cash flow hedge reserve – interest rate swaps</b>	64	(119)
– Gross	88	(165)
– Deferred tax thereon	(24)	46
Balance of share of movements of equity-accounted investees	5	
Balance of NCI share of financial instruments' revaluation reserve	(50)	2
<b>Financial instruments' revaluation reserve</b>	19	(117)

#### Movement analysis of cash flow hedge reserve – interest rate swaps:

	Gross Rm	Tax Rm	Net Rm
<b>At 31 December 2020</b>	(428)	120	(308)
<i>Movement during the year</i>			
Change in fair value of interest rate swaps recognised in OCI	117	(33)	84
Reclassified from OCI to profit or loss in finance costs	146	(41)	105
<b>At 31 December 2021</b>	(165)	46	(119)
<i>Movement during the year</i>			
Change in fair value of interest rate swaps recognised in OCI	156	(43)	113
Reclassified from OCI to profit or loss in finance costs	97	(27)	70
<b>At 31 December 2022</b>	88	(24)	64

# Notes to the summarised group annual financial statements

continued

## 23. FINANCIAL INSTRUMENTS *continued*

### 23.2 Hedge accounting: Cash flow hedges *continued*

#### 23.2.3 Hedging instruments

	At 31 December	
	2022 Rm	2021 Rm
<b>Hedged items: Cash flows on floating rate project financing linked to JIBAR</b>		
Nominal amount	3 691	3 808
Gross carrying amount in cash flow hedge reserve	88	(165)
Cumulative gain/(loss) in fair value used for calculating hedge ineffectiveness	88	(165)
<b>Hedging instruments: Outstanding receive floating, pay fixed contracts</b>		
Nominal amount	3 691	3 808
Carrying amount	(101)	(406)
– Non-current financial asset	11	
– Non-current financial liability	(112)	(406)
Cumulative loss in fair value used for calculating hedge ineffectiveness	(130)	(354)

The interest rate swaps settle on a semi-annual basis. The group settles the difference between the fixed and floating interest rate (three-month JIBAR) on a net basis. The three-month JIBAR is swapped out to a fixed rate as follows:

- Tsitsikamma SPV floating rate facility: 9.55% up to 30 June 2030. The swaps cover 60% of the remaining loan notional value.
- Amakhala SPV floating rate facilities:
  - IFC facilities: 8.42% up to 30 June 2031. The swaps cover 100% of the remaining loans notional values.
  - A and C banking facilities: 8.00% up to 30 June 2021. The swaps cover 100% of the remaining loans notional values.
  - 9.46% up to 30 June 2026. The swaps cover 100% of the remaining loans notional values.

The interest rate swaps require settlement of net interest receivable or payable every six months. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

## 24. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### 24.1 Contingent liabilities

	At 31 December	
	2022 Rm	2021 Rm
Pending litigation and other claims <sup>1</sup>	313	
Operational guarantees <sup>2</sup>	3 834	3 834
– Financial guarantees ceded to the DMRE	3 606	3 606
– Other financial guarantees	228	228
<b>Total contingent liabilities</b>	<b>4 147</b>	<b>3 834</b>

<sup>1</sup> Relates to commercial dispute of which the outcome is uncertain.

<sup>2</sup> Includes guarantees to banks and other institutions in the normal course of business from which it is anticipated that no material liabilities will arise.

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

#### Share of equity-accounted investments' contingent liabilities

	At 31 December	
	2022 Rm	2021 Rm
Share of contingent liabilities of equity-accounted investments	1 354	1 564

# Notes to the summarised group annual financial statements

continued

## 24. CONTINGENT LIABILITIES AND CONTINGENT ASSETS *continued*

### 24.2 Contingent assets

	At 31 December	
	2022 Rm	2021 Rm
Back-to-back guarantees	134	134
Other <sup>1</sup>	117	75
<b>Total contingent assets</b>	<b>251</b>	<b>209</b>

<sup>1</sup> 2022: Relates to performance guarantees issued to Exxaro in terms of various capital project agreements.

2021: Relates to guarantees issued to Exxaro which arose on the divestment of the ECC operation in terms of the SPA.

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

### 25. RELATED PARTY TRANSACTIONS

The group entered into various sale and purchase transactions with associates and joint ventures during the ordinary course of business. These transactions were subject to terms that are no less, nor more favourable than those arranged with independent third parties.

### 26. GOING CONCERN

Based on the latest results for the year ended 31 December 2022, the latest board approved budget for 2023, as well as the available banking facilities and cash generating capability, Exxaro satisfies the criteria of a going concern in the foreseeable future.

### 27. EVENTS AFTER THE REPORTING PERIOD

Details of the final dividend are provided in note 5.

The directors are not aware of any other significant matter or circumstance arising after the reporting period up to date of this report, not otherwise dealt with in this report.

### 28. KEY MEASURES<sup>1</sup>

	At 31 December	
	2022	2021
Closing share price (rand per share)	217.31	152.87
Market capitalisation (Rbn)	75.91	53.40
Average rand/US\$ exchange rate (for the year ended)	16.37	14.78
Closing rand/US\$ spot exchange rate	16.98	15.94

<sup>1</sup> Non-IFRS numbers.

# Notes to the summarised group annual financial statements

continued

## 29. INDEPENDENT AUDITOR'S REPORT ON THE SUMMARISED GROUP FINANCIAL STATEMENTS

To the shareholders of Exxaro Resources Limited

### Opinion

The summarised group financial statements, contained in the accompanying abridged report which comprise the audited group statement of financial position at 31 December 2022, the audited group statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited group financial statements of Exxaro Resources Limited ("the Group") for the year ended 31 December 2022.

In our opinion, the accompanying summarised group financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the JSE Limited's (JSE) Listings Requirements for abridged reports, as set out in note 2 to the summarised group financial statements, and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

### Summary group financial statements

The summarised group financial statements do not contain all the disclosures required by IFRS Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa as applicable to the annual financial statements of the group. Reading the summarised group financial statements and our report thereon, therefore, is not a substitute for reading the audited group financial statements and our report thereon.

### The audited group financial statements and our report thereon

We expressed an unmodified audit opinion on the audited group financial statements in our report dated 18 April 2023. That report also includes:

- the communication of key audit matter. Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the financial statements for the current period.
- other matter which details information regarding the consolidated financial statements of the Group as at 31 December 2021 which were audited by another auditor.

### Directors' responsibility for the summary group financial statements

Directors are responsible for the preparation of the summarised group financial statements in accordance with the JSE Limited's (JSE) Listings Requirements for abridged reports, as set out in note 2 to the summarised group annual financial statements, and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

### Auditors' responsibility

Our responsibility is to express an opinion on whether the summarised group financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), "Engagements to Report on Summary Financial Statements".

### KPMG Inc.

Registered Auditor  
Per SM Loonat  
Chartered Accountant (SA)  
Registered Auditor  
Director

18 April 2023  
KPMG Crescent  
85 Empire Road  
Parktown  
2196

# Exxaro Resources Limited

Annual general meeting  
notice and proxy

2023

**exxaro**

POWERING POSSIBILITY



# Brief curricula vitae of directors standing for election or re-election

## **Zwelibanzi Mntambo (65)**

Non-executive director

Remuneration and Nomination committee member

Appointed 28 November 2006

*BJuris (North-West University), LLB (North-West University), LLM (Yale University)*

### **Skills and experience**

Zwelibanzi is executive chairperson of Moabi Capital. He was a senior lecturer at the University of KwaZulu-Natal, executive director of Independent Mediation Services of South Africa, director-general of the Gauteng government and chairperson of the Commission for Conciliation, Mediation and Arbitration. He is a director of Eyesizwe Holdings and Eyesizwe Mining, and a trustee of the Paleontological Scientific Trust.

## **Chanda Nxumalo (39)**

Independent non-executive director

Audit committee member since 27 May 2021, Risk and Business Resilience committee member from 1 February 2021 and investment committee member from 4 October 2021

Appointed 1 February 2021

*MEng (economics and management) (University of Oxford)*

### **Skills and experience**

Chanda has 15 years' experience working in the renewable energy and power sectors. Having worked across North America and Europe, she has experience delivering technical, commercial and environmental advisory services in the renewables sector. As a director of Harmattan Renewables, she has been responsible for providing technical consultancy and asset management services for renewable energy projects across sub-Saharan Africa. For the past decade, Chanda has been instrumental in driving the renewable energy roll-out in South Africa, acting as spokesperson for the South African PV Association as well as consulting on some of the first renewable projects to be delivered as part of South Africa's Renewable Energy IPP Procurement Programme. With her richness of skills and experience in the energy field, nationally and internationally, including the African continent, and strong leadership capability, Chanda will support Exxaro's growth strategy in energy.

## **Nondumiso Medupe (54)**

Independent non-executive director

Audit committee and Risk and Business Resilience committee member

Appointed 3 January 2023

*Postgraduate diploma in accounting (University of KwaZulu-Natal), BAcc (University of Durban Westville), Certificate in Sustainability Leadership and Corporate Governance (London Business School), CA(SA) (SAICA)*

### **Skills and experience**

Nondumiso is a chartered accountant who holds a PGDip (Accounting) from the University of KwaZulu-Natal (1998) and a BAcc from the University of Durban Westville (1992). She also maintains a certification in Sustainability Leadership and Corporate Governance from London Business School (2021). She is currently an independent board member, risk committee chairperson and audit committee member for the City Lodge Hotels Limited; and independent board member and member of the audit and risk committee, and social, ethics and transformation committee of Alexander Forbes Group Holdings Limited; and audit and risk committee and social and ethics committee member of Daimler Chrysler (trucks), a non-listed entity. Nondumiso has previously chaired the audit and risk committees of two listed companies, Alvia Holdings Limited and Etion Limited and was previously the chief operations officer, internal audit for the Nedbank Group Limited.

## **Billy Mawasha (43)**

Independent non-executive director

Appointed 7 February 2023

*BSc Engineering (electrical) (University of Cape Town)*

### **Skills and experience**

He is a certified director with the Institute of directors of Southern Africa and the South African Institute of Electrical Engineers. He holds advanced management qualifications from London Business School (UK) and Harvard Kennedy School (US). Billy offers strong operational and technical leadership experience in the mining sector as former Kumba Iron Ore head of operations and integration and former Country Head of Rio Tinto in South Africa. He is the founder of an investment company, and provides strategic and technical leadership to his investee companies. Previous board memberships include Foskor Limited Technical Committee and Sishen Iron Ore Company Limited. He is currently a non-executive director of Murray & Roberts Holdings Limited, Metair Investments Limited and Impala Platinum Holdings Limited.

# Brief curricula vitae of directors standing for election or re-election continued

## **Geraldine Fraser-Moleketi (62)**

Lead independent director

Social and Ethics committee Chair, Remuneration and Nomination committee

Appointed 18 May 2018

*Leadership Programme (Wharton), Fellow of the Institute of Politics (Harvard)*

### **Skills and experience**

In addition to her role as a lead independent non-executive director, Geraldine is a member of both Exxaro's Social and Ethics Committee, and Remuneration and Nomination Committee. She is a fellow of the Institute of Politics at the Harvard Kennedy School and has completed a leadership course at Wharton Business School at the University of Pennsylvania. She has been recognised with several awards, including the OP Dwidedi Public Service Award from the International Association of Schools and Institutes of Public Administration, and a special award for outstanding achievement from the University of Pretoria's School of Public Management and Administration. Geraldine serves as chancellor of the Nelson Mandela University, and as a non-executive director on the board of the Standard Bank Group and Standard Bank South Africa.

## **Karin Ireton (67)**

Independent non-executive director

Social and Ethics committee

Appointed 7 February 2022

*MA (International Political Economy), University of Leeds; International Programme for the Management of Sustainability, Netherlands; Environmental Impact Assessment and Management, University of Aberdeen*

### **Skills and experience**

Karin has over 30 years of experience in sustainability matters in coal power generation mining and banking sectors. She is an international specialist in sustainability issues. She is currently an independent consultant focused on strategies for growth, risk identification and management, transparency, and disclosure. A significant focus of her current work is the impact of climate change on business and the need to reduce emissions and adapt business strategies. Prior to this she was the Group Head of Sustainability for Standard Bank Group and a Head of Sustainable Development for Anglo American Public Limited Company, amongst others. Previous board experience includes Aureus Mining Incorporated, National Business Initiative and Member Representative for Standard Bank, Institute of Directors South Africa Chairman Sustainable Development Forum, JSE Limited SRI Advisory Committee, UNEP Finance Initiative Chairman Climate Change Action Group Global Steering Committee Member.

## **Likhapha Mbatha (68)**

Non-executive director

Development Practitioner, Social and Ethics committee

Appointed 6 March 2018

*BA LLB (University of Lesotho), LLM (University of the Witwatersrand)*

### **Skills and experience**

Likhapha is a coach at the National Movement of Rural Women (NMRW), mentoring coordinators on development methods and systems, project preparation, finance, and management. Here, she also supervises and evaluates small and medium development projects. Likhapha understands that a lack of education, poor health and nutrition, government policies, and the exploitative nature of humans are uncontrolled variables that can lead to poverty. As such, she focuses on development as an opportunity for affected individuals to still lead quality lives within their communities, despite their circumstances.

## **Petrus Casparus Christiaan Hendrik Snyders (62)**

Independent non-executive director

Risk and Business Resilience committee Chair, Investment committee, Social and Ethics committee

Appointed 1 July 2016

*BEng (Mining), Diploma in Marketing Management, MCom in Business Management, Mine Manager's Certificate of Competency (Coal and Metalliferous)*

### **Skills and experience**

Peet currently works at Submex Investment - a company focused on niche coal projects. With 14 years of experience as a director, he has held positions of COO at Sable Mining Africa and Continental Coal, director of operations at Keaton Energy, managing director at Riversdale Holdings, and business manager at Anglo Platinum. He is currently a member of the South African Institute of Mining and Metallurgy, having previously served as chairman for their northern region. Peet also filled the position of vice president of the South African Colliery Managers' Association.

# Brief curricula vitae of directors standing for election or re-election continued

## **Nombasa Tsengwa (58)** Chief Executive Officer

Appointed 16 March 2021

*Ph.D. (Agronomy), University of Maryland, College Park, US, Executive Development Programme (EDP) (Insead, France)*

### **Skills and experience**

Dr Nombasa Tsengwa started her career in the mining industry in 2003 when she joined the then, Kumba Resources as the General Manager Safety Health and Environment. With the unbundling of Kumba and the inception of Exxaro Resources, she was appointed as Executive General Manager Safety and Sustainable Development. In 2010 she was appointed as Regional General Manager Coal Tied Collieries, overseeing three underground and four opencast operations. In 2015 she was appointed as acting Executive Head Coal Operations before formally taking hold of this position in May 2016. In this position she was responsible for oversight in the operations and functioning of the Coal Business and its ventures managed by Exxaro Coal. In this position she was also responsible for the marketing and logistics of all products. In July 2020, Dr Tsengwa was appointed as Managing Director Minerals, a new division, which was an expansion of her Coal and FerroAlloys portfolio to included new low carbon minerals. In March 2021 Dr Tsengwa was appointed CEO Designate, until she moved into the role of CEO from 1 August 2022 with the retirement of Mxolisi Mgojo. Before she joined Kumba, Dr Tsengwa worked in various South African Government departments, amongst others, as Deputy Director General of Environmental Affairs and Tourism. Dr Tsengwa is a member of the Exxaro Board and serves on the Board of the Minerals Council of South Africa. Previously, Dr Tsengwa served on the Astral Foods (Pty) Ltd. Board of Directors as a non-Executive Director for nine years (2008-2017), during the last two years, she was also the Chairperson of the Remuneration Committee and a member of the Nominations Committee. In 2017, Dr Tsengwa was awarded the coveted Standard Bank Business Woman of the Year Award. This was followed by the Winner of the "Africa's Most Influential Woman in Business and Government - Mining Industry Category" at the Pan African Awards in 2018. Exxaro Resources applauded her outstanding leadership and her role in advancing women in the workplace by awarding her an Evergreen Award in the category CEO Special Nomination in 2018. Dr Tsengwa believes in a balanced lifestyle with regular exercises. She is a keen runner and finished nine Comrades marathons.

## **Pieter Adriaan Koppeschaar (52)** Finance Director

Appointed July 2016

*BCom (Hons), CA (SA), Advanced Management Programme (INSEAD), Advanced Certificate in Taxation, Advanced Certificate in Treasury Management*

### **Skills and experience**

After completing his articles at Coopers & Lybrand in 1995, Riaan held various managerial positions in treasury and corporate finance at Iscor Limited, Kumba Resources Limited, and Exxaro Resources Limited. Riaan was our general manager for corporate finance and treasury for ten years until he was appointed finance director in July 2016.

# Annual general meeting notice

## **Exxaro Resources Limited**

(Incorporated in the Republic of South Africa)

Registration number: 2000/011076/06

JSE share code: EXX ISIN: ZAE000084992

ADR code: EXXAY

Bond code: EXX05

ISIN No: ZAG000160334

(Exxaro or the company or the group)

- This document is important and requires your immediate attention. If you are in any doubt as to what action to take, please consult appropriate independent advisors.
- This document is available in English only. Electronic copies of this document may be obtained from the Exxaro website on [www.exxaro.com](http://www.exxaro.com)
- If you have disposed of your Exxaro shares, this notice should be handed to the purchaser of such shares or to the Central Security Depository Participants (CSDP) broker, banker or other agent through whom such disposal was effected.

## **NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Notice is hereby given that the 22nd (twenty second) annual general meeting (AGM) of shareholders of Exxaro will be held by electronic and in-person meeting participation (subject to any adjournment or postponement, and health and safety protocols) at the Auditorium, at The connexXion, 263B West Avenue, Die Hoewes, Centurion, South Africa, with limited in-person attendance at 10:00 on Thursday, 18 May 2023 to consider and, if deemed fit, pass with or without modification, the resolutions as set out in this notice.

## **PURPOSE OF THE ANNUAL GENERAL MEETING**

The purpose of this meeting is to:

- Present the audited annual financial statements (AFS) of the company and the group for the year ended 31 December 2022 (including the report of the directors, Audit committee report and the independent external auditor's report) to shareholders;
- Present the Social, Ethics and Responsibility committee report to shareholders;
- Consider any matters raised by shareholders; and
- Consider and, if deemed fit, to pass, with or without modification, the ordinary and special resolutions which form part of this meeting notice.

## **ELECTRONIC PARTICIPATION BY SHAREHOLDERS**

Should any shareholder (or representative or proxy for a shareholder) wish to participate in the AGM electronically, that shareholder should apply in writing (including details on how the shareholder or representative (including proxy) can be contacted) to The Meeting Specialist Proprietary Limited (the meeting scrutineers), via email at [proxy@tmsmeetings.co.za](mailto:proxy@tmsmeetings.co.za) and at the address below, to be received by the scrutineers at least 48 hours prior to the AGM (thus at 10:00 on Tuesday, 16 May 2023) for the scrutineers to arrange for the shareholder (or representative or proxy) to provide reasonably satisfactory identification to the scrutineers for the purposes of section 63(1) of the Companies Act 71 of 2008, as amended (Companies Act) and for the scrutineers to provide the shareholder (or representative or proxy) with details on how to access the AGM by means of electronic participation. The written notification should contain the following:

- A certified copy of the shareholder's identification document or passport if the shareholder is an individual;
- A certified copy of a resolution of letter of representation given by the holder if you are a company or juristic person, and certified copies of identity document or passports of the persons who passed the resolution;
- A valid email address and/or mobile number; and
- An indication that you or your proxy not only wishes to attend the meeting by means of electronic communication, but also to participate and vote by means of electronic communication.

# Annual general meeting notice continued

## **ELECTRONIC PARTICIPATION BY SHAREHOLDERS** continued

Such participants, who have complied with the notice requirement above, will be contacted between 16 May 2023 and 18 May 2023, with the relevant connection details as well as the passcodes through which you or your proxy/ies can participate via electronic communication and advised of the process for participation via a unique link to the email/mobile number provided in the notification. Should you wish to participate by way of electronic communication, you will be required to connect with the details as provided by the company by no later than 15 minutes prior to the commencement of the AGM during which time registration will take place.

If you choose to participate online you will be able to view a live webcast of the meeting, ask directors questions online or in written format and submit your votes in real time.

For administrative purposes, completed notices for electronic participation must be received by the meeting scrutineers via email at proxy@tmsmeetings.co.za before 10:00 on 16 May 2023.

## **IMPORTANT DATES**

The board of directors of the company has determined, in accordance with section 59(1)(a) and (b) of the Companies Act, the following important dates:

Record date for receipt of notice purposes	Thursday, 6 April 2023
Notice of meeting distributed to shareholders	Tuesday, 18 April 2023
Last date to trade to be eligible to vote*	Tuesday, 9 May 2023
Record date for voting purposes	Friday, 12 May 2023
For administration purposes, forms of proxy to be lodged by 10:00 on	Tuesday, 16 May 2023
Meeting to be held 10:00 on	Thursday, 18 May 2023
Results of meeting released on SENS	Friday, 19 May 2023

\* *Shareholders should note that as transactions in shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three business days after such trade. Therefore, shareholders who acquire shares after close of trade on Tuesday, 9 May 2023 will not be eligible to attend, participate in and vote at the AGM. No share certificates may be dematerialised or rematerialised between Wednesday, 10 May and Friday, 12 May, both days included.*

## **IDENTIFICATION, VOTING AND PROXIES**

In terms of section 63(1) of the Companies Act, any person attending or participating in the AGM must present reasonably satisfactory identification and the person presiding at the AGM must be reasonably satisfied that the right of any person to participate in and vote (as shareholder or as proxy for a shareholder) has been reasonably verified. Suitable forms of identification will include valid identity documentation, driver's licences and passports.

The votes of shares held by share trusts classified as schedule 14 trusts in the JSE Limited (JSE) Listings Requirements will not be taken into account at the AGM for approval of any resolution proposed in terms of the JSE Listings Requirements.

A form of proxy is attached for the convenience of any certificated or dematerialised Exxaro shareholders with own-name registrations who cannot attend the AGM but wish to be represented.

# Annual general meeting notice continued

## IDENTIFICATION, VOTING AND PROXIES continued

For effective administrative purposes, completed forms of proxy must be received by the scrutineers of the company, The Meeting Specialist Proprietary Limited, via email to [proxy@tmsmeetings.co.za](mailto:proxy@tmsmeetings.co.za), by no later than 10:00 on Tuesday, 16 May 2023. Any forms of proxy not lodged by this time must be handed to the Chairman prior to the start of the meeting.

All beneficial owners of Exxaro shares who have dematerialised their shares through a central securities depository participant (CSDP) or broker, other than those with own-name registration, and all beneficial owners of shares who hold certificated shares through a nominee, must provide their CSDP, broker or nominee with their voting instructions, in accordance with the agreement between the beneficial owner and the CSDP, broker or nominee. Should such beneficial owners wish to attend the meeting in person, they must request their CSDP, broker or nominee to issue them with the appropriate letter of representation.

**Exxaro does not accept responsibility and will not be held liable for any failure on the part of a CSDP or broker to notify such Exxaro shareholder of the annual general meeting.**

## QUORUM

A quorum for the purposes of considering the resolutions to be proposed at the meeting shall consist of three shareholders of the company, present or represented by proxy (and if the shareholder is a body corporate, the representative of the body corporate) and entitled to vote at the meeting. In addition, a quorum shall comprise 25% of all voting rights entitled to be exercised by shareholders in respect of the resolutions to be proposed at the meeting.

## PRESENTATION OF AUDITED ANNUAL FINANCIAL STATEMENTS

The annual financial statements (AFS) of the company and the group, including the reports of the directors, group Audit committee and the independent external auditors, for the year ended 31 December 2022 will be presented to shareholders as required in terms of section 30(3)(d) of the Companies Act (abbreviated versions have been included in this publication).

**The AFS (<https://www.exxaro.com/investor-centre/integrated-reports/?year=2022#filter>) of the company and the group are available on the company's website, [www.exxaro.com](http://www.exxaro.com) or can be requested from the group company secretary at [investorrelations@exxaro.com](mailto:investorrelations@exxaro.com) or telephonically on +27 12 307 7156.**

## PRESENTATION OF THE SOCIAL, ETHICS AND RESPONSIBILITY COMMITTEE REPORT (SERC)

A report of the members of the group Social, Ethics and Responsibility committee for the year ended 31 December 2022, as included in the ESG report 2022, will be presented to shareholders as required in terms of regulation 43 of the Companies Regulations 2011 (Regulations).

**The group Social, Ethics and Responsibility committee report is included in the ESG report (<https://www.exxaro.com/investor-centre/integrated-reports/?year=2022#filter>) and available on the company's website, [www.exxaro.com](http://www.exxaro.com) or can be requested from the group company secretary at [investorrelations@exxaro.com](mailto:investorrelations@exxaro.com) or telephonically on +27 12 307 7156.**

## RESOLUTIONS FOR CONSIDERATION AND ADOPTION

### ORDINARY RESOLUTIONS

*For each of the ordinary resolutions to be passed, votes in favour must represent at least 50% +1 (fifty percent plus one) of all votes cast and/or exercised at the meeting for each of these resolutions.*

#### 1 Ordinary resolution number 1: Election and re-election of directors

##### Re-election

In accordance with the company's Memorandum of Incorporation (MOI), one-third of the non-executive directors are subject to retirement by rotation and re-election by shareholders annually. Eligible directors may offer themselves for re-election.

At this meeting and in accordance with the MOI, Messrs. Zwelibanzi Mntambo, Isaac Mophatlane, Vuyisa Nkonyeni and Ms Chanda Nxumalo, are obliged to retire by rotation.

Messrs Isaac Mophatlane and Vuyisa Nkonyeni have indicated that they are not available for re-election and will retire by rotation.

Mr Zwelibanzi Mntambo, and Ms Chanda Nxumalo indicated that they are available for re-election.

The Nomination committee (Nomco) has reviewed the composition, gender and racial balance of the board of directors and evaluated the independence (where applicable), performance and contribution of the directors listed above. Furthermore, the Committee has considered their individual knowledge, skills and experience and recommended to the board of directors that they be proposed for re-election by shareholders.

The board of directors has considered the proposals of the Nomco and recommends the re-election of Mr Zwelibanzi Mntambo and Chanda Nxumalo by way of separate resolutions.

##### Election

The Nomco further commenced a process to source an additional independent non-executive director for appointment to the board of directors, to replace Mr Vuyisa Nkonyeni as a member and chairman of the Audit committee. The board of directors considered the proposal by the Nomco and has appointed Ms Nondumiso Medupe as independent non-executive director in a casual vacancy on 3 January 2023, to hold office until the AGM, at which meeting her appointment will terminate and she will be available for election by shareholders.

Ms Nondumiso Medupe has indicated that she is available for election by shareholders.

The Nomco has reviewed the composition, gender and racial balance of the board of directors and evaluated the independence, performance and contribution of Ms Nondumiso Medupe. Furthermore, the Nomco has considered her individual knowledge, skills and experience and recommended to the board that she be proposed for election by shareholders.

The board of directors has considered the proposal of the Nomco and recommends the election of Ms Nondumiso Medupe.

# Annual general meeting notice continued

## RESOLUTIONS FOR CONSIDERATION AND ADOPTION continued

Brief curricula vitae in respect of the abovementioned directors are set out on pages 41 to 43 of this booklet.

### Ordinary resolution number 1.1

"RESOLVED that Mr Zwelibanzi Mntambo be and is hereby re-elected as a non-executive director of the company with effect from 18 May 2023."

### Ordinary resolution number 1.2

"RESOLVED that Ms Chanda Nxumalo be and is hereby elected as an independent non-executive director of the company with effect from 18 May 2023."

### Ordinary resolution number 1.3

"RESOLVED that Ms Nondumiso Medupe be and is hereby elected as an independent non-executive director of the company with effect from 18 May 2023."

## 2 Ordinary resolution number 2: Election of group Audit committee members

To elect by separate resolutions a group Audit committee comprising independent non-executive directors, as provided for in section 94(4) of the Companies Act and appointed in terms of section 94(2) of that Act to hold office until the next AGM to perform the duties and responsibilities stipulated in section 94(7) of the Companies Act and the King IV™ report on Corporate Governance for South Africa, 2016 (King IV™), and to perform such other duties and responsibilities as may be delegated by the board of directors for the company, all subsidiary companies and controlled trusts.

The board of directors has assessed the performance of the group Audit committee members standing for election and found them suitable for appointment.

Brief curricula vitae in respect of the below mentioned directors are set out on pages 41 to 43 of this booklet.

### Ordinary resolution number 2.1

"RESOLVED that Mr Billy Mawasha be and is hereby elected as a member of the group Audit committee with effect from 18 May 2023."

### Ordinary resolution number 2.2

"RESOLVED that Ms Nondumiso Medupe be and is hereby elected as a member of the group Audit committee with effect from 18 May 2023."

The election of Ms Nondumiso Medupe is subject to her election as director.

### Ordinary resolution number 2.3

"RESOLVED that Ms Chanda Nxumalo be and is hereby re-elected as a member of the group Audit committee with effect from 18 May 2023."

The election of Ms Chanda Nxumalo is subject to her election as director.

# Annual general meeting notice continued

## RESOLUTIONS FOR CONSIDERATION AND ADOPTION continued

### 3 Ordinary resolution number 3: Election of the Social, ethics and responsibility committee members

To elect by separate resolutions a group Social, ethics and responsibility committee, as provided for in section 72(4) of the Companies Act and regulation 43 of the Regulations, appointed in terms of regulation 43(2) of the Regulations to hold office until the next AGM and to perform the duties and responsibilities stipulated in regulation 43(5) of the Regulations and to perform such other duties and responsibilities as may be delegated by the board of directors for the company and all subsidiary companies.

The board of directors has assessed the performance of the group Social, ethics and responsibility committee members standing for election and found them suitable for appointment.

**Brief curricula vitae in respect of the below mentioned directors are set out on pages 42 and 43 of this booklet.**

#### Ordinary resolution number 3.1

"RESOLVED that Dr Geraldine Fraser-Moleketi be and is hereby elected as a member of the group Social, ethics and responsibility committee with effect from 18 May 2023."

#### Ordinary resolution number 3.2

"RESOLVED that Ms Karin Ireton be and is hereby elected as a member of the group Social, ethics and responsibility committee with effect from 18 May 2023."

#### Ordinary resolution number 3.3

"RESOLVED that Ms Likhapha Mbatha be and is hereby elected as a member of the group Social, ethics and responsibility committee with effect from 18 May 2023."

#### Ordinary resolution number 3.4

"RESOLVED that Mr Peet Snyders be and is hereby elected as a member of the group Social, ethics and responsibility committee with effect from 18 May 2023."

#### Ordinary resolution number 3.5

"RESOLVED that Dr Nombasa Tsengwa be and is hereby elected as a member of the group Social, ethics and responsibility committee with effect from 18 May 2023."

#### Ordinary resolution number 3.6

"RESOLVED that Mr Riaan Koppeschaar be and is hereby elected as a member of the group Social, ethics and responsibility committee with effect from 18 May 2023."

### 4 Ordinary resolution number 4: Appointment of independent external auditor

"To re-appoint KPMG Inc., upon recommendation of the board of directors and the Audit committee, as the independent external auditor of the company for the ensuing financial year ending 31 December 2023 until the conclusion of the next AGM". The group Audit committee has therefore assessed KPMG Inc.'s independence and suitability and that they are accredited as such on the JSE list of Auditors and Accounting Specialists and the individual audit partner does not appear on the JSE list of disqualified individual auditors and has nominated them for appointment as independent external auditor of the group, for the ensuing year ending 31 December 2023, and to hold office until the conclusion of the next AGM.

# Annual general meeting notice continued

## RESOLUTIONS FOR CONSIDERATION AND ADOPTION continued

### 4 Ordinary resolution number 4: Appointment of independent external auditor continued

"RESOLVED that KPMG Inc., with the designated audit partner being Ms Safeera Loonat, be and is hereby appointed as independent external auditor of the group for the ensuing year ending 31 December 2023, until the conclusion of the next AGM."

### 5 Ordinary resolution 5: General authority to place authorised but unissued ordinary shares under the control of the directors

In terms of the company's MOI, shareholders of the company may authorise the directors to, inter alia, issue any authorised but unissued ordinary shares and/or grant options over them, as the directors in their discretion deem fit. The authority will be subject to the Companies Act and the JSE Listings Requirements. The aggregate number of ordinary shares able to be allotted and issued in terms of this resolution, excluding the company's share or other employee incentive schemes, shall be limited to 5% (five percent) of the number of ordinary shares in issue as at the date of the notice of the AGM. At present, the directors have no specific intention to use this authority, and the authority will thus only be used if circumstances are appropriate.

"RESOLVED that the authorised but unissued shares in the capital of the company be and hereby placed under the control and authority of the directors and that they be are hereby authorised to allot, issue and otherwise dispose of such shares to such person or persons on such terms and conditions and at such times as they may from time to time and their discretion deem fit, subject to the provisions of the Companies Act, clause 3.1 of the MOI of the company and the JSE Listings Requirements. The number of shares issued in terms of this authority will not, in aggregate in the current financial year, exceed 5% (five percent) of the company's ordinary shares in issue as at the date of the notice of the AGM (12 076 742 ordinary shares) (excluding treasury shares). The issuing of shares granted under this authority will be at the discretion of the directors until the next AGM of the company."

### 6 Ordinary resolution number 6: General authority to issue shares for cash

At present, the directors have no specific intention to use this authority, and the authority will thus only be used if circumstances are appropriate.

"Resolved, as an ordinary resolution, that the directors of the company be and are hereby authorised, in accordance with the Companies Act and the JSE Listings Requirements, to allot and issue for cash, on such terms and conditions as they may deem fit, all or any of the ordinary shares in the authorised but unissued share capital of the Company and/or any options/convertible securities that are convertible into ordinary shares, which they shall have been authorised to allot and issue in terms of ordinary resolution number 5, subject to the following conditions:

- (a) This authority is valid until the Company's next AGM, provided that it will not extend beyond 15 (fifteen) months from the date that this authority is given.
- (b) The equity securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into or represent options in respect of a class already in issue.
- (c) Any such issue will only be made to "public shareholders" as defined in the JSE Listings Requirements and not to related parties.
- (d) The number of shares issued for cash will not in aggregate exceed 5% (five percent) of the Company's listed ordinary shares (excluding treasury shares) as at the date of the notice of AGM, such number being 12 076 742 ordinary shares in the Company's issued share capital.
- (e) 12 076 742 ordinary shares in the Company's issued share capital.
- (f) Any equity securities issued under the authority during the period must be deducted from the 12 076 742 ordinary shares.

## RESOLUTIONS FOR CONSIDERATION AND ADOPTION continued

### 6 Ordinary resolution number 6: General authority to issue shares for cash continued

- (g) In the event of a subdivision or consolidation of issued equity securities during the period contemplated in the first bullet above, the existing authority must be adjusted accordingly to represent the same allocation ratio.
- (h) An announcement giving full details to the extent applicable, including number of shares issued, average discount, effect on the following: statement of financial position, net asset value per share (NAVPS), net tangible asset value per share (NTAVPS), statement of comprehensive income, earnings per share (EPS), headline earnings per share (HEPS), diluted earnings per share (DEPS), and diluted headline earnings per share (DHEPS), use of funds, will be published at the time of any issue representing, on a cumulative basis within the period contemplated in the first bullet above, 5% (five percent) or more of the number of shares in issue prior to the issue.
- (i) The maximum discount permitted at which equity securities may be issued is 5% (five percent) of the weighted average traded price on the JSE of those shares over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the securities. The aggregate number of ordinary shares to be allotted in terms of this resolution and ordinary resolution number 5 is limited to 5% (five percent) of the ordinary shares in issue as at the date of the notice of the AGM."

Related parties may participate in a general issue for cash through a bookbuild process as this resolution expressly affords the ability to Exxaro to allow related parties to participate in a general issue for cash through a bookbuild process;

- (i) related parties may only participate with a maximum bid price at which they are prepared to take-up shares or at book close price. In the event of a maximum bid price and the book closes at a higher price the relevant related party will be "out of the book" and not be allocated shares; and
- (ii) equity securities must be allocated equitably "in the book" through the bookbuild process and the measures to be applied will be disclosed in the Stock Exchange News Services of the JSE Limited announcement launching the bookbuild.

For this ordinary resolution to be passed, under the JSE Listings Requirements, votes in favour of the resolution must represent at least 75% (seventy-five percent) of all votes cast and/or exercised at the meeting in respect of this resolution.

### 7 Ordinary resolution number 7: Authorise director and/or group company secretary to implement the resolutions set out in the notice of the AGM

"RESOLVED that any one director and/or group company secretary of the company or equivalent be and are hereby authorised to do all such tasks and sign all such documents deemed necessary to implement the resolutions set out in the notice convening the AGM at which these resolutions will be considered."

## SPECIAL RESOLUTIONS

For each of the special resolutions to be passed, votes in favour must represent at least 75% (seventy-five percent) of all votes cast and/or exercised at the meeting for these special resolutions.

### 8 Special resolution number 1: Non-executive directors' fees

Approval in terms of section 66 of the Companies Act is required to authorise the company to remunerate non-executive directors for services as directors. Furthermore, in terms of the King IV™ and as read with the JSE Listings Requirements, remuneration payable to non-executive directors should be approved by shareholders in advance or within the previous two financial years.

# Annual general meeting notice continued

## RESOLUTIONS FOR CONSIDERATION AND ADOPTION continued

### 8 Special resolution number 1: Non-executive directors' fees continued

"RESOLVED as a special resolution in terms of the Companies Act, that the remuneration of non-executive directors for the period 1 June 2023 until the end of the month in which the next AGM is held, be and is hereby approved on the basis set out below:

	2022 R	2023 R
Chairman of the board	2 079 907	2 313 899*
Lead independent director	839 964	896 074
Member of the board	486 708	519 220
Audit committee chairman	392 506	406 244
Audit committee member	196 253	203 170
Investment committee chairman	346 527	358 655
Investment committee member	154 012	163 300
Remuneration committee chairman	346 527	358 655
Remuneration committee member	154 759	160 176
Nominations committee chair	N/A	No fee**
Nominations committee member	N/A	28 496
Risk and business resilience (RBR) committee chairman	346 527	407 169
RBR committee member	154 759	181 842
Social, ethics and responsibility Committee (SERC) chairman	346 527	358 655
SERC member	154 012	159 402

\* Flat fee

\*\*The newly separated nominations committee Chairperson is also the board Chairperson who will not receive remuneration for Committee work

### 9 Special resolution number 2: Authorise financial assistance for the subscription of securities

"RESOLVED as a special resolution in terms of the Companies Act, that the provision by the company of any direct or indirect financial assistance as contemplated in section 44 of the Companies Act to any one or more persons for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities of the company or a related or inter-related company, be and is hereby approved, provided that:

- (a) (i) the specific recipient/s of such financial assistance;
- (ii) the form, nature and extent of such financial assistance; and
- (iii) the terms and conditions under which such financial assistance is provided are determined by the board of directors of the company from time to time.
- (b) The board of directors has satisfied the requirements of section 44 of the Companies Act on the provision of any such financial assistance.
- (c) Such financial assistance to a recipient is, in the opinion of the board of directors of the company, required for a purpose, which in the opinion of the board of directors, is directly or indirectly in the interest of the company.
- (d) This resolution specifically does not authorise financial assistance for the subscription of securities to any directors, prescribed officers or employees of the company.
- (e) The authority granted in terms of this special resolution will remain valid until a new or similar resolution is passed at the next AGM or after the expiry of a period of 24 (twenty-four) months, whichever is later."

## RESOLUTIONS FOR CONSIDERATION AND ADOPTION continued

### 10 Special resolution number 3: Authorise financial assistance to related or inter-related companies

"RESOLVED as a special resolution in terms of the Companies Act, that the provision by the company of any direct or indirect financial assistance as contemplated in section 45 of the Companies Act to any one or more related or inter-related persons of the company and/or to any one or more persons who are members of, or are related to, any such related or inter-related person, be and is hereby approved, provided that:

- (a)
  - (i) the specific recipient/s of such financial assistance;
  - (ii) the form, nature and extent of such financial assistance; and
  - (iii) the terms and conditions under which such financial assistance is provided are determined by the board of directors of the company from time to time.
- (b) The board of directors has satisfied the requirements of section 45 of the Companies Act in relation to the provision of any financial assistance.
- (c) Such financial assistance to a recipient is, in the opinion of the board of directors of the company, required for a purpose which, in the opinion of the board of directors, is directly or indirectly in the interests of the company.
- (d) The authority granted in terms of this special resolution will remain valid until a new similar resolution is passed at the next AGM or after the expiry of a period of 24 (twenty-four) months, whichever is later."

### 11 Special resolution number 4: General authority to repurchase shares

"RESOLVED as a special resolution in terms of the Companies Act, that, subject to compliance with the JSE Listings Requirements, the Companies Act, and clause 3.1(12) of the MOI of the company which authorises general repurchases, the directors be and are hereby authorised, at their discretion, to instruct that the company or subsidiaries of the company to acquire or repurchase ordinary shares issued by the company, provided that:

- (a) The number of ordinary shares acquired in any one financial year will not in aggregate exceed 20% (twenty percent, or 69 million ordinary shares) of the ordinary shares in issue at the date on which this resolution is passed (being 349 million shares in issue).
- (b) The repurchase of securities must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited).
- (c) The approval of shareholders is obtained via a special resolution of the company in the AGM. This authority will lapse on the earlier of the date of the next AGM of the company or 15 (fifteen) months from the date on which this resolution is passed.
- (d) The price paid per ordinary share may not be greater than 10% (ten percent) above the weighted average of the market value of the ordinary shares for the 5 (five) business days immediately preceding the date on which a repurchase is made. The JSE should be consulted for a ruling if Exxaro's ordinary shares have not traded in such 5 (five) business days period."

The reason for and effect of this special resolution is to authorise the directors, if they deem it appropriate and in the interest of the company, to instruct that the company or its subsidiaries acquire or repurchase ordinary shares issued by the company subject to the restrictions contained in this special resolution. At present, the directors have no specific intention to use this authority, and the authority will thus only be used if circumstances are appropriate.

## RESOLUTIONS FOR CONSIDERATION AND ADOPTION continued

### 11 Special resolution number 4: General authority to repurchase shares continued

The directors undertake that they will not implement the repurchase as contemplated in this special resolution while this general authority is valid, unless:

- (a) After such repurchases, the company passes the solvency and liquidity test as contained in section 4 of the Companies Act and that, from the time the solvency and liquidity test is done, there are no material changes to the financial position of the group.
- (b) The consolidated assets of the company and the group, fairly valued in accordance with International Financial Reporting Standards and in accordance with accounting policies used in the company and group annual financial statements for the year ended 31 December 2022, exceed the consolidated liabilities of the company and the group immediately following such purchase or 12 (twelve) months after the date of the notice of the AGM, whichever is the later.
- (c) The company and group will be able to pay their debts as they become due in the ordinary course of business for a period of 12 (twelve) months after the date of the notice of the AGM or a period of (twelve) months after the date on which the board of directors considers that the repurchase will satisfy the immediately preceding requirement and this requirement, whichever is the later.
- (d) The issued share capital and reserves of the company and group will be adequate for the purposes of the business of the company and group for a period of 12 (twelve) months after the date of the notice of the AGM.
- (e) The company and group will have adequate working capital for ordinary business purposes for a period of 12 (twelve) months after the date of the notice of the AGM.
- (f) A resolution is passed by the board of directors that it has authorised the repurchase.
- (g) The company or its subsidiaries will not repurchase securities during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless the company has a repurchase programme in place where the dates and quantities of securities to be traded during the relevant prohibited period are fixed (not subject to any variation) and has been submitted to the JSE in writing prior to the commencement of the prohibited period. The company will instruct only one independent third party, which makes its investment decisions on the company's securities independently of, and uninfluenced by the company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE. The repurchase programme will include:
  - (i) the name of the independent agent;
  - (ii) the date the independent agent was appointed by Exxaro;
  - (iii) the commencement and termination date of the repurchase programme; and
  - (iv) where the quantities of securities to be traded during the relevant period are fixed (not subject to any variation).
- (h) When the company or its subsidiaries have cumulatively repurchased 3% (three percent) of the initial number of the relevant class of securities, and for each 3% (three percent) in aggregate of the initial number of that class acquired thereafter, an announcement will be made. Such announcement will be made as soon as possible and, in any event, by not later than 08h30 on the second business day following the day on which the relevant threshold is reached or exceeded, and will contain the following information:
  - (i) the date(s) of repurchase(s) of securities;
  - (ii) the highest and lowest prices paid for securities so repurchased;
  - (iii) the number and value of securities repurchased;
  - (iv) the extent of the authority outstanding, by number and percentage (calculated by using the number of shares in issue before any repurchases were effected);
  - (v) a statement as to the source of funds utilised;
  - (vi) a statement by the directors that, after considering the effect of such repurchase, the:
    - (aa) company and the group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of the announcement;
    - (bb) assets of the company and the group will be in excess of the liabilities of the company and the group for a period of 12 months after the date of the announcement. For this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited group annual financial statements;

## RESOLUTIONS FOR CONSIDERATION AND ADOPTION continued

### 11 Special resolution number 4: General authority to repurchase shares continued

- (cc) share capital and reserves of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the announcement
  - (dd) working capital of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the announcement
  - (ee) a statement confirming that paragraph 5.72 (a) has been complied with;
  - (ff) an explanation, including supporting information (if any), of the impact of the repurchase on the financial information;
  - (gg) the number of treasury shares held after the repurchase;
  - (hh) the date on which the securities will be cancelled and the listing removed, if applicable; and
  - (ii) in the event that the repurchase/purchase was made during a prohibited period through a repurchase programme pursuant to paragraphs 5.72 and/or 14.9(e) of Schedule 14, a statement confirming that the repurchase was put in place pursuant to a repurchase programme prior to prohibited period in accordance with the Listings Requirements.
- (i) The company at any time only appoints one agent to effect any repurchase(s) on its behalf.

For the purpose of considering this special resolution and in compliance with paragraph 11.26 of the JSE Listings Requirements, certain information has been included in the following reports for 2022:

- (a) Directors and management – refer to the integrated report on pages 52 to 54
- (b) Major shareholders – refer to the integrated report on page 7
- (c) Directors' interests in securities – refer to the annual financial statements on page 121
- (d) Share capital of the company – refer to the annual financial statements on page 103
- (e) Material change – refer to page 56 of this AGM notice
- (f) Responsibility statement – refer to page 56 of this AGM notice

## NON-BINDING ADVISORY VOTES

### 12 Non-binding advisory vote number 1: Approval of the Exxaro remuneration policy

The reason for non-binding advisory vote number 1 is that King IV™ recommends, and the JSE Listings Requirements require, that the remuneration policy of a company be tabled for a non-binding advisory vote by shareholders at each AGM. This enables shareholders to express their views on the remuneration policy. The effect of the non-binding advisory vote number 1, if passed, will be to endorse the company's remuneration policy. Failure to pass this resolution will not have any legal consequences relating to existing remuneration agreements. However, the board will take the outcome of the votes into consideration when considering amendments to the company's remuneration policy and/or its implementation. In the event that either the remuneration policy or the implementation report, or both, are voted against by 25% or more of the voting rights exercised, the board will initiate engagement with the relevant shareholders and the outcome thereof will be disclosed in the 2023 ESG report.

"RESOLVED, through a non-binding advisory vote that the company's remuneration policy, as set out in the remuneration committee report of the ESG report 2022, be and is hereby approved."

The Remuneration and Nomination committee report is included in the ESG report <https://www.exxaro.com/investor-centre/integrated-reports/?year=2022#filter>, and available on the company's website, [www.exxaro.com](http://www.exxaro.com) or can be requested from the company secretary at [investorrelations@exxaro.com](mailto:investorrelations@exxaro.com) or telephonically on +27 12 307 7156.

*This ordinary resolution is of an advisory nature and although the board of directors will consider the outcome of the vote when determining the remuneration policy, failure to pass this resolution will not legally preclude the company from implementing the remuneration policy as contained in the ESG report.*

# Annual general meeting notice continued

## RESOLUTIONS FOR CONSIDERATION AND ADOPTION continued

### 13 Non-binding advisory vote number 2: Endorse the implementation of the Exxaro remuneration policy

The reason for non-binding advisory vote number 2 is that King IV™ recommends, and the JSE Listings Requirements require, that the implementation report on a company's remuneration policy be tabled for a non-binding advisory vote by shareholders at each AGM of a company. This enables shareholders to express their views on the implementation of a company's remuneration policy. The effect of non-binding advisory vote number 2, if passed, will be to endorse the company's implementation report in respect of its remuneration policy. Failure to pass this resolution will not have any legal consequences relating to existing remuneration agreements. However, the board of directors will take the outcome of the vote into consideration when contemplating amendments to the implementation of the company's remuneration policy.

"RESOLVED that, in accordance with the King IV™ and JSE Listings Requirements, the shareholders endorse the implementation of the remuneration policy of the company as set out in the remuneration report."

An explanation of the implementation of the company's remuneration policy is included in the ESG report <https://www.exxaro.com/investor-centre/integrated-reports/?year=2022#filter>, and available on the company's website, [www.exxaro.com](http://www.exxaro.com) or can be requested from the company secretary at [investorrelations@exxaro.com](mailto:investorrelations@exxaro.com) or telephonically on +27 12 307 7156.

*This ordinary resolution is of an advisory nature and although the board of directors will consider the outcome of the vote when determining the remuneration policy, failure to pass this resolution will not legally preclude the company from implementing the remuneration policy as contained in the ESG report.*

### 14 Severability

If any of the clauses, conditions, covenants or restrictions (each a "Provision") of this notice or any document emanating from it shall be found to be void but would be valid if some part thereof were deleted or modified, then the Provision shall apply with such deletion or modification as may be necessary to make it valid and effective.

## DIRECTORS' RESPONSIBILITY STATEMENT

The directors collectively and individually accept full responsibility for the accuracy of the information pertaining to these resolutions and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that these resolutions contain all information required by law and the JSE Listings Requirements.

## NO MATERIAL CHANGES TO REPORT

Other than the facts and developments reported on in the AFS, which are available on the company's website [www.exxaro.com](http://www.exxaro.com), there have been no material changes in the financial or trading position of the company and its subsidiaries since the date of signature of the audit report for the financial year ended 31 December 2022.

By order of the board



**AT Ndoni**

Group company secretary

Pretoria

April 2023



# Form of proxy continued

		For	Against	Abstain
4	Resolution to appoint KPMG Inc. as independent external auditor for the financial year ending 31 December 2023, until the conclusion of the next AGM			
5	Resolution for a general authority to place authorised but unissued ordinary shares under the control of the directors			
6	Resolution for a general authority to issue shares for cash			
7	Resolution to authorise director and/or group company secretary to implement the resolutions set out in the notice convening the AGM			
<b>Special resolutions</b>				
1	Special resolution to approve non-executive directors' fees for the period 1 June 2023 to the end of the month in which the next AGM is held			
2	Special resolution to authorise financial assistance for the subscription of securities			
3	Special resolution to authorise financial assistance to related or inter-related companies			
4	Special resolution for a general authority to repurchase shares			
<b>Non-binding advisory votes</b>				
1	Resolution through non-binding advisory note to approve the Exxaro remuneration policy			
2	Resolution through non-binding advisory note to endorse the implementation of the Exxaro remuneration policy			

Please indicate with an "X" in the appropriate spaces above how you wish your vote to be cast. If no indication is given, the proxy may vote or abstain as he/she sees fit.

Signed at this \_\_\_\_\_ day of \_\_\_\_\_ 2023

Signature \_\_\_\_\_

Assisted by me, where applicable (name and signature) \_\_\_\_\_

Please read the notes that follow.

# Notes to the form of proxy

(The notes below include a summary of the rights established by section 58 of the Companies Act.)

- 1 A form of proxy is only to be completed by those ordinary shareholders who are:
  - holding ordinary shares in certificated form; or
  - recorded on sub-register electronic form in "own name."
- 2 If you have already dematerialised your ordinary shares through a central securities depository participant (CSDP) or broker and wish to attend the annual general meeting, you must request your CSDP or broker to provide you with a letter of representation or instruct your CSDP or broker to vote by proxy on your behalf in terms of the agreement between yourself and your CSDP or broker.
- 3 A shareholder may insert the name of a proxy or the names of two or more persons as alternative or concurrent proxies in the space. The person whose name appears first on the form of proxy and who is present at the annual general meeting of shareholders will be entitled to act to the exclusion of those whose names follow. A proxy may not delegate his/her authority to act on behalf of the shareholder to another person.
- 4 A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the instrument appointing the proxy provides otherwise.
- 5 On a show of hands, a shareholder of the company present in person or by proxy will have one vote, irrespective of the number of shares he/she holds or represents, provided that a proxy will, irrespective of the number of shareholders he/she represents, have only one vote. On a poll, a shareholder who is present in person or represented by proxy will be entitled to that proportion of the total votes in the company which the aggregate amount of the nominal value of shares held by him/her bears to the aggregate amount of the nominal value of all shares issued by the company.
- 6 A shareholder's instructions to the proxy must be indicated by inserting the relevant numbers of votes exercisable by the shareholder in the box provided. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's exercisable votes. A shareholder or proxy is not obliged to use all the votes exercisable by the shareholder or proxy, but the total of votes cast and for which abstention is recorded may not exceed the total of votes exercisable by the shareholder or proxy.
- 7 The proxy appointment is:
  - Suspended at any time and to the extent that the shareholder chooses to act directly and in person in exercising any rights as a shareholder; and
  - Revocable unless the proxy appointment expressly states otherwise. If the appointment is revocable, a shareholder may revoke the proxy appointment by:
    - cancelling it in writing, or making a later inconsistent appointment of a proxy; and
    - delivering a copy of the revocation instrument to the proxy, and to the transfer secretaries of the company.
- 8 The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of:
  - the date stated in the revocation instrument, if any; or
  - the date on which the revocation instrument was delivered.
- 9 If the instrument appointing a proxy or proxies has been delivered, as long as that appointment remains in effect, any notice required by the Companies Act or the company's memorandum of incorporation to be delivered by the company to the shareholder must be delivered to:
  - the shareholder; or
  - the proxy or proxies, if the shareholder has directed the company to do so, in writing, and paid any reasonable fee charged by the company for doing so.
- 10 The proxy appointment remains valid only until the end of the annual general meeting or any adjournment or postponement, unless it is revoked, in accordance with paragraph 7, prior to the meeting.
- 11 In the interest of administrative purposes, it is advisable that forms of proxy be lodged at or posted to The Meeting Specialist Proprietary Limited, to be received not later than 48 hours before the time fixed for the meeting (excluding Saturdays, Sundays and public holidays), thus by 10:00 on Tuesday, 16 May 2023. This does not preclude proxies to be handed in at the meeting.

For shareholders on the South African register:  
The Meeting Specialist Proprietary Limited  
JSE Building  
One Exchange Square  
Gwen Lane  
Sandown, 2196  
PO Box 62043  
Marshalltown 2107  
proxy@tmsmeetings.co.za  
Tel: +27 11 520 7951/0/2
- 12 Completing and lodging this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person to the exclusion of any appointed proxy.
- 13 Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity or other legal capacity must be attached, unless previously recorded by the transfer secretaries or waived by the chairman of the annual general meeting.
- 14 Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
- 15 Despite these requirements, the chairman of the annual general meeting may, if deemed reasonable, waive any formalities that would otherwise be a prerequisite for a valid proxy.
- 16 If any shares are jointly held, all joint shareholders must sign this form of proxy. If more than one of those shareholders is present at the annual general meeting, either in person or by proxy, the person whose name first appears in the register will be entitled to vote.

# Notes to the form of proxy continued

## **TO BE COMPLETED BY CERTIFICATED SHAREHOLDERS AND DEMATERIALIZED SHAREHOLDERS WITH OWN-NAME REGISTRATION WHO WISH TO PARTICIPATE ELECTRONICALLY IN THE EXXARO ANNUAL GENERAL MEETING**

### **THE ANNUAL GENERAL MEETING**

- Shareholders or their proxies who wish to participate in the annual general meeting via electronic communication (Participants), must deliver the form below (the application) to The Meeting Specialist Proprietary Limited via email to proxy@tmsmeetings.co.za.
- Participants will be able to vote during the annual general meeting through an electronic participation platform. Such Participants, should they wish to have their vote(s) counted at the annual general meeting, must provide The Meeting Specialist Proprietary Limited with the information requested below.
- Each shareholder, who has complied with the requirements below, will be contacted between 16 May and 18 May 2023 via email/mobile with a unique link to allow them to participate in the virtual meeting.
- The cost of the Participant's phone call or data usage will be at his/her own expense and will be billed separately by his/her own telephone service provider.
- The cut-off time, for administrative purposes, for Participants to indicate participation in the meeting, will be 10:00 on Tuesday, 16 May 2023.
- The Participant's unique link will be forwarded to the email/mobile number provided below.

### **APPLICATION FORM**

Name and surname of shareholder	
Name and surname of shareholder representative (if applicable)	
ID number	
Email address	
Cell number	
Telephone number	
Name of CSDP or broker	
(if shares are held in dematerialised format)	
SCA number or broker account number (if applicable)	
Number of shares	
Signature	
Date	

# Notes to the form of proxy continued

## **TERMS AND CONDITIONS FOR PARTICIPATION AT THE EXXARO ANNUAL GENERAL MEETING VIA ELECTRONIC COMMUNICATION**

- The cost of dialling in using a telecommunication line/webcast/web-streaming to participate in the annual general meeting is for the expense of the Participant and will be billed separately by the Participant's own telephone service provider.
- The Participant acknowledges that the telecommunication lines/webcast/web-streaming are provided by a third party and indemnifies Exxaro, JSE Limited and The Meeting Specialist Proprietary Limited against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines/webcast/web-streaming, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against Exxaro, JSE Limited and The Meeting Specialist Proprietary Limited, whether for consequential damages or otherwise, arising from the use of the telecommunication lines/webcast/web-streaming or any defect in it or from total or partial failure of the telecommunication lines/webcast/web-streaming and connections linking the telecommunication lines/webcast/web-streaming to the annual general meeting.
- Participants will be able to vote during the annual general meeting through an electronic participation platform. Such Participants, should they wish to have their vote(s) counted at the annual general meeting, must act in accordance with the requirements set out above.
- Once the Participant has received the link, the onus to safeguard this information remains with the Participant.
- The application will only be deemed successful if this application form has been completed and fully signed by the Participant and emailed to The Meeting Specialist Proprietary Limited at [proxy@tmsmeetings.co.za](mailto:proxy@tmsmeetings.co.za).

Shareholder name:

---

Signature:

---

Date:

---

# Corporate information

## REGISTERED OFFICE

Exxaro Resources Limited  
The conneXXion  
263B West Avenue  
Die Hoewes, Centurion  
0163  
Tel: +27 12 307 5000

This report is available at: [www.exxaro.com](http://www.exxaro.com)

## DIRECTORS

### Executive:

N Tsengwa (chief executive officer),  
PA Koppeschaar (finance director)

### Non-executive:

L Mbatha, VZ Mntambo, IN Malevu, MLB Msimang

### Independent non-executive:

MG Ghena (chairperson), GJ Fraser-Moleketi  
(lead independent director), K Ireton, B Magara,  
B Mawasha, N Medupe, P Mnganga, LI Mophatlane,  
V Nkonyeni, CJ Nxumalo, PCCH Snyders

## PREPARED UNDER THE SUPERVISION OF

PA Koppeschaar CA(SA)  
SAICA registration number: 00038621

## GROUP COMPANY SECRETARY

AT Ndoni

## TRANSFER SECRETARIES

JSE Investor Services Proprietary Limited  
One Exchange Square, Gwen Lane  
Sandown  
Sandton, 2196  
PO Box 4844  
Johannesburg, 2000

## INVESTOR RELATIONS

MI Mthenjane +27 12 307 7393

## LEAD EQUITY SPONSOR AND DEBT SPONSOR

Absa Bank Limited (acting through its Corporate  
and Investment Banking Division)  
Tel: +27 11 895 6000

## INDEPENDENT EXTERNAL AUDITOR

KPMG Inc.  
KPMG Crescent  
85 Empire Road, Parktown  
Johannesburg, 2193

## COMMERCIAL BANKERS

ABSA Bank Limited

## CORPORATE LAW ADVISERS

Inlexso Proprietary Limited  
Building 3 Summit Place  
221 Garsfontein Road, Menlyn  
Pretoria, 0137

## JOINT EQUITY SPONSOR

Tamela Holdings Proprietary Limited  
Tel: +27 11 783 5027/4907

## EXXARO RESOURCES LIMITED

(Incorporated in the Republic of South Africa)  
Registration number: 2000/011076/06  
JSE share code: EXX  
ISIN: ZAE000084992  
ADR code: EXXAY  
Bond code: EXX05  
ISIN No: ZAG000160334  
("Exxaro" or "the company" or "the group")

*If you have any queries regarding your shareholding  
in Exxaro Resources Limited, please contact the  
transfer secretaries at +27 11 713 0800.*

# Shareholders' diary

## FINANCIAL YEAR-END

31 December

## ANNUAL GENERAL MEETING

18 May

## REPORTS AND ACCOUNTS PUBLISHED

Announcement of annual results  
Integrated report and annual financial statements  
Interim report for the six months ended 30 June

March  
April  
August

## DISTRIBUTIONS

Final dividend declaration  
Payment  
Interim dividend declaration  
Payment

March  
April/May  
August  
September/October

## Annexure: Acronyms

Adjusted Group Earnings	Group core net profit after tax (excluding SIOC core equity-accounting income) less NCI of Exxaro subsidiaries (excluding NCI of Eyesizwe)
ADX	K2018621183 (South Africa) Proprietary Limited
Amakhala SPV	Amakhala Emoyeni RE Project 1 (RF) Proprietary Limited
API4	All publications index 4 (FOB Richards Bay 6000/kcal/kg)
Aquicure	Aquicure Proprietary Limited
B-BBEE	Broad-based black economic empowerment
BEE	Black economic empowerment
BEE Parties	External shareholders of Eyesizwe
Black Mountain	Black Mountain Proprietary Limited
Cennergi	Cennergi Proprietary Limited or Cennergi group of companies
Chifeng	Chifeng NFC Zinc Co. Limited
Companies Act	Companies Act of South Africa No 71 of 2008, as amended
DMRE	Department of Mineral Resources and Energy
DMTN	Domestic Medium-Term Note
EBITDA	Net operating profit before interest, tax, depreciation, amortisation, impairment charges or impairment reversals and net losses or gains on the disposal of assets and investments (including translation differences recycled to profit or loss)
ECC	Exxaro Coal Central Proprietary Limited or ECC group of companies
ECL(s)	Expected credit loss(es)
ESD	Enterprise and supplier development
Exxaro	Exxaro Resources Limited
Eyesizwe	Eyesizwe (RF) Proprietary Limited, a special purpose private company which has a 30.81% shareholding in Exxaro
FerroAlloys	Exxaro FerroAlloys Proprietary Limited
Ferroland	Ferroland Grondtrust Proprietary Limited
FOB	Free on board
FVOCI	Fair value through other comprehensive income
FVPL	Fair value through profit or loss
HEPS	Headline earnings per share
IAS	International Accounting Standard(s)
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standard(s)
Insect Technology	Insect Technology Group Holdings UK Limited
IPP	Independent power producer
JIBAR	Johannesburg Interbank Average Rate
JSE	JSE Limited
KPMG	KPMG Inc.
LightApp	LightApp Technologies Limited
Listings Requirements	JSE Listings Requirements
LoM	Life of mine
Mafube	Mafube Coal Proprietary Limited
NCI(s)	Non-controlling interest(s)
OCI	Other comprehensive income
Overlooked Colliery	Overlooked Colliery Proprietary Limited
Prime Rate	South African prime bank rate

## Annexure: Acronyms continued

PV	Photovoltaic
RBCT	Richards Bay Coal Terminal Proprietary Limited
Rbn	Rand billion
Rm	Rand million
SAICA	South African Institute of Chartered Accountants
SIOC	Sishen Iron Ore Company Proprietary Limited
SPA	Sale and purchase agreement
SSCC	Semi-soft coking coal
Thungela	Thungela Resources Limited, through its subsidiary South Africa Coal Operations Proprietary Limited
TiO <sub>2</sub>	Titanium dioxide
Tronox SA	Tronox KZN Sands Proprietary Limited and Tronox Mineral Sands Proprietary Limited
Tsitsikamma SPV	Tsitsikamma Community Wind Farm Proprietary Limited
Tumelo	Tumelo Coal Mines Proprietary Limited
UK	United Kingdom
US\$	United States dollar
VAT	Value Added Tax
WANOS	Weighted average number of shares





**exxaro**

POWERING POSSIBILITY