POWERING POSSIBILITY

Reviewed condensed group annual financial statements and unreviewed production and sales volumes information for the year ended 31 December 2021

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DISCLAIMER

HIGHLIGHTS

GROUP FINANCIAL PERFORMANCE

R32.8 billion
Revenue, up 13%

R10.6 billion
Cash generated by operations, up 36%

R10.7 billion
Core EBITDA, up 46%

R11.75 per share
Final dividend

R46.83 per share
Core headline earnings, up 58%

SUSTAINABLE OPERATIONS

LTIFR of 0.08

5 years fatality free

OPERATIONAL PERFORMANCE

42.5 Mt
Coal production volumes

42.8 Mt
Coal sales volumes

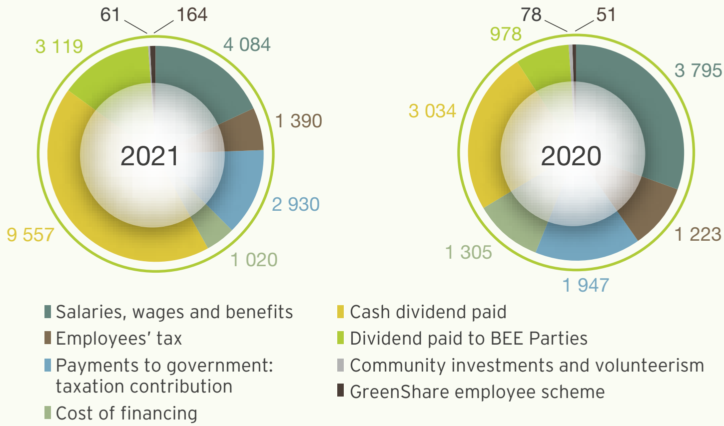
724 GWh
Renewable energy generation

SIOC

R9 billion
Post-tax equity-accounted income

R2.7 billion
Exxaro's share of final dividend declared

Value distribution (Rm)



COMMENTARY
For the year ended 31 December 2021

Comments below are based on a comparison between the financial years ended 31 December 2021 and 2020 (FY21 and FY20), respectively. Any forward-looking financial information and/or performance measurements contained in these results are the responsibility of the directors and have not been reviewed or reported on by Exxaro's independent external auditor.

SAFETY

The health and safety of our employees and communities remained our top priority amidst the COVID-19 pandemic (the pandemic). In line with our Health and Wellness Strategy, which focuses on diagnosis, management and prevention of diseases, our response to the pandemic has prioritised avoiding, reducing, and managing COVID-19 infections. As at 28 February 2022, the group had 7 303 confirmed cases and a recovery rate of 99%, with no loss of life during the recent fourth wave. We remain committed in our fight to prevent loss of life and continue to implement COVID-19 preventative measures in line with government regulations and recommendations. As at 28 February 2022 we achieved our target of vaccinating 80% of our employees and contractors, as a total of 11 942 (81%) of employees and contractors has been vaccinated.

Amidst the backdrop of the pandemic, we are proud to report a record safety performance for five consecutive years without a work-related fatality and the achievement of an LTIFR of 0.08 for the past year, in line with our set target of 0.08. Zero Harm remains Exxaro's key business and sustainability performance objective.

GROUP FINANCIAL RESULTS

Comparability of results

For a better understanding of the comparability of results between the two reporting years, we have adjusted our earnings for non-recurring items (referred to as non-core adjustments) to derive our core earnings. The non-core adjustments in FY21 are the same as the headline earnings adjustments, resulting in no change between EBITDA and headline earnings to core EBITDA and core headline earnings, respectively. The table below sets out these non-core adjustments:

Non-core adjustments	FY21 Rm	FY20 Rm
Gross headline earnings adjustments[1, 2]	(1 683)	14
Other adjustments:		
– Insurance claim recovery from external parties[3]		(14)
– Losses on financial instruments revaluations recycled to profit and loss on deemed disposal of Cennergi JV		59
Total net operating profit impact[1]	(1 683)	59
– Impairment charges of equity-accounted investments[1]		504
– Post-tax share of equity-accounted income adjustments	(1)	44
– Tax on non-core adjustments[4]	266	(260)
– NCI adjustments on non-core adjustments	319	(168)
Total attributable earnings impact	(1 099)	179

[1] *FY20 has been re-presented to exclude impairment charges of equity-accounted investments.*
[2] *Gross headline earnings adjustments before share of equity-accounted investments' separately identifiable remeasurements, impairment charges of equity-accounted investments, tax and NCI.*
[3] *Relates to compensation for business interruption.*
[4] *Excludes tax on share of equity-accounted income adjustments.*

GROUP FINANCIAL RESULTS continued

Group revenue and core EBITDA

EBITDA is calculated by adjusting net operating profit before tax with depreciation, amortisation, impairment charges or reversals and net losses or gains on disposal of assets and investments (including translation differences recycled to profit or loss).

	Revenue			Core EBITDA[1]		
	FY21 Rm	FY20 Rm	Change %	FY21 Rm	FY20 Rm	Change %
Coal	31 395	27 875	13	10 671	7 707	38
Energy[2]	1 193	889	34	913	648	41
Ferrous	168	147	14	24	12	100
Other	15	13	15	(937)	(1 076)	13
Total	32 771	28 924	13	10 671	7 291	46

[1] *Calculated after adjusting for non-core adjustments.*
[2] *FY20 includes nine months' financial performance from 1 April 2020 (Cennergi acquisition date).*

Group revenue increased 13% to R32 771 million (FY20: R28 924 million), mainly due to the increase in coal revenue and the inclusion of renewable energy revenue from Cennergi for the full twelve months compared to nine months in FY20.

Whilst coal production and export sales volumes were 10% and 9% lower, respectively, a 91% increase in the average benchmark API4 export price to US$124 per tonne (FY20: US$65 per tonne) more than offset the impact of the pandemic and logistical challenges experienced.

Group core EBITDA increased 46% to R10 671 million (FY20: R7 291 million), mainly attributable to a 38% increase in Coal core EBITDA (discussed in more detail under the coal business performance) and the inclusion of Cennergi results for the full twelve months compared to only nine months in FY20.

Earnings

Headline earnings increased 56% to R11 568 million (FY20: R7 417 million). The increase in headline earnings is mainly due to a 47% increase in group EBITDA and a 48% increase in equity-accounted income from SIOC, driven by high iron ore export prices and price premia. There was a slight decrease in the WANOS to 247 million (FY20: 251 million) as a result of shares repurchased and cancelled in terms of the R1.5 billion share repurchase programme. The total number of shares repurchased was 9 401 662 shares, representing 2.62% of Exxaro's issued share capital before the buy-back.

The earnings increase and the change in WANOS equates to basic HEPS of 4 683 cents per share (FY20: 2 955 cents per share).

GROUP FINANCIAL RESULTS continued

Earnings continued

Core income from equity-accounted investments

	Core equity-accounted income/(loss)		Dividends received	
	FY21 Rm	FY20 Rm	FY21 Rm	FY20 Rm
Coal: Mafube	375	67		
Coal: Tumelo[1]	29			
Coal: RBCT	(18)	8		
Energy: Cennergi[2]		13		144
Energy: LightApp	16	(18)		
Ferrous: SIOC	9 035	6 123	9 991	3 119
TiO_2: Tronox SA[3]	54	226		
Other: Black Mountain	352	122		
Other: Other[4]		(86)		
Total	9 843	6 455	9 991	3 263

[1] Disposed on 3 September 2021 as part of the ECC operation.
[2] Application of the equity-method ceased on 31 March 2020 after which Cennergi was consolidated.
[3] FY21 equity-accounted income up to the date of disposal on 24 February 2021.
[4] Includes the investment in Insect Technology, which was fully impaired at 31 December 2020 and the investment in Curapipe, which was sold on 9 November 2020.

Cash flow and funding

Cash flow generated by operations was up 36% to R10 552 million (FY20: R7 770 million) and, together with the dividends received from our equity-accounted investments of R9 991 million (FY20: R3 263 million), were sufficient to fund capital expenditure and ordinary dividends paid.

Following the disposal of Exxaro's remaining shareholding in Tronox Holdings plc for R5 763 million, a special dividend of R1 363 million was paid to external shareholders, and a share repurchase programme of R1.5 billion was implemented with the last trade executed on 2 November 2021.

Total capital expenditure decreased to R2 471 million (FY20: R3 175 million), comprising R1 635 million sustaining capex and R836 million expansion capex.

Debt exposure

Our positive operational results and monetisation of our investment in Tronox Holdings plc strengthened our balance sheet, resulting in a net cash position of R764 million (excluding Cennergi's net debt of R4 482 million) compared to net debt of R6 335 million (excluding Cennergi's net debt of R4 632 million) at 31 December 2020.

In April 2021, Exxaro also successfully refinanced its R8 billion loan facility with various financial institutions.

As a result, the group has sufficient liquidity to navigate through the current uncertain operating environment.

COAL BUSINESS PERFORMANCE

Unreviewed coal production and sales volumes

	Production			Sales		
	FY21 '000 tonnes	FY20 '000 tonnes	Change %	FY21 '000 tonnes	FY20 '000 tonnes	Change %
Thermal	40 351	44 933	(10)	41 803	45 723	(9)
Commercial – Waterberg	25 335	26 554	(5)	25 698	25 629	
Commercial – Mpumalanga	9 113	12 226	(25)	2 574	1 767	46
Exports				7 632	12 170	(37)
Tied	5 903	6 153	(4)	5 899	6 157	(4)
Metallurgical	1 894	2 222	(15)	956	1 036	(8)
Commercial – Waterberg	1 894	2 222	(15)	956	1 036	(8)
Total coal (excluding buy-ins)	42 245	47 155	(10)	42 759	46 759	(9)
Thermal coal buy-ins	232	291	(20)			
Total coal (including buy-ins)	42 477	47 446	(10)	42 759	46 759	(9)

Chinese and Indian governments continue to wield significant influence over thermal coal seaborne markets by deploying domestic protectionist policies such as price controls, tariffs, and quotas. China's ban on Australian coal imports is also shifting more Australian coal to India, and imports from further afield into China.

After reaching record highs in mid-October 2021, thermal coal prices have started to ease as China's restrictions on power demand and supply intervention drove down domestic prices. However, current price levels are still well above marginal costs, owing to strong winter demand, a tight gas balance in Europe and the La Nina weather pattern bringing heavy rainfall and flooding to key exporters in the Pacific market. The lack of coal in the spot market in Australia, Russia and South Africa also provided support to high ash coal prices, whilst the Indonesian low-ranking coal has been more exposed to China's domestic coal price correction.

The domestic low CV market experienced subdued demand due to weak demand from Eskom. Most of the exporters prioritised railing high CV products to maximise returns on limited export rail availability, with the lower quality unsized export coal sold domestically to reduce high stockpiles.

Exxaro, along with other South African coal exporters, were severely constrained by a lack of sufficient logistical rail capacity. Locomotive unavailability remains a huge challenge, combined with cable theft, vandalism, and sabotage of rail infrastructure. This resulted in the industry only railing 58.1 Mt to RBCT in 2021 (FY20: 70.1 Mt). Exxaro export volumes decreased by 37% from 12.2 Mt in FY20 to 7.6 Mt in FY21.

The average benchmark API4 RBCT export price of US$124 per tonne was 90% higher (FY20: US$65 per tonne), resulting in a 100% increase in the average realised export price for Exxaro of US$96 per tonne (FY20: US$48 per tonne).

COAL BUSINESS PERFORMANCE continued

Production and sales volumes

Coal production volumes (excluding buy-ins) decreased by 4 910 kt (-10%) across all our mines, mainly due to the impact of the lower rail performance and market constraints as well as the ECC disposal on 3 September 2021.

Sales volumes decreased by 4 001 kt (-9%), mainly on export volumes due to lower rail performance, partly offset by higher domestic sales volumes as export product was sold in the local market.

Thermal Coal

Commercial Waterberg

Production at Grootegeluk decreased by 1 219 kt (-5%), as the tie-in of the newly constructed GG6 plant, coupled with the impact of heavy rain and COVID-19 restrictions in 1Q21, reduced production volumes. This was mitigated through higher stock utilisation with inventory reducing by approximately 1.2 Mt to meet contractual sales volumes.

Sales increased slightly as demand in the domestic markets ramped up following the impact of the lockdown restrictions in FY20.

Commercial Mpumalanga

The commercial Mpumalanga mines' thermal coal **production** decreased by 3 113 kt (-25%), as follows:

- Leeuwpan 1 324 kt (-36%), due to market constraints, full stockpiles as well as a 17-day TFR shutdown.
- ECC 1 045 kt (-27%), due to the divestment in September 2021.
- Lower offtake from Mafube of 415 kt (-23%), mainly due to the poor rail performance.
- Belfast 329 kt (-12%), impacted by heavy rains and the production of higher value coal resulting in lower power station coal production.

The commercial Mpumalanga mines' thermal coal **sales** increased by 806 kt (+46%), attributable to higher sales at ECC of 685 kt (+212%), Belfast of 325 kt (+374%) and Mafube of 16 kt, as export coal was redirected to the local market to counter the rail constraints.

The increase was partly offset by lower sales at Leeuwpan of 220 kt (-16%), mainly due to the mentioned market and rail constraints.

Exports commercial

Export **sales** volumes decreased by 4 538 kt (-37%), mainly due to logistical constraints and the ECC divestment in September 2021.

Tied

Coal **production** and **sales** decreased by 250 kt (-4%) and 258 kt (-4%), respectively.

Metallurgical Coal

Grootegeluk's metallurgical coal **production** decreased by 328 kt (-15%), as the operations were impacted by severe rain and high COVID-19 infections at the beginning of FY21. Due to the poor rail performance and high stock levels, production was curtailed.

Sales volumes decreased by 80 kt (-8%), mainly due to the lower availability of trains.

COAL BUSINESS PERFORMANCE continued

Coal revenue and core EBITDA

	Revenue			Core EBITDA[1]		
	FY21 Rm	FY20 Rm	Change %	FY21 Rm	FY20 Rm	Change %
Commercial – Waterberg	16 852	15 449	9	8 627	8 093	7
Commercial – Mpumalanga	9 439	8 037	17	2 120	(433)	
Tied[2]	5 089	4 355	17	157	144	9
Other	15	34	(56)	(233)	(97)	
Coal	31 395	27 875	13	10 671	7 707	38

[1] *Calculated after adjusting for non-core adjustments.*
[2] *Matla mine supplying its entire production to Eskom.*

Coal revenue increased 13%, largely driven by an increase in revenue from our commercial mines as we achieved higher sales prices in all markets. Higher domestic sales volumes were offset by lower export volumes.

At Matla, revenue increased due to a higher recovery of capital expenditure and production cost from Eskom.

The increase in revenue was partially offset by a stronger ZAR/USD exchange rate realised of R14.78 (FY20: R16.45), and the divestment of ECC in September 2021.

Coal core EBITDA of R10 671 million (FY20: R7 707 million) increased 38%, driven mainly by:
- Higher commercial revenue (+R3 661 million)
- Lower selling and distribution costs (+R734 million), due to lower export volumes
- Realised and unrealised exchange rate gains (+R231 million)
- Lower operational costs (+R136 million), mainly due to lower production volumes and cost saving initiatives.

The increase was partly offset by:
- Inflationary pressures (-R1 000 million), driven by diesel and electricity tariff increases significantly above the PPI inflation rate
- Inventory drawdown and third party buy-ins (-R536 million)
- Royalties and carbon tax (-R365 million), in line with higher profitability
- Higher employee costs (-R218 million), due to bonus payments in line with performance targets, as well as higher costs incurred on the ESOP scheme.

COAL BUSINESS PERFORMANCE continued

Equity-accounted investments

Mafube, our 50% joint venture with Thungela, recorded core equity-accounted income of R375 million (FY20: R67 million). This increase is mainly due to higher export prices realised, partially offset by lower sales volumes and a stronger exchange rate.

Capex and projects

Coal Capex

	FY21 Rm	FY20 Rm	Change %
Sustaining	1 564	2 110	(26)
Commercial – Waterberg	1 285	1 683	(24)
Commercial – Mpumalanga	261	411	(37)
Other	18	16	13
Expansion	836	950	(12)
Commercial – Waterberg	705	643	10
Commercial – Mpumalanga	131	307	(57)
Total coal capex	2 400	3 060	(22)

The coal business's capital expenditure decreased 22% in FY21. Sustaining capital decreased 26% driven mainly by lower spend at Grootegeluk, Leeuwpan, Belfast and the disposal of ECC in September 2021. Expansion capital decreased 12% as we completed the construction on the GG6 project and the Belfast mine.

ENERGY BUSINESS PERFORMANCE

Energy Core EBITDA was R914 million (FY20: R648 million for the 9-month period post acquisition).

The two Cennergi windfarms were operating at slightly lower than planned capacity due to lower than expected windspeeds, increased maintenance in low wind periods as well as the production time lost during the end of 5-year warranty inspections impacting energy generation negatively. Combined electricity generation was 724GWh (FY20: 727GWh based on 12-month period).

Normalised Cennergi EBITDA margin exceeds 80%, which shows the consistency of earnings and margins underpinned by long-term offtake agreements.

The Cennergi project financing of R4 700 million (FY20: R4 810 million) will mature over time and be fully settled in 2031. It has no recourse to the Exxaro balance sheet and is hedged through interest rate swaps achieving an effective rate of 11.9%.

FERROUS BUSINESS PERFORMANCE

Equity-accounted investment

The 48% increase in core equity-accounted income from SIOC to R9 035 million (FY20: R6 123 million), was primarily driven by the higher iron-ore prices and price premia.

An interim dividend of R6 329 million was received from our investment in SIOC in August 2021 (2H20: R1 706 million). SIOC declared a final dividend to its shareholders in February 2022. Exxaro's 20.62% share of the dividend amounts to R2 655 million, which is 58% lower than the interim dividend received. The dividend will be accounted for in 1H22.

SALE OF NON-CORE ASSETS AND INVESTMENTS

Exxaro concluded its strategy to monetise its investment in Tronox Holdings plc when Tronox Holdings plc exercised the "flip-in" call option for the Tronox SA shares. This became effective on 24 February 2021 and resulted in the deemed disposal of the Tronox SA shares in exchange for Tronox Holdings plc Ordinary Shares. On 1 March 2021 all the Tronox Holdings Ordinary Shares were sold.

On 8 April 2021, Exxaro signed an SPA to dispose of our ECC operation to Overlooked Colliery. All conditions precedent to the SPA were fulfilled and the transaction became effective on 3 September 2021.

The disposal process for Leeuwpan continues with definitive legal agreements envisaged to be signed in 1H22, and regulatory approvals thereafter.

Exxaro continues to evaluate its options to dispose of its 26% shareholding in Black Mountain.

PERFORMANCE AGAINST NEW B-BBEE CODES

The FY21 audit is still in progress and the certificate will be published as soon as the audit is concluded.

SUSTAINABLE DEVELOPMENT

Climate change response strategy implementation

The decarbonisation project management office (DPMO) was established in June 2021 to coordinate the decarbonisation activities across the group and compile a detailed baseline of our emissions. A multi-functional project team, comprising 10 functional and 4 cross-functional streams, has been established to develop a group-wide decarbonisation system and 2050 carbon neutrality pathway streams.

The team has compiled a detailed emissions baseline for the organisation and identified potential emission reduction opportunities from the planned projects. In the 2020 audited GHG emission data, Exxaro's total emissions were 66 000 ktCO_2eq, with Scope 1 accounting for 0.49%, Scope 2 for 0.76% and Scope 3 for 98.75%. A detailed breakdown of our emissions sources reveals that:

- Diesel accounts for 67% of the total Scope 1
- Methane emissions (i.e. fugitive emissions from the coal seam) accounts for 31% of Scope 1
- Grootegeluk accounts for 73% of Scope 2 emissions which are the result of electricity purchases and use from Eskom.

The organisation has opportunities to reduce current Scope 1 and Scope 2 emissions by 40% by 2025 with the implementation of the following initiatives:

- Grootegeluk solar PV project
- Execution of the pollution prevention plans, which are part of our compliance responsibilities
- Finalisation of divestment activities of Leeuwpan.

The implementation of the Grootegeluk renewable energy project will significantly reduce Exxaro's Scope 2 emissions, given the materiality of Grootegeluk's contribution. Additional GHG mitigation activities have been identified through the decarbonisation projects, and the team is refining the business case to ensure maximum value can be obtained for the organisation.

SUSTAINABLE DEVELOPMENT continued

Social investment

Our social investment and engagement activities continued from FY20 within the COVID-19 environment, taking the necessary precautions. Our primary focus was to execute our ESD programme and implementation of community infrastructure projects, especially those related to water supply.

We achieved a local procurement spend of 11.3%, equal to R1.05 billion compared to our target of 10% and a prior year achievement of 4.5%, doubling our local procurement spend to empower over 241 local black owned SMME's.

During the year under review, we approved total ESD funding of R127.7 million to fifteen SMME's employing 243 people. We onboarded and provided support to 97 beneficiaries on the contractor development programmes, in partnership with the Gordon Institute of Business Science and 29 enterprise owners on a financial excellence programme with the SAICA enterprise development programme.

A total of R64 million was spent on the completion of schools, an ESD hub, water, and sanitation infrastructure projects through our Social and Labour Plans, in both Mpumalanga and Waterberg. A total of 205 jobs were created during the construction periods, with 53 484 community members being positively impacted, including 272 households, school children, women and youth entrepreneurs.

Changes in municipal leadership, post the local government elections, brought some stability which bodes well for current and future engagements and collaboration for local investment and community development.

MINING AND PROSPECTING RIGHTS

The environmental authorisation application and water use license (Phase 1) applications have been submitted for the Belfast expansion project. We hope to receive these licenses in the first quarter of 2023.

Though the pandemic restrictions have improved, our interactions with the DMRE, Department of Water and Sanitation and other state departments remain impacted. The following applications are in process at the DMRE:

- The execution of Grootegeluk's section 102 application amending the mining right boundary
- The execution of Leeuwpan's section 102 application consolidating the two mining rights into a single mining right
- A section 102 application amending Matla's mining right to swap Coal Reserves with Seriti Resources as part of a commercial transaction.

In December 2021, the DMRE issued a directive for Exxaro to explain the failure to commence mining at Thabametsi. A formal response has been submitted to the DMRE.

An internal investigation to incorporate Thabametsi into the Grootegeluk mining right is underway, and we have committed to keep the authorities abreast of the outcome.

The group's compliance to valid licences or authorisations is at 96%. Where rights and other licences are nearing expiry dates, renewal applications are submitted timeously.

COAL RESOURCES AND COAL RESERVES

Our total attributable Coal Resources decreased by 6%, primarily due to mining depletion at our operations, the divestment of ECC and a change at Matla mine where 111 Mt of Coal Resources located outside the LoM was moved to inventory. These Matla Coal Resources are remnant and isolated coal blocks due to their locality and infrastructure and accessibility constraints and do not comply with our considerations of Realistic Prospects of Eventual Economic Extraction (RPEEE) for reporting of Coal Resources.

Our total attributable Coal Reserves decreased by 4%, mainly due to the divestment of ECC and normal mining depletion.

The divestment of ECC decreased the total attributable Coal Resources by 556 Mt and the total Coal Reserves by 95 Mt.

COAL RESOURCES AND COAL RESERVES continued

Other than normal LoM depletion, no material changes are reported on the Coal Resources and Coal Reserves estimates at our other operations.

Both Coal Resource and Coal Reserve lead Competent Persons are in the full-time employment of Exxaro, Henk Lingenfelder (Bachelor of Science: geology (Honours), Certified Professional Natural Scientist, Pr Sci Nat: 400038/11) as the Group Manager: Geosciences and Chris Ballot (Bachelor of Engineering (mining), Engineering Council of South Africa (ECSA), 20060040) as the Group Manager: Mining. Both persons have approved the information in writing in advance of this publication.

OUTLOOK

Economic context

In 1H22, the post-pandemic economic surge is expected to subside, as pent-up demand is exhausted, allowing for a downshift in global real GDP expansion. The withdrawal of fiscal and monetary policy stimuli will weigh on global growth as governments contain spending and contend with higher debt burdens. COVID-19 vaccination rates are expected to increase further, and barring any renewed infection rate increases, enabling affected economies to reopen.

The pandemic has strained South Africa's fiscal position, with public sector debt unsustainably high. Furthermore, South Africa experienced its worst-ever year of rotational power cuts, with Eskom continuing to highlight the impact of high debt burdens, illegal connections and weak cash flow. South Africa's electricity constraints are expected to continue into 2022 impacting growth prospects.

The rand/dollar exchange rate is expected to remain volatile in 1H22, depending on whether the surge in inflation largely reflects transitory factors.

Commodity markets and price

The domestic unsized market will continue experiencing pressure due to the increased volumes in the domestic market on the back of lower rail performance as domestic mining operations continue to struggle to excavate coal destined for the export market. On the international front, we expect the demand for coal to remain strong as supply is constrained. The influence of high gas prices and expected cold weather in the northern hemisphere will continue to drive stable demand for coal.

Lower steel production is anticipated in China, due to power shortages, a property sector slump, emission controls in the lead up to the winter Olympics and a broad-based economic slowdown.

Global iron ore supply growth remains a further downside risk to the expected softer market.

Operational performance

As previously communicated, poor logistical performance is impacting our ability to produce and export coal at desired levels. This highlighted the importance to respond quickly to value chain interruptions, and through our integrated operations centres and Market to Resource optimization strategy, we have the visibility required to respond effectively.

To remain competitive across various markets, our operational excellence and digital programmes are focused on specific projects across the value chain, aimed at managing stock levels, productivity, and production costs.

The pre-feasibility study to determine the way forward for the Moranbah South hard coking coal project started during 3Q21 and is expected to be completed by 1Q23.

FINAL DIVIDEND

We will remain prudent in our capital allocation framework, in terms of returning cash to shareholders, managing debt, and selectively reinvesting for the growth of our business.

Our strategic approach to build our renewable energy business necessitated a change in our dividend policy, which was approved by the board of directors in March 2021.

The revised dividend policy is still based on the following two components:

- A targeted cover ratio of 2.5 times to 3.5 times Adjusted Group Earnings; and
- Pass-through of the SIOC dividend.

Exxaro will continue to target a gearing ratio of below 1.5 times net debt (excluding ring-fenced project financing) to EBITDA.

The board of directors has declared a cash dividend, comprising:

- 2.5 times Adjusted Group Earnings (group core net profit after tax (excluding SIOC core equity-accounted income) less NCI of Exxaro subsidiaries (excluding NCI of Eyesizwe)); and
- Pass-through of SIOC dividend of R2 655 million.

Notice is hereby given that a gross final cash dividend, number 38 of 1 175 cents per share, for the year ended 31 December 2021 was declared, and is payable to shareholders of ordinary shares.

For details of the final dividend, please refer note 6 of the reviewed condensed group annual financial statements for the year ended 31 December 2021. The details will also be published on our website at www.exxaro.com.

Salient dates for payment of the final dividend are:

Last day to trade cum dividend on the JSE	Tuesday, 3 May 2022
First trading day ex dividend on the JSE	Wednesday, 4 May 2022
Record date	Friday, 6 May 2022
Payment date	Monday, 9 May 2022

No share certificates may be dematerialised or re-materialised between Wednesday, 4 May 2022 and Friday, 6 May 2022, both days inclusive. Dividends for certificated shareholders will be transferred electronically to their bank accounts on payment date. Shareholders who hold dematerialised shares will have their accounts at their central securities depository participant or broker credited on Monday, 9 May 2022.

CHANGES TO THE BOARD OF DIRECTORS

In compliance with paragraph 3.59 of the Listings Requirements and paragraph 6.39 of the Debt Listings Requirements, shareholders were advised of the changes to the board of directors during the year ended 31 December 2021.

The company welcomed Dr Pumla Mnganga, Ms Karin Ireton, Mr Billy Mawasha and Mr Ben Magara to the board of directors as independent non-executive directors, with effect from 7 February 2022.

Shareholders are further advised that the board of directors has approved the early exit of Mr Mxolisi Mgojo with effect from 31 July 2022. The appointment of Dr Nombasa Tsengwa as chief executive officer will be effective as from 1 August 2022. The board of directors thanks Mr Mgojo for his invaluable contribution to Exxaro and wishes him well in his retirement and looks forward to Dr Tsengwa's management of the company.

Shareholders are also advised of the executive appointment of Mr Kgabi Masia in the position of Managing director: Minerals, formerly held by Dr Tsengwa. Mr Masia has exposure to Manganese, Coal and Aluminium Operations in his career. He has also worked across multiple functions such as operations, commercial, supply and logistics at a General Manager level and brings deep insight of the sector. He has led and executed decarbonisation strategies and exits. He has operated at executive level when he led South32's SA Coal business and has served more broadly on the Minerals Council. Mr Masia's most recent role was President, South Africa Energy Coal for South32 and he has worked for one company his entire career (South32/BHP).

GENERAL

Additional information on financial and operational results for the year ended 31 December 2021, and the accompanying presentation can be accessed on our website on www.exxaro.com.

On behalf of the board of directors

Geoffrey Qhena
Chairman

Mxolisi Mgojo
Chief executive officer

Riaan Koppeschaar
Finance director

3 March 2022

REVIEWED CONDENSED GROUP ANNUAL FINANCIAL STATEMENTS

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December

	2021 Reviewed Rm	(Re-presented)[1] 2020 Audited Rm
Revenue (note 9)	32 771	28 924
Operating expenses (note 10)	(24 343)	(22 749)
Operating profit	8 428	6 175
Loss on disposals of subsidiaries (note 11)	(947)	
Impairment charges of non-current operating assets	(21)	(1 378)
Net operating profit	7 460	4 797
Finance income (note 12)	239	215
Finance costs (note 12)	(860)	(1 047)
Income from financial assets	55	4
Share of income of equity-accounted investments (note 13)	9 790	6 204
Impairment charges of equity-accounted investments		(504)
Profit before tax	16 684	9 669
Income tax expense	(2 203)	(719)
Profit for the year from continuing operations	14 481	8 950
Profit for the year from discontinued operations (note 8)	1 892	276
Profit for the year	16 373	9 226
Other comprehensive loss, net of tax	(913)	(251)
Items that will not be reclassified to profit or loss:	40	10
– Remeasurement of retirement employee obligations		21
– Changes in fair value of equity investments at FVOCI	49	(13)
– Share of OCI of equity-accounted investments	(9)	2
Items that may subsequently be reclassified to profit or loss:	302	(281)
– Unrealised exchange differences on translation of foreign operations	39	55
– Changes in fair value on cash flow hedges	84	(385)
– Share of OCI of equity-accounted investments	179	49
Items that have subsequently been reclassified to profit or loss:	(1 255)	20
– Recycling of unrealised exchange differences on translation of foreign operations	(482)	(103)
– Recycling of changes in fair value on cash flow hedges	105	77
– Recycling of share of OCI of equity-accounted investments	(878)	46
Total comprehensive income for the year	15 460	8 975
Profit attributable to:		
Owners of the parent	12 667	7 283
– Continuing operations	11 202	7 069
– Discontinued operations	1 465	214
Non-controlling interests	3 706	1 943
– Continuing operations	3 279	1 881
– Discontinued operations	427	62
Profit for the year	16 373	9 226
Total comprehensive income attributable to:		
Owners of the parent	11 954	7 103
– Continuing operations	11 169	6 928
– Discontinued operations	785	175
Non-controlling interests	3 506	1 872
– Continuing operations	3 277	1 821
– Discontinued operations	229	51
Total comprehensive income for the year	15 460	8 975
Attributable earnings per share	**cents**	**cents**
Aggregate		
– Basic	5 128	2 902
– Diluted	5 128	2 902
Continuing operations		
– Basic	4 535	2 817
– Diluted	4 535	2 817
Discontinued operations		
– Basic	593	85
– Diluted	593	85

[1] *Refer note 4.*

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION
At 31 December

	2021 Reviewed Rm	2020 Audited Rm
ASSETS		
Non-current assets	63 298	65 824
Property, plant and equipment	38 351	38 395
Intangible assets	2 927	3 095
Right-of-use assets	401	453
Inventories	145	128
Equity-accounted investments (note 15)	17 322	20 006
Financial assets (note 22)	3 237	2 141
Deferred tax	369	1 076
Other assets (note 16)	546	530
Current assets	12 419	9 033
Inventories	1 606	1 821
Financial assets (note 22)	311	169
Trade and other receivables	2 701	2 827
Cash and cash equivalents	7 042	3 196
Other assets (note 16)	759	1 020
Non-current assets held-for-sale		3 749
Total assets	75 717	78 606
EQUITY AND LIABILITIES		
Capital and other components of equity		
Share capital	983	1 021
Other components of equity	1 560	2 495
Retained earnings	37 007	35 265
Equity attributable to owners of the parent	39 550	38 781
Non-controlling interests	10 548	9 340
Total equity	50 098	48 121
Non-current liabilities	20 841	19 103
Interest-bearing borrowings (note 17)	9 255	7 448
Lease liabilities (note 18)	470	493
Other payables	53	24
Provisions (note 20)	2 201	1 946
Retirement employee obligations	159	147
Financial liabilities (note 22)	406	782
Deferred tax	8 271	8 236
Other liabilities (note 21)	26	27
Current liabilities	4 778	10 244
Interest-bearing borrowings (note 17)	1 000	6 163
Lease liabilities (note 18)	34	29
Trade and other payables	2 230	2 940
Provisions (note 20)	101	185
Financial liabilities (note 22)		49
Overdraft (note 17)	1	17
Other liabilities (note 21)	1 412	861
Non-current liabilities held-for-sale		1 138
Total liabilities	25 619	30 485
Total equity and liabilities	75 717	78 606

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

	Share capital Rm	Other components of equity: Foreign currency translation Rm	Financial instruments revaluation Rm	Equity-settled Rm
At 31 December 2019 (Audited)	1 021	1 906	(35)	883
Total comprehensive (loss)/income		(37)	(220)	68
– Profit for the year				
– Other comprehensive (loss)/income for the year		(37)	(220)	68
Transactions with owners				(48)
Contributions and distributions				10
– Dividends paid (note 6)				
– Distributions to NCI share option holders				
– Share-based payments movement				10
Changes in ownership interest				(58)
– Deemed disposal of JV				(58)
– Acquisition of subsidiaries				
– Recognition of NCI				
At 31 December 2020 (Audited)	1 021	1 869	(255)	903
Total comprehensive (loss)/income		(882)	138	
– Profit for the year				
– Other comprehensive (loss)/income for the year		(882)	138	
Transactions with owners	(38)			(307)
Contributions and distributions	(38)			(122)
– Dividends paid (note 6)				
– Distributions to NCI share option holders				
– Share-based payments movement				(122)
– Shares repurchased and cancelled[1]	(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[2]				(185)
– Disposal of subsidiaries[3]				
At 31 December 2021 (Reviewed)	983	987	(117)	596

[1] 2021: Relates to the repurchase and cancellation of 9 401 662 ordinary shares to the value of R1.5 billion in terms of the share repurchase programme announced and implemented during the year.

[2] 2021: Relates to the net reclassifications within equity from the retirement employee obligations reserve and equity-settled reserve to retained earnings upon the divestment from Tronox SA and Tronox Holdings plc.

[3] 2021: Relates to the net reclassifications within equity from the financial asset FVOCI revaluation reserve to retained earnings as well as the derecognition of the NCI previously recognised for the Dorstfontein operations upon the disposal of the ECC operation.

Foreign currency translation
Arises from the translation of financial statements of foreign operations within the group.

Financial instruments revaluation
Comprises the share of equity-accounted investments' hedging reserves and the group's cash flow hedge reserve.

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.

Financial asset FVOCI revaluation
Comprises the fair value adjustments, net of tax, on the financial assets classified at FVOCI.

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
(39)	4	4	31 032	34 776	8 111	42 887
18	(9)		7 283	7 103	1 872	8 975
			7 283	7 283	1 943	9 226
18	(9)			(180)	(71)	(251)
			(3 050)	(3 098)	(643)	(3 741)
			(3 034)	(3 024)	(979)	(4 003)
			(3 034)	(3 034)	(978)	(4 012)
					(1)	(1)
				10		10
			(16)	(74)	336	262
			58			
					147	147
			(74)	(74)	189	115
(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)
				(122)		(122)
			(1 462)	(1 500)		(1 500)
			(6)	(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

CONDENSED GROUP STATEMENT OF CASH FLOWS
For the year ended 31 December

	2021 Reviewed Rm	2020 Audited Rm
Cash flows from operating activities	8 432	5 493
Cash generated by operations	10 552	7 770
Settlement of contingent consideration		(198)
Interest paid	(1 017)	(1 305)
Interest received	217	192
Tax paid	(1 320)	(966)
Cash flows from investing activities	13 419	(1 556)
Property, plant and equipment acquired (note 14)	(2 471)	(3 175)
Intangible assets acquired		(2)
Proceeds from disposal of property, plant and equipment	11	34
Decrease in other financial assets at amortised cost	72	79
Increase in ESD loans	(101)	(41)
Decrease in ESD loans	61	61
Deferred consideration paid for acquisition of associates		(349)
Decrease in loan to associate	3	13
Decrease in lease receivables	15	15
Cash transferred on transfer of operation		(14)
Proceeds from disposals of subsidiaries	99	
Acquisition of subsidiaries		(1 402)
Dividend income received from equity-accounted investments	9 991	3 263
Proceeds from disposal of associate classified as non-current assets held-for-sale	5 763	
Increase in environmental rehabilitation funds	(79)	(111)
Dividend income received from financial assets and non-current assets held-for-sale	55	73
Cash flows from financing activities	(18 032)	(2 469)
Interest-bearing borrowings raised (note 19)	4 725	1 750
Interest-bearing borrowings repaid (note 19)	(8 076)	(88)
Lease liabilities paid (note 18)	(36)	(32)
NCI options exercised		115
Distributions to NCI share option holders	(7)	(1)
Dividends paid to NCI of Tsitsikamma SPV	(5)	
Increase in loan from NCI		69
Decrease in loan from NCI	(69)	
Dividends paid (note 6)	(9 557)	(3 034)
Shares acquired in the market to settle share-based payments	(382)	(270)
Shares repurchased including transaction expenses	(1 506)	
Dividends paid to NCI BEE Parties	(3 119)	(978)
Net increase in cash and cash equivalents	3 819	1 468
Cash and cash equivalents at beginning of the year	3 187	1 719
Translation difference on movement in cash and cash equivalents	35	
Cash and cash equivalents at end of the year	7 041	3 187
Cash and cash equivalents	7 042	3 196
Cash and cash equivalents classified as non-current assets held-for-sale		8
Overdraft	(1)	(17)

NOTES TO THE REVIEWED CONDENSED 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 non-controlled) and ferrous (controlled and non-controlled) markets. These reviewed condensed group annual financial statements as at and for the year ended 31 December 2021 (condensed 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.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The condensed annual financial statements have been prepared in accordance with the requirements of the JSE Listings Requirements for preliminary reports and the requirements of the Companies Act of South Africa. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS (as issued by the IASB), the SAICA Financial Reporting Guides (as issued by the Accounting Practices Committee) and Financial Pronouncements (as issued by the Financial Reporting Standards Council). As a minimum, preliminary reports must contain the information required by IAS 34 *Interim Financial Reporting*.

The condensed annual financial statements have been prepared under the supervision of Mr PA Koppeschaar CA(SA), SAICA registration number: 00038621.

The condensed annual financial statements should be read in conjunction with the group annual financial statements as at and for the year ended 31 December 2020, which have been prepared in accordance with IFRS. The condensed annual financial statements have been prepared on the historical cost basis, except for financial instruments, share-based payments and biological assets, which are measured at fair value.

The condensed annual financial statements of the Exxaro group were authorised for issue by the board of directors on 1 March 2022.

2.2 Judgements and estimates

Management made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements and the key source of estimation uncertainty were similar to those applied to the group annual financial statements as at and for the year ended 31 December 2020.

3. ACCOUNTING POLICIES AND OTHER COMPLIANCE MATTERS

The accounting policies applied in the preparation of the condensed annual financial statements are consistent with those of the group annual financial statements as at and for the year ended 31 December 2020. A number of amended IFRS standards became effective for the current year. The group did not have to change its accounting policies nor make retrospective adjustments as a result of adopting these standards.

3.1 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 2021, have not been early adopted. The group continuously evaluates the impact of these standards and amendments.

3.2 Impact of the COVID-19 pandemic on financial reporting

The financial reporting impacts of the COVID-19 pandemic have been assessed by management. Its impacts, though not material, have been factored in as a routine consideration in making relevant estimates, assumptions and contractual evaluations (in particular revenue recognition, inventory valuations, impairment assessments and assumptions applied when determining allowances for ECLs).

In addition, the impact of the COVID-19 pandemic has been considered as part of the solvency and liquidity evaluations of the group which included stress testing of our financial position. These evaluations did not indicate any risk of the group breaching its debt covenants, but rather that the group has sufficient liquidity to withstand an interruption to operations and remain a going concern for the foreseeable future.

4. RE-PRESENTATION OF COMPARATIVE INFORMATION

The condensed group statement of comprehensive income (and related notes) for the year ended 31 December 2020 has been re-presented for the following items:

Impairment charges

The impairment charges line item has been separated on the face of the condensed group statement of comprehensive income in order to provide presentations on a disaggregated basis between non-current operating assets and equity-accounted investments.

The impairment charges on equity-accounted investments, were previously presented as part of the impairment charges line item on the face of the statement of comprehensive income within net operating profit. Details of the composition of the impairment charges were presented in the note. The face of the statement of comprehensive income has been re-presented to separately present the impairment charges on equity-accounted investments outside of net operating profit alongside the presentation of the corresponding share of income of equity-accounted investments to provide a more appropriate net operating profit sub-total line item that reflects the operations of the group.

The impact of the re-presentation was as follows:

	Previously presented	Re-presented	Impact
Condensed group statement of comprehensive income			
Impairment charges of non-current operating assets (Rm)[1]	(1 882)	(1 378)	504
Net operating profit (Rm)	4 293	4 797	504
Impairment charges of equity-accounted investments (Rm)		(504)	(504)

[1] *Previously referred to as "Impairment charges".*

Discontinued operations

The investment in Tronox SA has been identified as a discontinued operation (refer note 8).

The impact of the re-presentation was as follows:

	Previously presented	Re-presented	Impact
Condensed group statement of comprehensive income			
Share of income of equity-accounted investments (Rm)	6 411	6 204	(207)
Profit for the period from discontinued operations (Rm)	69	276	207
Attributable earnings per share			
Continuing operations			
– Basic (cents)	2 880	2 817	(63)
– Diluted (cents)	2 880	2 817	(63)
Discontinued operations			
– Basic (cents)	22	85	63
– Diluted (cents)	22	85	63

5. RECONCILIATION OF GROUP HEADLINE EARNINGS

	Gross Rm	Tax Rm	Non-controlling interest Rm	Net Rm
For the year ended 31 December 2021 (Reviewed)				
Profit attributable to owners of the parent				12 667
Adjusted for:	(1 684)	266	319	(1 099)
– IFRS 10 Loss on disposals 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 entities	(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[1]	21	(6)	(3)	12
Headline earnings				11 568
Continuing operations				11 512
Discontinued operations				56

[1] *Relates to the impairment of property, plant and equipment initially constructed for the Thabametsi project at Grootegeluk.*

	Gross Rm	Tax Rm	Non-controlling interest Rm	Net Rm
For the year ended 31 December 2020 (Audited) (Re-presented)[1]				
Profit attributable to owners of the parent				7 283
Adjusted for:	560	(258)	(168)	134
– IFRS 11 Gain on disposal of joint operation	(17)		4	(13)
– IAS 16 Gain on transfer of operation	(4)		1	(3)
– IAS 16 Net losses on disposal of property, plant and equipment	92	(29)	(14)	49
– IAS 16 Compensation from third parties for items of property, plant and equipment impaired, abandoned or lost	(18)	5	3	(10)
– IAS 21 Net gains on translation differences recycled to profit or loss on deregistration and liquidation of foreign entities	(103)		23	(80)
– IAS 21 Net gains on translation differences recycled to profit or loss on disposal of investment in foreign associate	(13)		3	(10)
– IAS 28 Losses on dilution of investments in associates	20		(5)	15
– IAS 28 Net gain on deemed disposal of JV	(1 321)		298	(1 023)
– IAS 28 Share of equity-accounted investments' separately identifiable remeasurements	42	2	(10)	34
– IAS 36 Net impairment charges of non-current assets	1 882	(236)	(471)	1 175
Headline earnings				7 417
Continuing operations[1]				7 122
Discontinued operations[1]				295

[1] *Refer note 4.*

5. RECONCILIATION OF GROUP HEADLINE EARNINGS continued

	2021 Reviewed cents	(Represented)[1] 2020 Audited cents
Headline earnings per share		
Aggregate		
– Basic	4 683	2 955
– Diluted	4 683	2 955
Continuing operations[1]		
– Basic	4 660	2 837
– Diluted	4 660	2 837
Discontinued operations[1]		
– Basic	23	118
– Diluted	23	118

[1] *Refer note 4.*

Refer note 6 for details regarding the number of shares.

6. DIVIDEND DISTRIBUTIONS

A final cash dividend, number 38, for 2021 of 1 175 cents per share, was approved by the board of directors on 1 March 2022. The dividend is payable on 9 May 2022 to shareholders who will be on the register on 6 May 2022. This final dividend, amounting to approximately R2 838 million (to external shareholders), has not been recognised as a liability in these condensed annual financial statements. It will be recognised in shareholders' equity in the year ending 31 December 2022.

The final dividend declared 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 940 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	
	2021 Reviewed Rm	2020 Audited Rm
Dividends paid	9 557	3 034
Final dividend (relating to prior year)	3 119	1 420
Special dividend	1 363	
Interim dividend (relating to current year)	5 075	1 614
	cents	cents
Dividend paid per share	3 863	1 209
Final dividend (relating to prior year)	1 243	566
Special dividend	543	
Interim dividend (relating to current year)	2 077	643

	At 31 December	
	2021 Reviewed	2020 Audited
Issued share capital (number of shares)	349 305 092	358 706 754
Ordinary shares (millions)		
– Weighted average number of shares	247	251
– Diluted weighted average number of shares	247	251

7. 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 any and all executive committees of the group. In 2021, an additional executive committee was established to oversee the energy operations. Segments reported are based on the group's different commodities and operations.

In line with reporting trends and better disclosure, 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.

Coal

The coal reportable segment is comprised of the commercial (Waterberg and Mpumalanga), tied and other operations. The commercial Mpumalanga operations include a 50% (2020: 50%) investment in Mafube (a joint venture with Thungela, previously Anglo). The 10.26% (2020: 10.26%) effective equity interest in RBCT is included in the other coal operations. The ECC operation (including a 49% (2020: 49%) equity interest in Tumelo) is included in the commercial Mpumalanga reportable segment until the effective date of disposal on 3 September 2021 (refer note 11). The coal operations produce thermal coal, metallurgical coal and SSCC.

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

Energy

The energy reportable segment includes Cennergi as a controlled operation from 1 April 2020 (an equity interest of 50% up to 31 March 2020). It further includes an equity interest of 28.59% (2020: 28.59%) in LightApp.

Ferrous

The ferrous reportable segment mainly comprises the 20.62% (2020: 20.62%) equity interest in SIOC (located in the Northern Cape province) reported within the other ferrous reportable segment as well as the FerroAlloys operation (referred to as Alloys). The Alloys operation manufactures ferrosilicon.

TiO_2

Following the disposal of Tronox Holdings plc and Tronox SA, the TiO_2 reportable segment has been discontinued (refer note 8).

Other

The other reportable segment is split between the base metals and other reportable segments. The 26% (2020: 26%) equity interest in Black Mountain (located in the Northern Cape province) is included in the base metals reportable segment. The other reportable segment comprises a 25.85% (2020: 25.85%) equity interest in Insect Technology, the Ferroland agricultural operation and the corporate office which renders corporate management services. The equity interest in Curapipe was sold on 9 November 2020.

7. SEGMENTAL INFORMATION continued

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

For the year ended 31 December 2021 (Reviewed)	Coal				
	Commercial				
	Waterberg Rm	Mpumalanga Rm	Tied Rm	Other Rm	Energy Rm
External revenue (note 9)	16 852	9 439	5 089	15	1 193
Segmental net operating profit/(loss)	7 137	534	147	(235)	525
– *Continuing operations*	7 137	534	147	(235)	525
– *Discontinued operations*					
External finance income (note 12)	23	2		11	12
External finance costs (note 12)	(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 10)	(1 447)	(636)	(14)	(4)	(388)
Impairment charges of non-current operating assets	(21)				
Net gains on disposal of associates					
– *Discontinued operations*					
Loss on disposals of subsidiaries		(946)			
Share of income/(loss) of equity-accounted investments		404		(19)	16
– *Continuing operations (note 13)*		404		(19)	16
– *Discontinued operations (note 8)*					
Cash generated by/(utilised in) operations	8 533	1 481	127	(297)	904
Capital spend on property, plant and equipment (note 14)	(1 990)	(392)	(1)	(17)	(1)
At 31 December 2021 (Reviewed)					
Segmental assets and liabilities					
Deferred tax[1]		51	33	118	38
Equity-accounted investments (note 15)		1 780		2 034	121
External assets	30 880	6 391	1 216	2 167	8 516
Total assets	30 880	8 222	1 249	4 319	8 675
External liabilities	2 122	1 744	1 212	547	5 239
Deferred tax[1]	7 220	180		1	920
Total liabilities	9 342	1 924	1 212	548	6 159

[1] *Offset per legal entity and tax authority.*

7. SEGMENTAL INFORMATION continued

For the year ended 31 December 2021 (Reviewed)	Ferrous Alloys Rm	Ferrous Other ferrous Rm	TiO_2 Rm	Other Base metals Rm	Other Other Rm	Total Rm
External revenue (note 9)	168				15	32 771
Segmental net operating profit/(loss)	14		2 217		(662)	9 677
– Continuing operations	14				(662)	7 460
– Discontinued operations			2 217			2 217
External finance income (note 12)		2			189	239
External finance costs (note 12)	(1)				(139)	(860)
Income tax (expense)/benefit			(379)		(36)	(2 582)
– Continuing operations					(36)	(2 203)
– Discontinued operations			(379)			(379)
Depreciation and amortisation (note 10)	(10)				(178)	(2 677)
Impairment charges of non-current operating assets						(21)
Net gains on disposals of associates			1 339			1 339
– Discontinued operations			1 339			1 339
Loss on disposals of subsidiaries					(1)	(947)
Share of income/(loss) of equity-accounted investments		9 037	54	352		9 844
– Continuing operations (note 13)		9 037		352		9 790
– Discontinued operations (note 8)			54			54
Cash generated by/(utilised in) operations	(41)	(3)			(152)	10 552
Capital spend on property, plant and equipment (note 14)	(1)				(69)	(2 471)
At 31 December 2021 (Reviewed)						
Segmental assets and liabilities						
Deferred tax[1]	18				111	369
Equity-accounted investments (note 15)		12 037		1 350		17 322
External assets	358	26			8 472	58 026
Total assets	376	12 063		1 350	8 583	75 717
External liabilities	28	1			6 455	17 348
Deferred tax[1]					(50)	8 271
Total liabilities	28	1			6 405	25 619

[1] *Offset per legal entity and tax authority.*

7. SEGMENTAL INFORMATION continued

	Coal				
	Commercial				
For the year ended 31 December 2020 (Audited)(Re-presented)	Water-berg Rm	Mpuma-langa Rm	Tied Rm	Other Rm	Energy Rm
External revenue (note 9)	15 449	8 037	4 355	34	889
Segmental net operating profit/(loss)[1]	6 668	(2 419)	145	(114)	1 619
– Continuing operations	6 668	(2 419)	145	(114)	1 619
External finance income (note 12)	33	3		8	12
External finance costs (note 12)	(48)	(171)		(52)	(402)
Income tax (expense)/benefit	(2 020)	530	(46)	782	1
– Continuing operations	(2 020)	530	(46)	782	1
Depreciation and amortisation (note 10)	(1 373)	(611)	(19)	(2)	(291)
Impairment charges of non-current operating assets[1]		(1 378)			
Impairment charges of equity-accounted investments[1]					
Gain on deemed disposal of JV (note 10)					1 321
Gains on disposal of joint operation and transfer of operation (note 10)		17		4	
Share of income/(loss) of equity-accounted investments		67		5	(5)
– Continuing operations (note 13)		67		5	(5)
– Discontinued operations (note 8)					
Cash generated by/(utilised in) operations	8 223	(879)	241	(1 717)	693
Capital spend on property, plant and equipment (note 14)	(2 326)	(717)	(1)	(16)	(1)
At 31 December 2020 (Audited)					
Segmental assets and liabilities					
Deferred tax[2]		112	(158)	589	146
Equity-accounted investments (note 15)		1 412		2 053	98
External assets	30 155	6 160	1 138	2 468	8 825
Assets	30 155	7 684	980	5 110	9 069
Non-current assets held-for-sale		2 008			
Total assets	30 155	9 692	980	5 110	9 069
External liabilities	2 129	1 288	926	1 308	5 715
Deferred tax[2]	6 934	229		189	937
Liabilities	9 063	1 517	926	1 497	6 652
Non-current liabilities held-for-sale		1 138			
Total liabilities	9 063	2 655	926	1 497	6 652

[1] *Refer note 4.*
[2] *Offset per legal entity and tax authority.*

7. SEGMENTAL INFORMATION continued

For the year ended 31 December 2020 (Audited)(Re-presented)	Ferrous Alloys Rm	Ferrous Other ferrous Rm	TiO_2 Rm	Other Base metals Rm	Other Other Rm	Total Rm
External revenue (note 9)	147				13	28 924
Segmental net operating profit/(loss)[1]	4			93	(1 199)	4 797
– Continuing operations	4			93	(1 199)	4 797
External finance income (note 12)					159	215
External finance costs (note 12)	(1)				(373)	(1 047)
Income tax (expense)/benefit	7				27	(719)
– Continuing operations	7				27	(719)
Depreciation and amortisation (note 10)	(6)				(134)	(2 436)
Impairment charges of non-current operating assets[1]						(1 378)
Impairment charges of equity-accounted investments[1]					(504)	(504)
Gain on deemed disposal of JV (note 10)						1 321
Gains on disposal of joint operation and transfer of operation (note 10)						21
Share of income/(loss) of equity-accounted investments		6 125	207	122	(110)	6 411
– Continuing operations (note 13)		6 125		122	(110)	6 204
– Discontinued operations (note 8)			207			207
Cash generated by/(utilised in) operations	(38)	(4)			1 251	7 770
Capital spend on property, plant and equipment (note 14)	(2)				(112)	(3 175)
At 31 December 2020 (Audited)						
Segmental assets and liabilities						
Deferred tax[2]	17	1			369	1 076
Equity-accounted investments (note 15)		12 820	2 628	995		20 006
External assets	309	26			4 694	53 775
Assets	326	12 847	2 628	995	5 063	74 857
Non-current assets held-for-sale			1 741			3 749
Total assets	326	12 847	4 369	995	5 063	78 606
External liabilities	29	3			9 713	21 111
Deferred tax[2]					(53)	8 236
Liabilities	29	3			9 660	29 347
Non-current liabilities held-for-sale						1 138
Total liabilities	29	3			9 660	30 485

[1] *Refer note 4.*
[2] *Offset per legal entity and tax authority.*

8. DISCONTINUED OPERATIONS

The discontinued operations are:

Tronox SA

On 23 February 2021, Tronox Holdings plc exercised its "flip-in" call option over Exxaro's 26% shareholding in Tronox SA, for which Tronox Holdings plc delivered 7 246 035 newly issued Tronox Holdings plc Ordinary Shares to Exxaro on 24 February 2021. This resulted in the derecognition of the investment in Tronox SA and recognition of an additional investment in Tronox Holdings plc.

It was concluded that the related performance and cash flow information be presented as a discontinued operation as the investment in Tronox SA represents a separate geographical area of operation of the TiO_2 reportable segment.

Tronox Holdings plc

On 1 March 2021, Exxaro concluded a public offering in the United States of its 21 975 315 Tronox Holdings plc Ordinary Shares. The shares were sold at a public offering price of US$18.25 per share which was reduced by underwriting discounts and commissions resulting in an achieved price per share of US$17.43.

It was concluded that the related performance and cash flow information be presented as a discontinued operation as the investment in Tronox Holdings plc represents a major geographical area of operation as well as the majority of the TiO_2 reportable segment.

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

	For the year ended 31 December 2021 Reviewed Rm	(Re-presented)[1] 2020 Audited Rm
Financial performance		
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	
Operating profit	878	
Net gains on disposal of associates[2]	1 339	
– Total disposal consideration	7 781	
– Carrying amount of investments sold	(6 442)	
Net operating profit	2 217	
Dividend income received from non-current assets held-for-sale		69
Share of income of equity-accounted investment[1]	54	207
Profit before tax	2 271	276
Income tax expense	(379)	
Profit for the year from discontinued operations	1 892	276
Other comprehensive loss, net of tax	(878)	(50)
Items that have subsequently been reclassified to profit or loss:	(878)	
– Recycling of share of OCI of equity-accounted investments	(878)	
Items that may subsequently be reclassified to profit or loss:		(50)
– Share of OCI of equity-accounted investments		(50)
Total comprehensive income for the year	1 014	226
Cash flow information		
Cash flow attributable to investing activities		
– Dividend income received from non-current assets held-for-sale		69
– Proceeds from disposal of associate classified as non-current assets held-for-sale	5 763	
Cash flow attributable to discontinued operations	5 763	69

[1] *Refer note 4.*
[2] *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.*

9. 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.

	Coal					Ferrous	Other	
	Commercial							
For the year ended 31 December 2021 (Reviewed)	Waterberg Rm	Mpumalanga Rm	Tied Rm	Other Rm	Energy Rm	Alloys Rm	Other Rm	Total Rm
Segmental revenue reconciliation								
Segmental revenue[1]	16 852	9 439	5 089	15	1 193	168	15	32 771
Export sales allocated to selling entity	(2 495)	(8 328)		10 823				
Total revenue	14 357	1 111	5 089	10 838	1 193	168	15	32 771
By timing and major type of goods and services								
Revenue recognised at a point in time	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
Revenue recognised over time			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
Total revenue	14 357	1 111	5 089	10 838	1 193	168	15	32 771
By major geographic area of customer[2]								
Domestic	14 357	1 111	5 089	15	1 193	168	14	21 947
Export				10 823			1	10 824
Europe				7 092			1	7 093
Asia				2 955				2 955
Other				776				776
Total revenue	14 357	1 111	5 089	10 838	1 193	168	15	32 771
By major customer industries								
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
Total revenue	14 357	1 111	5 089	10 838	1 193	168	15	32 771

[1] *Coal segmental revenue is based on the origin of coal production.*
[2] *Determined based on the customer supplied by Exxaro.*

9. REVENUE continued

For the year ended 31 December 2020 (Audited)	Coal: Commercial: Waterberg Rm	Coal: Commercial: Mpumalanga Rm	Coal: Tied Rm	Coal: Other Rm	Energy Rm	Ferrous: Alloys Rm	Other: Other Rm	Total Rm
Segmental revenue reconciliation								
Segmental revenue[1]	15 449	8 037	4 355	34	889	147	13	28 924
Export sales allocated to selling entity	(2 002)	(7 357)		9 359				
Total revenue	13 447	680	4 355	9 393	889	147	13	28 924
By timing and major type of goods and services								
Revenue recognised at a point in time (Restated)[2]	13 447	680	3 744	9 293		139	12	27 315
Coal	13 447	680	3 744	9 293				27 164
Ferrosilicon						139		139
Biological goods							12	12
Revenue recognised over time (Restated)[2]			611	100	889	8	1	1 609
Renewable energy[2]					889			889
Stock yard management services			154					154
Project engineering services			457					457
Other mine management services				34				34
Transportation services				66		2		68
Other services						6	1	7
Total revenue	13 447	680	4 355	9 393	889	147	13	28 924
By major geographic area of customer[3]								
Domestic	13 447	680	4 355	34	889	147	8	19 560
Export				9 359			5	9 364
Europe				3 904			3	3 907
Asia				4 539			2	4 541
Other				916				916
Total revenue	13 447	680	4 355	9 393	889	147	13	28 924
By major customer industries								
Public utilities	11 508		4 355	260	889			17 012
Merchants	174	345		8 525		2		9 046
Steel	1 014	79		77				1 170
Mining	56	103		126		119		404
Manufacturing	275					26		301
Food and beverage	250						8	258
Cement	132							132
Chemicals		145						145
Other	38	8		405			5	456
Total revenue	13 447	680	4 355	9 393	889	147	13	28 924

[1] *Coal segmental revenue is based on the origin of coal production.*
[2] *The comparative information has been restated to correct the classification of the renewable energy revenue from contracts with customers. An amount of R889 million has been reclassified from revenue recognised at a point in time to revenue recognised over time as renewable energy revenue is a continuous flow as consumed. The reclassification has not impacted revenue recognition nor measurement, as the amount of energy delivered (passing control to the customer) occur at the same point (metering point). The reclassification provides disclosures which are more comparable to the industry norm.*
[3] *Determined based on the customer supplied by Exxaro.*

10. SIGNIFICANT ITEMS INCLUDED IN OPERATING EXPENSES

	For the year ended 31 December	
	2021 Reviewed Rm	2020 Audited Rm
Raw materials and consumables	(4 339)	(3 744)
Staff costs	(5 583)	(5 103)
Royalties	(970)	(530)
Contract mining	(1 675)	(2 409)
Repairs and maintenance	(2 628)	(2 421)
Railage and transport	(2 175)	(3 101)
Legal and professional fees	(491)	(653)
Movement in provisions (note 20)	(4)	1 100
Movement in indemnification asset		(798)
Depreciation and amortisation	(2 677)	(2 436)
– Depreciation of property, plant and equipment	(2 445)	(2 237)
– Depreciation of right-of-use assets	(65)	(71)
– Amortisation of intangible assets	(167)	(128)
Gain on deemed disposal of JV[1]		1 321
Losses on financial instruments revaluations recycled to profit or loss on deemed disposal of JV[1]		(59)
Hedge ineffectiveness on cash flow hedges (note 22.2)	(10)	(57)
Net losses on disposal of property, plant and equipment	(46)	(92)
Net gains on translation differences recycled to profit or loss on liquidation and deregistration of foreign entities	482	103
Net gains on translation differences recycled to profit or loss on disposal of investment in foreign associate		13
Gain on derecognition of financial asset at FVOCI[2]	175	
Gain on disposal of joint operation		17
Gain on transfer of operation		4
Loss on dilution of investment in associates		(20)
Expected credit losses	57	144
Write-off of trade and other receivables	(80)	(35)
Write-down of inventories to net realisable value		(9)
Insurance recoveries for		32
– Business interruption		14
– Property, plant and equipment		18

[1] *2020: Relates to the step-up acquisition of Cennergi.*
[2] *During the year the four Chifeng refinery companies embarked on a process to consolidate the seperate companies into one consolidated entity. The investments in the seperate 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 now holds an 8.81% shareholding in Chifeng.*

11. LOSS ON DISPOSALS OF SUBSIDIARIES

For the year ended 31 December 2021 (Reviewed)	Rm
Disposal of ECC operation	(946)
Disposal of ADX	(1)
Total loss on disposals of subsidiaries	(947)

ECC operation

The ECC operation was identified as non-core to the future objectives of Exxaro. As a result, Exxaro embarked on a divestment process of the total equity interest in ECC. On 8 April 2021, Exxaro signed an SPA with Overlooked Colliery. All conditions precedent to the SPA were fulfilled and the transaction became effective on 3 September 2021.

For the year ended 31 December 2021 (Reviewed)	Rm
Consideration:	
Cash received	100
Cash sold	(1)
Deferred consideration receivable	150
Loan receivable	300
Environmental rehabilitation funds	721
Total disposal consideration	1 270
Carrying amount of net assets sold	(1 383)
Non-current	(860)
Property, plant and equipment	(948)
Right-of-use assets	(1)
Intangible assets	(2)
Financial assets at FVPL	(706)
Investments in associates	(19)
Provisions	785
Retirement employee obligations	1
Lease liabilities	7
Other payables	2
Deferred tax – liabilities	21
Current	(523)
Financial assets at amortised cost	(165)
Inventories	(522)
Trade and other receivables	(160)
Other assets	(78)
Lease liabilities	8
Trade and other payables	354
Other liabilities	40
Loss on disposal of subsidiaries	(113)
Non-controlling interests[1]	(833)
Net loss on disposal of subsidiaries	(946)
Tax effect	93

[1] *Relates to deficit NCI of Dorstfontein.*

12. NET FINANCING COSTS

	For the year ended 31 December	
	2021 Reviewed Rm	2020 Audited Rm
Finance income	239	215
Interest income	232	209
Reimbursement of interest income on environmental rehabilitation funds	(4)	(5)
Finance lease interest income	8	8
Commitment fee income	3	3
Finance costs	(860)	(1 047)
Interest expense	(745)	(984)
Net fair value losses on interest rate swaps designated as cash flow hedges: recycled from OCI	(146)	(107)
– Realised fair value loss	(201)	(153)
– Unrealised fair value gain	55	46
Unwinding of discount rate on rehabilitation costs	(242)	(305)
Recovery of unwinding of discount rate on rehabilitation costs	32	38
Interest expense on lease liabilities	(53)	(54)
Amortisation of transaction costs	(13)	(9)
Borrowing costs capitalised[1]	307	374
Total net financing costs	(621)	(832)
[1] Borrowing costs capitalisation rate:	*6.14%*	*7.79%*

13. SHARE OF INCOME OF EQUITY-ACCOUNTED INVESTMENTS

	For the year ended 31 December	
	2021 Reviewed Rm	(Re-presented)[1] 2020 Audited Rm
Associates	9 415	6 124
SIOC	9 037	6 125
RBCT	(19)	5
Black Mountain	352	122
Tumelo	29	
Insect Technology		(109)
LightApp	16	(18)
Curapipe		(1)
Joint ventures	375	80
Mafube	375	67
Cennergi		13
Share of income of equity-accounted investments	9 790	6 204

[1] *Refer note 4.*

14. CAPITAL SPEND AND CAPITAL COMMITMENTS

	At 31 December	
	2021 Reviewed Rm	2020 Audited Rm
Capital spend		
To maintain operations	1 635	2 225
To expand operations	836	950
Total capital spend on property, plant and equipment	2 471	3 175
Capital commitments		
Contracted	2 071	2 339
– Contracted for the group (owner-controlled)	1 313	1 990
– Share of capital commitments of equity-accounted investments	758	349
Authorised, but not contracted (owner-controlled)	1 402	1 484

15. EQUITY-ACCOUNTED INVESTMENTS

	At 31 December	
	2021 Reviewed Rm	2020 Audited Rm
Associates	15 542	18 594
SIOC	12 037	12 820
Tronox SA[1]		2 628
RBCT	2 034	2 053
Black Mountain	1 350	995
LightApp	121	98
Joint ventures	1 780	1 412
Mafube	1 780	1 412
Total net carrying value of equity-accounted investments	17 322	20 006

[1] *The investment in Tronox SA was sold on 24 February 2021 (refer note 8).*

16. OTHER ASSETS

	At 31 December	
	2021 Reviewed Rm	2020 Audited Rm
Non-current	546	530
Reimbursements[1]	388	373
Biological assets	27	28
Lease receivables	45	53
Other	86	76
Current	759	1 020
VAT	351	290
Diesel rebates	113	214
Royalties	1	127
Prepayments	208	144
Current tax receivables	24	198
Lease receivables	7	6
Other	55	41
Total other assets	1 305	1 550

[1] *Amounts recoverable from Eskom in respect of the rehabilitation, environmental expenditure and retirement employee obligations of the Matla operation at the end of LoM.*

17. INTEREST-BEARING BORROWINGS

	At 31 December	
	2021 Reviewed Rm	2020 Audited Rm
Non-current[1]	9 255	7 448
Loan facility[2]	4 061	1 748
Project financing[3]	4 551	4 700
Bonds	643	1 000
Current[1]	1 000	6 163
Loan facility[2]	491	6 050
Project financing[3]	149	110
Bonds	360	3
Total interest-bearing borrowings	10 255	13 611
Summary of interest-bearing borrowings by period of redemption:		
Less than six months	694	107
Six to 12 months	306	6 056
Between one and two years	652	1 379
Between two and three years	1 361	1 082
Between three and four years	795	915
Between four and five years	3 172	349
Over five years	3 275	3 723
Total interest-bearing borrowings	10 255	13 611
[1] *Reduced by the amortisation of transaction costs of:*		
– Non-current	*(14)*	*(2)*
– Current	*(6)*	*(6)*
[2] *The loan facility was refinanced during April 2021 which resulted in the extinguishment of the previous loan facility and recognition of the refinanced loan facility.*		
[3] *Interest-bearing borrowings relating to Cennergi.*		
Overdraft		
Bank overdraft	1	17

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

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[1] 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[1] 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.

[1] *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 23.1).*

17. INTEREST-BEARING BORROWINGS continued

The performance against these financial covenants was as follows:

	At 31 December	
	2021 Reviewed	2020 Audited
Net (cash)/debt: equity (%)		
– Target	<80	<80
– Actual	(1)	14
EBITDA: interest cover (times)		
– Target	>4	>4
– Actual	35	11
Net debt: EBITDA (times)		
– Target	<3	<3
– Actual	0.0	0.7

Below is a summary of the salient terms and conditions of the facilities at 31 December 2021:

	Refinanced loan facility		
	Bullet term loan	Amortised term loan	Revolving credit facility
Aggregate nominal amount available (Rm)	2 500	2 025	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
Undrawn portion (Rm)			3 250
Interest			
Interest payment basis	Floating rate	Floating rate	Floating rate
Interest payment period	Three months	Three months	Monthly
Interest rate	3-month JIBAR plus a margin of 240 basis points (2.40%)	3-month JIBAR plus a margin of 230 basis points (2.30%)	1-month JIBAR plus a margin of 265 basis points (2.65%)
Effective interest rates for the transaction costs	0.11%	0.17%	N/A

17. INTEREST-BEARING BORROWINGS continued

	Project financing		
	Tsitsikamma SPV loan facility	Amakhala SPV loan facilities	Amakhala SPV loan facilities
Remaining nominal amount outstanding (Rm)	1 870	2 686	145
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	Bi-annual installments ranging incrementally over the term from 0.18% to 10.65% of the nominal amount	Bi-annual installments ranging incrementally over the term from 0.18% to 10.65% of the nominal amount	Bi-annual installments ranging incrementally over the term from 0.18% to 10.65% of the nominal amount
Duration (months)	129	135	135
Secured or unsecured[1]	Secured	Secured	Secured
Undrawn portion (Rm)	121	273	
Interest			
Interest payment basis	Floating rate[2]	Floating rate[2]	Fixed rate[3]
Interest payment period	Bi-annual	Bi-annual	Bi-annual
Interest rate	3-month JIBAR plus a margin of 266 basis points (2.66%)	3-month JIBAR plus an all-in margin ranging from 361 basis points to 681 basis points (3.61% to 6.81%)	An all-in margin ranging from 360 basis points to 670 basis points (3.60% to 6.70%) plus: 1) 8.00% until June 2021 2) 9.46% from July 2021 to maturity

[1] *Security held over the assets and share capital of Tsitsikamma SPV and Amakhala SPV respectively.*
[2] *Interest payments are hedged from a floating rate to a fixed rate (refer note 22.2).*
[3] *The facility will become a floating rate facility from 30 June 2026.*

17. INTEREST-BEARING BORROWINGS continued

	DMTN Programme (bonds)	
	R357 million senior unsecured floating rate note	**R643 million senior unsecured floating rate note**
Aggregate nominal amount (Rm)	357	643
Issue date or draw down date	13 June 2019	13 June 2019
Maturity date	13 June 2022	13 June 2024
Capital payments	No fixed or determined payments, the total outstanding amount is payable on final maturity date	No fixed or determined payments, the total outstanding amount is payable on final maturity date
Duration (months)	36	60
Secured or unsecured	Unsecured	Unsecured
Interest		
Interest payment basis	Floating rate	Floating rate
Interest payment period	Three months	Three months
Interest rate	3-month JIBAR plus a margin of 165 basis points (1.65%)	3-month JIBAR plus a margin of 189 basis points (1.89%)

18. LEASE LIABILITIES

	At 31 December 2021 Reviewed Rm	2020 Audited Rm
Non-current	470	493
Current	34	29
Total lease liabilities	504	522
Summary of lease liabilities by period of redemption:		
Less than six months	16	14
Six to 12 months	18	15
Between one and two years	43	34
Between two and three years	53	43
Between three and four years	53	43
Between four and five years	66	53
Over five years	255	320
Total lease liabilities	504	522

The lease liabilities relate to the right-of-use assets. Interest is based on incremental borrowing rates ranging between 6.09% and 10.43% (2020: 7.33% and 10.44%).

19. NET DEBT

	At 31 December 2021 Reviewed Rm	2020 Audited Rm
Net debt is presented by the following items on the statement of financial position:		
Non-current interest-bearing debt	(9 725)	(7 954)
Interest-bearing borrowings	(9 255)	(7 448)
Lease liabilities	(470)	(493)
Lease liabilities classified as non-current liabilities held-for-sale		(13)
Current interest-bearing debt	(1 034)	(6 200)
Interest-bearing borrowings	(1 000)	(6 163)
Lease liabilities	(34)	(29)
Lease liabilities classified as non-current liabilities held-for-sale		(8)
Net cash and cash equivalents	7 041	3 187
Cash and cash equivalents	7 042	3 196
Cash and cash equivalents classified as non-current assets held-for-sale		8
Overdraft	(1)	(17)
Total net debt	(3 718)	(10 967)

19. NET DEBT continued

Analysis of movement in net debt:

	Cash and cash equivalents/ (overdraft) Rm	Liabilities arising from financing activities: Non-current interest-bearing debt Rm	Liabilities arising from financing activities: Current interest-bearing debt Rm	Total Rm
Net debt at 31 December 2019 (Audited)	1 719	(7 452)	(77)	(5 810)
Cash flows	1 468	(1 750)	120	(162)
Operating activities	5 493			5 493
Investing activities	(1 556)			(1 556)
Financing activities	(2 469)	(1 750)	120	(4 099)
– Interest-bearing borrowings raised	1 750	(1 750)		
– Interest-bearing borrowings repaid	(88)		88	
– NCI option exercised	115			115
– Distributions to NCI share option holders	(1)			(1)
– Loan from NCI	69			69
– Lease liabilities paid	(32)		32	
– Dividends paid to owners of the parent	(3 034)			(3 034)
– Shares acquired in the market to settle share-based payments	(270)			(270)
– Dividends paid to NCI BEE Parties	(978)			(978)
Non-cash movements		1 248	(6 243)	(4 995)
Amortisation of transaction costs			(9)	(9)
Interest accrued			114	114
Lease remeasurements and modifications		(7)		(7)
New leases		(24)		(24)
Acquisition of subsidiaries		(4 847)	(222)	(5 069)
– Leases		(48)	(7)	(55)
– Project financing		(4 799)	(215)	(5 014)
Transfers between non-current and current liabilities		6 126	(6 126)	
Net debt at 31 December 2020 (Audited)	3 187	(7 954)	(6 200)	(10 967)

19. NET DEBT continued

		Liabilities arising from financing activities		
	Cash and cash equivalents/ (overdraft) Rm	Non-current interest-bearing debt Rm	Current interest-bearing debt Rm	Total Rm
Net debt at 31 December 2020 (Audited)	3 187	(7 954)	(6 200)	(10 967)
Cash flows	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	(69)			(69)
– Lease liabilities paid	(36)		36	
– Dividends paid to owners of the parent	(9 557)			(9 557)
– Shares acquired in the market to settle share-based payments	(382)			(382)
– Shares repurchased and transaction expense	(1 506)			(1 506)
– Dividends paid to NCI BEE Parties	(3 119)			(3 119)
Non-cash movements		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)	
Translation difference on movement in cash and cash equivalents	35			35
Net debt at 31 December 2021 (Reviewed)	7 041	(9 725)	(1 034)	(3 718)

20. PROVISIONS

	Environmental rehabilitation					
	Restoration Rm	Decommis-sioning Rm	Residual impact Rm	Other site closure costs Rm	Other Rm	Total Rm
At 31 December 2021 (Reviewed)						
At beginning of the year	1 420	295	323	79	14	2 131
(Reversal)/charge to operating expenses (note 10)	(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 12)	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)
Total provisions at end of the year	1 479	350	407	56	10	2 302
– Non-current	1 408	350	398	43	2	2 201
– Current	71		9	13	8	101
At 31 December 2020 (Audited)						
At beginning of the year	2 432	544	1 345	83		4 404
(Reversal)/charge to operating expenses (note 10)	(60)	(85)	(986)	14	17	(1 100)
– Additional provisions	316	14	44	16	17	407
– Unused amounts reversed	(376)	(99)	(1 030)	(2)		(1 507)
Unwinding of discount rate on rehabilitation costs (note 12)	169	44	92			305
Provisions capitalised to property, plant and equipment		(88)				(88)
Utilised during the year	(18)		(3)	(16)	(3)	(40)
Reclassification to non-current liabilities held-for-sale	(467)	(52)	576	(2)		55
Acquisition of subsidiaries	6	29	4			39
Transfer of operation	(642)	(97)	(705)			(1 444)
Total provisions at end of the year	1 420	295	323	79	14	2 131
– Non-current	1 284	295	300	60	7	1 946
– Current	136		23	19	7	185

21. OTHER LIABILITIES

	At 31 December 2021 Reviewed Rm	At 31 December 2020 Audited Rm
Non-current	26	27
Income received in advance	26	27
Current	1 412	861
Termination benefits	82	205
Leave pay	241	225
Bonuses	481	271
VAT	26	31
Royalties	73	
Carbon tax	2	5
Current tax payables	418	34
Other	89	90
Total other liabilities	1 438	888

22. FINANCIAL INSTRUMENTS

The group holds the following financial instruments:

	At 31 December 2021 Reviewed Rm	At 31 December 2020 Audited Rm
Non-current		
Financial assets		
Financial assets at FVOCI	446	222
Equity: unlisted – Chifeng[1]	446	222
Financial assets at FVPL	2 173	1 247
Debt: unlisted – environmental rehabilitation funds	2 173	1 247
Financial assets at amortised cost	618	672
ESD loans[2]	91	79
– Gross	99	79
– Impairment allowances	(8)	
Vendor finance loan[3]	293	
– Gross	300	
– Impairment allowance	(7)	
Other financial assets at amortised cost	234	593
– Environmental rehabilitation funds	94	386
– Deferred pricing receivable[4]	145	212
– Impairment allowances	(5)	(5)
Financial liabilities		
Financial liabilities at amortised cost	(9 308)	(7 541)
Interest-bearing borrowings	(9 255)	(7 448)
Other payables	(53)	(24)
Loan from NCI[5]		(69)
Derivative financial liabilities designated as hedging instruments	(406)	(713)
Cash flow hedge derivatives: interest rate swaps[6]	(406)	(713)

[1] *During the year 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 now holds an 8.81% shareholding in Chifeng.*

[2] *Interest-free loans advanced to successful applicants in terms of the Exxaro ESD programme.*

[3] *Vendor finance loan granted to Overlooked Colliery as part of the disposal of the ECC operation. The loan is unsecured, repayable from 2026 and bears interest at:*
– Prime Rate for the period 3 September 2021 to 31 August 2028
– Prime Rate plus 1 for the period 1 September 2028 to 31 August 2029
– Prime Rate plus 2 for the period 1 September 2029 to 31 August 2030
– Prime Rate plus 3 for the period 1 September 2030 to 31 August 2031.

[4] *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%.*

[5] *Loan payable to a BEE minority shareholder of Tsitsikamma SPV. The loan bears interest at a fixed rate of 16.3%, is unsecured and has no fixed terms of repayment, but is subject to cash being available and covenants approvals from the project financiers. The loan was settled in March 2021.*

[6] *Refer note 22.2.*

22. FINANCIAL INSTRUMENTS continued

	At 31 December 2021 Reviewed Rm	At 31 December 2020 Audited Rm
Current		
Financial assets		
Financial assets at amortised cost	10 043	6 192
ESD loans[1]	90	105
– Gross	114	106
– Impairment allowances	(24)	(1)
Vendor finance loan[2]	7	
Other financial assets at amortised cost	210	64
– Deferred pricing receivable[3]	67	64
– Deferred consideration receivable[4]	150	1
– Employee receivables	4	4
– Impairment allowances	(11)	(5)
Trade and other receivables	2 701	2 827
Trade receivables	2 626	2 698
– Gross	2 647	2 793
– Impairment allowances	(21)	(95)
Other receivables	75	129
– Gross	101	153
– Impairment allowances	(26)	(24)
Cash and cash equivalents	7 042	3 196
Financial assets at FVPL	4	
Derivative financial assets	4	
Financial liabilities		
Financial liabilities at amortised cost	(3 231)	(9 120)
Interest-bearing borrowings	(1 000)	(6 163)
Trade and other payables	(2 230)	(2 940)
– Trade payables	(999)	(1 371)
– Other payables	(1 231)	(1 569)
Overdraft	(1)	(17)
Financial liabilities at FVPL		(49)
Derivative financial liabilities		(49)

1 *Interest-free loans advanced to successful applicants in terms of the Exxaro ESD programme.*

2 *Vendor finance loan granted to Overlooked Colliery as part of the disposal of the ECC operation. The loan is unsecured, repayable from 2026 and bears interest at:*
- *Prime Rate for the period 3 September 2021 to 31 August 2028*
- *Prime Rate plus 1 for the period 1 September 2028 to 31 August 2029*
- *Prime Rate plus 2 for the period 1 September 2029 to 31 August 2030*
- *Prime Rate plus 3 for the period 1 September 2030 to 31 August 2031.*

3 *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%.*

4 *Relates to deferred consideration receivable which arose on the disposal of the ECC operation.*

22. FINANCIAL INSTRUMENTS continued

The group has granted the following loan commitments:

	At 31 December	
	2021 Reviewed Rm	2020 Audited Rm
Total loan commitments[1]	250	981
Mafube[2]	250	250
Insect Technology[3]		731

[1] The loan commitments were undrawn for the reporting periods.
[2] Revolving credit facility available for five years, ending 2023.
[3] A US$50 million term loan facility available from 2020 to 2025, subject to certain conditions being met. On 31 January 2021 the term loan facility lapsed.

22.1 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).

At 31 December 2021 (Reviewed)	Fair value Rm	Level 2 Rm	Level 3 Rm
Financial assets at FVOCI	446		446
Equity: unlisted – Chifeng	446		446
Financial assets at FVPL	2 173	2 173	
Non-current debt: unlisted – environmental rehabilitation funds	2 173	2 173	
Derivative financial assets	4	4	
Current derivative financial assets	4	4	
Derivative financial liabilities designated as hedging instruments	(406)	(406)	
Non-current cash flow hedge derivatives: interest rate swaps	(406)	(406)	
Net financial assets held at fair value	2 217	1 771	446

At 31 December 2020 (Audited)	Fair value Rm	Level 2 Rm	Level 3 Rm
Financial assets at FVOCI	222		222
Equity: unlisted – Chifeng	222		222
Financial assets at FVPL	1 247	1 247	
Non-current debt: unlisted – environmental rehabilitation funds	1 247	1 247	
Derivative financial liabilities	(49)	(49)	
Current derivative financial liabilities	(49)	(49)	
Derivative financial liabilities designated as hedging instruments	(713)	(713)	
Non-current cash flow hedge derivatives: interest rate swaps	(713)	(713)	
Net financial assets held at fair value	707	485	222

22. FINANCIAL INSTRUMENTS continued

22.1 Fair value hierarchy continued

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

	Contingent consideration Rm	Chifeng Rm	Total Rm
At 31 December 2019 (Audited)	(191)	235	44
Movement during the year			
Losses recognised in OCI (pre-tax effect)[1]		(13)	(13)
Losses recognised in profit or loss	(3)		(3)
Acquisition of subsidiaries	(98)		(98)
Settlements	296		296
Exchange losses recognised in profit or loss	(4)		(4)
At 31 December 2020 (Audited)		222	222
Movement during the year			
Gains recognised in OCI (pre-tax effect)[1]		49	49
Disposal[2]		(217)	(217)
Acquisition[2]		392	392
At 31 December 2021 (Reviewed)		446	446

[1] *Tax on Chifeng amounts to nil (31 December 2020: nil).*
[2] *During the year the four Chifeng refinery companies embarked on a process to consolidate the seperate companies into one consolidated entity. The investments in the seperate 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 now holds a 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

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

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.

22. FINANCIAL INSTRUMENTS continued

22.2 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.

22.2.1 Financial performance effects of hedging recognised during the year:

	Line item in which recognised	For the year ended 31 December 2021 Audited Rm	2020 Reviewed Rm
Fair value losses resulting from hedge ineffectiveness	Operating expenses	(10)	(57)
Fair value losses on settlement of underlying swap (reclassified)	Finance costs	(146)	(107)

22.2.2 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 2021 Reviewed Rm	2020 Audited Rm
Cash flow hedge reserve – interest rate swaps	(119)	(308)
– Gross	(165)	(428)
– Deferred tax thereon	46	120
Balance of share of movements of equity-accounted investees		2
Balance of NCI share of financial instruments revaluation reserve	2	51
Financial instruments revaluation reserve	(117)	(255)

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

	Gross Rm	Tax Rm	Net Rm
At 31 December 2019 (Audited)			
Movement during the year			
Change in fair value of interest rate swaps recognised in OCI	(535)	150	(385)
Reclassified from OCI to profit or loss in finance costs	107	(30)	77
At 31 December 2020 (Audited)	(428)	120	(308)
Movement during the year			
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
At 31 December 2021 (Reviewed)	(165)	46	(119)

22. FINANCIAL INSTRUMENTS continued

22.2 Hedge accounting: Cash flow hedges continued

22.2.3 Hedging instruments

	At 31 December	
	2021 Reviewed Rm	(Restated)[1] 2020 Audited Rm
Hedged items: Cash flows on floating rate project financing linked to JIBAR		
Nominal amount[1]	3 808	3 885
Gross carrying amount in cash flow hedge reserve	(165)	(428)
Cumulative loss in fair value used for calculating hedge ineffectiveness[1]	(418)	(535)
Hedging instruments: Outstanding receive floating, pay fixed contracts		
Nominal amount[1]	3 808	3 885
Carrying amount	(406)	(713)
Cumulative loss in fair value used for calculating hedge ineffectiveness[1]	(485)	(592)
– Cumulative effective loss in fair value	(418)	(535)
– Cumulative ineffective loss in fair value	(67)	(57)

[1] The following disclosed items within the note have been restated to reflect the correct applicable amount. The restatement only impacts the disclosure of these items:

	Previously presented Rm	*Restated Rm*
Notional amount of:		
– Hedged items	*4 219*	*3 885*
– Hedged instruments	*4 219*	*3 885*
Cumulative loss in fair value used for calculating hedge ineffectiveness:		
– Hedged items	*(535)*	*(428)*
– Hedged instruments	*(592)*	*(549)*

The interest rate swaps settle on a bi-annual basis. The group settles the difference between the fixed and floating interest rate (3-month JIBAR) on a net basis. The 3-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.

23. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

23.1 Contingent liabilities

	At 31 December	
	2021 Reviewed Rm	2020 Audited Rm
Operational guarantees[1]	3 834	4 531
– Financial guarantees ceded to the DMRE[2]	3 606	4 239
– Other financial guarantees	228	292
Total contingent liabilities	3 834	4 531

[1] Includes guarantees to banks and other institutions in the normal course of business from which it is anticipated that no material liabilities will arise.
[2] 2021: No longer includes R579 million which relates to the ECC operation guarantees which were cancelled upon the divestment.

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

23. CONTINGENT LIABILITIES AND CONTINGENT ASSETS continued

23.1 Contingent liabilities continued

Share of equity-accounted investments' contingent liabilities

	At 31 December	
	2021 Reviewed Rm	2020 Audited Rm
Share of contingent liabilities of equity-accounted investments	1 564	1 535

23.2 Contingent assets

	At 31 December	
	2021 Reviewed Rm	2020 Audited Rm
Back-to-back guarantees	134	134
Other[1]	75	
Total contingent assets	209	134

[1] *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.

24. 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.

25. GOING CONCERN

Based on the latest results for the year ended 31 December 2021, the latest budget for 2022 approved by the board of directors, as well as the available banking facilities and cash generating capability, Exxaro satisfies the criteria of a going concern in the foreseeable future.

26. EVENTS AFTER THE REPORTING PERIOD

Details of the final dividend are provided in note 6.

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

27. EXTERNAL AUDITOR'S REVIEW CONCLUSION

These reviewed condensed group annual financial statements for the year ended 31 December 2021, as set out on page 16 to 51, have been reviewed by the company's external auditor, PricewaterhouseCoopers Inc., who expressed an unmodified review conclusion. A copy of the auditor's review report on the condensed group annual financial statements is available for inspection at Exxaro's registered office, together with the financial statements identified in the external auditor's report.

The auditors review report does not necessarily report on all the information contained in these financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's review report together with the accompanying financial information from Exxaro's registered office.

28. KEY MEASURES[1]

	At 31 December	
	2021	2020
Closing share price (rand per share)	152.87	138.90
Market capitalisation (Rbn)	53.40	49.82
Average rand/US$ exchange rate (for the year ended)	14.78	16.45
Closing rand/US$ spot exchange rate	15.94	14.62

[1] *Non-IFRS numbers.*

CORPORATE INFORMATION

REGISTERED OFFICE

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263B West Avenue
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0163
Tel: +27 12 307 5000

This report is available at: www.exxaro.com

DIRECTORS

Executive:

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

Non-executive:

L Mbatha, VZ Mntambo, IN Malevu, MLB Msimang

Independent non-executive:

MG Qhena (chairman), GJ Fraser-Moleketi (lead independent director), LI Mophatlane, EJ Myburgh, V Nkonyeni, PCCH Snyders, CJ Nxumalo, P Mnganga, K Ireton, B Mawasha, B Magara

PREPARED UNDER THE SUPERVISION OF:

PA Koppeschaar CA(SA)
SAICA registration number: 00038621

GROUP COMPANY SECRETARY

AT Ndoni

TRANSFER SECRETARIES

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INVESTOR RELATIONS

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LEAD EQUITY SPONSOR AND DEBT SPONSOR

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

JOINT EQUITY SPONSOR

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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: EXX04
ISIN No: ZAG000160326
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 11 370 5000.

Webcast link: https://www.corpcam.com/Exxaro03032022

Conference call details: https://services.choruscall.za.com/DiamondPassRegistration/register?confirmationNumber=2849678&linkSecurityString=511af55d0

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End date: 15 March 2022

Replay is available 1 hour after the end of the conference. Participants will be required to state their name and company upon entering the call.

ANNEXURE: ACRONYMS

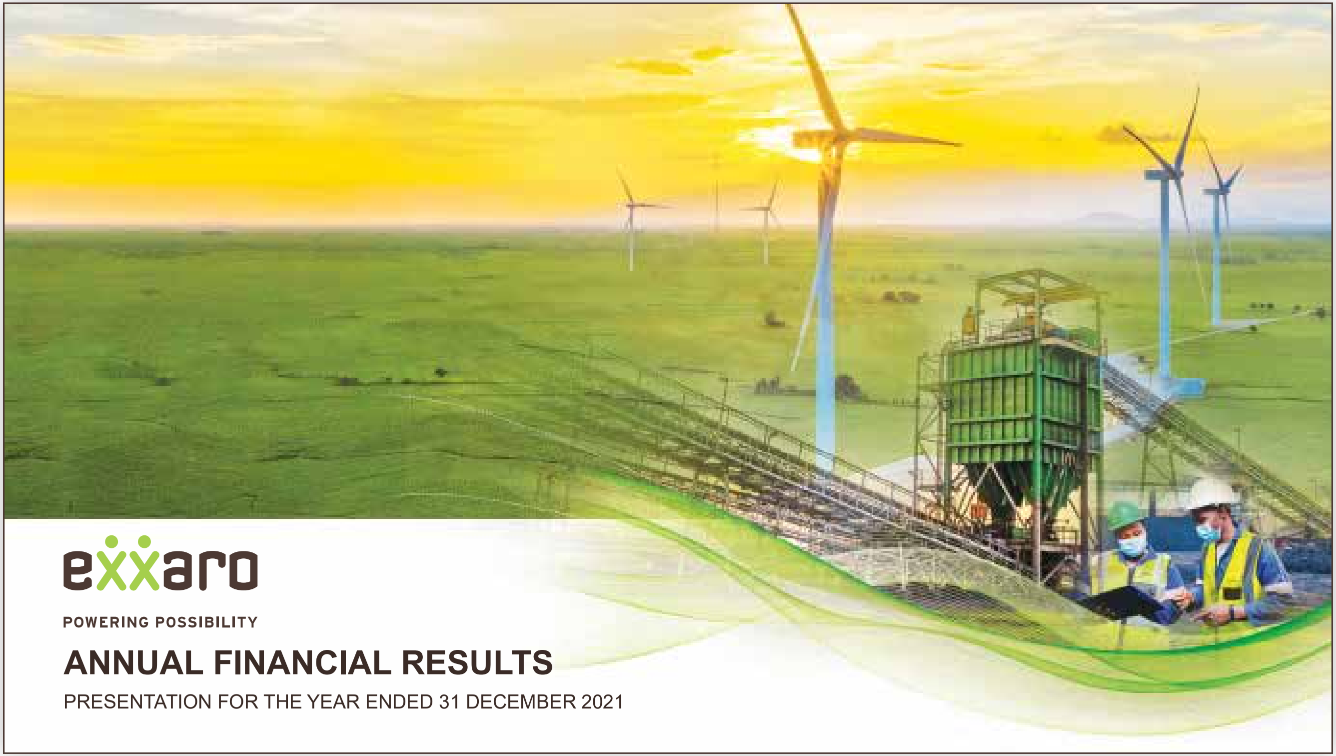
Adjusted Group Earnings	Group core net profit after tax (excluding SIOC core equity-accounting income) less NCI of Exxaro subsidiaries (excluding NCI of Eyesizwe)
ADX	K2018621183 (South Africa) Proprietary Limited
Amakhala SPV	Amakhala Emoyeni RE Project 1 (RF) Proprietary Limited
Anglo	Anglo South Africa Capital Proprietary Limited
API4	All publications index 4 (FOB Richards Bay 6000/kcal/kg)
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 No 71 of 2008, as amended
Curapipe	Curapipe Systems Limited
CV	Calorific value
DMRE	Department of Mineral Resources and Energy
DMTN	Domestic Medium-Term Note
Dorstfontein	Dorstfontein Coal Mines Proprietary Limited
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% (2020: 30%) shareholding in Exxaro
Ferroland	Ferroland Grondtrust Proprietary Limited
FOB	Free on board
FVOCI	Fair value through other comprehensive income
FVPL	Fair value through profit or loss
GDP	Gross domestic product
GHG	Greenhouse gas
GWh	Gigawatt hour
HEPS	Headline earnings per share
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standard(s)
Insect Technology	Insect Technology Group Holdings UK Limited

JIBAR	Johannesburg Interbank Average Rate
JSE	JSE Limited
JV	Joint venture
kt	Kilo tonnes
ktCO$_2$eq	Kilotonnes of carbon dioxide equivalent
LightApp	LightApp Technologies Limited
Listings Requirements	JSE Listings Requirements
LoM	Life of mine
LTIFR	Lost-time injury frequency rate
Mafube	Mafube Coal Proprietary Limited
Mt	Million tonnes
NCI(s)	Non-controlling interest(s)
OCI	Other comprehensive income
Overlooked Colliery	Overlooked Colliery Proprietary Limited
Prime Rate	South African prime bank rate
PV	Photovoltaic
PwC	PricewaterhouseCoopers Incorporated
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
SMME	Small, medium and micro-enterprises
SPA	Sale and purchase agreement
SSCC	Semi-soft coking coal
TFR	Transnet Freight Rail
Thungela	Thungela Resources Limited through its subsidiary South Africa Coal Operations Proprietary Limited
TiO$_2$	Titanium dioxide
Tronox	Exxaro's investment in Tronox entities
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

PRESENTATION

POWERING POSSIBILITY

Reviewed condensed group annual financial statements and unreviewed production and sales volumes information for the year ended 31 December 2021


exxaro
POWERING POSSIBILITY
ANNUAL FINANCIAL RESULTS
PRESENTATION FOR THE YEAR ENDED 31 DECEMBER 2021

NOTES:

Disclaimer

The operational and financial information on which any outlook or forecast statements are based has not been reviewed nor reported on by the group's external auditor. These forward-looking statements are based on management's current beliefs and expectations and are subject to uncertainty and changes in circumstances. The forward-looking statements involve risks that may affect the group's operational and financial information. Exxaro undertakes no obligation to update or reverse any forward-looking statements, whether as a result of new information or future developments.

Where relevant, comments exclude transactions which make the results not comparable. These exclusions are the responsibility of the group's board of directors and have been presented to illustrate the impact of these transactions on the core operations' performance and hence may not fairly present the group's financial position, changes in equity, results of operations or cash flows. These exclusions have not been reviewed nor reported on by the group's external auditor.

NOTES:

PRESENTATION OUTLINE

Overview & Outlook
Mxolisi Mgojo | Chief Executive Officer

Coal operational performance
Nombasa Tsengwa | CEO Designate

Financial results
Riaan Koppeschaar | Finance Director

Commemoration
Geoffrey Qhena | Board Chairman

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POWERING POSSIBILITY

NOTES:

OVERVIEW

Mxolisi Mgojo | Chief Executive Officer

NOTES:

Results overview | **a dynamic operating environment**

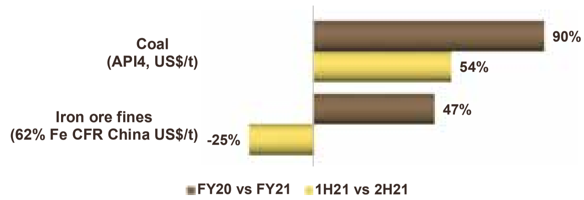
NOTES:

Macro context | **recovery, response and resilience**

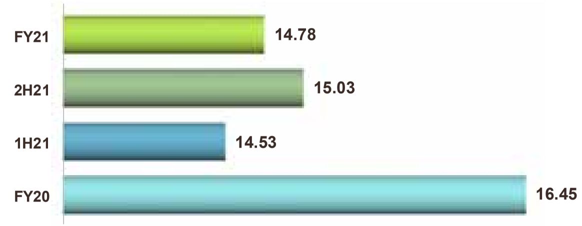
Transition from recession to recovery and expansion

- Covid-19 pandemic, **disrupted supply chains** and **inflationary pressures**
- Global real GDP **increased by 5.6% in 2021**, its strongest advance since 1973
- South Africa's **fiscal constrained** position together with **rotational power cuts** weighed on economic activity
- The global shift in **energy transition policy** continued to intensify

Strong commodity price performance



Volatile USD/ZAR exchange rate



NOTES:

Strategy | **we are delivering on our strategic priorities**

Priority areas:	Progress:
1 Continue with our **portfolio optimisation**	1 **ECC & Tronox disposals completed Leeuwpan disposal in progress** ✓
2 Responsible **value maximisation** of our **coal asset portfolio**	2 **Operational excellence** delivering on cost performance ✓
3 Prioritise acceptable **value distribution** with long term **investments**	3 Applying **a disciplined capital allocation and prudent investment** framework ✓
4 Deliberate and responsible management of **risks and opportunities** in the **low carbon transition**	4 Progressing on **self-generation** project and **minerals** strategy ✓

NOTES:

Performance highlights | **record results despite logistics challenges**

ESG*

- ✓ Maintained **leading FTSE Russell ESG Index** position of **3.7**
- ✓ **Record** safety performance:
  - **5 years** fatality free
  - **0.08** group LTIFR** (target = 0.08)

Operational#

- ✓ **Coal export** volumes
  7.6Mt ▼ 37%
- ✓ **Cost increases below inflation**
- ✓ **Wind energy** delivered
  724GWh ▶

Financial#

- ✓ **Core EBITDA**
  R10.7bn ▲ 46%
- ✓ **Core HEPS**
  R46.83 ▲ 58%
- ✓ **Total dividend**
  R32.52 ▲ 72%

* *Environment, Social and Governance* ** *Lost time injury frequency rate per 200 000 man hours worked* # *Measured against FY20*

Additional information on slide 29

NOTES:


COAL OPERATIONAL PERFORMANCE
Nombasa Tsengwa | CEO Designate

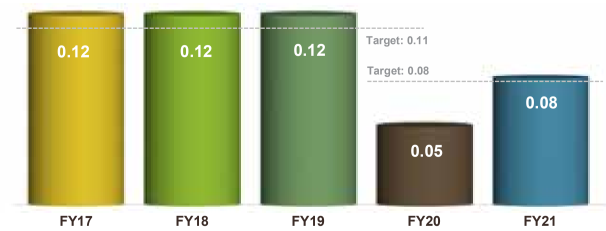
NOTES:

Safety, Health and Environment | our Journey to Zero Harm

Safety, Health and Environment

- Achieved on target LTIFR of 0.08
- Record fatality free performance of 5 years
- 56% improvement in the OHIFR* past 4 years

LTIFR - Operations



Covid-19 impact on operations

- 7 303 confirmed cases – recovery rate 99% and 42 active cases.
- 11 942 employees and contractors vaccinated
- Strict adherence to screening and testing protocols
- We remained operational at all times

Group Covid-19 vital statistics: 28 February 2022

TESTS CONDUCTED	CONFIRMED CASES	TOTAL RECOVERIES	TOTAL VACCINATIONS	TOTAL DEATHS	ACTIVE CASES
32 710	7 303	99% (7 224)	81% (11 942)	37	42

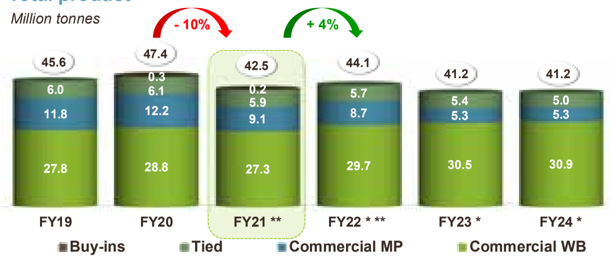
* *Occupational health incident frequency rate*

NOTES:

Coal volumes | constrained by persistent logistic challenges

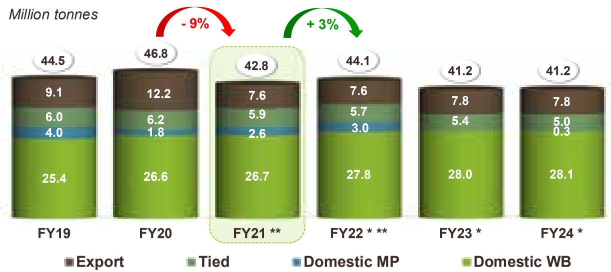
Total product

Million tonnes



Total sales

Million tonnes



Movement FY20 vs FY21

Million tonnes	Product	Sales: Domestic	Sales: Export
Waterberg (WB)			
• **Grootegeluk** Rail performance and Covid impact	(1.5)	0.1	(0.6)
Mpumalanga (MP)			
• **Belfast** Rail performance	(0.3)	0.3	(0.9)
• **Matla** Pit room limitation and Covid impact	(0.2)	(0.3)	
• **Leeuwpan** Rail performance and Market constraints	(1.3)	(0.2)	(0.7)
• **ECC** Rail performance, uplift in local sales and divestment	(1.1)	0.7	(2.2)
• **Mafube Coal** Rail performance and Covid impact	(0.4)		(0.4)
Buy-ins and stock movement	(0.1)		0.2
Total	(4.9)	0.6	(4.6)

* *Based on latest internal forecast (actual figures could vary by ± 5%)* ** *ECC divestment 3 September 2021 and assume Leeuwpan end 2022*

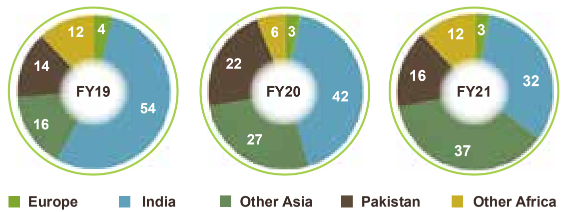
Additional information on slides 31 to 33

NOTES:

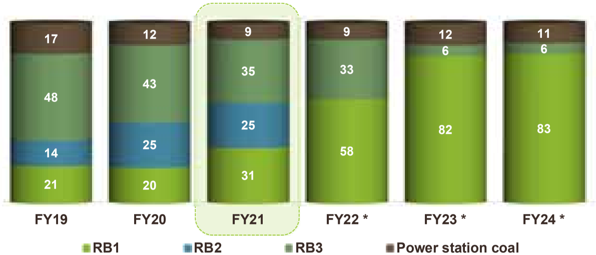
Exports | competitive product mix, diversified markets, higher prices

- Healthy demand for our suite of products
- Ability to sell into a diversified market despite rail performance
- Indian sales down due to product mix changes and Australian competition
- Other Asia segment growing due to increased Chinese demand
- Product mix and price optimisation on an upward trend

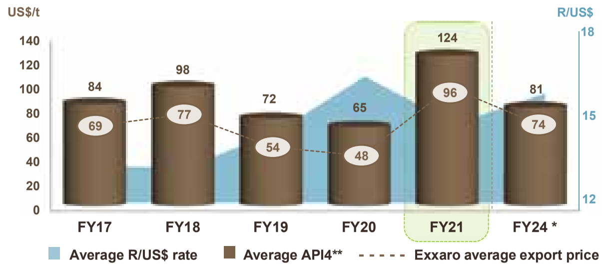
Exxaro export sales destinations (%)



Export product mix (%)



Average realised prices



* Based on latest internal forecast ** Source: Argus/McCloskey Price Index

Additional information on slide 34

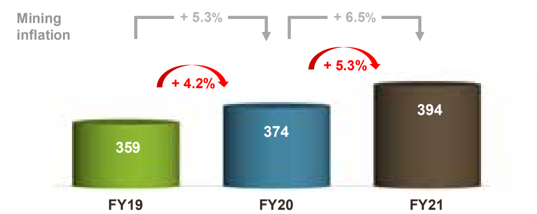
NOTES:

OE | mitigating cost inflation pressures

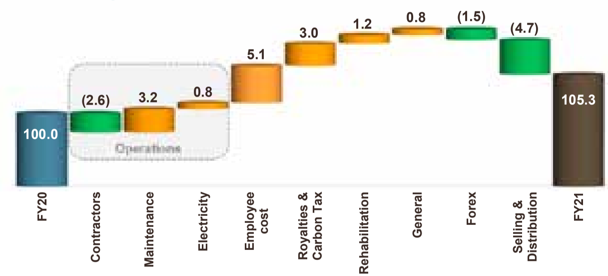
- Cash cost per tonne up 5.3%, below mining inflation
- Contractor cost managed in response to volatile market conditions
- Maintenance cycles in line with plan
- Extensive cost control through digitalisation and optimisation initiatives
- Cost containment remains actively managed across all operations

Cash cost per tonne*

R/tonne



Cash cost per tonne indexed: FY20 vs FY21



* *Excluding Matla but including ECC until divestment 3 September 2021*

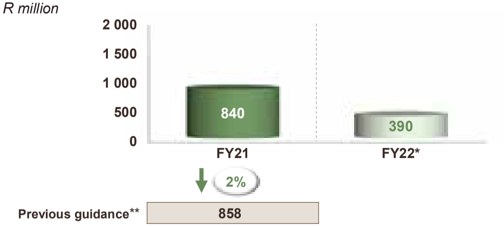
NOTES:

Capex | leveraging off the investments made

- Disciplined capital process delivering results
- Expansion capex 2% below previous guidance
- Focus 2022 in closing out GG6 expansion project
- Sustaining capex 3% above previous guidance
- Guidance is to sustain business at average of R2 billion per year in real terms
- Sustainable savings of R1.3 billion still in place

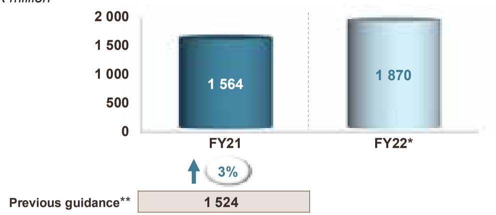
Expansion capital profile

R million



Sustaining capital profile

R million



* *Based on latest internal forecast (actual figures could vary by ± 5%), Moranbah South excluded* ** *Guidance given in December 2021*

NOTES:

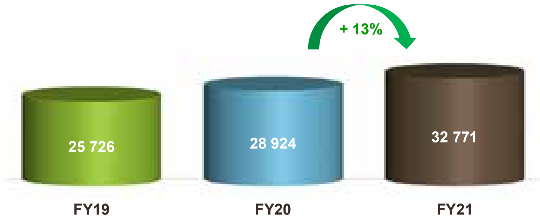
FINANCIAL RESULTS

Riaan Koppeschaar | Finance Director

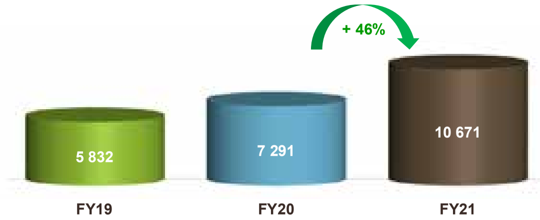
NOTES:

Group core performance | **record earnings from robust portfolio**

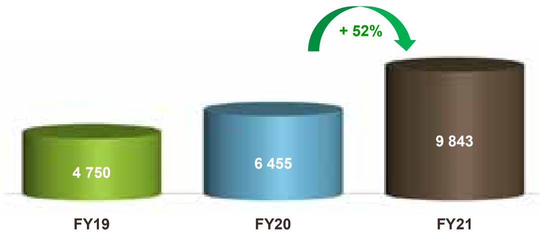
Revenue (Rm)



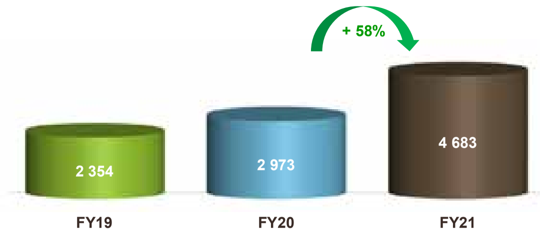
EBITDA (Rm)



Equity income (Rm)



HEPS (cents)

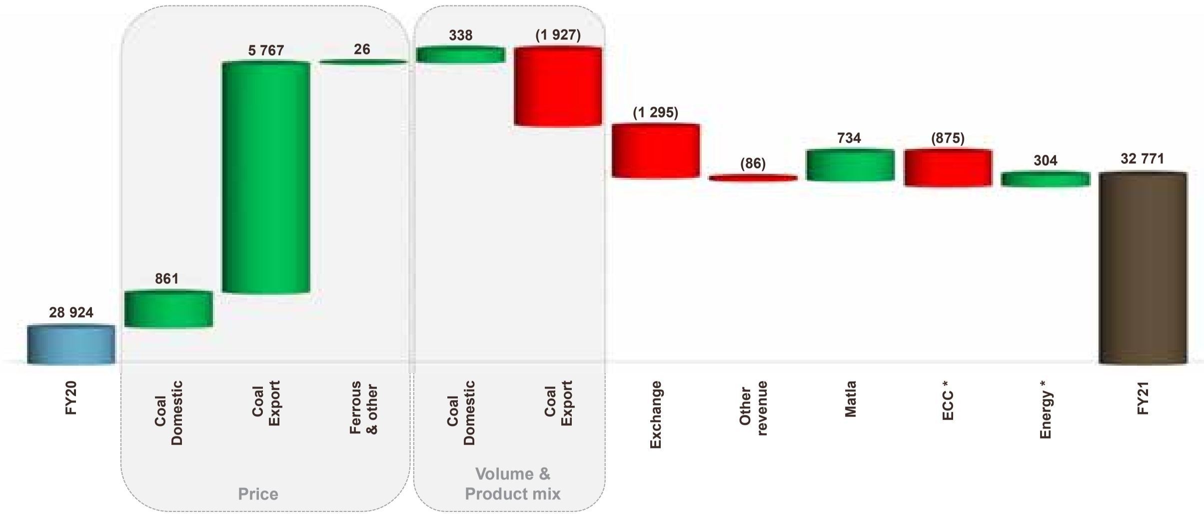


Detail on calculation of core results on slides 36 to 39

NOTES:

Group revenue | **higher coal prices counter volume constraints**

R million

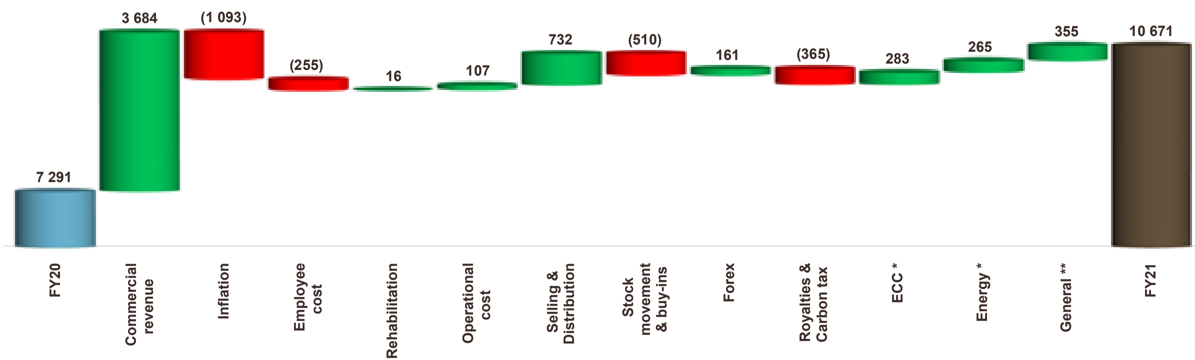


* *ECC included for 12 months in FY20 compared to eight months in FY21; Energy included for nine months in FY20 compared to 12 months in FY21*

NOTES:

Group core EBITDA | **higher revenue and cost containment increase profitability**

R million



	FY20	Commercial revenue	Inflation	Employee cost	Rehabilitation	Operational cost	Selling & Distribution	Stock movement & buy-ins	Forex	Royalties & Carbon tax	ECC *	Energy *	General **	FY21
Coal	**7 707**	3 661	(1 000)	(218)	21	136	734	(536)	231	(365)	283		17	**10 671**
Energy	**648**											265		**913**
Ferrous	**12**	20	(11)	6	(3)	(30)		33					(3)	**24**
Other	**(1 076)**	3	(82)	(43)	(2)	1	(2)	(7)	(70)				341	**(937)**
	7 291	**3 684**	**(1 093)**	**(255)**	**16**	**107**	**732**	**(510)**	**161**	**(365)**	**283**	**265**	**355**	**10 671**

* ECC included for 12 months in FY20 compared to eight months in FY21; Energy included for nine months in FY20 compared to 12 months in FY21

** Total EBITDA variance for Matla included in General = +R13 million

NOTES:

Coal | **robust portfolio delivering record profitability**

R million	1H21	**2H21**	FY20	**FY21**
Revenue	14 525	**16 870**	27 875	**31 395**
Commercial Waterberg	8 168	**8 684**	15 449	**16 852**
Commercial Mpumalanga	3 960	**5 479**	8 037	**9 439**
Tied Mpumalanga	2 386	**2 703**	4 355	**5 089**
Other	11	**4**	34	**15**
EBITDA	4 355	**6 316**	7 707	**10 671**
Commercial Waterberg	4 256	**4 371**	8 093	**8 627**
Commercial Mpumalanga	166	**1 954**	(433)	**2 120**
Tied Mpumalanga	78	**79**	144	**157**
Other	(145)	**(88)**	(97)	**(233)**
EBITDA margin (%)	30	**37**	28	**34**

NOTES:

Cennergi | consistent renewable energy performance

Performance since acquisition

	Unit	1H21	2H21	FY20(3)	FY21
Energy generation	GWh	331	**393**	553	**724**
Revenue	Rm	539	**654**	889	**1 193**
EBITDA(1)	Rm	446	**543**	671	**989**
EBITDA margin(2)	%	83	**83**	75	**83**
Debt	Rm	4 814	**4 755**	4 865	**4 755**
Finance charges	Rm	251	**252**	401	**503**

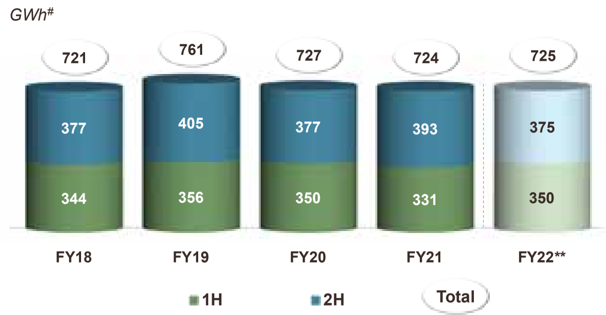
(1) FY20: Includes R60 million once off non-cash costs relating to a fair value hedge accounting adjustment and a minority shareholder obligation cost

(2) FY20: EBITDA margin is 81%, excluding the items mentioned above not expected to recur

(3) Only nine months included since the step-up acquisition on the 1st of April 2020

Average electricity generation

	Amakhala	Tsitsikamma
Capacity factor (historic)*	36%	40%
Contracted equipment availability	97%	97%
Electricity generation (guideline annual average)	405GWh	320GWh



** Ratio of actual electricity output over a given period of time compared to the maximum possible output over that period of time   ** FY22 based on latest internal forecast*

 # 100% basis although only 50% equity-accounted income was included in Exxaro results up to 1Q20

NOTES:

Group core earnings | **strong commodity prices increase earnings**

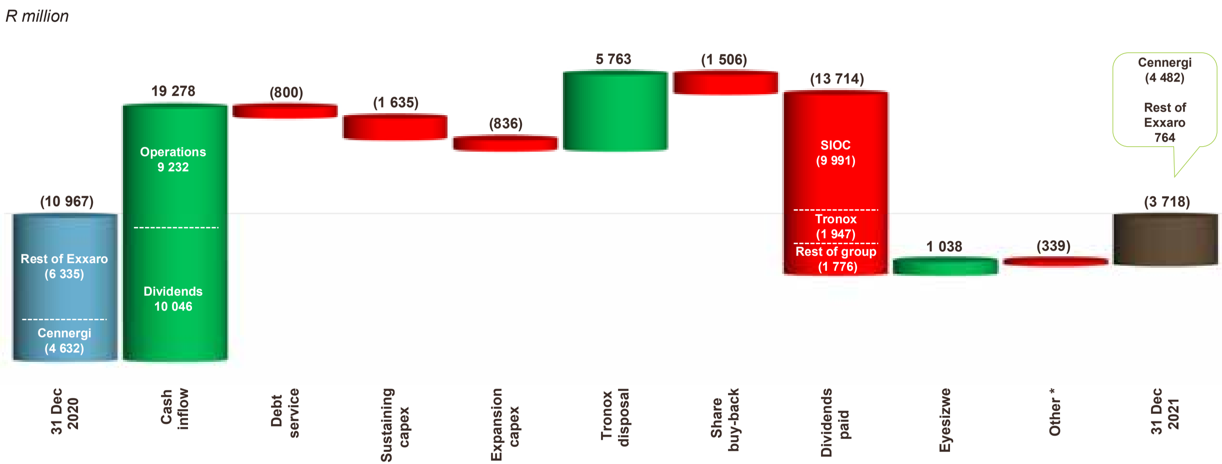
R million		1H21	**2H21**	% change	FY20	**FY21**	% change
Net operating profit		3 043	**4 951**	63	4 856	**7 994**	65
Income from investments		21	**34**	62	73	**55**	(25)
Net financing cost – Exxaro excluding Cennergi		(139)	**10**	107	(443)	**(129)**	71
Net financing cost – Cennergi		(246)	**(246)**		(389)	**(492)**	(26)
Post-tax equity-accounted income		6 666	**3 177**	(52)	6 455	**9 843**	52
Coal:	RBCT	3	**(21)**		8	**(18)**	
	Mafube	98	**277**	183	67	**375**	
	Tumelo*		**29**			**29**	
Ferrous:	SIOC	6 317	**2 718**	(57)	6 123	**9 035**	48
TiO_2:	Tronox SA*	54			226	**54**	(76)
Energy:	Cennergi				13		
	LightApp	(5)	**21**		(18)	**16**	189
Other:	Black Mountain	199	**153**	(23)	122	**352**	189
	Other				(86)		
Tax		(593)	**(1 723)**	(191)	(979)	**(2 316)**	(137)
Non-controlling interest		(1 948)	**(1 439)**	26	(2 111)	**(3 387)**	(60)
Attributable earnings		6 804	**4 764**	(30)	7 462	**11 568**	55
Attributable earnings per share (cents)		2 722	**1 961**	(28)	2 973	**4 683**	58
WANOS**		250	**243**	(3)	251	**247**	(2)

* *Included until date of disposal* ** *Weighted average number of shares*

NOTES:

Capital allocation | **disciplined capital allocation with strong balance sheet**

Free cash flow → Debt service → Sustaining capex → Expansion capex → Dividends → Growth → Excess cash



* Mainly shares acquired to settle vested share-based payment schemes (-R382 million) offset by proceeds on disposal of subsidiaries (+R99 million)

Detail net debt movement graph on slide 44

NOTES:

Shareholder return | **final dividend**

	Total FY21	**Final 2H21**	Interim 1H21	Total FY20
Dividend cover - Group adjusted earnings* (times)	**2.5**	**2.5**	2.5	
SIOC dividend declared (Rm)	**8 984**	**2 655**	6 329	5 369
Dividend declared per share (cents)**	**3 252**	**1 175**	2 077	2 429
Dividend declared (Rm)**	**11 412**	**4 102**	7 310	8 713
Eyesizwe	**3 499**	**1 264**	2 235	2 614
Other	**7 913**	**2 838**	5 075	6 099

* *Cover calculated on adjusted core attributable earnings* ** *FY20 includes special dividend declared*

NOTES:

NOTES:

Business outlook 1H22 | **impact of Russia invasion of Ukraine**

- **European energy crisis** a significant downside risk to **global economic activity**
- **Commodities**, **energy policy** and **energy transition**

- **Geopolitical** relations (BRICS)
- **Inflationary** pressures
- **Fiscal windfall** as a result of increasing commodity prices
- **Volatile USD/ZAR** exchange rate

- **Price shock** to the global coal markets
- **High-quality thermal coal** imports into Europe, however **TFR logistical challenges**
- **Fuel cost** inflationary pressures (diesel)

NOTES:

Conclusion | **transitioning responsibly towards low carbon future**

Results underpin our **early coal value realisation**

Focus on **executing our growth and impact strategy**

Balance **value distribution** with **long term investments** towards our **Just Transition**

ESG is embedded in our strategy in order to **deliver stakeholder value**

NOTES:

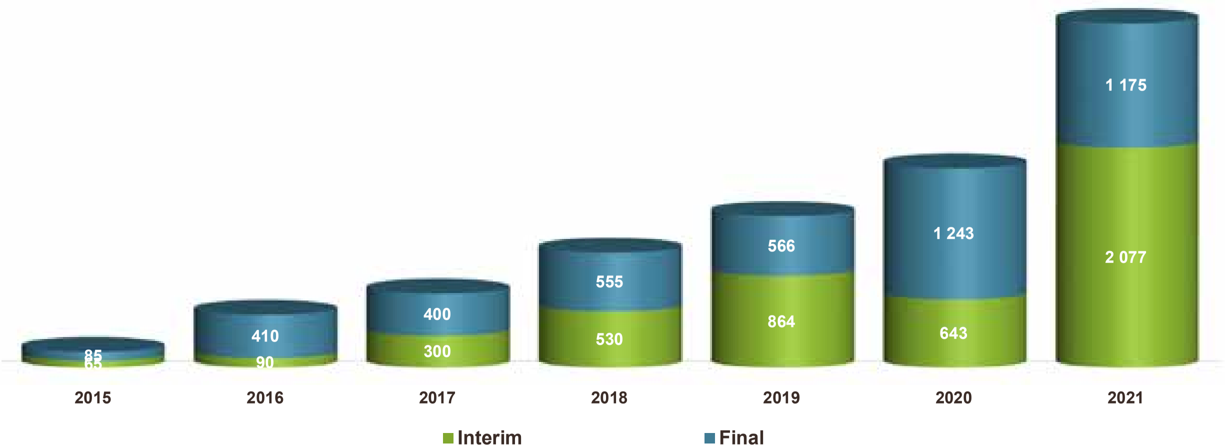
THANK YOU

NOTES:

ADDITIONAL INFORMATION

NOTES:

Performance highlights | **record ordinary dividend**



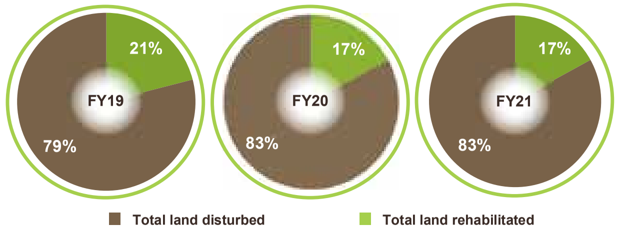
NOTES:

SHEC | integrated environmental management

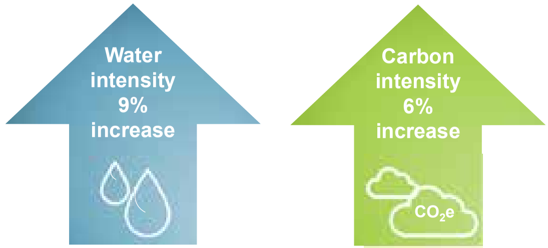
- With the exclusion of ECC the total ratio between **Land rehabilitated and Disturbed stayed** constant.
- Concurrent rehabilitation is budgeted, and progress is reported on a 2-weekly basis.
- The integrity of all mine residue facilities was audited for compliance to SANS 10285 (SA standard) and the Global Industry Standard on Tailings Management. Good progress made in closing out findings.
- **Environment**: Our excellent performance continued, where we again recorded zero incidents.
- **Total Water intensity:** Our overall water consumption in 2021 reduced by 6% to 10 281ML compared to 2020. However, production (ROM*) was lower in 2021 and this increased the intensity which resulted in overall water efficiency rate deteriorating by 9% compounded by higher storages of water at all our operations during 2021 due to high rainfall received during the reporting period.
- **Total Carbon intensity :** Our overall energy consumption decreased (diesel 91 838 Kl (2021) vs 96 131 Kl (2020) and electricity 575 428 MWh (2021) vs 605 770 MWh (2020)). However, the intensity increased by 6% from 4.98ktCO_2e / TTH** to 5.29ktCO_2e / TTH due to 15% reduction in TTH.

* *Run of mine* ** *Total tonnes handled*

Land disturbed vs land rehabilitated (%)



Water and Carbon intensity



NOTES:

Coal | **product volumes**

'000 tonnes	FY19	FY20	FY21	FY22*	FY23*	FY24*
Thermal production	43 479	44 933	**40 375**	41 125	37 395	37 042
Grootegeluk	25 683	26 554	**25 359**	26 720	26 672	26 739
Matla	5 991	6 153	**5 903**	5 687	5 409	4 985
ECC	4 511	3 834	**2 789**			
Leeuwpan	4 396	3 720	**2 396**	3 487		
Belfast	1 029	2 850	**2 521**	3 262	3 348	3 368
Mafube (Buy-ins from Mafube JV)	1 869	1 822	**1 407**	1 969	1 966	1 950
Buy-ins	29	291	**232**			
Total thermal product (including buy-ins)	43 508	45 224	**40 607**	41 125	37 395	37 042
Total metallurgical production – Grootegeluk	2 074	2 222	**1 894**	2 967	3 840	4 203
Total product	45 582	47 446	**42 501**	44 092	41 235	41 245

* *Based on latest internal forecast (actual figures could vary by ± 5%)*

NOTES:

Coal | sales volumes

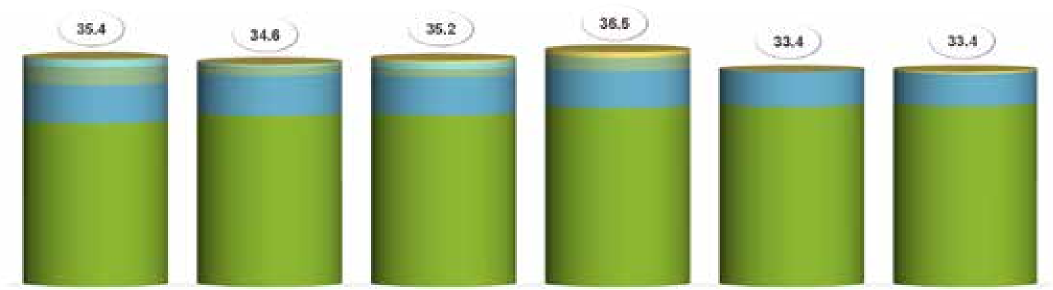
'000 tonnes	FY19	FY20	FY21	FY22*	FY23*	FY24*
Sales to Eskom	31 396	30 861	**30 361**	31 879	30 521	30 098
Grootegeluk	23 157	24 704	**24 462**	25 122	25 122	25 122
Matla	5 998	6 157	**5 899**	5 677	5 399	4 976
Leeuwpan	1 343			1 080		
ECC	898					
Other domestic thermal coal sales	3 020	2 692	**3 810**	3 247	1 546	1 893
Grootegeluk	1 268	925	**1 236**	1 375	1 546	1 615
Mpumalanga	1 734	1 767	**2 574**	1 872		278
Exports	9 087	12 170	**7 632**	7 618	7 830	7 830
Total thermal coal sales	43 503	45 723	**41 803**	42 744	39 897	39 821
Total domestic metallurgical coal sales	1 030	1 036	**956**	1 351	1 351	1 407
Total sales	44 533	46 759	**42 759**	44 095	41 248	41 228

* *Based on latest internal forecast (actual figures could vary by ± 5%)*

NOTES:

Coal | domestic market volumes per mine

Million tonnes



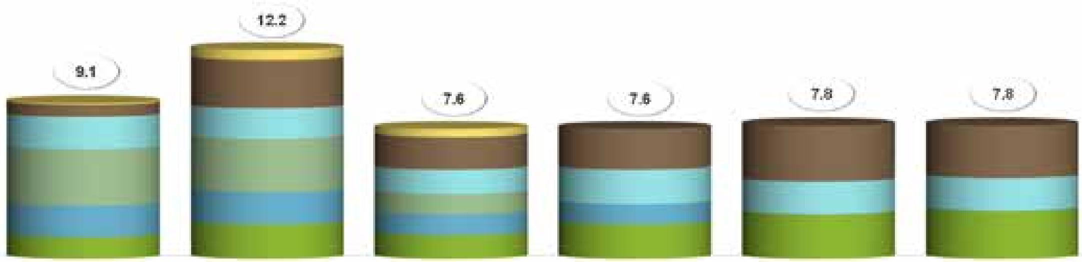
	FY19	FY20	FY21	FY22 *	FY23 *	FY24 *
Grootegeluk	25.4	26.6	26.7	27.8	28.0	28.1
Matla	6.0	6.2	5.9	5.7	5.4	5.0
Leeuwpan	2.7	1.4	1.2	2.2		
ECC	1.2	0.3	1.0			
Belfast	0.1	0.1	0.4	0.8		0.3
Total	**35.4**	**34.6**	**35.2**	**36.5**	**33.4**	**33.4**

* *Based on latest internal forecast*

NOTES:

Coal | export volumes per mine

Million tonnes



	FY19	FY20	FY21	FY22 *	FY23 *	FY24 *
Grootegeluk	1.3	2.0	1.4	2.0	2.6	2.8
Leeuwpan	1.8	1.9	1.2	1.2		
ECC	3.3	3.1	1.2			
Mafube	1.9	1.8	1.4	2.0	1.9	1.9
Belfast	0.7	2.8	1.9	2.4	3.3	3.1
Other**	0.1	0.6	0.5			
Total	**9.1**	**12.2**	**7.6**	**7.6**	**7.8**	**7.8**

* *Based on latest internal forecast* ** *Buy-ins and inventory*

NOTES:

Coal | sensitivities FY21

Measure	Sensitivity	Impact on NOP* (Rm)	
Royalty cost	1%	(296)	296
Environmental rehabilitation discount rate	1%	(230)	205
Domestic sales volumes	1%	(117)	117
Export price per tonne	US$1	(113)	113
Exchange rate	10 cent	(65)	65
Export sales volumes	1%	(36)	36
Labour	1%	(28)	28
Railage	1%	(19)	19
Fuel	1%	(9)	9
Electricity	1%	(5)	5

* *Net operating profit*

NOTES:

Financial overview | group IFRS

R million	1H21	**2H21**	% change	FY20	**FY21**	% change
Revenue	15 144	**17 627**	16	28 924	**32 771**	13
Operating expenses	(9 896)	**(13 198)**	(33)	(24 127)	**(23 094)**	6
Net operating profit	5 248	**4 429**	(16)	4 797	**9 677**	125
Net operating profit margin (%)	35	**25**	(10)	17	**30**	15
Impairment of equity accounted investments				(504)		
Post-tax equity-accounted income	6 670	**3 174**	(52)	6 411	**9 844**	54
Attributable earnings: owners of parent	8 224	**4 443**	(46)	7 283	**12 667**	74
Headline earnings*	6 804	**4 764**	(30)	7 417	**11 568**	56
EBITDA	4 331	**6 340**	46	7 246	**10 671**	47
Cash generated from operations	3 973	**6 579**	66	7 770	**10 552**	36
Capital expenditure	1 174	**1 297**	10	3 175	**2 471**	(22)
Net debt	7 130	**3 718**	(48)	10 967	**3 718**	(66)
Attributable earnings per share (cents)**	3 290	**1 838**	(44)	2 902	**5 128**	77
Headline earnings per share (cents)**	2 722	**1 961**	(28)	2 955	**4 683**	58

** Non-IFRS number ** Based on a weighted average number of shares of 247 million (1H21 = 250 million; 2H21 = 243 million; FY20 = 251 million)*

NOTES:

Financial overview | **non-core adjustments**

R million	1H21	**2H21**	FY20	**FY21**
Coal	(10)	**(978)**	(2 293)	**(988)**
Impairment of assets at Thabametsi		**(21)**		**(21)**
Profit on disposal/transfer of operations			21	
Loss on disposal of subsidiaries		**(946)**		**(946)**
BEE Phase II implementation			(870)	
Impairment of ECC			(1 378)	
Change in effective equity percentage in RBCT			(20)	
Insurance claims received			32	
Loss on disposal of non-core assets	(10)	**(11)**	(78)	**(21)**
Ferrous: BEE Phase II implementation			(11)	
TiO_2: Disposal of Tronox investments	2 215			**2 215**
Energy			1 262	
Profit on deemed disposal of Cennergi JV			1 321	
Recycling of our share of cash flow hedge of Cennergi JV on deemed disposal			(59)	

NOTES:

Financial overview | **non-core adjustments (continued)**

R million	1H21	**2H21**	FY20	**FY21**
Other		**456**	983	**456**
BEE Phase II implementation			881	
Realisation of FCTR on liquidation, deregistration and disposal of investment in foreign entities		**482**	116	**482**
Loss on disposal of non-core assets and other		**(26)**	(14)	**(26)**
Non-core adjustment impact on net operating profit	2 205	**(522)**	(59)	**1 683**
Impairment of investment in associates*			(504)	
Post-tax equity-accounted income	4	**(3)**	(44)	**1**
Tax on items with impact on net operating profit	(375)	**109**	260	**(266)**
Non-controlling interest on items with impact on net operating profit	(414)	**95**	168	**(319)**
Total non-core adjustment impact on attributable earnings	1 420	**(321)**	(179)	**1 099**

* *Net operating profit for FY20 has been re-presented to exclude the impairment on the equity-accounted investments held in Curapipe and Insect Technology*

NOTES:

Financial overview | **group core***

R million	1H21	**2H21**	% change	FY20	**FY21**	% change
Revenue	15 144	**17 627**	16	28 924	**32 771**	13
Operating expenses	(12 101)	**(12 676)**	(5)	(24 069)	**(24 777)**	(3)
Add back: Depreciation	1 288	**1 389**	8	2 436	**2 677**	10
EBITDA	4 331	**6 340**	46	7 291	**10 671**	46
EBITDA margin (%)	29	**36**	7	25	**33**	8
Post-tax equity-accounted income	6 666	**3 177**	(52)	6 455	**9 843**	52
Headline earnings*	6 804	**4 764**	(30)	7 462	**11 568**	55
Headline earnings per share (cents)**	2 722	**1 961**	(28)	2 973	**4 683**	58
Average R/US$ rate						
Realised	14.78	**14.94**	1	16.43	**14.88**	(9)
Spot	14.53	**15.03**	3	16.45	**14.78**	(10)
Average API4 export price (US$/tonne)	97.75	**150.50**	54	65.20	**124.12**	90
Average coal export price realised						
US$/tonne	77.69	**117.18**	51	48.00	**95.84**	100
R/tonne	1 129	**1 761**	56	789	**1 416**	79

* *Non-IFRS number* ** *Based on a weighted average number of shares of 247 million (1H21 = 250 million; 2H21 = 243 million; FY20 = 251 million)*

NOTES:

Financial overview | core EBITDA vs Cash generated by operations

R million	1H21	**2H21**	FY20	**FY21**
Core EBITDA	4 331	**6 340**	7 291	**10 671**
Adjustments:				
Insurance claims received			32	
Expected credit losses adjustment	(65)	**8**	(144)	**(57)**
Write-off of trade and other receivables and ESD loans	79	**13**	35	**92**
Movement in provisions	194	**(178)**	(1 096)	**16**
Foreign currency differences	(16)	**(11)**	(8)	**(27)**
Fair value adjustments on financial instruments	(119)	**(113)**	(73)	**(232)**
Gain on derecognition of financial asset at FVOCI*		**(175)**		**(175)**
Indemnification asset movement			798	
Share-based payment expense	117	**129**	250	**246**
Ineffective hedge interest rate swap	4	**6**	57	**10**
Translation of foreign currency items	3	**(153)**	(13)	**(150)**
Amortisation of transaction costs	20	**(15)**	5	**5**
Non-cash recoveries	(42)	**50**	132	**8**
Other non-cash movements	(5)	**5**	(7)	
Working capital cash flow	(528)	**673**	511	**145**
Cash generated by operations	3 973	**6 579**	7 770	**10 552**

* *Fair value through other comprehensive income*

NOTES:

Group | **capital expenditure**

R million	FY20	**FY21**	FY22*	FY23*	FY24*
Sustaining	2 225	**1 635**	1 870		
Coal	2 110	**1 564**	1 870	Average R2 billion per annum**	
Energy	1	**1**			
Ferrous	2	**1**			
Other	112	**69**			
Expansion	950	**836**	779		
Coal	950	**836**	390		
Energy#			389	466	236
Total capital expenditure	3 175	**2 471**	2 649		

* *Based on latest internal forecast* ** *In real terms* # *Lephalale Solar Project*

NOTES:

Capital funding structure | **Exxaro excluding Cennergi**

R million

Facilities available

	Drawn	*Undrawn/ committed*	*Undrawn/ unissued*
Term loan and revolving facility	4 525	3 250	
DMTN* programme	1 000		4 000
Interest bearing borrowings	**5 525**		
Interest capitalised	50		
Lease liabilities	449		
Capitalised transaction costs	(20)		
Total interest-bearing debt	**6 004**		
Current	884		
Non-current	5 120		
Net cash and cash equivalents	(6 768)		
Net cash	**(764)**		

Maturity profile of debt

Repayment year	**6 004**
Less than 6 months	644
6 – 12 months	240
1 – 2 years	487
2 – 3 years	1 141
3 – 4 years	499
4 – 5 years	2 789
> 5 years	204

* *Domestic Medium-Term Note*

NOTES:

Capital funding structure | **Cennergi**

R million	Facilities available		
	Drawn	*Undrawn/ committed*	*Undrawn/ unissued*
Project financing	4 700	394	
Interest bearing borrowings	**4 700**		
Lease liabilities	55		
Total interest-bearing debt	**4 755**		
Net cash and cash equivalents	(273)		
Net debt	**4 482**		

Maturity profile of debt*

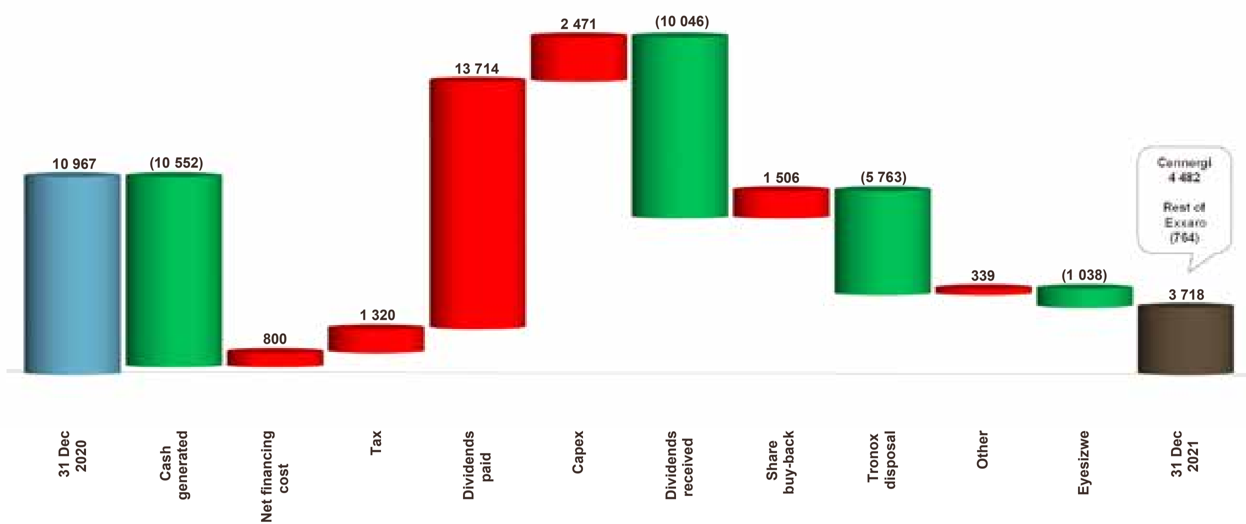
Repayment year	**4 755**
Less than 6 months	66
6 – 12 months	84
1 – 2 years	208
2 – 3 years	273
3 – 4 years	349
4 – 5 years	449
> 5 years	3 326

* *As agreed with providers of loans*

NOTES:

Group results | net debt FY21

R million



NOTES:

Performance | **key indicators**

	Target	FY20	**FY21**
Internal key performance indicators			
EBITDA interest cover* (times)	>4	15	**75**
Net debt/(cash): equity* (%)	<40	17	**(2)**
Net debt/(cash): EBITDA* (times)	<1.5	1.0	**(0.1)**
Return on capital employed (%)	>20	25	**45**
Bank covenants**			
Net debt/(cash): equity (%)	<80	14	**(1)**
EBITDA interest cover (times)	>4	11	**35**
Net debt: EBITDA (times)	<3	0.7	**0.0**

* *Excluding Cennergi since consolidation from 1 April 2020*

** *Including dividends received from associates and contingent liabilities, except DMRE guarantees and excluding Cennergi consolidated results*

NOTES:

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