



1 Who we are

We are driving sustainable growth to create future impact while positioning our business to navigate complex challenges with resilience. Environmental sustainability and social equity are key considerations on our journey. We are committed to ensuring our progress contributes meaningfully to the lives we touch as we strive to support a low-carbon economy.

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Chairman's statement

While navigating a year marked by geopolitical uncertainty, economic headwinds, and leadership transitions, Exxaro remained anchored by our resilient strategy and driven by our purpose to deliver enduring impact during the 2024 financial year.

More so, South Africa's evolving energy transition and infrastructure reforms present opportunities for long-term growth.



[Our operating context](#) (page 19)

Against this backdrop, we remain focused on positioning Exxaro to win, leveraging portfolio diversification and disciplined capital allocation to strengthen our presence in energy transition minerals and energy solutions. We are well placed to capitalise on shifting energy dynamics, ensuring that our strategy not only reinforces resilience but also drives long-term, sustainable value creation.

Positioning Exxaro to win through our resilient strategy

Exxaro's **Sustainable Growth and Impact strategy** keeps the group resilient and future-focused, with disciplined capital allocation underpinning our efforts to **transition at speed and scale**. In 2024, we advanced our diversification strategy by actively evaluating energy transition mineral opportunities, including manganese and copper – essential for clean energy. At the same time, the energy solutions business continued to expand, with the **LSP** under construction and set for commercial operation in mid-2025. Momentum in renewable energy remains strong, with projects such as Cennergi's Karreebosch Wind Farm (RF) Proprietary Limited (Karreebosch) deal enabling progress towards the group's ambition of 1.6GW of capacity.



Refer to the [acting CEO and FD's report](#) for more details (page 52).

A key part of our strategy to **make our minerals and energy businesses thrive** is the continued expansion of our energy operations, as described above, supported by a focused effort to optimise our minerals and energy solutions portfolio. By optimising coal reserves, we are meeting current energy demands while transitioning responsibly towards a low-carbon future, mitigating the risk of stranded assets and positioning the group to benefit from green economy opportunities.

Additionally, and in support of long-term sustainability, we are streamlining the portfolio by divesting non-core assets. Significant progress has been made in the sale of the entire shareholding in FerroAlloys to a preferred bidder, with broad-based participation including management and employees. These actions enable the redeployment of capital into higher-impact areas, including energy transition minerals, further strengthening the group's minerals and energy solutions businesses.

As Exxaro continues to **empower people to create impact**, the group remains committed to equipping our workforce with the capabilities, skills, and mindset required to achieve our long-term ambitions. The group achieved 28 consecutive months without a work-related fatality, with several operations reaching significant safety milestones.

As part of our strategic objective to **be carbon neutral by 2050**, Exxaro developed a medium to long-term decarbonisation roadmap and a draft climate action transition plan. A peer review of the roadmap is underway, reinforcing the group's commitment to responsible environmental stewardship. The board also conducted a governance session on climate risks, underscoring its role in guiding Exxaro's transition strategy and ensuring our carbon neutrality ambitions translate into meaningful impact for stakeholders.



Exxaro's strategic focus on disciplined capital allocation, operational efficiency, and financial resilience continues to deliver strong performance and shareholder returns.

Mvuleni Geoffrey Qhena – Chairman

We continue to **become a catalyst for economic growth and environmental stewardship**, embedding shared value creation across our operations. In 2024, the group invested R2.1 billion in social initiatives, including R28 million through Cennergi. Enterprise and supplier development efforts supported more than 500 black-owned SMMEs while the early childhood development (ECD) programme reached over 2 700 children and enhanced more than 40 ECD centres. Exxaro also advanced digital access by connecting 27 schools to Wi-Fi and equipping 20 with information and communications technology labs. Through our minerals succession programme, the group invested R63 million to support over 660 farmers – 53% women and 24% youth – across various provinces, resulting in the harvest of more than 6 000 tonnes of produce despite challenging weather conditions.

Chairman's statement continued

These investments reflect a broader commitment to transformation, further reinforced by the progress of our empowerment deal. Eyesizwe RF shareholders committed to maintaining Exxaro's 30.81% empowerment shareholding until 2027 – a significant milestone that secures the group's empowerment credentials and affirms our standing as one of South Africa's largest black-empowered and diversified mining companies. In line with this, Exxaro also maintained our B-BBEE Level 2 status, a significant performance compared to our industry peers.

The board is proud of the organisation's strategic execution, disciplined capital management, and a clear sustainability vision, ensuring that Exxaro remains well positioned to navigate evolving market dynamics, accelerate our transition strategy, and unlock new opportunities for growth.

Delivering performance and shareholder value

As expanded in the acting CEO and FD's statement, despite a difficult macro-economic environment, Exxaro maintained a return on capital employed (ROCE) of 23% compared to 35% in the 2023 financial year, which still exceeds the internal threshold of 20% and demonstrates our ability to drive value creation and capital efficiency. Despite a decrease in EBITDA and headline earnings per share (HEPS), we were able to maintain a robust cash generation, strengthening the balance sheet and liquidity position. Exxaro's net cash increased to R16.3 billion compared to R14.8 billion at the end of 2023 (excluding energy's net debt), providing the financial flexibility to pursue growth opportunities while ensuring sustainable shareholder returns.

Reflecting confidence in Exxaro's strong financial position, the board approved a final dividend of 866 cents per share, reinforcing our commitment to returning capital to shareholders. In addition, the board initiated a R1.2 billion share repurchase programme, demonstrating confidence in the group's long-term value proposition and disciplined approach to capital management.

Ensuring inclusive engagement for lasting impact

Strong stakeholder relationships are essential to Exxaro's ability to deliver long-term value. The board remains committed to transparent, inclusive engagement that balances diverse stakeholder interests while enabling the group to navigate external challenges and contribute meaningfully to socio-economic development.

In 2024, the board's logistics committee continued to oversee Exxaro's response to infrastructure challenges, including rail reform and market access. Labour relations remained stable, underpinned by a three-year wage agreement concluded with all recognised trade unions. The group also maintained its strong focus on workplace health and safety, upholding leading practices.

The investment committee remains central to advancing Exxaro's growth strategy, with the board maintaining ongoing engagement with investors on capital allocation and diversification. In 2024, the committee assessed various energy and minerals opportunities through a disciplined framework aligned with strategic, financial, and governance criteria.

As previously reported, class action litigation was launched in 2023 on behalf of current and former mineworkers diagnosed with coal mine dust lung disease, including the dependants of deceased workers. Exxaro has filed an answering affidavit, and a certification hearing is scheduled for the last quarter of 2025. The board continues to monitor the matter closely, reaffirming Exxaro's commitment to our health and safety obligations and to treating the legal process with the seriousness and respect it deserves.

The 2024 governance roadshow once again highlighted the value of investor dialogue, shaping refinements to governance, remuneration, and disclosure practices. These engagements reinforce Exxaro's commitment to responsible leadership and stakeholder-informed decision-making that supports inclusive, lasting impact.

Leadership transition

Our FD, Riaan Koppeschaar was appointed acting CEO following the precautionary suspension of the CEO, Dr Nombasa Tsengwa in December 2024, and her subsequent resignation in February 2025. Ben Magara was appointed CEO effective 1 April 2025. Ben is a qualified mining engineer and a highly regarded mining veteran with over 35 years' industry experience in both soft and hard rock mining at underground and open-pit operations. He brings added continuity and strategic insight, drawing on his experience as chairperson of the investment committee, as the group accelerates our transition into a diversified minerals and renewable energy business.

In line with this, the investigation of our chief coal operations officer was not concluded at the time of the publication of the 2024 integrated report. To reiterate the board's view, the investigation is a neutral act that presumes no outcome, and an independent legal firm is supporting the board to conclude the investigation as quickly as thoroughness allows. The board's actions will be informed by the outcome of the investigation.

The board remains committed to upholding the highest standards of governance and oversight while managing the leadership transition, emphasising strong leadership qualities as a paramount enabler for strategic success, future-fit skills, and ensuring we maintain a capable and transformed executive leadership team. The board remains confident in Exxaro's strategic direction and the resilience of our leadership team in guiding the company.

Looking ahead

While global uncertainty persists – including changing legislation, trade dynamics, and inflationary risks – renewed domestic stimulus and China's expansionary policy are expected to support commodity demand in 2025. Exxaro continues to advance our growth strategy in energy transition minerals and remains focused on opportunities aligned with our investment criteria. Cennergi is progressing towards its 2030 target of 1.6GW in managed capacity. On behalf of the board, I affirm that our strategy remains intact, positioning Exxaro to win through our robust Sustainable Growth and Impact strategy.

In closing, I extend my sincere appreciation to the executive team, led by Riaan, for steady leadership during a time of transition and the professional manner in which they conducted business. Let me also thank the rest of our employees for ensuring the continued delivery of consistent results. Lastly, I thank my fellow board members for their support during this period.

A warm welcome to Ben as he steps into the role of CEO. I am certain that Exxaro will grow to new heights under his leadership.

To our stakeholders, thank you for your trust and support. As we look to the future, we do so with a renewed sense of purpose, confident in our strategy and focused on delivering results and sustainable impact in a rapidly evolving world.

Mvuleni Geoffrey Qhena
Chairman

15 April 2025



About Exxaro

Exxaro is a JSE-listed company operating mainly in South Africa. Coal is our core commodity and we have an established energy solutions business. Our additional growth prospects include energy transition minerals and energy solutions. Having established the business in 2006, we have deep roots in mining with a track record of operational excellence and delivering value.

Our assets have a book value of R94.7 billion (2023: R92.9 billion), including five coal mines ¹ , two windfarms and a solar project under construction	Our market capitalisation is R55.17 billion (2023: R71.43 billion)
We produced 39.5Mt of coal product (including buy-ins) (2023: 42.5Mt)	We are in the top 30 on the FTSE/JSE Socially Responsible Investment Index
We generated 725GWh of renewable energy (2023: 727GWh)	The business is 30.81% black empowered

A snapshot of where we are going and how we will get there

Purpose

In line with Exxaro's **purpose of powering better lives in Africa and beyond**, our ambition is to provide resources (people, minerals, energy and capital) critical to ensuring the energy transition and a low-carbon future.

Vision

We understand that we cannot grow sustainably without creating a positive impact on the environment and communities we serve. We are committed to responsibly maximising the value of our coal assets by reducing stranded assets, and playing an active role in creating a future that realises our vision: **resources powering a clean world.**

Values

Our success lies in the strength of our culture and values, which strengthen our resilience and ensure we deliver stakeholder value. Our values are:

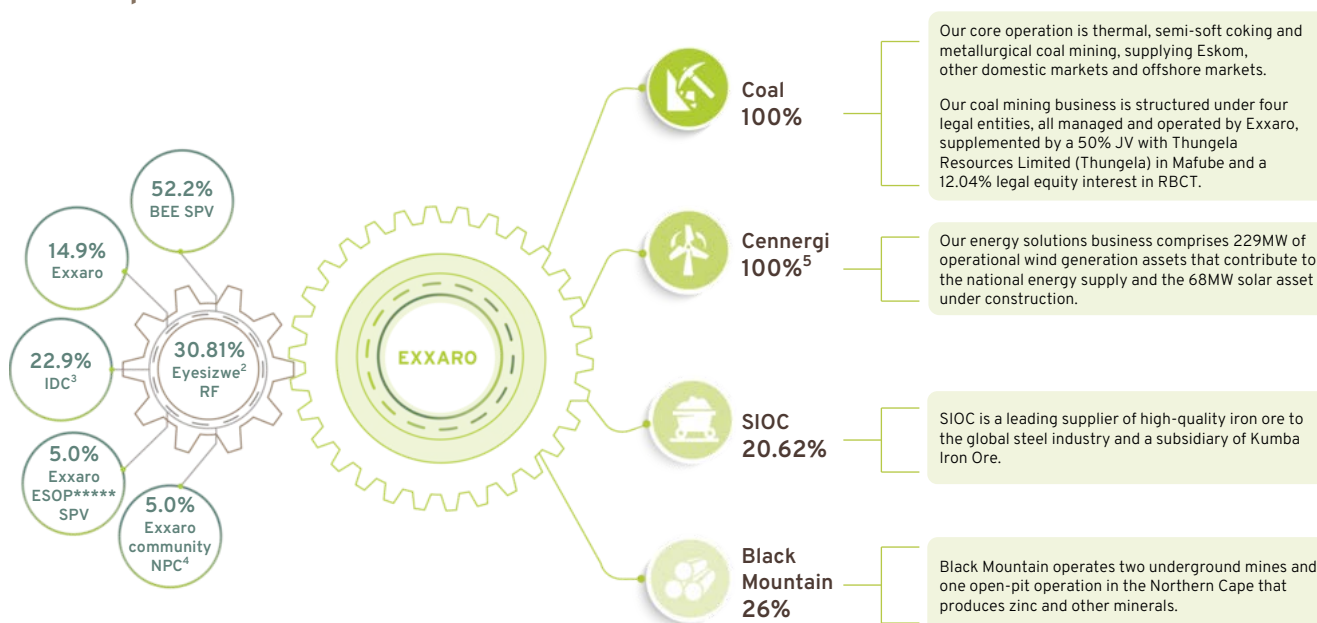
- **Empowered to grow and contribute**
- **Teamwork**
- **Committed to excellence**
- **Honest responsibility**

Sustainable Growth and Impact strategy

We are creating a resilient, sustainable and impactful business that catalyses economic growth, principled governance, environmental stewardship and positive change. Our strategic objectives enable the successful execution of our strategy.



Ownership structure



¹ Including the Mafube JV.

² Eyesizwe (RF) Proprietary Limited (Eyesizwe), a special purpose vehicle (SPV) private company, incorporated under South Africa's laws, holds the black economic empowerment (BEE) shares. On 12 March 2025, Eyesizwe RF's shareholders committed to maintaining Exxaro's 30.81% empowerment shareholding until 2027.

³ Industrial Development Corporation of South Africa.

⁴ Exxaro Aga Setshaba NPC.

⁵ Exxaro owns 100% of Cennergi; Cennergi owns 95% of Amakhala Emoyeni windfarm and 75% of Tsitsikamma community windfarm.



For detailed information on our group structure, refer to the 2024 [annual financial statements](#).

Our assets

Our diversified asset portfolio comprises interests primarily in thermal coal (where we are among the top three South African coal producers), a growing energy solutions business and equity-accounted investments in ferrous (iron ore) and zinc, among other base metals.

Minerals business

- 1

Grootegeeluk complex
- 2

Thabametsi
- 3

Belfast
- 4

Leeuwpaan
- 5

Matla
- 6

Mafube JV (50%)
- 7

Moranbah South project (50%)

Energy solutions business

- 8

Tsitsikamma community windfarm
- 9

Amakhala Emoyeni windfarm
- 10

LSP
- Operations
- Projects


Minerals business

Our minerals business comprises coal operations and our equity investments in iron ore and zinc. Our business interests in Europe comprise a marketing and logistics company in Switzerland. A joint operation with Anglo Coal Grosvenor Proprietary Limited, the Moranbah South project, is conducted in Australia.

Expanding our business portfolio to include manganese, bauxite, copper, energy and broader energy transition minerals enables our contribution to a more sustainable future and stakeholder value enhancement.

Snapshot

- Exxaro is one of the largest suppliers of coal to Eskom and ArcelorMittal South Africa Limited
- We own the largest high-quality Coal Reserves remaining in South Africa, providing a platform for early value returns
- Grootegeeluk is one of the largest integrated mining and beneficiation operations globally, running the largest coal beneficiation complex, and the only producing mine in the coal-rich Waterberg, adjacent to Eskom's Matimba and Medupi power stations
- We invested R2.1 billion in sustaining our coal business this year (2023: R2.4 billion)

 Read the [CMRR report](#) for detailed disclosure on our minerals business and its performance this year.

Energy solutions business




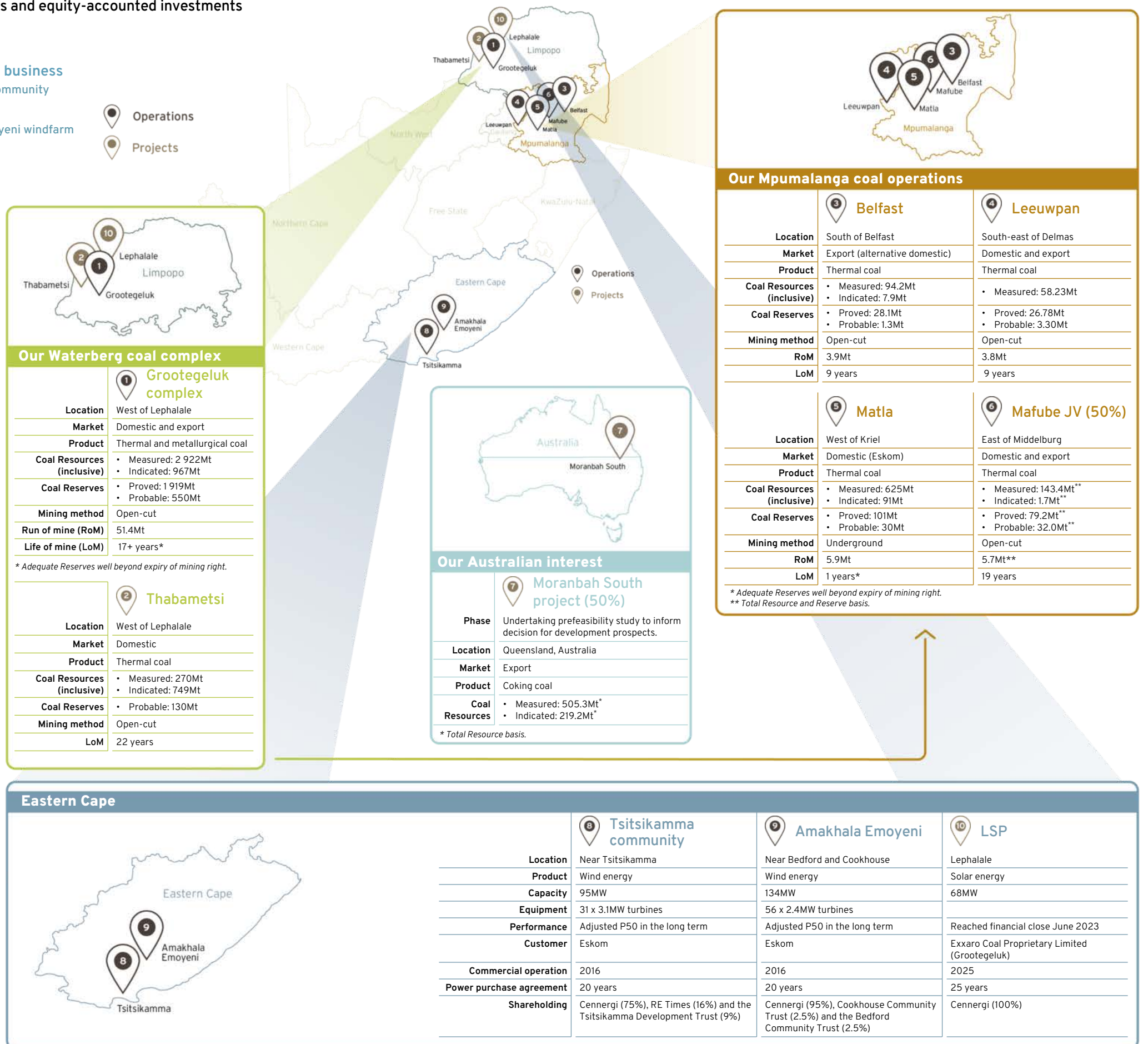
In line with our goal to decarbonise and diversify, Exxaro's energy solutions business comprises investments through our wholly owned subsidiary, Cennergi Holdings Proprietary Limited. This business supports Exxaro's ambition of generating 1.6GW of power by 2030 and includes supporting our current coal and future minerals operations through self-generation and providing energy to external customers including mines and larger industrial companies.

The energy solutions business and our scope 1 and 2 emissions reduction efforts are critical activities in achieving our goal to be carbon neutral by 2050, and advancing our commitment to being an active participant in the transition to a low-carbon economy. The energy solutions business continues to develop a pipeline of opportunities for Exxaro and external offtake.

Snapshot

- Cennergi has two operational wind assets (the Tsitsikamma and Amakhala Emoyeni windfarms)
- Once operational, the LSP will supply solar energy to Grootegeeluk, reducing the operation's carbon footprint and electricity costs. Commercial operation is expected by mid-2025
- Cennergi's operating wind asset project financing of R4.1 billion (2023: R4.3 billion) will be fully settled by the end of 2031
- Cennergi's solar asset project financing will mature and be fully settled by the end of 2042

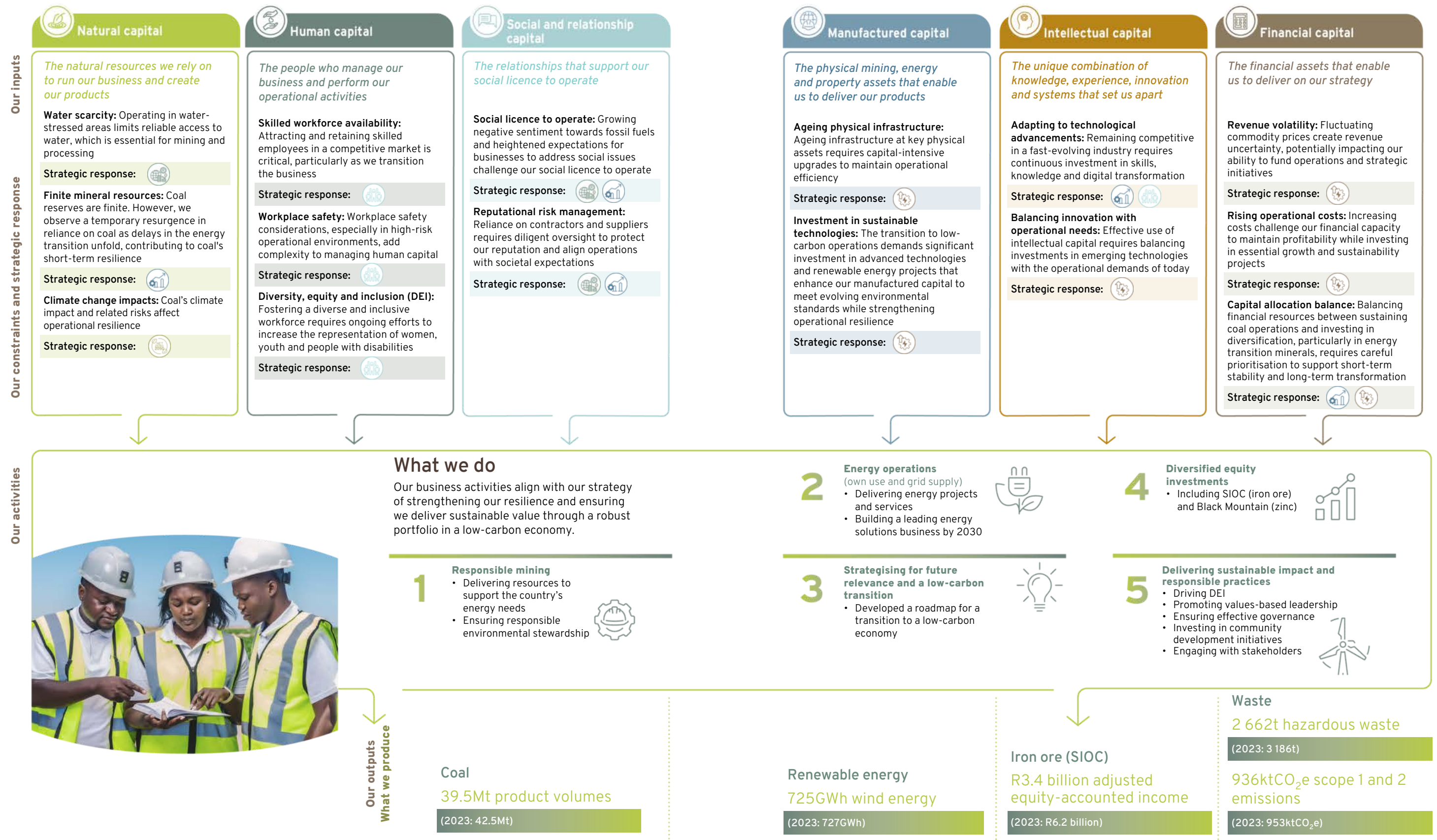
 Read prioritising climate change adaptation and resilience in the [ESG report](#) (page 37) for detailed information about the LSP.



Our business model

Our business model outlines the capital inputs we need to conduct our activities and deliver our products.

The resources and relationships we rely on



Managing our capitals to achieve our ambitions



Impact on value	Net value increase	Net value preservation	Net value erosion
Year-on-year change	Positive increase Negative increase	Unchanged	Positive decrease Negative decrease

