

Effective leadership is the foundation of our resilience and growth. Through disciplined execution, clear accountability and a shared commitment to our purpose of powering better lives, we are shaping a future that balances performance with progress. Anchored in our values, Exxaro's leadership team remains focused on unlocking sustainable value, strengthening our diversified portfolio and building a business fit for the future.



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# Chairman's statement

The mining sector is being reshaped by forces that are both disruptive and generative. Shifting commodity markets, climate change imperatives and the accelerating global demand for energy transition minerals and metals constantly redefine what it means to be a competitive, responsible mining group.

## Delivering against our strategy

The board recognises that complexity and opportunity coexist in the environment in which Exxaro operates. Against this backdrop, Exxaro's Sustainable Growth and Impact strategy remains an appropriate and disciplined framework for balancing operational resilience with responsible diversification and long-term value creation.

Significant progress has been made during 2025 in advancing the group's strategic priorities. Exxaro's position as a diversified natural resources business was strengthened through a continued momentum in growing the renewable energy business and the completion of a strategically significant manganese transaction. This investment has advanced the group's portfolio diversification objectives, and enhanced exposure to future-facing commodities and supports transformation in the sector.

The Kalahari Manganese Field is of global significance, and the acquisition strengthens Exxaro's participation in a commodity that remains important to infrastructure development and increasingly relevant to clean energy battery chemistries. This transaction enhances the quality and resilience of the group's portfolio and supports sustainable long-term growth.

The board also oversaw continued progress in Exxaro's energy transition ambitions, including the successful advancement of self-generation initiatives that are expected to enhance cost competitiveness, energy security and emissions reduction over time.

At the same time, management continued to simplify the portfolio through responsible disposal of selected non-core assets, sharpening focus on long-term value strategic opportunities.

**A diversified portfolio, capable leadership and a clear strategy position Exxaro well for the opportunities that lie ahead.**

## Protecting and developing our workforce

It is recognised that leadership stability contributes positively to employee wellbeing. Safety remains the group's foremost priority, with the introduction of the One Voice Safety strategy, which focuses on clear communication, leadership accountability and continuous improvement. Safety performance improved materially during the year, reflecting strengthened leadership accountability and culture. While progress is acknowledged, there remains unwavering commitment achieving the goal of zero harm.

Ongoing investment to learning, training and development remains a priority across the group. These initiatives are complemented by a strengthened succession planning framework and leadership development programmes, designed to deepen the leadership pipelines and deliver on the group's strategic ambitions.



**Mvuleni Geoffrey  
Qhena**  
Chairman

## Supporting a low-carbon future

Exxaro remains committed to achieving carbon neutrality by 2050. The board continues to oversee the implementation of the group's decarbonisation roadmap, which provides a structured framework for reducing emissions, improving energy efficiency, and strengthening long-term resilience.

There is a depth of sustainability expertise among our directors, which strengthens governance of climate-related risks and opportunities.

## Investing in shared prosperity

Powering better lives in Africa and beyond continues to guide the investments Exxaro makes and the manner in which it creates value.

Exxaro's commitment to becoming a catalyst for economic growth and environmental stewardship includes investments towards small, medium and micro-enterprises (SMMEs), development, education and land use management to support long-term socio-economic development in our communities and ensure responsible stewardship of the natural resources we rely on. Our commitments to both community development and environmental stewardship intersect through active land rehabilitation and biodiversity enhancement at our operations. These initiatives transform land from a mining asset to a long-term economic enabler for our communities.

## Engaging with stakeholders to ensure resilience and impact

Strong, multi-stakeholder partnerships amplify the group's impact and target systemic challenges. The board continues to prioritise transparent and inclusive engagement, balancing diverse stakeholder interests while positioning the group to navigate external challenges and support sustainable socio-economic development.

We are committed to fostering an ethical culture, upholding the highest standards of integrity, and acting in the best interest of all stakeholders. Exxaro's inaugural supplier ethics day, brought suppliers together to promote ethical conduct, reinforce shared values, and support responsible and sustainable sourcing. These efforts contribute to building resilient relationships across the value chain and enhancing the group's long-term impact.

Ethical practices continue to be embedded and sustained across the business through an effective ethics management framework. Ongoing oversight of Exxaro's ethical culture is maintained through the social, ethics and responsibility committee, the audit committee and other governance structures.



During the year, there was a strong focus on the oversight of logistics constraints and strategic infrastructure developments that are critical to Exxaro's export competitiveness. Reliable logistics networks remain critical to preserving market access and supporting the value of the group's resource base.

From a labour relations perspective, Exxaro continued to cultivate constructive dialogue and maintained strong working relationships with our organised labour stakeholders.

The board, through the investment committee, was active in overseeing the advancement of the group's growth and diversification strategy. During the year, it monitored the coal, metals and energy growth pipelines and recommended key investment decisions for board approval. We engaged with our shareholders on investment decisions and capital allocation through regular interactions, including our 2025 governance roadshows.

The coal class action suit launched in 2023 against coal mining companies, including Exxaro, is ongoing. The board is overseeing the matter diligently, acting in accordance with legal advice, and will monitor Exxaro's position.



[Board key matters in focus](#) (page 70)

## Financial resilience and shareholder returns

Exxaro delivered a strong performance in 2025, despite a persistently challenging macro-economic environment. The group's high-quality assets portfolio continued to generate robust cash flows, supporting a solid balance sheet and financial flexibility.

Reflecting our ongoing commitment to delivering superior and consistent returns to our shareholders, the board approved a revised dividend policy. A final gross dividend of R10 per share was declared, amounting to approximately R3.4 billion. Including the interim dividends of R2.9 billion paid in October 2025, total dividends for 2025 amount to R6.3 billion.

## Stabilising leadership and governance

A key focus during the year was introducing Ben Magara as Exxaro's new CEO to our full stakeholder base, including employees, organised labour, government, industry bodies, customers and shareholders. Ben brings over 35 years of mining industry experience, and his technical expertise, strategic insight, and knowledge of Exxaro's business and the broader mining industry position him well to lead the group through the next phase of growth. The board is pleased with the disciplined execution of Exxaro's strategy and further supports enhancements to the executive structure to support the diversified natural resources portfolio.

## Looking ahead

The global geopolitical environment remains plagued with uncertainty, with the humanitarian crisis in the Middle East disrupting global energy markets, increasing energy security risks and placing pressure on global economic growth. Trade policy shifts, particularly around import tariffs, have introduced complexity into commodity markets. In such an environment, the board's role in providing oversight and strategic guidance remains critical in supporting the execution of Exxaro's Sustainable Growth and Impact strategy, enabling the group to navigate complexity with resilience.

Through its Risk and Business Resilience committee, there is a continued oversight of the group's risk management and business continuity frameworks, ensuring that Exxaro remains sufficiently prepared to respond to external risks and operational disruptions that emerge as a result of these dynamics.

Exxaro's defensive, diversified natural resource portfolio provides a strong foundation, balancing a stable and predictable earnings base with long-term growth optionality. The integration of the recently acquired assets remains an important area for the board to preserve long-term value creation.

Through Operation Vulindlela, we are witnessing progress through collaboration. Business and government are working together to fast-track structural reforms, unlock economic growth, reduce costs and improve competitiveness. We are encouraged by the improved energy availability and early signs of progress on logistics performance.

Through the oversight of the logistics committee, we continue to monitor progress on initiatives aimed at unlocking logistics capacity, particularly along the Waterberg corridor which remains constrained. Reliable and efficient logistics infrastructure is critical to preserving export optionality and supporting the long-term competitiveness of Exxaro's long life resource base. The strategic importance of these reforms is recognised, both for Exxaro and for South Africa's broader participation in global seaborne markets.

The board remains confident in Exxaro's strategic direction. Exxaro's portfolio is defensive, our employees are capable and committed, and our purpose is clear. We are focused on supporting management to deliver strategic goals; transforming board insights into business excellence; enabling Exxaro's stability, culture, succession planning and performance; promoting enduring stakeholder value creation; and empowering our people and communities.

As we look ahead, we do so with the conviction that responsible growth and lasting impact are complementary pursuits, and that Exxaro is well positioned to deliver on both.

I extend my appreciation to Ben, the executive team and the people of Exxaro for the focus and commitment they have brought to this important year. To our employees, thank you for your continued dedication. To my fellow board members, thank you for your guidance and support. And to our stakeholders, your trust and collaboration remain both a privilege and a responsibility we do not take lightly.

Mvuleni Geoffrey Qhena

Chairman

29 April 2026

# CEO's report

I joined Exxaro as your chief executive a year ago. I am pleased that we stabilised the business and delivered on all key business imperatives, including the best-ever safety performance. We established a strong leadership team and accelerated the disciplined execution of our strategy with laser focus. 2026 marks 20 years since Exxaro listed and we declared our 46th consecutive dividend while delivering positive social impact beyond the surface.

Despite a dynamic macro-environment, we focused on stabilising the business, operational delivery and accelerating the prudent delivery of our Sustainable Growth and Impact strategy. This affirmed Exxaro's position as a diversified natural resources champion, underpinned by our strong coal base, a growing energy solutions business, equity-accounted investments in iron ore and base metals, and now a significant global manganese presence through the recent acquisition of select manganese assets in the Kalahari Manganese Field.

This acquisition represents both a decisive delivery of Exxaro's strategy and a meaningful transformation in the sector. The transaction was awarded the Black Economic Empowerment (BEE) Deal of the Year at the 2025 DealMakers Annual Awards for bringing together two big South African BEE mining companies with shared values and setting a precedent for the manganese sector through enhanced empowerment participation, strengthened partnerships and a structure designed to deliver sustainable economic inclusion.

We delivered on our priorities of safety, stability, succession planning, operational delivery and prudent diversification. To strengthen stability and execution, we completed our group management structure with permanent appointments, embedding a future-fit functional model that enhances collaboration, agile decision making and delivery as we accelerate into Exxaro's next phase of growth.

The group recorded zero work-related fatalities. This marks 40 consecutive months without a fatality. Our LTIFR improved by 33% to 0.04 per 200 000 worker-hours worked (2024: 0.06). Both Grootegeluk and Belfast achieved a full year without lost-time injuries (LTIs). These outcomes show that our goal of zero harm is achievable, and we must remain vigilant.

## Maintaining resilient performance

Exxaro delivered a strong performance in 2025, despite a persistently challenging macro-economic environment. Group revenue increased, and our portfolio of high quality assets achieved a robust cash generation enhancing a solid balance sheet. Our net cash position increased to R17 641 million compared to R16 309 million at the end of 2024 (excluding energy's net debt). Group earnings before interest, tax, depreciation and amortisation (EBITDA) declined marginally by 2% to R10 225 million (2024: R10 423 million), despite export coal prices declining by 14%.

We met our market guidance across all metrics. Through our effective market-to-resource initiatives, we achieved a price realisation of 96% (2024: 95%) against the 2025 average API4 coal benchmark price of US\$90 per tonne (2024: US\$105 per tonne). Despite a 14% weaker export coal pricing environment, our strong marketing capabilities, disciplined cost management and the defensive nature of Exxaro's portfolio enabled the group to sustain a resilient EBITDA performance

The Matla life of mine (LoM) expansion project progressed well and is targeted for completion in the first half of 2026. The project is ahead of schedule, delivering early coal production and contributing to increased mine output in 2025. Upon completion, the mine will supply between 8Mt and 10Mt of coal per annum to Matla power station. Furthermore, the renewal of the mine's mining right and integrated water use licence (IWUL) provides long-term operating certainty and strengthens the value of this investment.




Ben Magara  
CEO

## A year of accelerated and responsible diversification has solidified our position as a diversified natural resources champion.


Cash generation remained robust, and our equity-accounted investments in iron ore and base metals continued to enhance the quality of our earnings. As a result, headline earnings per share (HEPS) increased by 8% to R32.47 per share (2024: R30.16 per share). Following the acquisition of select manganese assets from Ntsimbintle Holdings and OMH, the group will no longer maintain the previously targeted cash buffer of R12 billion to R15 billion, and we have reviewed our capital allocation framework. Consequently, the dividend cover ratio was improved from a range of 2.5 times to 3.5 times, adjusted group earnings to a range of 1.5 times to 2.5 times, while the 100% pass-through of the Sishen Iron Ore Company (SIOC) dividend remains unchanged.

In line with the improved dividend cover range, the board declared a final gross dividend of R10 per share, amounting to approximately R3.4 billion. Including the interim dividend of R2.9 billion paid in October 2025, total dividends for 2025 amount to R6.3 billion. This reflects our ongoing commitment to delivering superior and consistent returns to our shareholders, as guided by our disciplined capital allocation framework.

 Refer to [capital allocation](#) (page 20) and [FD's overview](#) (page 92) for details on our capital allocation framework.

## Pursuing our Sustainable Growth and Impact strategy

Our Sustainable Growth and Impact strategy anchors our position as a diversified natural resources champion. The strength of our coal business is underpinned by the high-quality infrastructure investments made over many years and a substantial resource base of over 9 billion tonnes, supporting long LoM profiles. The International Energy Agency (IEA) forecasts that global energy demand will still include coal well beyond 2050. Exxaro is therefore exploring organic growth opportunities through life extension within and around our operations to meet this demand. Our manganese acquisition strengthens our diversified asset base, and our energy solutions business is expanding in wind and solar, deepening the defensive nature of our portfolio. This, together with disciplined cost management and site-specific climate adaptation plans, reinforces operational resilience. Our strategic execution is unfolding at a measured pace.

 For more on our objectives and related outcomes, see [our Sustainable Growth and Impact strategy](#) (page 16).

At the same time, our decarbonisation commitments and social impact investment programmes highlight our dedication to creating impact beyond compliance. We structure our environmental stewardship from active operations through to post-mining land use. In 2025, we rehabilitated 2 639ha of land, an increase from 2 325ha in 2024.



In 2025, our social investment of R1.70 billion supported 389 local SMMEs through a procurement spend of R1.3 billion. Exxaro's education and early learning support approach evolved from once-off infrastructure interventions to a whole-school development approach that includes school resourcing, extracurricular support and health programmes.

We accelerated the growth of our energy solutions business, achieving financial close on the Karreebosch windfarm, which is now under construction and progressing well, with green electrons expected in the first half of 2027. The project will supply wheeled green energy to our coal customer, Northam Platinum Limited, under a 20-year power purchase agreement, reducing our scope 3 emissions. It will also add stability to the national grid while advancing South Africa's decarbonisation goals. We estimate that Karreebosch will create over 1 000 jobs during construction and 17 permanent operational roles, bolstering the local economy. The project will also support social initiatives in surrounding areas, including education, skills development and healthcare programmes. Other exciting growth developments, including the acquisition of majority interests in the Gouda windfarm and Sishen solar plant, are expected to significantly expand our energy solutions business.



Refer to [our reporting theme](#) (page 1) and [our assets](#) (page 14) for details on Cennerg's strategic developments.

As we expand our energy operations, we are simultaneously divesting non-core assets to streamline our portfolio and sharpen management focus. The group concluded the disposal of our entire shareholding in FerroAlloys Proprietary Limited to EverSeed Energy Proprietary Limited, a 100% black-owned investor and operator, with meaningful management and employee participation. This supports empowered local ownership while enabling the redeployment of capital into opportunities as presented by a diversified natural resources company, underpinning our strategic objectives to make our coal, metals and energy businesses thrive and to be a catalyst for economic growth and environmental stewardship.

Leeuwpans turnaround strategy is progressing well. The section 189 process was concluded without any forced retrenchments, reinforcing the strength of collaboration between Exxaro and all our stakeholders. Following the section 189 consultation process, we concluded a strategic partnership with Transnet Freight Rail, strengthening logistics and rail capacity planning for Leeuwpans. This is expected to improve performance and unlock value for the operation.

### Investing in our people

I am grateful for the dedication and resilience of Exxaro's people, as they supported the stabilising of the company. As an executive leadership team, we listened to our employees across all operations and visited our sites, including closed collieries and renewable energy farms. These engagements, together with visits to our regulators, investors and national labour organisations at their head offices, reinforced the fact that our Sustainable Growth and Impact strategy is robust and intact, supported by ongoing investment in our people.

I am pleased with the establishment of a strong management team that is fit for purpose. This includes four new appointments: Caroline Shirindza as executive head: coal, Neo Monareng as executive head: sustainability, Fortune Ntlhoru as executive head: commercial and Mervin Govender as executive head: technical services. Our leadership bench is complete and broadly representative of the country's demographics, combining experience and fresh perspectives.

Alongside leadership stability, we are advancing our culture transformation journey, reinforcing the behaviours and leadership practices required to enable collaboration, accountability and high performance across the group, delivered through the One Exxaro Way. We executed an ethics and culture reset, and the positive results were reflected in our follow-up culture pulse survey outcomes post-year end. Building a strong, ethical, values-driven and high-performance culture remains central to sustaining operational excellence and delivering long-term value, while creating an environment where our people can do the best work of their lives together, safely.

Our commitment to diversity, equity, inclusion and belonging continues to shape our employee composition, with historically disadvantaged backgrounds representing 91% of our workforce. Women account for 35% of employees and 47% of management roles. These outcomes reflect our deliberate, ongoing efforts to build a more inclusive and representative organisation.

The strength of our people practices was again recognised externally, with Exxaro being certified by the Top Employer Institute for the fifth time, with an improved overall score of 89.49% (2024: 83.39%).

### Looking ahead

I am pleased with the progress we made in 2025. We strengthened our strategic foundations, advanced key portfolio initiatives and further enhanced our leadership capability to support the next phase of delivery.

Exxaro is now an established diversified natural resources champion, underpinned by a strong coal base, a growing energy solutions business and, through the Tshipi Borwa Mine, a globally significant manganese producer. Together, these businesses form a defensive portfolio with built-in optionality. Both our coal and energy businesses play an important role in supplying South Africa's energy needs, one through reliable baseload supply and the other through renewable energy generation, creating a stable earnings base that anchors the defensive nature of our portfolio. Further upside optionality is provided through our coal and manganese export capability, enabling meaningful participation in seaborne markets supported by a substantial, high-quality, long-life mineral resource base.

The evolving geopolitical environment, including tensions in the Middle East, has introduced uncertainty into global energy markets through oil price volatility, rising freight costs and higher insurance premiums. The conflict is contributing to disruptions in global energy supply dynamics, increasing risks to energy security. Higher oil prices place pressure on global inflation and economic growth, while also influencing trade balances in energy-importing economies such as South Africa. These dynamics are reinforcing a greater focus on reliability and security of energy supply across many markets.

Our coal exports are largely sold on a free on board (FOB) basis and do not transit the Strait of Hormuz, limiting direct exposure to shipping disruptions in the region. However, higher freight and insurance costs may impact certain commodities differently. Manganese, which is typically traded on a cost, insurance and freight (CIF) basis, may experience some margin pressure in a higher freight environment. In addition, higher oil prices contribute to inflationary pressure on fuel costs, which form part of our mining cost base, adding pressure to already rising marginal costs of production in South Africa.

Our business continuity management plans have been activated, ensuring a coordinated approach across stakeholders in our supply chain to maintain operational continuity.

The rebuild of war-ravaged infrastructure and restoration of oil and liquefied natural gas (LNG) supply chains are likely to take time, suggesting that disruptions across energy and logistics may persist in the medium to long term. In this environment, coal market fundamentals remain supported by demand in key economies, as well as the role coal continues to play in supporting reliable and affordable power supply where alternative fuels, including LNG, are constrained by availability, security and pricing.

Climate change remains one of the defining challenges of our time. In line with our objective of being catalysts for environmental stewardship, we recognise our responsibility in minimising and mitigating environmental impact. We remain committed to our goal of reaching carbon neutrality by 2050.

Our initiatives support improved energy efficiency, cost reduction and operational resilience. The commissioning of Lephalale solar plant (LSP) marks an important milestone as Exxaro's first self-generation renewable energy project. The project is expected to reduce scope 2 emissions by 17% and lower the mine's electricity costs by over R100 million a year.

I would like to acknowledge the commitment and hard work of our employees. Our results are a direct reflection of the dedication, professionalism and resilience of our people. It is through their efforts that Exxaro continues to deliver for all our stakeholders and position the business for long-term success.

We place strong emphasis on employee wellbeing and are dedicated to fostering a culture of integrity that enables all our people to thrive. Our priorities for 2026 are clear: sustain safe and reliable delivery, support improved logistics performance and execute the integration of our newly acquired assets. At the same time, we will continue advancing key milestones in our energy solutions business, including financial close and commissioning activities already underway.

Ben Magara  
CEO

29 April 2026