

Thungela Resources Limited Trading Statement for the year ended 31 December 2021

THUNGELA RESOURCES LIMITED

(Incorporated in the Republic of South Africa)

Registration number: 2021/303811/06

JSE share code: TGA

LSE share code: TGA

ISIN: ZAE000296554

(‘Thungela’ or ‘the Group’ or ‘the Company’)

Thungela Resources Limited Trading Statement for the year ended 31 December 2021

Shareholders are advised that Thungela and its directors have a reasonable degree of certainty related to the expected financial results of the Group for the year ended 31 December 2021 in line with paragraph 3.4(b) of the JSE Listings Requirements.

Expected earnings and headline earnings per share prepared in accordance with IFRS

Shareholders are advised that earnings per share (‘EPS’) for the year ended 31 December 2021 (the ‘current period’) is expected to be between R60.32 and R61.27, an increase of between R65.63 and R66.58 per share compared to a loss per share of R5.31 for the year ended 31 December 2020 (the ‘prior period’).

Headline earnings per share⁽¹⁾ (‘HEPS’) for the current period is expected to be between R65.81 and R66.76, an increase of between R71.12 and R72.07 per share compared to a loss per share of R5.31 for the prior period. Headline earnings for the current period is likely to be between R6.9 billion and R7.0 billion (compared to headline losses of R0.3 billion in the prior period).

These EPS and HEPS figures are calculated using a weighted average number of shares (‘WANOS’) of 105,260,339 for the current period and 62,110,182 for the prior period. The WANOS has been impacted by the timing of the Internal Restructure as detailed in the Reviewed condensed consolidated

interim financial

statements for the six months ended 30 June 2021, as well as the purchase by the Group of its own shares

in November 2021 in relation to employee share awards.

Earnings increased as a result of the increase in revenue driven by the strong price environment for thermal

coal in 2021 and higher realised prices achieved by the Group. This has been accompanied by improved

cost efficiency across our operations, positively impacting the profitability of the Group.

The expected EPS and HEPS ranges for the current period are summarised in the table below:

IFRS Expected EPS/HEPS range Expected increase range

(Rand per share) (Rand per share)

EPS 60.32 – 61.27 65.63 – 66.58

HEPS 65.81 – 66.76 71.12 – 72.07

Expected earnings and headline earnings per share presented on a pro forma basis

Shareholders' attention is drawn to the Reviewed condensed consolidated interim financial statements for

the six months ended 30 June 2021 (available on the Thungela website) which detailed the significant

complexity in relation to the comparability of the Group's financial results for the current and prior periods. As

a result of the timing of the Internal Restructure and the Demerger of the Group from Anglo American plc in

June 2021, Thungela will again present a pro forma statement of profit or loss for the current and prior

periods. This will be presented to reflect what the results of the operations would have been for the Group in

these periods, as it is likely to exist on a forward-looking basis.

The pro forma statements of profit and loss to be presented in relation to the timing of the Internal

Restructure reflect that pro forma EPS for the current period is expected to be between R47.15 and R 47.88,

an increase of between R79.52 and R80.26 per share compared to a loss per share of R32.37

for the prior period.

Pro forma HEPS for the current period is expected to be between R51.40 and R52.13, an increase of between R70.00 and R70.73 per share compared to a loss per share of R18.60 for the prior period. Pro forma headline earnings for the current period is likely to be between R7.0 billion and R7.1 billion (compared to headline losses of R2.5 billion in the prior period).

These pro forma EPS and HEPS figures are calculated using a WANOS of 135,957,450 for the current period, and 136,311,808 for the prior period, which has been adjusted to reflect the purchase by the Group of its own shares in November 2021 in relation to employee share awards.

The expected pro forma EPS and HEPS ranges for the current year are summarised in the table below:

Pro forma Expected EPS/HEPS range	Expected increase range
(Rand per share)	(Rand per share)
EPS 47.15 – 47.88	79.52 – 80.26
HEPS 51.40 – 52.13	70.00 – 70.73

Key areas of judgement which may impact the expected IFRS and pro forma EPS and HEPS figures above are in the process of being finalised, and any changes to these ranges, if necessary, will be communicated to shareholders. The Group is expected to marginally outperform the previous guidance that was included in the Chief Financial Officer's Pre-Close and Trading Statement on 6 December 2021.

Thungela expects to release its annual results and audited consolidated annual financial statements for the year ended 31 December 2021 on or around 22 March 2022. Results will be released on the Johannesburg Stock Exchange News Service and the London Stock Exchange Regulatory News Service and will be accompanied by an investor webinar and conference call on the same date. Further details

will be made
available on Thungela's website (www.thungela.com) in due course.

Deon Smith
Chief Financial Officer

Footnote

(1) HEPS is determined in reference to Circular 1/2021 – Headlines earnings ('Circular 1/2021') as issued by the South African Institute of Chartered Accountants. In order to calculate headline earnings, earnings attributable to equity shareholders of the Group is adjusted for separately identifiable remeasurements, as defined in Circular 1/2021, net of related tax and non-controlling interests.

Review of Trading Statement

The information, including the pro forma financial information, contained in this Trading Statement is the responsibility of the directors of Thungela and has not been reviewed or reported on by the Group's independent auditor. The responsibility for presenting the pro forma financial information and the completeness and accuracy thereof is that of the directors of Thungela. The pro forma financial information is presented for illustrative purposes only and because of its nature, may not fairly present the results of Thungela's operations.

Disclaimer

This document includes forward-looking statements. All statements other than statements of historical facts included in this document, including, without limitation, those regarding Thungela's financial position, business, acquisition and divestment strategy, dividend policy, plans and objectives of management for future operations (including development plans and objectives relating to Thungela's products, production forecasts and Reserve and Resource positions), are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other

factors which may
cause the actual results, performance or achievements of Thungela or industry results to be materially
different from any future results, performance or achievements expressed or implied by such forward-looking
statements. The Group assumes no responsibility to update forward-looking statements in this
announcement except as required by law.

The information contained within this announcement is deemed by the Company to constitute inside
information as stipulated under the market abuse regulation (EU) no. 596/2014 as amended by the market
abuse (amendment) (UK mar) regulations 2019. Upon the publication of this announcement via the
regulatory information service, this inside information is now considered to be in the public domain.

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Johannesburg

11 February 2022

Date: 11-02-2022 11:00:00

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