Transnet Freight Rail contractual arrangements

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(Incorporated in the Republic of South Africa)
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ISIN: ZAE000296554
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('Thungela' or the 'Company' and, together with its affiliates, the 'Group')

TRANSNET FREIGHT RAIL CONTRACTUAL ARRANGEMENTS

On 8 April 2022, Transnet SOC Ltd ("Transnet") notified Coal Export Parties ("CEPs") with which it has long term coal transportation agreements ("Agreements") that the factors previously
communicated to the market regarding Transnet's inability to perform services at its stated system capacity (such as the ongoing legal proceedings relating to the irregular locomotive acquisition and maintenance contracts, as well as the rife vandalism on the coal line) continue
and are beyond its reasonable control.

The impact of these factors resulted in an annual rail performance of 58.3Mt coal delivered to
Richards Bay Coal Terminal ("RBCT") in 2021, compared to its annual capacity of 77Mt. Transnet believes that these circumstances will continue to detract from its ability to perform for
at least the next six months and that accordingly Transnet is under Force Majeure.

Transnet's view is that the continued impact and duration of these factors actuate a termination
right, and expressed a desire to exercise this right to terminate the Agreements. Transnet however reiterated its commitment to continue to perform the rail services and has recently confirmed its commitment to work with the CEPs and RBCT to optimise and improve its performance. The CEPs, including Thungela, are accordingly engaging actively with Transnet to
clarify the contractual position and ensure the stability of coal deliveries to RBCT in order to continue to take advantage of the current strong market demand for South African coal. Through these engagements, Transnet has confirmed its intent to conclude an addendum to the

Agreements which Transnet believes would assist Transnet in addressing certain factors affecting its performance, but reaffirmed its commitment to the existing material commercial terms and it is therefore unlikely that these developments would have any material commercial
impact on Thungela.

With coal rail services and export sales continuing, notwithstanding the ongoing discussions between the CEPs and Transnet, Thungela does not currently envisage that this development
will have a material impact on the Group’s 2022 operational outlook which was published on 22
March 2022. Thungela continues to engage with Transnet in order to clarify its contractual position. Thungela will continue assessing the situation and will update the market should the
potential impact of this matter be determined as material to the Group.

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