

EXXARO RESOURCES LIMITED
Incorporated in the Republic of South Africa
(Registration Number: 2000/011076/06)
JSE share code: EXX
ISIN: ZAE000084992
Bond Issuer Code: EXXI
("Exxaro" or the "Company")

FINANCE DIRECTOR'S PRE-CLOSE MESSAGE
Six-month period ending 30 June 2026 (1H26) (the period)

This is an overview of the group's expected business performance for 1H26, encompassing strategic, operational, and financial information. Unless otherwise indicated, all comparisons are against the six-month period ended 30 June 2025 (1H25).

DEAR STAKEHOLDER

Safety continues to be our number one priority and a collective responsibility across the organisation. We remain firmly committed to achieving Zero Harm, underpinned by a strict Zero Tolerance stance toward unsafe practices and behaviours. The ongoing implementation of our One Voice Safety strategy is driving a unified approach to safety, ensuring that standards are clear, simple, and consistently applied across all business units.

As of 31 May 2026, we are proud to report that the group has achieved 45 consecutive months without a work-related fatality. Our lost-time injury frequency rate (LTIFR) is 0.03 per two hundred manhours worked, reflecting a 50% improvement compared to the same period last year.

The start of 2026 has been characterised by a renewed prominence of geopolitical developments in shaping global economic conditions. Following a 2025 operating environment marked by persistent tariff effects and elevated trade uncertainty, early 2026 has seen significant political developments in Iran, with the United States playing a pivotal role. Financial and commodity markets responded swiftly, whilst the broader economic impact is expected to emerge as the year progresses.

The average benchmark API4 Richards Bay Coal Terminal (RBCT) export price for 1H26 is expected to average US\$105 per tonne (FOB), reflecting a notable increase from US\$92 per tonne in 1H25.

The iron ore fines price is estimated to average US\$106 per dry metric tonne (CFR China) in 1H26, compared to US\$100 per dry metric tonne in 1H25.

The average manganese ore index (37% Mn) is expected to average US\$4.73 per dry metric tonne unit (CIF China) in 1H26, up from US\$4.07 per dry metric tonne unit in 1H25.

Total coal production and sales volumes for 1H26 is projected to increase by 10% and 6%, respectively. Coal capital expenditure for 1H26 is expected to be 69% higher than 1H25, in line with the sustaining capital replacement plans at both Grootegeluk and Belfast. (Refer Coal operations section for further detail).

Gennergi's wind portfolio is expected to generate 329GWh of electricity for 1H26 (1H25: 337GWh), overall aligned to the same period last year. Plant availability is projected to exceed the contracted levels of 97%. The Lephalale Solar Project reached commercial operation and is expected to generate 69GWh of electricity for 1H26, with plant availability contracted at 99%. (Refer Energy operations section for further detail).

As of 31 May 2026, the group had net cash of R6.6 billion (excluding net debt of R7.7 billion in the energy business).

We are making good progress on the purchase price allocation for the acquisition of the selected manganese assets from Ntsimbintle Holdings Proprietary Limited and OMH (Mauritius) Corporation. Additional details will be disclosed with our interim results announcement in August 2026.

A detailed account of our 1H26 performance and 2H26 outlook will be provided with our interim results, scheduled for release on or about 20 August 2026.

Yours sincerely
Riaan Koppeschaar
Finance Director

MACRO-ECONOMIC ENVIRONMENT

GLOBAL ECONOMY AND COMMODITY PRICES

In 2026, global economic activity continues to be shaped by the effects of the US–Iran–Israel conflict, with impacts across the global energy markets, safe-haven capital flows, inflationary pressures, fiscal and monetary policies, and the broader economic performance. Against this background, global real GDP growth is expected to slow to 2.2% in 2026, following an expansion of 2.9% in 2025.

The global seaborne thermal coal market in 2026 was initially expected to face downward pressure, driven by a significant wave of new liquefied natural gas (LNG) supply entering the market. However, key developments shifted this outlook. Uncertainty surrounding Indonesia's production quotas introduced supply-side ambiguity into the global coal market. More importantly, the outbreak of the Iran war materially altered global energy dynamics. As a result, LNG availability was constrained, Brent crude oil prices rose significantly, and the global gas markets tightened. This led to fuel switching from gas to thermal coal, particularly in key demand centres such as Japan and South Korea. As we approach the end of 1H26, the spot API4 export price has strengthened to approximately US\$124 per tonne, before softening on market optimism surrounding a potential US-Iran peace agreement.

Iron ore prices have risen since the onset of the Middle East conflict, despite an increase in seaborne iron ore supply and a year-to-date decline in China's steel production. This reflects cost-side pressures, as the 2026 Cost and Freight (CFR) cost curve has shifted higher mainly due to rising diesel and freight costs.

Seaborne manganese ore prices initially trended upward, supported by higher freight costs that lifted Cost, Insurance and Freight (CIF) prices. However, during the latter part of 1H26, prices softened as weak demand persisted, and buyers resisted higher prices amid increasing margin pressure.

Despite ongoing geopolitical tensions, the Rand remained relatively resilient, albeit volatile, in 1H26, supported by a weaker US dollar and an improved South African current account, averaging an estimated R16.40 to the US dollar compared to R18.38 average for 1H25.

The elevated Brent crude oil price environment, coupled with volatility in the Rand, resulted in significantly higher diesel prices during the period under review. The Gauteng wholesale diesel price (0.005% sulphur) averaged R23.55 per litre in 1H26, compared to R19.49 per litre in 1H25.

OPERATIONAL PERFORMANCE

COAL OPERATIONS

MARKETS

1H26 is characterised by a rapid shift in market dynamics, driven by supply-side interventions (Indonesia's production cuts) and geopolitical tensions (Middle East conflict).

In 1Q26 Indonesia implemented export quotas aimed at curbing production volumes, with a strategic intent to tighten global supply and support thermal coal prices following a subdued pricing environment in FY25.

This was followed by the Middle East conflict which then triggered a sharp surge in oil prices, which subsequently translated into a bullish trend on thermal coal prices. This heightened volatility resulted in disruption across global energy markets, with shifts in trade flows and fuel switching (LNG to thermal coal) in some markets. These dynamics led to the API4 index reaching 31-month high levels above US\$120 per tonne.

The South African domestic market has not been insulated from global geopolitical and energy supply disruptions. Industrial end-users have faced margin compression due to elevated diesel costs, which have exerted upward pressure on operating expenses and profitability. In response to mounting inflationary risks, the South African Reserve Bank implemented a 25-basis-point increase in the repo rate as a pre-emptive monetary policy measure. Despite these macroeconomic headwinds, domestic coal demand has remained relatively resilient, supported by stable offtake performance. This resilience can be attributed to our proactive marketing strategies and effective customer relationship management during a period of heightened uncertainty.

Demand for electricity in South Africa from Eskom is lower than the Eskom supply and this has an operational impact on the required output from its coal-fired power stations. Continued application of Eskom's cold reserve and merit order protocols, coupled with the outage on the Matimba power station

coal stacker and reclaimer limits expected off-take in the Waterberg. Coal off-take at Matla remains healthy, supported by improved coal qualities and sustainable supply from Matla mine.

OPERATIONS

During 1H26, the business operated in a challenging environment characterised by ongoing rail and logistics constraints, higher diesel prices, commodity price volatility and heightened geopolitical uncertainty impacting global energy markets.

Despite these external pressures, the business remained resilient through continued optimisation initiatives, disciplined cost management and improved coordination across the value chain.

PRODUCTION AND SALES VOLUMES

| '000 tonnes | Production | | | Sales | | |
|----------------------|----------------|----------------|-------------------------------|----------------|----------------|-------------------------------|
| | 1H25 Actual | 2H25 Actual | 1H26 Forecast ¹ | 1H25 Actual | 2H25 Actual | 1H26 Forecast ¹ |
| Thermal coal | 18 261 | 19 178 | 19 720 | 18 874 | 20 363 | 20 079 |
| - Commercial | | | | 12 531 | 13 023 | 12 345 |
| - Exports | | | | 3 431 | 3 687 | 3 941 |
| - Tied ² | | | | 2 912 | 3 653 | 3 793 |
| Metallurgical | 1 102 | 1 344 | 1 549 | 251 | 103 | 133 |
| Total | 19 363 | 20 522 | 21 269 | 19 125 | 20 466 | 20 212 |

¹Based on the latest internal management forecast assumptions. Final numbers may differ by ±5%.

²Production supplied to Eskom.

Production (1H26 vs 1H25)

Thermal coal production is expected to increase by 8%, driven primarily by higher production at Grootegeeluk, as a result of improved weather conditions compared to 1H25 and improved power station demand. This increase is expected to be partially offset by lower production at Leeuwan, in line with its turnaround strategy focused on improving product quality, as well as lower production at Belfast in line with the planned maintenance cycle.

Metallurgical coal production is forecast to increase by 41%, supported by improved export demand from Grootegeeluk.

Total production for 1H26 is expected to increase by 10% to 21.3Mt (1H25: 19.4Mt), demonstrating the benefits of continued optimisation initiatives and operational discipline across the business.

Sales (1H26 vs 1H25)

Thermal coal sales are expected to increase by 6%, mainly reflecting a 15% uplift in export sales driven by improved market conditions and higher demand.

Commercial sales are expected to remain flat with Belfast capitalising on opportunities in the local market to alleviate export logistical constraints, offset by lower product availability from Leeuwan. Sales to Eskom are expected to remain stable mainly due to improved demand from Medupi (unit 4), offset by increased maintenance constraints at Matimba.

Metallurgical coal sales are forecast to decrease by 118kt due to lower off-take by ArcelorMittal South Africa Limited (AMSA) as well as lower demand in the ferrochrome market.

Tied mine (Matla)

Production and sales at Matla are expected to increase by 30% in 1H26, mainly driven by the Mine 1 ramp-up.

TABLE 3: Coal Capex

| R'million | 1H25 Actual | 2H25 Actual | 1H26 Forecast ¹ |
|--------------|----------------|----------------|-------------------------------|
| Grootegeeluk | 761 | 1 082 | 1 338 |
| Mpumalanga | 105 | 318 | 122 |
| Total | 866 | 1 400 | 1 460 |

¹Based on the latest internal management forecast assumptions. Final numbers may differ by ±5%.

Capital expenditure is forecast to be 69% higher than 1H25, largely due to the execution of the primary equipment strategy at Grootegeeluk and life cycle equipment replacements at Belfast.

FYE26 forecast capital expenditure is expected to remain in line with previous guidance of between R4.0 and R4.5 billion due to the timing (capital delays) of the truck and shovel replacement strategy at Grootegeeluk.

We continue to apply a disciplined and prioritised approach to capital allocation in support of operational sustainability and long-term value creation.

COAL GUIDANCE

Our full year 2026 guidance remains consistent with our 11 March 2026 guidance:

| | |
|--------------------------------|------------------------------|
| Coal production and sales (Mt) | 39.4 to 42.8 |
| Coal export sales (Mt) | 7.3 to 8.0 |
| Coal sustaining capex | R4.0 billion to R4.5 billion |

LOGISTICS AND INFRASTRUCTURE

Transnet Freight Rail (TFR) tipped 25.25Mt at RBCT from January to May 2026. This is equivalent to an annualised tempo of 60.79 Mtpa (FY25: 56.82 Mtpa), demonstrating a notable 7% annual improvement in performance compared to FY25. This improvement reflects an enhanced and more responsive rail system, despite continued operational constraints.

The Grootegeeluk direct rail flow remains a concern. Execution has been challenging, averaging between three and four trains per week in 2026 year-to-date, which is below contracted levels of 11 trains per week. As a result, the business is continuing with multimodal logistics solutions, utilising third-party siding(s) in Mpumalanga to evacuate coal from Grootegeeluk.

Engagements with TFR are ongoing, with several initiatives aimed at addressing these challenges and improving overall corridor performance. Continued collaboration and targeted interventions will be critical to unlocking further capacity, improving reliability, and supporting sustainable volume growth going forward.

OPERATIONAL PERFORMANCE

ENERGY OPERATIONS

MARKETS

The National Transmission Company South Africa (NTCSA) is leading the launch of the South African Wholesale Electricity Market (SAWEM). The launch of SAWEM is transitioning the country away from the single-buyer model toward a competitive, diversified and transparent trading environment where Independent Power Producers can directly contract with large energy users and municipalities through wheeling frameworks. The NTCSA is targeting the launch for 3Q26 pending finalisation of the National Energy Regulator of South Africa's (NERSA's) draft electricity trading framework and addressing stakeholder concerns.

The Transmission Development Plan (TDP) saw limited progress in 2025/26, with grid expansion falling short of planned targets. A total of 271 km of new powerlines were built against a target of 423 km. Key bottlenecks include limited transformer manufacturing capacity, constrained contractor availability and financial challenges.

To address these constraints, NTCSA has entered into a Memorandum of Understanding with the Industrial Development Corporation to facilitate access to funding for suppliers and contractors involved

in grid expansion. While this initiative represents a critical step toward unlocking transmission infrastructure development, execution risk remains elevated. The achievement of TDP targets is imperative to support the country’s renewable energy growth ambitions.

DEVELOPMENT PROJECTS

Construction of the Karreebosch 140MW Wind Farm is progressing, with commercial operation anticipated in 1H27.

The acquisition of Acciona Energia’s operating assets (138MW Gouda Wind Farm and 75MW Sishen Solar Facility) and Acciona Energy South Africa O&M Proprietary Limited, the company responsible for the operations and maintenance of both assets, is pending regulatory and commercial approvals.

ENERGY OPERATIONAL GUIDANCE

Our full-year 2026 guidance has been updated to reflect the current two wind farms and the Lephalale Solar Project. Once timelines for closing the Acciona transaction are clear, more guidance will be provided.

| | |
|-----------------------------------|------------|
| Renewable energy generation (GWh) | 830 to 860 |
|-----------------------------------|------------|

SUSTAINABLE DEVELOPMENT

CLIMATE CHANGE RESPONSE STRATEGY IMPLEMENTATION

The Lephalale Solar Project, supplying 68MW of renewable energy to our Grootegeluk Mine, was commissioned in December 2025 and is estimated to reduce the group's scope 2 emissions by 17%. We have acquired manganese assets from Ntsimbintle Holdings and OM Holdings, further diversifying our portfolio to reduce climate-related transition risk while supporting a just energy transition. We continue to assess technology options in pursuit of our 2030 interim targets for Scope 1 and Scope 2 emissions while also evaluating partnerships to reduce our Scope 3 emissions and achieve our 2050 carbon neutrality goal. We continue to support a just energy transition in South Africa through Cennergi’s growing renewable energy portfolio.

SOCIAL INVESTMENT AND DEVELOPMENT

Delivering meaningful socio-economic value is integral to our purpose of powering better lives in Africa and beyond. Our initiatives are dedicated to addressing unemployment, improving education, and supporting infrastructure development, all aimed at empowering host communities and fostering inclusive economic growth.

As of 31 May 2026, our social investments totalled R1 307.5 million. This includes local procurement spend and funding that supports initiatives across education, welfare, enterprise and supplier development, agricultural development, and health. Our enterprise and supplier development programmes (local procurement and funding) supported 360 black-owned small, medium, and micro enterprises (SMMEs) during this period.

OUTLOOK FOR 2H26

ECONOMIC CONTEXT

Geopolitical tensions in the Middle East are a key source of uncertainty for the global economic environment. In particular, the duration and severity of disruptions to major oil and gas export routes, especially through the Strait of Hormuz, as well as damage to energy infrastructure, will be critical in shaping the overall global economic impact.

While South Africa’s real GDP began the year on a stable footing, expanding by 0.5% quarter-on-quarter in 1Q26, largely preceding the impact of the Iran conflict, growth is expected to moderate. Nevertheless, the expected slowdown is likely to be partially cushioned by elevated terms of trade, alongside continued support from ongoing structural policy reforms.

COMMODITY MARKETS AND PRICE

The geopolitical situation remains fluid, with ongoing disruptions in the Strait of Hormuz and intermittent hostilities across parts of the Gulf region. Encouragingly, there are early indications of potential diplomatic engagement, with a prospective peace agreement under consideration, contingent on mutually acceptable terms. A successful resolution could facilitate price stabilisation across energy markets toward the latter part of 2H26.

Indonesia's formal decision to centralise all coal exports under a newly established state-owned entity, effective 1 June 2026, introduces short-term risks related to administrative bottlenecks and supply uncertainty, potentially exerting upward pressure on global coal prices.

Additionally, rising diesel costs in Australia are constraining thermal coal supply, which may prompt key importing regions to diversify their procurement strategies. This creates a potential opportunity for alternative suppliers, including South Africa, to capture incremental market share.

OPERATIONAL PERFORMANCE

In an environment characterised by ongoing commodity price volatility, higher diesel prices, domestic structural constraints and heightened geopolitical uncertainty, the Group remains focused on operational stability, process optimisation and disciplined capital allocation.

Continued emphasis is being placed on operational efficiencies, supply chain resilience and the responsible marketing of products through economically viable sales channels.

While market conditions remain dynamic, the business is well positioned to respond to evolving demand patterns and maintain resilient operational performance through the remainder of FY26.

REVIEW OF THE UPDATE

The information in this update is the responsibility of the directors of Exxaro and has not been reviewed or reported on by Exxaro's independent external auditors.

WEBCAST DETAILS

Exxaro is hosting its Capital Markets Day (CMD) today, 22 June 2026, and the financial director will deliver the Financial Director's PreClose Message at the CMD at about 14h25.

CMD WEBCAST REGISTRATION LINK

Participants must -register for the CMD Webcast through the link below:
<https://presentations.corpcam.com/PreRegPage.aspx?id=ExxaroCMD2026>

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EDITOR'S NOTE

Exxaro is one of the largest South Africa-based diversified resources companies, with main interests in coal, iron ore, manganese and renewable energy commodities. www.exxaro.com

Interim results for the six months ended 30 June 2026 will be announced on or about 20 August 2026.

ENQUIRIES

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LEGEND

FY25 – Financial year ended 31 December 2025
2H25 – Six-month period ended 31 December 2025
1H26 – Six-month period ending 30 June 2026
2H26 – Six-month period ending 31 December 2026
FYE26 – Financial year ending 31 December 2026
1H27 – Six-month period ending 30 June 2027

COMMODITY PRICES SOURCE

Coal – Argus/McCloskey's Coal Price Index Report
Iron ore – Fastmarkets
Manganese ore – Fastmarkets

DISCLAIMER

The operational and financial information on which any outlook or forecast statements are based is the responsibility of the directors and 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 because of new information or future developments.

22 June 2026