



MEDIA RELEASE

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THUNGELA AND ABSA JOIN FORCES TO EMPOWER SMMEs THROUGH R200 MILLION CO-FUNDING AGREEMENT

Thuthukani, Thungela's Enterprise and Supplier Development (ESD) programme, announces the signing of a co-funding agreement with Absa, one of South Africa's leading financial services providers. Absa will reserve R200 million, reviewable annually, for Thuthukani beneficiaries using their new or existing contracts with Thungela as collateral.

Thuthukani, derives its name from the Zulu word translated "uplift." The programme focuses on cultivating local businesses through the provision of business skills training and coaching, access to funding and technical enablement. This co-funding agreement further empowers them to seize opportunities within Thungela's value chain.

Mpumi Sithole, Executive Head for Corporate Affairs at Thungela says, "I am pleased that our partnership with Absa will make funding more accessible for local SMMEs with new and existing contracts with us. In 2023, Thuthukani disbursed R21.6 million in loans, leading to the creation of 114 jobs. To this end, we couldn't support businesses requiring loan funding beyond this threshold, as larger contracts require substantial funding that Thuthukani alone could not provide. This partnership with Absa will close this funding gap for SMMEs, opening opportunities for them to pursue larger projects."

Absa will manage the loan application process on their ESD portal, subject to a recommendation from Thuthukani. The portal is critical in ensuring funds are accessible to the approved beneficiaries, offering loans at a prime-linked interest rate.

Kgalaletso Tlhoale, Executive for Enterprise Development at Absa Relationship Banking says, "This agreement highlights Absa's dedication to enabling financial inclusion for SMMEs while also fostering sustainable economic growth across various sectors. The allocation aims to provide substantial financial support that empowers SMMEs to expand, innovate and achieve long-term sustainability. It also underscores our commitment to being an active force for good in society – enabling us to achieve our goal to support mining communities and create a robust environment where small and medium enterprises can thrive."

This partnership targets SMMEs in municipalities hosting Thungela's operations such as eMalahleni, Steve Tshwete and Govan Mbeki.

ENDS

Editor's note:

Thungela, which means 'to ignite' in isiZulu, is a large pure-play producer and exporter of thermal coal based on aggregate coal reserves and marketable coal production, operating in South Africa and Australia.

The Group owns interests in and produces its thermal coal from seven mining operations located in the Mpumalanga province of South Africa, which consist of both underground and opencast mines, namely Goedehoop, Greenside, Isibonelo, Khwezela, AAIC (operating the Zibulo Colliery), Mafube Coal Mining (operating the Mafube Colliery) and Butsanani Energy (owning the independently operated Rietvlei Colliery).

In 2023, Thungela, through its subsidiary Sungela, acquired 85% of the Ensham Coal Mine in Queensland, Australia, marking a significant move towards executing one of the Group's strategic pillars of geographic

diversification. Ensham is an underground operation, and it is the latest addition to Thungela's portfolio.

The establishment of Thungela Marketing International in the United Arab Emirates underscores Thungela's commitment to capturing the full margin on our products and engagement with the global commodities market as a global coal producer.

In other parts of the value chain, Thungela holds a 50% interest in Phola Coal Processing Plant and a 23% indirect interest in Richard's Bay Coal Terminal. The terminal is one of the world's leading coal export terminals, with an advanced 24-hour operation and a design capacity of 91Mtpa.

Thungela is committed to operating responsibly to ignite value for a shared future. We want to ensure that our mining activities positively impact our employees, shareholders and our communities.

For more information about Thungela, visit www.thungela.com.

About Absa Group Limited

Absa Group Limited ('Absa Group') is listed on the Johannesburg Stock Exchange and is one of Africa's largest diversified financial services groups.

Absa Group offers an integrated set of products and services across personal and business banking, corporate and investment banking, wealth and investment management and insurance.

Absa Group owns majority stakes in banks in Botswana, Ghana, Kenya, Mauritius, Mozambique, Seychelles, South Africa, Tanzania (Absa Bank Tanzania and National Bank of Commerce), Uganda and Zambia and has insurance operations in Botswana, Kenya, Mozambique, South Africa and Zambia. Absa also has offices in China, Namibia, Nigeria and the United States, as well as securities entities in the United Kingdom and the United States, along with technology support colleagues in the Czech Republic.

For further information about Absa Group Limited, visit www.absa.africa.

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