thungela

MEDIA RELEASE

17 August 2026

Strong performance underpinned by consistent operational execution and financial discipline

Today, Thungela Resources Limited ("Thungela" or the "Group") announced its interim results for the six months ended 30 June 2026.

Salient features:

- **Safety:** Total recordable case frequency rate improved to 2.62
- **Production:** Group recorded export saleable production of 8.5Mt, an increase of 6%
- **Financial results:** Recorded adjusted operating free cash flow of R1.9 billion for the period and net cash of R6.1 billion at 30 June 2026
- **Dividend:** Declared an interim ordinary cash dividend of R5.50 per share
- **Guidance:** Full-year guidance reaffirmed

Commenting on the results, Moses Madondo, CEO of Thungela, said: "As Thungela marks five years as a listed company, we do so from a foundation built on operational excellence, financial discipline and consistent value delivery. Over this period, we have returned more than R23 billion to shareholders through dividends and share buybacks. Thungela delivered a strong performance in the first half of 2026, demonstrating the resilience of the business and the benefits of consistent operational execution and financial discipline. The results reflect our continued focus on maintaining safe operations, driving operational excellence and applying a disciplined approach to capital allocation."

Safety remains at the core of everything we do and informs every decision we make. We are proud to have operated a fatality-free business for three and a half years. The Group's total recordable case frequency rate improved to 2.62 in the first half of 2026, from 2.83 in December 2025, supported by a significant improvement at Ensham.

Group revenue increased to R15.2 billion for the period, supported by benchmark coal prices that were 15% and 25% higher than the comparable period in South Africa and Australia, respectively. The Group generated adjusted EBITDA of R1.3 billion and profit for the period of R1.4 billion, which includes a R1.0 billion non-cash gain from the disposal of the Kleinkopje mining right. Earnings per share increased by 467% to R10.95.

The Group generated cash flows from operating activities of R2.6 billion in the first half of the year. After an investment of R705 million in sustaining capital, this resulted in adjusted operating free cash flow of R1.9 billion. At 30 June 2026, the Group's net cash position was R6.1 billion.

Following its review of the Group's strategy, the board concluded that the Company's strategy remains focused on growth and building resilience through the cycle to create long-term value for shareholders. The Group's priorities remain focused on maximising the value of existing assets, pursuing selective growth opportunities where it can apply its expertise and developing future optionality for long-term growth.

We continue to actively manage our asset portfolio to enhance earnings, strengthen resilience and create value. The Annea Colliery and Zibulo North Shaft life-extension projects were successfully delivered on time and within budget and continue to ramp up. The sale of the Kleinkopje mining right was completed during the period and, together with the sale of Goedehoop North, which is expected to be completed in the second half of the year, the Group expects its South African environmental liabilities to be fully cash-collateralised by year end.

Operational performance

South Africa

Improved performance at Khwezela, driven largely by enhanced water management activities, together with the continued strong contribution from Mafube, underpinned South African export saleable production of 6.3Mt. FOB cost per export tonne including royalties was R1,374, which is within the guidance range.

Export sales of 7.4Mt, including third-party sales of 0.6Mt, exceeded production during the period. This was enabled by improved rail performance from Transnet Freight Rail and the Group's ability to leverage additional rail allocation opportunities across the export corridor.

TFR's performance improved to an annualised run rate of 59.9Mt, from 56.8Mt in 2025. The average realised export price through Richards Bay Coal Terminal was USD89.18 per tonne, representing a 15.7% discount to the benchmark price.

Australia

Ensham delivered a strong first-half performance, underpinned by a significant improvement in safety and a strong production performance. Export saleable production increased to 2.2Mt, compared to 1.6Mt in the prior period. FOB cost per export tonne including royalties decreased to R1,466, below the guidance range.

The average realised export price was USD110.92 per tonne, representing a discount of 13.3% to the benchmark price. This discount is expected to narrow in the second half of the year as the effect of previously contracted fixed-priced tonnes moderates.

Market dynamics

The protracted conflict in the Middle East has significantly contributed to increased volatility across global energy markets. Against this backdrop, benchmark thermal coal prices strengthened relative to the prior year, supported by higher oil and gas prices and concerns regarding global energy security.

Downside price risk remains, anchored to underlying demand fundamentals, as increased energy costs, inflation and supply chain pressures weigh on industrial activity and thermal coal demand.

Thermal coal markets are expected to be influenced by developments in global gas markets and seasonal energy demand. As consumers in Europe and Asia rebuild inventories ahead of the Northern Hemisphere winter, tighter gas market conditions could provide support to coal prices. However, the potential for stronger prices may be moderated by subdued demand growth in key consuming regions.

While near-term market volatility is likely to persist, longer-term market dynamics remain supportive. The anticipated global gas supply surplus has been delayed, while the pace of the energy transition continues to be more gradual than previously expected. A relatively balanced supply and demand outlook is expected to provide greater underlying support for coal markets, notwithstanding periodic price volatility. The Group remains confident in the long-term fundamentals of coal and the role of coal in the global energy mix.

Delivering shareholder returns

The board has resolved to declare an interim dividend of R5.50 per share, a total cash distribution of R773 million. This will be Thungela's 10th consecutive dividend since listing in June 2021.

In addition, the Sisonke Employee Empowerment Scheme and the Nkulo Community Partnership Trust will receive R57 million collectively.

Driving ESG

Thungela's purpose remains to responsibly create value together for a shared future. Through the Thungela Education Initiative and the Nkulo Community Partnership Trust, meaningful progress continues to be made in supporting access to quality education and community infrastructure.

For the reporting period under review, there were no significant Level 3 to 5 environmental incidents. We have also made significant progress in delivering on our Social and Labour Plan commitments. The Nkulo Community Partnership Trust continues to advance its mandate to create a lasting and positive impact in host communities. Our investment in education infrastructure helps to create safer, more inclusive and conducive learning environments.

Thuthukani, our Enterprise and Supplier Development programme, continues to build local economic capacity. Since its inception in 2023, a total of 185 entrepreneurs have graduated from various programmes and are now contributing to local communities and economies.

The Group continues to explore opportunities that support a lower-carbon future, with the Lephalale Coal Bed Methane project remaining a key strategic initiative. Efforts during the period focused on further assessing the project's commercial viability and market potential, alongside advancing regulatory approvals.

Looking ahead

The first half of 2026 demonstrates the resilience of Thungela's business model in an increasingly dynamic world and reflects the ambition, commitment and confidence of our people in delivering a consistent performance.

Thungela is well positioned to navigate the cycle, supported by a strong balance sheet, a portfolio of quality assets and a strategy focused on growth, resilience and long-term value creation for shareholders.

Madondo concluded: "As we look ahead, our priorities remain clear. We will continue to place safety and health at the centre of everything we do, while maintaining our focus on operational excellence, disciplined capital allocation and sustainable value creation."

ENDS

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Notes for editor:

Thungela, which means 'to ignite' in isiZulu, is one of the largest producers and exporters of thermal coal, with operations in South Africa and Australia. Our quality coal reserves and marketable production position us as a key player in the global energy market as we deliver coal through world-class ports, powering nations.

The Group owns interests in and produces its thermal coal from five mining operations located in Mpumalanga, South Africa, which consist of both underground and opencast mines, including Greenside, Khwezela, Zibulo, Mafube and Annea, and the Ensham Mine in Queensland, Australia. Thungela Marketing International in Dubai underscores the Company's commitment to capture the full margin on our products and engage with the international 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 23.56% direct 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 in a responsible way to ignite value for a shared future. We want to ensure that our mining activities positively impact our employees, shareholders and the communities where we operate.