

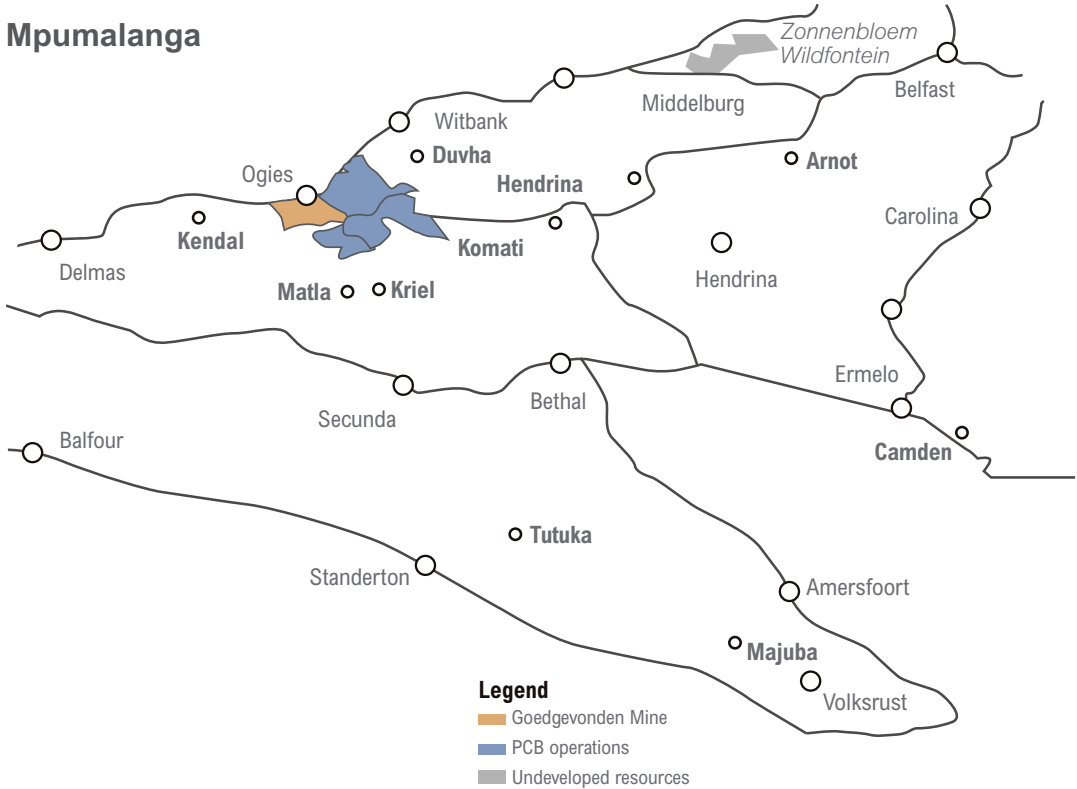
Operational reviews continued

ARM Coal

Key features for F2024
Realised coal prices down over 33%
Decreased operating profit at both GGV and PCB
GGV saleable production was up 8% and PCB was up 3%
GGV total sales volumes increased 11% after reducing impact of Transnet underperformance by trucking coal to other ports in H1 F2024
On-mine unit production costs were lower by 1% and 4% at PCB and GGV respectively



Mpumalanga

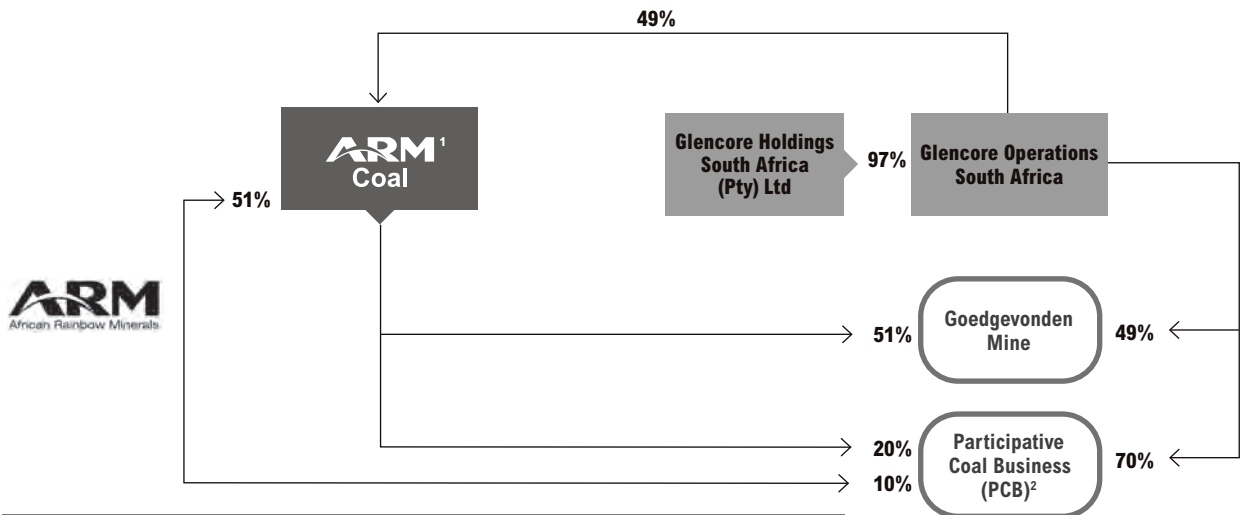


Significant points



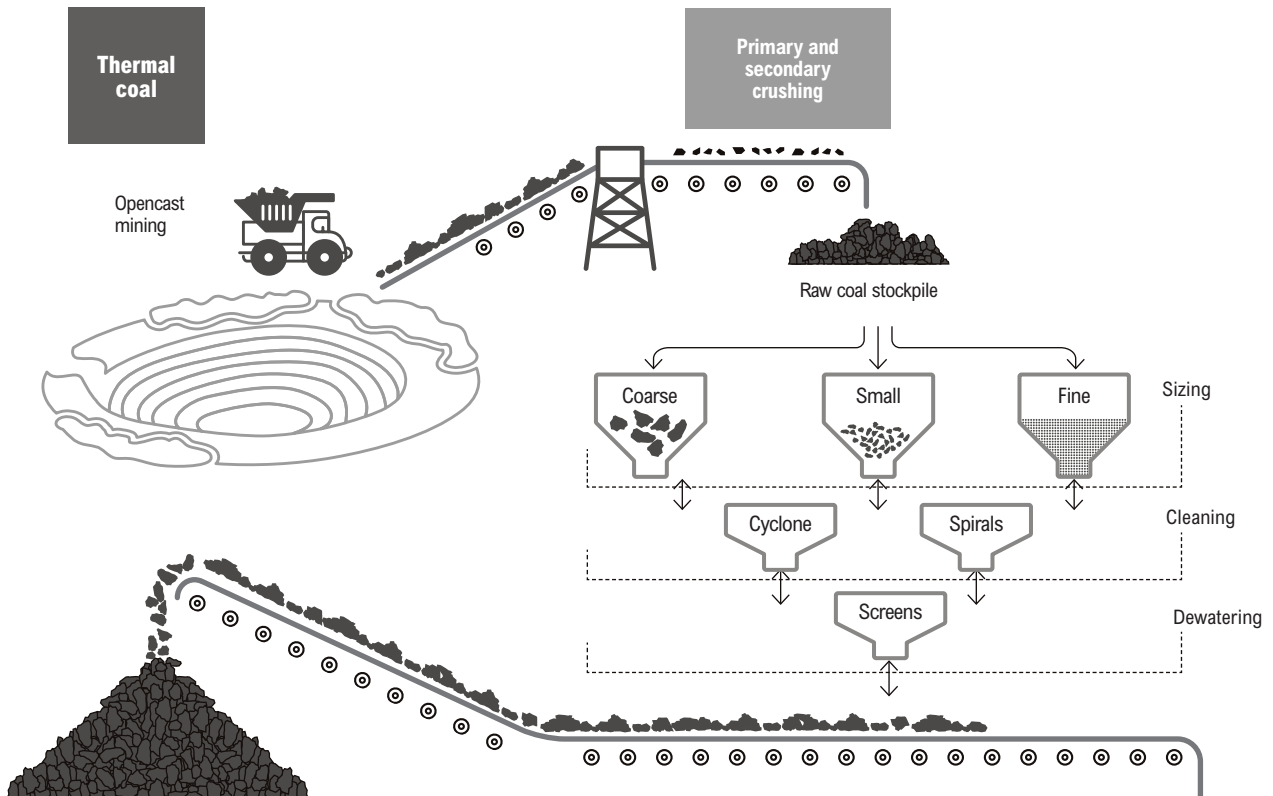
- Challenges at Transnet Freight Rail affecting production and sales volumes
- Excellent cost performance at GGV and PCB.

Structure



¹ ARM Coal holds:
 – Access to Glencore Operations South Africa’s interest and entitlement in the Richards Bay Coal Terminal (RBCT).
 – An export entitlement of 3.2Mtpa in the phase V expansion at RBCT.
² Participative Coal Business (PCB) refers to the Impunzi and Tweefontein operations.

Production process



Operational reviews continued

ARM Coal continued

Scorecard

Goedgevonden Mine (GGV)

F2024 OBJECTIVES	ACHIEVED/NOT ACHIEVED	F2025 OBJECTIVES
<ul style="list-style-type: none"> Continued focus on containing unit cost escalations below inflation. 	Achieved <ul style="list-style-type: none"> Unit cost reduction of 4% achieved. 	<ul style="list-style-type: none"> Continued focus on containing unit cost escalations below inflation.

Participative Coal Business (PCB)

F2024 OBJECTIVES	ACHIEVED/NOT ACHIEVED	F2025 OBJECTIVES
<ul style="list-style-type: none"> Continued focus on containing unit cost escalations below inflation. 	Achieved <ul style="list-style-type: none"> Unit cost reduction of 1% achieved. 	<ul style="list-style-type: none"> Continued focus on containing unit cost escalations below inflation.

Thermal coal prices

Coal prices in F2024 normalised to levels prior to the Russia/Ukraine war as gas prices have declined and trade patterns have mostly normalised.

Coal demand increased in both India and Vietnam in F2024 due to strong electricity demand and low hydropower output. Growth in India's economy is increasing industrial coal consumption. In the US, the power generation switching away from coal reduced in 2H F2024 compared to prior periods, favouring demand for coal.

There has been a slight decline in global coal production in 2H F2024, driven mostly by China recording intensified safety complaints at its coal-mining operations.

Some 68% of export volumes at GGV Mine comprised high-quality coal, while PCB's exports of high-quality coal totalled 72%.

Financial performance

ARM Coal reported headline earnings of R391 million (F2023: R1 535 million), driven mainly by a reduction in the realised coal price at GGV and PCB of 33% and 36% respectively.

GGV Mine's headline earnings were R331 million (F2023: R540 million). PCB headline earnings were R60 million (F2023: R995 million).

Operational performance

Goedgevonden Mine

Total sales volumes increased 11% as GGV reduced the impact of logistics underperformance by trucking coal to other ports in 1H F2024. Due to the decrease in the coal price, trucking to other ports was halted in 2H F2024. ARM attributable saleable production increased by 8% to 1.87 million tonnes (F2023: 1.72 million tonnes).

On-mine unit production costs per saleable tonne decreased 4% to R555 per tonne (F2023: R580 per tonne) as a result of cost-saving initiatives and increased production.

Participative Coal Business

Export sales volumes at the PCB operations were 6% lower at 8.6 million tonnes (F2023: 9.1 million tonnes). Domestic sales volumes improved 66% to 1.63 million tonnes (F2023: 0.98 million tonnes) due to increased coal sales to Eskom.

Production at the PCB operations was constrained by logistics challenges. ARM attributable saleable production increased by 3% to 2.07 million tonnes in F2024 (F2023: 2.02 million tonnes).

Unit production costs per saleable tonne decreased to R807 per tonne (F2023: R815 per tonne) as cost-saving initiatives and increased production reduced the impact of inflationary cost increases.

Summary operational and financial indicators – 100% basis

Goedgevonden Mine

Ownership

ARM holds an effective 26% in Goedgevonden Mine. Glencore Operations South Africa owns 74%.

Management

Governed by a management committee controlled by ARM Coal, with four ARM representatives and three Glencore representatives. Operational management is contracted to Glencore.



	Unit	F2024	F2023	F2022	F2021	F2020	F2019
Operational – 100% basis							
Production and sales							
Saleable production	Mt	7.18	6.63	6.33	5.79	6.77	6.99
Total thermal coal sales	Mt	7.29	6.58	6.4	5.79	6.53	6.84
Export thermal coal sales	Mt	4.15	3.93	3.93	3.89	4.29	3.27
Domestic thermal coal sales	Mt	3.14	2.65	2.47	1.9	2.25	3.57
Average received prices							
Export (FOB) ¹	US\$/t	88.65	131.49	167.72	56.73	47.87	71.10
Domestic (FOT) ²	R/t	402	416	371	354	305	275
Unit costs							
On-mine saleable cost per tonne	R/t	555	580	508	506	431	380
Financial – attributable							
Sales revenue	R million	2 120	2 674	2 847	1 058	1 056	1 162
Total costs	R million	1 442	1 456	1 323	896	1 000	870
Operating profit/(loss)	R million	678	1 218	1 524	162	56	292
EBITDA	R million	639	1 234	349	348	264	326
Capital expenditure	R million	412	383	109	263	197	244
Cash operating profit	R million	678	1 218	1 524	148	56	292
Less:							
– Imputed interest expense ³	R million	6	(73)	(120)	(170)	(160)	(144)
– Depreciation/amortisation	R million	(199)	(187)	(190)	(182)	(197)	(163)
– Re-measurement adjustments	R million	(19)	(13)	(786)	206	207	190
– Reversal of impairment/ (impairment loss)	R million	1	2	(4)	–	(559)	–
Profit/(loss) before tax	R million	467	947	433	2	(653)	174
Tax	R million	(136)	(407)	(435)	8	56	(38)
Headline earnings/(loss) attributable to ARM	R million	330	540	(2)	10	(38)	136

¹ FOB: free-on-board.

² FOT: free-on-truck.

³ Post-restructuring the ARM Coal loans, all interest expense on these loans is imputed.

Operational reviews continued

ARM Coal continued

Summary operational and financial indicators – 100% basis

PCB operations

Ownership

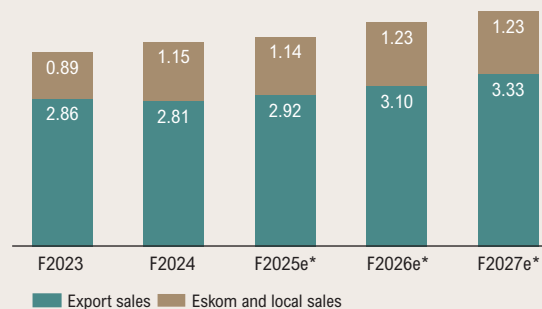
ARM holds effective 20.2% in PCB, Glencore owns the remaining 79.8%.

Management

Governed by supervisory committee with five Glencore representatives and three ARM representatives.
Operational management contracted to Glencore.

Outlook sales volumes

Sales volumes (million tonnes) (attributable)



* F2025, F2026, F2027 are estimated volumes.

	Unit	F2024	F2023	F2022	F2021	F2020	F2019
Operational – 100% basis							
Production and sales							
Saleable production	Mt	10.27	10.01	10.18	11.58	13.34	15.49
Impunzi	Mt	4.51	4.76	4.72	4.85	6.10	6.70
Tweefontein	Mt	5.76	5.25	5.46	6.73	7.24	8.79
Total thermal coal sales	Mt	10.21	10.09	10.83	10.90	13.46	15.56
Export thermal coal sales	Mt	8.58	9.12	9.79	8.00	7.73	10.95
Domestic thermal coal sales	Mt	1.63	0.98	1.04	2.90	5.74	4.61
Average received prices							
Export (FOB) ¹	US\$/t	85.09	133.34	160.54	56.97	50.54	64.88
Domestic (FOT) ²	R/t	701	810	558	678	666	582
Unit costs							
On-mine saleable cost per tonne	R/t	807	815	633	520	484	391
Financial – attributable							
Sales revenue	R million	2 991	4 524	4 946	1 815	2 008	2 605
Total costs	R million	2 299	2 483	2 146	1 516	1 702	1 707
Operating profit/(loss)	R million	691	2 041	2 801	299	306	898
EBITDA	R million	689	1 462	2 833	378	304	898
Capital expenditure	R million	452	356	228	248	425	562
Cash operating profit	R million	691	2 041	2 801	299	304	898
Less:							
– Interest paid	R million	–	–	(87)	(104)	(118)	(138)
– Depreciation/amortisation	R million	(606)	(657)	(702)	(569)	(479)	(424)
– Re-measurement adjustments	R million	–	–	(490)	36	278	55
– Reversal of impairment/ (impairment loss)	R million	–	–	748	–	(1 121)	3
Profit/(loss) before tax	R million	85	1 384	2 270	(338)	(1 138)	394
Tax	R million	(22)	(389)	(588)	78	51	(118)
Headline earnings/(loss) attributable to ARM	R million	63	995	933	(260)	36	274

¹ FOB: free-on-board.

² FOT: free-on-truck.

³ Post-restructuring the ARM Coal loans, all interest expense on these loans is imputed.



Goedgevonden Mine