



Reviewed interim results

for the six months ended 30 June 2024

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Key features

Positioned for a sustainable future

More than **eight years** fatality-free production at Sishen

Zero occupational diseases

Over nine years

without any level 3 – 5 environmental incidents

Shared value of **R27.7 billion** created

Resilient financial performance

Average realised FOB export price of
US\$97/wmt, above benchmark

Cost savings of
~R1.8 billion

EBITDA* margin of **44%**

Closing net cash* of
R14.6 billion

Disciplined capital allocation

Attributable free cash flow* of
R9.1 billion

ROCE of **48%**

Interim cash dividend of
R18.77 per share

* EBITDA, attributable free cashflow and net cash constitutes pro-forma financial information in terms of the JSE Limited Listings Requirements and should be read in conjunction with the basis of preparation. Refer to supplementary non-financial measures on page 34.



For more information on our Company and its performance please scan the QR code or visit us at:
www.angloamericankumba.com

Commentary



Mpumi Zikalala
Chief Executive

“Executing on our strategy to unlock value”

Mpumi Zikalala, Chief Executive of Kumba, said, “Our first half results reflect strong execution of our business reconfiguration plan while improving safety across our operations. By prioritising operational safety, stability, capability and cost-efficient production, we are delivering on our strategic objectives of unlocking value from our core and positioning for a sustainable future, which are essential for creating enduring stakeholder value.”

“Kumba’s performance demonstrates good operational momentum achieved. In line with our business reconfiguration plan to align production to Transnet’s logistics performance, volumes were reduced by 2% to 18.5 Mt, matching a 2% decrease in ore railed to port compared to the first half of 2023. Sales decreased by 5% to 18.1 Mt with the benefit of the pro-active mini-shut down and port equipment repairs undertaken in April, largely offsetting the impact of port equipment outages in the first quarter. As a result, we maintained our full year production and sales guidance of 35 Mt — 37 Mt and 36 Mt — 38 Mt, respectively.

“Our focus on rightsizing our operations unlocked savings of R1.8 billion, contributing to an improved C1 unit cost of US\$38.5/per wet metric tonne (wmt). This ensures that we are well on track to achieving our target of US\$38.0/wmt for the full year.

“The iron ore market pulled back strongly in the first half and the reconfiguration of our business to a lower production and cost profile provides further resilience in the face of a volatile market environment. Weak steel demand in China and Europe, coupled with robust iron ore supply, contributed to the Platts Iron Ore Index (IODEX) 62% Fe cost and freight (CFR) benchmark iron ore price falling by 26% since the start of the year. An increase in steel exports provided some relief, while lump premium was supported by lump stock at multi-year lows.

“Kumba achieved an average realised free-on-board (FOB) iron ore export price of US\$97/wmt, US\$1/tonne above the average 62% Fe benchmark FOB export price. The lump and iron ore quality premium that our products attract were largely offset by the unfavourable timing effect of provisionally priced volumes in a falling iron ore price environment.

“While we continue to operate in a challenging macro and logistics environment, Kumba delivered a solid performance. Earnings before interest, tax, depreciation and amortisation (EBITDA) of R15.6 billion and an EBITDA margin of 44% contributed to our attributable free cash flow of R9.1 billion. This supported the Board’s decision to declare an interim cash dividend of R18.77 per share, representing a payout ratio of 85% of headline earnings.

“We successfully completed our Kapstevl South project at Kolomela and delivered the first ore in June 2024. Our ultra-high dense media separation (UHDMS) technology project continues to present an opportunity to advance our value over volume strategy and maximise the value of our products. Our primary focus this year has been on the execution of our business reconfiguration plan and reducing our cost profile. This will ensure our business is resilient now and in the future, while maintaining the optionality of investing in the UHDMS technology.

“Kumba’s commitment to sustainable development and livelihood opportunities that are independent of our mines is demonstrated by sustained economic contribution to our stakeholders. Despite reconfiguring our business in response to Transnet’s logistics constraints, we contributed R27.7 billion of enduring shared value and supported black economic empowerment (BEE) suppliers by procuring R8.0 billion of goods and services, of which R1.9 billion were in support of local community livelihoods.

“Our premium products, with an average Fe content of 64.1% and a 66% lump ratio, exceed most industry peer averages, and as the steel industry turns to more environmentally friendly processing pathways, demand for our high-quality products should increase. The carbon emission reduction qualities of our premium products and the progression of our own decarbonisation strategy, with continued progress on our sustainability ambitions, ensures that Kumba is favourably positioned for the transition to a green steel value chain.

“Kumba has robust fundamentals. Our priorities are to ensure that our operations are safe, stable, capable and cost efficient and we will continue to build on the momentum gained from the first half. We have a flexible and efficient balance sheet and a solid track record of disciplined capital allocation and value delivery. By executing on these priorities, we will continue to deliver enduring shared value for all our stakeholders.”

Business reconfiguration update

In February 2024, Kumba announced the rightsizing of its operations in line with reducing mining volumes and production to more closely match Transnet's logistics performance.

During March 2024, Kumba entered into a consultation period with trade unions and affected employees facilitated by the Commission for Conciliation, Mediation and Arbitration (CCMA). The CCMA process was concluded with the new structure finalised in May 2024. Recruitment for all roles is expected to be completed during August 2024.

The rightsizing of our business impacts approximately 490 roles and approximately 160 service partners. As part of reconfiguring our business, our mines, Sishen and Kolomela are operating as an integrated complex enabling value-based production. We also created a central Northern Cape hub to provide technical, human resources and other support services to Sishen and Kolomela mines.

Comprehensive support has been provided through our Employee Assistance programmes, which provide job application and interview preparation skills training. In addition, our employee wellness programmes provide counselling, financial and legal advice and mental health support. These services are also offered as part of our Social Response Plan to our service partners and communities, along with the ongoing multi-disciplinary Impact Catalyst initiatives to support education, health and livelihoods in our local communities.

In terms of our cost optimisation efforts, we achieved R1.8 billion of the targeted R2.5 billion to R3.0 billion of savings for 2024 and we are well on track to deliver the remainder of this by the end of 2024.

The main initiatives contributing to the savings was the reduction of mining volumes, which has enabled the optimisation of our heavy mining equipment (HME) fleet and service partners, including in-sourcing specific services. Alongside these initiatives, improved productivity and efficiency, as well as improvements to our sourcing model and utilisation of consumables such as tyre and fuel, delivered a positive result.

Safety, health and wellbeing of our people

Safety

Always front of mind are the safety and health of our employees and contractors. Our commitment to zero harm and the elimination of fatalities is demonstrated by our relentless focus on training, equipping and empowering our people to work safely every day.

Total recordable cases decreased from 18 to 11, resulting in a total recordable injury frequency rate of 0.94 (H1 2023: 1.20). Our lost-time injuries reduced from 10 to eight. The lost-time injury frequency rate improved to 0.68 (H1 2023: 0.98) while our high-potential incidents (HPIs), our leading indicator, decreased from 10 to five. Sishen has recorded more than eight years of fatality-free production.

The overall improvement in safety indicators across our operations is attributable to the enhanced risk awareness created through continued monitoring and reporting of HPIs, visible felt leadership and our unwavering commitment to fatal risk management.

In the second quarter we implemented an immediate call-to-action, our "Leading with Care" initiative, to address a regression in our safety performance for the quarter. This proactive measure ensures continual focus on the identified trends as part of our drive to sustain and improve our safety performance.

Health

In driving zero harm at our operations, we also maintained a strong occupational health performance. Our focus this year has been on reducing exposure to occupational hazards including noise, dust, and carcinogens. Notably, we maintained last year's record of no level 4 to level 5 occupational diseases.

Good progress has been made year-to-date in terms of our HIV/Aids antiretroviral treatment programme with 68% of employees and 64% of

our service partners having completed their voluntary HIV counselling and testing. Through the Kumba Disease Management programme, 100% of the positive cases are on antiretrovirals with an average viral suppression rate of 94%.

The chronic disease reduction programmes have been extended to include other high-morbidity diseases, particularly tuberculosis, cardiovascular risk and obesity, while strengthening our support for employee wellbeing.

Beyond physical wellbeing, we are deeply aware that the uncertainty of organisational change presents a challenging time for all our people. Our employee assistance programme continues to offer counselling, mentoring and practical advice such as financial planning. We also relaunched our Journey to Wellness programme to promote healthy minds and help our staff and contractors to build resilience and thrive.

Our people

Investing in our people, continuing to enrich our talent pipeline, as well as retaining critical skills, is crucial for the future of our business. Our bursary programme funds 60 students, with some in future-facing qualifications such as data science. Some 79 graduates participated in our Professionals in Training development programme and 35 in the YES internship programme. We are supporting 280 employees to further their formal studies in 2024. The growth potential of our internal talent pool is enriched through coaching and developmental exposure opportunities.

In building a high-performance culture focused on operational excellence, we reweighted our performance indicators in line with planned business outcomes and expanded the focus to include both individual and team contributions.

Embedding a culture of inclusivity and diversity continues to be a strong area of focus at Kumba. The total number of women employed at Kumba increased to 29% (H1 2023: 26%), with women in management at 32% (H1 2023: 30%).

More broadly, at the end of June 2024, historically disadvantaged South Africans represented 92% (H1 2023: 90%) of our total workforce and 80% (H1 2023: 78%) of our management.

We also continue to support colleagues living with disabilities by providing resources to enable them to engage effectively in fulfilling work. Our persons with disabilities represent 2% (H1 2023: 1.3%) of our workforce.

Kumba's Everyone's Dignity Matters programme has raised awareness of our zero tolerance for acts of bullying, harassment and victimisation, as well as gender-based violence (GBV) and the support available.

The programme has increased confidence in reporting experiences of dignity harm. Between January and June 2024, 53 cases were reported to the Living with Dignity Hub.

We amplified the programme with a #I RAISE MY HAND challenge, calling on our leadership to take accountability and tangible actions for creating a safe and supportive workplace for their teams.

Sustainability performance

Improving our performance against our Sustainable Mining Plan and associated programmes is an ongoing area of focus for Kumba.

We apply ecosystem thinking to promote lasting, positive environmental outcomes for the areas in which we operate.

Healthy environment

Our healthy environment pillar covers the key areas of biodiversity, climate change, water usage and tailings storage facilities. The stretch goals we have set ourselves within these areas are designed to be challenging, and we aim to deliver them by 2030.

Our environmental record shows that we have not had level 3 to level 5 incidents for over nine consecutive years.

Our dust control measures are being prioritised. Due to the removal of topsoil from the Kapsteveld South pit extension, we have had five dust exceedances from two reported in the 2023 comparative period.

Biodiversity

The specific mine site biodiversity management plans guide our progress towards achieving a net positive impact. We are tracking well to achieve our annual biodiversity and rehabilitation targets. Sishen reshaped 30.5 hectares (ha) (H1 2023: 26 ha) and seeded 22.6 ha (H1 2023: 17.5 ha), while Kolomela has reshaped 20.4 ha (H1 2023: 13.1 ha), with seeding scheduled for the second half of the year.

Climate change

Kumba has adopted an ambitious decarbonisation roadmap to deliver on its target of a 30% reduction in scope 1 and scope 2 greenhouse gas (GHG) emissions by 2030 as compared to the 2016 baseline and a 50% reduction in scope 3 emissions by 2040. It is expected that by 2030 renewable energy will account for 38% of our total energy mix.

The first energy offtake agreement (EOA) with Envusa Energy was concluded in February 2024. Under the EOA, Kolomela's 11 megawatt (MW) renewable electricity will be powered by a combination of Envusa wind and solar projects, wheeled via the Eskom electricity grid. This is expected to reduce scope 2 carbon emissions by approximately 85%, representing a 32% saving on Kolomela's total carbon emissions.

The construction of a 63 MW solar photovoltaic (PV) plant at Sishen will reduce scope 2 carbon emissions by approximately 33%, a 15% saving on Sishen's total carbon emissions in the first stage, with the rest of the targeted 2030 reductions to be delivered through other wheeled wind and solar renewable energy projects. The site at Sishen is being prepared with bulk earthworks, which is due for completion in the second half of 2024. The construction on the solar PV plant is expected to begin once financial close is reached.

Total energy consumption decreased to 3,865 million GJ (H1 2023: 4,601 million GJ) and GHG emissions decreased to 0.44 Mt CO₂e (H1 2023: 0.51 MtCO₂e). This was primarily due to reduced waste mining, the rightsizing of our HME fleet and the planned decrease in production.

Our scope 3 pathway to achieve a 50% reduction by 2040, includes the utilisation of liquefied natural gas dual-fuelled vessels, which offer as much as a 35% reduction in carbon emissions, compared to marine fuelled vessels.

Our premium quality iron ore enables us to participate in the transition of the steelmaking industry to green steel value chain and to benefit from the demand for higher grade iron ore. The transition to carbon-light steelmaking has been accelerating at major steel mills led by Europe. Most steelmakers have set a 30% carbon-emission reduction target by 2030 led by efficient blast furnaces and hydrogen based direct reduction processes. We are partnering with over 40% of our customers (by sales volumes) to develop improved carbon-light steel making processes using our carbon-emission reducing iron ore products.

Water stewardship

Kumba's operations are uniquely positioned as water-positive mines and play a critical role in alleviating local community water shortages. In H1 2024, the water supplied for beneficial use increased to 9,849 megalitres (ML) (H1 2023: 9,260 ML*) to the broader Northern Cape region. Our freshwater withdrawals were broadly stable at 3,976 ML (H1 2023: 3,927 ML*), as we optimised the rate of dewatering at Sishen. We are targeting a 40% reduction in freshwater usage by 2030. This will be achieved through further focus on stabilising mine dewatering and optimisation of water distribution.

* In 2023, water supplied was reported as May year-to-date at 6,763 ML and freshwater withdrawals at 3,219 ML.

Tailings storage facilities

Kumba manages four tailings storage facilities (TSF), including one active facility at Kolomela, which was constructed as water retaining structural embankments, and three upstream constructed dams at Sishen, of which only one TSF called Sishen dam 1-4 is active.

Sishen dam 1-4 tailings storage facility, which is rated as having "extreme" potential consequences under the Global Industry Standard on Tailings Management (GISTM) is preparing to attain full compliance by end of 2027 as committed through the GISTM disclosure.

The GISTM disclosure for Sishen dam 1-4 was published on Kumba's website on 5 August 2023. An updated GISTM disclosure is currently under review and will be published in August 2024.

The other two TSFs and the active TSF at Kolomela are rated as having a "high" potential consequence under the GISTM. The self-assessment to GISTM was carried out on these tailings facilities and full compliance must be achieved by 5 August 2025, according to the International Council of Mining and Metals commitment date.

Thriving communities

Building self-sustaining livelihoods goes beyond economic contribution, it is a commitment to developing and empowering our mine communities so they can thrive.

Kumba employs 76% of our employees from our local mine communities in the Northern Cape region. To mitigate the impact of rightsizing our business, a Social Response Plan has been implemented to assist affected employees and service providers in our local host communities. Kumba's commitment to the Social Labour Plans (SLPs), and direct social investments are continuing.

The plan offers a range of benefits to deliver immediate and short-term benefits while aiming to achieve socio-economic impact over the medium to longer term. These include:

- Local small-business enterprise and entrepreneurship development – scaling up existing programmes, including increasing agricultural and tourism opportunities, and new entrepreneurial activities, incubating start-ups, focusing on women and youth in our host communities.
- Supplier support, including providing bespoke business development mentorship and coaching and debt restructuring of Zimele loans.
- Skills and education development – scaling of portable and artisan skills training for affected employees to help them access alternative employment, continuation of Kumba's social investment contributions to SLPs, corporate social investment and other infrastructure projects. This includes phase 2 of our school education and early childhood development (ECD) programmes benefiting 10,840 learners across 20 schools and 20 ECD centres. Also included is supporting over 350 teachers, through information and communications technology teacher training.
- Health, wellbeing and safety include providing transitional housing support, food security programmes, healthcare and mental wellbeing programmes. Our long-term community health programme is focused on strengthening health systems in the communities, including GBV prevention and response activities.
- Employee share ownership scheme (ESOP) and Sishen Iron Ore Company Community Development Trust (SIOC-CDT): Dividends are paid to all shareholders, including our employees through the Semela ESOP and to the SIOC-CDT benefiting approximately 380,000 people in our host communities.

During the first half, we procured R8.0 billion (H1 2023: R7.9 billion) of goods and services from BEE suppliers, of which R1.9 billion (H1 2023: R2.8 billion) was spent with local host community suppliers. We also facilitated 1,748 jobs across a number of sectors outside of the mining industry including agriculture, livestock development, hospitality, manufacturing and tourism.

Direct social investment of R153 million (H1 2023: R92 million) was contributed to the construction of the Lebelelang disability centre, providing essential services for people living with disabilities. While the construction of the Boichok traders' hubs to foster broader economic opportunities for small businesses is progressing well.

Furthermore, access to water in the Northern Cape is a challenge for many communities in the region. Sishen successfully completed upgrades on nine solar-powered boreholes as part of the bulk water scheme providing sustainable water security to more than 6,000 residents in four villages located in the Joe Morolong Municipality.

Trusted corporate leader

Our trusted corporate leader pillar covers three key areas: accountability, ethical value chains and policy advocacy.

The progress we have made through advocating for continued transformation, investing in skills and supplier development, as well as local procurement spend has contributed to our Broad-based black economic empowerment scorecard improving to level 5, from level 6 in 2023 and level 7 in 2022.

Sishen and Kolomela were assessed against the Initiative for Responsible Mining Assurance's (IRMA) comprehensive mining standard, achieving the IRMA 75 level of performance. The IRMA audit, provides stakeholders with a way of accounting for sustainability practices that is transparent, verifiable and comparable.

Furthermore, Kumba as part of the Anglo American group, offers our customers, Valutrax™, a proprietary digital traceability solution designed to provide customers with greater assurance about the provenance of the products they purchase through a tailored selection of key provenance and sustainability indicators. This drives greater transparency across our entire production and logistics chain. Our customers have direct access to indicators that can help determine compliance with requirements in their specific industries or jurisdictions.

Market overview

The Platts 62 IODEX CFR China index averaged US\$118/dmt, flat compared to the first half of 2023, but 3% lower than the second half of

2023. China's crude steel production decreased by 1% to 1,059 Mt (annualised) over the January to June 2024 period as a contraction in domestic steel demand was largely offset by an increase in steel exports, which rose 21% to 107 Mt (annualised). China's property sector remained persistently weak, with new housing falling 24% and sales down 20% during the period. Manufacturing activities provided a solid growth underpinned with investments in the sector up by 10% year-to-date.

Weak end-user demand and uncertainty in the economic outlook resulted in lower steel prices curbing mill margins that were either negative or near breakeven levels. Infrastructure investment growth slowed in China and grew by approximately 6% year-to-date. An increase in government bond issuance is expected to contribute to infrastructure investment in the second half of 2024.

Steel output in markets outside of China increased by 2% to 854 Mt (annualised) during January to May period. Production in Europe rose by 3% to 180 Mt (annualised) led by Germany, France and Turkey. Meanwhile Japan, South Korea and Taiwan's steel output contracted by 4% to 169 Mt (annualised) on weakness in the auto sector.

On the supply side, global iron ore exports increased, led by Brazil and non-traditional supply basins such as India, Ukraine, Peru, Chile and Iran. Brazilian exports grew by around 6% to 36 Mt (annualised). Ukraine exports more than doubled in the first half of 2024 due to the recovery of the Black Sea shipping route.

The Platts 65-62 differential averaged US\$13/dmt in the first half of the year compared to US\$14/dmt in the same period last year. Lump premium averaged US\$0.13/dmtu, and remained flat relative to the comparative 2023 period. Persistent margin pressure at mills and a focus on cost reduction rather than productivity has limited an increase in premia.

Operational performance

Operational performance summary (unreviewed)¹

000 tonnes	Six months ended		% change
	June 2024	June 2023	
Total tonnes mined	108,633	140,710	(23)
Total waste stripping	88,457	111,216	(20)
Total production	18,459	18,745	(2)
Total sales	18,089	18,943	(5)
Total tonnes mined	108,633	140,710	(23)
Sishen	88,187	104,666	(16)
Kolomela	20,446	36,044	(43)
Total waste stripping	88,457	111,216	(20)
Sishen	74,767	80,568	(7)
Kolomela	13,690	30,648	(55)
Total production by mine	18,459	18,745	(2)
Sishen	13,207	12,783	3
Kolomela	5,252	5,962	(12)
Total sales	18,089	18,943	(5)
Lump	11,545	12,599	(8)
Fines	6,544	6,344	3

¹ Volumes, excluding waste stripping, are reported as wet metric tonnes. Product is shipped with approximately 1.6% moisture.

Mining and production

Kumba's operational performance reflects strong execution of the company's initiatives to unlock value from our core business.

Our commitment to operational excellence is translating into a lower cost profile that ensures that our business can withstand the impact of

Transnet's logistics underperformance, while maintaining healthy buffers and optimal levels of finished stock.

In reconfiguring our business, we are driving the efficiency benefits of an integrated mining complex to maximise value, while maintaining optionality to respond to Transnet's logistics performance. This approach extends from mining and production at Sishen and Kolomela to centralising the technical and support services in one Northern Cape hub.

Total waste stripping reduced by 20% to 88.5 Mt (H1 2023: 111.2 Mt), in line with our mine plan to reduce waste stripping to meet guidance for the full year 2024 of 155 – 170 Mt. Kolomela's waste stripping decreased by 55% to 13.7 Mt (H1 2023: 30.6 Mt) and Sishen by 7% to 74.8 Mt (H1 2023: 80.6 Mt).

By reducing mining volumes and optimising pit designs, we are able to unlock value through improving operational deployment and maximising the benefit of the various mining areas. Additionally, by balancing waste mining and production between Sishen and Kolomela, we have been able to rightsize our HME fleet capacity and increase operating time at Sishen by between 15% and 20% during the first half of 2024, while improving diesel and tyre consumption efficiency. Healthy feedstock has been maintained at both mines enabling a ramp-up in production should Transnet's logistics performance improve.

Kumba's total production volumes decreased by 2% to 18.5 Mt (H1 2023: 18.7 Mt) and is tracking well to end the year within guidance of 35 Mt – 37 Mt. Kolomela's production reduced by 12% to 5.3 Mt (H1 2023: 6.0 Mt), while Sishen's production increased by 3% to 13.2 Mt (H1 2023: 12.8 Mt), demonstrating production flexibility and operational efficiency as we match production to the trains provided by Transnet.

Update on capital projects

Our Kapstevel South pit at Kolomela is a high-grade direct shipping ore replacement project to sustain output of up to 10 Mtpa, enabling life-of-asset extension. The project was rephased last year and successfully completed with the first ore delivered in June 2024.

At Sishen, our UHDMS project represents an important element in the positioning of our business for a sustainable future. While the reconfiguration of our business has been prioritised, we remain confident of the benefits of the technology.

Given the logistics constraints, it is imperative that we focus on value-based production. The UHDMS technology will contribute towards our objective of reducing scope 3 carbon emissions by 50% by 2040 and ensure that we are well positioned for a sustainable future.

The technology offers a significant value uplift, by lowering the cut-off grade which reduces our stripping ratio, increasing the proportion of premium quality iron ore production, and extending the life of mine.

Logistics, sales and marketing

In the first half, Transnet's rail performance on the Iron Ore Export Channel (IOEC) continued to be constrained by a number of derailments and equipment failures. Ore railed to port decreased by 2% to 18.1 Mt (H1 2023: 18.4 Mt), resulting in total finished stock increasing to 8.2 Mt (FY 2023: 7.1 Mt), with stock at Saldanha Bay port at 0.6 Mt (FY 2023: 0.6 Mt) and 0.2 Mt loaded on a vessel but not yet sold.

At Saldanha Bay port, Transnet's performance was primarily impacted by stacker-reclaimer reliability challenges, as well as adverse weather conditions. A proactive five-day maintenance shut on both the rail and port, including the stacker-reclaimer was completed in April. The result of this was improved port and sales performance in the second quarter, with sales increasing by 12% compared to the first quarter. Overall, this limited the decrease in sales for the first half to 5% at 18.1 Mt (H1 2023: 18.9 Mt).

Kumba has a strategic target of increasing sales to regions outside of China to between 45% to 55%. With demand outside of China remaining subdued, sales to China increased to 55% (H1 2023: 54%) of total sales. Europe represented 26% of sales, the rest of Asia (Japan, South Korea and Taiwan) 18% and the Middle East and Northern Africa region 1%.

Sales to the traditional markets outside of China are predominantly on a FOB and contract of affreightment basis. In line with a lower proportion of sales to these traditional markets, sales on a CFR basis increased to 67% (H1 2023: 59%), with contractual sales at 75% (H1 2023: 87%) of total export sales volumes.

Kumba continues to engage with the South African government and Transnet as part of the Ore User's Forum (OUF) to prevent further deterioration in the performance of the IOEC.

We continue to work with the OUF and the National Logistics Crisis Committee to improve Transnet's logistics performance. Further work is taking place to progress the Independent Technical Assessment to gauge the condition of Transnet's infrastructure, rolling stock and operating system. The technical assessment is expected to identify the actions needed to arrest the decline in logistics performance and expedite the delivery of critical projects.

Financial results

Financial performance	Six months ended		% change
	June 2024	June 2023	
Average realised FOB export price (US\$/wmt)	97	106	(8)
Revenue (Rm)	35,802	38,279	(6)
Operating expenses (Rm)	22,868	20,748	10
C1 unit costs (US\$/wmt)	38.5	39.0	(1)
EBITDA (Rm)	15,582	19,820	(21)
EBITDA margin (%)	44	52	(8)pp
Operating margin (%)	36	46	(10)pp
Cash breakeven price (US\$/tonne) ¹	76	62	23
Headline earnings per share (R/share)	22.27	30.04	(26)
Capital expenditure (Rm)	3,713	4,358	(16)
Attributable free cash flow (Rm)	9,084	7,911	15
Net cash (Rm)	14,589	13,760	6
Dividend per share (R/share)	18.77	22.60	(17)
ROCE (%)	48	77	(29)pp

¹ Cash breakeven comparative is as at 31 December 2023.

Kumba achieved a robust set of results demonstrating our operational resilience, fundamental financial strength and focus on our strategic priority of unlocking value from the core. To achieve this, we are targeting R2.5 billion — R3.0 billion through our cost optimisation initiatives and a C1 cash cost of US\$38/wmt for the full year 2024 relative to the US\$41/wmt in 2023. In the medium-term, our objective is to maximise our product premium by achieving US\$3/tonne on average above market levels.

We delivered a solid EBITDA of R15.6 billion (H1 2023: R19.8 billion). This was achieved despite lower revenue due to weaker prices and sales volumes. On-mine production costs reduced by 20% benefitting from our cost optimisation programme, while total operating expenses increased due to higher freight costs and finished goods and work-in-progress (WIP) stock movements, partially offset by deferred waste stripping capitalisation. The progress we have made in reducing costs has protected our EBITDA margin of 44% (H1 2023: 52%). This will remain a key imperative as we continue to operate amid global economic uncertainty and market volatility.

Iron ore prices continue to be a significant driver of our financial results. In the first half, a combination of soft steel demand and less supply disruptions led to a 26% decrease in the Platts 62% iron ore index.

As a consequence, our average realised FOB export price decreased by 8% to US\$97/wmt (H1 2023: US\$106/wmt). Our Lump, Fe content quality and marketing premium of US\$13/tonne more than offset the timing effect of significant provisional pricing adjustment providing a net premium benefit of US\$1/tonne.

Cost optimisation through the reconfiguration of our business to a lower production profile delivered R1.8 billion of savings towards our full year 2024 target of between R2.5 billion — R3.0 billion. The focus on cost optimisation has three key initiatives. These are to firstly, optimise the mine plans which contributed 69% of the R1.8 billion in savings. Secondly, to increase operational efficiency which contributed 19%. Thirdly to improve our sourcing model and utilisation of consumables which delivered 12% of savings.

In terms of on-mine costs, Sishen's cash unit cost decreased by 8% to R539/dmt (FY 2023: R589/dmt) and Kolomela's cash unit cost improved by 12% to R425/dmt (FY 2023: R482/dmt). As a result, our C1 unit cost improved to US\$38.5/wmt (H1 2023: US\$39.0/wmt) and includes the benefit of a weaker currency.

Capital expenditure totalled R3.7 billion (H1 2023: R4.4 billion). We spent R649 million of capital on expansion, R1.6 billion on essential stay-in-business work and R1.5 billion on deferred waste stripping.

During the six-month period, Kumba's economic contribution to South Africa and our stakeholders amounted to R27.7 billion. This includes payments to government, suppliers, wages and benefits, dividends, taxes, royalties and investment in local community projects.

Our capital allocation framework is used to assess the most effective and efficient way to deploy capital. Kumba's balanced and disciplined approach to capital allocation is supportive of continued delivery of shareholder returns and creating enduring share value for our stakeholders. Return on capital employed of 48% reflects the quality of our assets and products, and the strong execution of our strategy to unlock value.

Cash generated from operations of R20.3 billion (H1 2023: R17.5 billion) contributed to an attributable free cash flow of R9.1 billion (H1 2023: R7.9 billion). Our net cash position of R14.6 billion (H1 2023: R13.8 billion) has allowed our Board to declare an interim cash dividend of R18.77 per share to our shareholders, equivalent to an 85% payout ratio. This includes:

- R16.70 per share representing 75% of headline earnings and
- R2.07 per share being a top-up cash dividend, in accordance with our dividend policy

Revenue

Total revenue decreased by 6% to R35.8 billion (H1 2023: R38.3 billion) due to:

- a lower average realised FOB iron ore export price of US\$97/wmt (H1 2023: US\$106/wmt) and
- a 5% decrease in sales volumes to 18.1 Mt (H1 2023: 18.9 Mt)

This was partly offset by:

- a 3% weaker average Rand/US\$ exchange rate of R18.73/US\$1 (H1 2023: R18.21/US\$1) and
- a 48% increase in shipping revenue to R4.3 billion (H1 2023: R2.9 billion) due to higher freight rates and CFR volumes increasing to 67% of total sales volumes (H1 2023: 59%).

Kumba's high-grade Fe content averaged 64.1% (H1 2023: 63.3% Fe) and the average lump to fines ratio was 64:36 (H1 2023: 67:33). An average realised FOB export price of US\$97/wmt (equivalent to US\$99/dmt) was achieved, US\$1/tonne above the 62% Fe benchmark price of US\$96/wmt (equivalent to US\$98/dmt). Lump premium of US\$5/tonne, Fe premium of US\$5/tonne and a marketing premium of US\$3/tonne more than offset a negative timing effect of US\$12/tonne. The timing effect was comprised of US\$8/tonne from products priced one month after arrival in China. In a decreasing iron ore price environment, this results in a negative timing effect and can reverse when prices increase. A further US\$4/tonne was due to provisionally priced sales volumes at the end of last year.

Operating expenses

Total operating expenses increased by 10% to R22.9 billion (H1 2023: R20.7 billion) with a significant proportion of the increase driven by higher freight costs and the effects of stock movement partly offset by high deferred waste stripping capitalised.

The impact of the stock movement was R2.3 billion and freight costs increased by 53% to R4.2 billion (H1 2023: R2.8 billion), largely driven by an increase in freight rates to US\$20/tonne (H1 2023: US\$14/tonne). This was partly offset by higher deferred waste stripping capitalised of R1.5 billion (H1 2023: R835 million). Excluding these costs and mineral royalties, operating expenses decreased by 5% to R19.2 billion from R20.1 billion in the first half of 2023.

Our cost optimisation programme contributed to the following improvements in on-mine expenses:

- 32% decrease in raw materials and consumables costs to R1.0 billion (H1 2023: R1.5 billion)
- 26% decrease in contractor expenses to R1.9 billion (H1 2023: R2.5 billion)
- 20% decrease in repairs and maintenance to R1.7 billion (H1 2023: R2.2 billion) due to improved HME reliability as part of our focus on operational stability
- 16% decrease in fuel costs to R1.6 billion (H1 2023: R1.9 billion).

Operating expenses also include the following:

- a 10% increase in staff costs to R3.5 billion (H1 2023: R3.1 billion) including termination benefits from the business reconfiguration
- a 16% increase in the depreciation of property, plant and equipment to R2.6 billion (H1 2023: R2.3 billion)
- 6% increase in transportation and selling costs to R4.0 billion (H1 2023: R3.8 billion).

Sishen's cash unit cost of R539/dmt (FY 2023: R589/dmt and H1 2023: R543/dmt), largely relates to a reduction in mining volumes, improved productivity and an increase in waste stripping capitalisation. This was partially offset by WIP inventory movements and increased input costs.

Kolomela's cash unit cost improved to R425/dmt (FY 2023: R482/dmt and H1 2023: R447/dmt), driven by lower mining volumes and improved cost efficiencies, partly offset by waste stripping capitalisation and a 12% decrease in production to 5.3 Mt (H1 2023: 6.0 Mt).

EBITDA

Kumba's EBITDA of R15.6 billion (H1 2023: R19.8 billion) reflects the impact of lower realised FOB export prices and lower sales, partly offset by lower on-mine costs and a weaker Rand.

We achieved an EBITDA margin of 44% (H1 2023: 52%) and an operating margin of 36% (H1 2023: 46%). Operating profit decreased by 26% to R12.9 billion (H1 2023: R17.5 billion).

Kumba's breakeven price increased to US\$76/tonne from US\$62/tonne in FY 2023 driven by:

- US\$15/tonne lower price premium, driven by negative timing effects,
- US\$1/tonne lower lump premium, and
- US\$4/tonne higher freight costs.

This was partially offset by:

- US\$4/tonne decrease in operating expenses, reflecting the benefit of our cost savings drive,
- decrease of US\$1/tonne in stay in business (SIB) capex, and
- US\$1/tonne from lower royalties.

Net working capital

Net working capital decreased by 15% to R17.6 billion, compared to R20.8 billion at the end of 2023, a decrease of R3.2 billion.

Inventory decreased by R0.3 billion during the period due to a reduction in WIP inventory, partially offset by higher finished stock levels due to logistics constraints. Trade and other receivables decreased by R5.0 billion on the back of lower sales volumes and lower prices, as well as earlier collections during the month of June. The decrease in inventory and trade and other receivables was partially offset by a decrease in trade and other payables of R2.1 billion.

Capital expenditure

Total capital expenditure incurred was R3.7 billion (H1 2023: R4.4 billion), comprising:

- stay-in-business (SIB) capital expenditure of R1.6 billion (H1 2023: R2.0 billion), which decreased due to the optimisation of capital expenditure and deferral of non-critical spend. The main areas of spend were on capital spares and mining fleet replacements to sustain our business (R0.7 billion), with the balance spent on safety, regulatory and infrastructure projects
- deferred waste stripping expenditure of R1.5 billion (H1 2023: R0.8 billion) was due to Sishen's higher stripping ratio. The higher spend at Sishen was partly offset by the impact of lower waste stripping at Kolomela
- expansion capital expenditure of R0.6 billion (H1 2023: R1.6 billion) was mainly incurred on the completion of Kapstevl South due to the rephasing of waste stripping from the second half of 2023 to the first half of 2024 (R0.4 billion). The Kapstevl South pit produced first ore in June 2024.

The decrease in capital creditors of R1.3 billion (H1 2023: R0.6 billion) relates to prior year capital expenditure paid in the period, net of capital expenditure incurred during the period but not yet paid at the reporting date. Cash capital expenditure was R5.0 billion (H1 2023: R5.0 billion).

Net cash and liquidity

The company ended the period with a net cash position of R14.6 billion, an increase of R0.8 billion (H1 2023: R13.8 billion), mainly due to higher cash generated from operations, which contributed R20.3 billion (H1 2023: R17.5 billion).

R5.0 billion of cash generated was utilised to fund capital expenditure (H1 2023: R5.0 billion), income tax of R3.6 billion (H1 2023: R2.6 billion) and mineral royalties of R0.7 billion (H1 2023: R0.7 billion) for the period and delivered shareholder value with cash dividends paid of R10.2 billion (H1 2023: R6.9 billion).

Committed facilities amounted to R16.0 billion of revolving credit facilities, that mature in 2029. Liquidity headroom is at R30.6 billion, including both undrawn facilities of R14.8 billion and gross cash of R15.8 billion.

The covenants contained in the credit facilities are balance sheet-linked and recognise the cyclical nature of our business, offering improved access to the facilities through the cycle. We remain committed to maintaining capital discipline and ensuring that our balance sheet is efficient and flexible with adequate liquidity headroom.

Ore Reserves and Mineral Resources

There were no material changes to the ore reserves and mineral resources as disclosed in the 2023 Ore Reserve (and Saleable Product) and Mineral Resource Report available at:

<https://www.angloamericankumba.com/~media/Files/A/Anglo-American-Group-v5/Kumba/investors/annual-reporting/reports-archive-2023/kumba-ore-reserves-and-mineral-resources-report-2023.pdf>

Events after the reporting period

There were no other significant events that occurred from 30 June 2024 to the date of this report, not otherwise dealt with in this report.

Corporate governance

The group subscribes to the Code of Good Corporate Practices and Conduct and complies with the recommendations of the King IV™ Report. The Board charter is aligned with the provisions of all relevant statutory and regulatory requirements including among others, King IV™. Full disclosure of the group's compliance is contained in the 2023 integrated report.

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Changes in board and management

- Matthew Walker was appointed as a non-executive director and member of the Strategy and Investment Committee and the Human Resources and Remuneration Committee with effect from 1 April 2024.
- Neo Mokhesi was appointed as an independent non-executive director and member of the Social, Ethics and Transformation Committee, the Safety, Health and Sustainable Development Committee and the Audit Committee with effect from 1 July 2024.
- Samuel Martin previously the Executive Head of Strategy and Glen McGavigan, previously the Executive Head of Mining and Projects, have stepped down with effect from 30 April and 31 March 2024, respectively following the consolidation of the two roles as part of the company's organisational redesign.
- Gerrie Nortje previously the Chief Transformation Officer has been appointed Executive Head of Technical and Strategy.
- Tumi Mbatha, previously Commercial Manager at Sishen has been appointed Chief Transformation Officer.

Guidance and outlook for the remainder of 2024

Despite several logistics challenges in the first half, Kumba is well on track to achieve its operational and cost guidance for the full year 2024, subject to Transnet's logistics performance.

Our priorities in the second half of the year are to continue maintaining a safe, stable, capable and cost efficient business, while working with the National Logistics Crisis Committee and OUF to support the improvement of Transnet's logistics performance. These are all core to unlocking value and delivering on our full year 2024 guidance.

As we position the Company for a sustainable future, we will continue to focus on maximising product premium and progressing the decarbonisation of our operations while collaborating with our customers to help reduce their scope 3 carbon emissions.

Kumba plays an important role in the socio-economic environment of our mine communities and although the impact of the logistics constraints requires us to rightsize our business, we are committed to continued support our local host communities.

The strong and focused execution of our strategic priorities and disciplined capital allocation underpins our ability to continue delivering stakeholder value.

Operational outlook

Operational guidance is unchanged with total waste at 155 Mt — 170 Mt and total production of between 35 Mt — 37 Mt.

We plan to continue driving operational efficiency initiatives to deliver the balance of our targeted cost savings of R2.5 billion — R3.0 billion for 2024 and work is underway to identify and validate potential savings for next year.

The new roles created by reconfiguring the business are expected to be filled in August, along with the implementation of the central Northern Cape hub in Kathu. The central hub is intended to maximise synergies between Sishen and Kolomela, ensuring best practice in terms of deploying equipment, sharing resources and skills development.

Transnet's annual logistics maintenance shut is planned for the fourth quarter of the year. Kumba as part of the OUF will provide on-the-ground support and is working closely with Transnet to plan for the shut. This follows the successful collaborative effort to repair one of four stacker reclaimers in April which led to a 12% improvement in sales in the second quarter.

By then, the independent technical assessment is expected to be completed. The assessment aims to expedite the delivery of critical projects through mutual collaboration between the OUF and Transnet.

Overall, government and business collaboration is critical for the improvement of Transnet's logistics network. We are encouraged by the increased emphasis on implementation and delivery by government. While the commitment to continue the logistics reform under the leadership of the Presidency and National Treasury supports private sector partnerships.

Financial outlook

Sishen's and Kolomela's cash unit cost is expected to be maintained between R520/dmt — R550/dmt and R410/dmt — R440/dmt, respectively.

Further cost benefits are expected to be achieved through improvements from increased productivity, operational efficiency, the improved use of consumables such as fuel and tyres, as well as supply chain optimisation. The C1 unit cost guidance of US\$38/wmt (based on an exchange rate of R19/US\$1) is unchanged as we continue to focus on cost improvements.

Our capital expenditure for the year is between R8 billion — R9 billion comprised the following:

- SIB spend of between R4.5 billion and R5.0 billion due to the optimisation and deferral of non-critical spend. The key areas of spend relate to mining equipment, plant and infrastructure upgrades, technology, land management, environmental and regulatory compliance projects.
- Expansion capex of between R0.9 billion and R1.0 billion as our Kapstevél South project is largely completed.
- Deferred stripping capex of between R2.6 billion and R3.0 billion, as we mine in higher stripping ratio areas in comparison to the life-of-asset stripping ratio.

Delivering capital efficiencies remains an ongoing priority through clear scoping processes, delivery competitiveness, improved onboarding, improved accountability and alignment to strategic initiatives. In the medium term, sustaining capital expenditure is expected to be around R4 billion to R5 billion per annum.

Full year guidance (unaudited)	2024
Total sales (Mt)^{2,3}	36 – 38
Total production (Mt)^{2,3}	35 – 37
Sishen	~26
Kolomela	~10
Waste stripping (Mt)³	155 – 170
Sishen	135 – 145
Kolomela	20 – 25
On-mine unit costs (R/dmt)	
Sishen	520 – 550
Kolomela	410 – 440
C1 unit costs (US\$/tonne)^{1,2}	38
Capital expenditure (Rbn)	8.0 – 9.0
SIB spend	4.5 – 5.0
Expansion spend	0.9 – 1.0
Deferred stripping spend	2.6 – 3.0

¹ Based on foreign currency exchange rate of R19/US\$1 for H1 2024.

² Production, sales volumes and C1 unit costs are reported as wet metric tonnes, with a moisture content of approximately 1.6%.

³ Volumes referred to for the period are 100% of Sishen Iron Ore Company Proprietary Limited (SIOC), and attributable to Kumba's shareholders and the non-controlling interests in SIOC.

Non-IFRS measures

A reconciliation of additional non-IFRS performance measures to the equivalent IFRS metrics is provided on page 34. EBITDA, attributable free cash flow, net asset value attributable to owners of Kumba and net cash are non-IFRS measures reported on page 34 and constitute pro forma financial information, in terms of the Listings Requirements of the Johannesburg Stock Exchange (JSE) Limited. This information is provided for illustrative purposes only and due to its nature may not fairly present the group's financial position, changes in equity, results of operations or cash flows. The underlying information used in the preparation of the pro forma financial information has been prepared using the group's accounting policies which comply with IFRS.

The non-IFRS pro forma financial information included in these interim results is the responsibility of the Company's directors and together with any forecast financial information contained herein, has not been reviewed or reported on by the group's auditors and therefore the auditor's report on page 31 to 32 of this results announcement does not cover this information.

The Company's SENS announcement for the period ended 30 June 2024 will be available on the Company's website www.angloamericankumba.com at 07:05 CAT and the presentation will be available from 11:00 CAT on 23 July 2024.

Salient features and operating statistics

for the period ended

	Unreviewed six months 30 June 2024	Unreviewed six months 30 June 2023	Unaudited 12 months 31 December 2023
Share statistics ('000)			
Total shares in issue	322,086	322,086	322,086
Weighted average number of shares	320,944	320,989	320,957
Diluted weighted average number of shares	321,562	321,596	321,711
Treasury shares	1,117	1,075	1,134
Market information			
Closing share price (Rand)	440	443	615
Market capitalisation (Rand million)	141,718	142,684	198,083
Market capitalisation (US\$ million)	7,791	7,569	10,696
Net asset value attributable to owners of Kumba (Rand per share)²	158.84	143.93	161.51
Capital expenditure (Rand million)¹			
Capital expenditure paid	5,000	4,999	9,862
Contracted	2,076	3,751	3,371
Authorised but not contracted	3,162	3,621	2,144
Commitments from shipping services (Rand million)¹	1,092	3,125	792
Operating commitments (Rand million)¹	385	286	522
Economic information			
Average Rand/US Dollar exchange rate (ZAR/US\$)	18.73	18.21	18.45
Closing Rand/US Dollar exchange rate (ZAR/US\$)	18.19	18.85	18.52
Sishen mine free-on-rail (FOR) unit cost			
Unit cost (Rand/dmt)	662.99	678.77	740.36
Cash cost (Rand/dmt)	538.52	543.00	589.14
Unit cost (US\$/dmt)	35.40	37.27	40.13
Cash cost (US\$/dmt)	28.76	29.82	31.93
Kolomela mine FOR unit cost			
Unit cost (Rand/dmt)	679.63	627.33	706.09
Cash cost (Rand/dmt)	425.26	446.71	482.36
Unit cost (US\$/dmt)	36.29	34.45	38.27
Cash cost (US\$/dmt)	22.71	24.53	26.14

¹ Amounts have been extracted from reviewed information (the 31 December 2023 amounts have been extracted from audited information).

² This constitutes pro forma financial information in terms of the Listings Requirements of the JSE Limited and should be read in conjunction with the supplementary non-IFRS financial measures on page 34.

Condensed consolidated statement of financial position

as at

Rand million	Notes	Reviewed six months 30 June 2024	Reviewed six months 30 June 2023	Audited 12 months 31 December 2023
ASSETS				
Property, plant and equipment	5	50,061	45,210	48,822
Right-of-use assets		207	201	293
Biological assets		42	51	41
Investments held by environmental trust		917	838	877
Investment in associate		23	50	24
Long-term prepayments and other receivables		142	352	155
Inventories	6	7,719	7,887	9,011
Deferred tax assets		—	1	—
Non-current assets		59,111	54,590	59,223
Inventories	6	12,362	10,857	11,398
Trade and other receivables		5,447	6,579	10,358
Current tax asset		437	—	23
Cash and cash equivalents	7	15,848	14,726	17,722
Current assets		34,094	32,162	39,501
Total assets		93,205	86,752	98,724
EQUITY				
Shareholders' equity	9	51,161	46,358	52,019
Non-controlling interests		15,950	14,451	16,203
Total equity		67,111	60,809	68,222
LIABILITIES				
Lease liabilities		123	120	179
Provisions	4	3,728	2,821	3,704
Deferred tax liabilities		12,440	11,489	11,860
Non-current liabilities		16,291	14,430	15,743
Lease liabilities		136	121	176
Interest-bearing borrowings	8	1,000	725	4,144
Provisions	4	564	366	198
Trade and other payables		7,538	9,315	9,459
Contract liabilities		373	268	553
Current tax liabilities		192	718	229
Current liabilities		9,803	11,513	14,759
Total liabilities		26,094	25,943	30,502
Total equity and liabilities		93,205	86,752	98,724

Condensed consolidated statement of profit or loss

for the period ended

Rand million	Notes	Reviewed six months 30 June 2024	Reviewed six months 30 June 2023	Audited 12 months 31 December 2023
Revenue	10	35,802	38,279	86,234
Operating expenses	11	(22,892)	(20,721)	(45,383)
Expected credit losses on financial assets		24	(27)	(146)
Operating profit		12,934	17,531	40,705
Finance income		377	292	685
Finance costs		(238)	(365)	(617)
Share of losses of equity-accounted joint venture and associate		(1)	—	(26)
Profit before taxation		13,072	17,458	40,747
Taxation	12	(3,699)	(4,790)	(10,942)
Profit for the period		9,373	12,668	29,805
Attributable to:				
Owners of Kumba		7,147	9,642	22,725
Non-controlling interests		2,226	3,026	7,080
		9,373	12,668	29,805
Earnings per share attributable to the ordinary equity holders of Kumba (Rand per share)				
Basic		22.27	30.04	70.80
Diluted		22.23	29.98	70.64

Condensed consolidated statement of other comprehensive income

for the period ended

Rand million	Reviewed six months 30 June 2024	Reviewed six months 30 June 2023	Audited 12 months 31 December 2023
Profit for the period	9,373	12,668	29,805
Other comprehensive (loss)/income for the period	(230)	1,219	1,035
Exchange differences on translation of foreign operations ¹	(230)	1,219	1,035
Total comprehensive income for the period	9,143	13,887	30,840
Attributable to:			
Owners of Kumba	6,971	10,572	23,514
Non-controlling interests	2,172	3,315	7,326
	9,143	13,887	30,840

¹ There is no tax attributable to items included in other comprehensive income and all items will be subsequently reclassified to profit or loss.

Condensed consolidated statement of changes in equity

for the period ended

Rand million	Note	Reviewed six months 30 June 2024	Reviewed six months 30 June 2023	Audited 12 months 31 December 2023
Total equity at the beginning of the period		68,222	53,817	53,817
Changes in share capital and premium				
Treasury shares issued to employees under employee share incentive schemes		122	121	242
Purchase of treasury shares		(111)	(91)	(223)
Changes in reserves				
Equity-settled share-based payments		76	79	211
Vesting of shares under employee share incentive schemes		(124)	(122)	(242)
Total comprehensive income for the period		6,971	10,572	23,514
Dividends paid		(7,794)	(5,250)	(12,529)
Changes in non-controlling interests				
Total comprehensive income for the period		2,172	3,315	7,326
Dividends paid		(2,423)	(1,632)	(3,894)
Total equity at the end of the period		67,111	60,809	68,222
Comprising:				
Share capital and premium (net of treasury shares)	9	(221)	(221)	(232)
Share capital		3	3	3
Share premium		364	364	364
Treasury shares		(588)	(588)	(599)
Equity-settled share-based payment reserve		319	342	357
Foreign currency translation reserve		2,946	3,262	3,122
Retained earnings		48,117	42,975	48,772
Shareholders' equity		51,161	46,358	52,019
Non-controlling interests		15,950	14,451	16,203
Total equity at the end of the period		67,111	60,809	68,222
Dividend declared (Rand per share)				
Interim ¹		18.77	22.60	22.60
Final		n/a	n/a	24.20
Total		18.77	22.60	46.80

¹ The interim dividend was declared after 30 June 2024 and has not been recognised as a liability in this interim financial report. It will be recognised in shareholders' equity for the year ending 31 December 2024. Refer to note 19.

Condensed consolidated statement of cash flows

for the period ended

Rand million	Note	Reviewed six months 30 June 2024	Reviewed six months 30 June 2023	Audited 12 months 31 December 2023
Cash receipts from customers		40,713	36,890	81,974
Cash paid to suppliers and employees		(20,376)	(19,360)	(43,717)
Cash generated from operations		20,337	17,530	38,257
Finance income received		381	292	674
Finance costs paid		(266)	(419)	(770)
Taxation paid		(3,564)	(2,569)	(8,856)
Cash flows from operating activities		16,888	14,834	29,305
Additions to property, plant and equipment		(5,000)	(4,999)	(9,862)
Proceeds from disposal of property, plant and equipment		13	4	12
Cash flows utilised in investing activities		(4,987)	(4,995)	(9,850)
Purchase of treasury shares		(111)	(91)	(223)
Dividends paid to owners of Kumba		(7,794)	(5,250)	(12,529)
Dividends paid to non-controlling shareholders		(2,423)	(1,632)	(3,894)
Interest bearing borrowings raised		15,000	725	11,200
Interest bearing borrowings repaid		(18,134)	(6,716)	(13,782)
Lease payments		(95)	(76)	(177)
Cash flows utilised in financing activities		(13,557)	(13,040)	(19,405)
Net (decrease)/increase in cash and cash equivalents		(1,656)	(3,201)	50
Cash and cash equivalents at the beginning of the period		17,722	16,424	16,424
Foreign currency exchange (losses)/gains on cash and cash equivalents		(218)	1,503	1,248
Cash and cash equivalents at the end of the period	7	15,848	14,726	17,722

Headline earnings

for the period ended

	Reviewed six months 30 June 2024	Reviewed six months 30 June 2023	Audited 12 months 31 December 2023
Rand million			
Reconciliation of headline earnings			
Profit attributable to owners of Kumba	7,147	9,642	22,725
Net loss/(gain) on disposal and scrapping of property, plant and equipment	2	1	(1)
	7,149	9,643	22,724
Taxation effect of adjustments	(1)	—	—
Non-controlling interests in adjustments	—	—	—
Headline earnings	7,148	9,643	22,724
Headline earnings (Rand per share)			
Basic	22.27	30.04	70.80
Diluted	22.23	29.98	70.63
The calculation of basic and diluted earnings and headline earnings per share is based on the weighted average number of ordinary shares in issue as follows:			
Weighted average number of ordinary shares	320,943,728	320,988,862	320,956,591
Diluted weighted average number of ordinary shares	321,562,481	321,595,669	321,710,991

The dilution adjustment of 618,753 shares at 30 June 2024 (30 June 2023: 606,807 and 31 December 2023: 754,400) is as a result of the share options granted under the various employee share incentive schemes.

Notes to the reviewed condensed consolidated financial statements

for the six months ended 30 June 2024

1. Corporate information

Kumba Iron Ore Limited (Kumba) is a limited liability company incorporated and domiciled in South Africa. The main business of Kumba, its subsidiaries, joint ventures and associates (the group) is the exploration, extraction, beneficiation, marketing, sale and shipping of iron ore. The group is listed on the JSE Limited.

The condensed consolidated interim financial statements of Kumba and its subsidiaries for the six months ended 30 June 2024 were authorised for issue in accordance with a resolution of the directors on 22 July 2024.

2. Basis of preparation

The condensed consolidated interim financial statements have been prepared under the supervision of BA Mazarura CA(SA), Chief Financial Officer, in accordance with the requirements of IAS 34 *Interim Financial Reporting*, the South African Companies Act No 71 of 2008, as amended, the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by Financial Reporting Standards Council and in compliance with the Listings Requirements of the JSE for interim reports.

The condensed consolidated interim financial statements have been prepared in accordance with the historical cost convention except for certain financial instruments, share-based payments, and biological assets which are stated at fair value, and are presented in Rand, which is Kumba's functional and the group's presentation currency. All financial information presented in Rand has been rounded off to the nearest million.

2.1 Going concern

The financial position of the group, its cash flows, liquidity position and borrowing facilities are set out in the group's condensed consolidated interim financial statements for the six months ended 30 June 2024. The group's liquidity position of R30.6 billion at 30 June 2024, which represents its ability to settle its liabilities, remained strong. The liquidity position is calculated as the net cash available, being cash and cash equivalents and committed facilities, less interest bearing borrowings and lease liabilities. The group ended the period in a cash position of R15.8 billion (30 June 2023: R14.7 billion and 31 December 2023: R17.7 billion). Further analysis of the cash position and details of facilities are set out in note 7 and note 8 below.

The Board has considered the group's cash flow forecasts for the period to the end of 31 December 2025 under base case and downside scenarios, with consideration given to the impact of the challenging rail performance and the geopolitical tension on both the wider macroeconomic environment and the group's operations. In the scenarios modelled, the group maintains sufficient liquidity throughout the period of assessment without the introduction of further mitigating actions.

The Board is satisfied that the group's forecasts and projections, taking into account reasonable possible changes in trading performance, indicate that the group's liquidity position is sufficient to sustain its operations for the foreseeable future. Furthermore, the group's current debt facilities are available for use in the foreseeable future. For this reason, the group continues to adopt the going concern basis in the preparation of its financial statements, including these condensed consolidated interim financial statements.

2.2 Accounting judgements, estimates and assumptions

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty are consistent with those applied to the consolidated financial statements for the year ended 31 December 2023, except as disclosed in note 4.

2.3 The impact of the challenging rail performance and geopolitical tension on the financial results

The group has considered the impact of the challenging rail performance and geopolitical tension on each of its material accounting judgements and estimates. The group's principal source of estimation of uncertainty continues to be in relation to assumptions used for the assessment of impairment of non-current assets where indicators of impairment are identified. No further significant estimates have been identified as a result of the challenging rail performance and geopolitical tension, although these factors have increased the level of uncertainty inherent in all future cash flow forecasts.

The iron ore price and Rand/US\$ foreign exchange rate assumptions used to forecast future cash flows for impairment indicator assessment purposes have been updated to consider both the short-term observable impact of geopolitical tension and the forecast medium and longer-term impact on the world economy and commodity prices. These macroeconomic factors did not result in an impairment or impairment reversal indicator. Refer to note 5 for more detail on the impairment indicator assessment.

Notes to the reviewed condensed consolidated financial statements continued

for the six months ended 30 June 2024

3. Accounting policies

The accounting policies and methods of computation applied in the preparation of these condensed consolidated interim financial statements are in terms of International Financial Reporting Standards (IFRS® Accounting Standards) and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

3.1 New standards effective for annual periods beginning on or after 1 January 2024

No new standards, amendments to published standards and interpretations which became effective for the period commencing on 1 January 2024 had an impact on the group's accounting policies.

3.2 New standards, amendments to existing standards and interpretations not yet effective

The group did not early adopt any new, revised or amended accounting standards or interpretations. These accounting standards, amendments to issued accounting standards and interpretations are not expected to have a material impact on the group's financial results.

4. Material accounting judgements and estimates

4.1 Change in estimate of environmental rehabilitation and decommissioning provisions

The measurement of the environmental rehabilitation and decommissioning provisions is a key area where management's judgement is required. Closure provisions are measured at the present value of the expected future cash flows required to perform the rehabilitation and decommissioning. This calculation requires the use of certain estimates and assumptions when determining the amount and timing of the future cash flows and the discount rate. Closure provisions are updated at each reporting date for changes in the estimates of the amount or timing of future cash flows, inflationary changes in the expected cash flows, utilisation of prior year provisions and changes in discount rate.

The life-of-asset plan on which accounting estimates are based only include Proved and Probable Ore Reserves as disclosed in Kumba's 2023 Annual Ore Reserves and Mineral Resources Statement. The most significant changes in the provision arose from inflationary increases on costs.

Regular reviews of discount rates are conducted to ensure an appropriate measurement of the discounted amount for financial provisioning at each reporting date. At 30 June 2024, the discount rate for both the Sishen and Kolomela mine's remained unchanged at 5% (30 June 2023: 5% and 31 December 2023: 5%), in real terms.

The effect of the change in estimate of the rehabilitation and decommissioning provisions is detailed below.

	Reviewed six months 30 June 2024	Reviewed six months 30 June 2023	Audited 12 months 31 December 2023
Rand million			
Increase in environmental rehabilitation provision	55	194	443
Increase in decommissioning provision	31	9	513
Decrease in profit after tax attributable to the owners of Kumba	(30)	(101)	(232)
Rand per share			
Effect on earnings per share attributable to the owners of Kumba	(0.09)	(0.31)	(0.72)

The change in estimate of the decommissioning provision has been capitalised to the related property, plant and equipment and, as a result, had an insignificant effect on profit or earnings per share.

Notes to the reviewed condensed consolidated financial statements continued

for the six months ended 30 June 2024

5. Property, plant and equipment

Rand million	Reviewed six months 30 June 2024	Reviewed six months 30 June 2023	Audited 12 months 31 December 2023
Capital expenditure	3,713	4,358	9,943
Comprising:			
Expansion	649	1,587	3,055
SIB	1,598	1,936	5,300
Deferred waste stripping ¹	1,466	835	1,588
Decrease/(increase) in capital creditors ²	1,287	641	(81)
Additions to property, plant and equipment per statement of cash flows	5,000	4,999	9,862
Transfers from assets under construction to property, plant and equipment	1,437	637	5,359

¹ Deferred waste stripping capitalised of R1.5 billion (30 June 2023: R0.8 billion and 31 December 2023: R1.6 billion) was mainly due to Sishen's higher stripping ratio.

² This amount relates to capital expenditure incurred during the period which had not been paid as at the reporting date, net of any prior year capital expenditure paid during the period.

Expansion capital expenditure comprised mainly the expenditure incurred on the Kapstevél South project and the Sishen Solar plant. The Kapstevél South project was successfully completed during the period, with the first ore delivered in June 2024. SIB capital expenditure represents spend on capital spares, mining fleet replacement, plant and infrastructure upgrades to sustain our business.

Indicators of impairment or impairment reversal

Kumba produces iron ore at Sishen and Kolomela mines, each of which is considered capable of generating independent cash flows and is therefore a separate cash generating unit (CGU).

At 30 June 2024, management performed an assessment for potential indicators of impairment or potential indicators for reversal of previous impairment losses. Specific circumstances surrounding each CGU were considered in the assessment in order to identify any significant changes since the last impairment assessment performed at 31 December 2023. No indicators for potential impairment or reversal of impairment have been identified, as a result, no additional impairment loss or reversal of previous impairment was recognised in the financial results for the period ended 30 June 2024.

6. Inventories

Rand million	Reviewed six months 30 June 2024	Reviewed six months 30 June 2023	Audited 12 months 31 December 2023
Finished product	4,272	3,967	3,882
Work in progress (WIP)	12,747	12,007	13,257
Plant spares and stores	3,062	2,770	3,270
Total inventories	20,081	18,744	20,409
Non-current portion of WIP inventories ¹	7,719	7,887	9,011
Total current inventories	12,362	10,857	11,398
Total inventories	20,081	18,744	20,409

¹ The balance consists of B-grade WIP of R5,504 million (30 June 2023: R6,079 million and 31 December 2023: R6,954 million) and C-grade WIP of R2,215 million (30 June 2023: R1,808 million and 31 December 2023: R2,057 million).

During the period, the provision for slow-moving plant spares and stores decreased to R171 million (30 June 2023: R283 million and 31 December 2023: R239 million). The net decrease in the provision of R68 million (30 June 2023: R19 million and 31 December 2023: R63 million) has been recognised in the statement of profit or loss (refer to note 11). The provision for potentially non-recoverable WIP inventory, which relates to historical WIP stockpiles, has remained unchanged at R979 million (30 June 2023 and 31 December 2023: R979 million) as no additional historical WIP inventory tonnes were identified as non-recoverable.

No inventories were encumbered during the period.

WIP inventory which will not be processed within the next 12 months is presented as non-current.

Notes to the reviewed condensed consolidated financial statements continued

for the six months ended 30 June 2024

7. Cash and cash equivalents

	Reviewed six months 30 June 2024	Reviewed six months 30 June 2023	Audited 12 months 31 December 2023
Rand million			
Balance at the end of the period	15,848	14,726	17,722

Included in cash and cash equivalents is an amount of R1,598 million (30 June 2023: R2,457 million and 31 December 2023: R2,241 million) held to cover initial margins under derivative contracts. On termination of the derivative contracts, the underlying positions will be closed, with an insignificant impact on the initial margin value realised as the variation margin is settled daily.

Short-term deposits amounting to R13,494 million (30 June 2023: R11,359 million and 31 December 2023: R14,089 million) were placed with subsidiaries of the ultimate holding company during the period under review. The group also held deposits amounting to R395 million (30 June 2023: R398 million and 31 December 2023: R401 million) which are subject to statutory restrictions and are therefore not available for general use by the group.

8. Interest-bearing borrowings

	Reviewed six months 30 June 2024	Reviewed six months 30 June 2023	Audited 12 months 31 December 2023
Rand million			
Current interest-bearing borrowings	1,000	725	4,144
Balance at the end of the period	1,000	725	4,144
Reconciliation			
Balance at the beginning of the period	4,144	6,791	6,791
Borrowing raised during the period	15,000	725	11,200
Borrowing repaid during the period	(18,134)	(6,791)	(13,782)
Interest payable	—	—	10
Interest paid ¹	(10)	—	(75)
Balance at the end of the period	1,000	725	4,144

¹ Interest on the borrowings is paid in arrears. This amount represents the interest outstanding at the end of the prior period which was paid during the period. Interest incurred on borrowings is included in finance costs.

Notes to the reviewed condensed consolidated financial statements continued

for the six months ended 30 June 2024

8. Interest-bearing borrowings continued

				Outstanding balance		
				Reviewed six months 30 June 2024	Reviewed six months 30 June 2023	Audited 12 months 31 December 2023
Rand million	Maturity date	Interest rate	Facility			
Unsecured loans						
Revolving syndicated facility at a variable interest rate of JIBAR plus a margin which varies based on the period of the borrowing (committed) ^{1,2}	23 May 2029 ³	JIBAR+160bps 30 June 2023: JIBAR+185bps 31 December 2023: JIBAR+185bps	8,000	—	—	—
Revolving syndicated facility at a variable interest rate of JIBAR plus a margin which varies based on the period of the borrowing (committed) ²	15 May 2029 ³	JIBAR+160bps 30 June 2023: JIBAR+185bps 31 December 2023: JIBAR+185bps	8,000	1,000	—	3,000
Call loan facility at floating call rates (uncommitted) ^{1,2}	Open	JIBAR+185bps 30 June 2023: JIBAR+185bps 31 December 2023: JIBAR+185bps	8,200	—	725	1,134
Short-term working capital financing facilities ¹	31 July 2024	SOFR+margin ⁴ 30 June 2023: LIBOR+margin ⁴ 31 December 2023: SOFR+margin ⁴	20,191	—	—	—
Total interest-bearing borrowings			44,391	1,000	725	4,134

¹ The facility is held with a related party (refer to note 14).

² The Financial Stability Board has initiated a fundamental review and reform of the major interest rate benchmarks used globally by financial market participants. This review seeks to replace existing interbank offered rates with alternative risk-free rates to improve market efficiency and mitigate systemic risk across financial markets. The South African Reserve Bank (SARB) has indicated its intention to move away from JIBAR and to create an alternative reference rate for South Africa. The SARB has indicated its initial preference for the adoption of the South African Rand Overnight Index Average (ZARONIA) as the preferred unsecured candidate to replace JIBAR in cash and derivative instruments. In early November 2023, the SARB designated ZARONIA as the successor rate to replace JIBAR. The observation period for ZARONIA ended 3 November 2023 and the SARB has indicated that market participants may use the published ZARONIA as a reference rate in pricing financial contracts going forward. The SARB has indicated that the transition from JIBAR to ZARONIA is a multi-year initiative and that a formal announcement of the cessation of JIBAR will be made during 2025 and the production of the benchmark should be discontinued before the end of 2026.

³ During the period, the group amended the committed facilities and extended the maturity date to May 2029.

⁴ The margin varies from 50bps to 170bps (30 June 2023: 45bps to 155bps and 31 December 2023: 45bps to 170bps) depending on the value of the drawdown from the facility.

The group's debt facilities consist of committed revolving credit facilities of R16 billion (30 June 2023: R16 billion and 31 December 2023: R16 billion) which mature in May 2029. An amount of R1 billion had been drawn from the committed facilities as at 30 June 2024 (30 June 2023: Rnil and 31 December 2023: R3 billion) from the committed facilities. The group's debt facilities also include an uncommitted facility of R8.2 billion (30 June 2023: R8.2 billion and 31 December 2023: R8.2 billion). At 30 June 2024, the uncommitted facility was undrawn (30 June 2023: R725 million drawn and 31 December 2023: R1.1 billion drawn). The terms and the covenants, as disclosed in the 2023 annual financial statements, have remained unchanged for the committed and uncommitted facilities.

The short-term working capital financing facilities, placed with a subsidiary of the ultimate holding company, were amended and extended to 31 July 2024. The facilities consist of committed facilities of US\$510 million (R9.3 billion) (30 June 2023: US\$700 million or R13.2 billion and 31 December 2023: US\$700 million or R13.0 billion) and uncommitted facilities of US\$600 million (R10.9 billion) (30 June 2023: US\$600 million or R11.3 billion and 31 December 2023: US\$600 million or R11.1 billion) for SIOC's subsidiaries, Kumba Singapore Pte Limited and Kumba International Trading Limited respectively, to fund their working capital requirements. These credit facilities are reviewed on an annual basis. SIOC has offered to provide guarantees in favour of the lender for amounts drawn under these facilities, up to a maximum of US\$820 million (R14.9 billion) (30 June 2023: US\$820 million or R15.5 billion and 31 December 2023: US\$820 million or R15.2 billion). The committed and uncommitted facilities were undrawn at 30 June 2024, 30 June 2023 and 31 December 2023.

Notes to the reviewed condensed consolidated financial statements continued

for the six months ended 30 June 2024

9. Share capital and share premium

Reconciliation of share capital and share premium (net of treasury shares):

Rand million	Reviewed six months 30 June 2024	Reviewed six months 30 June 2023	Audited 12 months 31 December 2023
Balance at the beginning of the period	(232)	(251)	(251)
Net movement in treasury shares under employee share incentive schemes	11	30	19
Purchase of treasury shares	(111)	(91)	(223)
Treasury shares issued to employees	122	121	242
Balance at the end of the period	(221)	(221)	(232)
Reconciliation of number of shares in issue:			
Balance at the beginning and the end of the period	322,085,974	322,085,974	322,085,974
Reconciliation of treasury shares held:			
Balance at the beginning of the period	1,134,326	1,168,612	1,168,612
Shares purchased	204,117	186,771	465,211
Shares issued to employees under the various employee share incentive schemes	(220,984)	(280,252)	(499,497)
Balance at the end of the period	1,117,459	1,075,131	1,134,326

All treasury shares are held in respect of employee share incentive schemes and are available for utilisation for the purposes of these schemes. At 30 June 2024, all treasury shares were held as conditional share awards under the various employee share incentive schemes.

Total treasury shares purchased during the period (204,117 shares) were acquired by SIOC, a subsidiary of Kumba. No treasury shares reverted to 'authorised but unissued' during the period.

Notes to the reviewed condensed consolidated financial statements continued

for the six months ended 30 June 2024

10. Revenue

Rand million	Reviewed six months 30 June 2024	Reviewed six months 30 June 2023	Audited 12 months 31 December 2023
Sale of iron ore	36,888	35,542	73,142
Services rendered – shipping	4,344	2,944	5,912
Total revenue from contracts with customers	41,232	38,486	79,054
Revenue from other sources ¹	(5,430)	(207)	7,180
Total revenue	35,802	38,279	86,234
Geographical analysis of revenue from contracts with customers:			
Domestic – South Africa	—	—	1
Export	41,232	38,486	79,053
China	22,462	21,029	41,118
Rest of Asia	9,040	6,390	15,800
Europe	9,299	10,958	21,507
South America	298	—	—
Rest of Africa	133	109	628
Total revenue from contracts with customers	41,232	38,486	79,054

¹ Revenue from other sources comprises a net loss on financial instruments of R4,353 million (30 June 2023: net loss of R254 million and 31 December 2023: net gain of R5,935 million) and subsequent movements in provisionally priced sales of R1,077 million (net loss) (30 June 2023: net gain of R47 million and 31 December 2023: net gain of R1,245 million).

Disaggregation of revenue from contracts with customers:

Rand million	Products		Services	Total
	Sishen mine	Kolomela mine	Shipping operations	
30 June 2024				
Total segment revenue (refer to note 13)	22,945	8,513	4,344	35,802
Exclude: Revenue from other sources	3,848	1,582	—	5,430
Revenue from contracts with customers	26,793	10,095	4,344	41,232
30 June 2023				
Total segment revenue (refer to note 13)	26,565	8,770	2,944	38,279
Exclude: Revenue from other sources	148	59	—	207
Revenue from contracts with customers	26,713	8,829	2,944	38,486
31 December 2023				
Total segment revenue (refer to note 13)	59,520	20,802	5,912	86,234
Exclude: Revenue from other sources	(5,155)	(2,025)	—	(7,180)
Revenue from contracts with customers	54,365	18,777	5,912	79,054

Notes to the reviewed condensed consolidated financial statements continued

for the six months ended 30 June 2024

11. Operating expenses

Operating expenses are made up as follows:

Rand million	Reviewed six months 30 June 2024	Reviewed six months 30 June 2023	Audited 12 months 31 December 2023
Costs by nature:			
Raw materials and consumables	1,018	1,495	2,636
Net movement in finished product and WIP inventories	120	(2,115)	(3,279)
Reversal of inventory write-down to net realisable value	(68)	(19)	(63)
Contractors' expenses	1,866	2,537	5,156
Deferred waste stripping costs ¹	(1,466)	(835)	(1,588)
Staff costs	3,465	3,139	6,981
Employee expenses	3,240	3,075	6,698
Termination benefits	140	1	68
Share-based payment expenses	85	63	215
Mineral royalty	826	823	2,424
Transportation and selling costs	4,035	3,822	7,529
Shipping costs	4,218	2,762	5,656
Sub-lease rent received	(30)	(34)	(65)
Depreciation of property, plant and equipment ²	2,648	2,289	5,005
Repairs and maintenance	1,717	2,155	4,167
Legal fees	21	9	33
Professional fees	225	176	463
Auditors' remuneration	4	5	17
Insurance costs	122	122	245
Technical services and project studies	51	56	196
Lease expenses	355	641	1,276
Other expenses ³	1,385	1,545	3,345
Petroleum products	1,564	1,859	3,667
Energy costs	358	317	670
Own work capitalised	(17)	(47)	(148)
Corporate costs	528	672	1,704
Net loss/(gain) on disposal and scrapping of property, plant and equipment	2	1	(1)
Net finance gains	(55)	(654)	(643)
Net foreign currency gains	(23)	(624)	(575)
Net fair value gains on financial assets measured at fair value through profit or loss ⁴	(32)	(30)	(68)
Total operating expenses	22,892	20,721	45,383

¹ This relates to stripping costs capitalised during the period. Refer to note 5.

² This includes R86 million in respect of depreciation on right-of-use assets (30 June 2023: R79 million and 31 December 2023: R202 million).

³ Other expenses include administrative expenses, hire of equipment, shuttle services and general labour.

⁴ This includes a R41 million fair value gain (30 June 2023: R42 million gain and 31 December 2023: R81 million gain) on investments held by the environmental trust and a R9 million fair value loss (30 June 2023: R13 million loss and 31 December 2023: R13 million loss) on a long-term loan receivable.

Notes to the reviewed condensed consolidated financial statements continued

for the six months ended 30 June 2024

12. Taxation

The group's effective tax rate was 28% for the period (30 June 2023: 27% and 31 December 2023: 27%).

13. Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Kumba Executive Committee.

The Kumba Executive Committee considers the business principally according to the nature of the products and services provided, with the identified segments each representing a strategic business unit. 'Other segments' comprise corporate, administration and other expenditure not allocated to the reported segments.

The total reported segment revenue comprises revenue from external customers and is measured in a manner consistent with that disclosed in the statement of profit or loss. The performance of the operating segments is assessed based on earnings before interest, tax, depreciation and amortisation (EBITDA), before taking into account any impairment charges or reversals, which is considered to be a more appropriate measure of profitability for the group's business. Finance income and finance costs are not allocated to segments as the treasury activity is managed on a central group basis.

Total segment assets comprise finished goods and WIP inventory only, which are allocated based on the operations of the segment and the physical location of the asset.

Certain costs included in the determination of EBITDA are considered to be significant and have, therefore, been reported per segment for the group as a whole. These costs include staff costs, raw materials and consumables, net movement in finished product and WIP inventories, contractors' expenses, transportation and selling costs, shipping costs incurred, petroleum products, repairs and maintenance and mineral royalty.

	Products ¹		Services			
Rand million	Sishen mine	Kolomela mine	Logistics ²	Shipping operations	Other	Total
Reviewed period ended 30 June 2024						
Statement of profit or loss						
Total external revenue	22,945	8,513	—	4,344	—	35,802
EBITDA ³	15,419	5,440	(4,110)	118	(1,285)	15,582
Significant items included in statement of profit or loss:						
Depreciation	1,712	787	—	—	149	2,648
Staff costs	2,052	667	29	—	717	3,465
Raw materials and consumables	878	140	—	—	—	1,018
Net movement in finished product and WIP inventories	298	(178)	—	—	—	120
Contractors' expenses	1,017	530	46	—	273	1,866
Transportation and selling costs	—	—	4,035	—	—	4,035
Shipping services rendered	—	—	—	4,218	—	4,218
Petroleum products	1,356	206	—	—	2	1,564
Repairs and maintenance	1,404	310	—	—	3	1,717
Mineral royalty	554	272	—	—	—	826
Statement of financial position						
Total segment assets	10,547	5,896	576	—	—	17,019
Statement of cash flows						
Additions to property, plant and equipment:						
Expansion	283	649	—	—	—	932
SIB	2,346	256	—	—	—	2,602
Deferred waste stripping	1,412	54	—	—	—	1,466

¹ Derived from extraction, production and selling of iron ore.

² No revenue is reported for this segment as its performance is reviewed with reference to volumes railed and rail tariffs achieved by the mines.

³ This constitutes pro forma financial information in terms of the Listings Requirements of the JSE Limited and should be read in conjunction with the supplementary non-IFRS financial measures on page 34.

Notes to the reviewed condensed consolidated financial statements continued

for the six months ended 30 June 2024

13. Segmental reporting continued

Rand million	Products ¹		Services		Other	Total
	Sishen mine	Kolomela mine	Logistics ²	Shipping operations		
Reviewed period ended 30 June 2023						
Statement of profit or loss						
Total external revenue	26,565	8,770	—	2,944	—	38,279
EBITDA ³	18,228	5,586	(3,904)	182	(272)	19,820
Significant items included in statement of profit or loss:						
Depreciation	1,478	672	—	—	139	2,289
Staff costs	1,949	666	27	—	497	3,139
Raw materials and consumables	1,165	330	—	—	—	1,495
Net movement in finished product and WIP inventories	(1,737)	(378)	—	—	—	(2,115)
Contractors' expenses	1,344	839	55	—	299	2,537
Transportation and selling costs	—	—	3,822	—	—	3,822
Shipping services rendered	—	—	—	2,762	—	2,762
Petroleum products	1,558	300	—	—	1	1,859
Repairs and maintenance	1,682	468	—	—	5	2,155
Mineral royalty	576	247	—	—	—	823
Statement of financial position						
Total segment assets	10,424	5,156	394	—	—	15,974
Statement of cash flows						
Additions to property, plant and equipment:						
Expansion	1,171	450	—	—	—	1,621
SIB	1,933	610	—	—	—	2,543
Deferred waste stripping	456	379	—	—	—	835

¹ Derived from extraction, production and selling of iron ore.

² No revenue is reported for this segment as its performance is reviewed with reference to volumes railed and rail tariffs achieved by the mines.

³ This constitutes pro forma financial information in terms of the Listings Requirements of the JSE Limited and should be read in conjunction with the supplementary non-IFRS financial measures on page 34.

Notes to the reviewed condensed consolidated financial statements continued

for the six months ended 30 June 2024

13. Segmental reporting continued

Rand million	Products ¹		Services		Other	Total
	Sishen mine	Kolomela mine	Logistics ²	Shipping operations		
Audited year ended 31 December 2023						
Statement of profit or loss						
Total external revenue	59,520	20,802	—	5,912	—	86,234
EBITDA ³	40,815	14,773	(7,582)	256	(2,552)	45,710
Significant items included in statement of profit or loss:						
Depreciation	3,244	1,434	—	—	327	5,005
Staff costs	4,033	1,376	40	—	1,532	6,981
Raw materials and consumables	2,110	514	12	—	—	2,636
Net movement in finished product and WIP inventories	(2,286)	(993)	—	—	—	(3,279)
Contractors' expenses	2,912	1,526	—	—	718	5,156
Transportation and selling costs	—	—	7,529	—	—	7,529
Shipping services rendered	—	—	—	5,656	—	5,656
Petroleum products	3,113	551	—	—	3	3,667
Repairs and maintenance	3,333	813	—	—	21	4,167
Mineral royalty	1,802	622	—	—	—	2,424
Statement of financial position						
Total segment assets	10,989	5,777	373	—	—	17,139
Statement of cash flows						
Additions to property, plant and equipment:						
Expansion	2,336	892	—	—	—	3,228
SIB	4,055	991	—	—	—	5,046
Deferred waste stripping	1,455	133	—	—	—	1,588

¹ Derived from extraction, production and selling of iron ore.

² No revenue is reported for this segment as its performance is reviewed with reference to volumes railed and rail tariffs achieved by the mines.

³ This constitutes pro forma financial information in terms of the Listings Requirements of the JSE Limited and should be read in conjunction with the supplementary non-IFRS financial measures on page 34.

Notes to the reviewed condensed consolidated financial statements continued

for the six months ended 30 June 2024

13. Segmental reporting continued

Geographical analysis of total external revenue

Analysis of total external revenue

Rand million	Note	Reviewed six months 30 June 2024	Reviewed six months 30 June 2023	Audited 12 months 31 December 2023
Sale of iron ore		36,888	35,542	73,142
Services rendered - shipping		4,344	2,944	5,912
Revenue from other sources		(5,430)	(207)	7,180
Total external revenue	10	35,802	38,279	86,234

Geographical analysis of revenue

Domestic – South Africa		—	—	1
Export		35,802	38,279	86,233
China		21,582	20,910	42,350
Rest of Asia		6,321	6,435	19,582
Europe		7,469	10,815	23,674
South America		298	—	—
Rest of Africa		132	119	627
Total external revenue	10	35,802	38,279	86,234

Customer analysis

Included in the total external revenue amount is revenue earned from each of the following customers which accounted for more than 10% of total external revenue:

Percentage	Reviewed six months 30 June 2024	Reviewed six months 30 June 2023	Audited 12 months 31 December 2023
Customer A	16	17	15
Customer B	—	14	—

Each of all other customers accounted for less than 10% of external revenue. The group's products are sold primarily to industrial customers.

Reconciliation of operating profit to EBITDA

Rand million	Reviewed six months 30 June 2024	Reviewed six months 30 June 2023	Audited 12 months 31 December 2023
Operating profit per statement of profit or loss	12,934	17,531	40,705
Add back: Depreciation	2,648	2,289	5,005
EBITDA	15,582	19,820	45,710

Reconciliation of reportable segments' assets to inventories

Rand million	Note	Reviewed six months 30 June 2024	Reviewed six months 30 June 2023	Audited 12 months 31 December 2023
Inventories				
Finished product		4,272	3,967	3,882
WIP		12,747	12,007	13,257
Segment assets		17,019	15,974	17,139
Plant spares and stores		3,062	2,770	3,270
Balance per statement of financial position	6	20,081	18,744	20,409

All non-current assets, excluding investments in associates and joint ventures, are located in South Africa.

Notes to the reviewed condensed consolidated financial statements continued

for the six months ended 30 June 2024

14. Related party transactions

During the period, the Company and its subsidiaries, in the ordinary course of business, entered into various sales and purchases of goods and services transactions with the group's associates, joint ventures, fellow subsidiaries, its holding company and Exxaro Resources Limited.

Rand million	Reviewed six months 30 June 2024	Reviewed six months 30 June 2023	Audited 12 months 31 December 2023
Anglo American SA Finance Limited¹			
Short-term deposits held with Anglo American SA Finance Limited			
– Deposit balance	289	—	—
– Weighted average interest rate (%)	8.32	8.16	8.29
Interest earned during the period	63	15	38
Interest receivable	7	12	11
Uncommitted facilities held with Anglo American SA Finance Limited	8,200	8,200	8,200
Utilised portion of the uncommitted facility	—	725	1,134
Interest incurred during the period	—	90	134
Interest payable	—	—	3
Anglo American Capital plc¹			
Short-term deposits held with Anglo American Capital plc			
– Deposit balance	13,205	11,359	14,089
– Weighted average interest rate (%)	5.34	4.69	5.00
Interest earned during the period	251	219	511
Committed debt facilities held with Anglo American Capital plc	9,277	13,195	12,963
Uncommitted debt facilities held with Anglo American Capital plc	10,914	11,310	11,111
Commitment fees incurred during the period	32	26	98
Anglo Corporate Services (South Africa and United Kingdom)¹			
Purchase of goods and services: Corporate operations (including shared services)	656	479	992
Insurance receivable	—	—	100
Trade and other payables	1,209	1,212	819
Long-term receivable	118	118	118
Anglo American Marketing Limited¹			
Cash and cash equivalents held with Anglo American Marketing Limited	1,598	2,457	2,241
Net (loss)/gain on trading activities ²	(4,316)	(238)	5,867
Trade and other receivables	98	1	224
Trade and other payables	55	365	84
Revenue from sale of iron ore and shipping	956	257	773
Purchases of services	172	252	361
Anglo American Shipping Private Limited¹			
Shipping services provided by Anglo American Shipping Private Limited	4,218	2,762	5,656
Shipping commitments ²	1,092	3,125	792
Net (loss)/gain on trading activities ²	(37)	(16)	68
Trade and other receivables	385	—	—
Trade and other payables	366	229	150
Anglo American Rand Capital¹			
Committed debt facilities held with Anglo American Rand Capital	8,000	8,000	8,000
Interest incurred during the period	—	29	121
Anglo South Africa Proprietary Limited³			
Dividends paid to Anglo South Africa Proprietary Limited	5,434	3,660	8,734

Notes to the reviewed condensed consolidated financial statements continued

for the six months ended 30 June 2024

14. Related party transactions continued

Rand million	Reviewed six months 30 June 2024	Reviewed six months 30 June 2023	Audited 12 months 31 December 2023
Exxaro Resources Limited⁴			
Dividends paid to Exxaro Resources Limited	2,107	1,419	3,386
Purchase of goods and services ⁵	*	98	265
Essential Prospects 101 Proprietary Limited			
Cost recoveries for services rendered ²	1	47	107

¹ Subsidiaries of the ultimate holding company, Anglo American plc.

² The disclosure for the comparative periods has been updated to include all other significant items of income or expenses and other related party transactions.

³ Holding company.

⁴ Exxaro Resources Limited is SIOC's 20.37% BEE shareholder, representing Exxaro's legal shareholding in SIOC.

⁵ Goods purchased from and services rendered by Exxaro Resources Limited consisted of ferrosilicon purchases and directors' fees.

* The amount for the period ended 30 June 2024 is less than R1 million.

15. Fair value estimation

The carrying amounts of financial instruments not carried at fair value approximate their fair values due to the short period to maturity or as a result of market-related variable interest rates.

The table below presents the group's financial assets and liabilities that are measured at fair value:

Rand million	Level 1 ¹	Level 2 ²	Level 3 ³
Reviewed six months - 30 June 2024			
Investments held by the environmental trust	—	917	—
Long-term other receivable	—	—	30
Equity investment at fair value through profit or loss	—	—	10
Trade receivables ⁴	—	1,444	—
Trade payables ⁴	—	(534)	—
	—	1,827	40
Reviewed six months - 30 June 2023			
Investments held by the environmental trust	—	838	—
Long-term other receivable	—	—	39
Equity investment at fair value through profit or loss	—	—	10
Trade receivables ⁴	—	3,504	—
	—	4,342	49
Audited 12 months - 31 December 2023			
Investments held by the environmental trust	—	877	—
Long-term other receivable	—	—	40
Equity investment at fair value through profit or loss	—	—	9
Trade receivables ⁴	—	5,435	—
Trade payables ⁴	—	(157)	—
	—	6,155	49

¹ Level 1 fair value measurements are derived from unadjusted quoted prices in active markets for identical assets or liabilities.

² Level 2 fair value measurements are derived from inputs other than quoted prices included within level 1 that are observable either directly or indirectly (i.e. derived from prices).

³ Level 3 fair value measurements are derived from valuation techniques where at least one input (which could have a significant effect on the instrument's valuation) is not based on observable market data. Where inputs can be observed from market data without undue cost or effort, the observed input is used. Otherwise, management determines a reasonable estimate for the input.

⁴ This includes provisionally priced trade receivables and trade payables carried at fair value through profit and loss.

Notes to the reviewed condensed consolidated financial statements continued

for the six months ended 30 June 2024

15. Fair value estimation continued

Trade receivables and trade payables are measured at fair value using market related inputs. The measurement is therefore classified within level 2 of the fair value hierarchy. The inputs used in the model are the forward iron ore price curve at the reporting date and the realised iron ore prices during the quotation period up to the reporting date.

There were no transfers during the period ended 30 June 2024, 30 June 2023 and 31 December 2023.

The long-term other receivable relates to exploration projects. The fair value was determined using the market approach which applies available market information of sales transactions for similar recent projects. The significant unobservable inputs used in the valuation model related to the size and grade of the ore deposit determined by geological exploration results.

All the resulting fair value estimates are included in level 2 except for the long-term other receivable and the equity investment at fair value through profit or loss which are level 3 financial assets. The movements in the fair values of the level 3 financial assets are shown as follows:

Rand million	Reviewed six months 30 June 2024	Reviewed six months 30 June 2023	Audited 12 months 31 December 2023
Balance at the beginning of the period	49	62	62
Fair value loss for the period ¹	(9)	(13)	(13)
Balance at the end of the period	40	49	49

¹ Refer to net fair value gains on financial assets measured at fair value through profit or loss, as disclosed in note 11.

There were no changes made to any of the valuation techniques applied at 31 December 2023.

16. Contingent liabilities

As previously reported, during 2018, the South African Revenue Service (SARS) issued the group with additional income tax assessments, covering the 2012 to 2014 years of assessment, relating to a tax audit on the deductibility of certain expenditure incurred. The group objected to these assessments after consultation with external tax and legal advisers. SARS disallowed the objection.

On 21 February 2019, the group submitted an appeal against this outcome which was referred to alternative dispute resolution (ADR) proceedings in an attempt to resolve the matter. The ADR proceedings were terminated on 20 February 2020, after which the group submitted a notice to SARS wherein the group confirmed that it wished to proceed with the appeal to the Tax Court.

On 18 August 2020, SARS filed its statement of grounds of assessment and opposing appeal, after which the group filed its statement of grounds of appeal on 21 October 2020. The trial commenced during May 2022 and was completed in June 2022. Judgment on this matter was handed down on 31 March 2023. The Tax Court dismissed SIOC's appeal, however, conceded on certain tax deductions and understatement penalties and interest.

SIOC was granted leave to appeal the Tax Court judgment directly to the Supreme Court of Appeal (SCA). SIOC filed its notice of appeal to the SCA on 21 June 2023. On 14 July 2023, SARS filed a notice of cross-appeal.

SIOC filed the appeal record with the SCA on 9 November 2023 and the Heads of Argument on 18 January 2024. SARS filed its Heads of Argument on 19 February 2024 opposing SIOC's grounds of appeal, and cross-appealing the deductions ruled in favour of SIOC by the Tax Court. The hearing of the appeal and cross-appeal is set for 5 September 2024.

On 14 September 2020, SARS informed the group it intends to audit the 2015 to 2018 years of assessment. As the 2015 and 2018 years of assessment have prescribed, both years must be excluded from the audit. Furthermore, during May 2023, SARS informed SIOC that the audit of the 2019 and 2020 tax years has been put on hold pending the outcome of the litigation case. The appeal and the audits concern the same subject matter. The result of the appeal is likely to be determinative of a substantial number, if not all, of the issues to be traversed in the audit. SARS has therefore agreed to hold the audit in abeyance pending the outcome of the appeal to the SCA. SIOC and SARS have agreed on and signed prescription extension agreements for the 2016, 2017 and 2019 years of assessment, only in relation to the matters included in the above appeal.

Based on the external legal and tax advice obtained, the group believes that these matters have been appropriately disclosed as contingent liabilities in the results for the period ended 30 June 2024.

Notes to the reviewed condensed consolidated financial statements continued

for the six months ended 30 June 2024

17. Guarantees

Total guarantees provided in favour of the Department of Mineral Resources and Energy (DMRE) in respect of the group's undiscounted environmental closure liabilities at 30 June 2024 were R6.5 billion (30 June 2023: R5.1 billion and 31 December 2023: R5.1 billion). Additional guarantees amounting to R1,395 million were provided in favour of the DMRE to address the shortfall that existed at 31 December 2023.

The undiscounted closure cost estimate increased by R178 million during the period. This increase of R178 million, partially offset by the R40 million increase in the investment held by the environmental trust during the period, has resulted in a shortfall of R138 million. The shortfall will be reviewed at the end of the year and addressed during the first half of 2025, after finalisation of SIOC's 2024 annual financial statements.

18. Regulatory update

National Environmental Management Act (NEMA)

The Minister of Forestry, Fisheries and Environment has determined that requirements for making financial provision to manage, rehabilitate and remediate environmental impacts from mining operations will be regulated under NEMA and no longer under the current Mineral and Petroleum Resource Development Act. This agreement has been formalised by amending the relevant environmental, water and mining legislation. The financial provisioning regulations were published on 20 November 2015, and further proposed material amendments were gazetted on 10 November 2017, 17 May 2019 and 30 August 2021. The effective date for the NEMA regulations has been extended to a date yet to be published. These amendments are expected to result in the provision of additional funding for the undiscounted closure costs.

19. Events after the reporting period

Declaration of interim cash dividend

An interim cash dividend of R18.77 per share was declared by the Board on 22 July 2024 from profits accrued during the period ended 30 June 2024. The estimated total cash flow of the final Kumba dividend payable on 19 August 2024 is R6.0 billion.

The directors are not aware of any other matters or circumstances subsequent to 30 June 2024, not otherwise dealt with in this report.

20. Independent auditors' review report

The auditor, PricewaterhouseCoopers Inc., has issued their unmodified review report on the condensed consolidated interim financial statements for the six months ended 30 June 2024. The review was conducted in accordance with ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

The auditor's report on the condensed consolidated interim financial statements is included on pages 31 to 32. The condensed consolidated interim financial statements for the six months ended 30 June 2024 are available on the Company's website www.angloamericankumba.com

The auditor's report does not necessarily report on all the information contained in the financial results. Shareholders are therefore advised that in order to obtain a full understanding of the review engagement, they should read the auditor's report, together with the accompanying financial information as included in this report.

On behalf of the Board



TP Goodlace
Chairperson



ND Zikalala
Chief Executive

22 July 2024

Johannesburg



INDEPENDENT AUDITOR'S REVIEW REPORT ON CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the Shareholders of Kumba Iron Ore Limited

We have reviewed the condensed consolidated interim financial statements of Kumba Iron Ore Limited, set out on pages 10 to 30, which comprise the condensed consolidated interim statement of financial position as at 30 June 2024 and the related condensed consolidated interim statements of profit or loss, other comprehensive income, changes in equity and cash flows for the six-months then ended, and selected explanatory notes.

Directors' Responsibility for the Condensed Consolidated Interim Financial Statements

The directors are responsible for the preparation and presentation of these interim financial statements in accordance with the International Accounting Standard No.34, Interim Financial Reporting (IAS 34), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical financial information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of condensed consolidated interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these condensed consolidated interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of Kumba Iron Ore Limited for the six months ended 30 June 2024 are not prepared, in all material respects, in accordance with

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Private Bag X36, Sunninghill, 2157, South Africa
T: +27 (0) 11 797 4000, F: +27 (0) 11 209 5800, www.pwc.co.za

Chief Executive Officer: L S Machaba

The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682.



IAS 34, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: CS Masondo
Registered Auditor
Johannesburg, South Africa
22 July 2024

The examination of controls over the maintenance and integrity of the Group's website is beyond the scope of the review of the condensed consolidated interim financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the condensed consolidated interim financial statements since they were initially presented on the website.

Notice of interim cash dividend

At the Board meeting on 22 July 2024, the directors approved a gross interim cash dividend of 1,877.00 cents per share on the ordinary shares from profits accrued during the period ended 30 June 2024. This comprises a gross base dividend of 1,670.00 cents per share and a gross top-up dividend of 207.00 cents per share. The dividend has been declared from income reserves.

The dividend will be subject to a dividend withholding tax of 20% for all shareholders who are not exempt from or do not qualify for a reduced rate of withholding tax. The net dividend payable to shareholders after withholding tax at a rate of 20% amounts to 1,501.60 cents per share, which comprises a net base dividend of 1,336.00 cents per share and a top-up dividend of 165.60 cents per share.

The issued share capital at the declaration date is 322,085,974 ordinary shares.

The salient dates are as follows:

Publication of declaration data	Tuesday, 23 July 2024
Last day for trading to qualify and participate in the interim dividend	Tuesday, 13 August 2024
Trading ex-dividend commences	Wednesday, 14 August 2024
Record date	Friday, 16 August 2024
Dividend payment date	Monday, 19 August 2024

Share certificates may not be dematerialised or rematerialised between Wednesday, 14 August 2024 and Friday, 16 August 2024, both days inclusive.

By order of the Board



F Patel
Company Secretary

23 July 2024

Supplementary non-IFRS financial measures

The interim results contain certain non-IFRS financial measures in respect of the group's financial performance, the statement of financial position and cash flows presented in order to provide users with relevant information and measures used by the group to assess performance. The nature of these measures may not fairly represent the issuer's financial position, changes in equity, results of operations or cash flows.

Non-IFRS financial measures are financial measures other than those defined or specified under all relevant IFRS. To the extent that these measures are not extracted from IFRS disclosure included in the condensed consolidated financial statements for the period ended 30 June 2024, these measures constitute pro forma financial information in terms of the Listings Requirements of the JSE Limited and are the responsibility of the Board of directors. They are presented for illustrative purposes and to provide users with relevant information and measures used by the Company to assess its operating and cash flow performance. In addition, these measures may not be comparable to similarly titled measures used by other companies. The underlying information used in the preparation of the pro forma financial information has been prepared using the group's accounting policies which comply with IFRS. This pro forma financial information has not been reported on by the external auditors.

The following sets out the non-IFRS financial measures disclosed throughout the financial results and where they are reconciled.

EBITDA

EBITDA is a measure of operating performance and is used to identify trends of controllable expenses in the business.

Rand million	Six months 30 June 2024	Six months 30 June 2023	12 months 31 December 2023
Operating profit per statement of profit or loss	12,934	17,531	40,705
Add back:			
Depreciation	2,648	2,289	5,005
EBITDA	15,582	19,820	45,710

Attributable free cash flow

Attributable free cash flow measures the group's ability to generate cash for the period under review. The table below illustrates attributable free cash flows for the period ended:

Rand million	Six months 30 June 2024	Six months 30 June 2023	12 months 31 December 2023
Cash generated from operations:	20,337	17,530	38,257
Less: Additions to property, plant and equipment	(5,000)	(4,999)	(9,862)
Less: Finance expense paid	(266)	(419)	(770)
Less: Taxation paid	(3,564)	(2,569)	(8,856)
Less: Dividends paid to non-controlling shareholders	(2,423)	(1,632)	(3,894)
Attributable free cash flow	9,084	7,911	14,875

Net asset value attributable to owners of Kumba

Net asset value attributable to owners represents the worth of one share as at the reporting date:

	Six months 30 June 2024	Six months 30 June 2023	12 months 31 December 2023
Shareholders' equity (Rand million)	51,161	46,358	52,019
Divided by: ordinary shares in issue	322,085,974	322,085,974	322,085,974
Net asset value attributable to owners of Kumba (Rand per share)	158.84	143.93	161.51

Net cash

Net cash illustrates the group's cash position after deducting borrowings and lease liabilities:

Rand million	Six months 30 June 2024	Six months 30 June 2023	12 months 31 December 2023
Cash and cash equivalents	15,848	14,726	17,722
Less: Interest-bearing borrowings	(1,000)	(725)	(4,144)
Less: Lease liabilities	(259)	(241)	(355)
Net cash	14,589	13,760	13,223

Glossary of terms and acronyms

ADR	Alternative dispute resolution
Aids	Acquired immunodeficiency syndrome
Attributable free cash flow	The cash flow generated from operations less total capital expenditure, cash tax paid, finance costs paid, dividends paid to minority interests and dividends received from associates and joint ventures. The metric also excludes the receipt of disposal proceeds and dividends paid to Kumba shareholders
BEE	Black economic empowerment
bps	Basic points
C1 unit cost	All direct cash costs incurred in the mining and production of iron ore
CCMA	Commission for Conciliation, Mediation and Arbitration
CFR	Cost and freight
CGU	Cash-generating unit
CODM	Chief operating decision-maker
DMRE	Department of Mineral Resources and Energy
dmt	Dry metric tonne
dmtu	Dry metric tonne unit
EBITDA	Earnings before interest, tax, depreciation and amortisation
ECD	Early childhood development
EOA	Energy offtake agreement
EPS	Earnings per share
ESOP	Employee share ownership scheme
FOB	Free-on-board
GBV	Gender-based violence
GHG	Greenhouse gas
GISTM	Global Industry Standard on Tailings Management
GJ	Gigajoules
ha	Hectares
HIV	Human immunodeficiency virus
HME	Heavy mobile equipment
HPIs	High-potential incidents
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IODEX	Platts Iron ore index
IOEC	Iron Ore Export Channel
IRMA	Initiative for Responsible Mining Assurance
JIBAR	Johannesburg Interbank Average Rate
JSE	Johannesburg Stock Exchange
King IV™	King IV Report on Corporate Governance for South Africa, 2016
Level 3 – 5 environmental incidents	Those environmental incidents that we consider to have prolonged impacts on the local environments
LIBOR	London Inter-Bank Offered Rate
MCA	Mutual Collaboration Agreement
ML	Megalitres
Mt	Million tonnes
Mtpa	Million tonnes per annum
MW	Megawatt

Glossary of terms and acronyms continued

NEMA	National Environmental Management Act
Net cash	Total cash and cash equivalents less total borrowings, including lease liabilities
Net working capital	Total inventory (including non-current) plus trade and other receivables less trade and other payables (including contract liabilities), these balances principally relate to assets and liabilities to support our operations
NLCC	National Logistics Crisis Committee
OUF	Ore User's Forum
P101	Asset productivity programme to shift our key operational processes to benchmark and then beyond, exceeding industry best practice productivity at our operations and deliver our full potential
pp	Percentage points
PV	Photovoltaic
Return on capital employed (ROCE)	The return on capital employed and calculated as annualised earnings before interest and taxation, divided by average capital employed
SAICA	South African Institute of Chartered Accountants
SARB	South African Reserve Bank
SARS	South African Revenue Service
SIB	Stay in business
SIOC	Sishen Iron Ore Company Proprietary Limited
SIOC-CDT	Sishen Iron Ore Company Community Development Trust
SLP	Social Labour Plan
SOFR	Secured overnight funding rate
TSF	Tailings storage facilities
UHDMS	Ultra-high density media separation
Unit cost	All costs incurred by the operations in the mining and production of iron ore, including overheads and non-cash costs like depreciation, accounting provisions and share-based payment costs
WIP	Work in progress
wmt	Wet metric tonnes
ZARONIA	South African Rand overnight index average

Administration

Company registration number

2005/015852/06

Incorporated in the Republic of South Africa

Company Secretary and registered office

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Assurance providers

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Directors

Non-executive: TP Goodlace (British/South African) (Chairperson), MS Bomela, A Jeawon, MA Jenkins, NB Langa-Royds, TM Mkhwanazi, NV Mokhesi, SS Ntsaluba, MJ Tsele, MTS Walker (British)

Executive: ND Zikalala (Chief Executive), BA Mazarura (Zimbabwean) (Chief Financial Officer)

Sponsor to Kumba RAND MERCHANT BANK

(A division of FirstRand Bank Limited)
Registration number: 1929/001225/06
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South Africa
PO Box 786273, Sandton, 2146

RAND MERCHANT BANK (A division of FirstRand Bank Limited)

Transfer secretaries

Computershare Investor Services Proprietary Limited

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Forward-looking statements

This document includes forward-looking statements. All statements other than statements of historical facts included in this document, including, without limitation, those regarding Anglo American's financial position, business, acquisition and divestment strategy, dividend policy, plans and objectives of management for future operations (including development plans and objectives relating to Anglo American's products, production forecasts and Ore Reserve and Mineral Resource positions) and environmental, social and corporate governance goals and aspirations, are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Anglo American or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding Anglo American's present and future business strategies and the environment in which Anglo American will operate in the future. Important factors that could cause Anglo American's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, levels of actual production during any period, levels of global demand and commodity market prices, mineral resource exploration and development capabilities, recovery rates and other operational capabilities, safety, health or environmental incidents, the effects of global pandemics and outbreaks of infectious diseases, the outcome of litigation or regulatory proceedings, the availability of mining and processing equipment, the ability to produce and transport products profitably, the availability of transport infrastructure, the impact of foreign currency exchange rates on market prices and operating costs, the availability of sufficient credit, the effects of inflation, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by courts, regulators and governmental authorities such as in relation to permitting or forcing closure of mines and ceasing of operations or maintenance of Anglo American's assets and changes in taxation or safety, health, environmental or other types of regulation in the countries where Anglo American operates, conflicts over land and resource ownership rights and such other risk factors identified in Anglo American's most recent Annual Report. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this document. Anglo American expressly disclaims any obligation or undertaking (except as required by applicable law, the City Code on Takeovers and Mergers, the UK Listing Rules, the Disclosure and Transparency Rules of the Financial Conduct Authority, the Listings Requirements of the securities exchange of the JSE Limited in South Africa, the SIX Swiss Exchange, the Botswana Stock Exchange and the Namibian Stock Exchange and any other applicable regulations) to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in Anglo American's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Nothing in this document should be interpreted to mean that future earnings per share of Anglo American will necessarily match or exceed its historical published earnings per share. Certain statistical and other information about Anglo American included in this document is sourced from publicly available third party sources. As such it has not been independently verified and presents the views of those third parties, but may not necessarily correspond to the views held by Anglo American and Anglo American expressly disclaims any responsibility for, or liability in respect of, such information.

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