

UHDMS technology to unlock value

29 August 2024



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Throughout this presentation a range of financial and non-financial measures are used to assess our performance, including a number of financial measures that are not defined or specified under IFRS (International Financial Reporting Standard), which are termed Alternative Performance measures (APMs). Management uses these measures to monitor the Group's financial performance alongside IFRS measures to improve the comparability of information between reporting periods and business units. These APMs should be considered in addition to, and not as a substitute for, or as superior to, measures of financial performance, financial position or cash flows reported in accordance with IFRS. APMs are not uniformly defined by all companies, including those in the Group's industry. Accordingly, it may not be comparable with similarly titled measures and disclosures by other companies.

Production and sales volumes, prices and C1 costs are reported in wet metric tonnes. Kumba product is shipped with approximately 1.6% moisture content.

Agenda

UHDMS technology overview

Mpumi Zikalala

The numbers

Bothwell Mazarura

Conclusion

Mpumi Zikalala



UHDMS enhances strategy delivery

Sishen at a glance

Historical average

Fe quality 64.0 – 65.5%

Lump ratio 70%

FY2024 Guidance unchanged

Waste 135 – 145Mt

Production ~26Mt

Unit cost R520 – 550/dmt

Strip ratio ~4 | LoA ~3.3¹

Refreshed strategy

Unlock full potential of the core

- ✓ Safety leadership
- ✓ Operational excellence
- ✓ Cost competitiveness

Position for a sustainable future

- ✓ Maximise product premium
- ✓ Green steel value chain
- ✓ Societal value

Stakeholder value creation

- ✓ Robust balance sheet
- ✓ Disciplined capital allocation
- ✓ Value over volume

Strong strategic value delivery

Phased R11.2bn capital investment

Robust IRR & EBITDA margin enhancement

Sishen's life of mine secured to 2038, optionality up to 2044

Continued focus on improving Transnet logistics performance

Clear implementation pathway

Design refined for improved safety & operating stability

Phased implementation 6/8 coarse & 5/7 fines modules

- Breaking ground: H1 2025
- First production: H2 2026
- Full production: H2 2028

Positioning Sishen for the future

- ✓ UHDMS Technology currently in use at Sishen & Kolomela Modular Plants
- ✓ Technology & scalability well understood

Pilot Plant 50tph
(1 cyclone)

X4

JIG Modular 200tph
(1 cyclone)

X3.25

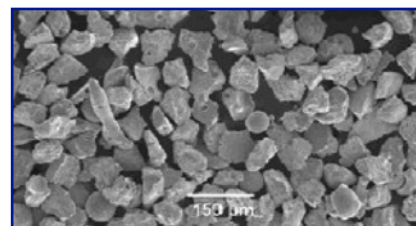
UHDMS Module 650tph
(6 cyclones)

Ferrosilicon (FeSi) used to prepare dense media to separate valuable iron ore from waste

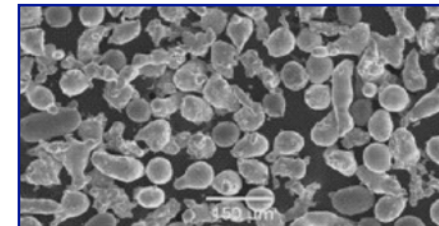
Three types of FeSi currently in use:

- Fine water-atomised Cyclone60 FeSi
- Coarse nitrogen gas-atomised FeSi
- Fine nitrogen gas-atomised FeSi

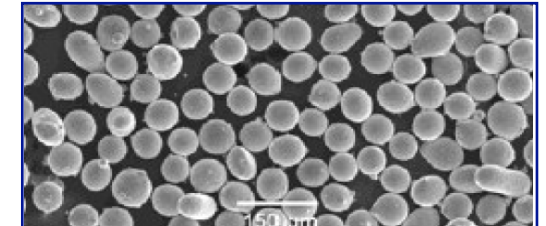
Nitrogen gas-atomised FeSi required for UHDMS due to highly spherical particles and ability to maintain acceptable viscosities even at media densities above 4.0g/cc



Milled atomised

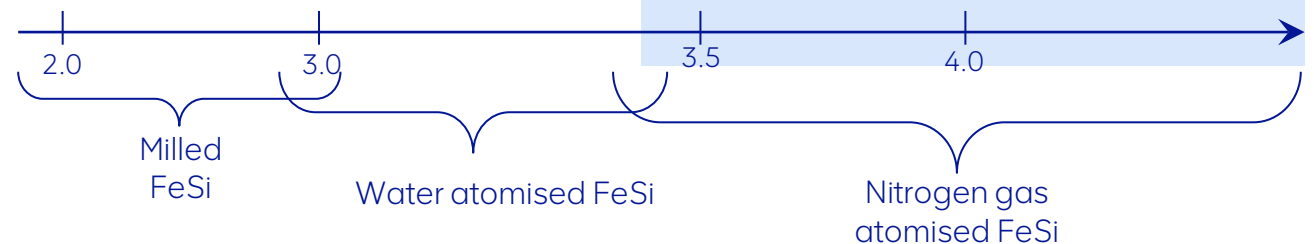


Water atomised



Nitrogen gas-atomised

Cut Density,
 t/m^3



Conversion process from DMS to UHDMS



1

Conversion to 6 Coarse UHDMS Modules
+5.4 Mtpa Premium Lump (6 – 11.4Mtpa)

2

Conversion to 5 Fines UHDMS Modules
+5.1 Mtpa Premium Fines (0 – 5.1Mtpa)

3

Bulk Material Handling Modifications to
Washing and Screening, Quaternary Screening
and Discard Conveyor Systems

4

New Bulk Material Handling System to support
processing of JIG and DMS Ultra-fines

Operational excellence & sustainability benefits

Enhances operational excellence

Phased implementation optimises project execution, maintains safety & stability

3.9 → 3.3
lower strip ratio

15Mtpa
reduction in waste mining

Strong business case

48 → 40%
lower cut-off grade

~18 → ~55%¹
premium product increase at Sishen

Maximises value of ore railed in constrained logistics network

Well positioned for a sustainable future

Secures Sishen life to 2038
Potential to extend to 2044

Facilitates livelihoods of locally employed & host community suppliers

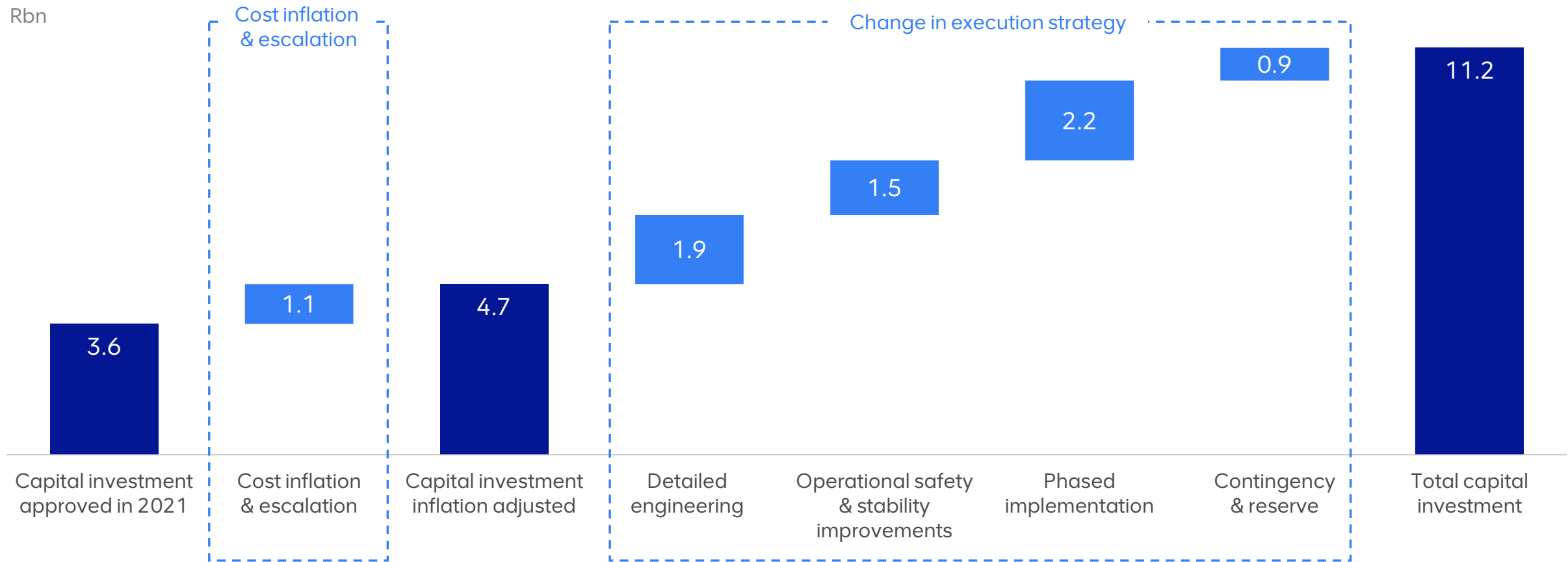
Reduces customer's scope 1 emissions by ~2.5% for every additional ~1% Fe

1. ~55% of Sishen's total production volume of ≥26Mtpa

The numbers

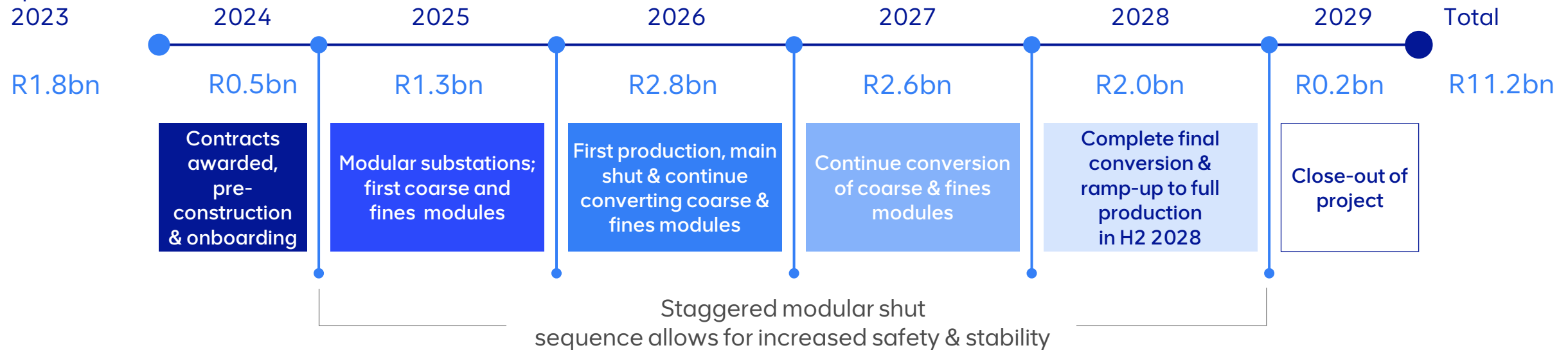


Optimising project execution, safety & stability



Investment aligned to phased implementation

Total capital
spend to
2023



Value drivers	Forecast volumes per year (Absolute, Mt)			
Waste benefit (Mt) ¹ Average of 15Mtpa less waste required	5	25	12	13
Premium lump ² Average increase from 6 to 11.4Mtpa	6	8	11.5	11.5
Premium fines ³ New product, average of 5.1Mtpa	0	1.9	5.1	5.1

Note: Directional trend in performance, actual volumes & percentage of total volumes may differ.

1. Total waste benefit by H2 2029 of ~55Mt | 2. Total increase in premium lump by H2 2034 of ~44Mt | 3. Total increase in premium fines by H2 2034 of ~37Mt

UHDMS value proposition is compelling

Maximises product premium,
improves cost competitiveness

Additional US\$2 - 3/t¹
premium from 2028

US\$2.5 - 3/t²
Lower mining costs
(Less waste stripping
& potential to process
historical C-grade
stockpile)

Projected returns benefit all
stakeholders

≥30%
internal rate of return

≥50%
EBITDA margin

Payback period
H2 2029

Commitment to disciplined
capital allocation

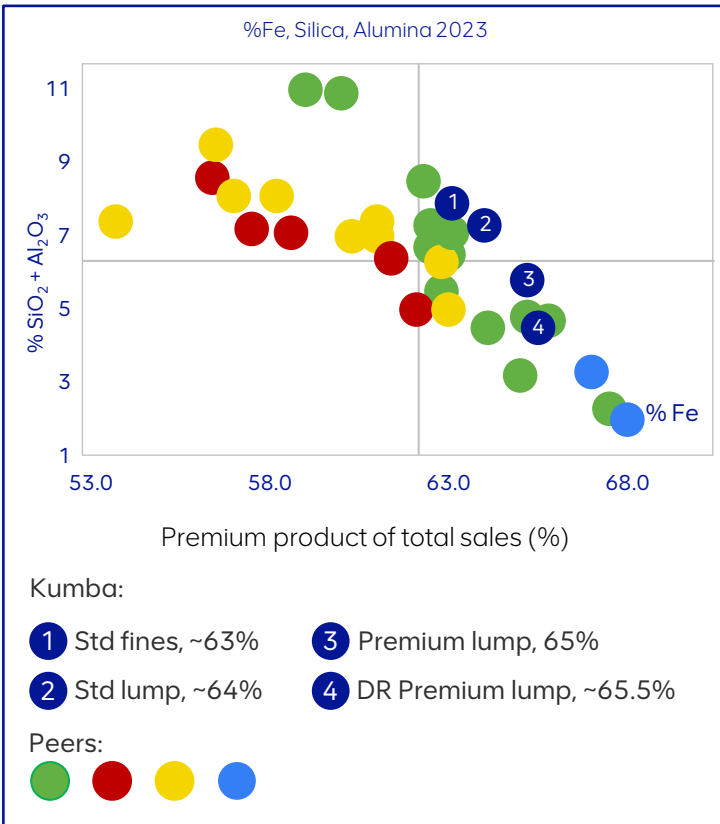
Flexible & efficient
balance sheet

Value accretive
investment phased
over 5 years

Consistent dividend policy
50-75% of HEPS
targeted

Premium quality enables green steel opportunity

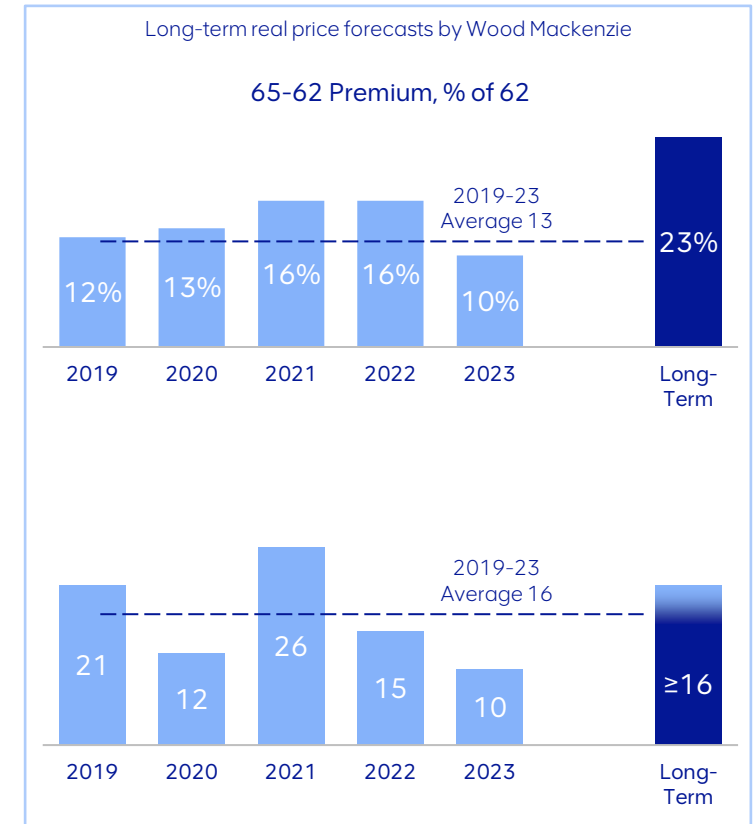
Kumba's industry leading iron ore products



2030 emission reduction goals & decarbonisation projects¹

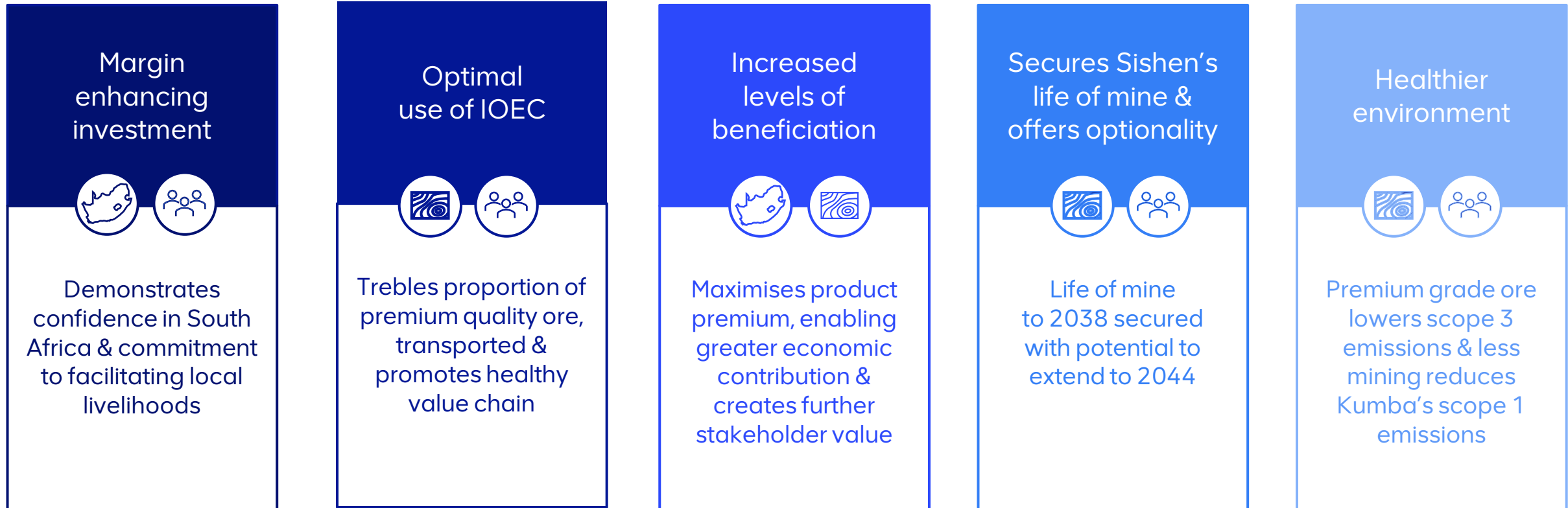


Positive outlook on product quality premiums



Source: Company public reports, January 2024
 1. Selection of mills and projects, non-comprehensive

Benefits across Kumba's stakeholders



Benefitting stakeholders



South Africa



Kumba



Communities

Thank you



Annexures



Payback analysis

Payback of capital investment

Total capital investment (Rbn)		11.2
Capital spend up to 2023 (Rbn)		(1.8)
Balance of capital to be incurred (Rbn)		9.4
Mineral royalty benefit (Rbn)¹	A	(1.1)
Tax benefit (Rbn)²	B	(2.3)
Exchange rate (ZAR/US\$)	i	19.7
Waste benefit (\$/t)	ii	(2.5 – 3.0)
Total waste volume benefit (Mt)	iii	55
Total benefit of less waste to be mined (Rbn)	$C = i \times ii \times iii$	(3.0)
Product premium (\$/t)	iv	(2.0 – 3.0)
Sishen total production incl. 55% premium product (2.5 years) (Mt)	v	65 - 75
Total product premium benefit (Rbn)	$D = i \times iv \times v$	(3.5)
Total payback by H2 2029 (Rbn)	$A+B+C+D$	(9.9)

Note: Volumes and all prices reported as dry metric tonnes.

1. Royalties rate reduces by ~0.35% on EBIT SIOC due to Project capital spend | 2. Tax reduces by 27% due to Project capital spend