

Kumba Iron Ore Limited  
Registration number: 2005/015852/06  
JSE share code: KIO  
ISIN: ZAE000085346  
Income tax number: 9586/481/15/3  
("Kumba" or "the Company" or "the group")

2023 ANNUAL RESULTS, CASH DIVIDEND DECLARATION AND AN UPDATE ON THE RECONFIGURATION,  
INCLUDING A SECTION 189A PROCESS

#### KEY FEATURES

##### Committed to safety and sustainability

- The total recordable incident frequency rate improved to 0.98 from 1.55
- Relentless drive to reduce occupational hazard exposure
- Sishen 67 megawatt Solar photovoltaic on track
- R71.1 billion of shared value created

##### Continuing to unlock value

- Average realised FOB export price of US\$117/tonne, 15% above benchmark
- Cost savings of R1.0 billion, underpins C1 unit costs of US\$41/tonne
- Resilient EBITDA\* margin of 53%, up from 50%
- Closing net cash\* of R13.2 billion

##### Balanced capital allocation:

- Attributable free cash flow\* of R14.9 billion, 43% higher
- Return on capital employed of 82%, up from 76%
- Final cash dividend of R24.20 per share, total cash dividends for 2023 of R46.80 per share, up 4%

\* This constitutes pro forma financial information in terms of the Listings Requirements of the JSE Limited and should be read in conjunction with the basis of preparation, refer to supplementary non-IFRS financial measures and the corresponding report on the assurance engagement, contained in the annual financial statements.

MPUMI ZIKALALA, CHIEF EXECUTIVE OF KUMBA, SAID:

"The safety, health and wellbeing of our people and our mine communities is our first priority. We continued our relentless pursuit of achieving zero harm and the elimination of fatalities resulting in a significant improvement in our total recordable injury frequency rate, while providing R71.1 billion of enduring shared value to all our stakeholders.

"Macro-economic volatility and uncertainty continued to weigh on global markets with geopolitical tension escalating and persistent cost inflation amidst multi-year high interest rates. Domestically, businesses were further impacted by loadshedding and logistics constraints, increasing the cost of doing business in South Africa.

"Over a number of years, Kumba along with other members of the Ore User's Forum have suffered significant losses due to derailments and logistics infrastructure and equipment failures. These issues continued in 2023 and in order to rebalance our value chain, we took decisive action to slowdown overall production in the fourth quarter of 2023 following our product stockpiles peaking at unsustainable levels. As a result, production decreased by 5.3% to 35.7Mt, while sales increased by 1.6% to 37.2 Mt relative to 2022 when industrial action at Transnet disrupted rail and port operations.

"Increasing cost pressures and lower production volumes contributed to Sishen's unit cost increasing to R589/dmt, while improved efficiencies and tight cost discipline at Kolomela, helped reduce the unit cost to R482/dmt. Our C1 unit cost of US\$41/wmt reflects the benefit of a 13% weaker average exchange rate of R18.45/US\$1 and cost savings of R1.0 billion delivered in line with our target for 2023.

"A rebound in iron ore markets late in 2023 contributed to our average realised price of US\$117/wmt, an increase of 3.5% on 2022 prices. Despite these challenging conditions, Kumba delivered earnings before interest, tax, depreciation and amortisation (EBITDA) of R45.7 billion and an EBITDA margin of 53%. This contributed to our attributable free cash flow of R14.9 billion, and we will be paying a final cash dividend of R10.3 billion. This represents valuable dividend income to our shareholders, including our empowerment partners, the community development trust and our Semela employee share option scheme.

"We are committed to supporting key measures by the National Logistics Crisis Committee to improve logistics performance and encouraged by the Cabinet's approval of the Freight Logistics Roadmap that will allow for greater and much needed private sector participation in the logistics sector. Logistics challenges will, however, take some time to resolve and unless we act now to align our production and cost base to current logistics constraints, this business will not have the resilience it needs to deliver across its stakeholders.

"Following a strategic review in 2023, Kumba is reconfiguring its business to an overall lower production profile of 35-37 Mt for the period 2024 - 2026, in line with prevailing logistics capacity. This will enable the necessary drawdown of high on-mine stockpiles and support cost reductions that will help ensure our business remains competitive in the long-term for the benefit of all of our stakeholders. To this end, we have identified cost savings initiatives of R2.5 - R3.0 billion for 2024, and revised our C1 unit cost guidance to US\$38 - US\$40/wmt for the next three years.

"During 2023, we already streamlined our office-based roles and given the required change to our production footprint in the medium term, we do also need to reconfigure the size of our workforce. Therefore, despite the extensive measures taken to mitigate the impact of the logistics challenges on our business, Kumba has announced a proposed reconfiguration process. As the reconfiguration will, regrettably, involve job losses, it will be carried out in consultation with our stakeholders, including trade unions and other affected, non-unionised employees in terms of section 189A of the Labour Relations Act, 66 of 1995 (S189A).

"The potential reconfiguration of our business is expected to impact ~490 jobs (including fixed-term employees) across Kumba's operations. The section 189A process involves a consultation period with trade unions and affected employees and will be facilitated by the Commission for Conciliation, Mediation and Arbitration. Only when the consultation process is concluded will the final number of impacted jobs be known.

"In parallel, a contractor/vendor review process is underway that may see ~160 service providers/contractors impacted. This could result in some of the contractor services being rescope or terminated as part of the business reconfiguration process.

"We recognise that this is a challenging time for all our people. The decision to potentially reconfigure our business has not been taken lightly but it is necessary if we are to remain globally competitive to sustain our mines and those who depend on them for the long term, including our employees, service partners, communities, local businesses, and our Government through our contribution to the fiscus. As part of the Anglo American group, we are developing an integrated social response plan that is intended to help mitigate the socio-economic impact on affected employees, contractors and communities.

"From a project perspective, Kapstevl South at Kolomela has largely been completed and remains on track to produce its first ore in 2024. Our UHDMs project remains under review as our priority is the reconfiguration of the business. The changes resulting from the optimisation of the mine plan will be incorporated into the

project's technical review. Our 67 megawatt (MW) solar PV project at Sishen is progressing to plan and we are finalising an 11MW renewable electricity wheeling contract for Kolomela. These will contribute to our 2030 Scope 2 target of reducing carbon emissions by 30%.

"Despite the logistics impact on our business, we have procured R23 billion of goods and services from black economic empowerment suppliers in 2023, including more than R6 billion with our local host community suppliers and invested R376 million in social development projects. Kumba currently supports 85 schools and 76 000 learners as part of the Anglo American education programme as well as 2 300 community members at training colleges.

"In the long-term, we remain positive on the iron ore market fundamentals. The carbon emission reduction properties of our high-quality iron ore products ensure that we are well positioned to meet the growing demand for green steel. We are already working with more than 30% of our customers by sales volumes to develop steel-making technology with a lower carbon footprint.

"In line with our refreshed business strategy, we are focused on ensuring our business is sustainable and unlocking further value through the reconfiguration of our business. My priorities for Kumba in 2024 are to maintain operational safety, stability, and capability as we transition to a lower production profile, while improving cost competitiveness. The streamlining and optimisation of our operations will bring increased efficiency and position Kumba for a sustainable future to the benefit of all our stakeholders."

#### REVENUE for the year ended 31 December

Rand million	2023	2022	% change
Revenue	86,234	74,032	16

#### EARNINGS PER SHARE for the year ended 31 December

Rand per share	2023	2022	% change
Earnings			
Basic	70.80	46.64	52
Diluted	70.64	46.54	52
Headline Earnings			
Basic	70.80	56.19	26
Diluted	70.63	56.06	26
Dividend			
Interim	22.60	28.70	(21)
Final	24.20	16.30	48

#### SALIENT FEATURES AND OPERATING STATISTICS for the year ended 31 December

	2023	2022	% change
Market information			
Closing share price (Rand)	615	492	25
Market capitalisation (Rand million)	198,083	158,466	25
Net asset value attributable to owners of Kumba (Rand per share)	161.51	127.44	27
Operating statistics ('000 tonnes)			
Production	35,715	37,700	(5)
Sishen	25,421	27,018	(6)
Kolomela	10,294	10,682	(4)
Sales (export)	37,159	36,621	2
Sishen mine FOR unit cost (Rand per tonne)			
Unit cost	740.36	595.50	24

Cash cost	589.14	479.27	23
Kolomela mine FOR unit cost (Rand per tonne)			
Unit cost	706.09	643,18	10
Cash cost	482.36	489,60	(1)

#### NOTICE OF FINAL CASH DIVIDEND

At its Board meeting on 19 February 2024, the directors approved a gross final cash dividend of 2,420 cents per share on the ordinary shares from profits accrued during the year ended 31 December 2023. 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, subject to withholding tax at a rate of 20%, amounts to 1,936 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, 20 February 2024
Last day for trading to qualify and participate in the interim dividend	Tuesday, 12 March 2024
Trading ex-dividend commences	Wednesday, 13 March 2024
Record date	Friday, 15 March 2024
Dividend payment date	Monday, 18 March 2024

Share certificates may not be dematerialised or rematerialised between Wednesday, 13 March 2024 and Friday, 15 March 2024 both days inclusive. Any change of address or dividend instructions must be provided by the last day for trading.

#### EXTRACTS FROM THE AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

This unaudited short form announcement is the responsibility of the directors of the Company. The information disclosed is only a summary of the information in the full audited financial statements and does not contain full or complete details. The full audited annual financial statements should be considered for any investment decisions. The audited annual financial statements for Kumba have been made available via the JSE cloudlink at <https://senspdf.jse.co.za/documents/2024/JSE/ISSE/KIO/KumbaFY23.pdf> and on the Company's website [www.angloamericankumba.com/investors/financial-results-centre.aspx](http://www.angloamericankumba.com/investors/financial-results-centre.aspx). The audited financial statements are also available for inspection at the Company's registered office during normal business hours and are available at no charge. Alternatively, copies of the annual financial statements may also be requested from the Company's investor relations department <https://www.angloamericankumba.com/investors/shareholder-communication>.

The consolidated and Company annual financial statements were audited by PricewaterhouseCoopers Inc. who issued an unmodified audit opinion on these financial statements.

Their audit opinion, together with the accompanying annual financial statements, can be viewed on the Company's website [www.angloamericankumba.com/investors/financial-results-centre.aspx](http://www.angloamericankumba.com/investors/financial-results-centre.aspx). Any reference to future financial performance included in this announcement has not been audited or reported on by the Company's external auditor.

Kumba Iron Ore Limited is a member of the Anglo American plc Group

Directors

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

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

Registered office: 144 Oxford Road, Rosebank, Melrose, 2196, South Africa

Transfer Secretaries: Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa, Private Bag X9000, Saxonwold, 2132

Sponsor: RAND MERCHANT BANK (A division of FirstRand Bank Limited)

For more information please visit: [www.angloamericankumba.com](http://www.angloamericankumba.com)

20 February 2024