tharisa

FY2022 ANNUAL RESULTS PRESENTATION

GROWING SUSTAINABLY FROM A ROBUST OPERATIONAL BASE DRIVING RECORD FINANCIAL PERFORMANCE

5 December 2022

SAFETY IS A CORE VALUE

- Achieved seven fatality free years and six million fatality free shifts, with a LTIFR of 0.40 per 200 000 man hours worked
- Legohu Raymond Mothapo lost his life on 21 October 2022 following a very serious accident in the open pit on the evening of Tuesday 18 October 2022

SUSTAINABLE MINING OF OUR LONG LIFE TIER ONE ASSETS

– Annual PGM production up 13.6% at 179.2 koz - PGM basket price of US$2 564/oz

– Annual chrome production up 5.1% at 1.6 Mt - metallurgical grade chrome price of US$209/t

– 19 year open pit life of mine – Tharisa Minerals FY2023 guidance ~180 kozpa and 1.8 Mtpa

– 17 year open pit life of mine – Karo Platinum targeting ~190 kozpa steady state

HIGHLIGHTS

SIMPLIFICATION OF STRUCTURE BENEFITTING ALL OF OUR STAKEHOLDERS

- Acquisition of 26% minority shareholding in Tharisa Minerals in a landmark BEE transaction

DISCOVER, DEVELOP, DELIVER, DIVERSIFY

- Acquired controlling interest in Karo Mining Holdings - 70%
- Karo Platinum Project construction has commenced and funding underway

CAPITAL DISCIPLINE

- US$105.0 m spent on capex
- US$80.4 m of net cash
- Total dividend of US 7 cents per share
  - US$21.0 m

FY2023 PRODUCTION GUIDANCE

– 175 koz to 185 koz PGMs (6E basis)

– 1.75 Mt to 1.85 Mt of chrome concentrates

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OUR POSITIVE IMPACT

JOB CREATION

- 3 965 employees at end September (Group employees and contractors)
- +100 jobs created in Zimbabwe and 100 contractors on site
- +22% female employees
- No days lost to industrial action
- Four year wage agreement ends in June 2024

EDUCATION AND WELLNESS

- AET programmes on site for employees and communities - 48 learners in 2022
- Math and science programmes and internship programmes
- Enterprise and development programme, skills development programme
- Thusanang ("helping each other") wellness programme

ENVIRONMENT

- Planned 30% reduction in carbon footprint by 2030
- Carbon net neutral by 2050
- 40 MW solar plant awaiting regulatory approval
- First phase of 30 MW solar plant in Zimbabwe initiated building to 300 MW

FISCAL IMPACT

- Foreign currency flow into South Africa of US$285.2 m (direct chrome exports)
- Global direct taxes and royalties paid of US$56.2 m
- Global indirect taxes paid of US$20.4 m

THE VITAL NUMBERS

REEF MINED
5.50 Mt
up 2.3%
stripping ratio of 12.8 m^3:m^3
(2021: 5.38 Mt)

PGM PRODUCTION (6E)
179.2 koz
up 13.6%
recovery of 76.6%
(2021: 157.8 koz)

CHROME CONCENTRATE PRODUCTION
1.58 Mt
up 5.1%
recovery of 68.3%
(2021: 1.51 Mt)

REVENUE
US$686.0 m
up 15.0%
(2021: US$596.3 m)

OPERATING PROFIT
US$184.5 m
up 3.2%
(2021: US$178.8 m)

EBITDA
US$237.3 m
up 5.8%
(2021: US$224.3 m)

PROFIT BEFORE TAX
US$220.2 m
up 18.9%
(2021: US$185.3 m)

NET CASH FROM OPERATING ACTIVITIES
US$173.7 m
down 17.1%
(2021: US$208.4 m)

CASH AND CASH EQUIVALENTS
US$143.3 m
up 71.7%
(2021: US$83.4 m)

EPS
US 53.8 cents
up 44.1%
(2021: US 37.4 cents)

PROPOSED ANNUAL DIVIDEND*
US 7 cents
(2021: US 9 cents)
17.7% of NPAT**

ROIC
23.5%
(2021: 25.5%)

*includes interim dividend of US 3 cents
**adjusted NPAT

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CHROME CONCENTRATE PRODUCTION

1.58 Mt

up 5.1%

recovery of 68.3%

(2021: 1.51 Mt)

REVENUE

ZAR10.9 bn

up 22.7%

(2021: ZAR8.8 bn)

OPERATING PROFIT

ZAR2.9 bn

up 10.1%

(2021: ZAR2.7 bn)

EBITDA

ZAR3.8 bn

up 12.9%

(2021: ZAR3.3 bn)

PROFIT BEFORE TAX

ZAR3.5 bn

up 26.8%

(2021: ZAR2.7 bn)

NET PROFIT AFTER TAX

ZAR2.6 bn

up 35.6%

(2021: ZAR2.0 bn)

NET CASH FROM OPERATING ACTIVITIES

ZAR2.8 bn

down 11.1%

(2021: ZAR3.1 bn)

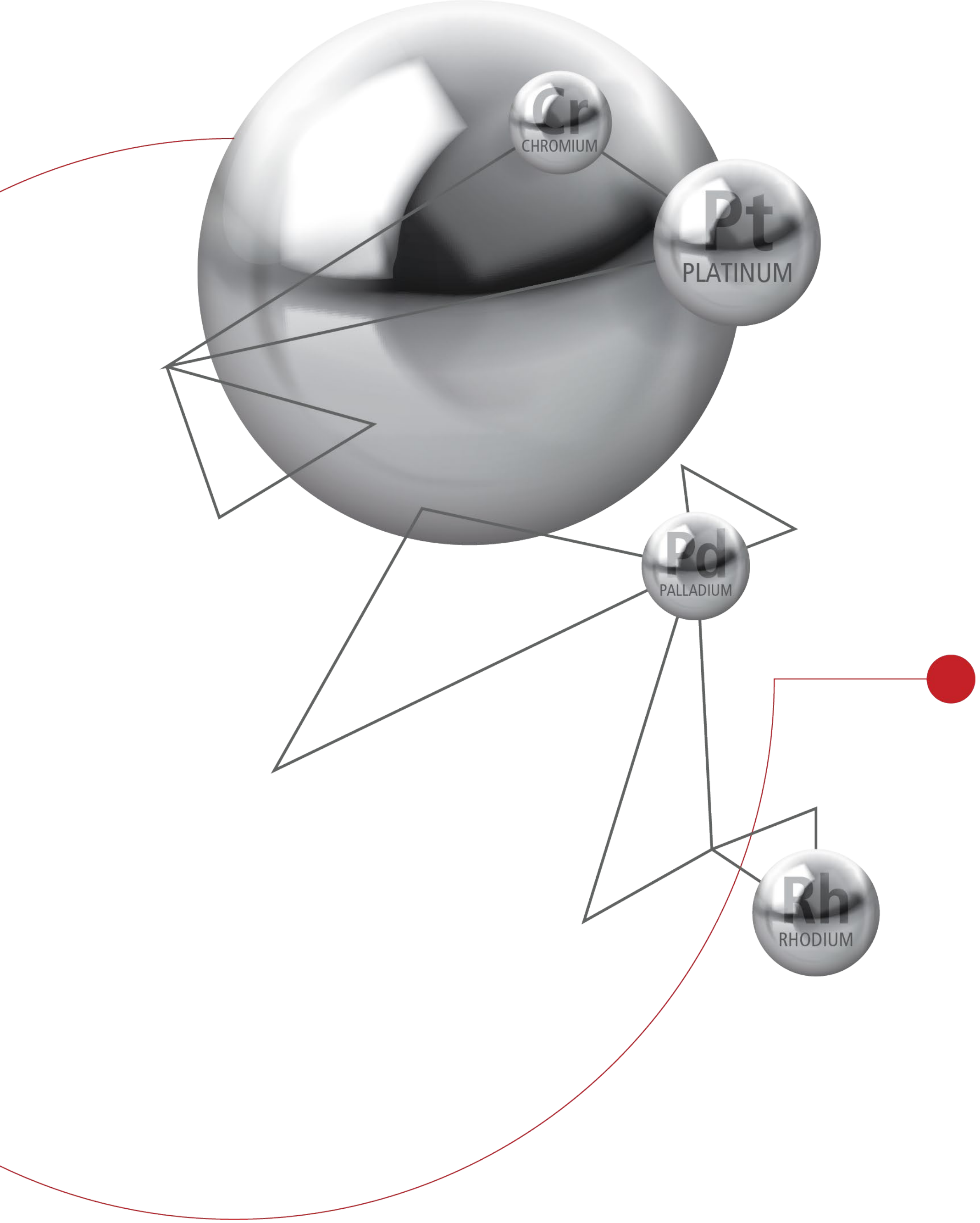
CASH AND CASH EQUIVALENTS

ZAR2.3 bn

up 83.3%

(2021: ZAR1.2 bn)

*includes interim dividend of US 3 cents



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STRATEGY

AN ETHOS OF INNOVATION

+ Greenfield discovery to mine development
+ Pit to port strategy
+ Disciplined, sustainable growth

- Innovation is at the core of Tharisa's ethos
- Key strategic projects under R&D at AMBS
- Technology the key enabler for differentiation
- Energy storage solutions

THARISA MINE
MG reef open pit mine extraction of lower grade commodities = optimised mineral extraction

CHALLENGER PLANT
Increase specialty chrome production

VOYAGER PLANT
Large scale PGM and chrome plant – integrated process

HIGH ENERGY FLOTATION PLANT
Increase PGM recovery

DC SMELTER
Beneficiation of PGMs

NEW APPLICATIONS
Development of new applications for chrome

VULCAN PLANT
In house developed process for recovery of ultra fine chrome

LONG LIFE PORTFOLIO

854.4 Mt & 152.1 Mt IN MINERAL RESOURCE *

40.3 Moz & 10.0 Moz IN CONTAINED PGMS (6E)*

171.1 Mt IN CONTAINED CR_2O_3*

1

INTEGRATED
PGM and chrome co-producer - assets located in prime geological areas

2

+17 YEAR
LOM open pits
+40 YEAR
underground

3

GROWTH
pipeline to double PGM output

4

R&D
developing innovative end use products and technologies

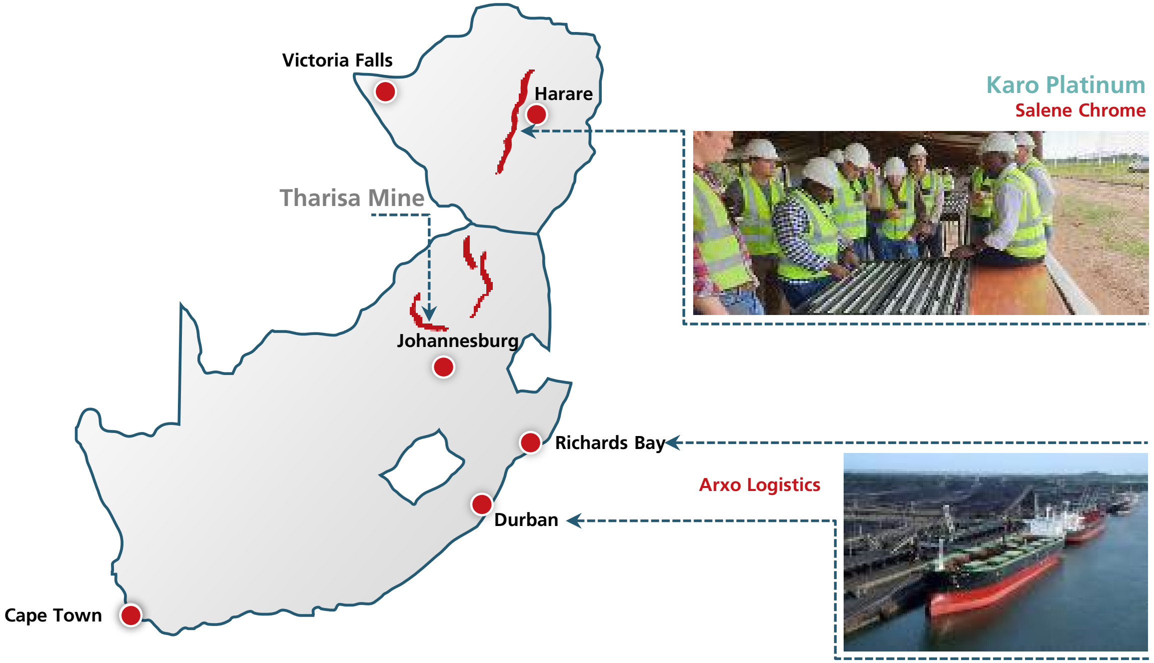
5

PROFITABLE
throughout the cycle

6

CONSISTENT
dividend payer

*Mineral Resource and Mineral Reserve Statement in 2021 Annual Report



KARO PHASE ONE - KEY HIGHLIGHTS

WORLD CLASS PGM ASSET

Tier 1

LOM OPEN PIT

+17 years

ANNUAL PGM PRODUCTION (6E)

190 koz

+ 0.10% Cu
+ 0.12% Ni

MINING LEASE FOR LOM

Licenced

OPEN PIT, SCALABLE, LOW COST, PHASED

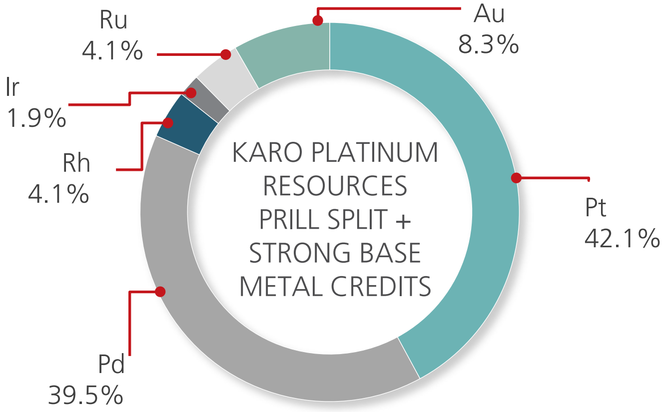
Low risk

DEVELOPMENT TIMELINE

21 months

(First ore in mill July 2024)

KARO PROJECT



IMPACT

- Four years LTI free
- IFC compliant ESIA approved – mining and processing
- Prioritising local recruitment and skill development
- Total Eren wheeling agreement to support development of 300 MW solar capacity to supply national grid

CAPITAL COST

- Total cost to first ore in mill budget of US$391 m

FUNDING

- Multiple funding streams with different timing requirements
- Partial leverage of existing assets – ~US$130 m
- Syndicated senior project finance facility – ~US$260 m
- VFEX bond listing – targeting US$50 m

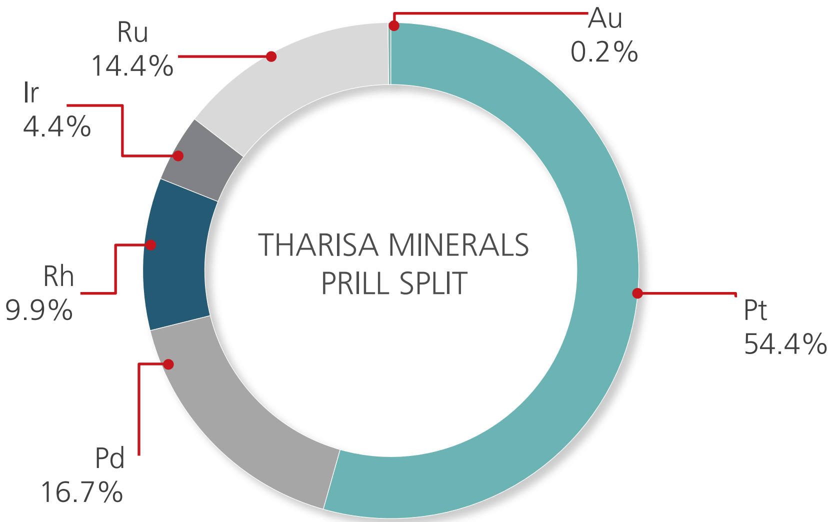
COMMODITIES

USD2 312/oz
SPOT PGM BASKET PRICE

USD220/t
SPOT MET GRADE PRICE

PGMS

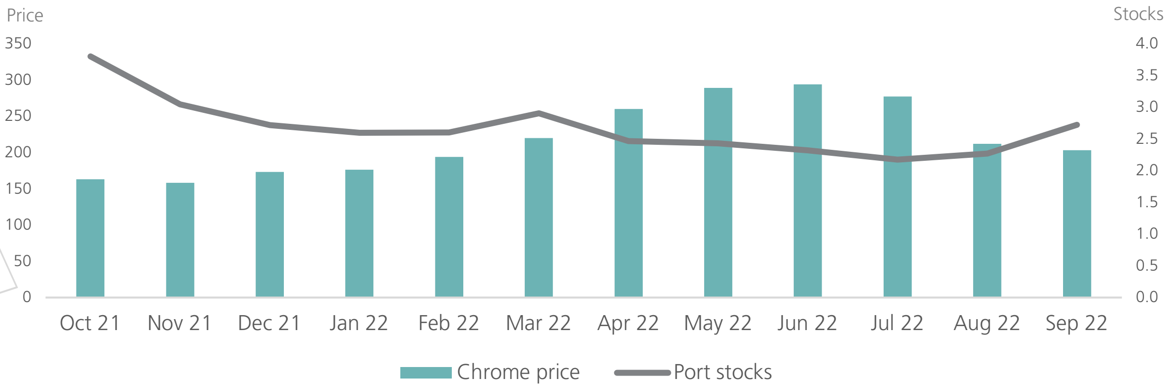
- Primary supply growth constraints
- Deficits in Rh, Pd to remain, Pt heading towards a deficit
- ICE remains a major demand driver despite EV development
- Hydrogen economy to supplement ICE demand



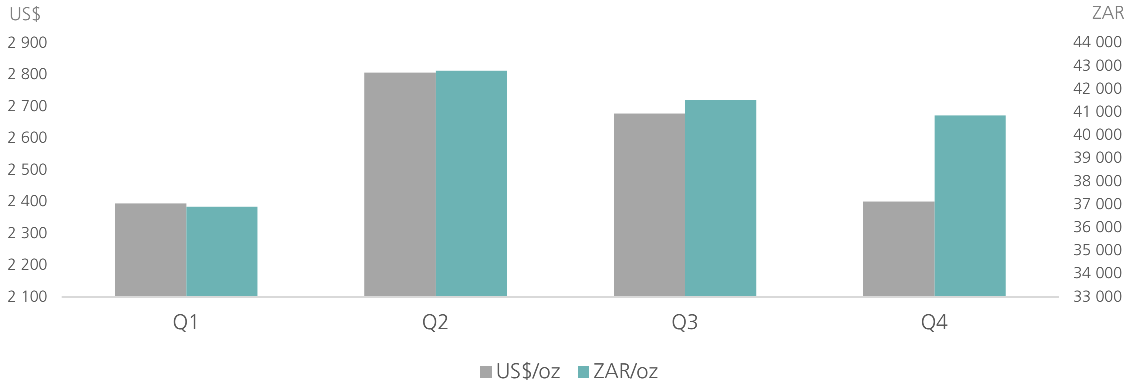
CHROME

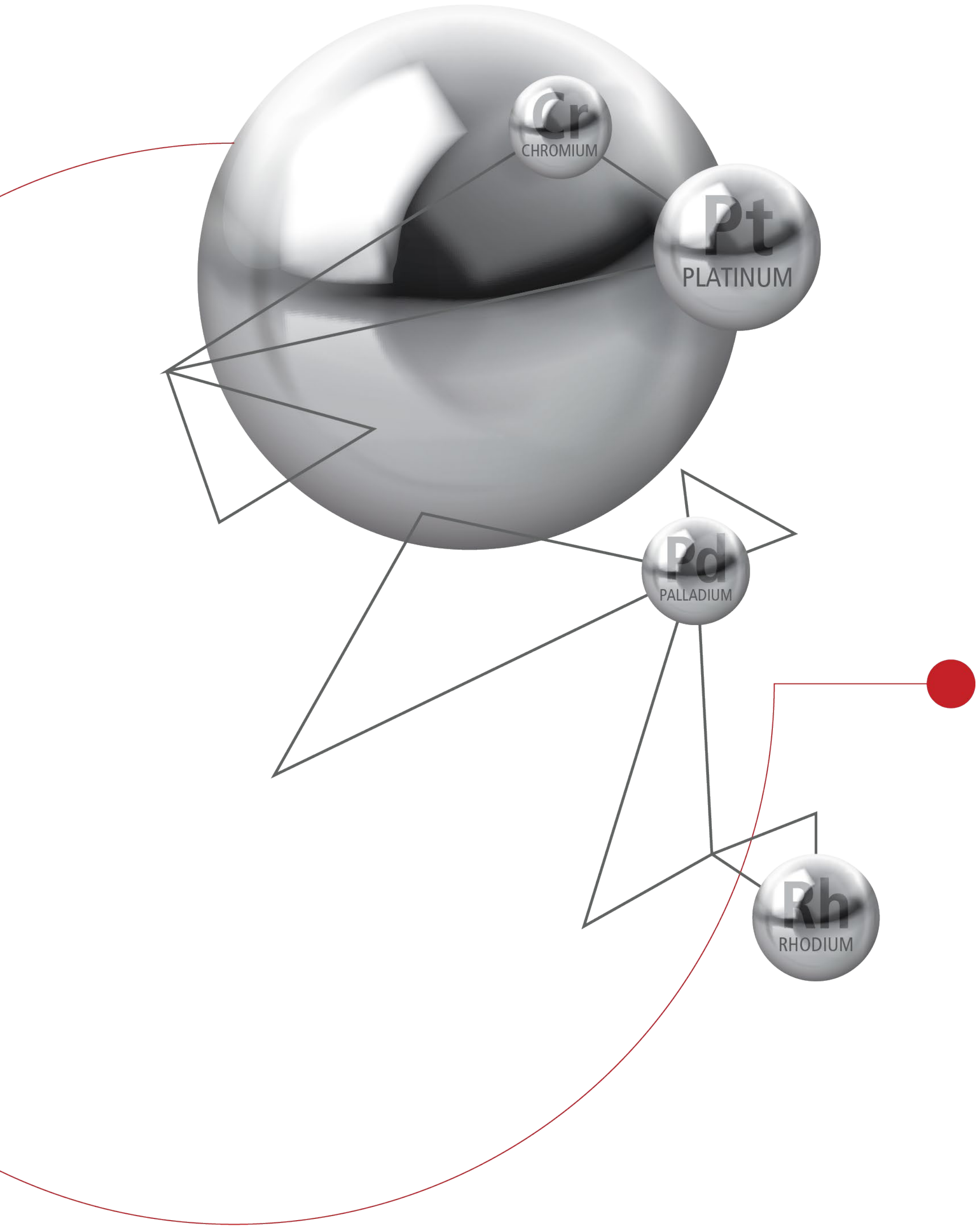
- Chrome prices remain resilient due to growing stainless steel demand
- South Africa supplies 80% of China's chrome needs
- China has no chrome resources
- Tharisa supplies ~10% of China's chrome demand
- Specialty chrome 25% of output – premium pricing

METALLURGICAL GRADE PRICE AND PORT STOCKS
(US$/t) and (Mt)



PGM PRICING
(US$/oz) and (ZAR/oz)





OPERATING AND FINANCIAL HIGHLIGHTS

MINING AND PRODUCTION

5.5 Mt

Reef mining increased by 2.3%

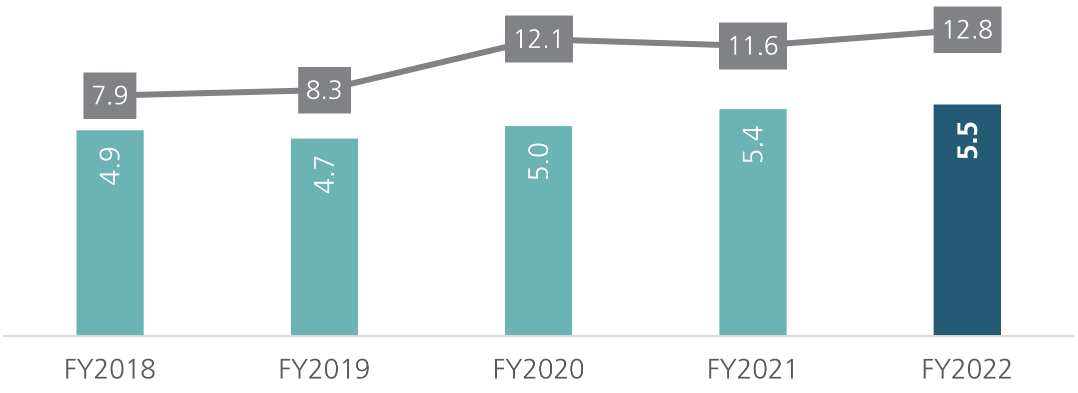
Forecast reef mining of ~5.6 Mt for FY2023
LOM stripping ratio of 9.8 $m^3:m^3$

5.6 Mt

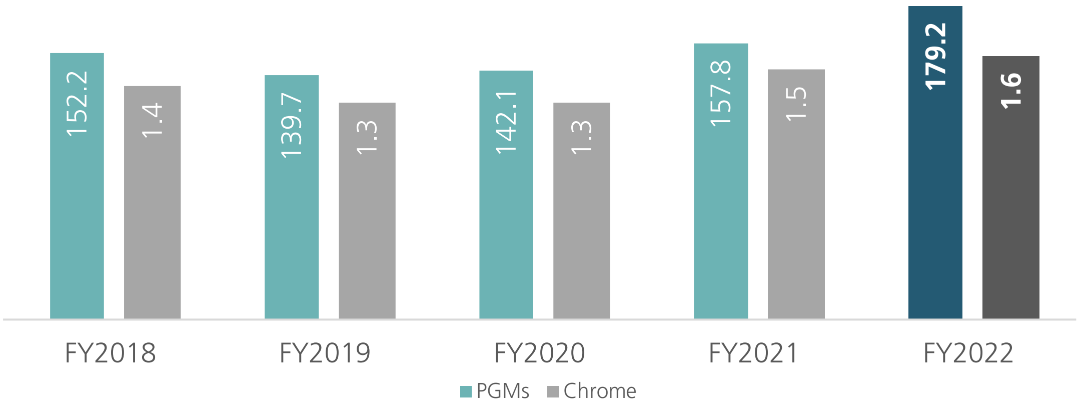
Reef milled

PGM production increased by 13.6%
Chrome recovery increased by 7.9%

MINING AND STRIPPING RATIO
(Mt) and ($m^3:m^3$)



PGM AND CHROME CONCENTRATE PRODUCTION
(6E koz) and (Mt)



POSITIONED FOR DELIVERING ON STRATEGY

DELIVERY ON OPERATIONAL PERFORMANCE

+

MULTI COMMODITIES

=

RECORD REVENUE

OFFSETTING INFLATIONARY PRESSURES

- Increased production volumes
  - Low cost chrome units from Vulcan Plant
- Weakening ZAR to US$ exchange rate of 6.8%

ACCOUNTING FOR VALUE ACCRETIVE KARO TRANSACTION

POSITIONING FOR SUSTAINABLE GROWTH

- Net cash flows from operations – US$173.7 m
- Investment for the future – capex spend of US$105.0 m
- Deleveraging of the balance sheet – net cash of US$80.4 m

POSITIONED FOR DELIVERING ON STRATEGY

DELIVERY ON OPERATIONAL PERFORMANCE + MULTI COMMODITIES = RECORD REVENUE

+

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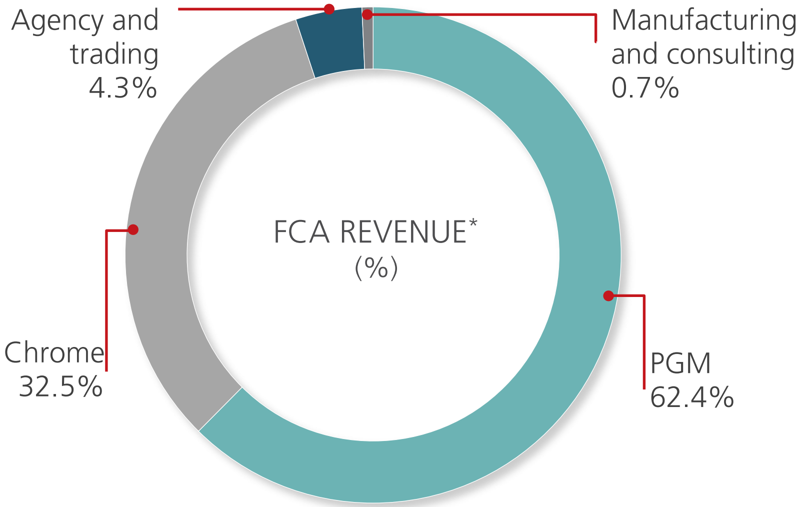
REVENUE

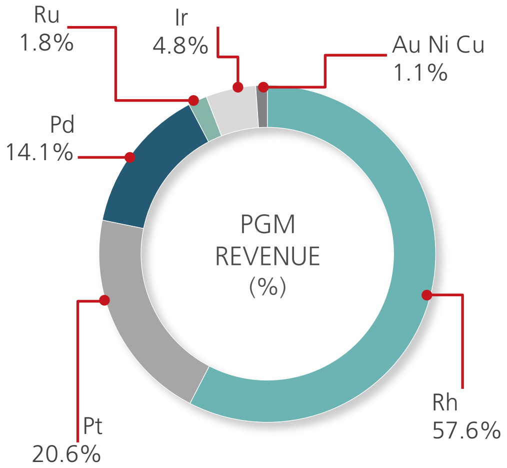
US$686.0 m

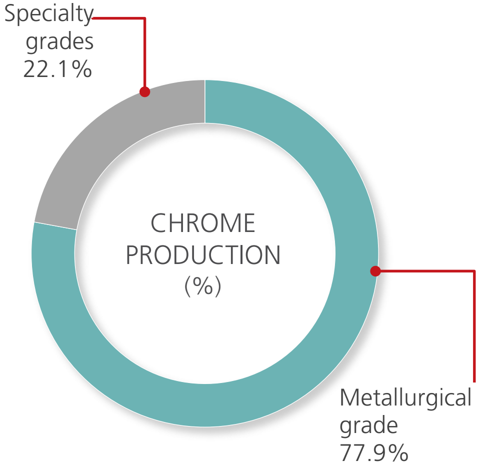
Revenue increase of 15.0%

Benefits of co-production model

PGM sales of 168.3 koz
Average PGM basket price of US$2 564/oz
Metallurgical grade chrome sales of 1.2 Mt
Average chrome price of US$209/t





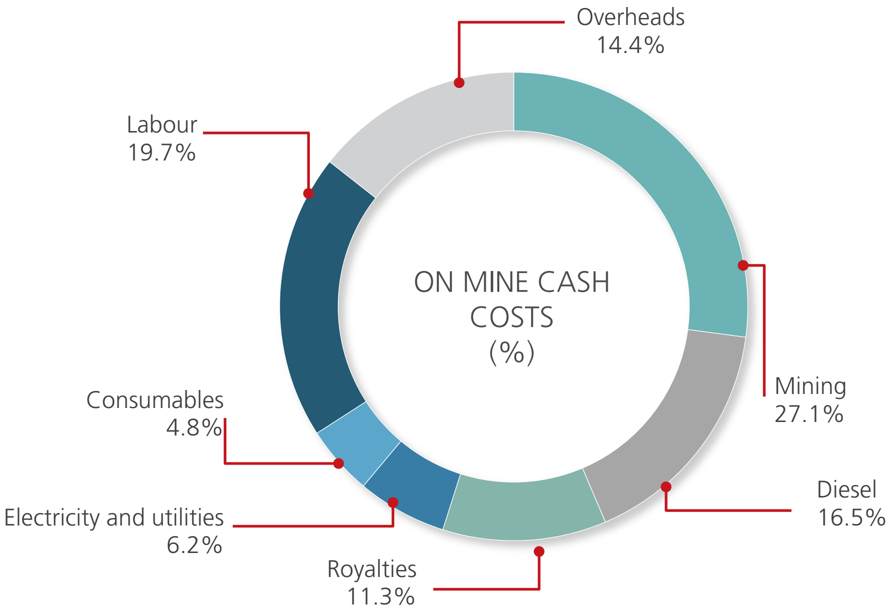


*net of inland logistics and freight costs

UNIT COSTS

	Units	FY2022	FY2021	% change
Cubes mined	Mm^3	20.9	19.2	8.9
Cost per cube mined*	US$/$m^3$	8.5	8.9	(4.5)
Reef tonnes mined	Mt	5.5	5.4	2.3
Cost per reef tonne mined	US$/t	32.4	31.9	1.5
Tonnes milled	Mt	5.6	5.6	0.1
On mine cash cost per tonne milled**	US$/t	46.7	41.0	14.1
Consolidated cash cost per tonne milled**	US$/t	47.0	44.9	4.9
Chrome inland logistics and freight costs	US$/t	92.5	72.4	27.7
All in cost per Pt ounce sold^ (by product)	US$/oz	(436.7)	(568.4)	(23.2)

Costs include ROM stockpile at 30 September 2022 of US$19.9 m
Deferred stripping of US$15.1 m



*inclusive of deferred stripping **exclusive of capitalised deferred stripping
^All in cost includes operating cost, administration costs, deferred stripping and capital

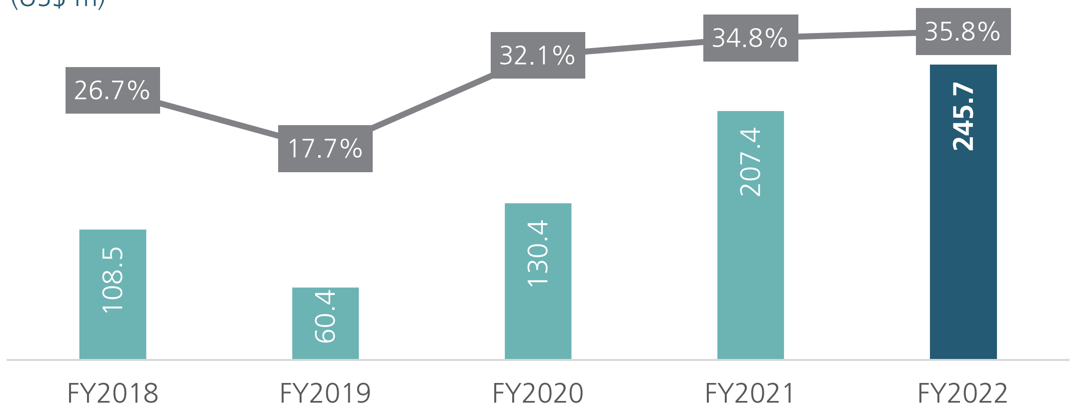
RECORD GROSS PROFIT

US$245.7 m

Gross profit an increase of 18.4%

Record gross profit margins despite input cost pressures*:
- Explosives +49.1%
- Diesel +37.3%
- Electricity +2.7%
- Land side logistics +21.9%
- Sea freight +38.6%

GROSS PROFIT AND MARGIN
(US$ m)



*in US$ terms – ZAR unit costs benefitting from weaker exchange rate

VALUE ACCRETIVE TRANSACTION – EXECUTING ON STRATEGY

US$201.8 m

Mineral right - asset value increase

US$16.8 m

Finance liability – Zimbabwe Gov option

Favourable net effect of US 16.1 cents on earnings per share

Initial investment of 28.38% was accounted for under equity method – fair value remeasurement

Accounting for the acquisition of a further 37.9% - fair value gain

Reconciliation of EPS to HEPS	Units	FY2022
Weighted number of shares in issue	million	285.8
Earnings per share	US cents	53.8
Profit attributable to ordinary shareholders	US$ m	153.9
Net adjustments:		
Karo Mining Holdings transaction:		
Gain –remeasurement of existing shareholding	US$ m	(33.5)
Gain – purchase of shares at discount	US$ m	(14.9)
Write off / loss on disposal – PPE	US$ m	1.8
Impairment – PPE	US$ m	8.3
Impairment – goodwill	US$ m	1.9
Headline earnings	US$ m	117.4
Headline earnings per share (basic)	US cents	41.1

CONSISTENT DIVIDEND PAYER

US 7 cents

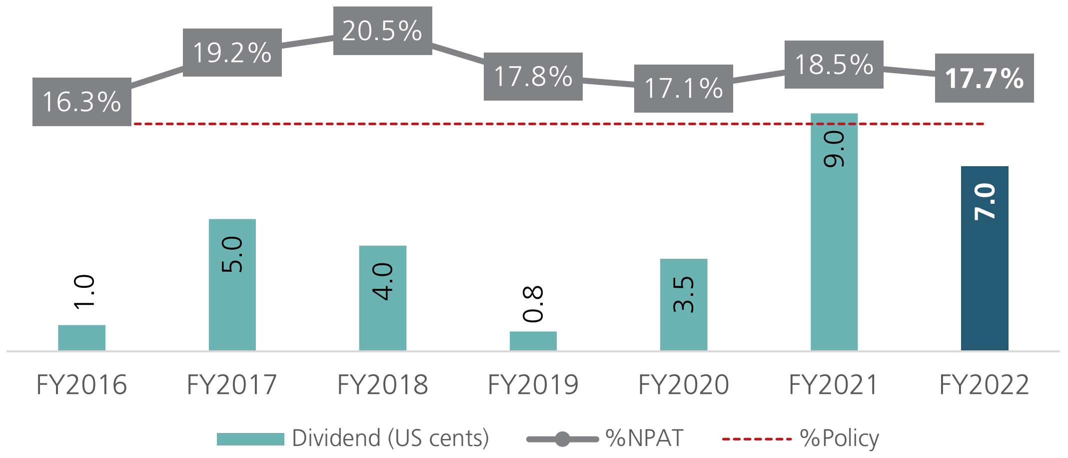
Total annual dividend for FY2022

17.7% of adjusted NPAT
Policy minimum of 15% of NPAT
Total annual dividend of US$21.0 m

US$82.9 m

Cumulative distributions to shareholders over 7 years

Commitment to capital discipline



BALANCE SHEET

US$143.3 m

Cash and cash equivalents

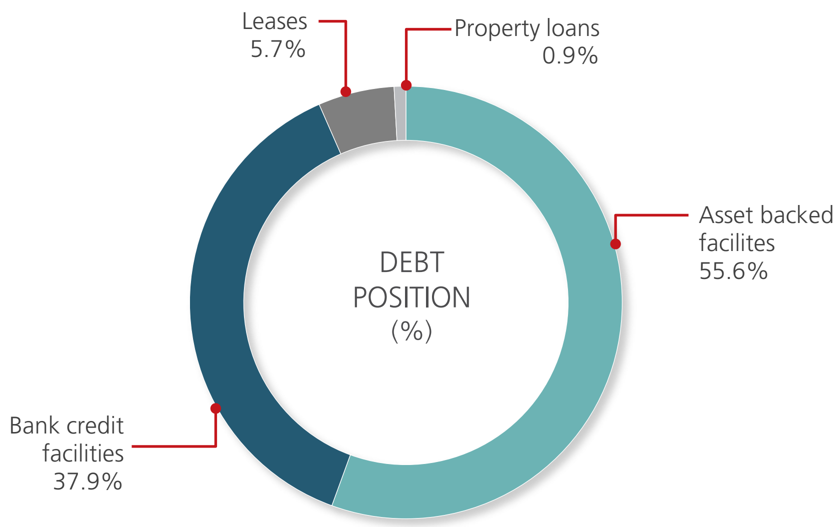
Net cash flow from operations of US$173.7 m
Net cash of US$80.4 m

US$62.9 m

Total debt

Short term of US$39.8 m
Unwind of limited recourse disclosed PGM discounting facility (U$33 m)

Current ratio of 2.2
Net debt to EBITDA of (0.3)
Net debt to equity (13.0%)



CAPEX

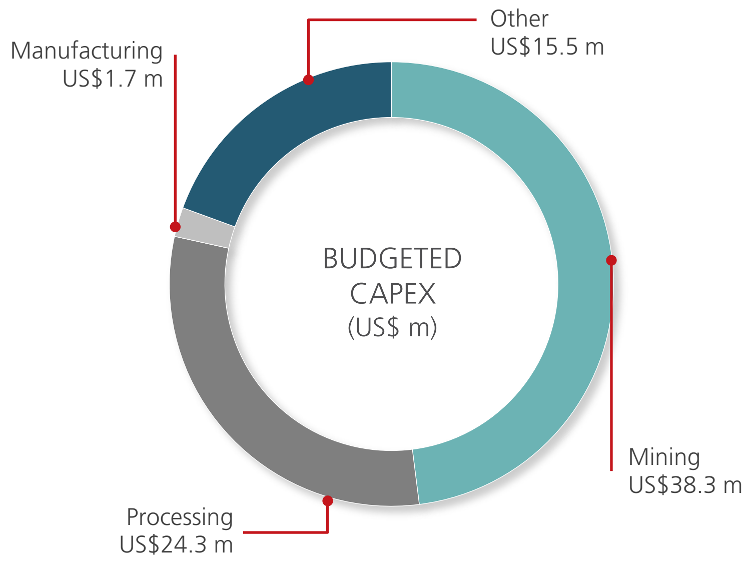
US$105.0 m
Capex spent

Continued to invest in asset base = sustainable operations

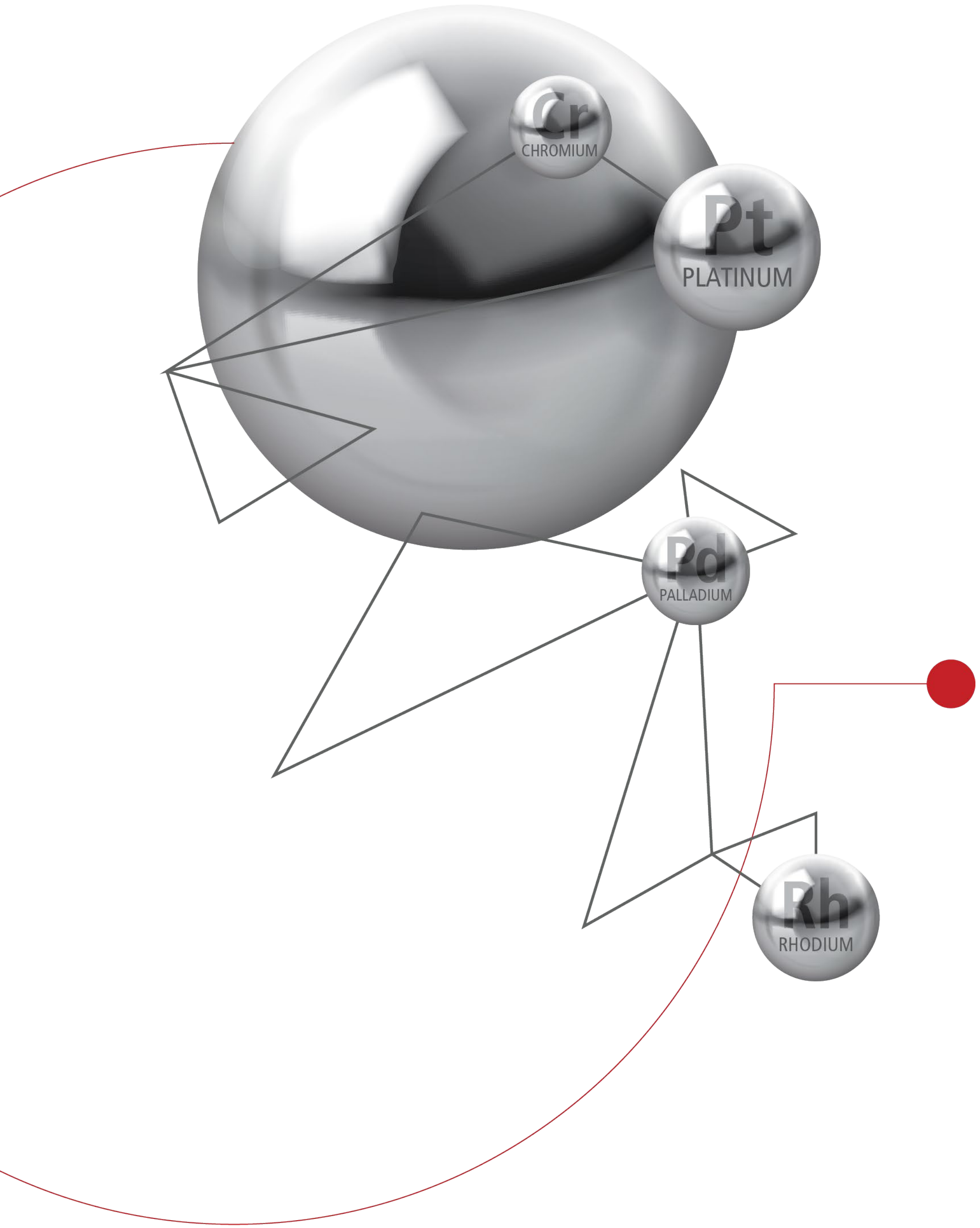
US$79.8 m
Budgeted capex for FY2023 excluding Karo Platinum

~US$260 m
Budgeted capex for FY2023 for Karo Platinum

Fast track project
Karo Platinum total capital of US$391 m



POSITIONED TO NAVIGATE MACRO ECONOMIC EVENTS - ENABLING INVESTMENT IN SUSTAINABLE GROWTH



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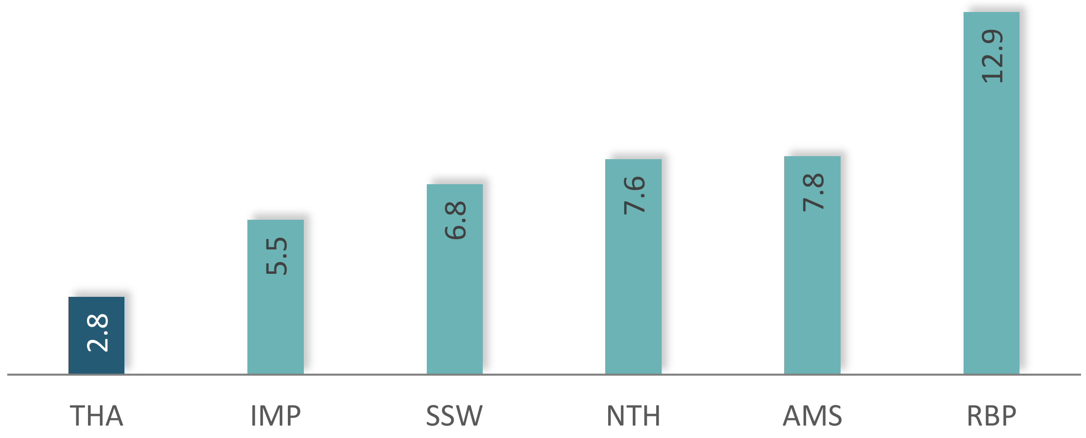
VALUE PROPOSITION

INVESTMENT OF CHOICE

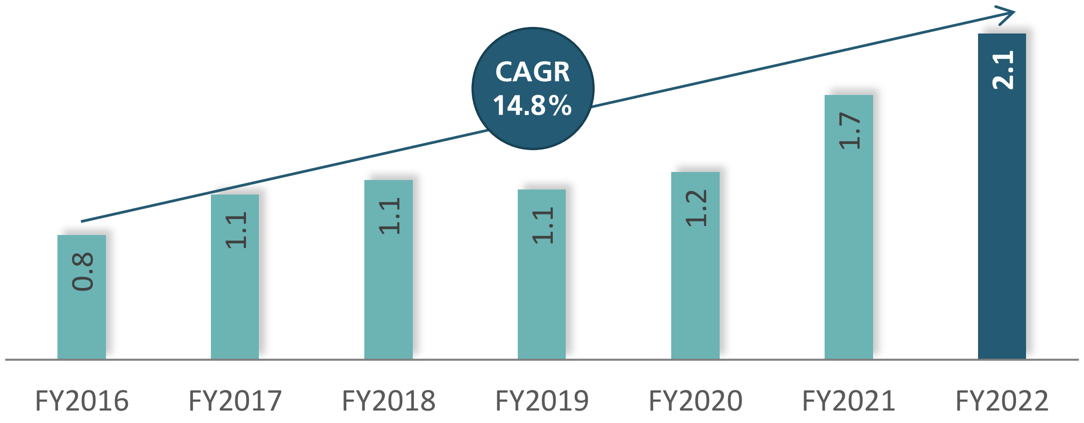
GBP2.40
CONSENSUS TARGET PRICE

23.5%
RETURN ON INVESTED CAPITAL

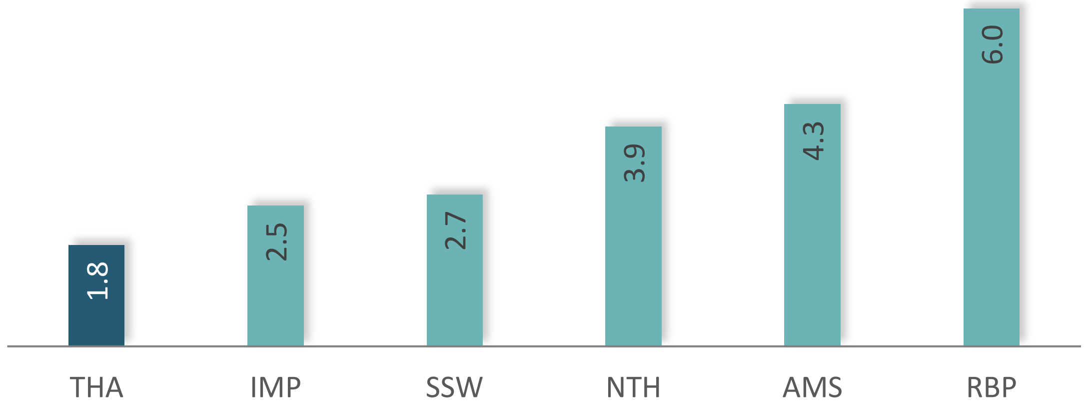
P/E



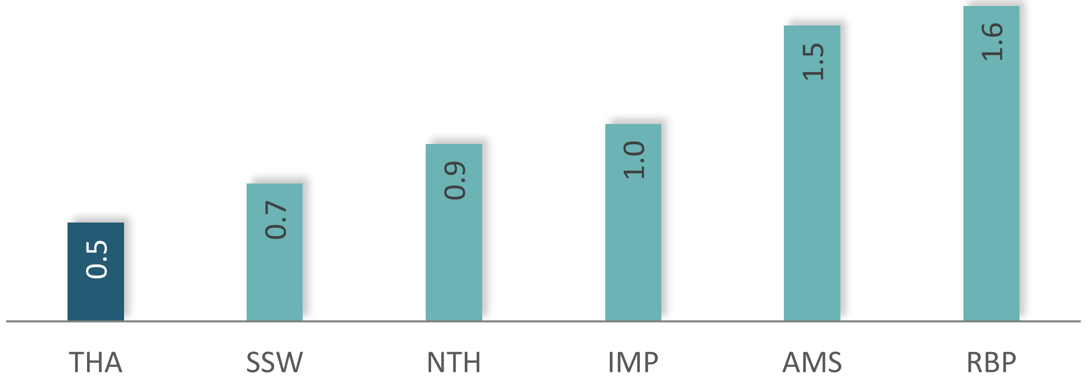
NAV GROWTH



EV/EBITDA (2022E)



P/NAV



Source: Reuters and BMO

QUESTIONS

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