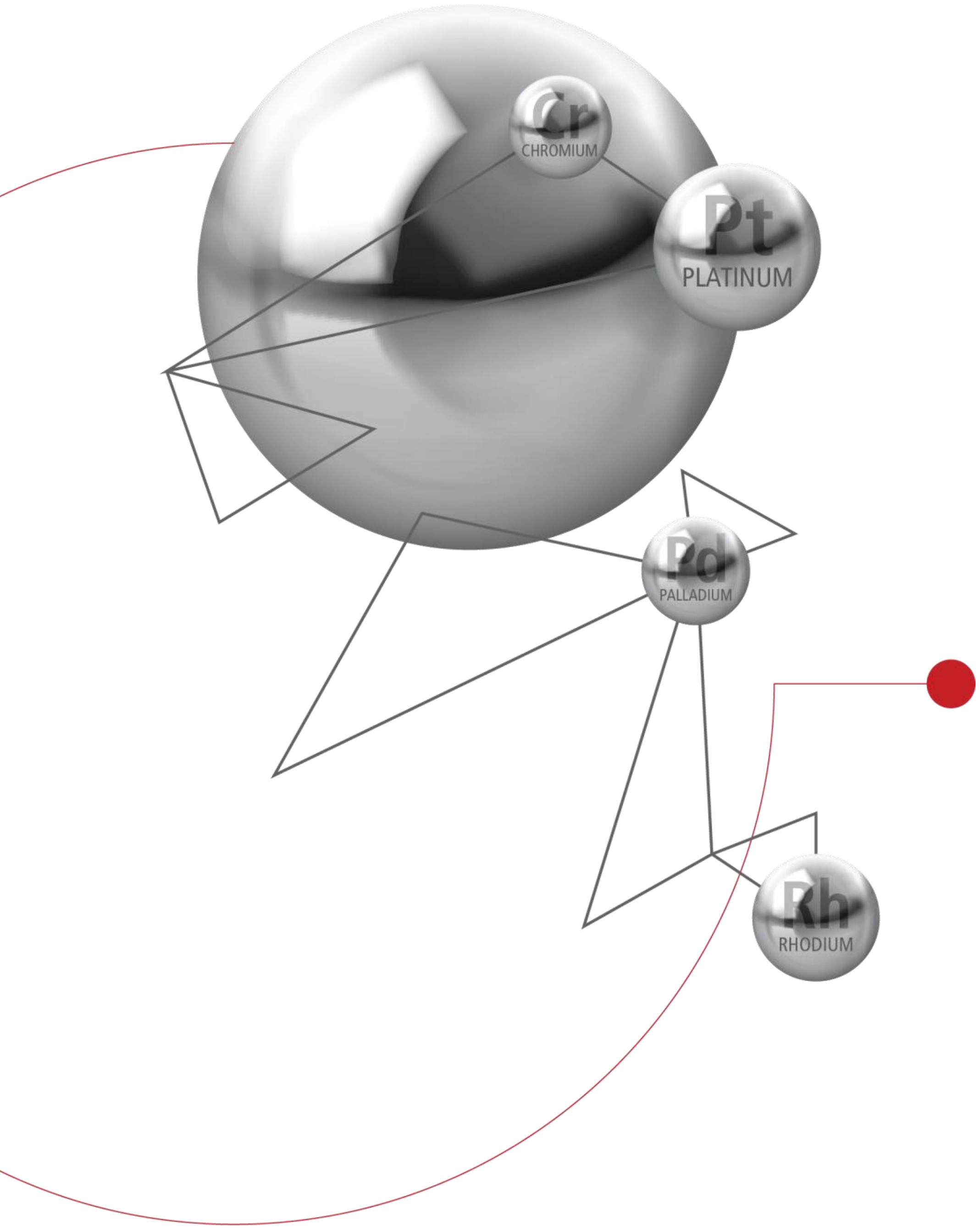
8 June 2023

# tharisa

## CORPORATE PRESENTATION

ShareSoc Webinar

enriching lives through innovating the resources company of the future

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# LONG LIFE PORTFOLIO

# LONG LIFE PORTFOLIO

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

**171.1 Mt**
IN CONTAINED CHROME

## SIGNIFICANT SHALLOW RESOURCES

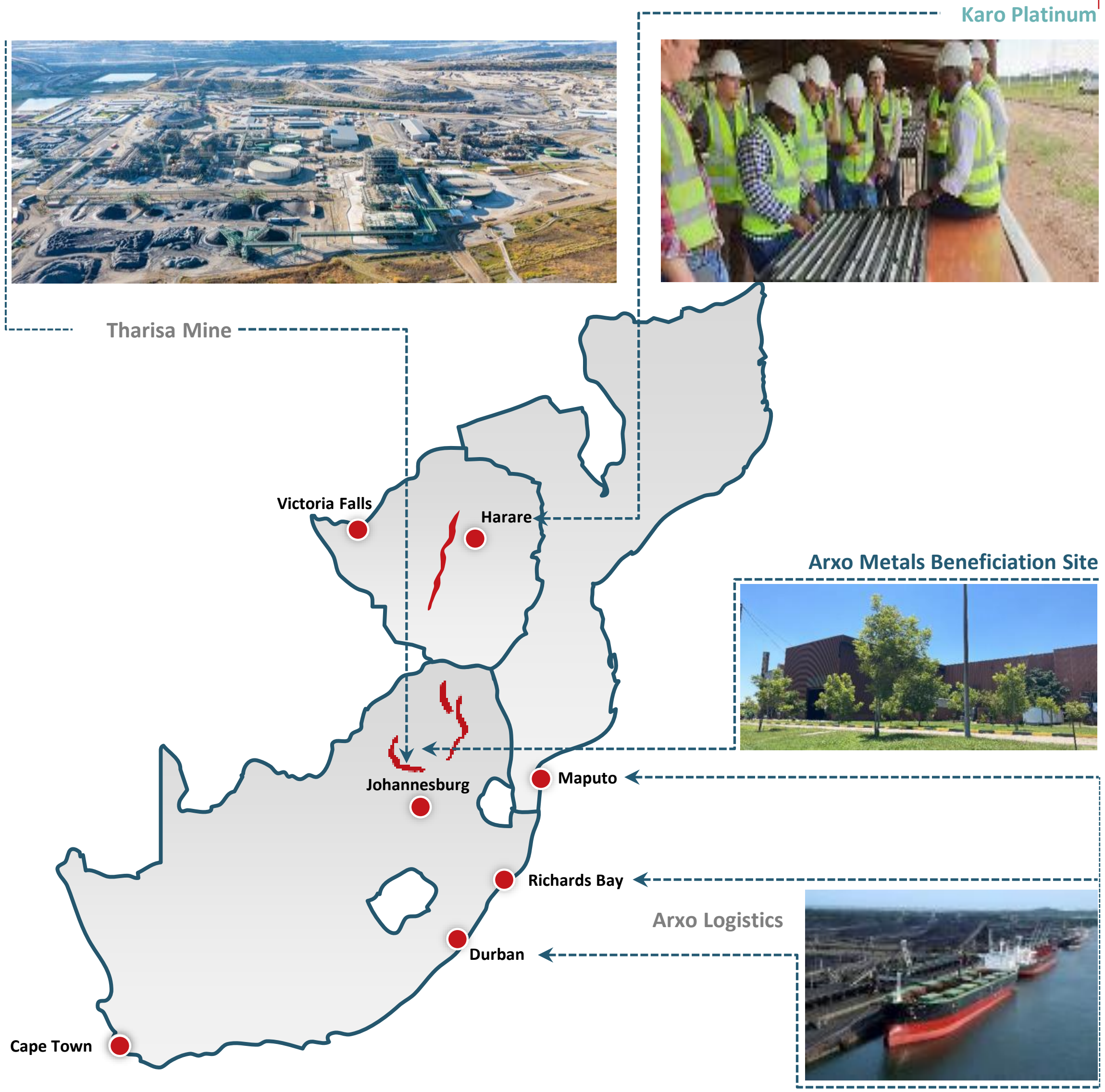
- 849.6 Mt at Tharisa Mine
  - 18 year open pit life at Tharisa Minerals
  - +40 years underground LOM potential
- 152.1 Mt at Karo Platinum
  - 17 year open pit life at Karo Platinum Phase 1
  - Explored less than 10% of the 23 903 ha at Karo
  - Historical resource of 96.4 Moz (4E) in indicated & inferred 868 Mt

## PIT TO PORT STRATEGY

- Control over our own resources with a pit to port strategy
- Capturing value across the entire chain
- Mining, processing, trading, logistics to end customer

## PRODUCT DIVERSITY

- Multiple PGM, base metals and chrome products from our ore bodies ensuring revenue diversification and protection against commodity fluctuations
- Value addition – various R+D and piloting projects



# PROFITABLE • INVESTING • PAYING DIVIDENDS • DELIVERING VISION 2025

## PROFITABLE

- Co-product commodities delivering into demand
- Profitable since 2015

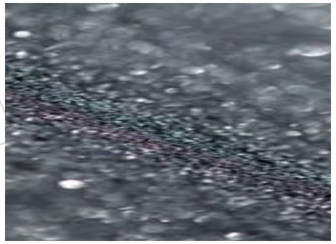
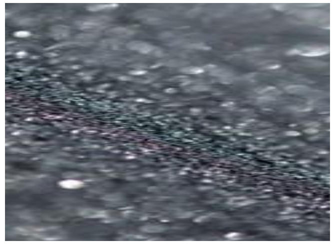
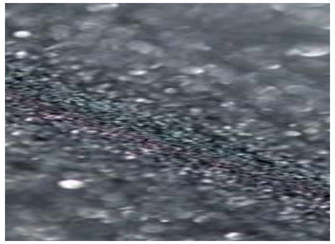


## INVESTING

- Invested US$530 m in our operations in the last decade
- Ensuring optimum resource extraction through innovative processes

## PAYING DIVIDENDS

- Returned over US$90 m in cash to shareholders
- While repaying over US$202 m in corporate debt

## DELIVERING VISION 2025

- Multi-generational mineral endowment
- Multi-mine, multi-commodity
- Unlocking value through innovation

# VISION 2025


## EXPANSION
Expand and roll out the business sustainably

## OPTIMISATION
Optimise existing operations

## INNOVATION
Continue to invest in innovative thinking

## DIVERSIFICATION
Become a globally diversified business

## INVESTMENT
Be the investment of choice in our chosen sector

## ENRICHMENT
Responsibly enrich the lives of all our stakeholders

# FAITH MEMORIAL GARDEN

## SAFETY IS A CORE VALUE

- Tharisa Mine – LTIFR of 0.27 per 200 000 man hours worked
- Overall improved safety performance, post fatality at Tharisa Mine in October 2022
- Karo Platinum – project remains LTI free

"Faith is the strength by which
a shattered world shall emerge
into the light."

HELEN KELLER

# DELIVERING VALUE IN CHALLENGING ENVIRONMENT

## SAFETY IS A CORE VALUE

- Tharisa Mine – LTIFR of 0.27 per 200 000 man hours worked
- Overall improved safety performance, post fatality at Tharisa Mine in October 2022
- Karo Platinum – project remains LTI free

## SUSTAINABLE MINING OF OUR LONG LIFE TIER ONE ASSETS

- Reef mined of 2.1 Mt
- PGM production of 77.0 koz – PGM basket price of US$2 216/oz
- Chrome production of 787.9 kt – metallurgical grade chrome price of US$247/t

## DISCOVER · DEVELOP · DELIVER · DIVERSIFY

- Delivering healthy margins despite operational headwinds
- Karo Platinum construction and funding advancing
- Commercialisation of R+D projects underway

## CAPITAL DISCIPLINE

- US$49.3 m spent on capex
- US$112.7 m of net cash
- Dividend policy of 15% annual NPAT
  - Interim dividend of US 3 cents per share

## FY2023 PRODUCTION GUIDANCE

- 158 koz to 167 koz PGMs (6E basis)
- 1.58 Mt to 1.67 Mt of chrome concentrates
- Karo Platinum construction milestones

# THE VITAL NUMBERS

US$2 216/oz
down 14.5%
PGM BASKET PRICE

US$247/t
up 41.1%
MET GRADE PRICE

REEF MINED
2.1 Mt
down 25.6%
stripping ratio of 11.5 m$^3$:m$^3$
(HY2022: 2.8 Mt)

PGM PRODUCTION (6E)
77.0 koz
down 16.1%
recovery of 67.0%
(HY2022: 91.8 koz)

CHROME CONCENTRATE PRODUCTION
787.9 kt
up 1.4%
recovery of 66.2%
(HY2022: 776.7 kt)

REVENUE
US$335.3 m
up 0.4%
ZAR5.9 bn
(HY2022: US$334.0 m)

OPERATING PROFIT
US$63.5 m
down 29.0%
ZAR1.1 bn
(HY2022: US$89.4 m)

EBITDA
US$81.2 m
down 27.0%
ZAR1.4 bn
(HY2022: US$111.3 m)

PROFIT BEFORE TAX
US$72.4 m
down 41.8%
ZAR1.3 bn
(HY2022: US$124.3 m)

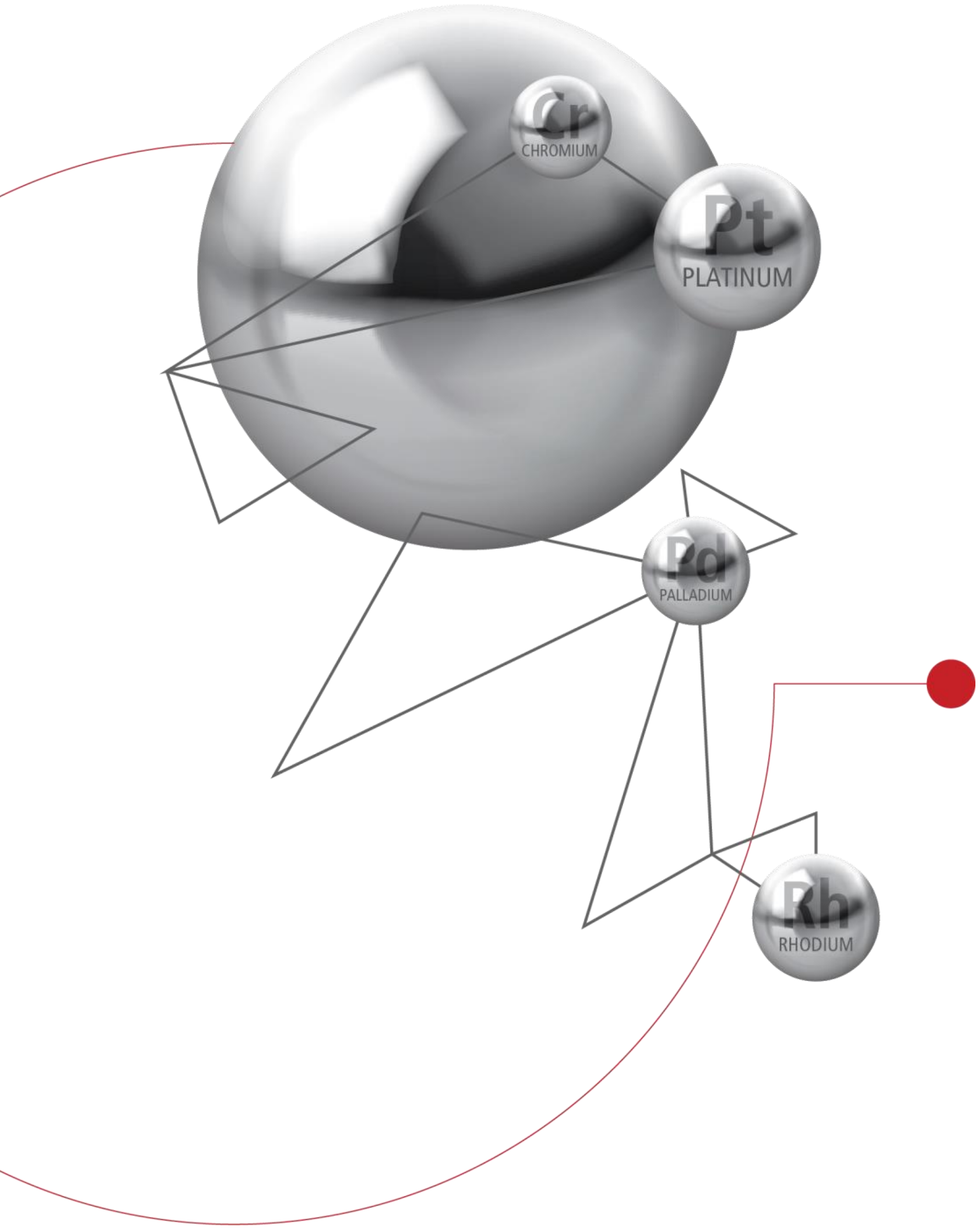
NET CASH FROM OPERATING ACTIVITIES
US$97.1 m
up 97.8%
ZAR1.7 bn
(HY2022: US$49.1 m)

CASH AND CASH EQUIVALENTS
US$205.7 m
up 102.7%
ZAR3.6 bn
(HY2022: US$101.5 m)

EPS
US 17.4 cents
down 46.8%
(HY2022: US 32.7 cents)

HEPS
US 17.6 cents
up 13.5%
(HY2022: US 15.5 cents)

INTERIM DIVIDEND
US 3 cents
(HY2022: US 3 cents)
16.4% of NPAT

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# MAXIMISING OUR OUTPUT

# AN ETHOS OF INNOVATION

**technology is the key enabler for differentiation**

### ARXO METALS BENEFICIATION SITE

- Commercial operations for PGM smelting
- Demonstration scale testing of other initiatives

### ARXO METALS TECHNOLOGY DEVELOPMENT CENTRE

- Facility to run laboratory and pilot scale test work
- Focus on downstream beneficiation of PGMs and chrome
- Testing alternative processes on pilot scale

### ARXO METALS RENEWABLE ENERGY CENTRE

- Facility focusing energy storage solutions using our commodities including long duration scalable storage solution
- Different renewable technologies will be demonstrated
- AMREC launch in June 2023

# KARO PROJECT


## PROJECT METRICS

- Tier 1 asset
- First phase open pit of 17 years
- Producing ~190 kozpa with significant base metal credits
- First ore in mill July 2024
- Commencement of construction ceremony – 7 December 2022
- Earthworks completion, trial open pit mining and first concrete June 2023

## IMPACT

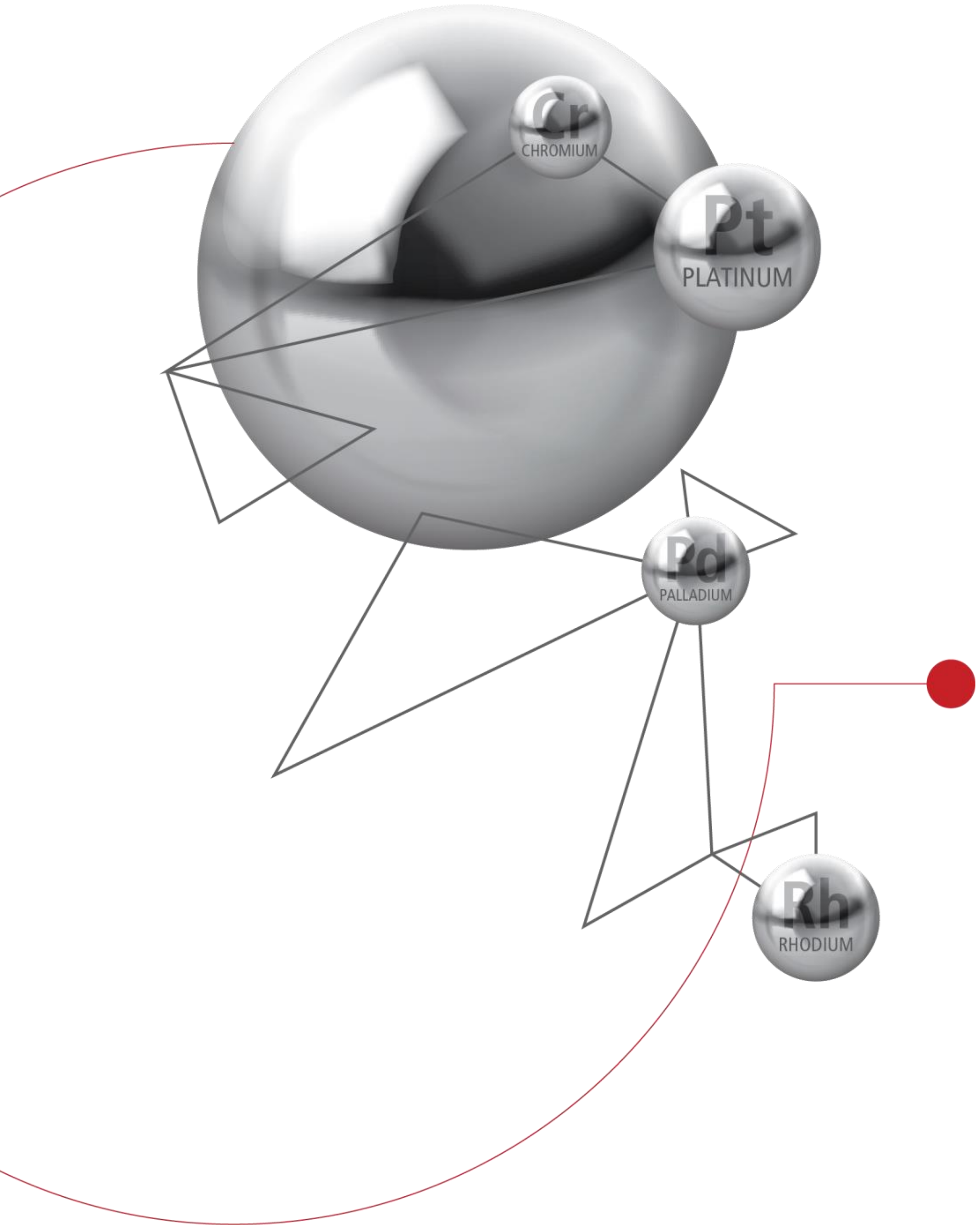
- Four years LTI free
- IFC compliant ESIA approved – mining, processing & power line
- Prioritising local recruitment and skills development
- Total Eren developing 30 MW solar project for phase 1

## CAPITAL COST

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

## FUNDING

- Multiple funding streams with different timing requirements
- VFEX bond listing – raised US$36.8 m
- Partial leverage of existing assets – ~US$130 m
- Syndicated senior project finance facility – ~US$260 m

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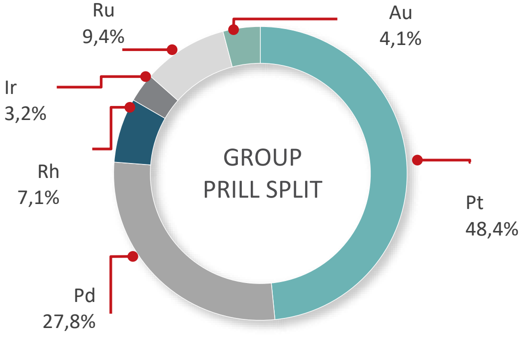
# THE RIGHT COMMODITY MIX

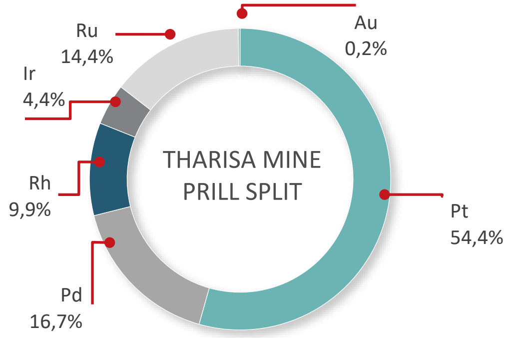
# COMMODITIES

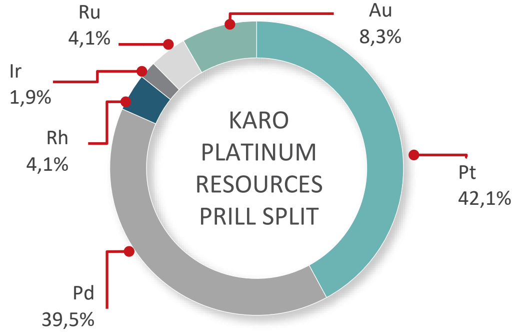
| US$/ZAR 19.30 | US$1 818/oz | US$300/t |
|---|---|---|
| SPOT EXCHANGE RATE | SPOT PGM BASKET PRICE | SPOT MET GRADE PRICE |

## PGMS

– Primary supply growth constraints
– Deficits in Rh, Pd to remain, Pt heading towards a record deficit
– ICE remains a major demand driver with Tier 4 and Euro 7 emissions standards still to come
– Hydrogen economy to provide multi decade PGM demand
– Zimbabwe supply to substitute South African short fall



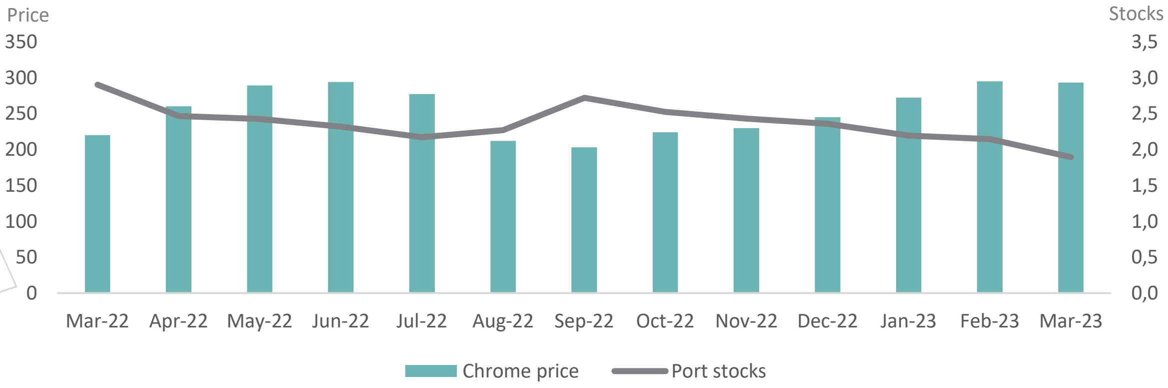




## CHROME

– Chrome prices rallying on back of low port stocks and growing stainless steel demand
– Record Rand spot pricing nearing ZAR6 000/t
– South Africa supplies 80% of China's chrome needs
– Tharisa supplies ~10% of China's chrome demand
– Specialty chrome ramping up H2 – premium pricing

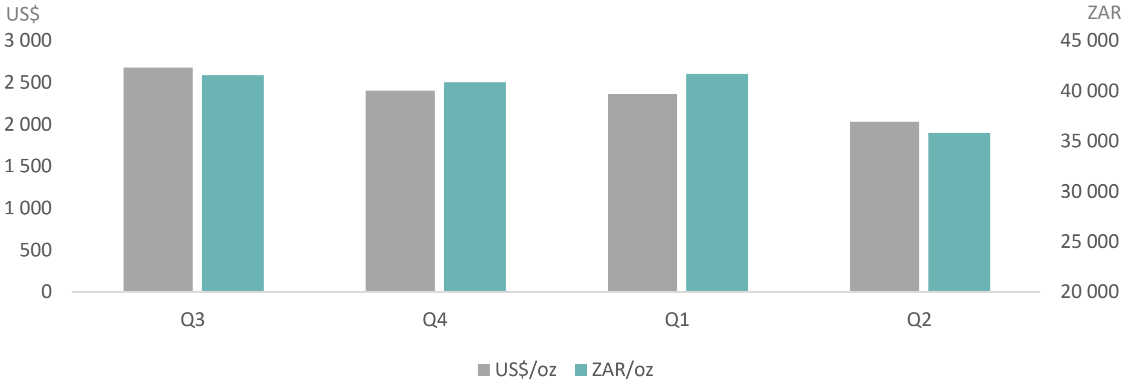
### METALLURGICAL GRADE PRICE AND PORT STOCKS

(US$/t) and (Mt)




### PGM PRICING - THARISA MINE

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

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# SUCCESSFULLY NAVIGATING UNCERTAINTY

## TAILWINDS

### COMMODITIES
- Co-product business model
- Buoyant chrome commodity market
- Counter cyclical commodities in basket
- Fundamentals for both commodities are extremely robust

### MACRO
- Weakening of ZAR to US$ - partially offsetting inflationary pressure
- Bulk freight rates have normalised
- Strong momentum behind the hydrogen economy (benefits PGMs)
- Chinese stainless steel outlook is positive
- Primary supply constraints entrench growing deficits

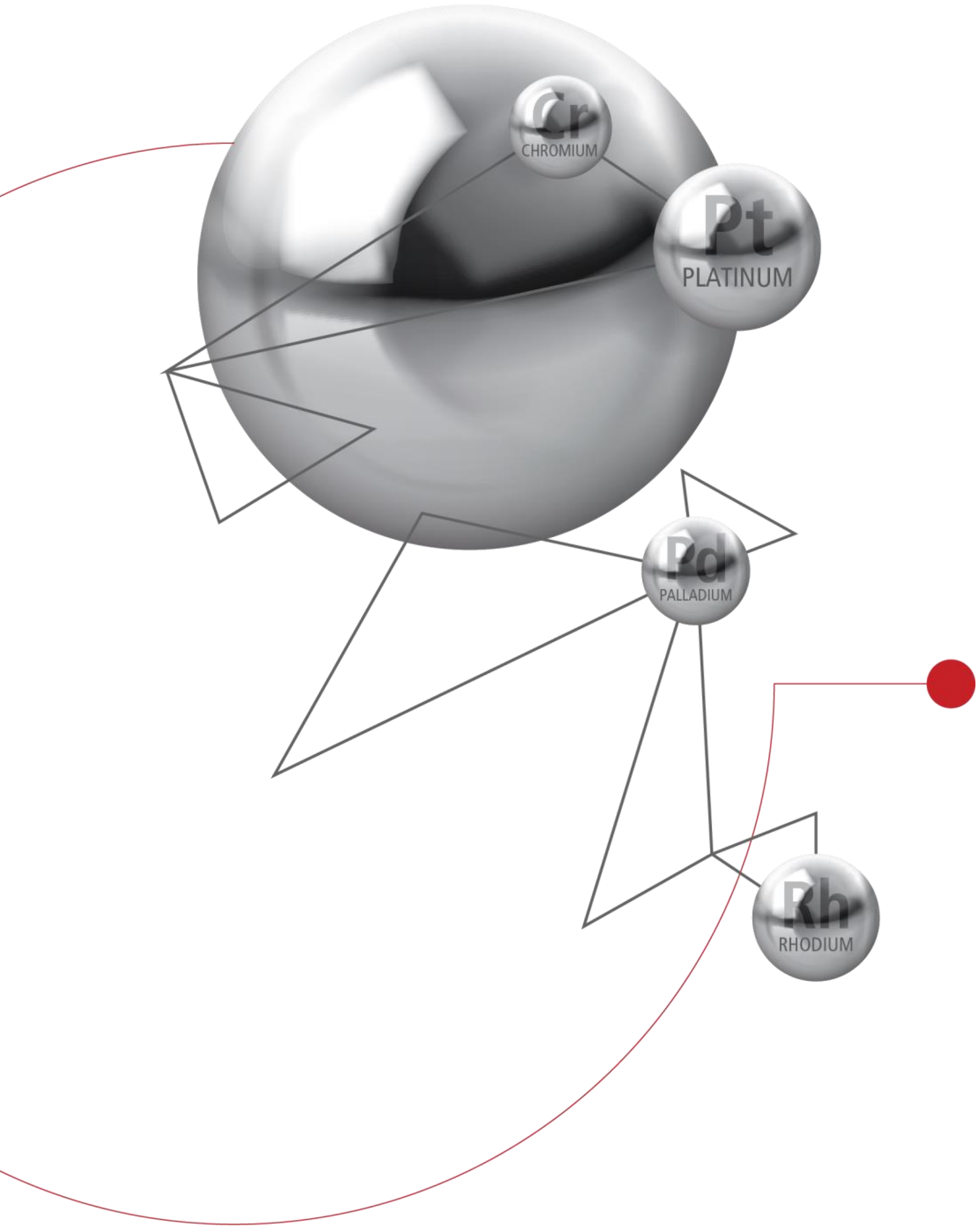
## HEADWINDS

### ELECTRICITY
- Maximum requirement of 27 MW of electricity at Tharisa Mine
- Stand by diesel generators capacity to withstand load curtailment
- Plant configuration allows flexibility to manage electricity shocks
- 40 MW solar plant project underway – EA approved

### TRANSPORT
- Transnet rail parastatal infrastructure challenges have necessitated shift from rail to road
- 85% road allocation from 80% rail previously
- Reallocation of bulk via Richards Bay to Maputo

### MACRO
- Geopolitical
- Inflation / interest rate environment
- Crime and corruption
- Unprecedented localised weather events

resilient business model

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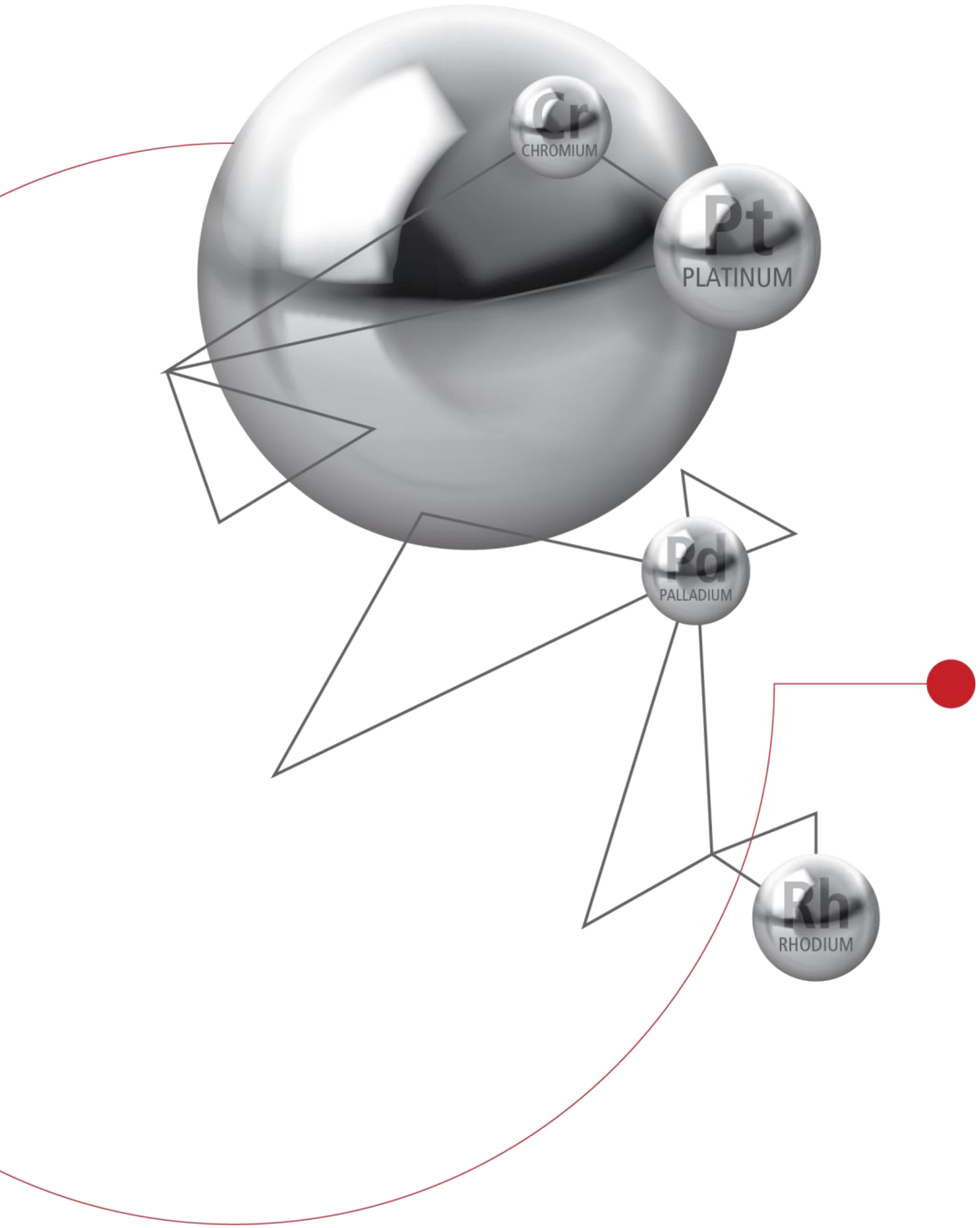
## CARING BEYOND THE MINE GATE

# OUR POSITIVE IMPACT

## JOB CREATION
- 4 594 employees at end March 2023 (Group employees and contractors)
- 440 employees and contractors on site in Zimbabwe
- +25% female employees
- No days lost to industrial action
- Four year wage agreement ends in June 2024
- Employee engagement through various HR roadshows

## EDUCATION AND WELLNESS
- AET programmes on site for employees and communities
- Annual school stationery drive and IT centre donation and maintenance
- Enterprise and development initiatives, skills development
- Thusanang ("helping each other") wellness programme

## ENVIRONMENT
- Planned 30% reduction in carbon footprint by 2030
- Carbon net neutral by 2050
- 40 MW solar plant environmental authorisation awarded
- First phase of 30 MW solar plant in Zimbabwe initiated

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# H1 FY2023 FINANCIAL HIGHLIGHTS

# DELIVERING ON GROWTH STRATEGY

## MULTI COMMODITIES

- Robust co-production model
- Polymetallic basket of strategic minerals
- Low cost producer

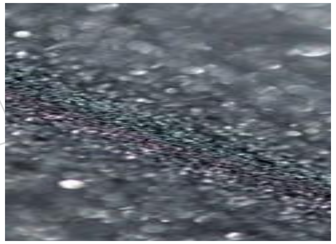
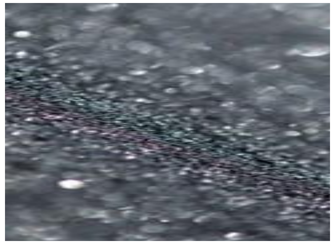
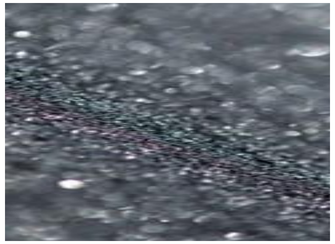


## STRONG CASH FLOW GENERATION

- Net cash flows from operations – US$97.1 m
- Enabling continuous investment through the cycle
- Consistent dividend policy

## NEW DEBT FACILITIES

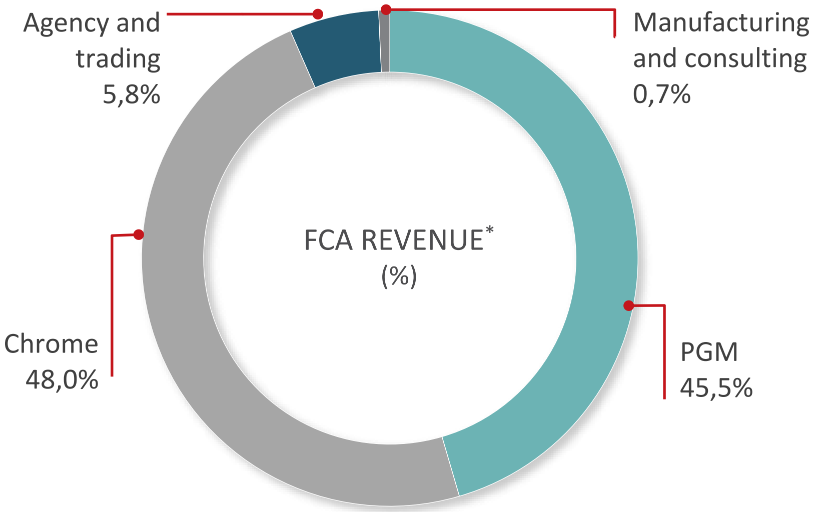
- First of its kind VFEX bond – total subscription of US$36.8 m
- Successfully concluded US$130 m debt facility with Société Générale and Absa Bank – undrawn at 31 March 2023
- Agreed term sheet – US$260 m syndicated senior project finance facilities

## POSITIONED FOR SUSTAINABLE GROWTH

- Investment for the future – capex spend of US$49.3 m
- Deleveraged balance sheet – net cash of US$112.7 m

# MULTI COMMODITY REVENUE STREAM

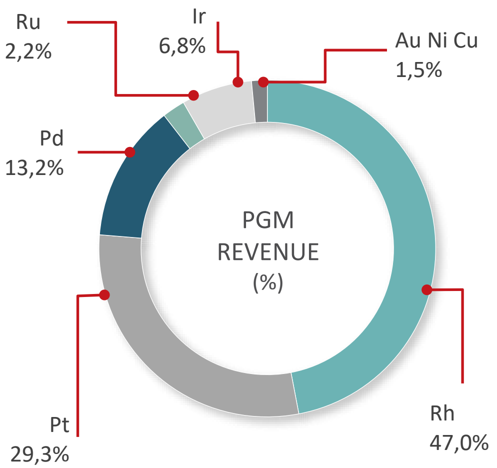


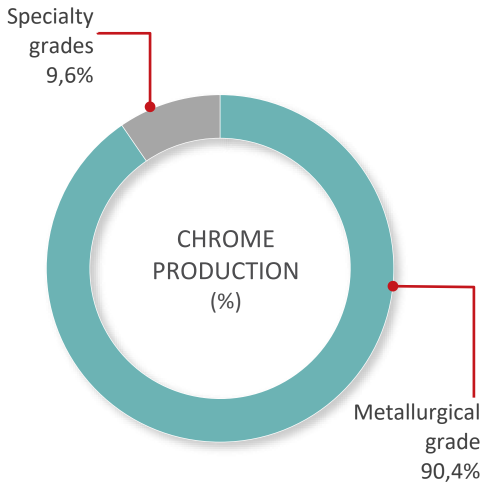

**US$335.3 m**

**Revenue**

Benefits of co-production model

PGM sales of 76.8 koz
Average PGM basket price of US$2 216/oz
Metallurgical grade chrome sales of 712.9 kt
Average chrome price of US$247/t




*net of inland logistics and freight costs

# HEALTHY GROSS PROFITS

**US$93.6 m**

**Gross profit a decrease of 23.7%**

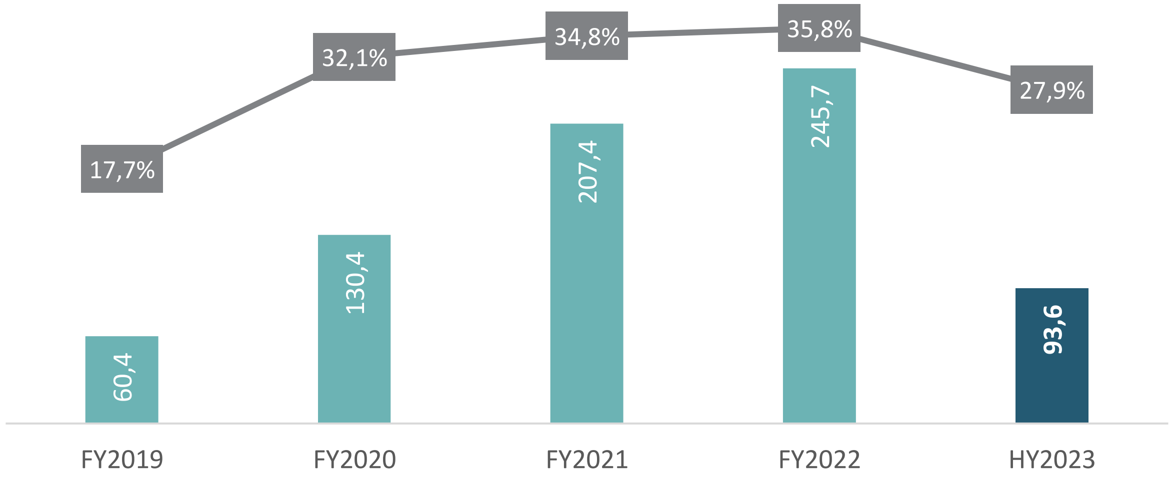
Weakening ZAR to US$ exchange rate of 15.7% partially offset inflation

Healthy gross profit margins despite input cost pressures*:

US$:

- Explosives +1.2%
- Diesel +16.2%
- Land side logistics +8.9%

GROSS PROFIT AND MARGIN
(US$ m)




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

# DISCIPLINED CAPITAL ALLOCATION

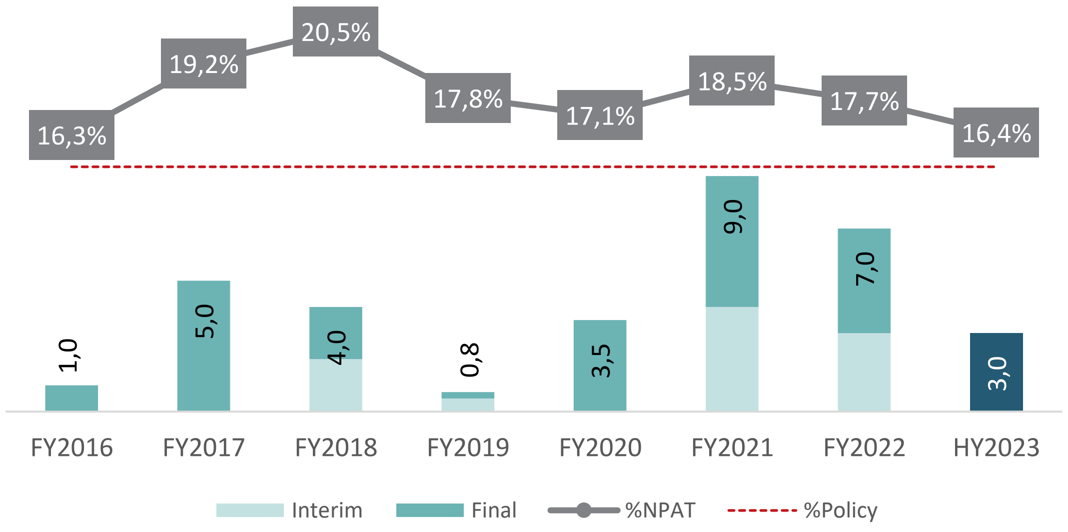
**6.2%**
DIVIDEND YIELD

## US 3 cents
**Interim dividend for HY2023**

16.4% of NPAT
Policy minimum of 15% of NPAT

## US$91.6 m
**Cumulative distributions to shareholders over 8 years**

Commitment to capital discipline

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# INVESTING IN OUR BUSINESS

**US$49.3 m**

**Total capex spent**

Continued to invest in asset base = sustainable operations
Tharisa to spend $48.8 m in H2 excluding deferred stripping

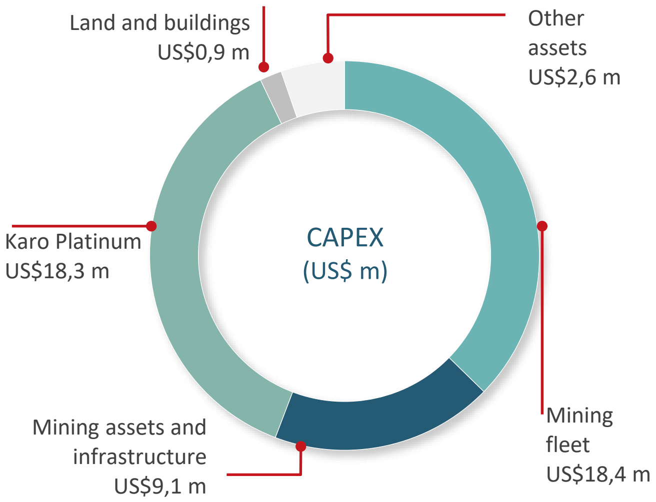
**US$18.3 m**

**Capex spent on Karo Platinum for HY2023**

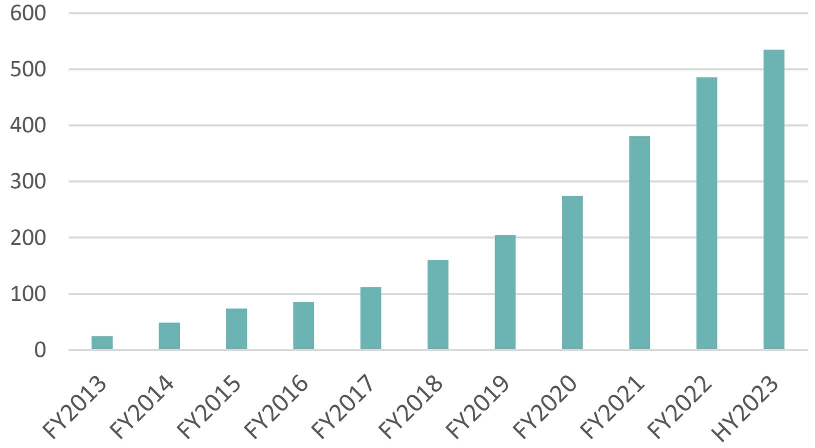
Karo Platinum budgeted capital of US$391 m
Commitments for US$60.1 m signed
~US$160 m to be spent in H2 of FY2023

**+US$530 m**

**Investments made over a decade resulting in financially sustainable operations**




CUMULATIVE CAPITAL INVESTMENT – 10 YEAR VIEW
(US$ m)



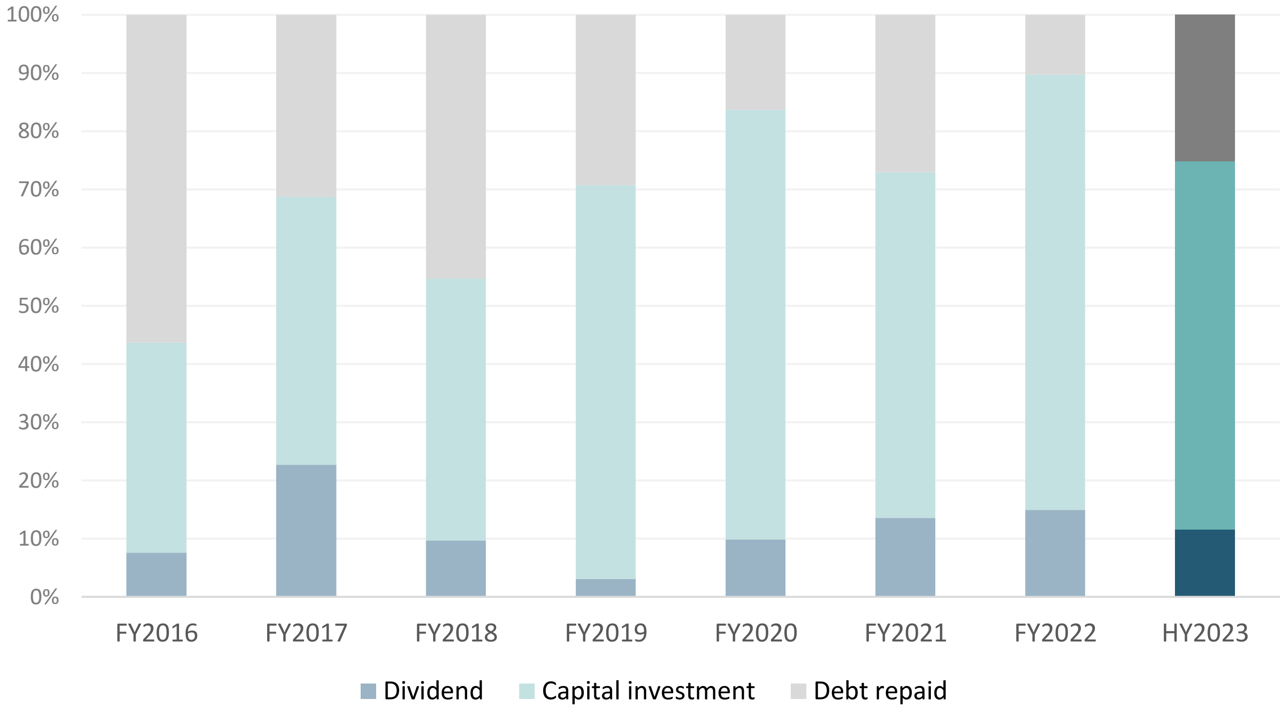

POSITIONED TO NAVIGATE MACRO ECONOMIC EVENTS - ENABLING INVESTMENT IN SUSTAINABLE GROWTH

# POSITIONED FOR STRATEGIC GROWTH

## Strong cash flow generation

- Deleveraging of the balance sheet
- Investment in existing operations and growth
- Adherence to dividend policy

CAPITAL ALLOCATION (%)



# ROBUST BALANCE SHEET

**US$205.7 m**

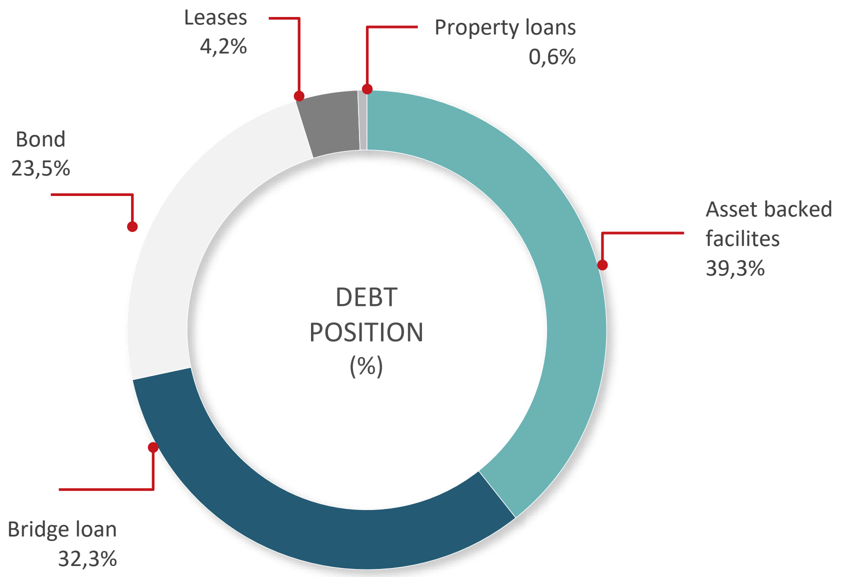
**Cash and cash equivalents**

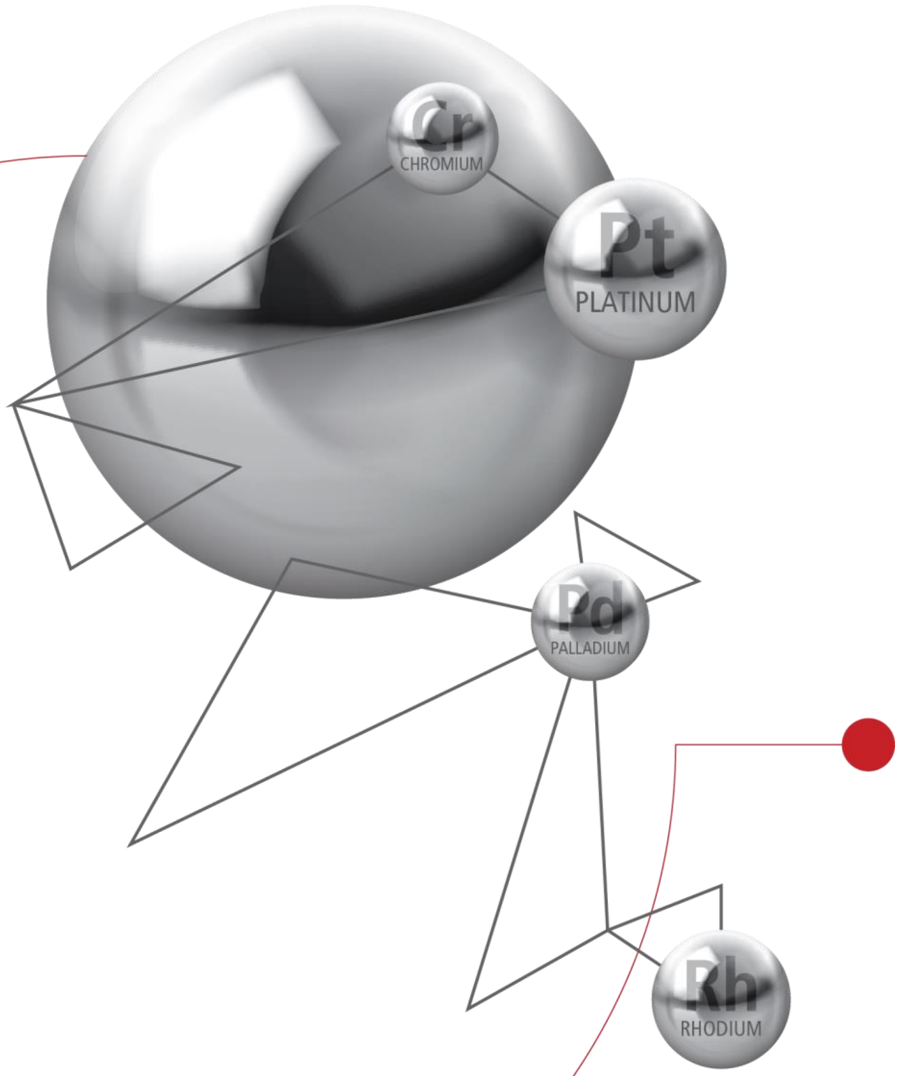
Cash generative despite inflationary pressures
Net cash flow from operations of US$97.1 m
Net cash of US$112.7 m

**US$93.0 m**

**Total debt**

Short term of US$48.4 m
New debt facilities
Current ratio of 2.4
Net debt to EBITDA of (1.4)
Net debt to equity (16.9%)



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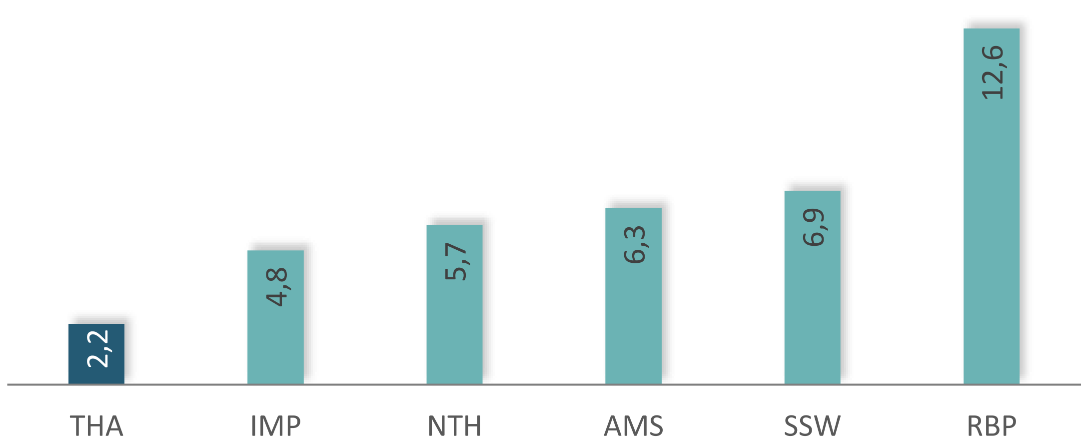
# VALUE PROPOSITION

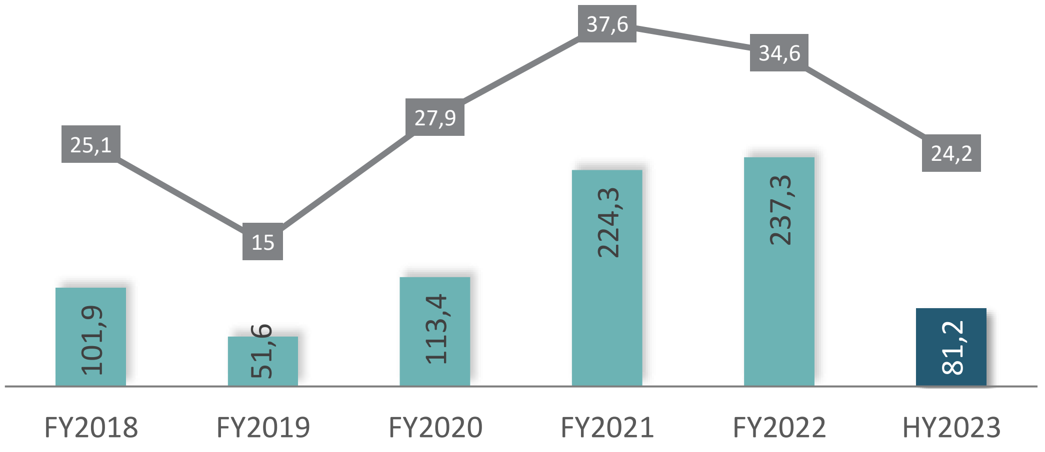
# INVESTMENT OF CHOICE – VALUE AND GROWTH

**GBP2.20**
CONSENSUS TARGET PRICE

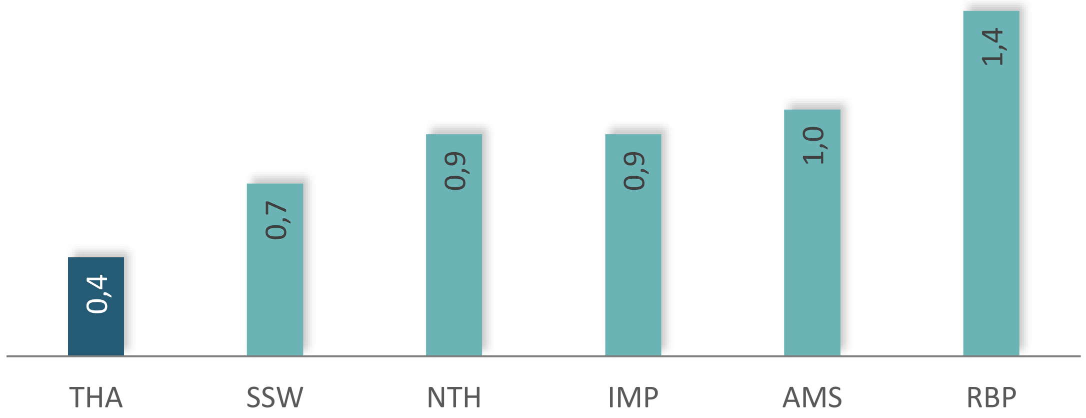
## P/E



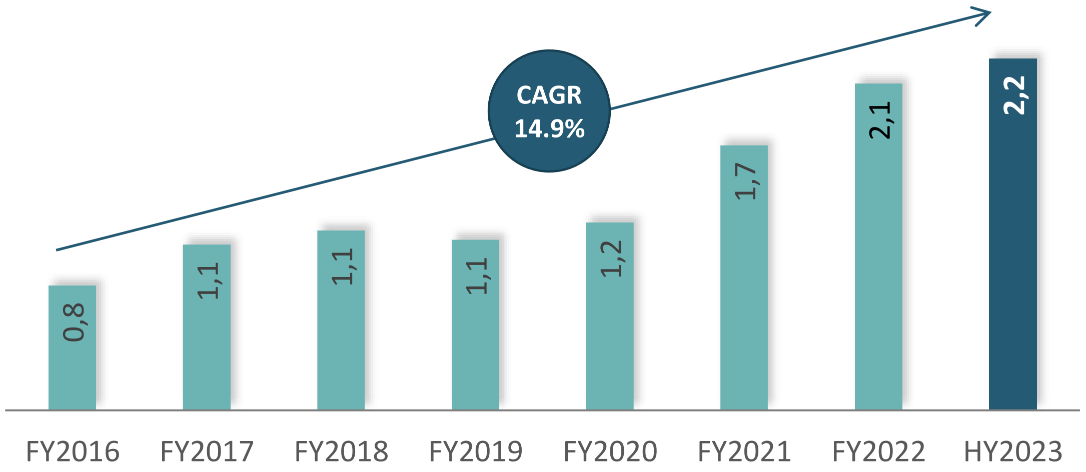

## EBITDA MARGIN (%)




## P/NAV

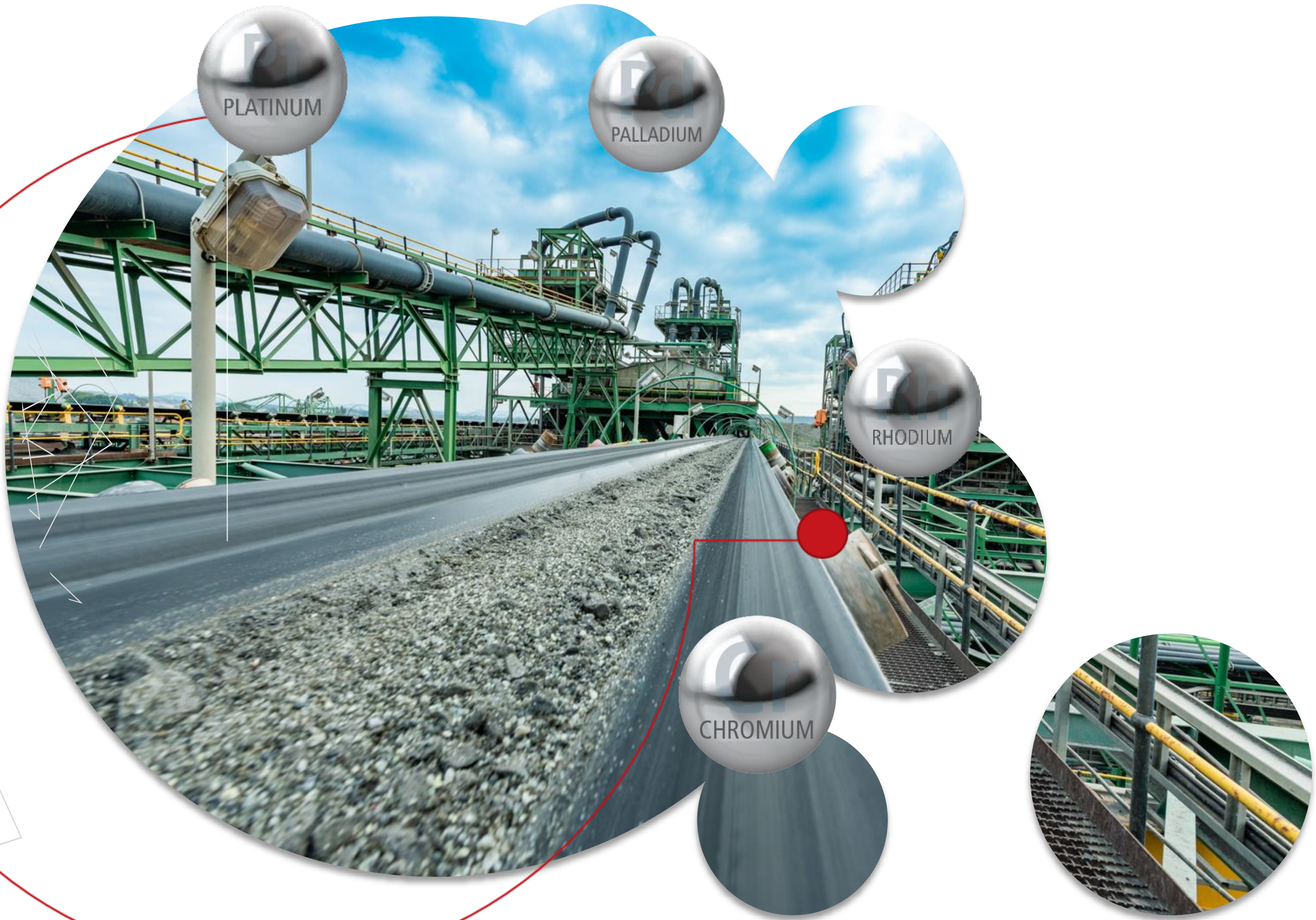



## NAV GROWTH




Source: Reuters and BMO – 10 May 2023

# QUESTIONS



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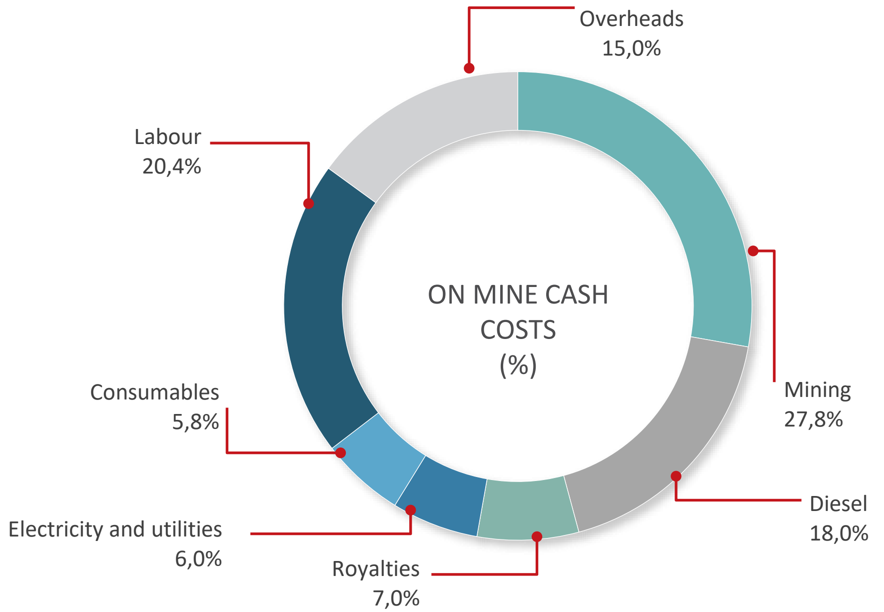
# ACTIVE UNIT COST MANAGEMENT

| | Units | HY2023 | HY2022 | % change |
|---|---|---|---|---|
| Cubes mined | $Mm^3$ | 7.3 | 10.3 | (29.1) |
| Cost per cube mined* | $US\$/m^3$ | 10.4 | 8.5 | 22.4 |
| Reef tonnes mined | Mt | 2.1 | 2.8 | (25.6) |
| Cost per reef tonne mined* | US$/t | 36.0 | 31.0 | 16.4 |
| Tonnes milled | Mt | 2.8 | 2.8 | 0.1 |
| On mine cash cost per tonne milled# | US$/t | 48.2 | 46.1 | 4.6 |
| Consolidated cash cost per tonne milled# | US$/t | 53.4 | 50.4 | 5.9 |
| Chrome inland logistics and freight costs | US$/t | 82.5 | 92.4 | (10.7) |
| Exchange rate | US$:ZAR | 17.7 | 15.3 | 15.7 |
| All in cost per Pt ounce sold^ (by product) | US$/oz | 288 | (437) | |

Costs include ROM stockpile at 31 March 2023 of US$5.1 m
Deferred stripping of US$8.6 m




*inclusive of deferred stripping and exclusive of ore purchases #exclusive of capitalised deferred stripping and selling expenses
^All in cost includes operating cost, administration costs, deferred stripping and capital; HY2022 negative AISC per PT ounce due to high rhodium price offset