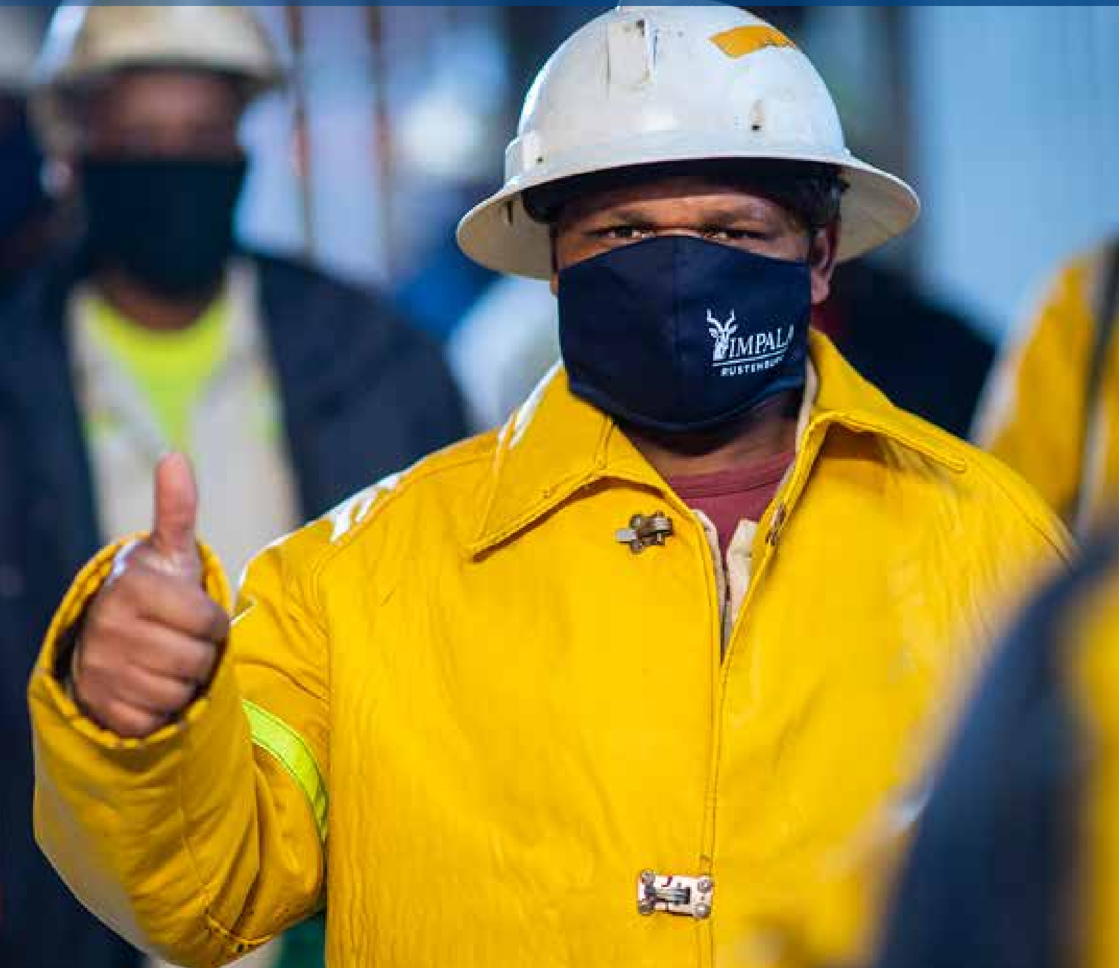
RESPECT, CARE
AND DELIVER

IMPLATS
EXCELLENCE IN PGMs

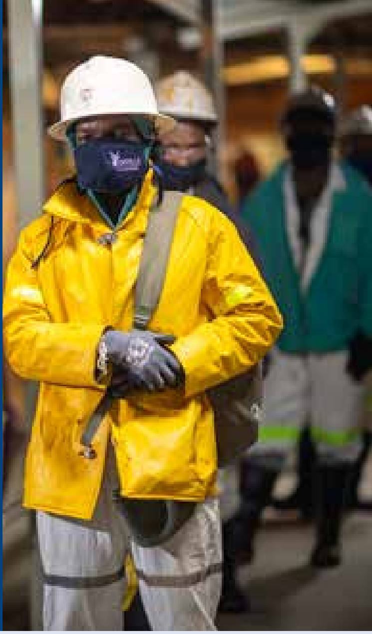
CONDENSED CONSOLIDATED INTERIM RESULTS (REVIEWED)

for the six months ended 31 December 2020



About Implats

IMPLATS IS A LEADING PRODUCER OF PLATINUM GROUP METALS (PGMS) STRUCTURED AROUND SIX MINING OPERATIONS AND IMPALA REFINING SERVICES, A TOLL REFINING BUSINESS. OUR OPERATIONS ARE LOCATED ON THE BUSHVELD COMPLEX IN SOUTH AFRICA, THE GREAT DYKE IN ZIMBABWE – THE TWO MOST SIGNIFICANT PGM-BEARING ORE BODIES IN THE WORLD – AND THE CANADIAN SHIELD, AN IGNEOUS DOMAIN FOR PGMS. THE METALS WE PRODUCE ARE THE KEY TO MAKING MANY INDUSTRIAL, MEDICAL, AND ELECTRONIC ITEMS, AND THEY CONTRIBUTE TO A CLEANER, GREENER WORLD.



FORWARD LOOKING AND CAUTIONARY STATEMENT

Certain statements contained in this disclosure, other than the statements of historical fact, contain forward looking statements regarding Implats' operations, economic performance or financial condition, including, without limitation, those concerning the economic outlook for the platinum industry, expectations regarding metal prices, production, cash costs and other operating results, growth prospects and the outlook of Implats' operations, including the completion and commencement of commercial operations of certain of Implats' exploration and production projects, its liquidity and capital resources and expenditure and the outcome and consequences of any pending litigation, regulatory approvals and/or legislative frameworks currently in the process of amendment, or any enforcement proceedings. Although Implats believes that the expectations reflected in such forward looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. Accordingly, results may differ materially from those set out in the forward looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metal prices, levels of global demand and exchange rates and business and operational risk management. For a discussion on such factors, refer to the risk management section of the Company's integrated annual report. Implats is not obliged to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after the dates of the integrated annual report or to reflect the occurrence of unanticipated events.

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February 2021
Johannesburg

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KEY FEATURES
for the six months

SAFETY

- Zero fatalities in the period under review
- A 22% improvement in TIFR to 9.34
- A 6% deterioration in LTIFR to 5.13
- Implats achieved a record nine million fatality free shifts in February 2021

OPERATIONAL

- Successful navigation of Covid-19 operational challenges
- A 10% increase in mine-to-market 6E concentrate production to 1.49Moz
- A 3% increase in third-party 6E receipts to 196koz
- A 29% increase in refined 6E production to 1.69Moz on inclusion of Impala Canada and improved processing availability following maintenance in the prior year
- A 22% increase in 6E sales volumes of 1.62Moz
- Group unit costs per 6E increased by 9% to R14 292/oz on a stock-adjusted basis
- Consolidated Group capital expenditure of R2.7bn

FINANCIAL

- Gross profit of R22.4bn (+263%) and EBITDA of R25.1bn (+231%)
- Headline earnings of R14.4bn (+328%) or 1 855c per share
- Free cash flow of R20.1bn (+304%)
- Closing net cash of R20.3bn
- An interim dividend of 1 000c per share declared

MARKET

- 6E dollar basket pricing up 55% to US$2 197/oz driven by stronger palladium and rhodium prices
- Rand revenue per 6E ounce sold increased by 71% to R35 635/oz on a weaker exchange rate
- Persistent market tightness in rhodium and palladium expected to support elevated pricing in the medium term, while improving investor sentiment has driven renewed platinum strength
- Covid-19 impact on demand likely to be cyclical rather than structural, with a strong rebound in both demand and supply expected in 2021

ESG INDICATORS

		Six months ended 31 December 2020	Six months ended 31 December 2019	Variance %
Fatalities	(count)	**—**	3	—
TIFR	(pmmhw)**	**9.34**	11.91	22
LTIFR	(pmmhw)**	**5.13**	4.84	(6)
Labour including capital*	(number)	**53 384**	51 803	3
Level 4 or 5 environmental incidents	(count)	**—**	—	—
Level 3 environmental incidents	(count)	**3**	9	67
Water consumption	(kilolitres/tonnes milled)	**1.9**	1.6	(19)
Water recycled/reuse	(%)	**47**	40	18
Energy consumption	(GJ/tonnes milled)	**0.81**	0.83	3
Scope 1 and 2 carbon emissions	(tonnes CO_2/tonnes milled)	**0.17**	0.19	11
Local procurement spend	(Rm)	**1 836**	1 459	26

* *Managed operations.*

** *Per million man-hours worked.*

FINANCIAL PERFORMANCE

		Six months ended 31 December 2020	Six months ended 31 December 2019	Variance %
Revenue	(Rm)	**58 121**	28 019	107
Gross profit	(Rm)	**22 366**	6 166	263
EBITDA	(Rm)	**25 064**	7 569	231
Profit for the year	(Rm)	**25 417**	3 467	633
Headline earnings	(Rm)	**14 441**	3 378	328
Free cash flow	(Rm)	**20 145**	4 989	304
Net cash (excluding leases)	(Rm)	**20 282**	(1 943)	—
Earnings per share		**3 222**	439	634
Headline earnings per share	(Cents)	**1 855**	436	325
Dividends per share	(Cents)	**1 000**	125	700

OPERATING STATISTICS

		Six months ended 31 December 2020	Six months ended 31 December 2019	% Change
Gross refined production				
6E	(000oz)	**1 694.2**	1 316.7	29
Platinum	(000oz)	**787.0**	657.7	20
Palladium	(000oz)	**576.4**	391.1	47
Rhodium	(000oz)	**102.5**	85.2	20
Nickel	(tonnes)	**7 989**	8 126	(2)
IRS metal returned (toll refined)				
6E	(000oz)	**0.2**	0.6	(67)
Platinum	(000oz)	**—**	0.1	—
Palladium	(000oz)	**—**	0.3	—
Rhodium	(000oz)	**0.1**	0.1	—
Nickel	(tonnes)	**2 141**	1 656	29
Sales volumes				
6E	(000oz)	**1 621.4**	1 327.9	22
Platinum	(000oz)	**691.8**	675.2	3
Palladium	(000oz)	**580.4**	396.6	46
Rhodium	(000oz)	**103.8**	91.5	13
Nickel	(tonnes)	**5 811**	5 198	12
Prices achieved				
Platinum	(US$/oz)	**915**	888	3
Palladium	(US$/oz)	**2 265**	1 647	38
Rhodium	(US$/oz)	**12 454**	4 491	177
Nickel	(US$/t)	**14 351**	14 772	(3)
Consolidated statistics				
Average rate achieved	(R/US$)	**16.22**	14.71	10
Closing rate for the period	(R/US$)	**14.67**	13.98	5
Revenue per 6E ounce sold	(US$/oz)	**2 197**	1 420	55
Revenue per 6E ounce sold	(R/oz)	**35 635**	20 888	71
Tonnes milled ex-mine*	(000t)	**11 789**	10 305	14
6E concentrate production	(000oz)	**1 684**	1 539	9
6E refined production	(000oz)	**1 694**	1 317	29
Capital expenditure*	(Rm)	**2 667**	1 925	(39)
Group unit cost per 6E ounce stock adjusted	(R/oz)	**14 292**	13 157	(9)
Group unit cost per 6E ounce stock adjusted	(US$/oz)	**879**	896	2

* *Managed operations.*

Additional statistical information is available on the company's website, **www.implats.co.za**.

INTRODUCTION

Implats delivered stellar results for its half year ended 31 December 2020 despite the challenges presented by navigating Covid-19. An improved fatal free safety performance underpinned operational momentum, while increased processing availability and the six month inclusion of contributions from Impala Canada allowed the Group to deliver higher sales volumes into robust rand PGM pricing and achieve record financial results.

Record free cash flow has allowed further proactive management of the Group balance sheet, with a series of debt repayments and targeted transactions to strengthen financial flexibility and secure sustainable shareholder returns.

COVID-19

Managing the Covid-19 pandemic remained a critical imperative in the period under review, as the second wave threatened to overwhelm many countries around the world. Ensuring the safety of employees and contractors on all Implats sites remained a priority. The best-practice measures and processes put in place during FY2020, and which have served the Group well, will remain active through the course of the pandemic. These include heightened risk mitigation through early Covid-19 detection, pandemic awareness initiatives, workplace hygiene, medical surveillance, additional personal protective equipment (PPE) and medical supplies, and isolation and treatment of suspected and confirmed cases.

The Group's significant in-house medical capacity and facilities continue to play a proactive and important role in managing Covid-19. The remainder of calendar 2021 will be characterised by operating with the threat of Covid-19. Until large-scale vaccination has been achieved in all our operating jurisdictions, the virus will remain a prominent feature of the Group's operating environment. Implats is ready to take a leading role, working closely with all role players, in rolling out an effective vaccine strategy.

Post period-end, the Group saw a pleasing reduction in active and new Covid-19 cases as the second wave came off peak. The Group's current Covid-19 mortality rate, at around 1.27% deaths per positive case, is below that recorded by South Africa and globally. Regrettably, however, the Group recorded 17 Covid-19-related deaths during the first half. To date, 44 employees have succumbed to the virus.

IMPLATS DELIVERED A STELLAR OPERATING PERFORMANCE DESPITE THE CHALLENGES PRESENTED BY NAVIGATING COVID-19 AND ACHIEVED RECORD FINANCIAL RESULTS.

SAFETY AND SUSTAINABILITY

Implats core values – to respect, care and deliver – underpin the Group's health and safety goals, its environmental management programmes and its relations with host communities. The Group adopts leading ESG practices and aspires to create a better future through the metals it produces and the way it conducts its business.

External ESG ratings received post period-end underscore this aspiration. Implats' commitment to effecting change in gender equality was recognised via its inclusion in the Bloomberg 2021 Gender-Equality Index, one of only 380 companies globally. Implats again achieved an "A" rating by the Carbon Disclosure Project (CDP) for disclosures, awareness and management of water security risk in 2020, and was awarded a "B" rating for its climate change action and disclosures.

HEALTH AND SAFETY

Zero harm to the health and safety of Implats' employees and contractors is a key objective. As such, there is a relentless focus on safety.

Implats reported zero fatalities in the period under review (H1 FY2020: three fatalities). This outcome is the result of a sustained increase in leadership focus on safety and mining discipline, supported by strategic Group-wide safety initiatives, technical solutions and training, and underpinned by disciplined teamwork. Post the end of the period, Implats achieved nine million fatality free shifts – a record for the Group – while Impala Rustenburg has worked more than seven million shifts without a fatality.

Implats delivered a solid safety performance, improving on all metrics other than the LTIFR, which deteriorated by 6% to 5.13 per million man-hours worked from H1 FY2020. Twelve of the Group's 17 operations achieved millionaire or multi-millionaire status in terms of fatality-free shifts.

It is with deep regret, Implats reports the death of Mr Kudzanai Manyonganise, a colleague at Zimplats, post the end of the reporting period, following a wall collapse at the Ngwarati Mine box-cut. No other employees were hurt in the incident and investigations are currently underway. The Implats board and management team have extended their sincere condolences to his family, friends and colleagues.

ENVIRONMENT

The Group maintained a record of zero major or significant (level 4 or 5) environmental incidents and zero environmental related fines or production stoppages. There was a 67% improvement in limited-impact (level 3) environmental incidents to three (H1 FY2020: nine).

The Group's Marula, Refineries and Zimplats operations achieved recertification on the environmental management system standard ISO 4001:2015, with Marula joining Zimplats in achieving the ISO 45001:2018 (safety management systems standard) certification, while Refineries maintained its status.

During the first half, the Group surpassed its 44% water recycling/reuse target for 2021 to achieve 47% – up 18% on the previous comparable period. The improvement is attributable to the inclusion of Impala Canada for the full six months, with water recycling rates above 70%.

During the latter part of 2020, Eskom, the South Africa state-owned utility, struggled to meet power demand. South African operations experienced an unprecedented level of load shedding and curtailment calls. Like all large power users, Implats' South African operations have curtailment agreements with Eskom, with local reduction agreements for when Eskom struggles to meet demand.

COMMUNITY RELATIONS

The Group's most significant contributions to socioeconomic development are through the core activities of employment, procurement from host communities and the payment of taxes. Adverse socioeconomic conditions within local communities have been further impacted by Covid-19 and resulted in increased demands for employment and procurement opportunities. Implats' initiatives aimed at supporting job creation, food security and poverty alleviation will remain important in restoring dignity and maintaining cordial relations with these communities. Currently, the Group is working with government and industry bodies to proactively assist local communities with a vaccine rollout programme.

In December 2020, the Group donated a further R10 million to disaster response NGO, Gift of the Givers Foundation bringing Implats' total contribution to R20 million, which went towards providing food, PPE, water and hygiene relief effort in Implats' South African mine-host communities, including in the Group's labour-sending areas. During H1 FY2021, the Group's South African operations made good progress on their respective social and labour plans (SLPs) with most of the infrastructure projects on track to be completed by financial year-end.

Zimplats continues to enjoy cordial relations with its communities and launched a food relief programme during 2020, benefiting 4 000 households, to mitigate the impact of the worst drought the southern African region has faced in 35 years. At Impala Canada, negotiations relating to community benefit agreements are progressing well. The operation continues to support local educational institutions and donate food and PPE to host and Indigenous communities.

GROUP OPERATIONAL REVIEW

Despite the complexity of managing the ongoing impact of Covid-19, Implats delivered a strong underlying operating performance in its first half.

Tonnes milled from the managed operations at Impala Rustenburg, Zimplats and Marula were bolstered by the six-month contribution from Impala Canada and increased by 14% to 11.79 million tonnes (H1 FY2020: 10.31 million tonnes). Concentrate production at managed operations increased by 11% to 1.21 million 6E ounces (H1 FY2020: 1.09 million ounces).

The resolution of milling challenges experienced at both Mimosa and Two Rivers in the prior comparable period resulted in a 9% gain in 6E concentrate production volumes of 283 000 ounces from the joint ventures. In total, mine-to-market 6E concentrate produced increased by 10% to 1.49 million ounces (H1 FY2020: 1.35 million ounces).

Third-party 6E concentrate receipts of 196 000 ounces were 3% higher and gross 6E concentrate volumes rose by 9% to 1.68 million ounces (H1 FY2020: 1.54 million ounces).

Gross refined output benefited from improved availability at Group processing assets following scheduled maintenance in the prior comparable period and the contribution of saleable ounces from Impala Canada. Refined 6E production increased by 29% to 1.69 million ounces (H1 FY2020: 1.32 million ounces). Excess stock of 100 000 6E ounces is expected to be released by the end of FY2021.

Inflationary pressures were compounded by the impact of the weaker rand on the cost base at Zimplats, additional expenditure due to Covid-19, the inclusion of Impala Canada, development to improve mining flexibility and targeted spend on asset integrity at Impala Rustenburg. Total cash operating costs increased by 24% from the prior comparable period. Unit costs benefited from higher volumes and, on a rand per tonne milled and on a stock-adjusted basis, increased by 9% to R1 259 per tonne and R14 292 per 6E ounce, respectively (H1 FY2020: R1 157 per tonne and R13 099 per 6E ounce).

Capital expenditure at managed operations rose by 39% to R2.67 billion, primarily due to the inclusion of spend at Impala Canada and the acceleration of the Mupani project at Zimplats.

IMPALA RUSTENBURG

At Impala Rustenburg, the strategy remains focused on transitioning the business to a lower-cost and sustainable operation. Improved profitability is being opportunistically harnessed to strengthen and optimise the business through investment in creating mineable face length, enhancing and de-risking critical infrastructure and assessing a suite of potential life-of-mine extensions to support sustained production levels in the medium and longer term.

Positive operational momentum was maintained, despite the challenges presented by Covid-19, infrastructure and capacity constraints at Eskom and the impact of rising socioeconomic pressures facing surrounding communities.

The constraints on labour availability and attendance due to Covid-19 were anticipated and mitigated by the executed ramp-up strategy. The labour complement was proactively increased during the period and mining activity at the major producing shafts was prioritised. The focus on development resulted in mineable face length improving by 7% to a seven-year high and benefited from gains at the growth shafts, 16 and 20, despite the closure of 9 Shaft in the period.

Tonnes milled decreased by 3% to 5.58 million tonnes (H1 FY2020: 5.74 million tonnes) primarily due to the closure of 9 Shaft, a mechanical failure at 20 Shaft and reduced waste contamination at 16 Shaft. Milled grade benefited from reduced off-reef mining and the separation of waste from reef on completion of the ore-pass rehabilitation at 16 Shaft, improving by 3% to 4.03g/t (H1 FY2020: 3.91g/t).

Concentrator recoveries improved by 1% resulting in a 6E concentrate production increasing by 1% to 660 000 ounces, while stock-adjusted 6E production increased by 4% to 670 300 ounces (H1 FY2020: 644 700 ounces).

In the prior comparable period, reduced processing capacity during scheduled maintenance was offset by the benefit which accrued from a revised stock reallocation policy between Impala Refining Services (IRS) and Impala Rustenburg. Refined 6E volumes of 728 900 ounces declined by 4% (H1 FY2020: 760 500 ounces), while the mix of refined volumes more closely matched mined output.

Total cash costs, including corporate and marketing costs, increased by 12.8% to R10.56 billion (H1 FY2020: R9.36 billion). Above-CPI increases on utilities and labour were compounded by additional spend on development and improvements in infrastructure. Covid-19-related expenditure amounted to R191 million (R285 per 6E ounce) in the period. On a stock-adjusted basis, unit costs increased by 9% to R15 754 per ounce (H1 FY2020: R14 515 per ounce), with volume gains offsetting inflationary pressures.

Capital expenditure declined by 2% to R982 million (H1 FY2020: R998 million). Project capital declined by 24% to R132 million, while stay-in-business capital increased 3% to R850 million (H1 FY2020: R825 million). Of this, R50 million was invested in smelting and refining (H1 FY2020: R102 million).

To date, capital spend on 16 Shaft has totalled R7.7 billion of the R7.9 billion project vote, with spending on track to be complete in November 2021. The impact of Covid-19 on project advancement and labour availability across the Impala Rustenburg complex resulted in a reduction in stoping teams to 78 at the end of FY2020. In the first half of FY2021, operational readiness was advanced and immediately mineable stope (IMS) face length increased by 24% to 4 813 metres, while the number of stoping teams increased to 122 by the end of the period.

The fully commissioned C-ore-pass had a positive impact on grade and 16 Shaft delivered stable production of 102 000 6E ounces in the period. Team build-up is expected to continue in the second half and steady state 6E production of 330 000 ounces is targeted for October 2022.

The capital project scope at 20 Shaft was completed in March 2019 and the key focus remains on increasing mineable face length to allow a ramp-up in stoping teams and production. A 27% increase in IMS to 3 051 metres was achieved, with stable 6E concentrate production of 68 000 ounces, despite a mechanical shaft incident which impacted operational activity in October.

During the first half, Impala delivered R10.66 billion in free cash flow, a 50% increase from the comparable period, mainly due to high rand PGM pricing and despite lower sales volumes. Impala made a gross profit of R10.88 billion and contributed R7.44 billion to Group headline earnings (H1 FY2020: R2.64 billion).

IMPALA REFINING SERVICES (IRS)

6E receipts in matte and concentrate from mine-to-market operations increased by 18% to 746 700 ounces (H1 FY2020: 631 400 ounces). Receipts in the comparable period were impacted by processing constraints at Two Rivers and Mimosa and the temporary increase in smelter inventory at Zimplats following scheduled furnace maintenance. The backlog of concentrate inventory at Mimosa was also received during H1 FY2021. Third-party 6E receipts increased by 3% to 196 000 ounces (H1 FY2020: 190 400 ounces). In total, gross 6E receipts of 942 700 ounces were 15% higher than the previous comparable period (H1 FY2020: 821 800 ounces).

Reported operational and financial metrics for IRS were impacted by the reallocation of stocks between IRS and Impala Rustenburg in Q2 FY2020, which increased working capital in the prior comparable period. Consequently, refined 6E volumes increased by 54% to 845 200 ounces, further benefiting from the improved availability of processing capacity. 6E sales volumes of 848 700 ounces increased by 51% (H1 FY2020: 563 000 ounces).

The cash operating costs associated with smelting, refining, and marketing IRS production increased by 8% to R917 million. Concentrate purchase agreements at IRS are dominated by ore feeds from Great Dyke and UG2 sources. Rising palladium and rhodium pricing, a weaker rand and higher volumes resulted in the cost of metals purchased increasing by 88% to R31.20 billion (H1 FY2020: R16.62 billion). IRS reported a gross profit of R2.92 billion and contributed R2.51 billion to headline earnings. Free cash flow of R4.76 billion benefited from higher pricing and sales volumes, together with the positive working capital impact of low contractual payments after interruptions to concentrate receipts in the final quarter of FY2020.

MARULA

The challenges of managing the ongoing Covid-19 pandemic were compounded by reduced mining flexibility, community disruptions and the shortage of supervisory management, which was impacted by Covid-19 isolation requirements in Q2 FY2021.

Tonnes milled declined by 4% to 934 000 tonnes (H1 FY2020: 970 000 tonnes), while a weak mining performance impacted the ratio of development-to-stoping tonnes and resulted in a 4% decline in the 6E milled head grade to 4.40g/t (H1 FY2020: 4.60g/t). This was partially offset by improved concentrator recoveries and 6E in concentrate production decreased by 2% to 121 400 ounces (H1 FY2020: 124 300 ounces).

Total cash costs were impacted by inflation and the additional costs associated with a change in shift patterns to compensate for Covid-19 protocols and rose by 9% to R1.39 billion (H1 FY2020: R1.28 billion). Cost inflation was compounded by lower volumes and units cost increased by 11% to R11 433 per 6E ounce (H1 FY2020: R10 265 per ounce). Covid-19 expenditure of R23.5 million equates to spend of R193 per 6E ounce.

Capital expenditure slowed in line with the progress made at the new tailings' storage facility project and due to delays in the delivery of the new fleet, declining by 49% to R105 million (H1 FY2020: R204 million).

The impact of a 5% decrease in 6E sales volumes of 121 500 ounces (H1 FY2020: 128 200 ounces) was more than compensated for by strong rand PGM pricing and the relative contributions of both palladium and rhodium to Marula's metals basket. Sales revenue improved by 63% and gross profit increased by 134% to R2.73 billion. The refinancing of the black economic empowerment (BEE) structure at Marula was concluded in the period and a reported headline loss of R113 million was impacted by the R1.51 billion IFRS 2 BEE charge relating to refinancing the BEE transaction. Marula generated

R897 million in free cash flow, reflecting the lagged impact of delayed contractual payments as a result of the IRS *force majeure* period in FY2020.

TWO RIVERS

The delayed return of foreign employees following Covid-19-related national border closures impacted staffing levels at Two Rivers in the early weeks of the reporting period, but the mine had returned to full staffing and production levels in the first quarter of the period.

Milled volumes declined by 1% to 1.63 million tonnes (H1 FY2020: 1.65 million tonnes) and milled head grade of 3.37g/t was 2.2% lower (H1 FY2020: 3.45g/t). Production volumes benefited from plant stability and recoveries and 6E metal in concentrate increased by 9% to 150 300 ounces (H1 FY2020: 138 200 ounces).

Total cash costs increased by 15% to R1.53 billion as mining rates increased to build up the run-of-mine stockpile ahead of commissioning the plant expansion. Consequently, unit costs per tonne milled increased by 16% to R936 per tonne (H1 FY2020: R807 per tonne) and by a more moderate 6% to R10 153 per 6E ounce in concentrate (H1 FY2020: R9 616 per ounce). Covid-19-related expenditure of R15.5 million equates to spend of R103 per 6E ounce.

Capital expenditure increased by 41% to R552 million (H1 FY2020: R391 million) as spend was accelerated on several projects including the plant expansion, tailings storage facility and fleet replacement programme.

Higher pricing for Two Rivers' UG2 production, together with improved sales volumes, resulted in a step change in reported gross profit, which increased to R3.26 billion (H1 FY2020: R944 million), while free cash flow rose to R721 million. Two Rivers contributed R652 million to Group headline earnings (H1 FY2020: R166 million) and Implats received R368 million in dividends from the associate in the period.

ZIMPLATS

Zimplats delivered another strong set of operating and financial results and continues to benefit from sustained operational momentum, successfully navigating the challenges created by increasing socioeconomic pressures in Zimbabwe, which have been compounded by Covid-19.

Milled volumes declined by 1% to 3.35 million tonnes (H1 FY2020: 3.38 million tonnes) due to a scheduled reline at the Ngezi concentrator. Milled head grade of 3.49g/t was unchanged and consequently, 6E production in concentrate of 296 900 ounces was 1% lower (H1 FY2020: 299 000 ounces). 6E matte volumes, impacted by the scheduled furnace rebuild in the prior comparable period, improved by 8% to 288 300 ounces (H1 FY2020: 267 400 ounces). Sales volumes increased by 19% to 301 200 ounces (H1 FY2020: 252 700 ounces) as residual inventory accumulated due to the FY2020 IRS *force majeure* was dispatched to IRS.

Total cash costs increased by 6% to US$192 million, with mining inflation compounded by higher smelting costs. Due to the impact of the weaker rand, translated costs grew by 18% to R3.12 billion (H1 FY2020: R2.65 billion). Unit costs per tonne milled increased by 6% to US$57 per tonne, while higher matte volumes resulted in flat unit costs of US$641 per 6E ounce (H1 FY2020: US$642 per ounce). A weaker rand resulted in 18% and 10% increases in the R931 per tonne and R10 402 per 6E ounce in matte costs, respectively (H1 FY2020: R786 per tonne and R9 432 per ounce).

Capital expenditure increased by 21% to US$57 million (H1 FY2020: US$47 million) and was 36% higher in rand terms as the Mupani Mine replacement project was accelerated to meet the planned expansion in milling capacity at the operation.

Further good progress was made on Mupani. Fleets are being redeployed from Rukodzi to Mupani to facilitate the early ramp-up of ore production, in line with the decision to facilitate incremental volume growth at Zimplats ahead of the full ramp-up of the 2.1 million tonne per annum mine, planned in July 2024.

Zimplats achieved gross profit of R5.93 billion (H1 FY2020: R2.24 billion), generated R2.29 billion in free cash flow and contributed R2.53 billion in headline earnings to the Group.

IMPALA CANADA

Operational and financial data reflect six months of contributions from Impala Canada, versus 18 days post-acquisition in the prior comparable period. During the period, Impala Canada was impacted by challenges associated with Covid-19. Operational results also reflect progress on the planned underground expansion, including infrastructure enhancements.

The operation delivered mill throughput of 1.92 million tonnes and a 6E head grade of 2.58g/t, yielding 127 100 6E ounces in concentrate. Gross costs of C$131 million were impacted by the start-up costs associated with the Sherriff Pit and resulted in a unit cost of C$1 033 or R12 722 per 6E ounce in concentrate. Covid-19-related expenditure of R14.1 million equates to spend of R110 per 6E ounce.

Capital expenditure of C$52 million was incurred on the development of the underground expansion project, the tailings storage facility and strengthening critical infrastructure at the Lac des Iles mine site.

Impala Canada achieved gross profit of R1.98 billion and contributed R1.41 billion in headline earnings to the Group. Free cash flow generation of R952 million was affected by the negative working capital impact of delayed contractual payments from Covid-19-related production interruptions in H2 FY2020.

MIMOSA

Mimosa operated well despite the complexities of the worsening Covid-19 pandemic in Zimbabwe and the increasing socioeconomic challenges facing its stakeholders.

Extended repairs to the milling circuit in the prior comparable period resulted in a return to normalised throughput in H1 FY2021, with milled volumes of 1.43 million tonnes increasing by 10% (H1 FY2020: 1.31 million tonnes). Marginally higher head grade of 3.89g/t was offset by weaker recoveries. 6E in concentrate production of 132 400 ounces improved by 10% (H1 FY2020: 120 000 ounces). 6E sales volumes benefited from the deferred delivery of concentrate inventory accumulated during the IRS *force majeure* in FY2020 and increased by 36% to 161 900 ounces (H1 FY2020: 118 700 ounces).

Cash costs at Mimosa increased by 6% to US$106 million (H1 FY2020: US$100 million) with inflationary pressure compounded by higher milled throughput and increased transport and selling expenses. Unit costs per tonne milled improved by 3% to US$74 per tonne (H1 FY2020: US$76 per tonne), while unit costs per 6E ounce of US$798 were 4% lower (H1 FY2020: US$830 per ounce). The weaker rand resulted in a 7% and 6% increase in translated unit costs of R1 197 per tonne and R12 961 per ounce, respectively.

Capital expenditure increased by 29% to US$32 million (H1 FY2020: US$25 million) largely as spend on the plant optimisation project accelerated.

Robust pricing and higher sales volumes resulted in a material improvement in reported gross profit, which rose to R2.79 billion (H1 FY2020: R830 million). Free cash flow increased to US$30 million (H1 FY2020: US$9 million) and Mimosa contributed R337 million to Group headline earnings (H1 FY2020: R65 million). Implats received R102 million in dividends from the joint venture in the period.

MINERAL RESOURCES AND MINERAL RESERVES

There has been no material change during the half-year assessment of the Implats Mineral Resource and Mineral Reserve estimates.

Estimated total attributable Mineral Resources decreased by 0.6% from 277.1 million 6E ounces to 275.3 million 6E ounces. Estimated total attributable Mineral Reserves decreased by 2.7% from 47.8 million 6E ounces to 46.5 million 6E ounces.

The depletion in Mineral Resource and Mineral Reserves is consistent with the production performance during the period. The revised Mineral Resource and Mineral Reserve statement, as at 30 June 2021, will provide detailed updated estimates.

FINANCIAL REVIEW

The Group continued to benefit from higher received dollar PGM basket prices, the weaker rand and operational momentum which resulted in higher sales volumes in the period, despite the ongoing challenges and uncertainty in the operating environment due to Covid-19.

Revenue of R58.12 billion increased by 107% or R30.10 billion from the previous comparable period:

- Higher dollar metal prices realised a 65% or R18.24 billion benefit. Higher rhodium and palladium prices increased revenue by R12.18 billion and R5.27 billion, respectively. The improvement in dollar prices, together with changes in the sales mix, resulted in a 55% improvement in total dollar revenue per 6E ounce sold to US$2 197 per ounce (H1 FY2020: US$1 420 per ounce).
- Higher sales volumes, due to improved processing availability and the inclusion of Impala Canada for the full six months period, resulted in a 23% or R6.35 billion gain. Overall, 6E sales volumes increased by 22% to 1.62 million ounces with palladium sales volumes increasing by 46% to 580 400 ounces.

- The weaker rand contributed 19% or R5.38 billion in additional revenue. The average achieved exchange rate of R16.22/US$, was 10.3% weaker than the R14.71/US$ realised in H1 FY2020. Together with higher dollar metal prices, the rand revenue per 6E ounce sold rose by 71% to R35 635 (H1 FY2020: R20 888).

Cost of sales of R35.76 billion increased by 64% or R13.90 billion from the previous comparable period:
- Higher rand metal prices and the increase in the volume of concentrate receipts resulted in a R7.69 billion increase in the cost of IRS metal purchased.
- The cost of sales from Impala Canada increased by R2.28 billion reflecting a full six-month inclusion relative to the 18-day contribution in H1 FY2020.
- Royalties increased by R1.53 billion in line with higher revenue and the effective rates for South African government royalties due to improved profitability.
- The credit to the cost of sales from changes in stock remained relatively flat compared to the previous comparable period, due to the higher cost of production and value of metals purchased.
- A total of R283 million was incurred on Covid-19-related costs at managed operations in the period.

The significant improvement in revenue resulted in the Group generating a gross profit of R22.37 billion for the period, up 263% from the R6.17 billion achieved in H1 FY2020.

There were two significant non-cash items accounted for in profit before tax:
- An impairment reversal of R14.73 billion (pre-tax) comprising a partial reversal of the impairments on property, plant, and equipment (R10.44 billion) and the prepayment of the Royal Bafokeng royalties (R4.29 billion) relating to Impala Rustenburg. This impairment reversal is due to changes in the estimates, particularly long-term metal prices, used to determine the recoverable amount of Impala Rustenburg assets.
- The restructuring of the Marula BEE debt involving the IFRS 2 BEE charge of R1.51 billion in other expenses arising on the difference in fair value of the shares disposed and the fair value of the consideration received from the BEE shareholders.

Improved profitability at Two Rivers and Mimosa resulted in a R756 million increase in income from associates to R1.00 billion, while net finance costs benefited from improved cash balances at the Group. Implats recorded EBITDA of R25.06 billion (H1 FY2020: R7.57 billion) at an EBITDA margin of 43% (H1 FY2020: 27%). The increase in the tax charge of R10.47 billion from R1.3 billion in the previous comparable period, reflected the impact of improved profitability across the Group and the deferred tax raised on the impairment reversal. The IFRS 2 BEE charge was non-deductible for tax purposes. The effective tax rate remained flat at 29%.

Basic earnings increased to R25.08 billion or 3 222 cents per share from R3.40 billion and 439 cents per share, respectively, in the prior comparable period. After adjusting for the after-tax profit on the reversal of impairment, headline earnings improved four-fold to R14.44 billion or 1 855 cents per share (H1 FY2020: R3.38 billion and 436 cents per share), with improved contributions from all Group companies except Marula, which was impacted by the R1.51 billion IFRS BEE charge. The weighted average number of shares in issue increased to 778.5 million from 774.4 million in the prior comparable period following the conversion of ZAR bonds into equity by bondholders.

The Implats board has approved the declaration of an interim cash dividend of 1 000 cents per ordinary share in terms of the Group's dividend policy, which is aligned with its capital allocation framework. The dividend was declared from retained earnings and will be paid on Tuesday, 23 March 2021.

Net cash from operating activities of R21.77 billion increased by R15.78 billion due to higher received rand PGM pricing, increased sales volumes and the benefit of the lag in IRS contractual payments for metals purchased. Cash flow in the previous comparable period was impacted by the inventory lock up but benefited from the receipt of proceeds of R2.0 billion from forward sales of metal in the half year. Capital cash outflows increased by 39% to R2.55 billion (H1 FY2020: R1.83 billion) due primarily to the inclusion of spend at Impala Canada, the impact of a weaker rand and the acceleration of project spend at Zimplats in the current period. Free cash flow increased four-fold to R20.15 billion from R4.99 billion in the prior comparable period.

Borrowings (excluding lease liabilities) decreased as a result of the scheduled repayment of the Standard Bank Marula BEE debt, the accelerated capital repayment of the Impala Canada term loan and the impact of reduction in the ZAR bond liability following a combination of bond repurchases and conversions to equity by bondholders. As a result, closing debt of R4.56 billion declined from R7.94 billion in the previous comparable period, while closing cash balances of R24.84 billion resulted in a net cash position, excluding finance leases, of R20.28 billion (H1 FY2020: net debt of R1.94 billion).

At the end of the period, the Group had an undrawn revolving credit facility of R4.00 billion. Liquidity headroom, comprising gross cash, net of restricted cash, and undrawn committed facilities increased to R28.5 billion (H1 FY2020: R10.0 billion). Subsequent to 31 December 2020, the Group refinanced this existing revolving credit facility with a new dual tranche unsecured committed revolving credit facility, which will comprise a R6 billion tranche and a US$125 million tranche, with various South African and international lenders.

MARKET REVIEW (CALENDAR YEARS UNLESS OTHERWISE STATED)

All three major PGM markets recorded fundamental deficits in 2020. Covid-19-related market shocks were considerable, with PGMs facing significant demand destruction, balanced by similarly reduced primary and secondary refined supply.

In platinum, another year of strong physical investment demand absorbed the industrial surplus, resulting in a market deficit of 665 000 ounces. In palladium and rhodium, resurgent automotive demand outstripped supply in the second half of 2020, resulting in market deficits of 1.2 million and 121 000 ounces, respectively.

Despite substantial intra-period volatility, platinum, palladium and rhodium each recorded annual gains in average pricing in 2020.

Platinum benefited from improving investor sentiment, driven by its association with, and discount to, both gold and palladium. While speculative length remained constrained, ETF inflows were supported by strong interest from European and North American funds as the mainstreaming of the hydrogen economy gained momentum and supported an improving demand outlook.

The palladium price was supported by persistent physical tightness and the absence of substantial speculative investment support. The resurgence in automotive demand during the second half of 2020 was compounded by weak supply from secondary flows and the impact of peer group processing interruptions. In addition, during 2019, Russian supplies were boosted by a release of inventory and were lower year-on-year in 2020.

Rhodium pricing was driven by increased auto demand due to tighter NO_x limits for gasoline powered internal combustion engines. The impact of the South African lockdown, weak secondary scrap flows and processing interruptions at the peer group were felt very keenly in the market.

Pricing remained robust in the first weeks of 2021 with seasonal strength in underlying demand from industrial end-users given impetus by fears of potential supply constraints given ongoing Covid-19 restrictions and the residual impact of inventory accumulation across the peer group.

AUTOMOTIVE

Light-duty vehicle sales staged a sharp recovery in the latter part of 2020, as pent-up demand created during economic lockdowns resulted in surging sales. The outlook for 2021 is positive with depleted inventories supporting underlying production growth in excess of sales and second wave lockdowns allowing greater economic activity. After steady increases in light-duty catalyst loadings over the past few years, we expect some evidence of thrifting to emerge in the short term as OEMs target cost reductions, before rising again in anticipation of more stringent testing regimes in the medium term. Implats' medium-term automotive demand outlook is underpinned by expectations for rising production volumes of catalyst-bearing light-duty vehicles. The global heavy truck market declined in 2020 with a further moderate contraction expected in 2021 before resuming a growth trajectory in 2022 and 2023. The impact of tighter heavy-duty legislation in China and India should underpin a step change in PGM loadings globally. This growth, together with incremental demand from palladium substitution in gasoline catalysts, should herald a period of automotive-derived growth for platinum.

JEWELLERY

The impact of lockdowns on global consumer activity is likely to have resulted in the 24% contraction in annual demand in platinum jewellery demand in 2020. As pandemic-related restrictions eased, global demand for jewellery strengthened over the latter months of 2020. The outlook for 2021 is positive with a persistent platinum price discount to gold, a vaccine-assisted recovery in economic outlook and restocking of the industry as manufacturing and consumer sentiment improves underpinning resurgent demand.

INDUSTRIAL

The chemical, glass, electrical, biomedical and petroleum sectors drive industrial demand for PGMs. Capacity expansion in emerging markets underpinned global industrial demand and helped buffer the impact of Covid-19 on platinum demand in 2020, while persistent price gains in palladium and rhodium resulted in continued thrifting of demand where possible. The outlook for a recovery in demand remains positive and is underpinned by the varied and evolving uses for PGMs.

In December 2020, Implats became a Limited Partner and Advisory Board Member in AP Ventures Fund II, with a multi-year, total committed investment of US$ 61 million. This investment increases Implats' focused market development on key evolving end-uses for PGMs, including hydrogen, fuel cell mobility and energy storage.

INVESTMENT

Investment activity in platinum substantially benefited from the macroeconomic climate created by the pandemic, its steep price discount to both palladium and gold, and the mainstreaming of the hydrogen economy. Together with net ETF purchases of 526 000 ounces, Implats estimates physical platinum investment reached 1.18 million ounces in 2020, tightening the market and lending price support. Conversely, both palladium and rhodium ETFs returned metal to the market with net sales of 89 000 and 6 600 ounces, respectively.

NYMEX net paper positioning for both platinum and palladium fell sharply in 2020. While recent platinum price strength has coincided with rising speculative length, palladium positioning remains muted, limiting downside risk to price from investor flows.

PROSPECTS AND OUTLOOK

The factors driving current and future PGM demand and the characteristics of the economic impact of the pandemic continue to support our view that, ultimately, the impact of Covid-19 will be cyclical rather than structural in nature. A strong rebound in both demand and supply is expected in PGM markets in 2021. While the expected short-term deficits in palladium and rhodium have been moderated by the anticipated release of in-process concentrate inventory accumulated in 2020, they remain meaningful and lend support to elevated pricing.

The operational focus in the remainder of the FY2021 will be on the continued optimisation of Impala Canada, the production ramp-up of the growth shafts at Impala Rustenburg, the advancement of processing projects aimed at capitalising on the inherent mining efficiencies and flexibility at Zimplats, Mimosa and Two Rivers and the completion of the definitive feasibility studies for life-of-mine extensions through existing infrastructure at Marula and Mimosa.

Implats has successfully navigated the impact of Covid-19 during the period and is well positioned to deliver as planned into robust rand PGM pricing. The focus is on maintaining operational momentum, leveraging the windfall on pricing to reward investors and secure future growth and sustainability for the business. The Group is pleased to upgrade the operational guidance provided with the FY2020 results release, with upward adjustments reflecting the strong operational performance in H1 FY2021.

Business area	Unit	Actual FY2020	Previous guidance FY2021	New guidance FY2021
Refined production				
Implats	6E koz	2 813	2 800 – 3 400	3 200 – 3 460
Concentrate production				
Impala	6E koz	1 109	1 100 – 1 270	1 200 – 1 300
Zimplats	6E koz	597	570 – 600	580 – 600
Two Rivers	6E koz	261	260 – 300	280 – 300
Mimosa	6E koz	248	230 – 260	250 – 270
Marula	6E koz	210	220 – 260	220 – 260
Impala Canada	6E koz	97	250 – 280	260 – 280
IRS (third-party)	6E koz	327	300 – 380	360 – 400
Group unit cost	R/oz 6E	13 345	14 500 – 15 500	14 600 – 15 100
Group capital expenditure	Rm	4 488	6 000 – 6750	5 800 – 6 200
Exchange rate assumptions	R/US$			R15.62
	R/C$			R12.00

DECLARATION OF DIVIDEND

Shareholders are advised that the board has resolved to declare an interim cash dividend of 1 000 cents per ordinary share amounting to R7.9 billion at the date of declaration for the six months ended 31 December 2020. In terms of the approved dividend policy, a minimum dividend of 30% of free cash flow pre-growth capital should be declared. The board has discretion to vary this percentage depending on the current and forecast financial performance, as well as market and other factors, including sufficiently capitalising the business to allow the Group to take advantage of future value-accretive growth opportunities. As a result of improved profitability and strong cash flow generation on the back of strong metal pricing, a weaker rand and sustained operational performance, the board has increased the dividend to approximately 40% of free cash flow, pre-growth capital, in line with its commitment to prioritising returns to shareholders. The dividend has been declared from retained earnings.

Implats has 793 037 170 ordinary shares in issue and the Company's tax reference number is 9700178719. The cash dividend will be subject to a 20% dividend withholding tax for shareholders who are not exempt from, or do not qualify for, a reduced rate of withholding tax. Therefore, the net dividend amount is 800 cents per ordinary share for shareholders liable to pay the dividend withholding tax and 1 000 cents per ordinary share for shareholders exempt from dividend withholding tax. Shareholders are advised to complete the requisite declaration form to make the Company aware of their tax status.

The salient dates are as follows:

- Declaration date: Thursday, 25 February 2021.
- Last day for trading to be eligible for cash. dividend: Tuesday, 16 March 2021.
- Trading ex-dividend commences: Wednesday, 17 March 2021.
- Record date: Friday, 19 March 2021.
- Dividend payment date: Tuesday, 23 March 2021.
- Share certificates may not be dematerialised or rematerialised between Wednesday, 17 March 2021 and Friday, 19 March 2021, both days inclusive.

DIRECTORATE AND MANAGEMENT

Implats announced the appointment of Adv Thandi Orleyn as an independent non-executive director of the board of directors and chairman designate with effect from 3 August 2020. Dr Mandla Gantsho stepped down as an independent non-executive director and chairman on 26 October 2020, at which time Adv Orleyn assumed chairmanship of the board. Mr Ralph Havenstein was appointed as an independent non-executive director and member of the audit committee with effect from 1 January 2021.

APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The directors of Impala Platinum Holdings Limited ("Implats", "the Company" or "the Group") are responsible for the maintenance of adequate accounting records and the preparation of the condensed consolidated interim financial statements and related information in a manner that fairly presents the state of the affairs of the Company. These condensed consolidated interim financial statements are prepared in accordance with and containing the information required by IAS 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, requirements of the Companies Act, 71 of 2008, and the Listings Requirements of the JSE Limited and incorporate full and responsible disclosure in line with the accounting policies of the Group which are supported by prudent judgements and estimates.

The condensed consolidated interim financial statements have been prepared under the supervision of the chief financial officer, Ms M Kerber, CA(SA).

The directors are also responsible for the maintenance of effective systems of internal control which are based on established organisational structure and procedures. These systems are designed to provide reasonable assurance as to the reliability of the condensed consolidated interim financial statements, and to prevent and detect material misstatement and loss.

The condensed consolidated interim financial statements have been prepared on a going-concern basis as the directors believe that the Group will continue to be in operation in the foreseeable future.

The condensed consolidated interim financial statements as set out on pages 16 to 44 have been approved by the board of directors and are signed on their behalf by:

Adv. NDB Orleyn
Chairman

NJ Muller
Chief executive officer

Johannesburg
25 February 2021

INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF IMPALA PLATINUM HOLDINGS LIMITED

We have reviewed the condensed consolidated financial statements of Impala Platinum Holdings Limited, as set out on pages 16 to 44, which comprise the condensed consolidated statement of financial position as at 31 December 2020 and the condensed consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows for the six months then ended, and selected explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE INTERIM FINANCIAL STATEMENTS

The directors are responsible for the preparation and presentation of these interim financial statements in accordance with International Financial Reporting Standard (IAS) 34, *Interim Financial Reporting,* the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements as issued by 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 interim financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, *Review of Interim 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 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 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 and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial statements of Impala Platinum Holdings Limited for the six months ended 31 December 2020 are not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting, the SAICA Financial Reporting* Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

Deloitte & Touche
Registered Auditor
Per: E Zungu
Partner

25 February 2021

Deloitte & Touche
5 Magwa Crescent
Waterfall City
Waterfall
Johannesburg

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 31 December 2020

	Notes	Six months ended 31 December 2020 (Reviewed) Rm	Six months ended 31 December 2019 (Reviewed) Rm	Year ended 30 June 2020 (Audited) Rm
Revenue	6	**58 121**	28 019	69 851
Cost of sales	7	**(35 755)**	(21 853)	(46 580)
Gross profit		**22 366**	6 166	23 271
Reversal of impairment	8	**14 728**	—	—
Other income	9	**149**	400	471
Other expenses	10	**(1 683)**	(1 466)	(1 963)
Finance income		**355**	279	538
Finance cost		**(510)**	(625)	(1 155)
Net foreign exchange transaction (losses)/gains		**(521)**	(222)	786
Share of profit of equity-accounted entities	11	**1 003**	247	1 082
Profit before tax		**35 887**	4 779	23 030
Taxation		**(10 470)**	(1 312)	(6 546)
Profit for the period		**25 417**	3 467	16 484
Other comprehensive (loss)/income, comprising items that may subsequently be reclassified to profit or loss:				
Exchange differences on translating foreign equity-accounted entities		**(613)**	(28)	587
Deferred tax thereon		**61**	3	(59)
Exchange differences on translating foreign operations		**(3 995)**	(170)	3 499
Deferred tax thereon		**—**	455	57
Other comprehensive income/(loss), comprising items that will not be subsequently reclassified to profit or loss:				
Financial assets at fair value through other comprehensive income		**14**	3	28
Deferred tax thereon		**—**	(1)	(1)
Actuarial loss on post-employment medical benefit		**—**	—	(1)
Total other comprehensive (loss)/income		**(4 533)**	262	4 110
Total comprehensive income		**20 884**	3 729	20 594
Profit attributable to:				
Owners of the Company		**25 078**	3 403	16 055
Non-controlling interest		**339**	64	429
		25 417	3 467	16 484
Total comprehensive income/(loss) attributable to:				
Owners of the Company		**21 010**	3 682	19 768
Non-controlling interest		**(126)**	47	826
		20 884	3 729	20 594
Earnings per share (cents):				
Basic		**3 222**	439	2 066
Diluted		**2 999**	416	1 911

For headline earnings per share refer note 18.

The notes on pages 21 to 44 are an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2020

	Notes	As at 31 December 2020 (Reviewed) Rm	As at 31 December 2019 (Restated reviewed)[1] Rm	As at 30 June 2020 (Restated audited)[1] Rm
ASSETS				
Non-current assets				
Property, plant and equipment	12	**56 838**	45 037	50 885
Investment property		**90**	90	90
Investment in equity-accounted entities	11	**6 526**	4 852	5 462
Deferred tax	13	**—**	2 242	—
Financial assets at fair value through other comprehensive income		**408**	268	394
Other financial assets		**84**	83	83
Prepayments	14	**3 929**	—	—
		67 875	52 572	56 914
Current assets				
Inventories	15	**21 444**	15 595	19 451
Trade and other receivables		**4 464**	5 097	5 128
Current tax receivable	13	**176**	222	348
Other financial assets		**3**	121	3
Prepayments	14	**1 151**	780	680
Cash and cash equivalents		**24 837**	5 996	13 331
		52 075	27 811	38 941
Total assets		**119 950**	80 383	95 855
EQUITY AND LIABILITIES				
Equity				
Share capital[1]		**21 857**	22 075	22 387
Retained earnings		**49 169**	17 176	28 854
Foreign currency translation reserve		**4 885**	4 945	8 967
Share-based payment reserve[1]		**3 794**	2 830	2 094
Other components of equity		**(411)**	162	(425)
Equity attributable to owners of the Company		**79 294**	47 188	61 877
Non-controlling interests		**2 456**	1 891	2 669
Total equity		**81 750**	49 079	64 546
LIABILITIES				
Non-current liabilities				
Provisions		**1 660**	1 740	1 812
Deferred tax	13	**12 732**	6 479	10 503
Borrowings	16	**4 459**	3 826	6 233
Other financial liabilities		**32**	44	35
Other liabilities		**234**	243	226
		19 117	12 332	18 809
Current liabilities				
Provisions		**162**	—	192
Trade and other payables		**15 191**	12 717	9 220
Current tax payable	13	**1 692**	569	188
Borrowings	16	**1 320**	5 487	2 625
Other financial liabilities		**21**	6	16
Other liabilities		**523**	193	133
Bank overdraft		**174**	—	126
		19 083	18 972	12 500
Total liabilities		**38 200**	31 304	31 309
Total equity and liabilities		**119 950**	80 383	95 855

[1] *The comparative numbers have been restated to present the share capital and share-based payment reserve, previously presented as a single line item, as separate line items. This was done to improve comparability in the industry and improve the capital disclosure.*

The notes on pages 21 to 44 are an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 December 2020

	Share capital[1] Rm	Retained earnings Rm	Foreign currency translation reserve Rm
Balance at 30 June 2019 (Audited)	17 893	13 773	4 668
Conversion of US$ bonds	4 810	—	—
Shares purchased – Long-term Incentive Plan	(628)	—	—
Share-based compensation expense	—	—	—
Total comprehensive income	—	3 403	277
Profit for the year	—	3 403	—
Other comprehensive income/(loss)	—	—	277
Dividends paid	—	—	—
Balance at 31 December 2019 (Reviewed)	22 075	17 176	4 945
Shares purchased – Long-term Incentive Plan	(594)	—	—
Transfer of reserves	906	—	612
Share-based compensation expense	—	—	—
Total comprehensive income	—	12 651	3 410
Profit for the year	—	12 652	—
Other comprehensive (loss)/income	—	(1)	3 410
Dividends paid	—	(973)	—
Balance at 30 June 2020 (Audited)	**22 387**	**28 854**	**8 967**
Conversion of ZAR bonds	**223**	**—**	**—**
Repurchase of ZAR bonds (net of tax)	**(746)**	**—**	**—**
Shares purchased	**(1 327)**	**—**	**—**
Transfer of reserves	**1 320**	**(1 650)**	**—**
Share-based compensation expense	**—**	**—**	**—**
Share-based compensation scheme modification	**—**	**—**	**—**
Marula IFRS 2 BEE charge (note 10)	**—**	**—**	**—**
Total comprehensive income	**—**	**25 078**	**(4 082)**
Profit for the year	**—**	**25 078**	**—**
Other comprehensive income/(loss)	**—**	**—**	**(4 082)**
Dividends paid	**—**	**(3 113)**	**—**
Balance at 31 December 2020 (Reviewed)	**21 857**	**49 169**	**4 885**

The table above excludes the treasury shares.

[1] *The share capital and share premium columns have been combined into a single item, share capital, to improve comparability in the industry and improve the capital disclosure. The subtotal comprising share capital and share-based payment reserve has been removed.*

The notes on pages 21 to 44 are an integral part of these condensed consolidated interim financial statements.

	Share-based payment reserve Rm	Other components of equity Rm	Attributable to: Owners of the Company Rm	Non-controlling interest Rm	Total equity Rm
	2 643	160	39 137	1 943	41 080
	—	—	4 810	—	4 810
	—	—	(628)	—	(628)
	187	—	187	—	187
	—	2	3 682	47	3 729
	—	—	3 403	64	3 467
	—	2	279	(17)	262
	—	—	—	(99)	(99)
	2 830	162	47 188	1 891	49 079
	—	—	(594)	—	(594)
	(906)	(612)	—	—	—
	170	—	170	—	170
	—	25	16 086	779	16 865
	—	—	12 652	365	13 017
	—	25	3 434	414	3 848
	—	—	(973)	(1)	(974)
	2 094	**(425)**	**61 877**	**2 669**	**64 546**
	—	**—**	**223**	**—**	**223**
	—	**—**	**(746)**	**—**	**(746)**
	—	**—**	**(1 327)**	**—**	**(1 327)**
	330	**—**	**—**	**—**	**—**
	318	**—**	**318**	**—**	**318**
	(462)	**—**	**(462)**	**—**	**(462)**
	1 514	**—**	**1 514**	**—**	**1 514**
	—	**14**	**21 010**	**(126)**	**20 884**
	—	**—**	**25 078**	**339**	**25 417**
	—	**14**	**(4 068)**	**(465)**	**(4 533)**
	—	**—**	**(3 113)**	**(87)**	**(3 200)**
	3 794	**(411)**	**79 294**	**2 456**	**81 750**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 31 December 2020

	Notes	Six months ended 31 December 2020 (Reviewed) Rm	Six months ended 31 December 2019 (Reviewed) Rm	Year ended 30 June 2020 (Audited) Rm
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash generated from operations	17	**27 015**	6 895	19 760
Finance cost paid		**(282)**	(460)	(932)
Taxation paid	13	**(4 966)**	(450)	(1 706)
Net cash inflow from operating activities		**21 767**	5 985	17 122
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment		**(2 548)**	(1 833)	(4 248)
Proceeds from sale of property, plant and equipment		**64**	32	80
Acquisition of interest in joint venture	11	**(130)**	—	—
Net cash paid for the acquisition of North American Palladium		**—**	(9 431)	(9 431)
Acquisition of North American Palladium		**—**	(10 859)	(10 859)
Cash acquired through the acquisition		**—**	1 428	1 428
Finance income received		**355**	273	532
Dividends received		**508**	121	628
Proceeds from equity instruments held at fair value through other comprehensive income		**—**	—	193
Proceeds from long-term debt instruments		**—**	87	87
Other		**(1)**	(4)	(4)
Net cash outflow from investing activities		**(1 752)**	(10 755)	(12 163)
CASH FLOWS FROM FINANCING ACTIVITIES				
Shares purchased		**(1 327)**	(628)	(1 222)
Repayments of borrowings		**(2 290)**	(1 406)	(6 720)
Proceeds from borrowings net of transaction costs		**—**	5 082	9 026
Repayments of lease liabilities		**(112)**	—	(155)
Repurchase of ZAR bonds		**(991)**	—	—
Cash received from cancellation of cross-currency interest rate swap		**—**	77	77
Invitation premium paid on US$ bond conversion		**—**	(509)	(509)
Dividends paid to Company's shareholders		**(3 113)**	—	(973)
Dividends paid to non-controlling interest		**(87)**	(99)	(100)
Net cash (outflow)/inflow from financing activities		**(7 920)**	2 517	(576)
Net increase/(decrease) in cash and cash equivalents		**12 095**	(2 253)	4 383
Cash and cash equivalents at beginning of period		**13 205**	8 242	8 242
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies		**(637)**	7	580
CASH AND CASH EQUIVALENTS AT END OF PERIOD[1]		**24 663**	5 996	13 205

[1] *Cash and cash equivalents are net of bank overdraft of R174 million (December 2019: Rnil) (June 2020: R126 million).*

The notes on pages 21 to 44 are an integral part of these condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the six months ended 31 December 2020

1. GENERAL INFORMATION

Impala Platinum Holdings Limited ("Implats", "the Company" or "the Group") is a leading producer of platinum group metals (PGMs). Implats is structured around six mining operations and Impala Refining Services, a toll refining business. The mining operations are located on the Bushveld Complex in South Africa, the Great Dyke in Zimbabwe – the two most significant PGM-bearing ore bodies in the world – and the Canadian Shield, a prominent layered igneous complex domain for PGMs.

The Company has its listing on the securities exchange operated by JSE Limited in South Africa and a level 1 American Depositary Receipt programme in the United States of America.

The condensed consolidated interim financial statements were approved for issue on 25 February 2021 by the board of directors.

2. INDEPENDENT AUDITOR'S REVIEW

Deloitte & Touche, the independent auditor, has conducted a review in accordance with International Standards on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor, and their unmodified review report is available on page 15. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the Group's external auditors. The auditor's report does not necessarily report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should read the auditor's report together with the accompanying financial information.

3. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with, and contains the information required by IAS 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, requirements of the Companies Act, 71 of 2008, and the Listings Requirements of the JSE Limited.

The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 30 June 2020, which have been prepared in accordance with IFRS, and the commentary included in the interim results.

The condensed consolidated interim financial statements have been prepared under the historical cost convention except for certain financial assets, financial liabilities and derivative financial instruments which are measured at fair value and liabilities for share-based payment arrangements which are measured using a binomial option model.

The condensed consolidated interim financial information is presented in South African rand, which is the Company's functional currency.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
continued
for the six months ended 31 December 2020

3. BASIS OF PREPARATION continued

The following foreign currency exchange rates were used to prepare the condensed consolidated interim financial statements:

	Six months ended 31 December 2020 (Reviewed)	Six months ended 31 December 2019 (Reviewed)	Year ended 30 June 2020 (Audited)
US$/ZAR			
Closing rate:	**14.67**	13.98	17.38
Average rate:	**16.25**	14.69	15.67
C$/ZAR			
Closing rate:	**11.49**	10.77	12.76
Average rate:	**12.34**	10.84[1]	12.07[2]

[1] *Average exchange rate is for the period 13 December 2019 to 31 December 2019.*
[2] *Average exchange rate is for the period 13 December 2019 to 30 June 2020.*

US$/Zimbabwean dollar exchange rates used:

	Six months ended 31 December 2020 (Reviewed)	Six months ended 31 December 2019 (Reviewed)	Year ended 30 June 2020 (Audited)
US$/ZW$			
Closing rate:	**81.79**	16.75	63.74
Average rate:	**79.42**	13.18	19.13

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

4. ACCOUNTING POLICIES

The principal accounting policies and methods used by the Group are consistent with those of the most recent annual financial statements, except for changes due to the adoption of new or revised IFRSs.

The following amendment was not effective on 1 July 2020, but was early adopted by the Group:

IAS 16 – *Property, plant and equipment*

The amendment prohibits deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. An entity instead recognises the proceeds from selling such items, and related cost of production in profit or loss. The adoption of this amendment had no impact on the Group at 31 December 2020.

5. SEGMENT INFORMATION

The Group distinguishes its reportable segments between the mining operations (Mining), processing and refining (IRS) and "All other segments".

Management has defined the operating segments based on the business activities and management structure within the Group. Management's judgements to identify reportable segments include factors such as the nature of products and services and geographical areas.

Capital expenditure comprises additions to property, plant and equipment (note 12).

The reportable segments' measure of profit or loss is profit after tax. This is reconciled to the entities consolidated profit after tax and the basis of accounting for reportable segments is consistent with the Group's consolidated financial statements.

Sales to the two largest customers amounted to 13.3% and 11.7% (December 2019: 11.3% and 11.5%) (June 2020: 13% and 9%) of total revenue. These sales are reported as Impala and Impala Refining Services' revenue.

	Six months ended 31 December 2020 (Reviewed)		Six months ended 31 December 2019 (Reviewed)		Year ended 30 June 2020 (Audited)	
	Revenue Rm	**Profit/ (loss) after tax Rm**	Revenue Rm	Profit/ (loss) after tax Rm	Revenue Rm	Profit/ (loss) after tax Rm
Mining						
– Impala	**23 093**	**18 063**	16 007	2 649	30 220	6 528
– Zimplats	**10 739**	**3 851**	5 549	1 667	14 426	4 904
– Marula	**4 412**	**413**	2 704	808	5 272	1 673
– Impala Canada	**4 513**	**1 415**	175	(145)	3 254	185
Impala Refining Services (IRS)	**30 352**	**2 508**	11 782	1	36 304	4 316
All other segments	**177**	**820**	61	(770)	79	310
Reconciliation	**(15 165)**	**(1 653)**	(8 259)	(743)	(19 704)	(1 432)
Total	**58 121**	**25 417**	28 019	3 467	69 851	16 484
Reconciliation comprises the following items:						
Unrealised profit in inventory consolidation adjustment		**(1 495)**		(1 030)		(1 818)
Inventory adjustments made on consolidation		**(158)**		287		386
		(1 653)		(743)		(1 432)

5. SEGMENT INFORMATION continued

	Six months ended 31 December 2020 (Reviewed)		Six months ended 31 December 2019 (Reviewed)		Year ended 30 June 2020 (Audited)	
	Capital expenditure Rm	Total assets Rm	Capital expenditure Rm	Total assets Rm	Capital expenditure Rm	Total assets Rm
Mining						
– Impala	982	52 282	998	27 007	1 757	29 569
– Zimplats	929	28 785	686	21 536	1 735	29 722
– Marula	106	6 289	204	4 302	340	3 879
– Impala Canada	522	14 021	37	12 734	657	14 916
Impala Refining Services	—	34 535	—	25 731	—	30 384
All other segments	9	31 153	—	34 096	—	39 974
Total	2 548	167 065	1 925	125 406	4 489	148 444
Intercompany balances eliminated		(39 638)		(41 302)		(47 098)
Unrealised profit in inventory, NRV and other inventory adjustments		(7 477)		(2 940)		(3 990)
Segmental deferred tax asset/liability allocations		—		(781)		(1 501)
Total consolidated assets		119 950		80 383		95 855

	Six months ended 31 December 2020 (Reviewed)							
	Impala Rm	Zimplats Rm	Marula Rm	Impala Canada Rm	IRS Rm	All other segments Rm	Inter-segment revenue Rm	Total Rm
Revenue from:								
Platinum	4 738	1 804	600	104	5 409	—	(2 404)	10 251
Palladium	6 722	3 864	1 513	3 952	10 753	—	(5 377)	21 427
Rhodium	10 069	2 094	1 764	—	10 825	—	(3 858)	20 894
Nickel	391	461	28	—	956	—	(489)	1 347
Other metals	1 173	696	85	322	2 223	177	(795)	3 881
Commodity price adjustments	—	1 820	422	135	—	—	(2 242)	135
Treatment income	—	—	—	—	186	—	—	186
Revenue	23 093	10 739	4 412	4 513	30 352	177	(15 165)	58 121

5. SEGMENT INFORMATION continued

	Six months ended 31 December 2019 (Reviewed)							
	Impala Rm	Zimplats Rm	Marula Rm	Impala Canada Rm	IRS Rm	All other segments Rm	Inter-segment revenue Rm	Total Rm
Revenue from:								
Platinum	5 230	1 331	558	7	3 583	—	(1 889)	8 820
Palladium	5 424	2 133	1 067	153	4 016	—	(3 200)	9 593
Rhodium	3 599	626	638	—	2 457	—	(1 264)	6 056
Nickel	616	402	27	—	514	—	(428)	1 131
Other metals	1 138	446	71	15	921	61	(523)	2 129
Commodity price adjustments	—	611	343	—	—	—	(954)	—
Treatment income	—	—	—	—	291	—	(1)	290
Revenue	16 007	5 549	2 704	175	11 782	61	(8 259)	28 019

	Year ended 30 June 2020 (Audited)							
	Impala Rm	Zimplats Rm	Marula Rm	Impala Canada Rm	IRS Rm	All other segments Rm	Inter-segment revenue Rm	Total Rm
Revenue from:								
Platinum	8 855	3 282	937	75	9 729	—	(4 219)	18 659
Palladium	9 099	6 138	2 053	2 815	13 716	—	(8 191)	25 630
Rhodium	8 858	2 190	1 565	—	8 947	—	(3 755)	17 805
Nickel	1 036	872	43	—	1 285	—	(915)	2 321
Other metals	2 372	1 153	101	213	2 436	79	(1 260)	5 094
Commodity price adjustments	—	791	573	151	—	—	(1 364)	151
Treatment income	—	—	—	—	191	—	—	191
Revenue	30 220	14 426	5 272	3 254	36 304	79	(19 704)	69 851

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
continued
for the six months ended 31 December 2020

6. REVENUE

	Six months ended 31 December 2020 (Reviewed) Rm	Six months ended 31 December 2019 (Reviewed) Rm	Year ended 30 June 2020 (Audited) Rm
Disaggregation of revenue by category			
Sales of goods			
Precious metals			
Platinum	**10 251**	8 820	18 659
Palladium	**21 427**	9 593	25 630
Rhodium	**20 894**	6 056	17 805
Ruthenium	**610**	349	886
Iridium	**1 115**	698	1 445
Gold	**1 373**	641	1 963
Silver	**16**	17	33
	55 686	26 174	66 421
Base metals			
Nickel	**1 347**	1 131	2 321
Copper	**474**	264	559
Cobalt	**39**	26	26
Chrome	**254**	134	182
	2 114	1 555	3 088
Commodity price adjustments	**135**	—	151
Revenue from services			
Toll refining	**186**	290	191
	58 121	28 019	69 851

Note 5 contains additional disclosure of revenue per operating segment.

7. COST OF SALES

	Six months ended 31 December 2020 (Reviewed) Rm	Six months ended 31 December 2019 (Reviewed) Rm	Year ended 30 June 2020 (Audited) Rm
Production costs			
On-mine operations	**12 115**	9 781	18 581
Processing operations	**3 894**	3 069	6 096
Refining and selling	**921**	870	1 720
Depreciation of operating assets	**2 642**	2 007	4 521
Other costs			
Metals purchased	**16 055**	8 364	18 465
Change in metal inventories	**(3 519)**	(3 613)	(7 108)
Royalty expense	**2 021**	488	1 367
Covid-19 abnormal production costs	**—**	—	1 278
Corporate costs	**718**	546	1 139
Chrome operation – cost of sales	**117**	31	84
Other	**791**	310	437
	35 755	21 853	46 580

8. REVERSAL OF IMPAIRMENT

	Notes	Six months ended 31 December 2020 (Reviewed) Rm	Six months ended 31 December 2019 (Reviewed) Rm	Year ended 30 June 2020 (Audited) Rm
Property, plant and equipment	12	**10 437**	—	—
Prepaid royalty	14	**4 291**	—	—
		14 728	—	—

The significant increase in rand PGM prices, as well as a lower increase in operating costs relative to the increase in PGM prices, have resulted in improved expected future operating results for the Group. Consequently, an impairment of R14 728 million was reversed during the current period, R10 437 million of which relates to prior impairments of shafts, mining development and infrastructure and R4 291 million relates to the prepaid royalty to the Royal Bafokeng Nation (RBN) at the Impala operating segment.

The reversal of impairment was limited to what the carrying amounts of the assets would have been at 31 December 2020 had the assets not been impaired. Refer notes 12 and 14 for detailed disclosure relating to the reversal of the impairment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
continued
for the six months ended 31 December 2020

9. OTHER INCOME

	Six months ended 31 December 2020 (Reviewed) Rm	Six months ended 31 December 2019 (Reviewed) Rm	Year ended 30 June 2020 (Audited) Rm
Insurance proceeds – business interruption (number 5 furnace fire)	**–**	353	353
Profit on disposal of property, plant and equipment	**45**	19	43
Profit on sale and leaseback of houses	**15**	15	30
Dividend received – Rand Mutual Assurance (RMA)	**30**	–	8
Bargain purchase on acquisition of North American Palladium	**–**	–	11
Other	**59**	13	26
	149	400	471

10. OTHER EXPENSES

	Six months ended 31 December 2020 (Reviewed) Rm	Six months ended 31 December 2019 (Reviewed) Rm	Year ended 30 June 2020 (Audited) Rm
Marula IFRS 2 BEE charge	**1 514**	–	–
Invitation premium paid on US$ bond conversion	**–**	509	509
Restructuring costs	**–**	331	105
Derivative financial instruments – fair value movements			
– Conversion option – US$ convertible bond	**–**	203	203
– Cross-currency interest rate swap	**–**	74	74
– Foreign exchange rate collar	**–**	109	441
Acquisition-related costs – North American Palladium	**–**	147	147
Non-production-related corporate costs	**52**	44	192
Loss on reclassification of Waterberg investment	**–**	–	113
Auditor remuneration	**6**	3	20
Exploration expenditure	**71**	–	92
Other	**40**	46	67
	1 683	1 466	1 963

Marula IFRS 2 BEE charge

The Group concluded the refinancing of the Standard Bank loan with its Marula empowerment partners (note 16), which included the establishment of an employee share ownership trust (ESOT). The transaction reduced the BEE partners shareholding in Marula from 27% to 22.7% but also introduced a 4% shareholding by the ESOT, resulting in an effective BEE ownership of 26.7% post the refinancing. The 22.7% BEE shareholding will only be accounted for as non-controlling interest when the loan is substantially repaid, at which point the BEE partners' rights to the shares in Marula become unconditional. The IFRS 2 BEE charge of R1 514 million represents the difference between fair value of the interest in Marula disposed of and the fair value of the consideration received from the BEE shareholders.

11. EQUITY-ACCOUNTED ENTITIES

	Six months ended 31 December 2020 (Reviewed) Rm	Six months ended 31 December 2019 (Reviewed) Rm	Year ended 30 June 2020 (Audited) Rm
Summary balances			
Joint ventures			
Mimosa	**3 637**	2 523	3 428
AP Ventures	**130**	—	—
Associates			
Two Rivers	**2 628**	1 793	1 910
Makgomo Chrome	**68**	75	69
Friedshelf	**63**	51	55
Waterberg	**—**	410	—
Total investment in equity-accounted entities	**6 526**	4 852	5 462
Summary movement			
Beginning of the period	**5 462**	4 437	4 437
Share of profit	**2 025**	559	1 460
Acquisition of interest in AP Ventures	**130**	—	—
Shareholder funding – Waterberg	**—**	5	5
Reclassification – Waterberg investment	**—**	—	(295)
Loss on reclassification of Waterberg investment	**—**	—	(113)
Exchange differences on translating foreign equity-accounted entities	**(613)**	(28)	588
Dividends received	**(478)**	(121)	(620)
End of the period	**6 526**	4 852	5 462
Share of equity-accounted entities is made up as follows:			
Share of profit	**2 025**	559	1 460
Movement in unrealised profit in inventory	**(1 022)**	(312)	(378)
Total share of profit of equity-accounted entities	**1 003**	247	1 082

During the current period Implats acquired a 25% shareholding in AP Ventures, a limited liability partnership established under the laws of England and Wales. The investment comprises a total commitment to contribute US$61 million over a period of nine years. The acquisition of R130 million represents the first draw downs amounting to US$8.5 million.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
continued
for the six months ended 31 December 2020

12. PROPERTY, PLANT AND EQUIPMENT

	Six months ended 31 December 2020 (Reviewed) Rm	Six months ended 31 December 2019 (Reviewed) Rm	Year ended 30 June 2020 (Audited) Rm
Carrying value – opening balance	**50 885**	34 499	34 499
Capital expenditure	**2 578**	1 808	4 279
PPE acquired through the acquisition of North American Palladium (NAP)	**—**	11 067	11 067
Right-of-use assets capitalised	**124**	117	210
Interest capitalised	**—**	25	27
Reversal of impairment (note 8)	**10 437**	—	—
Depreciation (note 7)[1]	**(2 672)**	(2 007)	(4 552)
Disposals	**(19)**	(13)	(37)
Rehabilitation adjustment	**(67)**	(64)	(133)
Exchange adjustment on translation	**(4 428)**	(395)	5 525
Carrying value – closing balance	**56 838**	45 037	50 885

[1] *Includes depreciation of R30 million (December 2019: Rnil) (June 2020: R31 million) which was capitalised to the cost of property, plant and equipment.*

Reversal of impairment

During the 2018 financial year, the property, plant and equipment of the Impala operating segment was impaired to its recoverable amount. In the current period, R10 437 million of this impairment, relating to shaft, mining development and infrastructure, was reversed as a result of significant increases in the rand PGM prices, as well as an expected overall improvement in future operating results. The recoverable amount of Impala's mining cash-generating unit (CGU) was approximately R31 billion, determined on the basis of fair value less costs to sell and was calculated using future discounted cash flows, including *in situ* 6E ounce value for mineral resources outside the approved mine plan. This is a Level 3 valuation in terms of the fair value hierarchy.

12. PROPERTY, PLANT AND EQUIPMENT continued

Significant estimates and judgements

Long-term mining assets forming part of board-approved projects are valued, based on estimates of future discounted cash flows (DCFs) of the latest board-approved business forecasts regarding production volumes, costs of production, capital expenditure, metal prices and market forecasts for foreign exchange rates. The discount rate is a risk-adjusted discount rate, taking into account specific risks relating to the cash-generating unit where cash flows have not been adjusted for the risk.

Mineral resources outside the approved mine plans are valued, based on the *in situ* 6E ounce value. Comparable market transactions are used as a source of evidence, adjusted specifically for the nature of each underlying ore body and the prevailing platinum price.

All the above estimates are subject to risks and uncertainties including achievement of mine plans, future metal prices and exchange rates. It is therefore possible that changes can occur which may affect the recoverability of the mining assets.

The key financial assumptions used in the recoverable amount calculations are:

- Overall long-term real basket price per 6E ounce sold of R21 200 (December 2019: R16 900 in equivalent FY2021 terms) (June 2020: R16 100 in equivalent FY2021 terms).
- Long-term real discount rate – a range of 6% to 13% (December 2019: 10% to 19%) (June 2020: 7% to 15%) for the various cash-generating units in the Group.
- *In situ* resource valuation of between US$2.00 and US$11.00 (December 2019: US$1.80 and US$9.00) (June 2020: US$1.60 and US$8.00) per 6E ounce depending on whether the resource is inferred, indicated and measured.
- If the long-term metal prices were to increase by 5%, the recoverable amount would increase by approximately R8.8 billion. Conversely, a decrease of 5% would negatively affect the recoverable amount by approximately R9.2 billion. A 10% increase or decrease in the *in situ* 6E value would affect the recoverable amount by approximately R160 million.

If the real discount rate were to increase or decrease by 50 basis points, the recoverable amount will decrease or increase respectively by approximately R600 million.

Right-of-use assets

Included in property, plant and equipment are right-of-use assets, namely, land and buildings with a carrying amount of R534 million (December 2019: R582 million) (June 2020: R545 million), refining plants with a carrying amount of R32 million (December 2019: R42 million) (June 2020: R37 million) and other assets with a carrying amount of R267 million (December 2019: R84 million) (June 2020: R247 million) arising from leases capitalised.

12. PROPERTY, PLANT AND EQUIPMENT continued

	Six months ended 31 December 2020 (Reviewed) Rm	Six months ended 31 December 2019 (Reviewed) Rm	Year ended 30 June 2020 (Audited) Rm
Capital commitments			
Commitments contracted for	**1 343**	1 869	1 384
Approved expenditure not yet contracted	**6 091**	4 948	4 798
	7 434	6 817	6 182
Less than one year	**4 739**	4 595	3 668
Between one and five years	**2 695**	2 222	2 514
	7 434	6 817	6 182

Capital expenditure will be funded by internally generated funds and from borrowings, where necessary. Apart from all the right-of-use assets that are encumbered by leases, all property, plant and equipment of Impala Canada (R11 213 million) (June 2020: R12 549 million) was pledged as security under the Company's credit facility and term loan (note 16). No other fixed assets were pledged as collateral.

13. TAXATION

13.1 Deferred tax

The analysis of the deferred tax assets and deferred tax liabilities presented in the consolidated statement of financial position is as follows:

	Six months ended 31 December 2020 (Reviewed) Rm	Six months ended 31 December 2019 (Reviewed) Rm	Year ended 30 June 2020 (Audited) Rm
Deferred tax assets	**—**	2 242	—
Deferred tax liabilities	**12 732**	6 479	10 503
	12 732	4 237	10 503

The total deferred tax movement for the period is mainly attributable to temporary difference movements relating to property, plant and equipment of R3 billion and prepaid royalty of R1 billion. This was offset by temporary difference movements relating to unrealised profit in inventory of R1 billion and foreign currency translation adjustments of R1 billion.

13. TAXATION continued

13.2 Current tax

	Six months ended 31 December 2020 (Reviewed) Rm	Six months ended 31 December 2019 (Reviewed) Rm	Year ended 30 June 2020 (Audited) Rm
Current tax payable	**1 692**	569	188
Current tax receivable	**(176)**	(222)	(348)
Net current tax receivable	**1 516**	347	(160)
Reconciliation			
Beginning of the year	**(160)**	(150)	(150)
Taxation expense	**6 784**	923	1 703
Payments made during the year	**(4 966)**	(450)	(1 706)
Current tax payable acquired through the acquisition of North American Palladium	**—**	47	47
Interest and penalties refund	**8**	18	2
Exchange adjustment[1]	**(150)**	(41)	(56)
End of the year	**1 516**	347	(160)

[1] *The exchange adjustment mainly arose from the settlement and translation of Zimbabwe dollar denominated income tax liabilities to US dollars.*

14. PREPAYMENTS

	Six months ended 31 December 2020 (Reviewed) Rm	Six months ended 31 December 2019 (Reviewed) Rm	Year ended 30 June 2020 (Audited) Rm
Royal Bafokeng Nation (RBN) prepaid royalty	**4 291**	—	—
Deposits on property, plant and equipment	**314**	395	364
Business-related prepaid expenditure	**319**	272	230
Insurance premiums	**143**	100	73
Surface lease royalties	**13**	13	13
Total prepayments	**5 080**	780	680
Current	**1 151**	780	680
Non-current	**3 929**	—	—

14. PREPAYMENTS continued

RBN prepaid royalty

In March 2007, the Group finalised a deal with the Royal Bafokeng Nation (RBN). In terms of this transaction, Impala agreed to pay the RBN all future royalties due to them, thus effectively discharging any further obligation to pay royalties. In turn the RBN purchased shares through Royal Bafokeng Impala Investment Company and Royal Bafokeng Tholo Investment Holding Company, giving them a 13.2% holding in the Company at the time. The RBN have subsequently sold their shareholding in the Company.

Reversal of impairment

In the 2017 financial year, the prepaid royalty to the RBN was impaired in full. During the current year, R4 291 million of this impairment, which related to the Impala operating segment, was reversed due to a significant increase in rand PGM prices, as well as an expected improvement in future operating results resulting from a lower increase in operating costs relative to the increase in PGM prices. The recoverable amount of Impala's mining cash-generating unit was approximately R31 billion, determined on the basis of fair value less costs to sell and was calculated using future discounted cash flows, including *in situ* 6E ounce value for mineral resources outside the approved mine plan. This is a Level 3 valuation in terms of the fair value hierarchy. Refer to note 12 for management estimates and judgements, as well as detailed disclosure relating to the reversal of the impairment.

15. INVENTORIES

	Six months ended 31 December 2020 (Reviewed) Rm	Six months ended 31 December 2019 (Reviewed) Rm	Year ended 30 June 2020 (Audited) Rm
Mining metal			
Refined metal	**2 738**	1 005	1 421
In-process metal	**3 755**	3 806	4 348
	6 493	4 811	5 769
Purchased metal[1]			
Refined metal	**4 551**	2 233	6 133
In-process metal	**8 888**	7 318	5 995
	13 439	9 551	12 128
Total metal inventories	**19 932**	14 362	17 897
Stores and materials inventories	**1 512**	1 233	1 554
Total carrying amount	**21 444**	15 595	19 451

[1] *The fair value exposure on purchased metal and resultant inventory has been designated as a hedged item and is included in the calculation of the cost of inventories. The fair value exposure relates to adjustments made to commodity prices and US$ exchange rates from the date of delivery until the final pricing date as per the relevant contract.*

15. INVENTORIES continued

The net realisable value (NRV) adjustment impacted by prevailing metal prices at the reporting date included in inventory comprised R38 million (December 2019: Rnil) (June 2020: R230 million) for refined metal and R107 million (December 2019: Rnil) (June 2020: R211 million) for in-process metal inventory.

Purchased metal consists of Impala Refining Services inventory.

All the inventory at Impala Canada, valued at R344 million (June 2020: R384 million), was pledged as security under the Company's credit facility and term loan (note 16).

Significant estimates and judgements

Inventory valuation

Normalised 12-month rolling mining production was calculated assuming that normal production ceased at the end of March 2020 and recommenced in June 2020, due to Covid-19 resulting in work stoppages.

Change in in-process metal estimate

Quantities of recoverable metal are reconciled to the quantity and grade of ore input as well as the quantities of metal actually recovered (metallurgical balancing). The nature of this process inherently limits the ability to precisely monitor recoverability levels. As a result, the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time.

The Group conducts periodic counts (usually annually) at the refineries to assess the accuracy of inventory quantities. Based on these counts, changes in engineering estimates of metal contained in-process resulted in a pre-tax increase in metal inventory of R592 million (December 2019: R625 million) (June 2020: R1 329 million).

Tolerances of up to 2% of annual throughput of the joint products are regarded as normal levels of estimation uncertainty in the measurement of work-in-progress quantities.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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16. BORROWINGS

	Six months ended 31 December 2020 (Reviewed) Rm	Six months ended 31 December 2019 (Reviewed) Rm	Year ended 30 June 2020 (Audited) Rm
Standard Bank Limited – BEE partners Marula	**—**	886	885
Convertible bonds – ZAR	**2 533**	2 838	2 914
Impala Canada term loan	**1 848**	4 215	3 657
Lease liabilities	**1 398**	1 374	1 402
Total borrowings	**5 779**	9 313	8 858
Current	**1 320**	5 487	2 625
Non-current	**4 459**	3 826	6 233
Reconciliation			
Beginning of the period	**8 858**	8 562	8 562
Conversion of bonds to equity	**(223)**	(2 996)	(2 996)
Repurchase of ZAR bonds	**(240)**	—	—
Proceeds from borrowings	**—**	5 082	9 026
Capital repayments	**(2 402)**	(1 406)	(6 875)
Interest repayments	**(231)**	(271)	(561)
Lease liabilities acquired through the acquisition of North American Palladium	**—**	76	76
Leases capitalised	**135**	117	210
Interest accrued	**350**	360	750
Change in carrying value of Impala Canada term loan	**27**	—	(100)
Exchange adjustments	**(495)**	(211)	766
End of the period	**5 779**	9 313	8 858
Facilities			
Committed revolving credit facility	**4 000**	4 000	4 000
Revolving discounting facility (US$34 million) – Zimbabwe Platinum Mines (Private) Limited	**—**	475	—
Revolving credit limit facility (US$25 million) – Impala Canada Limited	**367**	—	435
	4 367	4 475	4 435

None of the facilities (December 2019: nil) (June 2020: nil) had been drawn down at end of period. The R4 billion committed revolving credit facility bears interest at the three-month Johannesburg Interbank Acceptance Rate (JIBAR) plus 350 basis points and matures on 30 June 2021. Subsequent to 31 December 2020, the Group refinanced this existing facility with a new dual tranche unsecured committed revolving credit facility which will comprise a R6 billion tranche and a US$125 million tranche, with various South African and international lenders.

The R367 million Impala Canada facility has a two-year maturity which matures on 28 January 2022 with an option to renew for a further year, subject to agreement with the lenders. The facility bears interest at LIBOR plus a margin of between 250 and 300 basis points, subject to the total net debt to EBITDA levels at Impala Canada.

17. CASH GENERATED FROM OPERATIONS

	Six months ended 31 December 2020 (Reviewed) Rm	Six months ended 31 December 2019 (Reviewed) Rm	Year ended 30 June 2020 (Audited) Rm
Profit before tax	**35 887**	4 779	23 030
Adjustments for:			
Reversal of impairment	**(14 728)**	—	—
Depreciation	**2 642**	2 007	4 521
Finance income	**(355)**	(279)	(538)
Finance cost	**510**	625	1 155
Share of profit of equity-accounted entities	**(1 003)**	(247)	(1 082)
Marula IFRS 2 BEE charge	**1 514**	—	—
Foreign currency adjustments	**547**	(69)	(1 225)
Fair value adjustments on derivative financial instruments	**—**	390	508
Invitation premium paid on US$ bond conversion	**—**	—	509
Other	**118**	784	566
	25 132	7 990	27 444
Changes in working capital:			
Increase in trade and other receivables	**(766)**	(1 302)	(261)
Increase in inventories	**(3 661)**	(3 770)	(7 375)
Increase/(decrease) in trade and other payables	**6 310**	3 977	(48)
	27 015	6 895	19 760

Cash and cash equivalents

Cash and cash equivalents is made up of R8 547 million (December 2019: R1 360 million) (June 2020: R9 193 million) short-term bank deposits, R 4 689 million (December 2019: R2 402 million) (June 2020: R3 849 million) cash at bank and R11 601 million (December 2019: R2 234 million) (June 2020: R283 million) in money market investments. The weighted average effective interest rate on short-term bank deposits was 4.2% and these deposits have a maximum maturity of 32 days.

Exposure by country and currency

The cash and cash equivalents exposures of R24 837 million, by country, are largely comprised of the South African rand, but also include R2 747 million (December 2019: R289 million) (June 2020: R1 146 million) in Europe, denominated in United States dollars, R744 million (December 2019: R21 million) (June 2020: R1 214 million) in Zimbabwe, denominated in United States dollars, and R633 million (December 2019: R396 million) (June 2020: R1 281 million) in Canada, denominated in Canadian dollars.

Restricted cash

Included in total cash and cash equivalents is restricted cash of R349 million, which mainly consists of R297 million (December 2019: R90 million) (June 2020: R289 million) cash invested in the Impala Pollution Control, Rehabilitation and Closure Trust Fund.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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18. HEADLINE EARNINGS

	Six months ended 31 December 2020 (Reviewed) Rm	Six months ended 31 December 2019 (Reviewed) Rm	Year ended 30 June 2020 (Audited) Rm
Profit attributable to owners of the Company	**25 078**	3 403	16 055
Remeasurement adjustments:			
Reversal of impairment	**(14 728)**	—	—
Profit on disposal of property, plant and equipment	**(44)**	(19)	(43)
Bargain purchase on acquisition of North American Palladium	**—**	(11)	(11)
Loss on reclassification of Waterberg investment	**—**	—	113
Total tax effects of adjustments	**4 135**	5	12
Headline earnings	**14 441**	3 378	16 126
Adjusted for: Interest on dilutive ZAR bonds (after tax at 28%)	**134**	128	257
Headline earnings used in the calculation of diluted earnings per share	**14 575**	3 506	16 383
Weighted average number of ordinary shares in issue for basic earnings per share (millions)	**778.45**	774.39	777.20
Adjusted for: Dilutive potential ordinary shares relating to Long-term Incentive Plan	**5.23**	9.30	11.55
Dilutive potential ordinary shares relating to ZAR bonds	**56.95**	64.99	64.99
Weighted average number of ordinary shares for diluted earnings per share (millions)	**840.62**	848.68	853.74
Headline earnings per share (cents)			
Basic	**1 855**	436	2 075
Diluted	**1 734**	413	1 919

19. CONTINGENT LIABILITIES, GUARANTEES AND UNCERTAIN TAX MATTERS

Contingent liabilities and guarantees

As at 31 December 2020, the Group had contingent liabilities in respect of guarantees and other matters arising in the ordinary course of business from which it anticipated that no material liabilities will arise.

The Group has issued guarantees of R1 937 million (December 2019: R982 million) (June 2020: R4 633 million). Guarantees of R2 422 million (December 2019: R1 877 million) (June 2020: R2 177 million) have been issued by third parties and financial institutions on behalf of the Group consisting mainly of guarantees to the Department of Mineral Resources for R2 029 million (December 2019: R1 755 million) (June 2020: R1 754 million).

Uncertain tax matters

Implats is subject to income taxes under the various income tax regimes in the countries in which it operates. The Group has filed, and continues to file, all the required income tax returns and to pay the taxes, as reasonably determined, to be due. In some jurisdictions tax authorities are yet to complete all their annual assessments and the income tax assessments, where completed by the tax authorities, remain subject to further examination within prescribed periods. Significant judgement is required in determining the Group's provisions for income taxes due to the complexity of legislation, which is often subject to interpretation. As a result, disputes can arise with the tax authorities over the interpretation or application of certain rules in respect of the Group's tax affairs within the country involved and the outcome of these claims and disputes cannot be predicted with certainty. On tax matters which are particularly complex or require judgement in applying, management has obtained and will continue to obtain, independent legal and/or tax practitioner opinions which inform and support the tax positions adopted.

Implats' companies are involved in tax queries, litigation and disputes with various tax authorities in the normal course of business. A detailed review is performed regularly on each matter and a provision is recognised, where appropriate. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially reported, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Regardless of whether potential economic outflows of matters have been assessed as probable or possible, individually significant matters are included below.

South Africa

At 31 December 2020, the Group had certain unresolved historical tax matters relating mainly to bad debt deductions/provisions at its South African operations. In certain instances, the South African Revenue Service has issued additional assessments or queries relating to these matters and the Group has lodged objections to these assessments. The Group has tax practitioner and legal counsel opinions to support its objections. Should the Group be successful in its objection, it could result in a tax credit of up to R634 million (including interest).

19. CONTINGENT LIABILITIES, GUARANTEES AND UNCERTAIN TAX MATTERS continued

Uncertain tax matters continued

Zimbabwe

The fiscal legislation in Zimbabwe is volatile, highly complex and subject to interpretation. From time to time, Zimplats is subject to a review of its historic income tax returns and in connection with such reviews, disputes can arise with the Zimbabwe Revenue Authority (ZIMRA) over the interpretation and/or application of certain legislation. Judgement is required in determining the provision for income taxes resulting from differences in the interpretation of fiscal legislation which may require determination through the courts.

Legal matters

Zimplats filed legal proceedings in the Special Court for Income Tax Appeals and the Supreme Court of Zimbabwe in relation to various historical income tax matters and these cases are pending in the courts. Zimplats has on a without prejudice basis settled the disputed liabilities involved in these cases and therefore, no further liabilities will arise in respect of these disputed tax matters.

Foreign currency taxes

As previously reported, the Group's operating subsidiary, Zimbabwe Platinum Mines (Private) Limited, is required to pay taxes in accordance with the laws of Zimbabwe, specifically the Income Tax Act (Chapter 23:06), as read with the Finance Act (Chapter 23:04).

Through a Public Notice 26 of 2019 published on 19 June 2019, the tax authorities introduced a computation formula which would consequently require an apportionment of such income tax payment between ZW$ and US$. The Group has been lawfully computing and effecting payment of income taxes in ZW$ in settlement of its tax liabilities.

The tax authorities have indicated during December 2020 that they hold a different interpretation of the fiscal legislation, as read with the public notices available to guide tax payers and require the operating subsidiary to pay income taxes in US$ after 22 February 2019. Expert tax and legal views on this matter is that the settlement of these taxes in ZW$ by the Group is in full discharge of its obligations.

The ongoing difference in interpretation continues to result in uncertainty associated with the payment of taxes in US$, with the resultant effect that, it is possible that at a future date, on conclusion of the matter, the outcome may vary significantly and may impact financial results in the year in which such a determination is made. In the absence of a legal basis upon which to base estimation, the Group is unable to quantify, at this stage, what the potential impact of the above could be. Engagement with tax authorities is ongoing.

20. RELATED PARTY TRANSACTIONS

	Six months ended 31 December 2020 (Reviewed) Rm	Six months ended 31 December 2019 (Reviewed) Rm	Year ended 30 June 2020 (Audited) Rm
Associates			
Two Rivers			
Transactions with related party			
Purchases of metal concentrates	**5 291**	2 776	6 229
Year-end balances arising from transactions with related party:			
Payables to associate	**3 561**	1 901	1 783
Makgomo Chrome			
Transactions with related party			
Tailings fee expense	**6**	4	11
Sale of metal concentrates	**6**	4	11
Friedshelf			
Transactions with related party			
Interest accrued	**56**	59	117
Repayments	**92**	85	173
Year-end balances arising from transactions with related party:			
Borrowings – finance leases	**1 061**	1 128	1 097
The finance leases have an effective interest rate of 10.2%			
Joint venture			
Mimosa			
Transactions with related party			
Refining fees	**173**	147	187
Interest received	**2**	8	13
Purchases of metal concentrates	**4 695**	2 297	4 737
Year-end balances arising from transactions with related party:			
Advance to joint venture	**2 592**	1 076	845
Payables to joint venture	**3 158**	1 485	992

The Group's transactions with related parties are entered into on an arm's length basis at prevailing market rates.

Fixed and variable key management compensation was R189 million (December 2019: R84 million) (June 2020: R163 million). The increase from the previous periods is mainly as a result of gains on share options received in terms of the Long-term Incentive Plan and higher bonuses earned.

21. FINANCIAL INSTRUMENTS

	Six months ended 31 December 2020 (Reviewed) Rm	Six months ended 31 December 2019 (Reviewed) Rm	Year ended 30 June 2020 (Audited) Rm
Financial assets – carrying amount			
Financial assets at amortised cost	**26 890**	9 499	16 583
Trade and other receivables	**1 418**	1 689	2 774
Advances[1]	**—**	1 050	—
Other receivables	**601**	440	538
Employee receivables	**244**	238	143
Cash and cash equivalents	**24 540**	5 996	13 042
Other financial assets	**87**	86	86
Financial assets at fair value through profit or loss[2, 3]	**1 803**	1 189	697
Derivative financial instruments	**—**	118	—
Trade receivables	**1 506**	1 071	408
Cash and cash equivalents	**297**	—	289
Financial assets at fair value through other comprehensive income[4]	**408**	268	394
Total financial assets	**29 101**	10 956	17 674
Financial liabilities – carrying amount			
Financial liabilities at amortised cost	**10 499**	15 597	12 399
Borrowings	**5 779**	9 313	8 858
Other financial liabilities	**53**	49	51
Trade payables	**4 348**	6 203	3 264
Other payables	**145**	32	100
Bank overdraft	**174**	—	126
Financial liabilities at fair value through profit or loss[2]			
Trade payables – metal purchases	**8 260**	4 777	3 871
Trade payables at fair value through profit or loss	**10 853**	4 777	4 716
Advances[1]	**(2 593)**	—	(845)
Total financial liabilities	**18 759**	20 374	16 270

[1] Advances have been offset against the metal purchase trade creditor.
[2] Financial assets at fair value through profit or loss are part of other financial assets and trade and other receivables in the statement of financial position.
[3] Level 2 of the fair value hierarchy – valuation techniques for which significant inputs are based on observable market data.
[4] Level 1 of the fair value hierarchy – quoted prices in active markets for the same instrument.

The carrying amounts of financial assets and liabilities approximate their fair values except for the ZAR convertible bond (carrying amount R2 533 million), carried at amortised cost, which had a fair value of approximately R2 732 million. This fair value was categorised within Level 3 of the fair value hierarchy – unobservable inputs. A discounted cash flow valuation technique was used, applying a 7% discount rate on the ZAR convertible bond.

21. FINANCIAL INSTRUMENTS continued

Fair value hedge accounting

The Group has a hedging strategy and accounting policy to manage the fair value risk (commodity price and foreign currency exchange risk) to which purchased metal (note 7), the hedged instrument, is exposed. The financial instrument used to hedge this risk is trade payables, related to metal purchases included in trade payables, measured at fair value through profit or loss. The fair value movements on this financial liability have been designated to hedge the price and foreign currency exchange risk on purchased metal inventory.

To the extent that the hedging relationship is effective, that is, to the extent that an economic relationship exists between the hedged item and hedging instrument, the fair value gains and losses on both the hedged item and hedging instrument are offset against each other. Where the hedge is ineffective the gains and losses on trade payables and purchased metal inventory are recognised in profit or loss in other income and other expenses respectively.

The effects of the fair value hedge are as follows:

	Six months ended 31 December 2020 (Reviewed) Rm	Six months ended 31 December 2019 (Reviewed)[2] Rm	Year ended 30 June 2020 (Audited) Rm
Hedging instrument: Trade payables at fair value through profit or loss – metal purchases			
Carrying amount	**10 853**	4 777	4 716
Fair value loss used to determine hedge effectiveness	**1 173**	815	1 362
Hedged item: Metal purchases inventory			
Metal purchases exposed to fair value movement	**10 853**	4 777	4 716
Change in fair value of hedging instrument used to determine hedge effectiveness	**(1 173)**	(815)	(1 362)
Accumulated fair value hedge (gain)/loss included in metal purchases in respect of closing inventory[1]	**(41)**	(61)	372

[1] Relates to metal purchases that were still in the refining process at year end.

[2] Prior year amounts have been restated due to the incorrect inclusion of intragroup amounts that have now correctly been excluded. This has no impact on net profit.

Due to the high correlation between the fair value movements in trade payables and inventory, there has been no material hedge ineffectiveness, nor identified sources thereof, in the hedging relationship during the current period.

22. DIVIDENDS

Shareholders are advised that the board has resolved to declare an interim cash dividend of R10 per share amounting to approximately R7.9 billion on 25 February 2021 in respect of the six-month period ended 31 December 2020. In terms of the approved dividend policy, a minimum dividend of 30% of free cash flow pre-growth capital should be declared. The board has discretion to vary this percentage depending on the current and forecast financial performance, as well as market and other factors, including sufficiently capitalising the business to allow the Group to take advantage of future value accretive opportunities. As a result of improved profitability and strong cash flow generation on the back of strong metal pricing, a weaker rand and sustained operational performance, the board has increased the dividend to approximately 40% of free cash flow, pre-growth capital, in line with its commitment to prioritising returns to shareholders.

The dividend is to be paid out of retained earnings, but not recognised as a liability at year-end. The dividend will have no tax consequence for the Group, but will be subject to 20% withholding tax for shareholders who are not exempt from or do not qualify for a reduced rate of withholding tax.

	Six months ended 31 December 2020 (Reviewed) Rm	Six months ended 31 December 2019 (Reviewed) Rm	Year ended 30 June 2020 (Audited) Rm
Dividends paid:			
Interim dividend No 92 for 2020 of 125 cents per ordinary share	**—**	—	973
Final dividend No 93 for 2020 of 400 cents per ordinary share	**3 113**	—	—

NOTES TO KEY OPERATIONAL PERFORMANCE MEASURES
for the six months ended 31 December 2020

		H1 FY2021	H1 FY2020
COST PER 6E OUNCE REFINED (STOCK ADJUSTED)			
On-mine operations[1]	(Rm)	**12 115**	9 781
Concentrating and smelting operations	(Rm)	**3 894**	3 069
Concentrating operations[1]	(Rm)	**2 730**	2 141
Smelting operations[2]	(Rm)	**1 164**	928
Refining operations[2]	(Rm)	**921**	870
Head office costs[1]	(Rm)	**718**	546
Total cash costs	(Rm)	**17 648**	14 266
Managed operations 6E ounces: stock adjusted[1]	(000oz)	**1 192**	1 057
Gross 6E ounces[2]	(000oz)	**1 694**	1 317
Cost per 6E ounce			
On-mine operations[1]	(R/oz)	**10 167**	9 250
Concentrating operations[1]	(R/oz)	**2 291**	2 025
Smelting operations[2]	(R/oz)	**687**	705
Refining operations[2]	(R/oz)	**544**	661
Head office costs[1]	(R/oz)	**603**	516
Implats costs per 6E ounce	(R/oz)	**14 292**	13 157

[1] *Managed operation divided by managed 6E ounces stock adjusted.*
[2] *Smelting and refining costs divided by gross 6E ounces refined.*

NOTES TO KEY OPERATIONAL PERFORMANCE MEASURES continued

for the six months ended 31 December 2020

		H1 FY2021	H1 FY2020
FREE CASH FLOW			
Net cash from operating activities	(Rm)	**21 767**	5 985
Capital expenditure	(Rm)	**(2 548)**	(1 833)
Interest received	(Rm)	**355**	273
Net investments and other	(Rm)	**571**	241
Add back: Impala Canada transaction fees	(Rm)	**—**	147
Add back: Bridge financing interest	(Rm)	**—**	176
Free cash flow	(Rm)	**20 145**	4 989

		H1 FY2021	H1 FY2020
EBITDA			
Profit before taxation	(Rm)	**35 887**	4 779
Finance income	(Rm)	**(355)**	(279)
Finance cost	(Rm)	**510**	625
Depreciation and amortisation	(Rm)	**2 642**	2 007
Associates adjustment of EBITDA	(Rm)	**1 152**	466
Adjustments to headline earnings	(Rm)	**(14 772)**	(30)
EBITDA (earnings before interest, tax and depreciation)	(Rm)	**25 064**	7 569

Definitions for key operational performance measures

Cost per ounces refined (stock adjusted)

Cost per ounces refined is a pro forma performance measure and is defined as cash cost for on-mine, concentrating and corporate costs divided by stock adjusted production for managed operations. Plus smelting and refining costs divided by refined production for the period. Cash costs excludes royalties, depreciation, share-based payments and other, as well as change in stock.

Free cash flow

Free cash flow is a pro forma performance measure and is defined as net cash from operating activities plus net cash flows from investing activities adding back cash flows arising from any merger or acquisition activities for the period.

EBITDA

EBITDA is a pro forma performance measure and is defined as earnings before interest, tax, depreciation and amortisation and adjusted for pre-tax headline earnings adjustments for the period. Earnings from associates is also adjusted for interest, tax, depreciation and amortisation for the period.

These pro forma performance measures constitutes pro forma financial information in terms of the JSE Listings Requirements, and is the responsibility of the board.

CORPORATE INFORMATION

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(Incorporated in the Republic of South Africa)
Registration number 1957/001979/06
JSE share code: IMP
ISIN: ZAE000083648
JSE convertible bond stock code: IMCB22
JSE convertible bond ISIN: ZAE000247458
ADRs: IMPUY
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