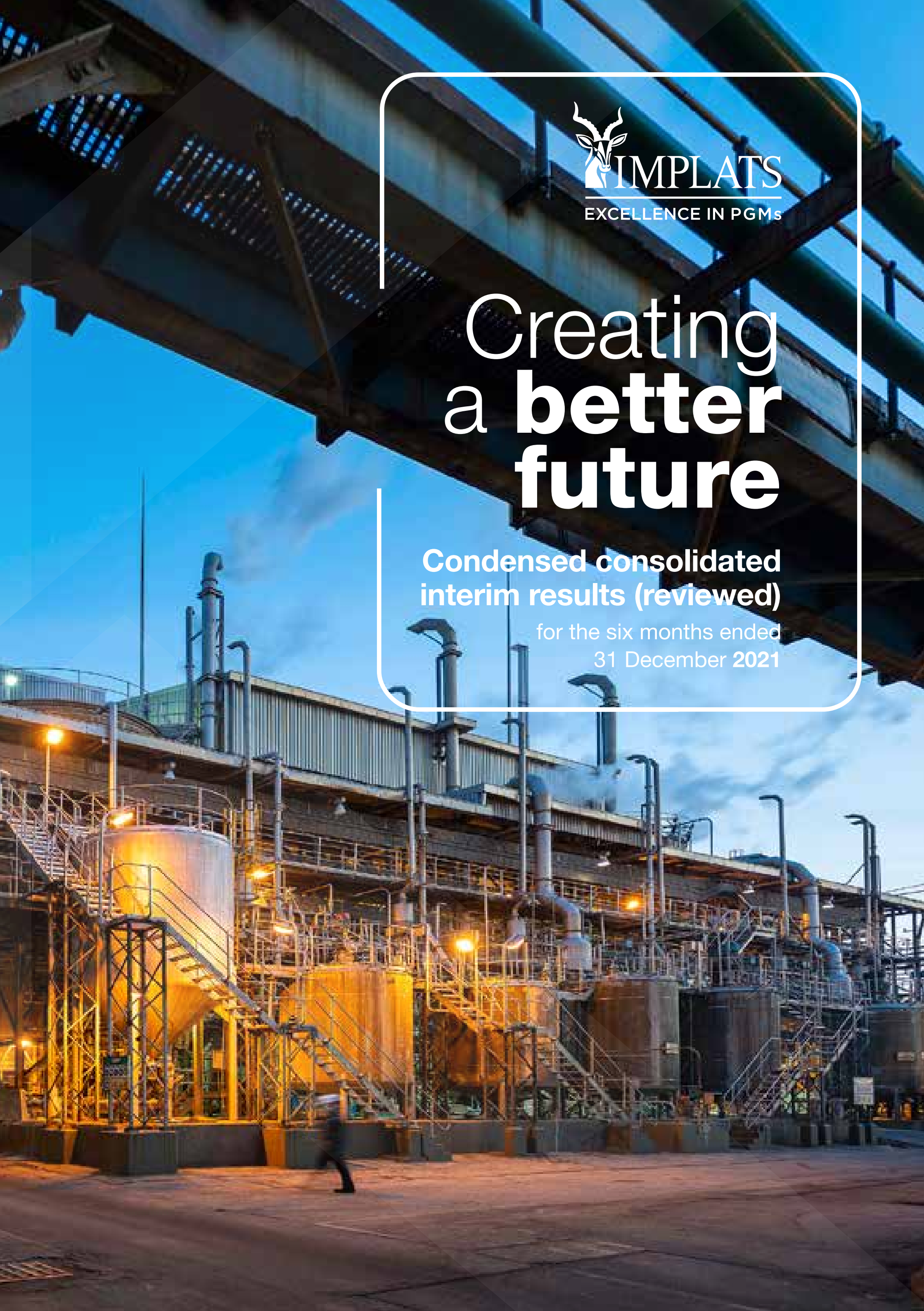


IMPLATS
EXCELLENCE IN PGMs

Creating a **better future**

Condensed consolidated interim results (reviewed)

for the six months ended 31 December **2021**

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.

Disclaimer: This entire disclosure and all subsequent written or oral forward looking statements attributable to Implats or any person acting on its behalf are qualified by caution. Recipients hereof are advised this disclosure is prepared for general information purposes and not intended to constitute a recommendation to buy or offer to sell shares or securities in Implats or any other entity. Sections of this disclosure are not defined and assured under IFRS, but included to assist in demonstrating Implats' underlying financial performance. Implats recommends that you address any doubts in this regard with an authorised independent financial adviser, stockbroker, tax adviser, accountant or suitably qualified professional.

March 2022
Johannesburg

Sponsor to Implats
Nedbank Corporate and Investment Banking,
a division of Nedbank Limited

Key features

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.

The metals we produce are the key to making many industrial, medical, and electronic items, and they contribute to a cleaner, greener world.

Health and safety

- Six fatal injuries occurred in the period – five at managed operations (6 and 16 shafts)
- 21% improvement in the LTIFR to 3.88 from FY2021
- 6% deterioration in the TIFR to 10.45 from FY2021
- 88% of employees, including contractors, are fully vaccinated (100% at the Zimbabwean and Canadian operations)

Financial

- Robust earnings and free cash flow generation, restrained by operational challenges and elevated inflation
- Gross profit of R17.9bn and EBITDA of R24.0bn declined by 20% and 4%, respectively
- Headline earnings of R13.8bn (-4%) and headline earnings per share of 1 690c (-9%)
- Free cash flow of R15.1bn and closing net cash (excluding leases) of R18.5bn
- Acquisition of a 35.3% shareholding in RBPlat
- Interim dividend of 525c per share declared

Operational

- Period impacted by extended safety stoppages, industrial action and intermittent power provision in South Africa and a shortage of critical skills in Canada
- 4% decline in mine-to-market 6E concentrate production to 1.43Moz
- 4% decrease in third-party 6E receipts to 188koz
- 5% decrease in refined 6E production to 1.62Moz
- 6E sales volumes declined by 5% to 1.55Moz
- Group unit costs per 6E ounce increased by 17% to R16 756/oz on a stock-adjusted basis
- Consolidated Group capital expenditure of R3.6bn

Market

- Confidence in elevated PGM strength
- Tightening in palladium and rhodium expected
- Platinum vulnerable to changing investor sentiment

Operating statistics

		Six months to 31 December 2021	Six months to 31 December 2020	% Change
Gross refined production				
6E	(000oz)	**1 616.6**	1 694.2	(4.6)
Platinum	(000oz)	**759.6**	787.0	(3.5)
Palladium	(000oz)	**551.2**	576.4	(4.4)
Rhodium	(000oz)	**92.6**	102.5	(9.7)
Nickel	(tonnes)	**8 223**	7 989	2.9
IRS metal returned (toll refined)				
6E	(000oz)	**0.3**	0.2	50.0
Platinum	(000oz)	**—**	—	—
Palladium	(000oz)	**0.3**	—	—
Rhodium	(000oz)	**—**	0.1	(100.0)
Nickel	(tonnes)	**1 863**	2 141	(13.0)
Sales volumes				
6E	(000oz)	**1 545.7**	1 621.4	(4.7)
Platinum	(000oz)	**741.0**	691.8	7.1
Palladium	(000oz)	**529.5**	580.4	(8.8)
Rhodium	(000oz)	**84.3**	103.8	(18.8)
Nickel	(tonnes)	**6 111**	5 811	5.2
Prices achieved				
Platinum	(US$/oz)	**1 022**	915	11.7
Palladium	(US$/oz)	**2 200**	2 265	(2.9)
Rhodium	(US$/oz)	**16 036**	12 454	28.8
Nickel	(US$/t)	**18 476**	14 351	28.7
Consolidated statistics				
Average rate achieved	(R/US$)	**15.00**	16.22	(7.5)
Closing rate for the period	(R/US$)	**15.94**	14.67	8.7
Revenue per 6E ounce sold	(US$/oz)	**2 417**	2 197	10.0
Revenue per 6E ounce sold	(R/oz)	**36 230**	35 635	1.7
Tonnes milled ex-mine*	(000t)	**11 301**	11 789	(4.1)
6E in concentrate production	(000oz)	**1 616**	1 684	(4.0)
Group unit cost per 6E ounce stock adjusted	(R/oz)	**16 756**	14 292	(17.2)
Group unit cost per 6E ounce stock adjusted	(US$/oz)	**1 114**	879	(26.7)
Capital expenditure	(Rm)	**3 568**	2 667	(33.8)
Stay in business capital	(Rm)	**2 745**	2 103	(30.5)
Replacement capital	(Rm)	**584**	555	(5.2)
Expansion capital	(Rm)	**239**	9	(>100)

* *Managed operations.*

Financial statistics

		Six months to 31 December 2021	Six months to 31 December 2020	% Change
Financial performance				
Revenue	(Rm)	**55 620**	58 121	(4.3)
Gross profit	(Rm)	**17 945**	22 366	(19.8)
EBITDA**	(Rm)	**23 992**	25 064	(4.3)
Profit for the period	(Rm)	**14 383**	25 417	(43.4)
Basic earnings	(Rm)	**13 838**	25 078	(44.8)
Headline earnings	(Rm)	**13 814**	14 441	(4.3)
Free cash flow**	(Rm)	**15 149**	20 145	(24.8)
Net cash (excluding leases)	(Rm)	**18 537**	20 282	(8.6)
Basic earnings per share	(cps)	**1 693**	3 222	(47.5)
Headline earnings per share	(cps)	**1 690**	1 855	(8.9)
Dividends per share	(cps)	**525**	1 000	(47.5)

** *Non-International Financial Reporting Standards metric.*

ESG indicators

		Six months to 31 December 2021	Six months to 31 December 2020	Variance %
Fatalities	(count)	**5**	—	—
TIFR***	(pmmhw)	**10.45**	9.34	(12)
LTIFR***	(pmmhw)	**3.88**	5.13	24
Labour including capital*	(number)	**58 047**	53 384	9
Level 4 or 5 environmental incidents	(count)	**–**	—	—
Level 3 environmental incidents	(count)	**2**	3	33
Water consumption	(kilolitres/tonnes milled)	**20**	1.9	5
Water recycled/reused	(%)	**51**	47	16
Energy consumption	(GJ/tonnes milled)	**0.89**	0.83	7
Scope 1 and 2 carbon emissions	(tonnes CO_2/tonnes milled)	**0.16**	0.17	6

* *Managed operations.*

*** *Per million man-hours worked.*

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

Creating a **better future**

Our purpose
Creating a better future

Our vision
To be the most valued and responsible metals producer, creating a better future for our stakeholders

Our values
Respect, care and deliver

Commentary

INTRODUCTION

It was a challenging period for Implats. The financial consequences of a series of operational challenges were compounded by softening rand PGM pricing, which came off the record highs reached in late FY2021. The ongoing impact of the Covid-19 pandemic continues to be felt in constrained labour and skills availability, elevated absenteeism and heightened community dissatisfaction and lawlessness. This required increased focus and innovation from management teams and added to the challenges that have persisted across the sector for several years. Inflationary pressures were compounded by the strategic decision to increase labour to facilitate development rates and the payment of a discretionary employee bonus in recognition of the Group's strong financial performance in FY2021.

Profitability and cash generation remained strong, indicative of the enduring robustness of the current PGM cycle. The Group delivered meaningful progress against several key strategic imperatives, including advancing a suite of processing projects aimed at capitalising on inherent mining efficiencies, ore resource optionality and flexibility at managed and joint venture (JV) operations. An integrated plan to increase capacity across the Group's smelting and refining assets, advance the reduction of Implats' carbon footprint and deliver sustainable improvements in environmental performance, is now underway.

A robust balance sheet, strengthened by targeted transactions which have harnessed the benefit of elevated profitability to secure enviable financial flexibility, enabled the Group to withstand and rapidly respond to changes in the operating environment. This allowed Implats to pursue value-accretive organic and acquisitive growth, while maintaining its commitment to delivering sustainable shareholder returns.

The proposed acquisition of all outstanding Royal Bafokeng Platinum (RBPlat) shares will provide compelling strategic, operational and financial benefits for Implats and RBPlat stakeholders and local communities. It will secure a Western Limb production base, to enhance and entrench the region's position as the most significant source of global primary PGM production and will deliver tangible socio-economic benefits for the region, its communities, and South Africa

The Group remains confident in its assertion of elevated strength in PGMs and the strategic rationale of accelerated investment to secure the long-term sustainability and competitiveness of its diverse asset suite, as well as the competitive advantage of industry leading integrated processing assets.

as a whole, including employment security and sustained indirect benefits for the greater-Rustenburg region.

The offer provides a compelling value proposition for RBPlat shareholders, by crystallising inherent equity value at an attractive premium through the receipt of a combination of cash and high-quality and liquid Implats' scrip. This in turn offers:

- Exposure to a global portfolio of PGM assets, projects, and a toll-refining business, which are well positioned to capture the benefits of the full mine-to-market PGM value chain through integrated processing facilities, including wholly owned smelters, base- and precious-metal refineries
- The opportunity to benefit from regionally diverse production growth across shallow, mechanised operations on the Eastern Limb of the Bushveld Complex, Canada and Zimbabwe and the planned expansion of installed processing capacity
- The best position to deliver future operational benefits from the significant, unique regional synergies presented by these contiguous operations, given Implats' comprehensive experience of the orebody and its ability to leverage cost-effective opportunities for future growth
- An attractive and sustainable dividend yield, underpinned by clear and disciplined capital allocation priorities and a strong and flexible balance sheet.

The offer consideration for every RBPlat share consists of R90 cash and 0.30 Implats shares. Implats' 35.3% ownership in RBPlat at 31 December 2021 and the RBPlat board's recommendation of the offer indicate the broad support received and affirm the strategic rationale and value proposition provided by this acquisition.

Commentary

SAFETY

Safe production is the cornerstone of Implats' objective to achieve zero harm for all employees and contractors. It is with deep regret that the Group reports a deterioration in its safety record in the period under review. Four incidents at Group operations and JVs resulted in six fatalities, five at managed operations: in memoriam Enos Ikaneng, Mkuzeni Msindo and Nyankwabe Sambo at Impala Rustenburg's 6 Shaft following a mud-rush incident; Isaiah Molale and Castor Chabalala in separate incidents at Impala Rustenburg's 16 Shaft; and Jacob Leshaba at Two Rivers. The board of directors and management team have extended their sincere condolences to the families and friends of our seven colleagues and the Group offers ongoing support to their families.

The retracement in the Group's safety record is deeply concerning. Each incident is being thoroughly investigated at an operational level to determine the causes and to share lessons learned and remedial actions. Implats seeks to inculcate critical safe behaviours from the mine gate, with a focus on visible leadership, mining discipline and targeted safety interventions. There is also a renewed focus on the critical role of supervisory management, with training and development underway.

The fatal injury frequency rate and the total injury-frequency rate deteriorated to 0.080 (FY2021: 0.026) and 10.45 (FY2021: 9.84) per million man-hours worked, respectively. In contrast, the lost-time injury frequency rate improved by 21% to 3.88 per million man-hours worked (FY2021: 4.92) and, by period end, 13 of the Group's 17 operations had achieved millionaire or multi-millionaire status in terms of fatality-free shifts.

In November 2021, at the South African MineSafe 2021 Tripartite Conference, Implats was honoured to be awarded the "best safety performance in the PGM sector" following several record safety performances, before the safety retracement. MineSafe is the annual Southern African Institute of Mining and Metallurgy (SAIMM) event, with participation from the Department of Mineral Resource and Energy (DMRE), the Mine Health and Safety Council, mining companies, organised labour and professional industry bodies.

SUSTAINABILITY

Implats aspires to create a better future through the metals it produces and the way it conducts business, underpinned by its core values to respect, care and deliver. It is committed to socially and environmentally responsible business practices, embedding sustainability into the way it works and applying industry leading ESG practices.

Post-period-end, Implats was delighted to have its sustainability journey recognised through being one of only four JSE-listed metals and mining companies to be included in the S&P Global Sustainability Yearbook 2022 and the only company awarded the Metals and Mining Industry Mover Award. In addition, the Group received an "A" rating from the MSCI, up from "BBB".

The Group's commitment to gender equality was recognised through its third consecutive inclusion in the Bloomberg Gender-Equality Index (2022). Implats holds an "A" rating by the Carbon Disclosure Project (CDP) for disclosures, awareness and management of water security risk in 2021 and holds a "B" rating for its climate change action and disclosures. The Group's strong resilience to long-term ESG risks is indicated in its long-term constituency of the FTSE4Good Index Series and the FTSE/JSE Responsible Investment Top 30 Index. Implats' refining assets hold the London Platinum and Palladium Market certificate for Responsible Platinum and Palladium Sourcing.

Health and wellbeing

The Group was well prepared for the fourth wave of Covid-19, which began in southern Africa in November 2021. Dominated by the Omicron variant, the wave was characterised by a rapid increase in infections, which dropped off sharply but with a longer tail, relative to previous waves. As signalled by international and local health bodies, the Omicron variant marks the beginning of a shift from the pandemic phase of the outbreak to the endemic phase, where the virus will likely circulate in the population with occasional periods of increase.

Managing Covid-19 remains a critical imperative at Implats and the team continues to work closely with all role players in vaccinating employees and surrounding communities. As at the end of January 2022, more than 93% of employees, including contractors at Group operations had received a first vaccine dose, while 88% had received second doses. In addition, Impala Rustenburg had directly vaccinated more than 24 687 local community members. At the SAIMM MineSafe 2021 Tripartite Conference, the Group was awarded for its industry leading Covid-19 response by a large company, in recognition of its extensive employee and community vaccination programme.

Implats continued its proactive approach to Covid-19 prevention and treatment – including extensive employee education, strict Covid-19 protocols, the distribution of immune-boosting packs, capacitated medical facilities and employee and community vaccination outreach – which ensured lower mortality rates relative to those in the regions in which the Group operates. The Group also adopted a proactive clinical approach with employees, with several hospitalised as a precautionary treatment measure. Regrettably, one employee succumbed to the virus during the period, bringing to 70 the total number of employees lost to Covid-19 since the onset of the pandemic in 2020.

All operations focus on supporting the mental wellbeing of their healthcare workers, employees and dependants, and the Group continues to strengthen its approach, informed by learnings and evolving global best practice.

Environment

The Group's achievements in responsible stewardship were anchored by a sound environmental performance during the period. Implats continues to drive improvements through certified environmental management systems. The Group's managed operations at Impala Rustenburg, Zimplats, Marula and Impala Refineries are ISO14001: 2015 certified. Implats recorded no major (level 5) or significant (level 4) environmental incidents and achieved a 33% reduction in limited impact (level 3) environmental incidents to two (H1 FY2021: three).

The Group's consumption of recycled and reused water improved to 51% in the period, against an annual target of 48%, supported by higher levels of rainwater recovery at all our southern African operations (H1 FY2021: 44%). However, total water consumption marginally increased by 1% to 25 671Ml, with increased production year-on-year at Marula and Zimplats offsetting reduced production at Impala Rustenburg.

Implats made progress on its strategy to transition to lower-carbon production and in its efforts to strengthen energy security. During the period, Zimplats obtained a power generation licence for a 185MW solar power plant. The Group's carbon emission intensity remained largely unchanged at 0.16 tonnes of CO_2 per tonne milled (H1 FY2021: 0.17 tonnes CO_2 per tonne milled). Energy consumption for the period increased by 2% to 10 047 GJ 000 (H1 FY2021: 9 807 GJ 000), largely due to increased diesel consumption from construction activities at Zimplats' third concentrator and the Ngezi housing project.

Social

Adverse socio-economic conditions continue to be a feature in many of Implats' mine-host communities, compounded by the economic scarring from Covid-19. This is typified by high youth unemployment, growing inequality, frustration with the pace of government service delivery and contestation for employment and procurement opportunities from private-sector companies. Implats aims to maintain constructive and beneficial relationships with its mine-host communities and prioritises sustainable socio-economic development to mitigate, where it can, challenging conditions.

In South Africa, social and labour plans (SLPs) are the backbone for delivering social projects. In the period under review, Impala Rustenburg handed over two projects at a cost of R8 million: the upgrade of kitchens for the National Schools Nutrition Programme, which services the labour-sending area of Ganyesa/Taung; and the upgrade of three libraries in rural Eastern Cape, another of Implats' important labour-sending areas. At Marula, various community infrastructure projects are in progress and planned for completion by year-end, including building additional school classrooms, tarring access roads, and constructing community access bridges and water supply projects.

In Zimbabwe, Zimplats' US$15 million Community Empowerment Cattle Ranching project was officially launched during the period. The project's community development initiatives include additional jobs in local communities, establishing community paddocks, pasture improvements, training local community members on dairy farming, providing vaccinations and antibiotics for community herds, and rolling out breeding programmes to improve the genetics of local herds.

Commentary

Impala Canada continues to work with local indigenous partner communities on food security and education programmes. Partnerships with education providers were established to sponsor tutoring for at-risk young students in high-need indigenous schools in Northwestern Ontario. A three-year pledge of C$150 000 was made to support the post-secondary education of indigenous youth in the Thunder Bay area.

Stakeholder engagement efforts continue to be prioritised and take place through established formal community engagement structures across the Group.

OPERATIONAL REVIEW

Implats faced several operational challenges in its first half. Extended safety stoppages, intermittent industrial action and power supply interruptions in South Africa, and a shortage of critical skills in Canada had a notable impact on reported production.

Tonnes milled from managed operations declined by 4% to 11.30 million tonnes (H1 FY2021: 11.79 million tonnes), with lower reported volumes at Impala Rustenburg and Impala Canada offsetting improved throughput at Marula and Zimplats. Concentrate production at managed operations decreased by 4% to 1.16 million 6E ounces (H1 FY2021: 1.21 million ounces).

Production volumes at Two Rivers were impacted by safety stoppages, with mined throughput supplemented by a drawdown in ore stockpiles, while at Mimosa, plant instability due to power interruptions and a change in reagents led to a drop in process recoveries. 6E concentrate production from JV operations declined by 4% to 271 000 ounces (H1 FY2021: 283 000 ounces). In total, mine-to-market 6E concentrate produced decreased by 4% to 1.43 million 6E ounces (H1 FY2021: 1.49 million ounces).

Third-party 6E receipts of 188 000 ounces were 4% lower and gross 6E concentrate volumes produced declined by 4% to 1.62 million ounces (H1 FY2021: 1.68 million ounces).

Group refined production of 1.62 million 6E ounces, including saleable production from Impala Canada, declined by 5% (H1 FY2021: 1.69 million ounces). Refined volumes in the previous comparable period benefitted from increased availability of processing capacity due to the timing of annual maintenance. Processing assets performed well, with all previously identified excess 6E concentrate stocks treated during the period.

Inflationary pressures were compounded by additional working cost labour and the payment of the previously signalled discretionary employee bonus in recognition of the Group's strong financial performance in FY2021, but benefited somewhat from the impact of rand strength on translation of the cost base at Zimplats and Impala Canada. Total cash operating costs increased by 12%, while unit cost inflation was compounded by lower production volumes and, on a stock-adjusted basis, increased by 17% to R16 756 per 6E ounce (H1 FY2021: R14 292 per ounce).

Capital expenditure at managed operations rose by 34% to R3.6 billion (H1 FY2021: R2.7 billion) as investment accelerated across the mining and processing operations at Impala Rustenburg following Covid-19-related delays in the previous comparable period, and several Group replacement and growth projects were initiated during the period.

Impala Rustenburg

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

Increasing complexity in the operating environment because of unstable power supply from Eskom, unprotected industrial action, heightened community contestation and mine stoppages, due to a disappointing retracement in safety performance, severely impeded operational momentum during the half year.

Total development declined by 7% in the period. However, mineable face length increased by 4% as improvements at 1, 10, 16 and 20 shafts compensated for the closure of 9 Shaft. Tonnes milled decreased by 11% to 4.98 million tonnes (H1 FY2021: 5.58 million tonnes) and milled grade declined to 3.96g/t

(H1 FY2021: 4.03g/t) due to operational interruptions at high-grade shafts and the negative variance in the stoping-to-development ratio.

Further improvements in concentrator recoveries partially offset lower mined volumes and 6E in concentrate decreased by 8% to 608 000 ounces, while stock-adjusted 6E production declined by 7% to 625 800 ounces (H1 FY2021: 670 300 ounces).

The processing division performed well in the period. Scheduled annual maintenance was completed in Q1 FY2022 and all previously identified excess stock was processed by period end. In the previous comparable period, maintenance was expedited to align with the Group's operational performance as it emerged from Covid-19 lockdowns. As a result, refined 6E volumes of 650 700 ounces were 11% lower (H1 FY2021: 728 900 ounces). Sales volumes declined by 4% to 623 800 6E ounces (H1 FY2021: 652 700 6E ounces) as higher platinum sales were offset by lower sales of palladium, rhodium and the minor PGMs.

Total cash costs, including corporate and marketing costs, increased by 18% to R12.4 billion (H1 FY2021: R10.6 billion). Above-CPI increases on consumables, utilities and labour resulted in mining inflation of 9% in the period, compounded by the 7% increase in average working cost headcount and the payment of a discretionary employee bonus of R544 million (R870 per 6E ounce). On a stock-adjusted basis, unit costs increased by 26% to R19 879 per 6E ounce (H1 FY2021: R15 754 per ounce), impacted by lower volumes and inflationary pressures.

Capital expenditure increased by 58% to R1.6 billion (H1 FY2021: R982 million). Stay-in-business spend increased by 75% to R1.5 billion as investment in several mining and processing projects to improve asset integrity were accelerated. Replacement capital declined by 54% to R61 million as 16 Shaft neared completion. R376 million (H1 FY2021: R50 million) of total spend was invested in the Rustenburg smelters and the base and precious metal refineries.

The number 3 furnace at Rustenburg was scheduled for a partial rebuild during Q3 FY2022. However, the operational impact of the hard Covid-19 lockdown and inconsistent power supply from Eskom load curtailment measures, resulted in accelerated wear. Post-furnace inspection, a decision was made to undertake a full rebuild – extending the maintenance period to approximately four months from the previously expected six weeks.

Life-of-mine extension projects at 12 and 11 shafts were approved, while studies at 1, 14 and 20 shafts progressed. The board approved the R496 million de-bottlenecking of the Springs Base Metal Refinery (BMR), which is expected to have a 27-month timeline. The project will be implemented by the BMR technical team and is expected to expand matte treatment capacity by circa 10% to provide headroom for anticipated growth. Additional studies to expand the capacity of the BMR and the Precious Metal Refinery are well advanced and will be presented to the board for approval during 2022.

During the first half, Impala delivered R7.1 billion in free cash flow, a 33% decrease from the previous comparable period, due primarily to lower sales volumes and higher costs, offsetting the benefit of higher achieved revenue per ounce sold. Impala made a gross profit of R8.5 billion and contributed R6.4 billion to Group headline earnings (H1 FY2021: R7.4 billion).

Weaker production in H1 FY2022 and the impact of safety reviews, mitigating actions and the subsequent ramp-up in production at 16 and 6 shafts, will prevent Impala Rustenburg achieving previously guided production in FY2022. Concentrate production is now expected to be between 1.14 and 1.20 million 6E ounces.

Impala Refining Services (IRS)

Receipts of 6E matte and concentrate from mine-to-market operations declined by 4% to 716 700 ounces (H1 FY2021: 746 700 ounces). Receipts from managed operations at Marula and Zimplats increased by 5% to 457 800 6E ounces (H1 FY2021: 437 600 ounces), while receipts from Two Rivers and Mimosa declined by 16% to 258 900 ounces (H1 FY2021: 309 100 ounces). Third-party 6E receipts of 188 200 ounces decreased by 4% (1H FY2021: 196 000 ounces) as a result of power and Covid-19 interruptions. Receipts in the previous comparable period benefited from the deferred receipt of concentrates accumulated during the Covid-19 *force majeure* period. In aggregate, gross 6E receipts of 904 900 ounces were 4% lower than the previous comparable period (H1 FY2021: 942 700 ounces).

Refined 6E volumes increased by 1% to 853 500 ounces (H1 FY2021: 845 200 ounces), benefiting from a consistent processing performance and the reduction in previously accumulated excess inventory. Sales volumes of 809 600 6E ounces decreased by 5% (H1 FY2021: 848 700 6E ounces) as sales of minor PGMs decreased period-on-period, following the opportunistic destocking of refined inventory into higher pricing in the previous comparable period.

The cash operating costs associated with smelting, refining and marketing IRS production increased by 3% to R945 million. Concentrate purchase agreements at IRS are dominated by ore feeds from Great Dyke and UG2 sources. The impact of higher average platinum, nickel and rhodium pricing was offset by lower volumes purchased and period-end pricing. As a result, the cost of metals purchased declined by 18% to R25.7 billion (H1 FY2021: R31.2 billion). IRS reported a gross profit of R469 million and contributed R317 million to headline earnings. Free cash flow declined by 35% to R3.1 billion from R4.8 billion in the previous comparable period.

Marula

Marula benefited from operational continuity during the period. Ongoing stakeholder interventions limited community disruptions, the safety performance improved and the mine achieved record production.

Milled tonnage improved by 9% to 1.02 million tonnes (H1 FY2021: 934 000), while a strong mining performance advanced the ratio of development-to-stoping tonnes, resulting in a 4% increase in the 6E milled head grade to 4.56g/t (H1 FY2021: 4.40g/t). Concentrate production increased by 11% to 134 500 6E ounces (H1 FY2021: 121 400 ounces), from the previous comparable period, which included yield gains from surface sources.

Inflation and the costs associated with higher variable costs, additional headcount and the discretionary employee bonus payment, weighed on cash costs, which rose 19% to R1.6 billion (H1 FY2021: R1.4 billion). Cost inflation was partially offset by higher volumes and unit costs increased by 7% to R12 253 per 6E ounce (H1 FY2021: R11 433 per ounce). The bonus contributed R465 per 6E ounce to reported unit costs. Capital expenditure increased by 10% to R115 million, largely due to the tailings storage facility liner replacement.

The 12% increase in 6E sales volumes to 136 200 ounces (H1 FY2021: 121 500 ounces) and the 4% rise in revenue per 6E ounce sold to R34 107 (H1 FY2021: R32 839) was offset by negative provisional pricing adjustments of R704 million realised on closing pricing. Sales revenue declined by 11% to R3.9 billion (H1 FY2021: R4.4 billion). Gross profit declined by 29% to R1.9 billion, while headline earnings increased to R1.8 billion from the R113 million loss in the previous comparable period when reported profitability was impacted by the R1.5 billion IFRS 2 BEE charge. Marula generated R1.4 billion in free cash flow, a 60% increase from the previous comparable period when cash flow generation reflected the lagged impact of delayed contractual payments because of the IRS *force majeure* period in FY2020.

The R5.1 billion Phase II project was approved by the board and will deliver a 17-year life-of-mine extension to FY2039, with a circa 20% increase in milling capacity to 2.4 million tonnes per annum. Capital expenditure is planned over circa six years, with first production scheduled for FY2023 and full capacity achieved in FY2028.

Two Rivers

Two Rivers navigated several challenges in the period, with extended safety stoppages, community interruptions and intermittent power instability.

Mined volumes were severely impacted by the extended Section 54 stoppage at the operation following a fatal accident in September 2021. The impact on underground volumes was mitigated by additional milling of surface stockpiles and tonnes milled increased by 3% to 1.67 million tonnes (H1 FY2021: 1.63 million tonnes). The treatment of higher stockpile tonnage resulted in a 5% decline in milled grade to 3.20g/t (H1 FY2021: 3.37g/t) and concentrate production decreased by 3% to 146 500 6E ounces (H1 FY2021: 150 300 ounces).

Total cash costs increased by 3% to R1.6 billion, impacted by mined volumes being 12% lower. Unit costs per tonne milled were unchanged at R937 per tonne (H1 FY2021: R936 per tonne), however, costs per 6E ounce in concentrate increased by 10% to R11 215 per ounce (H1 FY2021: R10 166 per ounce), inclusive of the allocated cost of the stockpile milled.

Capital expenditure increased by 4% to R572 million (H1 FY2021: R552 million) as stay-in-business investment slowed on reduced mined volumes and the fleet replacement programme and expansion spend accelerated.

The benefit of higher pricing for platinum, rhodium and nickel was more than offset by the impact of negative provisional pricing adjustments of R728 million realised on closing pricing. Sales revenue declined by 26% to R4.0 billion (H1 FY2021: R5.3 billion) and gross profit of R1.8 billion was 45% lower than the previous comparable period. Generated free cash flow increased to R2.1 billion (H1 FY2021: R721 million) as the previous comparable period reflected the lagged impact of delayed contractual payments because of the IRS *force majeure* period in FY2020. Lower closing valuations on in-process volumes at IRS resulted in positive swings in intercompany adjustments and the 46% share of profit in the Group increased by 75% to R1.1 billion. R391 million in dividends were received from Two Rivers in the period.

Progress on the 40 000 tonne per month UG2 plant expansion was impeded by Covid-19 and delays in steel deliveries. The mill was commissioned early in Q3 FY2022 and ramp-up is expected to be achieved early in Q4 FY2022. The tailings storage facility (TSF) expansion, to cater for both UG2 and future Merensky volumes, is nearing completion.

The R5.7 billion Merensky mining project was approved in FY2021 and will expand production by circa 180 000 6E ounces, with first ore production scheduled in FY2024 and full production planned for FY2025. Concentrator design work for execution is well advanced, and procurement of long-lead items is underway. Initial mining activities to support the creation of a run-of-mine (ROM) stockpile commenced in February 2022.

Zimplats

Zimplats continued to deliver consistent operating results with sustained momentum, despite the increase in capital project activity at the mine and persistent socio-economic pressures in Zimbabwe, which have been compounded by Covid-19.

Milled volumes increased by 2% to 3.41 million tonnes (H1 FY2021: 3.35 million tonnes) as increased milling from the ROM stockpile compensated for lower volumes from Ngwarati following repairs to the decline, and Mupfuti due to poor availability of equipment during a maintenance contractor changeover. Changes in ore mix impacted milled grade and process recoveries. Concentrate and matte production of 291 100 ounces (H1 FY2021: 296 900 ounces) and 283 800 ounces, respectively, were 2% lower. Sales volumes were bolstered by deferred deliveries due to export administrative delays in late FY2021 and increased by 7% to 322 800 6E ounces (H1 FY2021: 301 200 ounces).

Total cash costs increased by 7% to US$205 million, with mining inflation of circa 4% compounded by a higher headcount and the payment of a discretionary employee bonus. Translated costs benefited from the strengthening of the rand and declined by 1% to R3.1 billion (H1 FY2021: R3.1 billion). Unit costs per tonne milled increased by 5% to US$60 per tonne, while stock-adjusted costs inclusive of stockpile movements, increased 10% to US$708 per 6E ounce (H1 FY2021: US$641 per ounce). A stronger rand resulted in a 3% decrease in the translated per tonne costs to R904 per tonne (H1 FY2021: R931 per tonne), while stock-adjusted unit costs of R10 655 per 6E ounce were limited to a 2% increase (H1 FY2021: R10 402 per ounce).

Capital expenditure increased by 46% to US$83 million (H1 FY2021: US$57 million) and was 35% higher in rand terms as the Mupani Mine replacement project was accelerated and spend began on the third concentrator plant.

The benefit of higher achieved pricing for platinum, rhodium and nickel and improved sales volumes more than offset the impact of negative provisional pricing adjustments of R1.5 billion realised on closing pricing.

Sales revenue declined by 15% to R9.1 billion (H1 FY2021: R10.7 billion). Gross profit was R4.6 billion (H1 FY2021: R5.9 billion) as Zimplats generated R2.7 billion in free cash flow and contributed R3.2 billion in headline earnings to the Group.

Project development at Zimplats is focused on harnessing the inherent mining flexibility and optionality offered by the asset through optimising processing capacity and infrastructure, while simultaneously delivering a step-change in the mine's carbon footprint and environmental performance. This will position Zimplats as a low-carbon producer of PGMs, entrenching its position as a premier low-cost, capital-efficient, shallow, and mechanised asset.

The US$468 million mine replacement projects, focused on upgrading Bimha Mine and developing the new Mupani Mine, progressed well. Full production of 3.1 million tonnes and 3.6 million tonnes per annum remains on schedule for Q1 FY2024 and Q1 FY2028, respectively. The Phase 3A growth project, which comprises constructing the initial 0.9 million tonne per annum module at the third concentrator plant (US$94 million), together with associated additional mining fleet (US$18 million) and infrastructure, remains on schedule with plant commissioning on track for Q1 FY2023. Fleet deliveries were completed and employee accommodation is set to be handed over in Q3 FY2022.

In November 2021, the board approved the expansion of existing smelter capacity at Zimplats and the installation of SO_2 abatement, at a total capital vote of US$521 million. First matte production from the new 36MW furnace is scheduled for Q3 FY2024, with commissioning of the acid plant expected in Q1 FY2025.

Impala Canada

Impala Canada continued to struggle with a challenging and complex operating environment and the Omicron wave of the pandemic resulted in the reintroduction and tightening of certain lockdown measures, which compounded a shortage of critical skills and logistical constraints related to supply chain issues.

These challenges are regional in nature, impacting the broader North American mining industry and are not unique to the Ontario region in which Impala Canada's operations are located. The maintenance programme at Lac des Iles Mine was directly impacted, resulting in poor underground equipment availability and lower production. The shortfall in planned underground volumes was partially offset by milling open-pit material, which impacted milled grade and recoveries. Expedited and extensive plant maintenance during Q2 FY2022 also negatively impacted reported results.

The operation delivered mill throughput of 1.89 million tonnes and a 6E head grade of 2.58g/t, yielding 123 200 6E ounces in concentrate. Gross costs of C$143 million were impacted by inflation of 4% and additional maintenance spend on equipment and the mill, increasing by 9% (H1 FY2021: C$131 million). Unit costs increased by 12% per 6E ounce in concentrate to C$1 161 (H1 FY2021: C$1 033 per ounce), exacerbated by the lower volumes. The benefit of a stronger rand on translated costs resulted in a 9% increase in reported 6E unit costs of R13 872 per ounce (H1 FY2021: R12 722 per ounce).

Capital expenditure of C$54 million was incurred on developing the underground expansion project, the tailings storage facility and strengthening critical infrastructure at Lac des Iles. A mill decoupling project was approved in May 2021 with a capital vote of C$24 million and is aimed at increasing mill throughput from 11 400 tonnes to 12 500 tonnes per day by FY2024.

Average palladium pricing softened from the previous comparable period, while closing pricing was impacted by expedited destocking of in-process inventory by the peer group. The 7% decrease in reported 6E sales volumes of 121 000 ounces was exacerbated by the impact of negative provisional pricing adjustments of R462 million realised on closing pricing. As a result, sales revenue declined by 33% to R3.0 billion. Gross profit was R683 million and Impala Canada contributed R384 million in headline earnings to the Group. Generated free cash flow of R214 million (H1 FY2021: R952 million) was negatively impacted by final tax payments relating to FY2021.

Several interventions to address staffing constraints are being implemented. However, the challenging operating environment at Impala Canada is expected to persist in H2 FY2022 and 6E concentrate production is now expected to be between 230 000 to 250 000 ounces.

Mimosa

Mimosa operated well in the period. However, the operation was hampered by processing instability due to a change in reagent suppliers necessitated by global supply chain constraints, and further exacerbated by intermittent power interruptions during the period.

Milled volumes declined by 1% to 1.42 million tonnes (H1 FY2021: 1.43 million tonnes), while milled grade was marginally lower at 3.85g/t (H1 FY2021: 3.89g/t). Plant instability and poor recoveries due to reagent changes resulted in a 6% retracement in 6E concentrate volumes to 124 300 ounces (H1 FY2021: 132 400 ounces). 6E sales volumes declined by a more pronounced 28% to 116 500 ounces (H1 FY2021: 161 900 ounces), as volumes in the previous comparable period benefited from the deferred delivery of concentrate inventory accumulated during the IRS *force majeure* in FY2020. Sales in the period were impacted by transport constraints and administrative delays.

Cash costs at Mimosa increased by 2% to US$107 million (H1 FY2021: US$106 million) with inflationary pressures partially offset by lower transport and selling expenses. Unit costs per tonne milled rose by 3% to US$76 per tonne (H1 FY2021: US$74 per tonne), while unit costs per 6E ounce of US$863 were skewed by poor concentrator recoveries and increased by 8% (H1 FY2021: US$798 per ounce). The stronger rand resulted in a 5% improvement in reported unit costs per tonne milled of R1 138 and unchanged unit costs of R12 969 per 6E ounce.

Capital expenditure increased by 25% to US$40 million (H1 FY2021: US$32 million) as spend on the plant optimisation project accelerated and studies on the North Hill life-of-mine extensions were completed.

Higher platinum, rhodium and nickel pricing was more than offset by lower sales volumes and the impact of negative provisional pricing adjustments of R746 million realised on closing pricing. Sales revenue declined by 37% to R3.4 billion. Gross profit was lower at R1.3 billion (H1FY2021: R2.8 billion) while generated free cash flow increased to US$70 million (H1 FY2021: US$29 million) as the previous comparable period reflected the lagged impact of delayed contractual payments because of the IRS *force majeure* period in FY2020. Lower closing valuations on in-process volumes at IRS resulted in positive swings in intercompany adjustments and the 50% attributable share of profit in the Group increased by 129% to R770 million. R197 million in dividends were received from Mimosa in the period.

The North Hill project will extend Mimosa's life-of-mine by circa nine years. The feasibility study was completed and discussions regarding fiscal accommodations are progressing with the Zimbabwean government. The plant optimisation project is aimed at increasing capacity and improving process recoveries. Following Covid-19-related delays, the project commissioning is scheduled for December 2022.

MINERAL RESOURCES AND MINERAL RESERVES

There was 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 277.3 million 6E ounces to 275.8 million 6E ounces. Estimated total attributable Mineral Reserves decreased by 2.3% from 53.4 million 6E ounces to 52.2 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 of 30 June 2022, will provide detailed updated estimates.

Commentary

FINANCIAL REVIEW

While rand PGM pricing retraced from recent highs, and sales volumes declined as the Group faced a series of operational challenges, Implats continued to deliver robust absolute earnings and free cash flow generation. The Group maintained a strong and flexible balance sheet while pursuing value-accretive organic and acquisitive growth and sustaining its commitment to shareholder returns.

Revenue of R55.6 billion decreased by 4% or R2.5 billion from the previous comparable period:

- Higher dollar metal prices resulted in a 14% or R8.2 billion benefit. Higher achieved rhodium, iridium and platinum prices increased revenue by R4.9 billion, R1.5 billion and R1.3 billion, respectively. Average price gains, together with changes in the sales mix, resulted in a 10% improvement in total dollar revenue per 6E ounce sold to US$2 417 per ounce (H1 FY2021: US$2 197 per ounce)
- Lower sales volumes resulted in a 10% or R5.6 billion reduction in revenue. 6E sales volumes reduced by 5% to 1.5 million ounces, with lower sales of palladium and the minor PGMs partially offset by higher platinum sales volumes, which increased by 7% to 741 000 ounces
- The stronger rand resulted in an 8% or R4.6 billion reduction in revenue. The average achieved exchange rate of R15.00/US$, was 8% stronger than the R16.22/US$ realised in H1 FY2021
- This strengthening in the rand largely offset higher dollar metal prices and rand revenue per 6E ounce sold increased by 2% to R36 230 (H1 FY2021: R35 635).

Cost of sales of R37.7 billion increased by 5% or R1.9 billion:

- Lower volumes of metals purchased by IRS resulted in a 21% or R3.4 billion decrease, with volumes in the previous comparable period elevated due to the deferred receipt of concentrates accumulated during the IRS *force majeure*
- Cash costs increased by 12% or R2.2 billion, with the impact of mining inflation compounded by the payment of a once-off discretionary employee bonus and a higher labour complement
- Depreciation of R2.8 billion increased by 7%, with the impact of lower production offset by the higher carrying value of the Impala Rustenburg assets following the impairment reversal in H1 FY2021
- Royalties declined by 7% or R141 million, with the impact of lower profitability partially offset by the unwinding of the Royal Bafokeng Nation royalty
- The credit to the cost of sales, arising from the movement in inventory, decreased to R32 million from R3.5 billion in the previous comparable period, as higher levels of closing refined stock offset the impact of the lower total cost of production of IRS inventory
- An additional R259 million was incurred on Covid-19-related costs at managed operations in the period.

Stock adjusted unit costs increased by 17% or R2 464 per 6E ounce to R16 756:

- Group mining inflation of 7.4% at managed operations contributed R1 038 to the increase, with inflation of 9% at South African operations increasing from 6% in H1 FY2021. The impact of 4% US$ inflation at Zimplats and 4% C$ inflation at Impala Canada was partially offset by the translation benefit of the stronger rand
- Additional own employees at managed operations accounted for R279 or 2%, largely due to the strategic decision to increase labour at Impala Rustenburg to facilitate elevated development rates and compensate for heightened absenteeism due to Covid-19
- The payment of the discretionary employee bonus, in recognition of the Group's strong financial performance in FY2021, contributed R565 or 4% to the recorded increase
- The remaining R582 or 4% of the increase was primarily due to a decrease in both stock-adjusted production from managed operations and gross refined and 6E PGM volumes.

The combination of lower revenue and higher costs reduced gross profit by 20% or R4.4 billion to R17.9 billion.

Implats accounted for two significant once-off, non-cash items in the previous comparable period: an impairment reversal of R14.7 billion; and a

R1.5 billion IFRS 2 BEE charge relating to the restructuring of the Marula BEE debt, which was included in other expenses. In the period under review, income benefited from foreign exchange gains of R326 million (H1 FY2021: loss of R521 million) and increased finance income due to higher cash balances and no debt, other than finance leases.

Income from associates increased by 96%, or R959 million, to R2.0 billion and benefited from the reversal of unrealised profits in inventory at both Mimosa and Two Rivers due to lower closing 6E rand prices. Implats recorded EBITDA of R24.0 billion (H1 FY2021: R25.1 billion) at an unchanged EBITDA margin of 43%.

The tax charge in the previous comparable period was elevated by the deferred tax raised on the impairment reversal and, hence, in the period under review, reduced by 45% to R5.8 billion, while the effective tax rate remained flat at 29%.

Basic earnings declined to R13.8 billion or 1 693 cents per share, from R25.1 billion and 3 222 cents per share, respectively. Headline earnings of R13.8 billion or 1 690 cents per share were 4% and 9% lower respectively. The weighted average number of shares in issue increased to 817.4 million from 778.5 million, with total issued capital increasing to 847.9 million shares, inclusive of treasury shares, at period end. The increase in the number of shares was due to the conversion of ZAR bonds into 21.29 million Implats shares by bondholders, and the issue of 30.62 million Implats shares with a fair value of R6.0 billion as part settlement for Implats' acquisition of a 35.31% shareholding in RBPlat.

The Implats board approved the declaration of an interim cash dividend of 525 cents per ordinary share in terms of the Group's dividend policy, which is aligned to its capital allocation framework. The dividend was declared from retained earnings and will be paid on Tuesday, 22 March 2022.

Net cash from operating activities of R17.6 billion declined by R4.2 billion, mainly due to lower sales volumes.

Capital cash outflows increased by 36% to R3.5 billion (H1 FY2021: R2.5 billion) as investment accelerated across the mining and processing operations at Impala Rustenburg following Covid-19-related delays in the prior period and several Group replacement and growth projects were initiated. Free cash flow declined to R15.1 billion from R20.1 billion generated in H1 FY2021.

The cash consideration associated with the RBPlat acquisition resulted in a R9.2 billion outflow during the period. Implats received R604 million in dividends from its JVs and associates, while dividend payments totalling R10.0 billion (H1 FY2021: R3.2 billion) were made to shareholders and non-controlling interests.

The early conversion of the residual ZAR bond liability resulted in Implats closing the period debt free (H1 FY2021: R4.4 billion). Closing net cash, excluding finance leases of R1.3 billion, reduced to R18.5 billion from R23.5 billion as at end June 2021. At the end of the period, the Group had an undrawn dual-tranche revolving credit facility of R6.0 billion and US$125 million in place, resulting in liquidity headroom of R26.5 billion.

Implats' capital allocation framework aims to deliver, sustain and grow meaningful value for all stakeholders and provide attractive returns to shareholders, while retaining financial flexibility for the Group. Of the R15.1 billion in free cash flow generated, circa 64% was allocated to growth and investment through funding the cash portion of acquisition cost of the 35.3% shareholding in RBPlat, investment in brownfield expansion projects at our mining and processing operations, and contributions to AP Ventures. We maintained our previously signalled dividend policy by allocating 30% of our adjusted free cash flow, or circa R4.5 billion, to shareholder returns in the form of the cash dividends to Implats shareholders, while minority shareholders in Zimplats received R0.2 billion in dividends. Finally, 5% of free cash flow was allocated to strengthening our balance sheet through cash retention of R0.5 billion and a R0.3 billion investment to cash fund future rehabilitation obligations.

MARKET REVIEW (Calendar years unless otherwise stated)

Pricing of most commodities soared in 2021 following the broad-based decline in early 2020. This was in response to a strong rebound in underlying global economic activity following the Covid-19-led recession in 2020. Countering this positive trend at a macro level, rising inflation fuelled rate-hike expectations and depressed investor appetite for precious metals, while at a fundamental level, the persistent semi-conductor chip shortage negatively impacted automotive production and absolute demand in the latter half of the year.

All three major PGM markets — platinum, palladium and rhodium — recorded fundamental surpluses in 2021. The combination of accelerated destocking of producer inventories, coupled with the shortfall in expected auto demand due to the worsening chip shortage, resulted in a year characterised by extreme volatility, with tight physical markets and price support in the first half of the year countered by increased primary and secondary refined supplies and erratic auto purchases in the latter months.

In platinum, Western world investor interest softened as global inflation persisted and central banks signalled the "beginning of the end" of expansive monetary policy. The resultant retracement of physical investment demand resulted in a market surplus of 975 000 ounces. In palladium and rhodium, reduced OEM purchases in the face of chip shortages were met with a wall of secondary material and accelerated destocking by peer producers, resulting in market surpluses of 362 000 and 173 000 ounces, respectively.

There was material volatility in PGM prices in 2021. Prices strengthened off Covid-19-lows in H1 2021, but demand and supply factors manifested in increasing price pressure in the latter months of the year, capping the rally fuelled by buoyant investor sentiment and supply constraints across the peer group. While the average pricing of all three major PGMs recorded annual gains in the early months of 2021, platinum, palladium and rhodium closed the year at lower levels than they opened.

Following two years of the benefit of circa one-million ounces of physical investment demand, 2021 saw platinum struggling against waning precious metal sentiment as metal returned to the market by ETFs and a growing short position on NYMEX, offset the support of robust purchases on the SGE.

Average palladium pricing was negatively impacted by the chip shortage and increased physical flows from South African producer destocking in the final quarter of the year. ETFs were modest net purchasers of palladium in 2021, however NYMEX closed the year in a net short position.

Rhodium prices exhibited the greatest price volatility in 2021, falling over 60% from peak to trough, before the market stabilised somewhat in the closing months of the year. The metal was buffeted by destocking of producer inventories accumulated in 2020 and additional supply from autocat recycling, which coincided with softening purchases by OEMs who faced uncertain production rates given the evolving chip shortage.

The early weeks of 2022 saw strong precious metal price appreciation, with rising geopolitical tensions, news of scheduled smelter maintenance across the peer group and expectations for a recovery in auto demand leading to tight physical markets and supportive investor flows. These factors are countering hawkish expectations for FOMC policy, rates and inflation and platinum, palladium and rhodium recorded strong price gains.

Automotive

Global light-duty vehicle sales are estimated to have reached 81 million units in 2021. This marks a 5% improvement from pandemic-stricken 2020, despite remaining 10% lower than that achieved in 2019. Sales were impeded by lockdown restrictions earlier in the year and supply-chain bottlenecks in the second half. LMC Automotive indicates that chip shortages removed circa 9.4 million units from global production forecasts in 2021 and a further 4 million units were removed from the baseline forecast in 2022.

The structural gap between demand and supply balances, created by the pandemic and depleted inventory, is unlikely to be fully resolved until 2023, despite the baseline LMC forecast, which continues to assume accelerated production recovery across all key regions in 2022. Currently, sales growth of 6% and 9% are forecast for 2022 and 2023, respectively, while sales are expected to top 100 million units in 2024.

The medium- and heavy-duty truck sector has also been impacted by the chip shortage and global truck production is not expected to surpass the 2019 level before 2023. In addition, bus demand has been hit hard by the ongoing spread of Covid-19, as a sizeable portion of commuters look to avoid public transport.

High PGM pricing and the maturation of certain recent emissions legislation prompted thrifting efforts by OEMS, while changes in the conformity factors applied to future Chinese standards also resulted in downgrades to previously assumed catalyst loadings. Countering this is the continued tightening of emissions legislation in both developed and developing markets and the additional underpin to PGM demand provided by rebounding automotive production.

At the powertrain level, the growing momentum in the battery electric vehicle (BEV) sector continued. Globally, pure BEV market share is projected to have doubled from 3% to 6% in 2020 as gasoline engines (including hybrids) continued to dominate light-vehicle powertrains and further eroded diesel light-vehicle market share. A combination of government policy, OEM strategy and increasing environmental concerns will be key factors in fuelling further BEV growth. The structural impact of electrification is likely to manifest towards the end of the decade and the medium-term automotive demand outlook remains robust.

Jewellery

The platinum jewellery sector continued to struggle, with intermittent Covid-19 outbreaks in the key Asian markets of China and India, limiting the pace of the expected rebound in demand from pandemic-ravaged 2020. North American and European markets exceeded expectations as pent-up consumer demand and limited opportunities for expenditure on travel and services was bolstered by restocking by the trade. Jewellery demand is likely to have expanded by circa 6% as demand remains below 2019 levels.

Industrial

The chemical, glass, electrical, biomedical and petroleum sectors drive industrial demand for PGMs. Absolute offtake in 2021 benefited from continued capacity expansions in emerging markets and the rebound in industrial production.

The emergence of the “hydrogen economy” is an important driver of future structural demand growth for PGMs. Platinum, iridium, and ruthenium are essential components of a variety of hydrogen technologies, which will enable the world to combat climate change by delivering a low-carbon future.

Implats’ US$60 million multi-year commitment in AP Ventures Fund 2 continued to benefit the Group by expanding its exposure to the evolving eco-system of both public and private sector interests and through ensuring Implats’ participation in a tailored portfolio of companies active in the production, transport, storage and end-use of hydrogen.

Investment

Implats’ definition of the investment market includes ETF flows and net bar and coin purchases. In 2021, investment is estimated at 90 000 ounces of platinum. ETFs were net purchasers of 40 000 ounces of palladium and returned 7 000 ounces of rhodium to the market.

Primary and secondary supplies

Underlying mined volumes recovered well in 2021 as refined sales were elevated by the destocking of previously accumulated in-process inventory. Processing maintenance across the peer group is likely to result in additional inventory accumulation in 2022 and 2023, and highlights the downstream processing capacity constraints that persist across the sector.

Commentary

A number of producers have adjusted capital expenditure plans over the past year as record pricing bolstered balance sheets and investment was approved across a variety of brownfield replacement and expansion projects. Capital expenditure was notably targeted at debottlenecking processing infrastructure and improving sectoral environmental performance to secure the base load of PGM supply.

Recent project announcements across the sector are expected to largely provide replacement, rather than absolute production growth. This is nuanced across the individual PGMs and the pattern of expected recycling growth is a dominant factor in determining the overall supply outlook for the sector.

PROSPECTS AND OUTLOOK

PGM pricing improved in early 2022. Auto production supply chain constraints eased, supporting increased physical demand as rising geopolitical tensions and well-signalled processing maintenance across the sector reaffirmed persistent supply-side constraints. The confluence of these factors is likely to result in a tightening of both palladium and rhodium markets relative to the over-supply experienced in H1 FY2022. Platinum remains vulnerable to changes in broader precious metal investor sentiment in the short to medium term. The Group remains confident in its assertion of elevated strength in PGMs and the strategic rationale of accelerated investment to secure the long-term sustainability and competitiveness of its diverse asset suite, as well as the competitive advantage of industry leading integrated processing assets.

The operational focus in the remainder of FY2022 will be on restoring operational momentum at Impala Rustenburg and Impala Canada, progressing delivery across the project suite currently underway and advancing those projects approaching approval at the broader Group level.

Implats is committed to maintaining and enhancing its relentless focus on stakeholder engagement as it navigates the changeable socio-economic environment in South Africa, Zimbabwe and Canada and pursues the proposed acquisition of a majority stake in RBPlat.

Guidance

The impact of production shortfalls relative to expectations at Impala Rustenburg and Impala Canada, together with the extension of processing maintenance, has necessitated revisions to previously provided key guidance parameters.

Production volumes will be negatively impacted by the accumulation of inventory and Group 6E refined production in FY2022 is estimated to be between 3.10 and 3.20 million ounces. Group operating costs are forecast to be between R16 800 and R17 400 per 6E ounce on a stock-adjusted basis, with the previously approved once-off discretionary employee award contributing R290 per 6E ounce to unit costs. Group capital expenditure is forecast to be between R8.5 and R9.5 billion as project approvals at Zimplats result in upward revisions to previous guidance. This revised guidance assumes exchange rates of R15.20/US$ and C$1.26/US$, respectively.

	Unit	Actual FY2021	Previous guidance FY2022	New guidance FY2022
Refined production	6E koz	**3 271**	3 300 – 3 560	3 100 – 3 200
Concentrate production	6E koz	**3 292**	3 240 – 3 510	3 070 – 3 290
Impala		**1 291**	1 250 – 1 350	1 140 – 1 200
Zimplats		**590**	580 – 600	580 – 600
Two Rivers		**300**	310 – 330	300 – 320
Impala Canada		**261**	270 – 300	230 – 250
Mimosa		**261**	250 – 270	240 – 260
Marula		**231**	220 – 260	220 – 260
IRS (third party)		**358**	360 – 400	360 – 400
Group unit cost	R/oz 6E	**14 840**	15 600 – 16 300	16 800 – 17 400
Group capital expenditure	Rm	**6 437**	8 000 – 9 000	8 500 – 9 500
Exchange rate assumptions	R/US$	**15.40**	14.89	15.20
	C$/US$	**1.28**	1.28	1.26

The financial information on which this prospect and outlook statement is based has not been reviewed and reported on by Implats' external auditors.

Declaration of dividend

Shareholders are advised that the board has resolved to declare an interim cash dividend of 525 cents per ordinary share, amounting to R4.5 billion at the date of declaration, for the six months ended 31 December 2021. 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 the 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.

Implats has 847 914 611 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 420 cents per ordinary share for shareholders liable to pay the dividend withholding tax and 525 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	Tuesday, 1 March 2022
Last day for trading to be eligible for cash dividend	Tuesday, 15 March 2022
Trading ex-dividend commences	Wednesday, 16 March 2022
Record date	Friday, 18 March 2022
Dividend payment date	Tuesday, 22 March 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 16 March 2022 and Friday, 18 March 2022, both days inclusive.

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 22 to 52 have been approved by the board of directors and are signed on their behalf by:

NDB Orleyn
Chairman

NJ Muller
Chief executive officer

Johannesburg
1 March 2022

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 22 to 52, which comprise the condensed consolidated statement of financial position as at 31 December 2021 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.

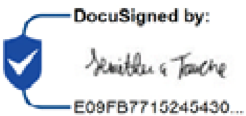
Auditor's Responsibility

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). 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 2021 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: Sphiwe Stemela
Partner

1 March 2022

Deloitte & Touche
The Ridge, 6 Marina Road, Portswood District, V&A Waterfront, Cape Town, 8000

Condensed consolidated statement of profit or loss and other comprehensive income

	Notes	Six months ended 31 December 2021 (Reviewed) Rm	Six months ended 31 December 2020 (Reviewed) Rm	Year ended 30 June 2021 (Audited) Rm
Revenue	6	**55 620**	58 121	129 575
Cost of sales	7	**(37 675)**	(35 755)	(76 120)
Gross profit		**17 945**	22 366	53 455
Reversal of impairment		**—**	14 728	14 728
Other income	8	**51**	149	214
Other expenses	9	**(253)**	(1 683)	(2 175)
Finance income		**383**	355	768
Finance cost		**(225)**	(510)	(946)
Net foreign exchange transaction gains/(losses)		**326**	(521)	(1 336)
Share of profit of equity-accounted entities	11	**1 962**	1 003	3 212
Profit before tax		**20 189**	35 887	67 920
Taxation		**(5 806)**	(10 470)	(20 065)
Profit for the period		**14 383**	25 417	47 855
Other comprehensive income/(loss), comprising items that may subsequently be reclassified to profit or loss:				
Exchange differences on translating foreign equity-accounted entities		**525**	(613)	(739)
Deferred tax thereon		**(50)**	61	74
Exchange differences on translating foreign subsidiaries		**3 077**	(3 995)	(4 019)
Deferred tax thereon		**(341)**	—	15
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		**3**	14	31
Deferred tax thereon		**—**	—	—
Actuarial loss on post-employment medical benefit		**—**	—	(3)
Deferred tax thereon		**—**	—	1
Total other comprehensive income/(loss)		**3 214**	(4 533)	(4 640)
Total comprehensive income		**17 597**	20 884	43 215
Profit attributable to:				
Owners of the Company		**13 838**	25 078	47 032
Non-controlling interests		**545**	339	823
		14 383	25 417	47 855
Total comprehensive income/(loss) attributable to:				
Owners of the Company		**16 721**	21 010	42 860
Non-controlling interests		**876**	(126)	355
		17 597	20 884	43 215
Earnings per share (cents):				
Basic		**1 693**	3 222	5 996
Diluted		**1 688**	2 999	5 957

For headline earnings per share refer note 18.

The notes on pages 27 to 52 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated statement of financial position

	Notes	As at 31 December 2021 (Reviewed) Rm	As at 31 December 2020 (Reviewed) Rm	As at 30 June 2021 (Audited) Rm
ASSETS				
Non-current assets				
Property, plant and equipment	10	**61 740**	56 838	57 709
Investment property		**90**	90	90
Investments in equity-accounted entities	11	**24 153**	6 526	7 748
Financial assets at fair value through other comprehensive income		**428**	408	425
Environmental rehabilitation investments		**309**	—	—
Other financial assets		**87**	84	84
Prepayments	12	**3 703**	3 929	3 747
		90 510	67 875	69 803
Current assets				
Inventories	13	**24 405**	21 444	22 711
Trade and other receivables		**4 616**	4 464	7 308
Current tax receivable	14	**746**	176	1 064
Other financial assets		**1 030**	3	1 006
Prepayments	12	**2 097**	1 151	1 109
Cash and cash equivalents		**18 537**	24 837	23 474
		51 431	52 075	56 672
Total assets		**141 941**	119 950	126 475
EQUITY AND LIABILITIES				
Equity				
Share capital	15	**27 079**	21 857	21 189
Retained earnings		**63 281**	49 169	59 661
Foreign currency translation reserve		**7 797**	4 885	4 917
Share-based payment reserve		**1 698**	3 794	1 799
Other components of equity		**266**	(411)	263
Equity attributable to owners of the Company		**100 121**	79 294	87 829
Non-controlling interests		**3 565**	2 456	2 847
Total equity		**103 686**	81 750	90 676
LIABILITIES				
Non-current liabilities				
Provisions		**2 577**	1 660	2 239
Deferred tax	14	**17 013**	12 732	14 405
Borrowings	16	**1 069**	4 459	1 087
Other financial liabilities		**25**	32	24
Other liabilities		**228**	234	251
		20 912	19 117	18 006
Current liabilities				
Provisions		**101**	162	100
Trade and other payables		**15 304**	15 191	16 190
Current tax payable	14	**1 303**	1 692	653
Borrowings	16	**259**	1 320	241
Other financial liabilities		**28**	21	28
Other liabilities		**348**	523	581
Bank overdraft		**—**	174	—
		17 343	19 083	17 793
Total liabilities		**38 255**	38 200	35 799
Total equity and liabilities		**141 941**	119 950	126 475

The notes on pages 27 to 52 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated statement of changes in equity

	Share capital Rm	Retained earnings Rm	Foreign currency translation reserve Rm
Balance at 30 June 2020 (Audited)	22 387	28 854	8 967
Conversion of ZAR bonds (net of tax)	223	—	—
Repurchase of ZAR bonds (net of tax)	(746)	—	—
Shares purchased – long-term incentive plans	(1 327)	—	—
Transfer of reserves	1 320	(1 650)	—
Share-based compensation expense	—	—	—
Share-based compensation scheme modification	—	—	—
Marula IFRS 2 BEE charge (note 9)	—	—	—
Total comprehensive income/(loss)	—	25 078	(4 082)
Profit for the year	—	25 078	—
Other comprehensive (loss)/income	—	—	(4 082)
Dividends paid	—	(3 113)	—
Balance at 31 December 2020 (Reviewed)	21 857	49 169	4 885
Conversion of ZAR bonds (net of tax)	1 382	—	—
Repurchase of ZAR bonds (net of tax)	(6 395)	—	—
Shares purchased – long-term incentive plans	(286)	—	—
Shares purchased – odd-lot offer	(178)	—	—
Transfer of reserves	4 809	(3 532)	151
Share-based compensation expense	—	—	—
Total comprehensive income/(loss)	—	21 952	(119)
Profit for the year	—	21 954	—
Other comprehensive (loss)/income	—	(2)	(119)
Dividends paid	—	(7 928)	—
Balance at 30 June 2021 (Audited)	**21 189**	**59 661**	**4 917**
Shares issued (notes 11 and 15)	**6 007**	**—**	**—**
Conversion of ZAR bonds (net of tax)	**1**	**—**	**—**
Shares purchased – long-term incentive plans	**(759)**	**—**	**—**
Transfer of reserves	**641**	**(388)**	**—**
Share-based compensation expense	**—**	**—**	**—**
Total comprehensive income	**—**	**13 838**	**2 880**
Profit for the year	**—**	**13 838**	**—**
Other comprehensive income	**—**	**—**	**2 880**
Dividends paid	**—**	**(9 830)**	**—**
Balance at 31 December 2021 (Reviewed)	**27 079**	**63 281**	**7 797**

The table above excludes the treasury shares held in terms of the Group's long-term incentive plans.

The notes on pages 27 to 52 are an integral part of these condensed consolidated interim financial statements.

		Attributable to:		
Share-based payment reserve Rm	Other components of equity Rm	Owners of the Company Rm	Non-controlling interests Rm	Total equity Rm
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
—	—	1 382	—	1 382
—	—	(6 395)	—	(6 395)
—	—	(286)	—	(286)
—	—	(178)	—	(178)
(2 085)	657	—	—	—
90	—	90	—	90
—	17	21 850	481	22 331
—	—	21 954	484	22 438
—	17	(104)	(3)	(107)
—	—	(7 928)	(90)	(8 018)
1 799	263	87 829	2 847	90 676
—	—	6 007	—	6 007
—	—	1	—	1
—	—	(759)	—	(759)
(253)	—	—	—	—
152	—	152	—	152
—	3	16 721	876	17 597
—	—	13 838	545	14 383
—	3	2 883	331	3 214
—	—	(9 830)	(158)	(9 988)
1 698	266	100 121	3 565	103 686

Condensed consolidated statement of cash flows

	Notes	Six months ended 31 December 2021 (Reviewed) Rm	Six months ended 31 December 2020 (Reviewed) Rm	Year ended 30 June 2021 (Audited) Rm
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash generated from operations	17	**21 528**	27 015	56 852
Finance cost paid		**(141)**	(282)	(505)
Taxation paid	14	**(3 794)**	(4 966)	(14 513)
Net cash inflow from operating activities		**17 593**	21 767	41 834
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment		**(3 462)**	(2 548)	(6 265)
Proceeds from sale of property, plant and equipment		**57**	64	148
Acquisition of interest in Royal Bafokeng Platinum	11	**(9 221)**	—	—
Acquisition of interest in AP Ventures	11	**(140)**	(130)	(232)
Investments in environmental rehabilitation investments		**(306)**	—	(1 000)
Finance income received		**360**	355	766
Dividends received		**604**	508	1 822
Other		**(3)**	(1)	8
Net cash outflow from investing activities		**(12 111)**	(1 752)	(4 753)
CASH FLOWS FROM FINANCING ACTIVITIES				
Purchase of shares for the long-term incentive plans		**(759)**	(1 327)	(1 613)
Repayments of lease liabilities		**(122)**	(112)	(232)
Repayments of borrowings		**—**	(2 290)	(5 061)
Proceeds from borrowings net of transaction costs		**—**	—	873
Repurchase of ZAR bonds		**—**	(991)	(8 641)
Purchase of shares for the odd-lot offer		**—**	—	(178)
Dividends paid to shareholders of the Company		**(9 830)**	(3 113)	(11 041)
Dividends paid to non-controlling interests		**(158)**	(87)	(177)
Net cash outflow from financing activities		**(10 869)**	(7 920)	(26 070)
Net (decrease)/increase in cash and cash equivalents		**(5 387)**	12 095	11 011
Cash and cash equivalents at beginning of the period		**23 474**	13 205	13 205
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies		**450**	(637)	(742)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD[1]		**18 537**	24 663	23 474

[1] *Cash and cash equivalents are net of bank overdraft of Rnil (December 2020: R174 million) (June 2021: Rnil).*

The notes on pages 27 to 52 are an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements
for the six months ended 31 December 2021

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 (IRS), a toll refining business. The mining operations are located within 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 the 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 1 March 2022 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 21. 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 were prepared in accordance with, and contain 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 2021, which were prepared in accordance with IFRS, and the commentary included in the interim results.

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

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

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 2021 (Reviewed)	Six months ended 31 December 2020 (Reviewed)	Year ended 30 June 2021 (Audited)
US$/ZAR			
Closing rate	**15.94**	14.67	14.32
Average rate	**15.04**	16.25	15.40
C$/ZAR			
Closing rate	**12.62**	11.49	11.54
Average rate	**11.94**	12.34	12.00
US$/ZW$			
Closing rate	**108.70**	81.79	85.47
Average rate	**93.29**	79.42	81.84

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 methodologies used by the Group are consistent with those of the most recent annual financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the condensed consolidated interim financial statements, are disclosed in the notes where necessary and indicated with EJ.

5. SEGMENT INFORMATION

The Group identified Mining, Impala Refining Services and "All other segments" as reportable segments.

Management has defined the operating segments based on the business activities and management structure within the Group. Management considers factors such as the nature of the products and services, as well as the geographical location of operations in their judgement to identify reportable segments.

Capital expenditure comprises additions to property, plant and equipment (note 10).

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

Sales to the two largest customers amounted to 13.6% and 12.1% (December 2020: 13.3% and 11.7%) (June 2021: 14% and 11%) of total revenue. These sales were generated by Impala and Impala Refining Services.

	Six months ended 31 December 2021 (Reviewed)		Six months ended 31 December 2020 (Reviewed)		Year ended 30 June 2021 (Audited)	
	Revenue Rm	Profit/ (loss) after tax Rm	Revenue Rm	Profit/ (loss) after tax Rm	Revenue Rm	Profit/ (loss) after tax Rm
Mining						
Impala	**22 568**	**6 391**	23 093	18 063	51 393	27 973
Zimplats	**9 079**	**2 405**	10 739	3 851	20 054	6 566
Marula	**3 940**	**1 343**	4 412	413	9 309	2 636
Impala Canada	**3 004**	**391**	4 513	1 415	8 971	2 768
Impala Refining Services	**29 903**	**317**	30 352	2 508	68 895	7 063
All other segments	**145**	**2 256**	177	820	316	2 917
Reconciliation						
Consolidation adjustments to revenue/inventory	**(13 019)**	**1 280**	(15 165)	(1 653)	(29 363)	(2 068)
Total	**55 620**	**14 383**	58 121	25 417	129 575	47 855

Notes to the condensed consolidated interim financial statements

for the six months ended 31 December 2021

5. SEGMENT INFORMATION continued

	Six months ended 31 December 2021 (Reviewed)		Six months ended 31 December 2020 (Reviewed)		Year ended 30 June 2021 (Audited)	
	Total assets Rm	Total liabilities Rm	Total assets Rm	Total liabilities Rm	Total assets Rm	Total liabilities Rm
Mining						
Impala	**52 847**	**28 668**	52 282	33 220	50 747	28 036
Zimplats	**36 105**	**6 926**	28 785	7 151	31 117	6 178
Marula	**7 148**	**2 494**	6 289	3 649	7 735	3 236
Impala Canada	**14 912**	**8 368**	14 021	9 758	14 343	8 727
Impala Refining Services	**36 372**	**20 976**	34 535	19 527	36 315	19 883
All other segments	**59 167**	**28 304**	31 153	5 611	44 440	19 468
Total segments	**206 551**	**95 736**	167 065	78 916	184 697	85 528
Intercompany balances eliminated	**(58 790)**	**(59 664)**	(39 638)	(40 525)	(49 412)	(50 287)
Inventory adjustments	**(5 820)**	**—**	(7 477)	—	(8 810)	—
Deferred tax raised on undistributed reserves	**—**	**3 813**	—	1 738	—	3 025
Deferred tax on consolidation	**—**	**(1 630)**	—	(1 929)	—	(2 467)
Total consolidated	**141 941**	**38 255**	119 950	38 200	126 475	35 799

5. SEGMENT INFORMATION continued

	Six months ended 31 December 2021 (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	5 297	2 094	681	113	5 974	—	(2 775)	11 384
Palladium	5 223	4 032	1 520	3 037	9 125	—	(5 552)	17 385
Rhodium	9 456	2 794	2 143	—	10 797	—	(4 937)	20 253
Nickel	528	702	36	—	1 165	—	(738)	1 693
Other metals	2 064	981	266	316	2 693	158	(1 260)	5 218
Commodity price adjustments	—	(1 524)	(704)	(462)	—	—	2 228	(462)
Treatment charges	—	—	(2)	—	—	(13)	15	—
Treatment income	—	—	—	—	149	—	—	149
Total	22 568	9 079	3 940	3 004	29 903	145	(13 019)	55 620
Capital expenditure	1 550	1 252	115	645	—	6	—	3 568

	Six months ended 31 December 2020 (Reviewed)							
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
Total	23 093	10 739	4 412	4 513	30 352	177	(15 165)	58 121
Capital expenditure	982	929	106	522	—	9	—	2 548

	Year ended 30 June 2021 (Audited)							
Revenue from								
Platinum	9 942	3 395	1 206	219	12 036	—	(4 601)	22 197
Palladium	12 142	6 845	2 878	7 952	20 531	—	(9 723)	40 625
Rhodium	25 699	5 036	4 354	—	27 739	—	(9 390)	53 438
Nickel	911	870	53	—	2 209	—	(923)	3 120
Other metals	2 699	1 351	272	627	6 054	344	(1 651)	9 696
Commodity price adjustments	—	2 557	550	173	—	—	(3 107)	173
Treatment charges	—	—	(4)	—	—	(28)	32	—
Treatment income	—	—	—	—	326	—	—	326
Total	51 393	20 054	9 309	8 971	68 895	316	(29 363)	129 575
Capital expenditure	2 484	2 450	342	1 124	—	37	—	6 437

6. REVENUE

		Six months ended 31 December 2021 (Reviewed) Rm	Six months ended 31 December 2020 (Reviewed) Rm	Year ended 30 June 2021 (Audited) Rm
6.1	**Disaggregation of revenue by category**			
	Sales of goods			
	Precious metals			
	Platinum	**11 384**	10 251	22 197
	Palladium	**17 385**	21 427	40 625
	Rhodium	**20 253**	20 894	53 438
	Ruthenium	**970**	610	2 141
	Iridium	**2 109**	1 115	3 424
	Gold	**1 289**	1 373	2 571
	Silver	**13**	16	41
		53 403	55 686	124 437
	Base metals			
	Nickel	**1 693**	1 347	3 120
	Copper	**592**	474	967
	Cobalt	**34**	39	80
	Chrome	**211**	254	472
		2 530	2 114	4 639
	Commodity price adjustments	**(462)**	135	173
	Revenue from services			
	Toll refining	**149**	186	326
	Total	**55 620**	58 121	129 575
6.2	**Analysis of revenue by destination**			
	Main products (Pt, Pd, Rh and Ni)			
	Asia	**21 087**	18 463	44 786
	North America	**13 571**	17 438	33 424
	Europe	**11 046**	11 863	25 342
	South Africa	**4 540**	6 295	15 997
		50 244	54 059	119 549
	By-products			
	South Africa	**1 191**	1 311	2 465
	Asia	**1 907**	848	3 036
	Europe	**1 267**	999	2 495
	North America	**769**	647	1 571
	Australia	**93**	71	133
		5 227	3 876	9 700
	Toll refining			
	South Africa	**3**	2	4
	Rest of Africa	**146**	180	317
	North America	**—**	4	5
		149	186	326
	Total	**55 620**	58 121	129 575

Notes to the condensed consolidated interim financial statements
for the six months ended 31 December 2021

7. COST OF SALES

	Six months ended 31 December 2021 (Reviewed) Rm	Six months ended 31 December 2020 (Reviewed) Rm	Year ended 30 June 2021 (Audited) Rm
Production costs			
On-mine operations	**13 769**	12 115	24 709
Processing operations	**4 210**	3 894	7 739
Refining and selling	**1 092**	921	1 927
Depreciation of operating assets	**2 834**	2 642	5 475
Other costs			
Metals purchased	**12 646**	16 055	33 903
Increase in metal inventories	**(32)**	(3 519)	(5 288)
Royalty expense	**1 880**	2 021	4 740
Corporate costs	**750**	718	1 368
Chrome operation – cost of sales	**130**	117	241
Other	**396**	791	1 306
Total	**37 675**	35 755	76 120

8. OTHER INCOME

	Six months ended 31 December 2021 (Reviewed) Rm	Six months ended 31 December 2020 (Reviewed) Rm	Year ended 30 June 2021 (Audited) Rm
Emergency wage subsidy – Impala Canada	**—**	—	54
Profit on disposal of property, plant and equipment	**18**	45	49
Profit on sale and leaseback of houses	**15**	15	30
Dividend received – Rand Mutual Assurance	**11**	30	30
Other	**7**	59	51
Total	**51**	149	214

Notes to the condensed consolidated interim financial statements
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9. OTHER EXPENSES

	Six months ended 31 December 2021 (Reviewed) Rm	Six months ended 31 December 2020 (Reviewed) Rm	Year ended 30 June 2021 (Audited) Rm
Marula IFRS 2 BEE charge	—	1 514	1 514
Non-production-related corporate costs	58	52	150
Acquisition-related cost – Royal Bafokeng Platinum	78	—	—
Repurchase of ZAR bond costs	—	—	169
Auditor remuneration	3	6	26
Exploration expenditure	74	71	142
Other	40	40	174
Total	**253**	1 683	2 175

10. PROPERTY, PLANT AND EQUIPMENT

	Six months ended 31 December 2021 (Reviewed) Rm	Six months ended 31 December 2020 (Reviewed) Rm	Year ended 30 June 2021 (Audited) Rm
Carrying value – opening balance	**57 709**	50 885	50 885
Capital expenditure[1]	3 470	2 578	6 315
Right-of-use assets capitalised	106	124	172
Reversal of impairment	—	10 437	10 437
Depreciation (note 7)[1]	(2 842)	(2 672)	(5 525)
Disposals and scrappings	(39)	(19)	(99)
Rehabilitation adjustment	249	(67)	369
Exchange differences	3 087	(4 428)	(4 845)
Carrying value – closing balance	**61 740**	56 838	57 709

1 Includes depreciation of R8 million (December 2020: R30 million) (June 2021: R50 million) which was capitalised to the cost of property, plant and equipment.

10. PROPERTY, PLANT AND EQUIPMENT continued

EJ

Significant estimates and judgements

Long-term mining assets that form part of board-approved projects are valued based on estimates of future discounted cash flows (DCFs) of the latest board-approved business forecasts on production volumes, production costs, capital expenditure, metal prices and market forecasts for foreign exchange rates. A risk-adjusted discount rate is used, which takes into account risk specific 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 could occur which may affect the recoverability of the mining assets.

Possible indicators of impairment were considered in the impairment tests for property, plant and equipment, including Covid-19 as well as climate-related impacts where applicable, during the reporting period. The assets' DCFs were updated to reflect the revised production volumes, metal prices, cost forecasts and other factors. No impairment was required.

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

- Overall long-term real basket price per 6E ounce sold of R23 500 (December 2020: R22 400 in FY2022 equivalent terms) (June 2021: R24 200 in FY2022 equivalent terms)
- Long-term post-tax real discount rate at a range of 6% to 17% (December 2020: 6% to 13%) (June 2021: 5% to 12%) and long-term pre-tax real discount rate at a range of 17% to 28% (December 2020: 16% to 24%) (June 2021: 18% to 29%) for the various cash-generating units in the Group
- *In situ* resource valuation of between US$1.60 and US$9.00 (December 2020: US$2.00 and US$11.00) (June 2021: US$1.70 and US$9.00) per 6E ounce depending on whether the resource is inferred, indicated or measured.

	Six months ended 31 December 2021 (Reviewed) Rm	Six months ended 31 December 2020 (Reviewed) Rm	Year ended 30 June 2021 (Audited) Rm
Right-of-use assets			
Land and buildings	**458**	534	489
Refining plants	**108**	32	26
Other assets	**203**	267	265
Total	**769**	833	780
Capital commitments			
Commitments contracted for	**4 247**	1 343	3 297
Approved expenditure not yet contracted	**11 119**	6 091	10 592
Total	**15 366**	7 434	13 889
Less than one year	**7 411**	4 739	8 176
Between one and five years	**7 955**	2 695	5 713
Total	**15 366**	7 434	13 889

Capital expenditure will be funded by internally generated funds and from borrowings, where necessary. Apart from the right-of-use assets, which are encumbered by leases, no other fixed assets were pledged as collateral.

11. INVESTMENTS IN EQUITY-ACCOUNTED ENTITIES

	Six months ended 31 December 2021 (Reviewed) Rm	Six months ended 31 December 2020 (Reviewed) Rm	Year ended 30 June 2021 (Audited) Rm
Summary balances			
Joint ventures			
Mimosa	4 976	3 637	4 251
AP Ventures	327	130	125
Associates			
Royal Bafokeng Platinum	15 245	—	—
Two Rivers	3 446	2 628	3 225
Makgomo Chrome	75	68	75
Friedshelf	84	63	72
	24 153	6 526	7 748
Summary movement			
Beginning of the period	7 748	5 462	5 462
Share of profit	1 088	2 025	4 616
Acquisition of interest in Royal Bafokeng Platinum	15 245	—	—
Cash consideration[1]	9 238	—	—
Shares issued	6 007	—	—
Acquisition of interest in AP Ventures	140	130	232
Disposal of interest in AP Ventures	—	—	(31)
Exchange differences	525	(613)	(739)
Dividends received	(593)	(478)	(1 792)
End of the period	24 153	6 526	7 748
Share of equity-accounted entities is made up as follows:			
Share of profit	1 088	2 025	4 616
Movement in unrealised profit in inventory	874	(1 022)	(1 404)
Total share of profit of equity-accounted entities	1 962	1 003	3 212

[1] *Includes accrued transaction costs of R17 million.*

11. INVESTMENTS IN EQUITY-ACCOUNTED ENTITIES continued

Royal Bafokeng Platinum (RBPlat)

Following the acquisition by Implats of approximately 24.52% of the total issued ordinary shares in RBPlat, other than treasury shares (RBPlat shares), on 29 November 2021, Implats announced its firm intention to make a general offer to acquire all of the remaining RBPlat shares it did not already hold. Subsequently, Implats concluded further agreements to purchase additional RBPlat shares, resulting in its shareholding increasing to 35.31%, representing 102.1 million shares in RBPlat, at 31 December 2021. The total consideration for these acquisitions comprised:

- the issue of 30.62 million Implats shares with a fair value of R6 007 million; and
- cash consideration, including directly related transaction costs, of R9 238 million.

As a result of Implats acquiring more than 35% of the voting rights attached to the RBPlat shares in issue, on 9 December 2021, Implats announced that the general offer to acquire the remaining RBPlat shares had become a mandatory offer under section 123 of the Companies Act, 71 of 2008 (Companies Act) with the same consideration as offered under the general offer.

On 17 January 2022, Implats issued a circular to all RBPlat shareholders setting out both the terms and conditions, as well as the conditions precedent, relating to the mandatory offer to acquire all the remaining RBPlat shares. The total offer consideration remained the same as the RBPlat shares acquired prior to 31 December 2021, being R90 cash and 0.30 of an Implats share issued for each RBPlat share acquired. The cash consideration of R90 per RBPlat share, may be reduced on a rand-for-rand basis by any dividend declared or distribution made by RBPlat prior to the settlement date. Using 24 November 2021 as a reference date, the offer consideration amounted to R150 per RBPlat share, consisting of R90 cash per share and 0.30 of an Implats share which was valued at R60, at the three-day VWAP of an Implats share as at the close of business on 24 November 2021. The offer opened on 18 January 2022 and the anticipated closing date is 17 June 2022. This mandatory offer is regulated by sections 117(1)(c)(vi) and 123 of the Companies Act and the Takeover Regulations.

Implats has provided cash confirmation guarantees to the value of R19 650 million, representing the maximum cash consideration payable under the offer, to the Takeover Regulation Panel (TRP) in order to comply with regulations 111(4) and 111(5) of the Takeover Regulations (note 19). The cash confirmations have been issued by JPMorgan Chase Bank NA, Johannesburg Branch, Nedbank Limited and the Standard Bank of South Africa Limited. These are expected to remain in place to satisfy the cash consideration payable in terms of the mandatory offer.

On 11 February 2022, RBPlat has issued its offeree response circular to the mandatory offer to RBPlat shareholders. The response circular includes the opinion of the independent expert appointed by the RBPlat independent board, on whether the terms and conditions of the Implats' offer are fair and reasonable to RBPlat shareholders. In the independent expert's opinion, a fair exchange ratio for an RBPlat share, after deduction of the cash amount of R90.00, lies between 0.22 above 0.34 Implats share for every one RBPlat share, with a midpoint value of 0.28 Implats share. The Implats' offer of 0.30 is above the midpoint and close to the top of the independent expert's range of 0.34.

The aggregate shareholding acquired in RBPlat has provided Implats with significant influence over RBPlat and therefore the investment has been equity accounted. As RBPlat has not yet published its financial results for the year ended 31 December 2021, Implats is unable to obtain the financial information required to equity account its investment in RBPlat. Consequently, the Group's share of the profit or loss of RBPlat from the date of acquisition to 31 December 2021 has not been accounted for in the profit or loss for the period and the carrying amount of the investment. The financial impact of equity accounting for this period was estimated to be immaterial for the period under review.

12. PREPAYMENTS

	Six months ended 31 December 2021 (Reviewed) Rm	Six months ended 31 December 2020 (Reviewed) Rm	Year ended 30 June 2021 (Audited) Rm
Royal Bafokeng Nation prepaid royalty	**3 973**	4 291	4 112
Deposits on property, plant and equipment	**1 007**	314	472
Business-related prepaid expenditure	**567**	319	256
Insurance premiums	**242**	143	4
Surface lease royalties	**11**	13	12
Total	**5 800**	5 080	4 856
Current	**2 097**	1 151	1 109
Non-current	**3 703**	3 929	3 747

Royal Bafokeng Nation (RBN) prepaid royalty

In March 2007, the Group 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.

13. INVENTORIES

	Six months ended 31 December 2021 (Reviewed) Rm	Six months ended 31 December 2020 (Reviewed) Rm	Year ended 30 June 2021 (Audited) Rm
Mining metal			
Refined metal	**4 143**	2 738	2 910
In-process metal	**5 035**	3 755	5 095
	9 178	6 493	8 005
Purchased metal[1]			
Refined metal	**5 641**	4 551	4 551
In-process metal	**7 587**	8 888	8 519
	13 228	13 439	13 070
Total metal inventories	**22 406**	19 932	21 075
Stores and materials inventories	**1 999**	1 512	1 636
Total	**24 405**	21 444	22 711

[1] *The fair value exposure on purchased metal was 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.*

The net realisable value adjustment in inventory, which is impacted by prevailing metal prices at the reporting date, was Rnil (December 2020: R38 million) (June 2021: R140 million) for refined metal and Rnil (December 2020: R107 million) (June 2021: R428 million) for in-process metal inventory.

Purchased metal consists of Impala Refining Services inventory.

13. INVENTORIES continued

EJ

Significant estimates and judgements

Inventory valuation

Metals classification between main and by-products is determined based on an assessment of the relative metal content for each segment. The relative metal content of Impala Canada, mining on the Canadian Shield, differs materially from what is mined in the Bushveld Complex in South Africa and the Great Dyke in Zimbabwe.

For purposes of inventory valuation, the African operations treat platinum, palladium, rhodium and nickel as main products and other precious and base metals produced, as by-products.

Impala Canada's mining and processing activities do not form part of the African operations' production process and its inventory is valued independently. Impala Canada treats palladium as a main product and all other precious and base metals as by-products for inventory valuation purposes.

The average unit cost of normal pre-smelter production for mining metal is determined by dividing mining production cost with mining output on a 12-month rolling average basis. The normal cost of purchased metal is measured based on the acquisition cost determined on a six-month rolling average basis. The refining cost per unit (further conversion through smelter, base metal refinery and precious metal refinery) is determined by dividing normal refining costs with total output (both mining and purchased) on a 12-month rolling average basis.

Refined ruthenium and iridium metal quantities on hand are valued using the lower of the actual stock quantity and three-months' sales quantities.

At 31 December 2020, 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 restrictions that resulted in work stoppages.

Change in in-process metal estimate

Recoverable metal quantities 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 our 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 performed 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 R219 million (December 2020: R592 million) (June 2021: R851 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.

14. TAXATION

14.1 Deferred tax

	Six months ended 31 December 2021 (Reviewed) Rm	Six months ended 31 December 2020 (Reviewed) Rm	Year ended 30 June 2021 (Audited) Rm
Deferred tax liabilities	**17 013**	12 732	14 405

The total deferred tax movement for the period is mainly attributed to temporary difference movements of R1.1 billion in foreign currency and translation differences of foreign subsidiaries, R837 million from unrealised profit in inventory and R240 million from the long-term incentive plan movements.

14.2 Current tax

	Six months ended 31 December 2021 (Reviewed) Rm	Six months ended 31 December 2020 (Reviewed) Rm	Year ended 30 June 2021 (Audited) Rm
Current tax payable	**1 303**	1 692	653
Current tax receivable	**(746)**	(176)	(1 064)
Net current tax payable/(receivable)	**557**	1 516	(411)
Reconciliation			
Beginning of the period	**(411)**	(160)	(160)
Income tax expense	**4 660**	6 784	14 332
Payments made during the year	**(3 794)**	(4 966)	(14 513)
Interest and penalties	**(30)**	8	(10)
Exchange differences[1]	**132**	(150)	(60)
End of the period	**557**	1 516	(411)

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

15. SHARE CAPITAL

	Six months ended 31 December 2021 (Reviewed) Rm	Six months ended 31 December 2020 (Reviewed) Rm	Year ended 30 June 2021 (Audited) Rm
Share capital	**27 079**	21 857	21 189

Number of ordinary shares in issue outside the Group

	Six months ended 31 December 2021 (Reviewed) Millions	Six months ended 31 December 2020 (Reviewed) Millions	Year ended 30 June 2021 (Audited) Millions
Number of ordinary shares issued	**847.89**	786.79	817.26
Treasury shares	**(3.67)**	(2.89)	(3.28)
Number of ordinary shares issued	**844.22**	783.90	813.98
The movement of ordinary shares was as follows:			
Beginning of the period	**813.98**	778.20	778.20
Shares issued for long-term incentive plans	**4.09**	12.42	10.83
Shares purchased for long-term incentive plans	**(4.48)**	(10.69)	(9.50)
Shares issued on acquisition of interest in Royal Bafokeng Platinum (note 11)	**30.62**	—	—
Shares purchased for the odd-lot offer	**—**	(1.03)	(1.03)
Conversion of ZAR bonds	**0.01**	5.00	35.48
End of the period	**844.22**	783.90	813.98

The authorised share capital of the Company consists of 944.01 million (December 2020: 944.01 million) (June 2021: 944.01 million) ordinary no par value shares. The authorised but unissued share capital is 96.12 million (December 2020: 157.22 million) (June 2021: 126.75 million) ordinary no par value shares and remains under the control of the directors.

16. BORROWINGS

	Six months ended 31 December 2021 (Reviewed) Rm	Six months ended 31 December 2020 (Reviewed) Rm	Year ended 30 June 2021 (Audited) Rm
Convertible bonds – ZAR	—	2 533	1
Impala Canada term loan	—	1 848	—
Lease liabilities	1 328	1 398	1 327
Total borrowings	1 328	5 779	1 328
Current	259	1 320	241
Non-current	1 069	4 459	1 087
Reconciliation			
Beginning of the period	1 328	8 858	8 858
Conversion of bonds to equity	(1)	(223)	(1 578)
Repurchase of ZAR bonds	—	(240)	(1 502)
Proceeds from borrowings	—	—	873
Capital repayments	(122)	(2 402)	(5 293)
Interest repayments	(62)	(231)	(342)
Leases capitalised	106	135	185
Interest accrued	62	350	555
Change in carrying value of Impala Canada term loan	—	27	70
Exchange differences	17	(495)	(498)
End of the period	1 328	5 779	1 328
Facilities			
Committed revolving credit facility			
ZAR tranche	6 000	4 000	6 000
US$ tranche (US$125 million)	1 992	—	1 788
Revolving credit limit facility			
Impala Canada Limited (US$25 million)	—	367	—
	7 992	4 367	7 788

16. BORROWINGS continued

Implats has a committed revolving credit facility with various financial institutions consisting of a R6 billion ZAR tranche and a US$125 million US$ tranche. Impala Canada is also a borrower under the US$ tranche.

The ZAR tranche of the committed revolving credit facility of R6 billion bears interest at the three-month Johannesburg Interbank Acceptance Rate plus a margin and utilisation fee of between 210 and 260 basis points, subject to the level of utilisation and the total net debt to earnings before interest, tax, depreciation and amortisation levels (EBITDA) of the Group. The facility has an accordion option to increase the facility by an additional R2 billion. The facility matures on 24 February 2024 with an option to extend for another two years. The facility was undrawn at the end of the period.

The US$ tranche of the committed revolving credit facility of US$125 million bears interest at the three-month London Interbank Offered Rate plus a margin and utilisation fee of between 185 and 225 basis points, subject to the level of utilisation and the total net debt to EBITDA levels of the Group. The facility has an accordion option to increase the facility by an additional US$50 million. The facility matures on 24 February 2024 with an option to extend for another two years. The facility was undrawn at the end of the period.

17. CASH GENERATED FROM OPERATIONS

	Six months ended 31 December 2021 (Reviewed) Rm	Six months ended 31 December 2020 (Reviewed) Rm	Year ended 30 June 2021 (Audited) Rm
Profit before tax	**20 189**	35 887	67 920
Adjusted for:			
Reversal of impairment	**—**	(14 728)	(14 728)
Depreciation	**2 834**	2 642	5 475
Finance income	**(383)**	(355)	(768)
Finance cost	**225**	510	946
Share of profit of equity-accounted entities	**(1 962)**	(1 003)	(3 212)
Marula IFRS 2 BEE charge	**—**	1 514	1 514
Foreign currency adjustments	**(299)**	547	1 035
Other	**(120)**	118	463
	20 484	25 132	58 645
Changes in working capital:			
Decrease/(increase) in trade and other receivables	**2 361**	(766)	(3 551)
Increase in inventories	**(236)**	(3 661)	(5 575)
(Decrease)/increase in trade and other payables	**(1 081)**	6 310	7 333
Total	**21 528**	27 015	56 852

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for the six months ended 31 December 2021

18. HEADLINE EARNINGS

	Six months ended 31 December 2021 (Reviewed) Rm	Six months ended 31 December 2020 (Reviewed) Rm	Year ended 30 June 2021 (Audited) Rm
Profit attributable to owners of the Company	**13 838**	25 078	47 032
Remeasurement adjustments:			
Reversal of impairment	**–**	(14 728)	(14 728)
Profit on disposal of property, plant and equipment	**(33)**	(44)	(99)
Total tax effects of adjustments	**9**	4 135	4 154
Headline earnings	**13 814**	14 441	36 359
Adjusted for:			
Interest on dilutive ZAR bonds (after tax at 28%)	**–**	134	–
Headline earnings used in the calculation of diluted earnings per share	**13 814**	14 575	36 359
Weighted average number of ordinary shares in issue for basic earnings per share (millions)	**817.37**	778.45	784.43
Adjusted for:			
Dilutive potential ordinary shares relating to long-term incentive plans	**2.62**	5.22	5.12
Dilutive potential ordinary shares relating to ZAR bonds	**–**	56.95	0.01
Weighted average number of ordinary shares for diluted earnings per share (millions)	**819.99**	840.62	789.56
Headline earnings per share (cents)			
Basic	**1 690**	1 855	4 635
Diluted	**1 685**	1 734	4 605

19. CONTINGENT LIABILITIES, GUARANTEES AND UNCERTAIN TAX MATTERS

Contingent liabilities and guarantees

As at 31 December 2021, 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 R77 million (December 2020: R1 937 million) (June 2021: R80 million). Guarantees of R22 416 million (December 2020: R2 422 million) (June 2021: R2 436 million) have been issued by third parties and financial institutions on behalf of the Group consisting mainly of guarantees to the TRP for R19 650 million (note 11) and to the Department of Mineral Resources for R2 344 million (December 2020: R2 029 million) (June 2021: R2 042 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 2021, the Group had an unresolved historical tax matter relating to deductions at its South African operations. The South African Revenue Service has issued an additional assessment relating to this matter and the Group has objected to the assessment. The Group has a tax practitioner and legal counsel opinion to support its objection. Should the Group be successful in its objection, it could result in a tax credit of up to R516 million (including interest).

19. CONTINGENT LIABILITIES, GUARANTEES AND UNCERTAIN TAX MATTERS continued

Zimbabwe

Foreign currency taxes

Zimplats has historically filed, and continues to file, all required income tax returns and to pay the taxes reasonably determined to be due. The fiscal legislation in Zimbabwe is continuously the subject of vague and incongruous amendments, resulting in the fiscal legislation landscape being subject to interpretation, which often requires the courts to give a final determination. 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.

Significant judgement is required in determining the provision for income taxes due to the complexity and differences of interpretation of fiscal legislation, and application which may require determination through the courts. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Zimplats recognises liabilities for anticipated tax audit issues and uncertain tax positions based on estimates of whether additional taxes will be due. The assessment is based on objective, unbiased interpretation of the fiscal legislation, informed by specialist independent tax and legal advice. Where ZIMRA as the tax authority makes an assessment that differs from that determined and initially recorded by the company, such difference in computation will impact the income tax expenses and liabilities in the period in which such determination is made.

The matter of the currency in which income taxes and royalties should be paid was settled amicably during the year ended 30 June 2021.

Irrespective of whether potential economic outflows of matters have been assessed as probable or possible, individually significant matters are included below to the extent that disclosure does not prejudice the company.

Matters before the courts

Zimplats filed legal proceedings in the High Court and the Supreme Court of Zimbabwe in relation to historical and current 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.

20. RELATED-PARTY TRANSACTIONS

	Six months ended 31 December 2021 (Reviewed) Rm	Six months ended 31 December 2020 (Reviewed) Rm	Year ended 30 June 2021 (Audited) Rm
Associates			
Two Rivers			
Transactions with related party			
Purchases of metal concentrates	**4 192**	5 291	11 992
Period-end balances arising from transactions with related party			
Payables to associate	**3 462**	3 561	4 166
Makgomo Chrome			
Transactions with related party			
Tailings fee expense	**27**	6	44
Sale of metal concentrates	**27**	6	44
Friedshelf			
Transactions with related party			
Interest accrued	**52**	56	110
Repayments	**100**	92	188
Period-end balances arising from transactions with related party			
Borrowings – lease liabilities	**971**	1 061	1 019
The lease liabilities have an effective interest rate of 10.2%			
Joint venture			
Mimosa			
Transactions with related party			
Refining fees	**161**	173	287
Interest received	**—**	2	3
Purchases of metal concentrates	**3 146**	4 695	9 136
Period-end balances arising from transactions with related party			
Payables to joint venture net of advance	**1 153**	566	989

There is no contractual relationship governing the Group's transactions with Mimosa. These are conducted through an intermediary. For accounting purposes, and to demonstrate the economic substance of the transactions, they are disclosed as related party transactions, as though the Group had transacted directly with Mimosa.

Fixed and variable key management compensation was R345 million (December 2020: R189 million) (June 2021: R406 million).

21. FINANCIAL INSTRUMENTS

Background

The impact of Covid-19 is deemed to be priced into the inputs, which for the Group, mostly relates to securities price risk and commodity price risk used in the level 1 and 2 fair valuation techniques as determined by the market. The level 3 valuation techniques were adjusted by amending the cash flows in the discounted cash flow valuations to factor in the impacts of the pandemic where applicable. The outcome of these considerations and the resulting adjustments are reflected in the respective carrying amounts of the financial assets and financial liabilities measured at fair value.

The Covid-19 impacts on the credit risk assessment of cash and cash equivalents and trade and other receivables did not result in any material impairments and, to date, there was no material increase in either liquidity risk and own credit risk.

	Six months ended 31 December 2021 (Reviewed) Rm	Six months ended 31 December 2020 (Reviewed) Rm	Year ended 30 June 2021 (Audited) Rm
Financial assets – carrying amount			
Financial assets at amortised cost	**21 505**	26 890	27 868
Trade receivables	**2 142**	1 418	3 631
Other receivables	**533**	601	544
Employee receivables	**203**	244	131
Cash and cash equivalents	**18 537**	24 540	23 474
Other financial assets	**90**	87	88
Financial assets at fair value through profit or loss (FVPL)	**2 307**	1 803	2 706
Environmental rehabilitation investments	**309**	—	—
Other financial assets	**1 027**	—	1 002
Trade receivables	**971**	1 506	1 704
Cash and cash equivalents	**—**	297	—
Financial assets at fair value through other comprehensive income (FVOCI)	**428**	408	425
Total	**24 240**	29 101	30 999
Financial liabilities – carrying amount			
Financial liabilities at amortised cost	**5 368**	10 499	6 428
Borrowings	**1 328**	5 779	1 328
Other financial liabilities	**53**	53	52
Trade payables	**3 987**	4 348	4 822
Other payables	**—**	145	226
Bank overdraft	**—**	174	—
Financial liabilities at fair value through profit or loss			
Trade payables – metal purchases	**9 075**	8 260	9 025
Trade payables at fair value through profit or loss	**9 846**	10 853	10 772
Advances[1]	**(771)**	(2 593)	(1 747)
Total	**14 443**	18 759	15 453

[1] *Advances are carried at amortised cost.*

21. FINANCIAL INSTRUMENTS continued

The carrying amounts of financial assets and liabilities approximate their fair values.

Fair value hierarchy

The table below represents significant financial instruments measured at fair value at the reporting date. The calculation of fair value requires various inputs into the valuation methodologies used. The source of the inputs used affects the reliability and accuracy of the valuations. Significant inputs have been classified into the hierarchical levels in line with IFRS 13.

Level 1 Quoted prices in active markets for identical assets or liabilities.
Level 2 Inputs other than quoted prices that are observable for the asset or liability (directly or indirectly).
Level 3 Inputs for the asset or liability that are unobservable.

	Six months ended 31 December 2021 (Reviewed) Rm	Six months ended 31 December 2020 (Reviewed) Rm	Year ended 30 June 2021 (Audited) Rm	IFRS 13 Fair value hierarchy	Valuation technique and key inputs
Instrument					
Financial assets at FVPL					
Environmental rehabilitation investments	**309**	—	—	Level 1	Quoted market prices for the same instruments
Other financial assets	**1 027**	—	1 002	Level 1	Quoted market prices for the same instruments
Trade receivables	**971**	1 506	1 704	Level 2	Quoted market metal prices and exchange rates
Financial assets at FVOCI	**428**	408	425	Level 3	Discounted cash flows Risk-free ZAR interest rate and metal prices
Financial liabilities at FVPL	**9 846**	10 853	10 772	Level 2	Quoted market metal prices and exchange rates

There were no transfers between fair value hierarchy levels during the reporting period.

21. FINANCIAL INSTRUMENTS continued

Reconciliation of level 3 fair value measurements

The level 3 fair value financial assets comprise the investment in Waterberg and shares in other immaterial unlisted entities:

	Six months ended 31 December 2021 (Reviewed) Rm	Six months ended 31 December 2020 (Reviewed) Rm	Year ended 30 June 2021 (Audited) Rm
Opening balance	**425**	394	394
Gains recognised in other comprehensive income	**3**	14	31
Closing balance	**428**	408	425

Cash and cash equivalent exposure by country and currency

	Six months ended 31 December 2021 (Reviewed) Rm	Six months ended 31 December 2020 (Reviewed) Rm	Year ended 30 June 2021 (Audited) Rm
Exposure to foreign currency denominated balances:			
Bank balances (US$ million)	**430**	308	403
Bank balances (C$ million)	**30**	8	10
Bank balances (ZW$ million)	**3 509**	1	36
The exposure by country is as follows:			
South Africa	**11 132**	20 705	17 768
Europe	**3 782**	2 747	3 420
Zimbabwe – US$	**2 547**	744	1 511
Zimbabwe – ZW$	**514**	—	6
Canada	**554**	633	760
Asia	**8**	8	9
	18 537	24 837	23 474

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 13), 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.

21. FINANCIAL INSTRUMENTS continued

Fair value hedge accounting continued

The effects of the fair value hedge are as follows:

	Six months ended 31 December 2021 (Reviewed) Rm	Six months ended 31 December 2020 (Reviewed) Rm	Year ended 30 June 2021 (Audited) Rm
Hedging instrument			
Trade payables at fair value through profit or loss – metal purchases			
Carrying amount	**9 846**	10 853	10 772
Fair value (gain)/loss used to determine hedge effectiveness	**(1 956)**	1 173	2 069
Hedged item			
Purchased metal inventory			
Purchased metal inventory exposed to fair value movement	**9 846**	10 853	10 772
Change in fair value of hedged item used to determine hedge effectiveness	**1 956**	(1 173)	(2 069)
Accumulated fair value hedge loss/(gain) included in metal purchases in respect of closing inventory[1]	**401**	(41)	2 014

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

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. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Dividends

Shareholders are advised that the board has resolved to declare an interim cash dividend on 1 March 2022 in respect of the six-month period ended 31 December 2021. 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.

The dividend of 525 cents per ordinary share or R4 432 million in aggregate (excluding treasury shares) is to be paid out of retained earnings, but not recognised as a liability at the end of the period. 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.

The dividend is payable on Tuesday, 22 March 2022 to shareholders recorded in the register at the close of business, 18 March 2022.

	Six months ended 31 December 2021 (Reviewed) Rm	Six months ended 31 December 2020 (Reviewed) Rm	Year ended 30 June 2021 (Audited) Rm
Dividends paid:			
Final dividend No 95 for 2021 (No 93 for 2020) of 1 200 cents (2020: 400 cents) per ordinary share	**9 830**	3 113	3 113
Interim dividend No 94 for 2021 of 1 000 cents per ordinary share	**—**	—	7 928

Other events occurring after the reporting period

The directors are not aware of any other subsequent events which materially impact the interim financial statements other than for the mandatory offer to acquire all of the remaining RBPlat shares, refer note 11.

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