



Delivering on our purpose

Audited Annual Results for the year ended 31 December 2020





Forward-looking statements

This report contains certain forward-looking statements with respect to the results, operations and business of RBPlat and its subsidiary companies (the RBPlat Group). These statements and forecasts involve risk and uncertainty, as they relate to events and depend on circumstances that occur in the future. There are various factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. The Company undertakes no obligation to update publicly or to release any revisions to these forward-looking statements to reflect events or circumstances after the date of publication of this report or to reflect the occurrence of unanticipated events. All forward-looking statements have not been reviewed or reported on by the Group's auditors.



Who we are

We are a mid-tier producer of platinum group metals (PGMs) from our two mines:

Bafokeng Rasimone Platinum Mine (BRPM), a twin decline shaft (average mining depth of 450m) conventional and hybrid mining operation.

Styldrift Mine (Styldrift), a twin vertical shaft (average mining depth of 680m) mechanised bord and pillar mining operation.

Our shallow long-life **Merensky and UG2 ore bodies** are located on the Bushveld Igneous Complex in the North West province of South Africa, one of the most significant PGM-bearing ore bodies in the world.

Our product

Merensky reef 4E prill split

64.7%
platinum

26.8%
palladium

4.3%
rhodium

4.2%
gold

UG2 reef 4E prill split

59.2%
platinum

29.2%
palladium

11.0%
rhodium

0.6%
gold

Our **concentrate** is produced in our BRPM 250ktpm capacity traditional MF2 process concentrator and Maseve MF1 110ktpm capacity concentrator currently being upgraded to a 180ktpm MF2 process plant, which together offer operational flexibility.

Through their catalytic properties, thermal durability and resistance to poisoning **the metals we produce play a key role in reducing emissions in the environment**, which helps reduce the global impact on climate change and makes our world cleaner and greener. Our metals are used in the automotive, jewellery, industrial, medical and electronic industries among others.

The **recyclability of PGMs** also contributes to the development of a circular economy.

Ownership:

When RBPlat listed on the Johannesburg Stock Exchange (JSE) in 2010 it was the first community-owned company to do so and it remains the only community-owned company listed on the JSE.

Major shareholders at 31 December 2020

Royal Bafokeng Holdings (RBH):

40.0%

Free float:

59.3%

The balance of 0.7% is held by RBPlat's management and the employee share scheme

Our empowerment credentials

Our major shareholder, RBH, is an African community investment company, entrusted with the unique responsibility of preserving and growing the financial capital of the Royal Bafokeng Nation (RBN). RBPlat originates from the BRPM Joint Venture (JV) between the RBN and Anglo American Platinum, which started operations in 1998.

The RBN's long-term view gave its leaders the patience and determination to persevere, the innovative thinking to raise the funds to purchase its land, retain ownership of its land when black people were not allowed to own land in South Africa and engage in a lengthy court battle to ensure its people benefit from the PGMs being mined on its land.

Our purpose

To create economic value for all our stakeholders by delivering *More than mining*

Our vision

To seek and deliver the good from mining

Our mission

To leave a lasting legacy of sustainable benefits for our stakeholders

Our values

To deliver earnings and growth and create shared value for our stakeholders through mining safely and responsibly

Safety and people first

Mining is a high risk business and cannot succeed without total trust, respect, teamwork and an uncompromising commitment to safety and people first

Promises delivered

We do what we say we will do

Mutual interests and mutual rewards

We have mutual goals and mutual interests and we depend on each other to realise our vision and mission. We operate in good faith, openly and transparently

OUR EMPLOYEES

Our full-time employees and contractors are key to our ability to create value and deliver on our purpose.

We created value in 2020 by:

- providing employment to 10 593 people and paying them during the 45 days of lockdown level 5 when the business was not operating and therefore could not generate revenue
- rewarding our employees for the value they added to our business through salaries, bonuses, benefits and the opportunity to purchase a home in our housing development
- providing our employees with information and personal protective equipment (PPE) against Covid-19
- contributing to transformation through employment equity, and promoting gender equality through our focus on women in mining
- providing growth and career opportunities through our investment in the training and development of our people

GOVERNMENT

The taxes we pay R1 787.6 million (2019: R638.9 million) and our investment in our social and labour plan commitments R92.0 million (2019: R65.8 million) contribute to the economic and social development of South Africa.

We created value for government in 2020 by:

- paying our corporate taxes
- creating jobs, which generated personal tax

REGULATORS

The regulation of the mining industry by the Department of Mineral Resources and Energy, the Department of Health, the Department of Labour and the Department of Human Settlements, Water and Sanitation protects employees in the industry, communities affected by our industry and the environment in which we operate.

We created value for our regulators in 2020 by:

- complying with legislation that kept our people safe and healthy and protected the environment.

OUR INVESTORS

Our investors contribute to our ability to meet our strategic objectives and grow organically and by acquisition.

We created value for our investors in 2020 by:

- making good progress with our strategic objectives
- maintaining a strong balance sheet that protects our business in uncertain times and generating significant free cash flow, setting us up to pay a dividend
- ensuring we meet our responsibilities as a responsible corporate citizen
- applying good governance principles and sustainable business practices

SOCIETY

Our commitment to being a responsible corporate citizen and achieving *More than mining* contributes to the development of communities that will continue to be sustainable after mining.

We created value for society in 2020 by:

- investing in enterprise and supplier development intended to increase the sustainability of local, historically disadvantaged businesses
- assisting those vulnerable to the Covid-19 lockdowns
- partnering to provide innovative solutions to the health challenges of the Covid-19 pandemic
- providing bursaries, education support and learning and development opportunities to members of our communities

Our strategic objectives

What we offer

Our strategy is to be a South African mining company producing PGMs and offering a clear value proposition to outperform the market. We aspire to achieve *More than mining* and are proud of our positive social impact as a transformation leader.

The market we operate in

We sell all our product to one major client who processes and markets our product.

The way we work

Our performance-driven culture and our aspiration to achieve zero harm results in operational excellence. We manage our assets with high optionality and flexibility, which allows us to react quickly to changing market conditions. We grow organically through internal expansion and value enhancements. Within the industry we proudly contribute through leading industry roles, both locally and internationally.

What we own

Our ore bodies are highly competitive and our processing plants are very efficient. We take pride in our people and our ability to use appropriate, proven technologies to our advantage. Our financial standing is very sound and we proudly represent the RBPlat brand.

Strategic pillar 1:
Towards operational excellence

Strategic pillar 2:
Build flexibility to ensure sustainability

Strategic pillar 3:
Grow organically – positioning RBPlat to compete over the long term

Strategic pillar 4:
Pursue value enhancing opportunities

More than mining

10-year performance in terms of the capitals

	Unit	2010	2011
Financial			
Revenue	R(million)	2 107	2 975
Net cash/(debt)	R(million)	899	1 099
Headline earnings/(loss) per share	Cents	191	167
Average rand basket price	R/Pt oz	15 555	16 282
Income from Impala royalty agreements R(million)	R(million)	—	24.9
EBITDA R(million)	R(million)	815	1 036
EBITDA margin	%	38.7	34.8
Return on capital employed (ROCE)	%	17.9	2.7
Manufactured			
BRPM IMS ratio	ratio	1.12	1.01
Styl drift IMS ratio	ratio	—	—
Total tonnes hoisted	(kt)	2 396	2 241
BRPM	(kt)	2 396	2 241
Styl drift	(kt)	—	—
Total tonnes milled	(kt)	2 407	2 305
BRPM	(kt)	2 407	2 305
Styl drift	(kt)	—	—
Built-up head grade (4E)	(g/t)	4.31	4.35
BRPM	(g/t)	4.31	4.35
Styl drift	(g/t)	—	—
4E metals in concentrate	(koz)	288	282
BRPM	(koz)	288	282
Styl drift	(koz)	—	—
Cash operating cost per 4E ounce	(R/4E oz)	5 902	6 399
BRPM	(R/4E oz)	5 902	6 399
Styl drift	(R/4E oz)	—	—
Capex	R(million)	967	1 164
Capex funded from operational cash flows	%	100	87.1
Intellectual			
Board independent non-executive directors	%	83	86
Board gender diversity: % women	%	22	30
Board racial composition — % black	%	44	50
Human			
Number of employees (including contractors and corporate office employees)	Number	7 669	8 275
Women in mining (full-time employees)	%	10.5	4.3
Training investment	R(million)	26.8	38.4
HIV/Aids: Number of employees on antiretroviral treatment (ART)	Number	185	219
TB incidence rate (/100 000) — the numbers recorded from 2010 to 2013 were prevalence rates	/100 000	507	580
Fatalities	Number	3	0
LTIFR	/1 000 000 hours	4.763	4.545
NIHL exceeding 10%	Number	8	35
Social and relationship			
Investment in SLPs R(million)	R(million)	10.6	35.8
Discretionary procurement from HD businesses	(Average %)	22	68.0
Home ownership (number of families living in purchased homes)	Number	—	—
Homes provided for community members in need	Number	—	—
Natural			
Mineral resources inclusive of reserves — measured, indicated and inferred	(Mt)	260.5	250.8
GHG emissions (Scope 1 and 2)	(CO ₂ -e tonnes)	307 452	312 106
Energy efficiency — for BRPM concentrator	(kWh/tonne)	51.3	50.0
Water use efficiency	(MI/kt milled)*	2.294	1.904

* Includes all recycled water and excludes toll treated ore

67% ownership						100% ownership		
2012	2013	2014	2015	2016	2017	2018	2019	2020
2 865	3 251	3 768	3 045	3 342	3 499	3 627	7 492	13 379.4
650	773	1 864	918	836	1 333	(832)	(491)	1 643.2
104	173	239	(83)	87	56	25	50	1 354
16 404	17 927	19 842	17 256	18 906	19 156	21 006	28 743	47 892
61.8	75.2	18.2	46.7	65.7	85.9	98.8	146.8	382.4
634	1 008	1 189	298	490	572	504	1 756	6 647
22.1	31.0	31.6	9.8	14.7	16.4	13.9	23.4	49.7
1.6	2.8	3.3	(29.4)	1.1	(4.0)	1.0	2.2	17.7
1.48	1.52	1.7	1.51	1.58	1.68	1.92	1.87	1.71
—	—	—	—	—	—	0.5	0.8	1.14
2 329	2 308	2 477	2 429	2 774	3 011	3 349	3 792	4 140
2 329	2 308	2 477	2 365	2 365	2 426	2 269	2 244	2 175
—	—	—	64	409	585	1 080	1 548	1 965
2 375	2 301	2 479	2 461	2 762	3 021	3 420	3 847	3 990
2 375	2 301	2 467	2 389	2 348	2 449	2 299	2 222	2 096
—	—	12	72	414	572	1 121	1 625	1 894
4.07	4.38	4.29	4.11	4.03	3.94	3.96	3.91	3.93
4.07	4.41	4.30	4.14	4.18	4.16	4.21	4.01	3.97
—	1.72	1.41	3.06	3.12	2.99	3.45	3.77	3.89
269	280	294	278	304	328	368	401	419
269	280	294	272	275	283	266	241	224
—	—	0.4	6	29	45	102	160	195
7 616	7 519	8 039	9 359	10 068	9 941	10 468	14 139	15 560
7 616	7 519	8 039	9 359	10 068	9 941	10 468	12 562	14 141
—	—	—	—	—	—	—	16 504	17 185
1 192	1 059	1 724	2 009	1 127	2 160	3 459	1 661	1 815
58.5	84.5	81.1	29.8	48.5	26.1	37.3	68.1	100.0
60	50	64	64	64	70	64	54	64
30	20	36	36	36	40	36	31	36
50	50	45	45	45	40	55	54	55
7 518	7 929	8 900	7 281	7 400	8 372	9 508	10 087	10 593
12.9	10.9	12.3	15.1	14.1	15.9	17.1	17.8	19.0
95.6	99.1	114.4	83.9	62.0	73.5	112.4	129.2	112.7
430	412	452	572	658	622	627	785	1 271
430	412	805	937	767	765	631	416	308
1	2	2	5	1	—	2	2	1
3.379	3.069	2.664	2.045	1.902	2.753	2.475	1.900	1.318
21	27	19	13	9	10	13	10	5
126.9	105.2	133	74.6	287.1	40.5	63.2	65.8	92.0
59.4	64.7	68.1	74.2	79.6	87.0	86.7	86.6	82.2
—	—	259	393	395	763	999	1 136	1 404
—	—	25	—	19	—	25	—	18
244.2	243.0	243.1	241.8	238.8	235.6	348.0	349.4	348.5
337 709	292 773	326 606	304 674	318 220	333 956	341 746	427 633	450 311
50.6	44.6	45.3	52	47.4	46.2	45	46.6	46.2
1.748	1.634	1.671	1.998	1.598	1.405	1.220	1.233	1.075

Our performance in 2020



Financial capital



R6 646.5 million

(2019: R1 756.4 million)

EBITDA



1 354.4 cents

(2019: 50.4 cents)

HEPS



R1 643.2 million

(2019: net debt of R491.3 million)

Net cash position

Value creation for our shareholders


R1.5 billion declared in maiden dividend (575.0 cents per share)





Manufactured capital

Performance against October 2020 production guidance

Operating performance

 4E built-up head grade of 3.93g/t

 Yield of 419koz 4E

 Unit cost of R15 560 per 4E ounce

 Group capex of R1.8 billion

Guidance in October 2020

4E built-up head grade of 3.98g/t

Between 405koz to 420koz 4E

Between R15 600 and R15 800 per 4E ounce

Group capex of R1.9 billion



Human capital

-  One fatal injury
-  34.5% improvement in our TIFR
-  48.6% improvement in SIFR
-  R225 million paid in salaries during lockdown level 5
-  19% of our workforce is women in mining
-  67.7% of our senior management team are historically disadvantaged






Social and relationship capital

-  200-bed field hospital built to ensure medical facilities available to our employees and communities during Covid-19
-  Provided food hampers and hygiene care packages to the community during lockdown level 5
-  47.7% increase in procurement from local historically disadvantaged businesses to R2.5 billion
-  R92 million investment in our social and labour plan (2019: R65.8 million)



Natural capital

-  A- score for our voluntary disclosure to the CDP for climate change and supplier engagement rating and a B score for our voluntary water disclosure
-  Reduced the amount of potable water used in the BRPM concentrator by 626.51 MI by using water from our treatment plant leading to a R6.4 million cost savings
-  Began reporting in line with the TCFD in 2020



Achieved



Good progress made



Not achieved

OVERVIEW

In 2020 we commemorated our first ten years on the JSE, but we also saw the global spread of the Covid-19 pandemic, impacting society and all areas of business. The pandemic tested us, and particularly, our ability to handle and address the risks to our people and our business. Previously we highlighted the importance of achieving the second pillar of our strategy, building flexibility to ensure sustainability. Covid-19 has undoubtedly put to the test our ability to be flexible, adapt rapidly to situations, protect the sustainability of the business, and assist and keep safe the communities in which we operate. A positive consequence of the Covid-19 pandemic has been the spirit of collaboration that prevailed among our neighbours and various government departments. We look forward to continuing with this spirit and to achieve positive outcomes for our industry and communities. It is essential that we work together and apply global thinking to addressing this crisis and protect our planet's people and economies from disaster.

Sadly, despite achieving significant improvements in our total injury (TIFR), lost time (LTIFR) and serious injury (SIFR) frequency rates, we recorded a fatal injury at our Styldrift operation. On 9 December 2020, Mr Sipho Kopedi Mokgopa lost his life in a fall of ground accident. The Board of Directors, management as well as colleagues at RBPlat wish to extend their sincere condolences to the family, friends and colleagues of Mr Mokgopa.

Despite the negative impact of the Covid-19 pandemic on our operations and the business as a whole, the Group achieved record production with a year-on-year increase in tonnes hoisted of 9.2% to 4 140kt, a 3.7% increase in tonnes milled to 3 990kt and a 4.5% increase in 4E metals in concentrate to 419koz.

FINANCIAL REVIEW

Notwithstanding the challenges of the Covid-19 pandemic on our business, our *More than mining* philosophy helped us deliver a record performance in 2020 with enhanced shareholder returns. On 30 January 2020, we early settled the balance of the Rustenburg Platinum Mines Limited's (RPM) deferred consideration that arose in December 2018 when we acquired RPM's remaining 33% participating interest in the BRPM JV. This balance was to be paid to RPM, either in equity or cash, over a three year period with the first repayment due in May 2020. By settling in cash, we improved our balance sheet strength, avoided shareholder dilution and solidified a key milestone in our journey to be 100% owners of our business.

Although organic growth remains an important strategic pillar, the successful delivery of the Styldrift project signals a shift to a broader capital allocation approach which balances investment through organic growth and value-enhancing merger and acquisition opportunities, with sustainable capital returns to shareholders. Our growth and continued optimisation of our operations, have also delivered a more robust business supported by a strengthened balance sheet.

Revenue for the period increased by 78.6% to R13 379.4 million due to a strong PGM basket price compared to R7 491.9 million in 2019. The continued growth of our business was restricted by the national lockdown due to the Covid-19 pandemic. Platinum contributed 26.7% (2019: 38.4%) to the revenue of our operations in the reporting period, while palladium and rhodium contributed 62.5% (2019: 47.2%). The basket price per platinum

ounce increased by 66.6% to R47 891.7 (2019: R28 743.0), mainly driven by an increase in palladium and rhodium prices and a weaker rand, with the average exchange rate received for the period improving by 12.3% to R16.34 per US dollar.

Cost of sales increased by 16.7% to R7 948.7 million (2019: R6 810.6 million) which includes approximately R900 million of operating costs incurred during April and May. Our costs during these months were heavily impacted by the managed shutdown and ramp-up of our operations. During the reporting period, we incurred R53.8 million of operating costs relating to the well-being and care of our employees and our communities in response to the Covid-19 pandemic. Styldrift's cost of sales increased by 28.6% year-on-year to R4 183.4 million (2019: R3 252.4 million), while BRPM's cost of sales increased by 5.5% year-on-year to R3 619.8 million (2019: R3 432.3 million).

Our continued efforts to optimise costs resulted in a further reduction in the fixed cost component of our cash costs, with a 1% improvement year-on-year to 68.1% (2019: 69.1%) being achieved. Our corporate office administrative expenses increased by 2.5% year-on-year to R191.9 million (2019: R187.3 million). Our industry membership and market development contributions increased by 109.6% to R34.8 million due to increased ownership, business growth, and the weaker exchange rate.

Other income increased by R226.5 million, or 84.5%, to R494.4 million, mainly due to a R235.6 million increase in Impala royalties to R382.4 million and a R33.3 million increase in gains on the fair value of forward exchange contracts. Other expenses relate to exchange rate losses on the revaluation of concentrate amounting to R230.9 million and a R70.5 million reversal of a foreign exchange gain on the currency hedge relating to the proceeds of the gold streaming transaction. Earnings before interest, taxation, depreciation and amortisation (EBITDA) increased by 278.4% from R1 756.4 million to R6 646.5 million, with our EBITDA margin increasing to 49.7% from 23.4% in the previous comparative period. The return on capital employed amounted to 17.7% compared to 2.2% in 2019.

RBPlat's consolidated gross profit increased by 697.1% to R5 430.7 million from R681.3 million in the comparative period. Supported by a strong pricing environment, BRPM reported a 255.9% growth in gross profit to R3 865.8 million (2019: R1 086.2 million) while Styldrift reported a 713.0% growth in gross profit to R1 710.3 million from a gross loss of R279.0 million in 2019.

Finance costs decreased from R553.6 million in 2019 to R487.3 million in 2020, partly due to a saving of interest on the RPM deferred consideration, amounting to R194.0 million, following the settlement of the deferred consideration. This saving was offset by the interest on the gold streaming, amounting to R170.3 million. In addition, interest expensed on the PIC loan increased to R98.5 million from R89.7 million in 2019 due to the cessation of the capitalisation of borrowing costs in 2019, following the suspension of the construction of employee houses.

Despite the impact of the global Covid-19 pandemic, a significant improvement in the PGM market and a weaker South African rand, coupled with strong operational performance, resulted in headline earnings increasing by 2 734.2% to

R3 488.9 million in 2020 (2019: R123.1 million). Headline earnings per share improved to 1 354.4 cents (2019: 50.4 cents). Basic earnings per share (EPS) was 1 369.9 cents compared to 26.3 cents in 2019.

Cash generated from operations was bolstered by the R2 093.5 million receipt of proceeds from the gold streaming transaction. The Group ended the year with cash and cash equivalents of R2 243.2 million (2019: R814.2 million). This includes restricted cash of R163.1 million ringfenced for our employee home ownership scheme and R84 million earmarked for the payment of the convertible bond coupon. RBPlat was able to fund 100% (2019: 68.1%) of its capital expenditure for the reporting period, from cash generated by its operations. Net cash, calculated as cash and cash equivalents less interest-bearing borrowings, amounted to R1 643.2 million (2019: net debt of R491.3 million), a 434.5% improvement from the 2019 comparative period.

On 6 March 2020, Anglo American Platinum Limited (Amplats) announced the temporary shutdown of the Anglo Converter Plant (ACP) and declared force majeure, following damages to the plant. Subsequent to the initial suspension of concentrate deliveries to the Waterval Smelter complex in line with the force majeure declaration, an interim arrangement between Amplats and RBPlat was agreed to during the shutdown, with revised concentrate delivery and payment terms. Concentrate already delivered to RPM, a wholly owned subsidiary of Amplats, up to the force majeure announcement, was bound by the terms as set out in the disposal of concentrate agreement (DOCA) with RPM. All subsequent concentrate deliveries to RPM during the shutdown period were subject to newly agreed payment terms, whereby RBPlat continued to receive a significant majority of the related proceeds during 2020 with the outstanding payments to be settled in full before 30 April 2021. Payment terms reverted to the original DOCA terms with the completion of repairs to the ACP Phase B unit on 12 May 2020. As at 31 December, our trade and other receivables included R258.6 million of additional working capital relating to the remaining payments expected to be received by 30 April 2021.

Guided by our dividend policy, and given the strong cash flow generation in 2020, with R3.0 billion of free cash flow before growth capex, the Board declared a final cash dividend of 575.0 cents per share, equating to R1.5 billion. This ensures that we remain in a position of strength and well placed to continue with appropriate, value-creating and disciplined investment in our business.

TOWARDS OPERATIONAL EXCELLENCE

Production

RBPlat started 2020 in a strong position with a robust balance sheet, Styldrift was well on its way to completing the infrastructure required to support its steady-state 2 760ktpa design capacity, BRPM was progressing well with its transition to UG2 at South shaft and concentrator volume-related and tailings storage facility (TSF) upgrade projects were progressing according to schedule. In March 2020, our performance was negatively impacted by the introduction of lockdown level 5 regulations as the Covid-19 pandemic hit South Africa. The lockdown resulted in the loss of 45 days of production. In

addition to the initial Covid-19-related production loss, our operational effectiveness was also impeded by several other fast-moving and unexpected variables including:

- a five-day BRPM concentrator outage in the first quarter
- Eskom load curtailments during the first and third quarters
- the Amplats force majeure declaration, which resulted in the temporary suspension of concentrate deliveries
- operational complexities and increased costs associated with managing the pandemic at our operations

Total development decreased by 7.4% from 39.1km to 36.2km, with the impact of the Covid-19 pandemic being the key contributor to the lower year-on-year performance. BRPM and Styldrift's total development reduced by 7.1% to 30.0km, and 8.8% to 6.2km respectively. There was a marginal reduction in BRPM panel flexibility, however, the IMS panel ratio of 1.71 remains above the 1.5 target. Styldrift's IMS flexibility is expected to achieve the 1.3 target by the second quarter of 2021 with the completion of the 5N section.

Total tonnes hoisted increased by 9.2% to 4 140kt with the additional volumes from the Styldrift ramp-up more than offsetting the lower production from BRPM. BRPM tonnes hoisted decreased by 3.1% to 2 175kt while Styldrift tonnes hoisted increased by 26.9% to 1 965kt, in line with increased stoping production. Closing surface stocks at year end increased by 152kt compared to 2019. The increase in surface stocks are the result of the BRPM mill failure in the first quarter, load curtailment restrictions, the impact of the Covid-19 pandemic on concentrator performance and Sibanye-Stillwater temporarily suspending toll treatment of UG2 ore at the Waterval concentrator in line with their Covid-19 response plan.

Total tonnes milled increased by 3.7% to 3 990kt, Merensky tonnes milled increased by 0.6% with increased production volumes from Styldrift. The increased Styldrift volumes offset the impact of the Covid-19 shutdown on BRPM production and declining South shaft Merensky reserves. UG2 tonnes milled increased by 21.2% to 704kt in line with increased UG2 volumes from BRPM South shaft. Overall built-up head grade increased by 0.5% to 3.93g/t (4E). Styldrift built-up head grade increased by 3.2% to 3.89g/t (4E) while BRPM head grade reduced marginally by 1.0% to 3.97g/t (4E). The reduction in the BRPM head grade is attributable to (i) higher off-reef dilution on the South shaft Merensky due to geological complexity experienced in current mining areas and (ii) the increased contribution of lower grade South shaft UG2 to the overall ore mix. Overall recovery (4E) reduced by 0.2% to 82.93%. The key contributor to the lower recovery is the increase in lower grade South shaft UG2 processed. The improved volumes combined with the marginally lower recovery yielded a 4.5% and 4.2% increase in 4E and Pt metals in concentrate, respectively. 4E metals in concentrate amounted to 419koz and platinum in concentrate equated to 272koz.

Operating costs

Cash operating costs for the business increased by R838 million or 14.8% year-on-year to R6 513 million compared to 2019. The increase in costs is attributable to higher production volumes, industry inflation and additional Covid-19 pandemic management costs. The key inflationary drivers were CPI (3.3%) and above CPI increases in labour (3.2%), utilities (6.7%) and

sundries (14.6%). Included in costs is approximately R900 million of operating costs expensed during the managed shutdown and ramp-up of our operations resulting from the national lockdown and R53.8 million additional costs incurred in the management of the Covid-19 pandemic. The increase in surface stocks, impact of the national lockdown on production and additional Covid-19 related costs resulted in unit cost increases of 10.6% and 10.1% per tonne milled and 4E ounce to R1 632 and R15 560, respectively, compared to 2019. On a stock adjusted basis, unit costs per tonne milled and per 4E ounce, increased by 7.3% to R1 581 (2019: R1 473) and 6.8% to R15 070 (2019: R14 117) respectively, year-on-year.

Total cash operating costs at BRPM increased by 4.5% from R3 024 million to R3 160 million year-on-year. Cash operating costs per tonne milled and cash operating cost per 4E ounce increased by 10.8% and 12.6% to R1 508 and R14 141, respectively, compared to 2019. On a stock adjusted basis, unit costs per tonne milled and per 4E ounce increased by 7.5% to R1 461 (2019: R1 359) and 9.3% to R13 700 (2019: R12 534), respectively, year-on-year.

Total cash operating costs at Styldrift increased by 26.5% from R2 651 million to R3 353 million compared to 2019. Cash operating cost per tonne milled and cash operating cost per 4E ounce increased by 8.5% and 4.1% to R1 770 and R17 185, respectively, compared to 2019. On a stock adjusted basis, unit costs per tonne milled and per 4E ounce, increased by 5.1% and 0.9% to R1 714 (2019: R1 631) and R16 640 (2019: R16 489), respectively, year-on-year.

Capital expenditure

Total capital expenditure increased by 9.3% to R1 815 million compared to 2019. Expansion capital expenditure decreased by 17.5% to R1 101 million. The reduction in expenditure is in line with Styldrift and concentrator TSF and Maseve MF2 construction progress.

Replacement capital increased by R239 million to R340 million. The increase is related to the extension of the North, South and East footwall declines and associated infrastructure at Styldrift beyond the expansion capital battery limits required to establish ore reserves to maintain production in the longer term.

SIB expenditure increased by R148 million to R374 million in line with operational requirements. SIB as a percentage of operating cost amounted to 5.7%.

Key contributors to the increased expenditure were:

- Styldrift SIB expenditure increased by R65 million in line with increased trackless fleet rebuild and stope strike belt extension to support ramp up.
- Concentrator SIB expenditure increased by R69 million due to higher production volumes, mill reline and crusher maintenance and a once-off payment to Magalies Water related to the settlement of the Maseve bulk water supply infrastructure and associated supply agreement

PROJECTS

Styldrift

With the key primary infrastructure required to support the ramp up of Styldrift already completed in 2019 our focus during 2020 was on establishing operational flexibility, mobilising the remaining mining crews, building redundancy, driving mining

productivity and efficiencies. Despite the pandemic impacting the 2020 third quarter 230ktpm run rate, progress was made in establishing the remaining spare IMS sections and initiatives targeting improvements in trackless mobile machine availability and efficiency, minimising in stope face-to-tip distances and artisan/operator upskilling programmes. As the ramp up gained momentum during the year, our operational focus shifted from installing and commissioning the required infrastructure towards meeting the operational parameters underpinning the 2 760ktpa/320kozpa (4E) design output.

Improvements in tip-to-face strike belt distances, trackless fleet availability and section flexibility have culminated in sustained improvements in production performance related to stoping square metres, tonnes hoisted, stoping width and grade. Ongoing improvements in these areas are key to ensuring Styldrift becomes the competitive mine envisaged. Total project capital expenditure for the reporting period amounted to R716 million, bringing the total capital expenditure for the project to date to R13.5 billion.

Concentrator upgrade projects

The Maseve TSF expansion was completed in June 2020 and is fully operational. Construction of the BRPM facility continued steadily during the reporting period. However, construction delays stemming from the pandemic have resulted in the facility's completion being revised to quarter one of 2022 from quarter four of 2021. The revised completion date does not impact the structural integrity of the facility. Capital expenditure for the TSF upgrades amounted to R204 million in the year under review.

Construction and manufacturing works on the Maseve 160ktpm MF2 upgrade continued during 2020. The project schedule was impacted by the Covid-19 pandemic, specifically key manufacturing and procurement processes related to items manufactured in Europe, resulting in an estimated four-month delay (as communicated during our 2020 interim results). A detailed review and optimisation of the metallurgical design resulted in the plant capacity being increased to 180ktpm. The upgrade is forecast for completion in the third quarter of 2021. Capital expenditure on this project during the reporting period amounted to R177 million.

MORE THAN MINING

At RBPlat we knew that we needed to do everything we could to protect our employees, our communities and our business from the threat the Covid-19 pandemic posed. The most important thing was to keep people safe and healthy. When we recommenced operations at full capacity from the beginning of June 2020, we continued to strictly adhere to protocols to minimise the risk of outbreaks at our operations and in the community while operating our assets efficiently and cost-effectively to maintain production at an economically sustainable level.

Our detailed post-lockdown measures have ensured that all our employees are continually briefed and informed. We implemented measures designed to manage the impact and spread of the virus by continuing our operations within the broader national guidelines, and our own health and safety framework while also limiting the economic impact on our communities through our community support programme. We

provide our employees with essential personal hygiene care packages and PPE. We ensure that social distancing is practised at all times and that all areas of work, including confined areas such as mine cages, are continually sanitised.

We realised that the health services in the North West province of South Africa, where our operations are located, were likely to be rapidly overwhelmed by Covid-19 cases when the pandemic reached its peak in South Africa. We decided to take action to ensure that there were medical facilities available to our employees and communities infected with Covid-19 who needed medical treatment. We invested approximately R10 million in converting an unused change house at Maseve Mine into a 200-bed field hospital. Once we had completed the hospital, the Department of Health (DoH) took over the provision of medical services and the feeding of patients, while RBPlat continues to maintain the hospital and provide cleaning and security services. We took over the facilities of a nearby hotel and set it up in accordance with DoH guidelines to provide a quarantine and isolation facility for our employees and community members who could not quarantine or isolate at home.

At the start of the Covid-19 lockdown we provided sanitiser and masks and issued 2 500 hygiene care packs to the community and the schools in the community. We also sanitised the taxis and taxi ranks in the area. We worked with the community leaders to identify families in need and those who were vulnerable and we distributed 3 500 food hampers to these families. We provided our maths and science grade 12 learners and teachers at the local high school, namely Charora High School, with computer tablets and e-learning material. At the request of the Department of Education in the North West province, our education support project was able to provide extra Saturday classes in three schools where learning had been impacted by the Covid-19 lockdown. We paid teachers a stipend to teach selected subjects, which included maths and science. An important part of our work in the communities during the Covid-19 pandemic has been the Covid-19 community contact tracing teams who are working in the community every day doing contact tracking, normal tracing and arranging for those who need to be quarantined or isolated to go to a facility if they cannot isolate at home, or helping those who are Covid-19-positive to receive medical assistance.

We have several initiatives under way intended to grow the number of local companies that are suppliers to RBPlat. This includes identifying specific opportunities that can be set aside for them. We hold workshops in which we ensure these companies are familiar with our tender processes. The aim of these workshops is to improve the quality of submissions and, in turn, increase the number of opportunities awarded to local businesses. When we reviewed our preferential procurement policies during 2020, we took steps to ensure we could improve the participation of B-BBEE compliant Women-owned and Youth-owned businesses in our procurement processes. In 2020, procurement from local historically disadvantaged businesses increased by 47.7% to R2 492.2 million, while procurement from doorstep businesses increased by 59.3% to R285.3 million.

A RESPONSIBLE APPROACH TO THE NATURAL ENVIRONMENT

By their very nature, mining activities have a negative impact on the natural environment. However, the PGMs we produce

play an important role in reducing the impact of transportation on climate change. Our approach to environmental management is based on international best practice, legal compliance and maintaining our environmental and social licence to operate. Both our BRPM and Styldrift operations are ISO 14001 (2015) certified. The Maseve concentrator's environmental management system is now incorporated into the BRPM ISO 14001 certification as part of the BRPM concentrator.

RBPlat's commitment to addressing the impact of climate change includes endorsing the Caring for Climate initiative, being a signatory to the Carbon Disclosure Standard Board's (CDSB) fiduciary duty and climate change disclosure and being members of the We Mean Business Coalition.

We are in the process of updating our climate change strategy. This will include implementation of the recommendations from the climate change vulnerability study we conducted, as well as the Task Force on Climate-related Financial Disclosures climate change risk and vulnerability scenario analysis.

We have set ourselves new five-year Group energy efficiency targets in 2020 based on the 2018 baseline, with the aim of achieving a 10% reduction by 2024. Our 2020 energy efficiency target was 0.326GJ/tonne milled which we did not meet by achieving 0.408GJ/tonne milled. We are also in the process of reviewing and updating our energy management strategy to align it with the changes in our business, which includes the acquisition of the Maseve concentrator, the ramping up of Styldrift and the mining of UG2 at South shaft. This strategy will be finalised in the first quarter of 2021.

There is also a need to introduce renewable energy into our energy mix. For the past two years we have been busy with a feasibility study for the construction of a modular photovoltaic plant (PV). Progress with the feasibility study has been impacted by the need to change sites as the original site earmarked for the project had environmental restrictions. We anticipate that the feasibility study will be concluded in the latter part of 2021 or early 2022.

We have been able to achieve a measurable reduction in our consumption of potable water and our costs by using water treated in the treatment plant we established in 2015. The water treatment plant did not operate for 45 days during lockdown level 5 resulting in an 8.0% reduction in the quantity of water treated to 626.51MI from 682.39MI in 2019. For 2020 our potable water cost reduced by R6.4 million by using water from the water treatment plant. We also set new five-year Group water efficiency targets in 2020 based on the 2018 baseline, with the aim of achieving a 10% reduction by 2024. Our 2020 water efficiency target was 0.645kl/tonne milled which we met by achieving 0.642kl/tonne milled.

Our voluntary participation in the Carbon Disclosure Project (CDP) in 2020 earned us an A- for climate change, which is higher than the global average of our activity group which was a C score and the mining and metals D score. We also received an A-Supplier Engagement rating, which assesses performance on governance, targets, scope 3 emissions and value chain engagement in the CDP climate change questionnaire. We maintained a B score for our CDP water disclosures. This score is the same as the global and African average scores, which are both B scores.

EXTERNAL AUDIT ROTATION

The Independent Regulatory Board for Auditors (IRBA) requires the mandatory rotation of audit firms with effect from financial years commencing after 1 April 2023. PricewaterhouseCoopers Inc. (PwC) have been our auditors since 2009 and as there is a required rotation of the current audit partner, RBPlat decided on the early adoption of the rotation of audit firms. The Audit and Risk Committee, after following a comprehensive formal tender process, incorporating the requisites of the JSE Listings Requirements, has recommended the appointment of KPMG Inc (KPMG) as the Company's external auditor, with Mr Henning Opperman as the designated lead audit partner. The appointment of KPMG as the new external auditor is expected to take effect from the financial year ending 31 December 2021. This appointment will be recommended to shareholders for approval at the annual general meeting scheduled for 9 April 2021.

CHANGES TO THE BOARD

RPM nominees, Dr Gordon Leslie Smith and Mr Avischen Moodley, who were appointed to the Board on 2 January 2019 as non-executive directors, resigned effective from 28 May 2020. Their resignation is due to the settlement of the deferred consideration in respect of the transaction with RPM. The Board wishes to thank them for their contributions while serving on the Board of the Company and wishes them well in their future endeavours. Adv Kgomo Moroka, after serving on the Board as independent non-executive Chairperson since June 2010, will formally be retiring from the RBPlat Board with effect from the Company's next Annual General Meeting to be held in April 2021. Following Adv Moroka's retirement from the Board, Mr Obakeng Phetwe, a non-executive director of RBPlat, since February 2018, will assume the function of the Board Chairperson. In addition, Mr Mark Moffett, an independent non-executive director of RBPlat since September 2014, will assume the function of Lead Independent Director. The Board wishes to thank the outgoing Chairperson for her dedicated service over the past 10 years and wishes her well in all future endeavours. In October, Mr Hanré Rossouw, the Chief Financial Officer of the Company, was appointed as RBPlat's Debt Officer.

DECLARATION OF DIVIDEND

The RBPlat Board is pleased to advise shareholders that the directors have approved the Company's maiden dividend declaration of a final gross cash dividend of 575.0 cents per ordinary share from the profits accrued during the twelve-month period ended 31 December 2020. The dividend is declared from retained earnings and will be subject to a dividend withholding tax of 20% for all shareholders who are not exempt from or do not qualify for a reduced rate of withholding tax. The net dividend payable to shareholders subject to the withholding tax rate of 20% amounts to 460.0 cents per ordinary share. The issued share capital at the declaration date is 258 792 016 ordinary shares and the Company's tax number is 9512379166.

The salient dates relating to the dividend payment are as follows:

- Declaration date: Tuesday, 9 March 2021
- Last day for trading to qualify and participate in the final dividend: Monday, 29 March 2021
- Trading ex-dividend commences: Tuesday, 30 March 2021
- Record date: Thursday, 1 April 2021
- Dividend payment date: Tuesday, 6 April 2021

Share certificates may not be dematerialised or rematerialised between Tuesday, 30 March 2021 and Thursday, 1 April 2021 both days inclusive. Any changes to the dividend instruction will be announced on the JSE Stock Exchange News Service.

MARKET REVIEW

In 2020 global PGM demand was heavily impacted by the Covid-19 pandemic with end-use declining by double-digit percentages year-on-year. Palladium demand, which has been above 10Moz for the last four years, fell below 9Moz, while rhodium demand, which decreased the least of the PGMs, remained above 1Moz for the year. Platinum demand was also affected, however, this was partially offset by strong investor flows. The rand PGM basket price increased by more than 70% in 2020 compared to the average basket price in 2019. This was primarily driven by an approximately 200% increase in the rhodium price. During 2020 alone, the rhodium price almost tripled. A processing 'lock-up' of rhodium, resulting from repairs to Amplats' ACP, limited supplies and strong end-user buying, helped lift the rhodium price to record levels.

Vehicle sales have been declining steadily in recent years, led by slowing demand growth in China. In 2020 many car sales dealerships were closed during lockdowns in the major economies as the Covid-19 pandemic spread. During this period global light-duty vehicle sales fell by an estimated 14% year-on-year. This might have been even lower if it wasn't for a strong recovery in auto sales in China. Diesel sales in Western Europe continue to fall as a percentage of total light-duty vehicle sales to just under 30%.

Platinum jewellery demand is estimated to have reduced by close to half a million ounces in 2020 relative to 2019, owing to Covid-19 impacts. However, the Covid-19-related drop in platinum prices in March 2020, and the wide difference between platinum and gold prices, led to renewed interest by jewellers and a sharp pick-up in platinum buying by fabricators and small jewellery companies in China.

Exchange traded fund holdings of platinum increased by close to half a million ounces, while buying other physical investment products also rose by approximately 400koz. Investment was therefore able to absorb almost all the industrial supply/demand surplus for 2020.

Refined primary platinum output is estimated to have fallen by over 1Moz in 2020, over half of this is as a result of unplanned processing outages, with the balance being a combination of Covid-19-related mine disruptions and slightly reduced year-on-year supply from Russia. Recycling also fell year-on-year as Covid-19 interrupted supply chains and collectors temporarily closed dismantling centres. Refineries around the world continued to operate but supplies of raw materials were limited.

MARKET OUTLOOK

Rhodium prices have already reached record highs in early 2021 by rising to over US\$27 000/oz. Limited availability owing to temporary refined supply shortfalls and buying competition for the metal in thinly traded markets lifted prices to new levels.

Despite renewed outbreaks of the Covid-19 pandemic, vehicle sales in 2021 are forecast to be significantly higher than in 2020 as the markets begin to recover. The prospect of the roll out of

Covid-19 vaccinations in major economies will help lift demand, particularly in the second half of the year. China's auto sales ended 2020 with a 6.4% year-on-year rise in December, according to the China Association of Auto Manufacturers (CAAM), and they expect to see the local market achieve sales of 26 million vehicles in 2021, which will be particularly beneficial to palladium and rhodium. All major regions are forecast to see growth in platinum automotive demand as car and commercial sales recover. Western Europe is likely to lead the way, even though the diesel share is set to decline further. Platinum will also benefit from some substitution of palladium in gasoline autocatalysts in a number of major markets.

A gradual recovery in consumer spending is expected to lift jewellery demand. The above expectations economic growth recorded in the fourth quarter in China, bodes well for 2021. Strict virus controls and government stimulus will aid growth in 2021, but restrictions on movement due to Covid-19, particularly during the holidays, may hamper jewellery spending in the short term. Industrial demand is set to recover in 2021 owing to rebounds in petroleum, glass and other end users, while platinum use in fuel applications is also set to rise.

A combination of a recovery in mine supply, coupled with the processing of built-up inventories of concentrates, is forecast to lead to higher refined PGM supplies year-on-year, particularly in the second half of 2021 when the processing of stocks will be more significant. Recycling is also set to recover as high PGM prices incentivise scrap collection.

The platinum market is forecast to yield an industrial surplus in 2021, which will require another year of significant growth in investment demand. An ongoing discount to gold and palladium prices, as well as the prospect of increased use in gasoline autocatalysts, continues to make platinum attractive. The palladium and rhodium markets are both forecast to remain in deficit in 2021, although narrower than in 2020 owing to additional unrefined stocks to be processed in the second half of 2021.

OUTLOOK AND COMPANY GUIDANCE

Despite the strong underlying market outlook, the ultimate duration of the Covid-19 pandemic and its impact on the global economy remains unpredictable. We will continue to implement appropriate measures to limit the spread of the virus, maintain a safe operating environment for our employees and limit the impact on our production.

Our business has enjoyed strong cash flow generation, and we will continue to optimise returns through ongoing improvements in our business and disciplined allocation of capital while managing risk through focused cash and balance sheet management. Our finance focus areas for 2021 include the continued roll-out of our digital roadmap, delivery of supply chain savings and the potential refinancing of our bank and convertible debt facilities.

BRPlat expects to complete the upgrade of the Maseve concentrator to 180ktpm MF2 by the third quarter of 2021. BRPM South shaft will continue with the successful transition from Merensky to UG2, with its UG2 delivered tonnes expected to exceed Merensky for the first time in 2021 as South shaft progresses towards 100% UG2 in 2023/4. BRPM North shaft's production is expected to remain consistent with that of previous years, delivering approximately two-thirds Merensky to one-third UG2. The Maseve MF2 upgrade will enhance our recoveries of UG2 from both North and South shaft, and it is aligned with the increasing UG2 proportion of our mining mix. As BRPM trends towards increasing volumes of UG2, the Maseve concentrator, once upgraded, will provide us with the flexibility to treat more UG2 and ultimately to consider chrome extraction.

Styldrift has developed the underlying mining infrastructure needed to operate at steady state. In 2021 our focus will be on improving the consistency with which crews meet production targets for stoping and development while realising a reduction in maintenance and consumable costs.

Notwithstanding the ongoing uncertainty around the Covid-19 pandemic's current resurgence, Group production guidance for 2021, subject to any unforeseen operational disruptions, is forecast to increase to between 4.45Mt and 4.85Mt at a 4E built-up head grade of 3.90g/t – 3.95g/t, yielding 475koz – 525koz 4E metals in concentrate. Group cash unit costs for the year are forecast to be between R14 200 and R15 400 per 4E ounce. Group capital expenditure for 2021, including escalation contingencies, is forecast to be approximately R2.2 billion with the key contributors being:

- R0.4 billion for the finalisation of ancillary works on the Styldrift expansion project
- R0.6 billion for the Maseve 180ktpm MF2 and BRPM TSF upgrades
- R0.5 billion for the Styldrift replacement capital

SIB expenditure is expected to be between R0.6 billion and R0.7 billion equating to between 6% and 8% of operating expenditure.

Since we listed in 2010 the organic growth we have achieved through Styldrift and the value we added to the business through the opportunistic purchase of Maseve and the remaining 33% of the BRPM Joint Venture from Amplats, have positioned us well for the future.

Going forward, our focus will be on operational excellence, extracting value for our shareholders and bondholders through the ongoing optimisation and continual improvement of our competitive assets and continuing to deliver on our purpose of creating economic value for all our stakeholders by delivering *More than mining*.

Summary consolidated statement of financial position

as at 31 December 2020

		Group		
	Notes	2020 audited R (million)	2019 audited R (million)	% change
ASSETS				
Non-current assets		22 934.3	22 160.7	3.5
Property, plant and equipment		16 086.1	15 367.4	4.7
Mining rights		5 353.2	5 502.7	(2.7)
Right-of-use assets		16.0	25.6	(37.5)
Environmental trust deposits and guarantee investments		253.8	245.9	3.2
Employee housing loan receivable		851.3	681.8	24.9
Employee housing benefit		266.6	235.2	13.4
Housing insurance investment		49.1	43.9	11.8
Deferred tax asset		7 58.2	58.2	—
Current assets		9 010.1	4 790.0	88.1
Employee housing benefit		22.0	17.5	25.7
Employee housing assets		5 542.3	702.6	(22.8)
Employee housing loan receivable		2.6	—	100.0
Inventories		490.4	196.1	150.1
Trade and other receivables		6 5 709.6	2 984.9	91.3
Current tax receivable		—	4.2	(100.0)
Derivative financial asset		—	70.5	(100.0)
Cash and cash equivalents		4 2 243.2	814.2	175.5
Total assets		31 944.4	26 950.7	18.5
EQUITY AND LIABILITIES				
Total equity		19 816.7	16 186.6	22.4
Stated capital		11 263.7	11 125.1	1.2
Retained earnings		8 268.4	4 739.4	74.5
Share-based payment reserve		284.6	322.1	(11.6)
Non-current liabilities		10 442.2	9 024.5	(15.7)
Deferred tax liability		7 5 259.5	3 846.5	(36.7)
Convertible bond liability		8 1 122.1	1 049.5	(6.9)
PIC housing facility		9 1 503.4	1 440.9	(4.3)
Interest-bearing borrowings		10 412.5	1 305.5	68.4
Deferred revenue		11 1 902.8	—	(100.0)
Restoration, rehabilitation and other provisions		234.6	292.5	19.8
RPM deferred consideration		12 —	1 073.4	100.0
Lease liabilities		7.3	16.2	54.9
Current liabilities		1 685.5	1 739.6	3.1
Trade and other payables		1 200.7	923.1	(30.1)
Current tax payable		8.7	1.3	(569.2)
Current portion of PIC housing facility		9 54.6	42.2	(29.4)
Current portion of interest-bearing borrowings		10 187.5	—	(100.0)
Current portion of deferred revenue		11 223.9	—	(100.0)
Current portion of RPM deferred consideration		12 —	760.0	100.0
Current portion of lease liabilities		10.1	13.0	22.3
Total equity and liabilities		31 944.4	26 950.7	(18.5)

The notes on pages 17 to 32 form an integral part of these summary consolidated annual financial statements.

Summary consolidated statement of comprehensive income for the year ended 31 December 2020

		Group		
	Notes	2020 audited R (million)	2019 audited R (million)	% change
Revenue	15	13 379.4	7 491.9	78.6
Cost of sales	16	(7 948.7)	(6 810.6)	(16.7)
Cost of sales excluding depreciation, amortisation and movement in inventories		(6 866.5)	(5 726.0)	(19.9)
Depreciation and amortisation		(1 265.3)	(1 095.7)	(15.5)
Increase in inventories		183.1	11.1	1 549.5
Gross profit		5 430.7	681.3	697.1
Other income		494.4	267.9	84.5
Other expenses		(301.4)	—	(100.0)
Administrative expenses		(263.7)	(337.2)	21.8
Corporate office		(191.9)	(187.3)	(2.5)
Housing project		(35.3)	(53.5)	34.0
Industry membership and market development		(34.8)	(16.6)	(109.6)
Maseve care and maintenance and other costs		(1.7)	(69.2)	97.5
Restructuring costs		—	(10.6)	100.0
Scrapping and impairment of non-financial assets		(4.1)	(58.9)	93.0
Finance income	18.1	154.7	124.1	24.7
Finance cost	18.2	(487.3)	(553.6)	12.0
Profit before tax		5 023.3	123.6	3 964.2
Income tax expense		(1 494.3)	(59.5)	(2 411.4)
Current tax expense		(81.3)	(47.2)	(72.2)
Deferred tax expense		(1 413.0)	(12.3)	(11 387.8)
Net profit for the period		3 529.0	64.1	5 405.5
Other comprehensive income for the period		—	—	—
Total comprehensive income		3 529.0	64.1	5 405.5
Earnings per share for profit attributable to the ordinary equity holders of the Company:				
Basic EPS (cents/share)	22	1 369.9	26.3	5 108.7
Diluted EPS (cents/share)	22	1 244.2	26.3	4 630.8

The notes on pages 17 to 32 form an integral part of these summary consolidated annual financial statements.

Summary consolidated statement of changes in equity

for the year ended 31 December 2020

Group						
	Number of shares	Stated capital R (million)	Share- based payment reserve R (million)	Retained earnings R (million)	Attribu- table to owners of the Company R (million)	Total R (million)
2020						
Balance at 1 January 2020	256 548 170	11 125.1	322.1	4 739.4	16 186.6	16 186.6
Share-based payment charge	—	—	50.0	—	50.0	50.0
2017 BSP and RFSP shares vested in April 2020	1 424 636	72.3	(72.3)	—	—	—
Share options exercised	541 581	66.3	(15.2)	—	51.1	51.1
Total comprehensive income	—	—	—	3 529.0	3 529.0	3 529.0
Balance at 31 December 2020	258 514 387*	11 263.7	284.6	8 268.4	19 816.7	19 816.7
2019						
Balance at 1 January 2019	207 999 586	10 063.1	338.2	4 753.7	15 155.0	15 155.0
Share-based payment charge	—	—	40.1	—	40.1	40.1
2016 BSP shares vested in April 2019	1 449 783	56.2	(56.2)	—	—	—
Share options exercised	321 107	6.3	—	—	6.3	6.3
Issue of shares	46 777 694 [#]	1 029.1	—	—	1 029.1	1 029.1
Costs relating to issue of shares capitalised	—	(29.6)	—	—	(29.6)	(29.6)
Deferred tax on final valuation of the acquisition of non-controlling interest	—	—	—	(78.4)	(78.4)	(78.4)
Total comprehensive income	—	—	—	64.1	64.1	64.1
Balance at 31 December 2019	256 548 170*	11 125.1	322.1	4 739.4	16 186.6	16 186.6

* The number of shares is net of 277 629 (2019: 1 685 766) treasury shares relating to the Company's management share incentive scheme

[#] 46 777 694 shares issued under the rights offer

The notes on pages 17 to 32 form an integral part of these summary consolidated annual financial statements.

Summary consolidated statement of cash flows

for the year ended 31 December 2020

		Group		
	Notes	2020 audited R (million)	2019 audited R (million)	% change
Cash flows from operating activities				
<i>Cash generated from operations</i>		3 783.2	1 154.5	227.7
Proceeds from the gold streaming transaction	11	2 093.5	—	100.0
Interest paid		(115.0)	(173.0)	33.5
Interest received		130.9	109.2	19.9
Dividend received		3.0	0.2	1 400.0
Tax refund received		—	0.2	(100.0)
Income tax paid		(69.7)	(63.5)	(9.8)
Net cash inflow from operating activities		5 825.9	1 027.6	466.9
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment		0.6	0.9	(33.3)
Acquisition of property, plant and equipment		(1 873.6)	(1 695.3)	(10.5)
Acquisition of employee housing assets	5	—	(48.4)	100.0
Employee housing loan receivable repayments		7.6	2.8	171.4
Increase in environmental trust deposits and investments		(2.9)	(11.8)	75.4
Net cash outflow from investing activities		(1 868.3)	(1 751.8)	(6.7)
Cash flows from financing activities				
Drawdown of PIC housing facility	9	—	85.0	(100.0)
Proceeds from interest-bearing borrowings	10	2 031.2	841.0	142.2
Repayment of interest-bearing borrowings	10	(2 744.9)	(1 264.3)	(117.6)
Repayment of the RPM deferred consideration		(1 851.2)	—	(100.0)
Principal elements of lease payments		(14.8)	(12.6)	(17.5)
Proceeds from issue of shares		—	1 029.1	(100.0)
Costs relating to issue of shares		—	(29.6)	100.0
Proceeds from share options exercised		51.1	6.3	711.1
Net cash (outflow)/inflow from financing activities		(2 528.6)	654.9	(486.1)
Net increase/(decrease) in cash and cash equivalents		1 429.0	(69.3)	2 162.0
Cash and cash equivalents at the beginning of the period		814.2	883.5	(7.8)
Cash and cash equivalents at the end of the period		2 243.2	814.2	175.5

The notes on pages 17 to 32 form an integral part of these summary consolidated annual financial statements.

Notes to the summary consolidated annual financial statements

for the year ended 31 December 2020

1. BASIS OF PREPARATION

The summary consolidated annual financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports and the JSE Debt Listings Requirements (collectively, the JSE Listings Requirements) as well as the requirements of the Companies Act applicable to summary financial statements. The JSE Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and also, as a minimum, contain the information required by IAS 34: *Interim Financial Reporting*. The accounting policies applied in the preparation of the consolidated annual financial statements from which the summary consolidated financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the previous consolidated annual financial statements.

The summary consolidated annual financial statements for the year ended 31 December 2020 were prepared under the supervision of the Financial Director, Hanré Rossouw.

2. ACCOUNTING POLICIES

The summary consolidated annual financial statements have been prepared under the historical cost convention. The principal accounting policies used by the Group are consistent with those of the previous period, except for the adoption of various revised and new standards. For the impact of adoption of new standards, refer to Note 1 of the annual financial statements.

3. AUDIT OPINION

These summary consolidated annual financial statements for the year ended 31 December 2020 have been audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the consolidated annual financial statements from which these summary consolidated annual financial statements were derived. A copy of the auditor's report on the summary consolidated annual financial statements and of the auditor's report on the consolidated annual financial statements are available for inspection at the registered office of Royal Bafokeng Platinum Limited, together with the annual financial statements identified in the respective auditor's report.

4. AVAILABLE FUNDS

RBPlat had cash and near cash investments on hand at 31 December 2020 of R2 243.2 million (2019: R814.2 million). Included in the R2 243.2 million cash balance is restricted cash of R163.1 million (2019: R129.5 million) ring-fenced for the RBPlat housing project and R84 million (2019: R84 million) earmarked for the payment of the convertible bond coupon.

The Group has R3 008 million debt facilities (excluding PIC housing facility). During 2020, the debt facilities were restructured and R500 million was reallocated from the revolving credit facility (RCF) to the general banking facility (GBF), with the total remaining unchanged. The debt facilities comprise a seven-year term debt facility of R750 million, a five-year RCF of R1 250 million and a one-year GBF of R1 008 million.

R750 million (2019: R750 million) of the term debt and Rnil (2019: R572.3 million) of the RCF was utilised at 31 December 2020. Of the utilised term debt facility, R140.6 million was repaid. In addition, R119.4 million (2019: R119.4 million) of the GBF was utilised for guarantees.

5. EMPLOYEE HOUSING ASSETS

Employee housing assets are classified as current assets. Revenue earned from the sale of employee housing assets is not in RBR or the Group's ordinary activities. Consequently, employee housing assets are not classified as inventory. The Group made a policy choice in terms of IAS 8 *Accounting Policies, Change in Accounting Estimates and Errors* to classify employee housing assets as other current assets.

Employee housing assets are recognised at cost which consists of the cost of the land, the cost to construct the houses and borrowing cost capitalised. No depreciation is recognised on the employee houses as the intention is to sell the houses within a short period of time after their construction.

An impairment assessment is carried out when there is an indicator of impairment. The recoverable amount is determined by reference to the selling price of the houses. Any resulting impairment is recognised in the statement of comprehensive income.

Critical accounting estimates and assumptions

Significant judgement is required in the impairment assessment of employee housing assets. There are a number of assumptions made in determining the recoverability of the value of employee housing assets for which the final outcome is uncertain.

Key assumptions

The following assumptions were used in the employee housing asset impairment assessment:

- Selling prices of 80m² and 140m² houses amounting to R0.7 million and R1.3 million respectively
- Suspension of construction impacted the way the value of land will be recovered
- Independent valuation of undeveloped land of R700 per m²

Impairment assessment of the employee housing assets resulted in no impairment in the current year (2019: R58.9 million).

When the employee housing assets are sold to employees, the carrying amount of the house is derecognised. The difference between the proceeds received and the carrying amount of the house is recognised in profit or loss as a gain or loss on disposal of employee housing assets.

Notes to the summary consolidated annual financial statements continued

for the year ended 31 December 2020

5. EMPLOYEE HOUSING ASSETS continued

The employee housing assets are held for the purpose of trading and are classified as current assets.

	Group	
	2020 R (million)	2019 R (million)
Opening balance at 1 January	702.6	774.3
Additions due to cancellation of sale agreements	10.9	36.2
Additions due to construction of houses for Phase 2 of the housing project	—	48.4
Houses sold to employees during the year (exclusive of VAT)	(171.2)	(105.3)
Interest on PIC housing facility	—	7.9
Impairment of employee housing assets	—	(58.9)
Closing balance at 31 December	542.3	702.6

6. TRADE AND OTHER RECEIVABLES

RBR entered into a disposal of concentrate agreement with RPM in terms of which the concentrate of the Platinum Group Metals (PGMs) produced by RBR operations will be treated by RPM.

Trade receivables (RPM concentrate debtor) is measured at fair value through profit or loss from the date of recognition up to date of settlement, as it fails the IFRS 9 amortised cost requirement of cash flows representing solely payment of principal and interest. Payment is due on the last day of the fourth month following delivery. As at 31 December, R258.6 million of trade receivables balance relates to the force majeure that was announced by Amplats on 6 March 2020.

The fair value changes due to non-market variability (that is, changes based on quantity and quality of the contained metal) are considered to be variable consideration within the scope of IFRS 15 as RBR's right to consideration is contingent upon the physical attributes of the contained metal. The historic and current year differences between the initial assay and final assay are not significant. Therefore, the variable consideration is not considered to be constrained.

The fair value changes due to market variability (that is, changes in the commodity prices and exchange rates) are not in the scope of IFRS 15 and are therefore not presented as revenue from contracts with customers. The changes in commodity prices are accounted for as other revenue and disclosed separately from revenue from contracts with customers and changes in exchange rates are accounted for as other income.

The exchange rate and commodity price used to fair value the trade receivables at the end of the period was R14.8753 and US\$1 866.3 (2019: US\$1 248.2) per ounce respectively.

Impala royalty receivable, deposits made, VAT receivable, restricted cash and other receivables, are measured at amortised cost. Maseve restricted cash relates to cash that is set aside for Eskom and DMR guarantees. In total, R15.7 million of this relates to the Eskom guarantee while R12.7 million relates to the DMR. This cash is not realisable within three months and therefore it is not classified as cash and cash equivalents.

The North West Department of Education restricted cash relates to money received from the Department of Education to fund part of the costs of building the school at Waterkloof Hill Estate which was developed as part of the RBPlat Employee Home Ownership Scheme. The balance of the cost will be funded by RBPlat Group. The cash was not received for the benefit of RBPlat and does not constitute RBPlat's cash and cash equivalents. As at 31 December 2020, R10.5 million has been spent towards the construction of the school.

Impairment of receivables measured at amortised cost is determined using the expected credit loss model.

	Group	
	2020 R (million)	2019 R (million)
Trade receivables (RPM concentrate debtor)	5 423.3	2 840.4
Impala royalty receivable	122.8	51.9
VAT receivable	30.3	29.1
Styltdrift deposit	28.9	27.9
Maseve restricted cash	28.4	28.4
Deposit paid for mining equipment	12.7	—
Department of Education restricted cash	61.3	—
Other receivables	1.9	7.2
Closing balance at 31 December	5 709.6	2 984.9

7. DEFERRED TAX

Deferred tax assets and liabilities are determined using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is determined using tax rates that have been enacted or substantially enacted before the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available, against which the temporary differences can be utilised.

Deferred tax assets and liabilities are only offset when they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

	Group	
	2020 R (million)	2019 R (million)
<i>Deferred tax comprises:</i>		
Deferred tax asset	(58.2)	(58.2)
Deferred tax liability	5 259.5	3 846.5
Closing balance at 31 December	5 201.3	3 788.3

	Group					
	Mineral rights R (million)	Property, plant and equipment R (million)	Unredeemed capital balance R (million)	Provisions R (million)	Other R (million)	Total R (million)
2020						
Opening balance at 1 January	1 540.8	4 358.5	(1 996.5)	(105.5)	(9.0)	3 788.3
Charged to statement of comprehensive income	(41.9)	161.6	1 290.5	(6.2)	9.0	1 413.0
Closing balance at 31 December	1 498.9	4 520.1	(706.0)	(111.7)	—	5 201.3
2019						
Opening balance at 1 January	1 581.4	3 525.5	(1 355.6)	(100.9)	47.0	3 697.4
Charged to equity	—	—	(76.7)	—	—	(76.7)
Charged to statement of comprehensive income	(40.6)	833.0	(564.2)	(4.6)	(56.0)	167.6
Closing balance at 31 December	1 540.8	4 358.5	(1 996.5)	(105.5)	(9.0)	3 788.3

Tax losses included in RBP MS and RBRP, which are not recognised as deferred tax assets, amount to R268.2 million (2019: R294 million) and R110.0 million (2019: R129 million) respectively. RBR has an unredeemed capital allowance of R2 030.9 million (2019: R6 513 million) which will be carried forward to 2021. Of the deferred tax liability, approximately R4 827 million (2019: R2 510 million) will realise after 12 months.

Notes to the summary consolidated annual financial statements continued

for the year ended 31 December 2020

8. CONVERTIBLE BOND LIABILITY

RBPlat issued 120 000 7% senior unsecured convertible bonds for R1.2 billion on 15 March 2017. Shareholders' approval for the conversion of the convertible bonds was obtained on 8 May 2017. The bonds are convertible into ordinary shares of RBPlat at the option of the holder at a conversion price of R40.7896 (initial conversion price of R42.9438). The conversion price is subject to customary adjustments for reconstructions of equity. These customary adjustments maintain the relative rights of the bondholders. Interest on the bonds is payable semi-annually in arrears on 16 March and 16 September of each year for five years ending 16 March 2022. The bonds are listed on the JSE Main Board under stock code RBPCB.

	2020 R (million)	2019 R (million)
8.1 Convertible bond equity		
Opening balance at 1 January	202.4	202.4
Net equity recognised	202.4	202.4
8.2 Convertible bond liability		
Opening balance at 1 January	1 049.5	986.7
Plus: Interest*	156.6	146.8
Less: Interest paid	(84.0)	(84.0)
Closing balance at 31 December	1 122.1	1 049.5

* In 2020, R26.4 million (2019: R3.4 million) of the interest was capitalised to the Styldrift project at RBPlat Group level.

9. PIC HOUSING FACILITY

The PIC facility was used to fund the construction of houses for Phase 2 of the RBPlat housing project as well as the insurance investment. The PIC facility is a R2.2 billion facility accruing interest at CPI plus a margin of 1%. Security for the PIC facility is ring-fenced to the RBPlat housing project assets with no recourse to the RBR operations business.

The Group recognises the difference between the fair value of the PIC housing facility at initial recognition and the transaction price as a fair value adjustment to the loan. The initial difference is amortised over the term of the PIC housing facility.

The portion of the PIC housing facility repayable within 12 months from the reporting date is presented as part of current liabilities. The balance of the amount is presented as a non-current liability in the statement of financial position.

	Group	
	2020 R (million)	2019 R (million)
Opening balance at 1 January	1 483.1	1 299.6
Plus: Drawdowns	—	85.0
Plus: Contractual interest charges capitalised to loan*	65.9	78.2
Plus: Fair value interest charges capitalised to loan	32.6	19.4
Plus/less: Amortisation of fair value adjustment to loan	(23.6)	0.9
Closing balance at 31 December	1 558.0	1 483.1
Split between:		
Non-current portion of PIC housing facility	1 503.4	1 440.9
Current portion of PIC housing facility	54.6	42.2
	1 558.0	1 483.1

* Rnil (2019: R7.9 million) of the interest on PIC housing facility was capitalised to employee housing assets.

Repayment of the PIC loan has been delayed, pending finalisation of the final claim from the PIC relating to the construction costs.

10. INTEREST-BEARING BORROWINGS

Interest-bearing borrowings are made up of drawdowns on existing facilities. RBR utilised R750 million (2019: R750 million) of its term debt facility and Rnil (2019: R572.3 million) of its revolving credit facility. Of the utilised term debt facility, R140.6 million was repaid. In addition, the Group utilised R119.4 million (2019: R119.4 million) of the GBF for guarantees.

The following covenants are applicable to the existing facilities:

Financial covenants

RBR shall ensure that the following financial covenants will be met:

- Cumulative debt service coverage ratio (DSCR) shall exceed 1.25 times for measurement periods ending between 2017 and 2020
- DSCR shall exceed 1.25 times for measurement periods ending between 2021 and 2023
- Cumulative loan life coverage ratio (LLCR) shall exceed 1.50 times for measurement periods ending between 2017 and 2020
- LLCR shall exceed 1.75 times for measurement periods ending between 2021 and 2023
- Net debt to earnings before interest, taxation, depreciation and amortisation (EBITDA) shall not exceed 2.00 times
- Net debt to equity shall not exceed 1.00 times
- Interest cover ratio is at least 4.00 times

Bond repayment covenant:

RBR shall ensure that on the fourth anniversary of financial close:

- The DSCR exceeds 1.50 times
- The LLCR exceeds 2.00 times
- Net debt to EBITDA shall not exceed 1.25 times

As at 31 December 2020, none of the covenants were breached.

	Group	
	2020 R (million)	2019 R (million)
Opening balance at 1 January	1 305.5	1 715.9
Drawdowns during the period	2 031.2	841.0
Repayments	(2 744.9)	(1 264.3)
Interest capitalised	133.1	137.4
Interest paid	(132.8)	(137.4)
Unwinding of transaction costs capitalised	7.9	12.9
Closing balance at 31 December	600.0	1 305.5
<i>Split between:</i>		–
Non-current portion of interest-bearing borrowings	412.5	1 305.5
Current portion of interest-bearing borrowings	187.5	–
	600.0	1 305.5

11. DEFERRED REVENUE

RBPlat entered into a gold streaming agreement through its wholly owned subsidiary, RBR, with Triple Flag Mining Finance Bermuda Limited (Triple Flag). In terms of the agreement, the Company received an advance payment of US\$143.5 million (US\$145 million net of US\$1.5 million transaction costs) equating to R2 093.5 million, in exchange for the future delivery of gold from the RBPlat mining operations (excluding Styldrift II and the Impala royalty areas), payable over the LOM (the stream). In addition to the advance payment, RBPlat receives 5% cash (variable consideration) from Triple Flag based on the prevailing reference gold price (daily gold market price immediately following the date of delivery) for each ounce of gold delivered. The contract will be settled by RBPlat delivering gold credits to Triple Flag, representing the underlying refined gold which has been mined. One gold credit is equivalent to one ounce of gold.

In terms of this agreement, 70% of the payable gold will be delivered to Triple Flag until 261 000 ounces have been delivered, thereafter, 42% of the payable gold will be delivered to Triple Flag over the LOM. The delivery of the payable gold will be for an initial term of 40 years, which shall be automatically extended for successive 10-year periods, unless there has been no exploration or mining activity.

The advance payment received is recognised as a contract liability (deferred revenue) under IFRS 15 *Revenue from Contracts with Customers*. RBPlat's management identified a significant financing component related to the streaming arrangement resulting from the difference in the timing of the advance consideration received and the transfer of control of the promised gold to Triple Flag. Interest expense on deferred revenue is recognised as finance costs.

Notes to the summary consolidated annual financial statements continued

for the year ended 31 December 2020

11. DEFERRED REVENUE continued

Significant accounting estimates and judgements

The advance payment received from Triple Flag on the gold streaming transaction has been accounted for as a contract liability (deferred revenue) in the scope of IFRS 15. It has been determined that the contract is not a financial instrument because the contract will be settled by RBPlat delivering gold credits to Triple Flag, representing the underlying refined gold which has been mined, rather than cash or financial assets. It is the intention of RBPlat to satisfy the performance obligations under the streaming arrangement through RBPlat's production and revenue will be recognised over the duration of the contract as RBPlat satisfies its obligation to deliver gold ounces. As the contract is long term in nature and RBPlat received a portion of the consideration from Triple Flag at inception of the contract, it has been determined that the contract contains a significant financing component under IFRS 15. RBPlat therefore made a critical estimate of the discount rate that should be applied to the contract liability over the life of the contract.

Inputs to the model to unwind the advance received to revenue

The advance received has been recognised on the statement of financial position as deferred revenue. The deferred revenue will be recognised as revenue in profit or loss as the gold ounces are delivered to Triple Flag relative to the expected total amount of gold ounces to be delivered over the term of the arrangement. Each period, management estimates the cumulative amount of the deferred revenue obligation that has been satisfied and is therefore recognised as revenue. To the extent that the LOM changes or other key inputs are changed, these changes are recognised prospectively as a cumulative catch-up in revenue in the year that the change occurs.

Key inputs	Estimate at period end	
Estimated financing rate over life of arrangement	8.8%	Although there is no cash financing cost related to this arrangement, IFRS 15 requires RBPlat to recognise a notional financing charge due to the significant time delay between receiving the upfront streaming payment and satisfying the related performance obligations.
Remaining life of stream	46 years	The starting point for the LOM is the approved life of mine plan for the operations (excluding Styldrift II and the Impala Royalty Areas) with a portion of resources included beyond the current life of mine plan. However, as IFRS 15 requires the constraint on revenue recognition to be considered, it is more prudent to include a portion of resources in the life of stream for the purposes of revenue recognition. This will reduce the chance of having a significant decrease in revenue recognised in the future, when the LOM is updated to include a conversion of resources to reserves. As such, RBPlat's management has determined that it is appropriate to include 56% of gold in outside LOM resources.
Gold entitlement percentage	70%	The gold entitlement percentage will be 70% up to 261.000 ounces and thereafter 42% for the remainder of the LOM.
Monthly cash percentage	5%	The monthly cash payment to be received is 5% of the market price of the gold ounce delivery to Triple Flag.
Commodity price on initial recognition	Commodity and exchange rate adjusted spot price from inception	The stand-alone selling price of each ounce will be the spot price at inception adjusted for expected commodity and USD/ZAR exchange rate forward curves over the life of the arrangement. Therefore, the stand-alone selling price of each ounce of gold delivered through gold credits at the date of the delivery will be the commodity and exchange rate adjusted spot price from inception. This estimated stand-alone selling price is estimated at inception and is not revisited in the future if the commodity price or exchange rate per ounce changes.

Any changes to the ounces delivered key inputs could significantly change the quantum of the cumulative revenue amount recognised in profit or loss.

The following table summarises the changes in deferred revenue:

	Group	
	2020 R (million)	2019 R (million)
Deferred revenue advance received	2 093.5	—
Interest charge	170.3	—
Deferred revenue recognised during the period	(137.1)	—
Closing balance at 31 December	2 126.7	—
<i>Split between:</i>		
Non-current portion of deferred revenue	1 902.8	—
Current portion of deferred revenue	223.9	—
	2 126.7	—

12. RPM DEFERRED CONSIDERATION

In 2018, RBPlat acquired the remaining 33% participating interest in the BRPM JV from RPM. The purchase consideration was funded by a combination of cash, proceeds from a capital raise and the remaining balance was deferred.

In terms of the agreement with RPM, the deferred consideration escalates at a rate equal to the interest rate charged by lenders to RBR, on the enlarged debt plus a premium of 2%. The deferred consideration is repayable in three annual payments, each equal to one-third of the deferred consideration plus interest accrued up to payment date, with the first payment due on the first business day following 18 months from the effective date, and the second and third payments are due on the first and second anniversary thereof, respectively. The transaction effective date was 11 December 2018.

At the Group's election, all or part of the deferred consideration may be settled through the issue of a variable number of RBPlat shares to RPM.

On 30 January 2020, the full outstanding balance of the deferred consideration was settled through a cash payment to RPM.

	Group	
	2020 R (million)	2019 R (million)
Opening balance at 1 January	1 833.4	1 621.6
Interest capitalised	17.8	211.8
Less: repayment	(1 851.2)	—
Closing balance at 31 December	—	1 833.4
Split between:		
Non-current portion of RPM deferred consideration	—	1 073.4
Current portion of RPM deferred consideration	—	760.0
	—	1 833.4

13. CAPITAL COMMITMENTS IN RESPECT OF PROPERTY, PLANT AND EQUIPMENT

	Group	
	2020 R (million)	2019 R (million)
Capital commitments relate to the Styldrift and BRPM Phase III projects		
Contracted commitments	718.2	922.8
Approved expenditure not yet contracted for	1 445.7	1 394.4
Total capital commitments	2 163.9	2 317.2

Notes to the summary consolidated annual financial statements continued

for the year ended 31 December 2020

14. CONTINGENCIES AND COMMITMENTS

	Group	
	2020 R (million)	2019 R (million)
Guarantees and commitments		
14.1 Guarantees issued		
<i>Royal Bafokeng Resources Proprietary Limited, a wholly owned subsidiary of RBPlat, granted the following guarantees:</i>		
Eskom to secure power supply for Styldrift (guarantee 30823102)	17.1	17.1
Eskom early termination guarantee for Styldrift (guarantee 31160603)	17.5	17.5
Eskom connection charges guarantee for Styldrift (guarantee 31173918)	40.0	40.0
Department of Mineral Resources and Energy for the rehabilitation of land disturbed by prospecting/mining (guarantee 32388608)	1.3	1.3
Eskom security guarantee for power supply to Styldrift (guarantee 34058907)	42.7	42.7
Tsogo Sun guarantee arising from lease agreement (guarantee 34045600)	0.7	0.7
Tsogo Sun guarantee arising from lease agreement (guarantee 34045708)	0.1	0.1
Total bank guarantees issued at 31 December	119.4	119.4
Department of Mineral Resources and Energy guarantee for environmental rehabilitation liability	334.4	318.1
Department of Mineral Resources and Energy guarantee for Styldrift	45.7	47.9
Total insurance guarantees issued at 31 December	380.1	366.0
<i>Maseve Investments II Proprietary Limited, a wholly owned subsidiary of RBPlat, granted the following guarantees:</i>		
Eskom to secure power supply for Maseve	28.4	28.4
Total cash-backed bank guarantees issued at 31 December	28.4	28.4

14.2 Contingent liability – remediate groundwater and soil pollution

RBR is committed to remediate groundwater and soil pollution where RBR operates. The 2017 groundwater flow model simulations indicate that the pollution will not extend into or affect nearby township areas/groundwater users until 2075 if no intervention is put in place. Based on the groundwater model update, a project was initiated in 2018 to monitor the groundwater movement on a continuous basis, using borehole loggers to accurately quantify the size and the rate of movement of the pollution plume. The outcome of this project highlighted that the groundwater levels decreased gradually, showing that the aquifer is in a steady state and that there is no evidence of artificial recharge. A groundwater specialist was appointed to develop the groundwater remediation strategy to enable us to better understand the costs associated with the remediation activities.

The rate of pollution plume movement could not be accurately monitored due to limited pumping of water from the open-cast pit. This is mainly due to the closed loop system in our operations. RBR is continuing to conduct groundwater monitoring through existing boreholes and will close the monitoring network gaps by constructing additional boreholes as per the project recommendations to enable the groundwater database to be fully updated and comprehensive. Other methods of containing the plume, such as pump testing of the boreholes around the BRPM tailings storage facility to assess the likely success of localised abstraction, are being investigated.

14.3 Contingent liability – Maseve acquisition

Post-implementation of the Maseve transaction, Africa Wide Mineral Prospecting Land Exploration Proprietary Limited (Africa Wide), which held 17.1% of the shares in Maseve prior to the implementation of the share transaction, instituted legal proceedings against PTM, RBPlat and Maseve, in terms of which it seeks to have the Maseve transaction declared unlawful and invalid, or alternatively to be paid an increased amount for its Maseve shares, which it argues were undervalued. On 20 September 2018 we advised security holders that PTM legal advisers and senior counsel were of the view that the claim of Africa Wide, was weak and that there are strong prospects of success on this matter. The matter is ongoing.

15. REVENUE

REVENUE

	Group		
	2020 R (million)	2019 R (million)	
Revenue from disposal of concentrate			
Revenue from contract with customers	11 725.9	6 943.4	
Other revenue	1 507.6	548.5	
	13 233.5	7 491.9	
Revenue from gold streaming			
Revenue from contract with customers	145.9	—	
Total	13 379.4	7 491.9	
Revenue per metal			
	BRPM	Styl drift	Total
2020			
Platinum	1 874.5	1 662.2	3 536.7
Palladium	1 963.1	1 680.3	3 643.4
Rhodium	2 925.5	1 702.5	4 628.0
Gold	146.9	182.5	329.4
Nickel	250.9	331.3	582.2
Other	251.8	262.0	513.8
Total revenue from disposal of concentrate	7 412.7	5 820.8	13 233.5
2019			
Platinum	1 716.6	1 159.7	2 876.3
Palladium	1 349.4	895.0	2 244.4
Rhodium	826.3	462.6	1 288.9
Gold	124.8	92.9	217.7
Nickel	278.2	207.9	486.1
Other	223.1	155.4	378.5
Total revenue from disposal of concentrate	4 518.4	2 973.5	7 491.9

16. COST OF SALES

	Group	
	2020 R (million)	2019 R (million)
Included in the profit before tax are the following items:		
On-mine costs:		
– Labour	2 668.1	2 171.2
– Utilities	504.4	456.9
– Contractor costs	1 100.2	1 110.1
– Movement in inventories	(183.1)	(11.1)
– Materials and other mining costs	2 152.1	1 858.1
Materials and other mining costs for RBR operations	2 240.4	1 937.0
Elimination of intergroup management fee	(88.3)	(78.9)
State royalties	66.8	37.5
Depreciation — property, plant and equipment	1 115.8	950.7
Amortisation — mineral rights	149.5	145.0
Share-based payment expense	27.9	23.4
Social and Labour Plan expenditure	89.0	65.8
COVID-19-related costs	53.8	—
Plant readiness	3.0	2.0
Gold credits purchases	177.3	—
Other	23.9	1.0
Total cost of sales	7 948.7	6 810.6

Notes to the summary consolidated annual financial statements continued

for the year ended 31 December 2020

17. RELATED PARTY TRANSACTIONS

	Group	
	2020 R (million)	2019 R (million)
Group balances at 31 December:		
Amount owing to Royal Marang Hotel for accommodation and conferences (a subsidiary of RBH)	—	0.2
Transactions with fellow subsidiaries of RBH:		
Royal Marang Hotel for accommodation and conferences	0.4	0.6
RBH transactions		
Fees paid for non-executive directors	0.8	0.4

18. NET FINANCE (COST)/INCOME

	Group	
	2020 R (million)	2019 R (million)
18.1 Finance income consists of the following:		
Interest received on environmental trust deposits	8.2	10.2
Interest received on investments	60.7	34.7
Interest received on employee housing loan receivable	82.8	79.0
Dividend income on investments	3.0	0.2
Total finance income	154.7	124.1
18.2 Finance cost consists of the following:		
Interest expense – short term borrowings	(1.2)	(0.6)
Interest expense – lease liability	(2.6)	(3.7)
Interest expense – RPM deferred consideration	(17.8)	(211.8)
Interest expense – PIC	(98.5)	(97.6)
Interest expense – convertible bond*	(156.6)	(146.8)
Interest expense – deferred revenue	(170.3)	—
Interest expense – long-term borrowings	(131.9)	(136.8)
Unwinding of discount on decommissioning and restoration provision	(12.8)	(16.3)
Less: Capitalisation of interest expense – convertible bond	26.4	3.4
Less: Capitalisation of interest expense – interest-bearing borrowings	78.0	48.7
Less: Capitalisation of interest expense – PIC	—	7.9
Total finance cost	(487.3)	(553.6)
Net finance cost	(332.6)	(429.5)

* R84.0 million of the convertible bond interest was paid in 2020 (2019: R84.0 million)

19. DIVIDENDS

Subsequent to year end, a dividend of 575.0 cents (2019: Nil) was declared. Refer to Note 23.

20. FINANCIAL RISK MANAGEMENT

Fair value determination

The following table presents the financial assets that are measured at fair value as well as the financial assets and financial liabilities measured at amortised cost but for which fair value disclosure is provided at 31 December:

	Level 1 R (million)	Level 2 R (million)	Level 3 R (million)
2020			
Financial assets at fair value			
Environmental guarantee investment ¹	—	84.5	—
Housing insurance investment ²	—	—	49.1
RPM concentrate debtor ⁴	—	—	5 423.3*
Financial assets at amortised cost			
Employee housing loan receivable ³	—	—	853.9
Impala royalty receivable	—	—	122.8*
Other receivables (excluding prepaid expenses and VAT)	—	—	120.5*
Environmental trust deposits ¹	—	—	169.3
Financial liabilities at amortised cost			
Convertible bond liability ³	—	—	1 122.1
PIC housing facility ³	—	—	1 558.0
Interest-bearing borrowings ⁶	—	—	600.0
Lease liabilities ³	—	—	17.4
2019			
Financial assets at fair value			
Environmental trust deposits ¹	—	10.3	—
Environmental guarantee investment ¹	—	85.2	—
Housing insurance investment ²	—	—	43.9
RPM concentrate debtor ⁴	—	—	2 840.4*
Derivative financial asset ⁵	—	70.5	—
Financial assets at amortised cost			
Employee housing loan receivable ³	—	—	681.8
Impala royalty receivable	—	—	51.9*
Other receivables (excluding prepaid expenses and VAT)	—	—	63.5*
Environmental trust deposits ¹	—	—	150.4
Financial liabilities at amortised cost			
Convertible bond liability ³	—	—	1 049.5
PIC housing facility ³	—	—	1 483.1
Interest-bearing borrowings ⁶	—	—	1 305.5
RPM deferred consideration ³	—	—	1 833.4
Lease liabilities ³	—	—	29.2

¹ This was valued using the level 2 fair values which are directly derived from the Shareholders Weighted Top 40 Index (SWIX 40) on the JSE

² The fair value was determined using market prices for listed investments and reliance on an external valuer for discounted cash flow models for unlisted investments

³ The fair value was determined using a discounted cash flow model

⁴ Fair value was determined using the commodity prices and foreign exchange rates

⁵ The fair value was determined using a valuation model based on observable exchange rates

⁶ Carrying amount approximate fair value

* RPM concentrate debtor, Impala royalty receivable and other receivables were reclassified from level 2 to level 3. The level disclosure for these financial assets was incorrectly shown as level 2 in the prior year and this has been corrected to level 3 in the current year

21. SEGMENTAL REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee, which makes strategic decisions.

The Group is currently operating two mines, namely BRPM and Styldrift. These operations are located in the North West province of South Africa, 120 kilometres from Johannesburg, 30 kilometres from Rustenburg and 17 kilometres from Phokeng. BRPM and Styldrift (Styldrift I and II) are shown as separate segments. In addition, due to the different nature and significance of the Employee Home Ownership Scheme, it was decided to show housing as a separate segment. Currently Styldrift I and II are aggregated into a single reportable segment as it is one mining right. The Styldrift II pre-feasibility study has been completed. Once the feasibility study is completed it will move into development phase and may then be reported on as a separate segment. The holding company and other subsidiaries, including RBR corporate function are aggregated and shown as corporate office segment.

Notes to the summary consolidated annual financial statements continued

for the year ended 31 December 2020

21. SEGMENTAL REPORTING continued

21.1 Segmental statement of comprehensive income

	For the year ended 31 December 2020							For the year ended 31 December 2019						
	BRPM mining segment R (million)	Stydrift mining segment (B) R (million)	RBR oper- ations segment (A + B) R (million)	RBPlat housing segment R (million)	Corporate office segment R (million)	Consoli- dation adjust- ments R (million)	Total R (million)	BRPM mining segment R (million)	Stydrift mining segment (B) R (million)	RBR operations segment (A + B) R (million)	RBPlat housing segment R (million)	Corporate office segment R (million)	Consoli- dation adjust- ments R (million)	Total R (million)
Revenue	7 485.6	5 893.7	13 379.3	189.2	2 804.4	(2 993.5)	13 379.4	4 518.5	2 973.4	7 491.9	105.3	2 296.9	(2 402.2)	7 491.9
Cost of sales	(3 619.8)	(4 183.4)	(7 803.2)	(148.3)	(2 883.7)	2 886.5	(7 948.7)	(3 432.3)	(3 252.4)	(6 684.7)	(105.3)	(2 365.1)	2 344.5	(6 810.6)
Cash cost of sales excluding depreciation and amortisation	(3 357.0)	(3 541.0)	(6 898.0)	(148.3)	(2 728.1)	2 907.9	(6 866.5)	(3 090.7)	(2 681.0)	(5 771.7)	(105.3)	(2 214.4)	2 365.4	(5 726.0)
Depreciation	(348.5)	(739.8)	(1 088.3)	—	(6.1)	(21.4)	(1 115.8)	(349.9)	(574.2)	(924.1)	—	(5.7)	(20.9)	(950.7)
Amortisation	—	—	—	—	(149.5)	—	(149.5)	—	—	—	—	(145.0)	—	(145.0)
Movement in inventories	85.7	97.4	183.1	—	—	—	183.1	8.3	2.8	11.1	—	—	—	11.1
Gross profit/(loss) per segment and total	3 865.8	1 710.3	5 576.1	40.9	(79.3)	(107.0)	5 430.7	1 086.2	(279.0)	807.2	—	(68.2)	(57.7)	681.3
Other income	449.3	0.2	449.5	11.9	6.2	26.8	494.4	180.9	3.2	184.1	9.5	79.3	(5.0)	267.9
Other expenses	(131.8)	(99.1)	(230.9)	—	(70.5)	—	(301.4)	—	—	—	—	—	—	—
Total administrative expenditure	—	—	—	(35.3)	(240.3)	11.9	(263.7)	(6.6)	—	(6.6)	(53.5)	(279.8)	2.7	(337.2)
Administrative expenditure	—	—	—	(39.5)	(202.9)	11.9	(230.5)	—	—	—	(33.9)	(189.1)	2.7	(220.3)
Depreciation	—	—	—	(0.3)	(0.9)	—	(1.2)	—	—	—	(0.4)	(0.9)	—	(1.3)
Maseve care and maintenance	—	—	—	—	(1.7)	—	(1.7)	—	—	—	—	(69.2)	—	(69.2)
Amortisation of employee housing benefit and fair value adjustment to loan	—	—	—	4.5	—	—	4.5	—	—	—	(19.2)	—	—	(19.2)
Industry membership and market development	—	—	—	—	(34.8)	—	(34.8)	—	—	—	—	(16.6)	—	(16.6)
Restructuring costs	—	—	—	—	—	—	—	(6.6)	—	(6.6)	—	(4.0)	—	(10.6)
Scrapping and impairment of non-financial assets	—	—	—	(3.8)	(349.8)	349.5	(4.1)	—	—	—	—	—	(58.9)	(58.9)
Net finance (cost)/ income	(75.6)	(82.8)	(158.4)	(11.7)	(189.3)	26.8	(332.6)	4.3	2.0	6.3	(13.3)	(434.5)	12.0	(429.5)
Finance income	16.6	6.0	22.6	86.8	45.3	—	154.7	17.9	8.0	25.9	84.3	13.9	—	124.1
Finance cost	(92.2)	(88.8)	(181.0)	(98.5)	(234.6)	26.8	(487.3)	(13.6)	(6.0)	(19.6)	(97.6)	(448.4)	12.0	(553.6)
Profit/(loss) before tax per segment and total	4 107.7	1 528.6	5 636.3	2.0	(923.0)	308.0	5 023.3	1 264.8	(273.8)	991.0	(57.3)	(703.2)	(106.9)	123.6
Taxation	—	—	—	—	—	—	(1 494.3)	—	—	—	—	—	—	(59.5)
Profit after tax attributable to owners of the Company	—	—	—	—	—	—	3 529.0	—	—	—	—	—	—	64.1

21. SEGMENTAL REPORTING continued

21.2 Segmental statement of financial position

	BRPM mining segment R (million)	Stydrift mining segment R (million)	RBR operations segment (A + B) R (million)	RBPlat housing segment R (million)	Corporate office R (million)	Consolidation adjustment R (million)	Total R (million)	BRPM mining segment R (million)	Stydrift mining segment R (million)	RBR operations segment (A + B) R (million)	RBPlat housing segment R (million)	Corporate office R (million)	Consolidation adjustment R (million)	Total R (million)
Non-current assets	4 709.8	11 431.3*	16 141.1	1 169.9	16 842.7	(11 219.4)	22 934.3	4 522.9	10 899.0*	15 421.9	964.1	21 107.0	(15 332.3)	22 160.7
Allocation of mineral rights	653.3	4 699.9	5 353.2	—	(5 353.2)	—	—	669.3	4 833.4	5 502.7	—	(5 502.7)	—	—
Non-current assets after allocation of mineral rights	5 363.1	16 131.2	21 494.3	1 169.9	11 489.5	(11 219.4)	22 934.3	5 192.2	15 732.4	20 924.6	964.1	15 604.3	(15 332.3)	22 160.7
Current assets	4 474.6	2 828.4	7 303.0	661.9	999.3	45.9	9 010.1	2 410.9	1 350.8	3 761.7	751.0	210.7	66.6	4 790.0
Employee housing current assets	—	—	—	496.3	—	70.6	566.9	—	—	—	619.1	—	101.0	720.1
Inventories	188.1	302.3	490.4	—	—	—	490.4	65.9	134.0	199.9	—	—	(3.8)	196.1
Trade and other receivables	2 597.5	2 526.1	5 123.6	2.5	608.2	(24.7)	5 709.6	1 750.2	1 216.8	2 967.0	2.4	46.1	(30.6)	2 984.9
Current tax receivable	—	—	—	—	—	—	—	—	—	—	—	4.2	—	4.2
Derivative financial asset	—	—	—	—	—	—	—	—	—	—	—	70.5	—	70.5
Cash and cash equivalents	1 689.0	—	1 689.0	163.1	391.1	—	2 243.2	594.8	—	594.8	129.5	89.9	—	814.2
Total assets per statement of financial position	9 837.7	18 959.6	28 797.3	1 831.8	12 488.8	(11 173.5)	31 944.4	7 603.1	17 083.2	24 686.3	1 715.1	15 815.0	(15 265.7)	26 950.7
Non-current liabilities	1 030.1	966.3	1 996.4	1 624.3	6 907.6	(86.1)	10 442.2	103.2	25.3	128.5	1 533.6	7 391.6	(29.2)	9 024.5
Deferred tax liability	—	—	—	—	5 342.1	(82.6)	5 259.5	—	—	—	—	3 950.1	(103.6)	3 846.5
Convertible bond liability	—	—	—	—	1 122.1	—	1 122.1	—	—	—	—	1 049.5	—	1 049.5
Interest-bearing borrowings	—	—	—	—	412.5	—	412.5	—	—	—	—	1 305.5	—	1 305.5
Deferred revenue	952.3	950.5	1 902.8	—	—	—	1 902.8	—	—	—	—	—	—	—
RPM deferred consideration	—	—	—	—	—	—	—	—	—	—	—	1 073.4	—	1 073.4
PLC housing facility	—	—	—	1 503.4	—	—	1 503.4	—	—	—	1 440.9	—	—	1 440.9
Lease liabilities	5.2	—	5.2	—	5.6	(3.5)	7.3	7.2	4.6	11.8	—	8.6	(4.2)	16.2
Long-term provisions and other	72.6	15.8	88.4	120.9	25.3	—	234.6	96.0	20.7	116.7	92.7	4.5	78.6*	292.5
Current liabilities	4 310.6	678.6	4 989.2	87.1	1 081.5	(4 472.3)	1 685.5	7 642.5	590.1	8 232.6	81.6	1 552.7	(8 127.3)	1 739.6
Trade and other payables	566.9	317.9	884.8	27.0	305.2	(16.3)	1 200.7	219.7	375.3	595.0	33.2	313.8	(18.9)	923.1
RBR payable	3 625.3	245.1	3 870.4	5.5	578.9	(4 454.8)	—	7 414.5	210.1	7 624.6	6.2	476.5	(8 107.3)	—
RPM deferred consideration	—	—	—	—	—	—	—	—	—	—	—	760.0	—	760.0
Current portion of PLC housing facility	—	—	—	54.6	—	—	54.6	—	—	—	42.2	—	—	42.2
Current tax payable	—	—	—	—	8.7	—	8.7	—	—	—	—	1.3	—	1.3
Current portion of interest-bearing borrowings	—	—	—	—	187.5	—	187.5	—	—	—	—	—	—	—
Current portion of deferred revenue	112.1	111.8	223.9	—	—	—	223.9	—	—	—	—	—	—	—
Lease liabilities	6.3	3.8	10.1	—	1.2	(1.2)	10.1	8.3	4.7	13.0	—	1.1	(1.1)	13.0
Total liabilities per statement of financial position	5 340.7	1 644.9	6 985.6	1 711.4	7 989.1	(4 558.4)	12 127.7	7 745.7	615.4	8 361.1	1 615.2	8 944.3	(8 156.5)	10 764.1

* Includes Stydrift II exploration and evaluation costs

* Included in consolidation adjustments is Rm1 (2019: R78.6 million) restoration and rehabilitation provision for Maseve.

Notes to the summary consolidated annual financial statements continued

for the year ended 31 December 2020

21. SEGMENTAL REPORTING continued

21.3 Segmental statement of cash flows

	For the year ended 31 December 2020						For the year ended 31 December 2019					
	BRPM mining segment R (million)	Stydrift mining segment R (million)	RBR oper- ations segment (A + B) R (million)	RBPlat housing segment R (million)	Corporate office and consoli- dation adjust- ment R (million)	Total R (million)	BRPM mining segment R (million)	Stydrift mining segment R (million)	RBR operations segment (A + B) R (million)	RBPlat housing segment R (million)	Corporate office and consoli- dation adjust- ment R (million)	Total R (million)
Net cash inflow/(outflow) from operating activities	4 563.1	2 105.0	6 668.1	26.0	(868.2)	5 825.9	1 456.8	(167.0)	1 289.8	22.5	(284.7)	1 027.6
Proceeds from disposal of property, plant and equipment	—	—	—	—	0.6	0.6	—	—	—	—	0.9	0.9
Acquisition of property, plant and equipment	(756.0)	(1 059.2)	(1 815.2)	—	(58.4)	(1 873.6)	(359.9)	(1 299.3)	(1 659.2)	—	(36.1)	(1 695.3)
Acquisition of employee housing assets	—	—	—	—	—	—	—	—	—	(48.4)	—	(48.4)
Employee housing loan receivable repayments	—	—	—	7.6	—	7.6	—	—	—	2.8	—	2.8
Increase in environmental trust deposits and guarantees	(2.9)	—	(2.9)	—	—	(2.9)	(11.8)	—	(11.8)	—	—	(11.8)
Net cash inflow/(outflow) from investing activities	(758.9)	(1 059.2)	(1 818.1)	7.6	(57.8)	(1 868.3)	(371.7)	(1 299.3)	(1 671.0)	(45.6)	(35.2)	(1 751.8)
Cash investments by/(distributions to) RBR	(2 701.6)	(1 041.7)	(3 743.3)	—	3 743.3	—	(1 122.2)	1 469.8	347.6	—	(347.6)	—
Net drawdowns of PIC housing facility	—	—	—	—	—	—	—	—	—	85.0	—	85.0
Proceeds from interest-bearing borrowings	—	—	—	—	2 031.2	2 031.2	—	—	—	—	841.0	841.0
Repayment of interest-bearing borrowings	—	—	—	—	(2 744.9)	(2 744.9)	—	—	—	—	(1 264.3)	(1 264.3)
Principal elements of lease payments	(8.4)	(4.1)	(12.5)	—	(2.3)	(14.8)	(7.1)	(3.5)	(10.6)	—	(2.0)	(12.6)
Repayment of the RPM deferred consideration	—	—	—	—	(1 851.2)	(1 851.2)	—	—	—	—	—	—
Repayment from the issue of shares	—	—	—	—	—	—	—	—	—	—	1 029.1	1 029.1
Proceeds from share options exercised	—	—	—	—	51.1	51.1	—	—	—	—	6.3	6.3
Costs relating to the issue of shares	—	—	—	—	—	—	—	—	—	—	(29.6)	(29.6)
Net cash inflow/(outflow) from financing activities	(2 710.0)	(1 045.8)	(3 755.8)	—	1 227.2	(2 528.6)	(1 129.3)	1 466.3	337.0	85.0	232.9	654.9
Net increase/(decrease) in cash and cash equivalents	1 094.2	—	1 094.2	33.6	301.2	1 429.0	(44.2)	—	(44.2)	61.9	(87.0)	(69.3)
Cash and cash equivalents at the beginning of the period	594.8	—	594.8	129.5	89.9	814.2	639.0	—	639.0	67.6	176.9	883.5
Cash and cash equivalents at the end of the period	1 689.0	—	1 689.0	163.1	391.1	2 243.2	594.8	—	594.8	129.5	89.9	814.2

22. EARNINGS PER SHARE

The weighted average number of ordinary shares in issue outside the Group for purposes of basic earnings per share and the weighted average number of ordinary shares for diluted earnings per share are calculated as follows:

	Group	
	2020	2019
Number of shares issued	258 233 936	210 499 623
Management incentive schemes	(1 685 766)	(2 500 037)
Number of shares issued outside the Group	256 548 170	207 999 586
Adjusted for weighted average number of shares issued during the year	1 055 645	36 335 770
Weighted average number of ordinary shares in issue for earnings per share	257 603 815	244 335 356
Dilutive potential ordinary shares relating to management incentive schemes	4 133 967	413 360
Dilutive potential ordinary shares relating to the convertible bond	29 419 264	29 419 264
Dilutive potential ordinary shares relating to RPM deferred consideration	—	36 948 017
Weighted average number of potential dilutive ordinary shares in issue	291 157 046	311 115 997
Profit attributable to owners of the Company R (million)	3 529.0	64.1
Adjustments:		
Add: Net interest on convertible bond R (million)	130.2	143.4
Add: Interest on RPM deferred consideration R (million)	—	211.8
Less: Tax on the above R (million)	(36.5)	(99.5)
Diluted profit R (million)	3 622.7	319.8
Basic earnings per share (cents/share)		
Basic earnings per share is calculated by dividing the profit attributable to owners of the Company for the year by the weighted average number of ordinary shares in issue for earnings per share	1 369.9	26.3
Diluted earnings per share (cents/share)		
Diluted earnings per share is calculated by adjusting the weighted average* number of ordinary shares outstanding to assume conversion of all diluted potential ordinary shares	1 244.2	26.3

	Group			
	2020		2019	
	Gross	Net	Gross	Net
Headline earnings				
Profit attributable to owners of the Company R (million)		3 529.0		64.1
Adjustments:				
Profit on disposal of property, plant and equipment and other assets R (million)	(40.1)	(40.1)	0.1	0.1
Scrapping of non-financial assets R (million)	—	—	58.9	58.9
Headline earnings R (million)		3 488.9		123.1
Net interest on convertible bond R (million)	130.2	93.7	143.4	103.2
Interest on RPM deferred consideration R (million)	—	—	211.8	152.5
Diluted profit R (million)*		3 582.6		378.8
Basic headline earnings per share (cents/share)		1 354.4		50.4
Diluted headline earnings per share (cents/share)		1 230.5		50.4

* The effects of anti-dilutive potential ordinary shares are ignored in the calculation of diluted earnings per share and diluted headline earnings per share

Notes to the summary consolidated annual financial statements continued

for the year ended 31 December 2020

23. EVENTS AFTER STATEMENT OF FINANCIAL POSITION DATE

Dividends declared

A final cash dividend of 575.0 cents per share was declared by the Board on 9 March 2021 from profits accrued during the financial year ended 31 December 2020. The total cash dividend for the year amounted to 575.0 cents per share. The dividend is payable on 6 April 2021 to shareholders who will be on the register on 1 April 2021. This final dividend, amounting to approximately R1 486.5 million (to external shareholders), has not been recognised as a liability in 2020. It will be recognised in shareholders' equity in the year ending 31 December 2021.

Corporate information

Shareholders' diary

Financial year-end:
31 December of each year
Interim period-end:
30 June of each year

Administration

Company registered office
Royal Bafokeng Platinum Limited
Registration number: 2008/015696/06
JSE share code: RBP
ISIN: ZAE000149936
JSE bond code: RBPCB
ISIN: ZAE000243853

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Equity sponsor

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Debt sponsor (convertible bond)

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1 Merchant Place
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