CONDENSED CONSOLIDATED ANNUAL RESULTS (REVIEWED)

for the 12 months ended 30 June 2020

RESPECT, CARE
AND DELIVER

IMPLATS
EXCELLENCE IN PGMs

Our vision, mission and values

FORWARD LOOKING AND CAUTIONARY STATEMENT

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

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September 2020
Johannesburg

SPONSOR TO IMPLATS

Nedbank Corporate and Investment Banking

VISION

To be the world's best PGM producer, sustainably delivering superior value to all our stakeholders

MISSION

To mine, process, refine and market high-quality PGM products safely, efficiently and at the best possible cost from a competitive asset portfolio through team work and innovation

VALUES

We respect, care and deliver

Key features for the 12 months

IMPALA PLATINUM HOLDINGS LIMITED (IMPLATS) IS ONE OF THE WORLD'S FOREMOST PRODUCERS OF PLATINUM GROUP METALS (PGMs). IMPLATS IS CURRENTLY STRUCTURED AROUND SIX MAIN OPERATIONS WITH A TOTAL OF 20 UNDERGROUND SHAFTS. OUR OPERATIONS ARE LOCATED WITHIN THE BUSHVELD COMPLEX IN SOUTH AFRICA, THE GREAT DYKE IN ZIMBABWE AND THE LAC DES ILES INTRUSIVE COMPLEX IN ONTARIO, CANADA.

Note – reporting changes: At Implats' half year, ended 31 December 2019, the Group changed its reporting of production and unit costs to 6E platinum group metals (6E) – the sum of platinum, palladium, rhodium, iridium, ruthenium and gold – from platinum as the primary reporting metric.

The effective date of acquisition of palladium producer Impala Canada (previously North American Palladium (NAP)), was 13 December 2019. As a result, this reporting period includes six months and 18 days of consolidated operating and financial results from this operation.

In addition, the Group revised the methodology for allocating in-process metal inventory quantities between the Impala and Impala Refining Services (IRS) segments following the incorporation of IRS into the Impala business. In previous years, IRS was allocated a metal pipeline based on its contractual terms, with the remaining in-process inventory being allocated to Impala. In the current period, this allocation was amended and is now based on actual volumes processed for each operation. This will result in a more accurate and appropriate allocation of in-process metal inventory for each operation in future.

SAFETY

- Continued improvements in overall safety performance
  - 11% improvement in TIFR to 11.30*
  - 14% improvement in LTIFR to 4.54*
  - Regrettably, five fatal injuries recorded at managed operations

OPERATIONAL

- 9% (290koz 6E) production disruption as a result of Covid-19 pandemic
- 1% increase in tonnes milled at managed operations to 19.6Mt
- 5% decline in mine-to-market 6E in concentrate production to 2.5Moz
- 9% decline in third-party 6E receipts to 327koz
- 115koz 6E in-process inventory release
- 8% decrease in refined 6E production to 2.8Moz, inclusive of:
  - a 12% decrease in refined platinum to 1.3Moz, and
  - a 2% decrease in refined palladium to 892koz
- Sales volumes of 2.8Moz 6E were 8% lower
- Group unit costs per 6E ounce on a stock-adjusted basis up 12% to R13 345
- Consolidated Group capital expenditure of R4.5bn
- Strong operational recovery post Covid-19 lockdown to +90% capacity at period-end

FINANCIAL

- Acquisition of North American Palladium completed on 13 December 2019
- Successful incentivised early conversion of the 2022 US$ bond
- Total dividend of R5.25 per share declared based on 30% free cash flow, pre-growth capital:
  - R1.25 interim dividend per share, and
  - a final dividend of R4.00 per share
- Gross profit of R23.3bn (+240%) and EBITDA of R29.4bn (+179%)
- Headline earnings of R16.1bn (+431%) or 2 075 cents per share
- Free cash flow of R14.4bn (+87%)
- Net cash of R5.7bn after funding R9.4bn North American Palladium acquisition

MARKET

- 6E dollar basket price up 46% to US$1 624/6E oz, driven by stronger palladium and rhodium dollar prices
- Continued tightening in markets for palladium and rhodium expected to support higher pricing in the short to medium term
- Platinum prospects remain muted in the near term due to lower diesel vehicle and jewellery sales, compensated by continued strong industrial and investment demand
- Medium-term platinum demand prospects underpinned by increased substitution in gasoline vehicles and adoption of nascent hydrogen and fuel cell technology
- Rand revenue per 6E ounce sold increased by 57% to R24 863 due to weaker exchange rate

* *Per million man-hours worked.*

Operating statistics

		Year ended 30 June 2020	Year ended 30 June 2019	Variance %
Gross refined production				
6E	(000oz)	**2 812.7**	3 073.5	(8.5)
Platinum	(000oz)	**1 349.3**	1 526.2	(11.6)
Palladium	(000oz)	**892.0**	909.6	(1.9)
Rhodium	(000oz)	**180.6**	205.9	(12.3)
Nickel	(tonnes)	**15 387**	16 049	(4.1)
IRS metal returned (toll refined)				
6E	(000oz)	**1.0**	3.5	(71.4)
Platinum	(000oz)	**0.1**	0.7	(85.7)
Palladium	(000oz)	**1.0**	2.9	(65.5)
Rhodium	(000oz)	**—**	—	—
Nickel	(tonnes)	**2 949**	3 516	(16.1)
Sales volumes				
6E	(000oz)	**2 792.9**	3 049.1	(8.4)
Platinum	(000oz)	**1 371.0**	1 515.2	(9.5)
Palladium	(000oz)	**871.7**	928.8	(6.1)
Rhodium	(000oz)	**174.0**	205.5	(15.3)
Nickel	(tonnes)	**10 973**	12 954	(15.3)
Prices achieved				
Platinum	(US$/oz)	**885**	827	7.0
Palladium	(US$/oz)	**1 896**	1 185	60.0
Rhodium	(US$/oz)	**6 870**	2 568	167.5
Nickel	(US$/t)	**14 109**	12 649	11.5
Consolidated statistics				
Average rate achieved	(R/US$)	**15.31**	14.20	7.8
Closing rate for the period	(R/US$)	**17.38**	14.09	23.3
Revenue per 6E ounce sold	(US$/oz)	**1 624**	1 112	46.0
Revenue per 6E ounce sold	(R/oz)	**24 863**	15 790	57.5
Tonnes milled ex mine	(000t)	**19 576**	19 469	0.5
6E refined production	(000oz)	**2 812.7**	3 073.5	(8.5)
Capital expenditure	(Rm)	**4 488**	3 786	(18.5)
Group unit cost per 6E ounce stock adjusted	(US$/oz)	**851**	838	(1.6)
Group unit cost per 6E ounce stock adjusted	(R/oz)	**13 345**	11 886	(12.3)
ESG indicators				
Fatalities	(count)	**5**	5	—
TIFR	(pmmhw)*	**11.3**	12.7	11
LTIFR	(pmmhw)*	**4.54**	5.3	14
Level 4 or 5 environmental incidents	(count)	**0**	0	—
Level 3 environmental incidents	(count)	**15**	23	35
Water consumption	(000 kilolitres)	**43 122**	39 894	(4)
Energy consumption	(000GJ)	**16 777**	16 863	(1)
Scope 1 and 2 carbon emissions	(000GJ)	**3 633 425**	3 829 655	(5)
Local procurement	(Rm)	**2 728**	3 017	(10)
Social economic spend	(Rm)	**114**	86	24

* *Per million man hours worked.*

Commentary

INTRODUCTION

The health and safety of our employees and the social welfare of our communities remain key priorities for Implats, underpinned by our values of respect and care. In a period marked by unexpected public health and associated operational challenges, Implats recorded 14% and 11% improvements in the lost time and total injury frequency rates, respectively. Despite these gains, Implats mourns the loss of five employees at managed operations and two employees at joint ventures during FY2020. The board and management team extend their sincere condolences to the families and friends of our late colleagues.

The Implats strategic journey over the past few years has set the Group on a firm footing for long-term sustainability and value creation for all stakeholders. Gains in productivity, safety and efficiency at Impala Rustenburg resulted in upward revisions to the planned production profile at the operating complex, negating the need for large-scale retrenchments. In Zimbabwe, operations continued to excel despite increasing socioeconomic pressures. The operational turnaround and renewed social stability at Marula endured, yielding substantial financial value and, at Two Rivers, a project to increase processing capacity was approved and advanced during the year. Strengthened relationships with key stakeholders were affirmed by a multi-year wage agreement concluded without third-party intervention and a strong environmental performance underpinned the continued commitment to responsible corporate stewardship. Implats' portfolio was enhanced by the acquisition of Impala Canada, a mechanised, high-margin primary palladium producer, which further diversified the Group's operating footprint.

The Covid-19 pandemic significantly disrupted and impacted business performance during the second half of the financial year. While operational preparedness for Covid-19 began in earnest in January 2020, operational disruptions began to manifest at the end of Q3 FY2020 and were a marked feature of Q4 FY2020, resulting in an opportunity cost of 290 000 ounces 6E in concentrate production.

The Group delivered marginally lower mine-to-market 6E concentrate volumes of 2.5 million ounces, a 5% decline from the comparable period. Maiden contributions from Impala Canada and stable deliveries from our Zimbabwean mines offset the impact of Covid-19 on South African production. Operational continuity at the Group's processing assets resulted in a release of excess inventory. Group refined 6E production declined 8% to 2.8 million ounces. Platinum volumes declined by 12% to 1.3 million ounces, while palladium volumes were 2% lower at 892 000 ounces.

THE IMPLATS STRATEGIC JOURNEY OVER THE PAST FEW YEARS HAS SET THE GROUP ON A FIRM FOOTING FOR LONG-TERM SUSTAINABILITY AND VALUE CREATION FOR ALL STAKEHOLDERS.

Reported unit costs were impacted by lower volumes, additional investment in development and changes in ore mix, which impacted yield. These compounded the impact of inflationary pressures and a weaker rand, increasing unit costs by 12% to R13 345 per 6E ounce.

Adjusting reported unit costs for the R1.3 billion allocated to abnormal production costs, stock-adjusted unit costs increased 18% to R14 067 per 6E ounce.

Pricing for our primary products was robust and, together with rand depreciation, drove substantial improvements in the Group's financial performance. Revenue improved by 44% to R69.9 billion, gross profit increased to R23.3 billion and headline earnings increased to R16.1 billion – or 2 075 cents per share – compared to headline earnings of R3.0 billion or 423 cents per share in the prior year.

The Group generated R14.4 billion of free cash flow after capital investment of R4.2 billion and ended FY2020 with gross cash of R13.3 billion, net cash of R5.7 billion and liquidity headroom of R16.1 billion, notwithstanding the acquisition of Impala Canada, the payment of the R973 million interim dividend (125 cents per share) and expenditure incurred to induce early conversion of the US$250 million bond.

A final dividend of 400 cents per ordinary share was approved, resulting in a total dividend of 525 cents per share for FY2020.

COVID-19

The advent of the Covid-19 pandemic has required new ways of thinking and innovative solutions to challenges not faced before. Implats took proactive steps to safeguard its business, with a key focus on securing the health and wellbeing of employees. The Group's response to Covid-19 prioritises the lives of all stakeholders and seeks to sustain operating activities under agreed precautionary measures necessary to secure the vital role Implats plays in the livelihoods of its employees, its host communities and the national economies in which it operates.

Implats supported the decisive action taken by the South African, Canadian and Zimbabwean governments to reduce and contain the Covid-19 infection rate and committed itself to contributing where possible to socioeconomic stability.

The safety of employees and contractors on all sites remains a key priority and measures aligned to global best practice were put in place to protect the health of employees working during the lockdown and thereafter. These include, but are not limited to, heightened risk mitigation measures through early Covid-19 detection, an enhanced focus on pandemic awareness, workplace hygiene, medical surveillance, additional personal protective equipment (PPE) and medical supplies, and isolation and treatment of suspected and confirmed cases. The Group's significant in-house medical capacity and facilities played an invaluable role in effectively responding to the challenges presented by Covid-19.

A meaningful increase in medical care preparedness was undertaken by increasing the capacity of internal medical facilities and through coordinated collaboration with industry peers, public/private partnerships and both local community and regional medical institutions.

Management teams across all Group operations introduced vital risk-based operating procedures to further protect employees. These measures aimed at reducing the risk of viral infections in high-risk work areas and to vulnerable employee categories. These steps include improved hygiene, restrictions on the amount of work performed, social distancing while performing work and while travelling to and from work, the provision of additional PPE and the implementation of screening and testing procedures.

South African employees received full pay during the country's initial 21-day lockdown period. The Group subsequently continued to pay living-out/housing allowances, medical contributions and insured risk benefit cover to employees who could not return to work. The Group also applied for the government's "Covid-19 TERS" benefit on behalf of all employees who were not paid in full for the months of April, May and June.

Implats has thrown its full weight into supporting its communities in the face of the global pandemic, donating R20 million to disaster relief in South Africa and committing millions more to various initiatives surrounding its operations in South Africa, Zimbabwe and Canada.

The Group focused its efforts on supporting and equipping employees and host communities during the crisis, on education and awareness and non-pharmaceutical interventions to prevent the spread of the virus. These efforts bolstered those of the governments in host countries to help fight the spread of Covid-19 pandemic and assist those in need.

At a Group level, Implats donated R20 million to supporting South African communities: R10 million was channelled to the disaster response NGO, Gift of the Givers Foundation, and R10 million was donated to South Africa's Solidarity Fund, established to cushion the impact of the pandemic on South Africa's most vulnerable citizens.

Group subsidiaries in South Africa, Zimbabwe and Canada also stepped up their contributions during the pandemic: Impala Rustenburg committed R10 million to its surrounding communities; Marula committed R4.1 million; Zimplats spent US$172 307 on donations; and Impala Canada spent C$102 000.

All Group operations initiated campaigns to equip employees, communities, schools and medical facilities to combat the virus and keep communities safe.

Much of FY2021 will be characterised by a "business unusual" operating environment. The benefit of experience gained by the team over the past few months, together with the geographical diversification of Implats' operational footprint and its strong financial position, will prove vital to successfully navigating the expected variability in the near-term operating environment. Pleasingly, following steep increases in the number of Covid-19 infections at Implats' South African operations during June and July 2020, there are encouraging signs of a material reduction in infection rates and the number of active cases across Implats' employee base.

GROUP SAFETY AND SUSTAINABILITY

The Group aspires to deliver superior value to all stakeholders through operational excellence in PGMs. This strategic imperative prioritises modern, safe, responsible, competitive and consistent operational delivery, while employing leading environmental, social and governance (ESG) practices. The Group's core values – to respect, care and deliver – underpin health and safety goals, the management of operational impacts on the environment, responsible stewardship and progressive, sustainable development practices, while building value-accretive relations with host communities.

This is borne out by improvements in several external ESG ratings received during the year. Implats' commitment to effecting change in the gender equality arena was recognised via its inclusion in the Bloomberg 2020 Gender-Equality Index, one of 325 companies globally and one of only eight South African companies. Implats is proud to have achieved an "A" rating by the Carbon Disclosure Project (CDP) for disclosures, awareness and management of water security risk, one of only 72 companies globally to achieve this in 2019. In addition, the Group achieved a "B" rating for its climate change action and disclosures.

The Company's high standards in ESG performance was further affirmed by its inclusion in the Top 100 Best Performing companies in emerging markets by independent global ratings agency, Vigeo Eiris, and it remains a constituent of the FTSE4Good Index Series, supported by improved disclosure against set targets and the decline in the number of fatalities over the past several years. Implats is also a constituent of the FTSE/JSE Responsible Investment Top 30 Index.

SAFETY

Implats' goal is to eliminate harm to the health and safety of our employees and contractors. As such, safety is a key priority in achieving the Group's vision of zero harm.

It is with deep sadness and regret that the Group recorded five employee fatalities at managed operations in the period under review: Odirile Thipe, Mnonopheli Mkwibiso, Sibusiso Jalisa, Orlando Buvane and Edward Gallant. Implats offers ongoing support to their families in recognition of the severe impact of their loss. In addition, Two Rivers and Mimosa, the non-managed joint venture operations, recorded fatal incidents during the year – Mphedi Lalatji and Stephen Chizola. The board of directors and management team extended their sincere sympathies to the families and friends of our seven colleagues. Each of the tragic incidents was the subject of rigorous independent investigations, with learnings and remedial actions shared across the Group to improve controls and to prevent recurrences.

The increased leadership focus on safety and mining discipline accelerated during FY2020 to further strengthen the Group's safety and risk-management interventions. This resulted in an improved safety performance. This progress was supported by sustained expenditure in implementing Group-wide safety initiatives, technical solutions and training.

The improved safety performance is reflected in a 14% improvement in the lost-time injury frequency rate to 4.54 and an 11% improvement in the all injury frequency rate to 11.30 per million man-hours worked. Nine of the Group's 17 operations achieved millionaire or multi-millionaire status in terms of fatality free shifts. The significant advances made in ensuring the safety of employees at work are testament to the sterling efforts of the entire team. Our focus remains on further enhancements to our safety regimen to achieve our goal of zero harm.

The Covid-19 pandemic required extensive revisions to operating practices, while additional care was required to ensure the safe start-up of operations that were placed on care and maintenance due to lockdown regulations or Covid-19-related operational disruptions at Impala Rustenburg, Marula and Impala Canada.

The focus in FY2021 and beyond is to eliminate fatalities and reduce the number and severity of injuries, strengthen critical control management to prevent material unwanted events, build resilient safety leadership at supervisory levels, collaborate with all stakeholders to prioritise operational discipline and intensify supervision on critical workforce activities.

HEALTH

The Group's commitment to improving employee wellness is firmly rooted in advancing various targeted interventions to reduce the main occupational and non-occupational health risks facing employees. Positive progress was made during the year on several fronts.

Adherence to HIV and TB treatment remains exemplary at 95% and 100% respectively, notwithstanding challenges presented this year by the Covid-19 pandemic. The incidence of TB reduced during the year to a rate of 293 per 100 000, well below the estimated national average of 570 per 100 000. In addition, the incidence of new pulmonary TB cases reduced by 17%. The Group provides targeted ART treatment to 6 043 employees. The number of HIV-related deaths reduced by 50% from the previous year and is testament to the efficacy of Group programmes.

Occupational health risks also improved across the Group, with the exception of noise-induced hearing loss (NIHL) – 38 cases reported compared to 36 in the previous year. The Group has prioritised the removal of latent high-noise machines to arrest this recent regression in NIHL performance.

Covid-19 risk prevention measures successfully flattened the curve in cases recorded at South African operations during the country's infection peak. Sadly, four employees had succumbed to Covid-19 as at year-end.

The Group's immediate focus is on ensuring optimal Covid-19 prevention and treatment regimens to minimise its impacts, timeously identifying at-risk or symptomatic employees, seeking to manage their health and recovery and supporting optimal mental health for employees during this stressful time.

ENVIRONMENT

The Group achieved its seventh consecutive year with no major or significant (level 4 and 5) environmental incidents. There was a 35% reduction in limited-impact (level 3) environmental incidents (15 compared to 23 in FY2019). No negative directives were issued to Implats with regard to environmental regulations during the year. All South African and Zimbabwean operations had their environmental management systems certified against ISO 14001:2015. Impala Canada will shortly initiate its ISO 14001 certification process aligned to Implats' best-practice standards.

Water security remains a critical priority as southern African mining operations are located in water-scarce areas. Assured water supply within Rustenburg's Bojanala district and increasing water supply risks at Zimplats due to persistent and extreme drought conditions are considered among the Group's top 10 business risks. Implats' leadership in managing water issues was recognised in a CDP (water) "A" score, and the Group water recycling rate was 44% during FY2020, exceeding its 40% target. Impala Canada maintains a recycling rate of 75%. Total water consumption, including water withdrawn and water recycled, decreased by 2% year on year, partly due to Covid-19-related operational interruptions. The Group also improved water supply to host communities in Rustenburg as part of its pandemic response measures.

As society transitions towards low-carbon energy models, Implats is developing a low-carbon transition strategy and has appointed a sustainable development executive to lead its decarbonisation efforts and position the Group in the new energy value chain. Energy use during FY2020 decreased by 1% due to operational interruptions at South African operations during the Covid-19 lockdown. Consequently, the Group's carbon footprint decreased by 6% during FY2020. Zimplats and Impala Canada are largely supplied from hydropower schemes and have the lowest carbon footprints across Implats. While the Group was further recognised with a CDP (climate) score of "B" for its management of climate risks, it continues to focus on deepening its understanding of climate-related risks and amelioration opportunities.

Understanding and controlling the gases, dust and waste generated at operations is vital to preventing adverse impacts on host communities and to meeting current and future legislative requirements. Direct SO_2 emissions were within air emission licence conditions for Impala Springs and Impala Rustenburg, while Zimplats' fugitive emissions capture system is proving effective. Implats supports the newly published Global Industry Tailings Management Standard. The integrity of the Group's active tailings storage facilities (TSFs) was confirmed via an independent assessment, which found they adhered to industry best-practice standards. The Group started re-mining the tailings from Impala Rustenburg's dormant TSF. The integration of mine-closure planning into life-of-mine planning continues with a focus on concurrent rehabilitation, while ensuring the protection of water and biodiversity resources.

COMMUNITY RELATIONS

Sustainable community development and value-accretive relationships with mine host communities continue to be prioritised. The Group's most significant contributions to socioeconomic development are through the core activities of employment, procurement from host communities and paying taxes.

During the year, R113 million and R175 million was spent on community development initiatives and housing and living conditions, respectively, R5.4 million was invested in developing local enterprises and R2.7 billion (or 32% of discretionary spend) was spent with local-tiered suppliers with >25% black ownership. At communities surrounding Impala Rustenburg, an R18 million roads upgrade benefited some 30 000 community members, created business opportunities for 14 local companies and employed 126 community members during the project. Marula provided access to electricity and the installation of meters to 245 households and 304 residential stands in its host community, GaMahlakwane village. Approximately R45 million in goods and services was procured from local suppliers during the year following the initiation of the TSF project at Marula. Zimplats invested US$152 000 to upgrade the Gutu Rural Hospital and spent US$221 million spent with local businesses (including indigenous suppliers with >51% black or previously disadvantaged ownership) during FY2020.

The Group established formal community engagement structures that have enabled significantly improved relations with host communities at its South African operations. There were no operational disruptions due to mine-related community unrest at any of the Group operations and relationships have strengthened due to Implats' Covid-19 community response. Despite the difficult economic environment, Zimplats continues to enjoy cordial relations with its communities, while Impala Canada strives to secure participation agreements with each of its host indigenous communities.

GROUP OPERATIONAL REVIEW

Implats made good progress in delivering a strengthened operational performance across the Group during FY2020. Operating momentum was, however, significantly impacted by Covid-19-related operational disruptions, which began to manifest at the end of Q3 FY2020 and resulted in substantial production losses across the Group in Q4 FY2020. South African operations were constrained by the three-week national lockdown announced on 23 March 2020 and restrictive conditions imposed under the National Disaster Management Act regulations thereafter. Several innovative solutions were developed by management teams, and supported by employees and unions, including different cycles of work and staggered shift systems – aimed at enabling the best possible precautionary measures against the spread of Covid-19 among employees. Implats was able to substantially reduce previously identified excess surface work-in-process inventory and had successfully ramped-up most operations to near full production by period-end.

Tonnes milled from managed operations (Impala, Zimplats, Marula and Impala Canada) increased by 1% to 19.6 million tonnes (FY2019: 19.5 million tonnes), with the Covid-19 operating losses suffered at Impala and Marula offset by strong delivery at Zimplats and the maiden contribution from Impala Canada. The unit cost per tonne milled at managed operations increased by 6% to R1 166 per tonne (FY2019: R1 096 per tonne).

Concentrate production from mine-to-market operations, including the joint ventures at Two Rivers and Mimosa declined by 5% to 2.5 million 6E ounces (FY2019: 2.6 million ounces). Third-party 6E concentrate receipts declined by 9% to 327 000 ounces (FY2019: 361 000 ounces). In aggregate, total 6E concentrate production of 2.8 million ounces declined by 5% (FY2019: 3.0 million ounces).

Group refined production of 2.8 million 6E ounces matched concentrate production for the year, reducing by 8% from 3.1 million ounces in the prior year.

Inflationary cost pressures from labour and utilities were compounded by the impact of the weaker rand on the cost base of Zimplats and the maiden inclusion of the operating costs of Impala Canada. Total operating costs were reduced by the lower volumes mined. On a stock-adjusted basis, after excluding the R1.3 billion in abnormal production costs incurred during lockdown-enforced care and maintenance, unit cost increased by 12% to R13 345 per 6E ounce. The unit cost per 6E refined ounce increased at a similar rate to R12 839 per ounce (FY2019: R11 498 per ounce).

(Abnormal production costs of R1.3 billion were incurred during Covid-19-related operational disruptions in South Africa and Canada when these operations were placed on care and maintenance. These costs were excluded from normal production-related costs and presented separately in the cost of sales. Abnormal production costs were calculated taking into consideration the actual shifts worked in relation to possible shifts expected to be scheduled.)

Capital expenditure increased by 19% to R4.5 billion (FY2019: R3.8 billion) as a result of the inclusion of spend at Impala Canada (C$54 million or R657 million) and increased expenditure of R188 million at Marula, where spend accelerated on the TSF project. These increases were partially offset by lower spend at Impala (R248 million) due to the completion of the 20 Shaft project and reduced capital development caused by fewer available shifts during the year due to Covid-19 disruptions.

Group smelting and refining operations produced consistently during FY2020, albeit under more restricted conditions during the national lockdown in South Africa. All previously identified excess work-in-process material was treated in May 2020. Scheduled acid plant maintenance was brought forward to better match available processing capacity with the expected ramp-up in concentrate production from Group operations. This resulted in an accumulation of concentrate stocks in June 2020 (100 000 ounces 6E at year-end), which will be treated in H1 FY2021.

IMPALA

Total production losses of 151 000 ounces 6E in concentrate (12% lost) are directly attributed to the impact of Covid-19 during H2 FY2020. Milled throughput for the year declined by 14% or 1.6 million tonnes to 9.6 million tonnes, largely as a result of the Covid-19 pandemic. Investment in development to improve mineable face length continued during the year with additional costs balanced by the anticipated future benefit of improving mining flexibility.

The 6E milled head grade declined by 2% to 3.91g/t (FY2019: 3.99g/t), impacted by higher development-to-stoping ratios, additional dilution due to rolling UG2 reef and continued orepass rehabilitation at 16 Shaft, which was completed during the year. The higher percentage of Merensky tonnage milled at 45.6% (FY2019: 43.1%), and the benefit of improved recoveries helped mitigate the impact on metal production, further assisted by initial tailings retreatment work which delivered 10 000 ounces 6E.

The net outcome of lower grade, better recoveries and Covid-19-related production losses resulted in 6E concentrate production declining by 14% to 1.1 million ounces (FY2019: 1.3 million ounces).

The drawdown in processing inventory and a revised stock reallocation policy between IRS and Impala implemented in H1 FY2020, helped offset the impact on refined 6E production, which consequently declined by 9% to 1.3 million ounces (FY2019: 1.4 million ounces).

Impala incurred R998 million in abnormal production costs during the national lockdown, which has been included in cost of sales but excluded from the calculation of unit costs. The saving in variable costs due to lower volumes resulted in cash costs, including all incurred corporate and marketing costs, declining by 2% to R16.8 billion (FY2019: R17.0 billion). Costs were negatively affected by above-CPI increase on utilities and labour spend, increased rates of working cost development, inefficiencies at 1 Shaft during extended outsourcing investigations and the tailings re-treatment project, which impacted concentrator costs. On a stock-adjusted basis, unit costs increased by 14% to R15 021 per 6E ounce (FY2019: R13 130), in line with lower production volumes. Higher relative refined volumes assisted refined unit costs, which rose by 8% to R13 190 per 6E ounce refined (FY2019: R12 256 per ounce).

Covid-19-related operational disruptions negatively impacted the progress of capital projects and resulted in a 12% decline in total capital expenditure to R1.8 billion. Stay-in-business capital decreased by 11% to R1.4 billion (FY2019: R1.6 billion), in line with the reduced number of available shifts, while lower spend at 16 and 20 Shafts resulted in an 18% decline in replacement capital to R331 million.

All operating shafts generated positive contributions and Impala delivered R8.5 billion in free cash flow, a four-fold increase from the comparable period, as significantly stronger pricing offset the impact of a 13% decreased in 6E sales volumes of 1.3 million ounces (FY2019: 1.4 million ounces). Impala made a gross profit of R8.9 billion (FY2019: R1.5 billion) and contributed R6.5 billion to Group headline earnings (FY2019: R1.1 billion). This included the benefit of the reallocation of stock between Impala and IRS, as well as the write on of R1.3 billion of stock during the year.

The resilience of the team at Impala Rustenburg was demonstrated by the effective response to the Covid-19 pandemic. The required changes in operating parameters and protocols to ensure the health and safety of employees were delivered despite the challenges of the multi-shaft complex, which has the largest labour complement of all South African mining operations. Following the upliftment of lockdown restrictions, Impala Rustenburg managed to systematically rebuild production levels and was operating at more than 90% of its normal production rate at the end of June 2020, despite ongoing Covid-19-related labour shortages.

This was achieved through a well-developed and managed return-to-work strategy. The creation of face length was prioritised during the restart, with production levels initially supported by targeting backlog tonnes, creating a strong foundation for the planned build-up in production in FY2021.

IMPALA REFINING SERVICES (IRS)

The operational and financial performance at IRS in FY2020 reflects both the impact of Covid-19 on the quantum of concentrates purchased from mine-to-market and third-party customers and intra-group stock reallocations on the volume of 6E ounces refined and sold.

Gross concentrate receipts were negatively impacted by the declaration of *force majeure* on 26 March 2020, as an orderly shutdown of Group processing facilities was implemented ahead of the start of the national lockdown in South Africa and restrictions were placed on the transport of non-essential goods during lockdown.

Receipts from third-party customers declined by 9% to 327 000 ounces 6E (FY2019: 361 000 ounces) and mine-to-market 6E deliveries were 10% lower at 1.2 million ounces (FY2019: 1.4 million ounces), with gross concentrate receipts declining by 10% to 1.5 million ounces.

Refined production was impacted by the stock allocation change, which saw refined volumes declining by 14% to 1.5 million 6E ounces (FY2019: 1.7 million ounces), with sales volumes 10% lower at 1.4 million ounces (FY2019: 1.6 million ounces).

Force majeure notices instituted on IRS customers were uplifted in a phased approach in May and June 2020. Excess concentrate and matte inventory accumulated by customers, including Group operations, during the *force majeure* period are expected to be received in full during H1 FY2021.

The cash operating costs associated with smelting, refining, and marketing IRS production increased by 7% to R1.5 billion (FY2019: R1.4 billion), with inflationary pressures on utilities and certain processing consumables compounded by the high fixed cost component of allocated smelting and refining charges. Concentrate purchase agreements at IRS are dominated by ore feeds from Great Dyke and UG2 sources. Rising palladium and rhodium pricing and the weakening of the rand resulted in the cost of metals purchased increasing by 61% to R38.2 billion (FY2019: R23.7 billion), despite lower volumes received. IRS reported a gross profit of R6.0 billion (FY2019: R3.4 billion) and contributed R4.3 billion to headline earnings (FY2019: R2.1 billion). The impact of negative working capital movements resulted in a free cash outflow of R116 million during the year (FY2019: R3.4 billion free cash inflow).

MARULA

Marula continued to deliver an improved operational performance, with production interruptions limited to those resulting from the Covid-19 pandemic. A peace agreement reached between community representatives enabled Marula and Makgomo Chrome to operate relatively unimpeded over the period and the operation delivered a step-change in safety with a 50% reduction in lost-time incidents and 44% reduction in reportable incidents.

Total production losses of 33 000 ounces 6E in concentrate (14% lost) are directly attributed to the impact of Covid-19 during H2 FY2020. Milled throughput of 1.6 million tonnes declined by 8% (FY2019: 1.8 million tonnes), largely as a result of the national lockdown. A successful reduction in stoping width and an increased stoping-to-development ratio, resulted in a 7% improvement in the delivered head grade of 4.70g/t (FY2019: 4.40g/t) and mitigated the impact on 6E ounces produced in concentrate, which declined by 3% to 210 500 ounces (FY2019: 216 900 ounces).

Marula incurred R150 million of abnormal production spend during the national lockdown. Total cash costs declined by 2% to R2.2 billion rand due to variable cost savings associated with lower production. Despite the resultant inefficiencies, unit costs increased by just 1% to R10 713 per 6E ounce produced in concentrate (FY2019: R10 562).

Capital expenditure increased by 124% to R340 million as the TSF project was advanced and the trackless mining fleet replaced. A relatively high exposure to rising palladium and rhodium pricing due to its UG2 basket price resulted in revenue increasing by 77% to R5.3 billion, despite a 3% decline in sales volumes to 210 200 6E ounces (FY2019: 216 600 ounces). Gross profit of R2.4 billion increased eight-fold (FY2019: R300 million) and Marula generated R2.2 billion in free cash flow (FY2019: R380 million) and contributed R1.1 billion in headline earnings (FY2019: headline loss of R77 million).

A Covid-19 outbreak at the operation resulted in temporary closure in May 2020. However, Marula delivered a strong ramp-up and was operating at more than 90% of normal production levels by year-end, with restored productivity levels, despite ongoing Covid-19-related labour shortages. A bankable feasibility study on the extension of the Clapham decline shaft was progressed during the year and the operation is well-positioned to capitalise on sustained operational continuity and efficiency gains.

TWO RIVERS

Two Rivers continued to face challenges associated with variable mineralogy and constrained processing capacity. The rising contribution of ore from split-reef areas has led to a reduction in run-of-mine (ROM) ore grade and impacted metallurgical recoveries. Split-reef areas will be a structural characteristic of ore feed at Two Rivers for the foreseeable future and initiatives are now well underway to optimise production in this paradigm by matching latent mining efficiencies with expanded concentrator plant and TSF capacity to restore ounce volumes from the mine. A 40 000 tonne per month plant expansion project was approved by the JV partners at an estimated cost of R427 million, with commissioning expected during H2 FY2022.

Total production losses of 34 000 ounces 6E in concentrate (12% lost) are directly attributed to the impact of Covid-19 during H2 FY2020. Milled throughput of 3.0 million tonnes declined by 11% (FY2019: 3.4 million tonnes) due to the impact of the pandemic. Weaker milled volumes were compounded by a 2% declined in the 6E milled grade at 3.45g/t (FY2019: 3.52g/t) and poor metallurgical recoveries through the plant in Q1 FY2020, resulting in a 17% reduction in 6E production in concentrate of 261 000 ounces (FY2019: 313 400 ounces).

Capital expenditure increased by 40% to R800 million (FY2019: R571 million) with spend on deepening and development activity, the replacement of trackless fleet and progressing the TSF and concentrator projects.

The benefit of strong UG2 pricing bolstered Two Rivers financial performance despite cost inflation and the 18% decline in annual sales volumes to 261 200 6E ounces in concentrate (FY2019: 317 300 ounces). Gross profit improved by 192% to R2.8 billion (FY2019: R963 million) and Two Rivers generated R1.3 billion in free cash flow for the year (FY2019: R446 million). Implats recorded attributable profit from Two Rivers after intercompany adjustments of R687 million (FY2019: R251 million) and received R566 million in dividends during FY2020 (FY2019: R241 million).

The availability of ROM stockpiles helped counteract the impact of poor labour availability in Q4 FY2020 due to Covid-19, as a high number of skilled foreign employees at Two Rivers were prevented from returning to South Africa due to lockdown-related international border closures. As a result, shortages of critical skills impacted mining rates at the operation. Mining capacity was above 70% by year-end, while milling rates were buffered by ROM stockpile and had reached more than 90%. In the new financial year, a steady ramp-up in mined production was realised as the foreign worker complement returned to site.

THE ADVENT OF THE COVID-19 PANDEMIC HAS REQUIRED NEW WAYS OF THINKING AND INNOVATIVE SOLUTIONS TO CHALLENGES NOT FACED BEFORE

ZIMPLATS

Zimplats delivered yet another strong operational performance in FY2020, navigating the challenges created by increasing socioeconomic pressures in Zimbabwe and successfully mitigating the substantial threat to its employees and operations posed by the Covid-19 pandemic. Zimplats has operated uninterrupted since the onset of the Covid-19 crisis, working closely with government health departments to lend support and raise awareness in the communities surrounding its operations.

Tonnes milled were 4% higher at 6.8 million tonnes (FY2019: 6.5 million) while stable 6E grade of 3.48g/t resulted in a commensurate increase in 6E produced in concentrate of 597 000 ounces (FY2019: 572 000 ounces). A furnace rebuild was completed in H1 FY2020, with the unit recommissioned in October 2019, and scheduled mill relines at the Selous concentrator completed in H2 FY2020. 6E production in matte was stable at 580 000 ounces, while 6E sales volumes of 555 000 ounces were impacted by the *force majeure* implemented by IRS in late-March 2020.

Total cash costs were well controlled and increased by 5% to US$364 million (FY2019: US$348 million), with consumable spend benefiting from favourable foreign exchange movements and lower fuel prices during the period. The impact of the weaker rand resulted in translated rand costs increasing by 16% to R5.7 billion (FY2019: R4.9 billion), with unit costs per 6E ounce produced in matte rising by 5% to US$627 and 16% to R9 824 per ounce (FY2019: US$600 and R8 509), respectively.

Capital expenditure declined by 3% to US$111 million (FY2019: US$115 million) as project progression at Mupani was offset by reduced spend on the Bimha redevelopment project. Zimplats achieved a gross profit of R7.0 billion (FY2019: R2.7 billion) and generated EBITDA of R8.3 billion (FY2019: R4.0 billion). Free cash flow generation of R2.5 billion was impacted by negative working capital and the headline earnings contribution of R3.4 billion was affected by intercompany adjustments relating to sales by Zimplats to IRS, which at year-end, were still in the pipeline.

MIMOSA

Mimosa was exempted from the Zimbabwean lockdown implemented in response to Covid-19. The presence of a significant ROM surface ore stockpile afforded the mine the opportunity to suspend mining operations for 10 days in Q4 FY2020, with the production gap used to institute critical Covid-19 operational preparedness measures. Milling constraints experienced in Q1 FY2020 were substantially offset by consistent operational delivery for the remainder of FY2020 and milled volumes declined by 4% to 2.7 million tonnes (FY2019: 2.8 million tonnes). While the 6E mill grade of 3.85g/t was stable, sub-optimal concentrator residence time due to capacity constraints impacted recoveries and 6E in concentrate production of 247 800 ounces declined by 5% (FY2019: 260 600 ounces).

Reduced mining rates and favourable foreign exchange movements benefited consumables spend, while lower sales volumes reduced transport costs and revenue related expenditure in the period. Gross costs of US$190 million declined by 5% (FY2019: US$201 million), however they increased by 5% to R3.0 billion (FY2019: R2.9 billion) on translation due to the 10% weakening of the rand in the period. Milling ROM stockpiles benefited reported unit costs, which were largely unchanged at US$768 per 6E ounce in concentrate (FY2019: US$771 per ounce). Unit costs in rand rose 10% to R12 034 per 6E ounce in concentrate (FY2019: R10 944).

Sales volumes by Mimosa were impacted by the IRS *force majeure* and subsequently compounded by logistical challenges experienced with the transport of concentrates and sporadic closures of the Zimbabwean/South African border. Excess inventory of c.45 000 ounces 6E is expected to be delivered by the end of calendar 2020.

Capital expenditure of US$43 million declined by 12%, with project spend offset by reduced expenditure on fleet replacement. Sales volumes lagged mine production due to logistical constraints and the impact of the IRS *force majeure* in Q4 FY2020. Notwithstanding, gross profit improved by 141% to R1.9 billion (FY2019: R773 million) and, after intercompany adjustments, the attributable share of profit in the Implats Group increased to R421 million (FY2019: R127 million). Implats received R44 million in dividends from Mimosa (FY2019: R153 million).

Good progress was made on projects to increase milling capacity and the purchase of adjacent mineral reserves to extend the life-of-mine.

IMPALA CANADA

The acquisition of Impala Canada was concluded on 13 December 2019 and the reported operational and financial results therefore reflect six months and 18 days of metrics.

Operational delivery for the period was severely impeded by Covid-19. An outbreak in the Lac des Iles Mine camp led to a six-week closure of the operation, followed by limitations on travel and staffing due to the pandemic. In addition, the operation was impacted by planned orepass rehabilitation and a workplace fatality in the final quarter of the financial year. This very difficult set of operating conditions led to low reported labour attendance and operating rates, with the mine producing at 75% of capacity at year-end. Operational delivery has steadily improved in the new financial year, with the mine expected to produce at approximately 90% of plan in Q1 FY2021.

Transitioning the mine to a more sustainable operation was advanced by progressing several initiatives. These included the completion of the orepass rehabilitation, commissioning a mobile crusher to alleviate strain on the existing crusher system and initiating a review of processing infrastructure to address known constraints.

Total 6E production losses of 29 000 ounces (23% lost) are attributed to the impact of Covid-19 during H2 FY2020. The operation delivered mill throughput of 1.6 million tonnes and a 6E head grade of 2.45g/t, yielding 97 000 6E ounces in concentrate. Gross costs of C$105 million resulted in unit costs of C$1 076 and R12 998 per 6E ounce in concentrate. Capital expenditure of C$54 million was incurred on capital development, the tailings management facility and refurbishment of the No.1 orepass and associated underground infrastructure.

The impact of weak volumes was partially offset by cost savings during the care and maintenance period and the strong palladium pricing received, with gross profit of R879 million and free cash flow of R1.1 billion. After accounting for R191 million of bridge financing costs, Impala Canada contributed R168 million to headline earnings.

KEY PROJECTS

Implats' key replacement shaft projects are focused on low-cost, long-life extensions that link to current operations, delivering defensive cash generation to entrench the Group's competitive position and sustain profitability well into the future.

16 SHAFT

To date, capital spend has totalled R7.6 billion of the R7.9 billion project vote, with spending on track to be complete in November 2021.

Operational readiness was advanced by a 18% increase in immediately mineable stope (IMS) face length to 3 984 metres. The impact of the Covid-19 lockdown and associated labour restrictions resulted in certain project delays, with the C ore pass completed in June 2020 and the completion of the additional D ore pass is expected in early FY2023. Constrained availability of rock drill operators during the pandemic and the re-allocation of available resources to continued operations at 1 and 9 Shafts, resulted in a reduction in stoping teams deployed at the project at year-end. Ramp-up to full production of 330 000 ounces 6E is now expected in October 2022. Notwithstanding the shortfall in planned production, higher rand PGM pricing resulted in the shaft reaching cash break-even in December 2019 and it contributed free cash of R513 million in FY2020.

20 SHAFT

The capital project scope of R7.9 billion was completed on schedule and within budget in March 2019 and the primary focus in FY2020 was increasing IMS face length to meet the planned ramp-up in stoping tonnes.

20 Shaft has shown a pleasing improvement in performance and exceeded plan with IMS face length increasing by 66% to 2 607 metres at year-end, with a closing development replacement ratio of 10.5 against a plan of 18 stoping centares per metre developed. Improved operational flexibility is expected to support the planned production ramp-up to 227 000 ounces 6E, which, due to Covid-19 delays, is now expected in October 2022.

A reduction in capital expenditure, together with higher rand 6E metal prices resulted in 20 Shaft achieving cash break-even in December 2019, with a free cash flow contribution of R160 million in FY2020.

MUPANI MINE

Excellent progress was made during the year on Zimplats' Mupani Mine project, the replacement for Ngwarati and Rukodzi Mines.

Decline development and overall project progress remains well ahead of schedule with estimated steady-state production expected in July 2024. A total of 260 172 tonnes of ore, at an average 6E head grade of 3.07g/t, has been mined to date. Commissioning of the first exhaust ventilation shaft and surface crusher is expected in August and October 2020, respectively. A total of US$98 million of the budget of US$264 million had been spent at the end of the reporting period.

A decision was taken to accelerate the Mupani project to deliver incremental volume growth at Zimplats. A bankable feasibility study on a modular concentrator expansion is expected in H1 FY2021. Forecast capital investment of US$38 million over two years could increase monthly milling capacity and annual ounce production by 40 000 tonnes and 42 500 6E ounces in concentrate, respectively. Commissioning is expected in Q1 FY2022, with US$10 million allotted for investment in an additional mining fleet and labour to facilitate the early ramp-up of ore production from the Mupani portal.

MINERAL RESOURCES AND MINERAL RESERVES

The Group's Mineral Resource estimates increased by 3%, or 8.7 million ounces 6E, to 277 million ounces 6E, while Mineral Reserves increased by 8%, or 3.5 million ounces 6E to 47.8 million ounces 6E during FY2020.

The Group's Mineral Resource estimates remained largely static for platinum – with a marginal, net increase to 132.4 million ounces (FY2019: 131.6 million platinum ounces). The inclusion of Impala Canada and the 15% attributable resource at the Waterberg Project demonstrates the Group's execution against its stated strategy to increase exposure to palladium in its production mix. The Group's palladium Mineral Resource estimate was boosted to 89.9 million ounces (FY2019: 81.5 million ounces).

Similarly, the Group's Mineral Reserve estimates remained largely static on an attributable platinum basis – with a marginal increase to 21.8 million platinum ounces from 21.2 million ounces, net of production depletion. The planned continuation of production from Impala Rustenburg's 1, 12 and 14 Shafts offset platinum production depletion across the Group and, combined with the inclusion of Impala Canada, had a significant effect on the Group's Mineral Reserve estimate, resulting in a year-on-year increase of 18% to 17.3 million palladium ounces from 14.7 million palladium ounces on an attributable basis.

FINANCIAL REVIEW

A substantial increase in received rand PGM basket prices offset the operational impact of Covid-19 and drove a strong improvement in financial performance in FY2020. The pandemic introduced significant uncertainty to the operating environment and is a marked feature of the financial results in the period under review. This will likely persist in FY2021.

Revenue at R69.9 billion was 44% or R21.2 billion higher than the previous comparable period:

- Higher dollar metal prices realised a 43% or R20.8 billion benefit. Rhodium revenue increased by R10.6 billion, while higher palladium and platinum prices saw revenue gains of R8.8 billion and R1.1 billion, respectively. The improvement in prices, together with changes in the sales mix, resulted in a 46% improvement in total dollar revenue per 6E ounce sold to US$1 624 (FY2019: US$1 112).
- The weaker rand contributed 11% or R5.1 billion. The average achieved exchange rate of R15.31/US$, was 8% weaker than the R14.20/US$ realised in FY2019. Together with higher dollar metal prices, the rand revenue per 6E ounce sold rose by 57% to R24 863 (FY2019: R15 790).
- A fair value adjustment of R151 million related to provisional pricing on the Impala Canada sales debtor.
- These benefits were partially offset by the 10% or R4.9 billion decrease in revenue associated with lower 6E sales volumes, which declined by 8% to 2.8 million ounces (FY2019: 3.0 million ounces).

Cost of sales increased by 11% or R4.8 billion for the year:

- Cash costs associated with mining, processing, marketing and corporate activities increased by 7.2% or R1.8 billion. Calculated mining inflation of 6.9% for the Group includes the impact of the translation of the Zimplats cost base to rand at the weaker prevailing exchange rate. Cash costs were further impacted by the maiden inclusion of cash costs from Impala Canada of R1.3 billion and R263 million in additional spend associated with the Covid-19 pandemic. These increases were partially offset by the reduction in variable costs due to lower volumes mined due to Covid-19 lockdowns. Unit cost increases were adversely impacted by the lower production volumes and resulted in the Group's stock-adjusted unit cost per 6E ounce, including corporate and marketing spend, rising by 12% to R13 345 per ounce (FY2019: R11 886 per ounce).
- An increase of R6.7 billion in the cost of IRS metal purchased due to higher rand metal prices despite the lower volumes received.
- Abnormal production costs of R1.3 billion incurred during the care and maintenance period. These costs have been excluded from the calculation of the stock-adjusted unit cost per 6E ounce.
- A R1.0 billion increase in depreciation due to the inclusion of the depreciation associated with Impala Canada, the additional depreciation due to the change in estimate of useful lives for certain assets at Zimplats, as well as the impact of translating the Zimplats depreciation at a weaker rand.
- These increases were partially offset by a R6.9 billion rand increase in the credit to metal inventory due to the combination of higher production costs and rand metal prices and the stock write-on for FY2020 of R1.3 billion (FY2019: R404 million), which more than offset the financial impact of reduced excess work-in-process inventory achieved in the period.

The significant improvement in revenue resulted in the Group generating a **gross profit** of R23.3 billion for the year, a 240% or R16.4 billion increase from the R6.8 billion achieved in FY2019.

There were several cash and non-cash items accounted for in profit before tax. The revaluation of foreign currency balances resulted in a gain of R786 million, versus a loss of R362 million recorded in FY2019. These gains were largely due to the weaker rand on dollar debtors and the intercompany loan between Implats and Impala Canada. Other net expenses of R1.5 billion increased by R1.1 billion from R375 million in FY2019 primarily due to:

- An expense of R441 million relating to the fair value reversal of R230 million gain on the foreign exchange collars and payment of R211 million in settlement thereof (FY2019: gain of R230 million);
- The R509 million incentive premium on the US$ bond conversion together with losses on the mark to market of the conversion option of R203 million (FY2019: loss of R1.6 billion) and a loss of R74 million on the cancellation of the Cross-Currency Interest Rate Swap; and
- Transaction costs of R147 million incurred on the acquisition of Impala Canada.

In addition, other net expenses in the prior year, included Zimplats' receipts of R652 million arising from export incentives and a customs duty refund, which did not recur in the current year.

Improved profitability at Two Rivers and Mimosa resulted in a R684 million increase in income from associates to R1.1 billion.

Net finance costs declined by R151 million to R617 million as interest and associated costs on bridge funding in Impala Canada of R191 million, as well as interest on the term loan at Impala Canada, were offset by higher interest received from higher Group cash balances and lower interest costs on the US$ bond, following the incentivised conversion during August 2019.

The Group recorded **EBITDA** of R29.4 billion at an EBITDA margin of 42% (FY2019: R10.5 billion and 22%). **Profit before tax** rose by R19.7 billion to R23.0 billion due to the significant increase in gross profit because of the weaker rand and the higher dollar metal prices achieved.

The **tax charge** of R6.5 billion reflected higher profitability across the Group, with an effective tax rate of 28%.

Basic earnings were R16.1 billion or 2 066 cents per share, with earnings in the prior year of R1.5 billion were impacted by the after-tax impairment charge of R1.7 billion relating to the Afplats assets.

The Group generated **headline earnings** of R16.1 billion and 2 075 cents per share with positive contributions from all Group companies. The weighted average number of shares in issue increased to 777.2 million due to the issue of 64.3 million Implats ordinary shares in August 2019, after US$ bonds were converted into Implats ordinary shares.

The Implats board approved the declaration of a final dividend of R4.00 per ordinary share, in line with the approved dividend policy, bringing the total dividend for FY2020 to R5.25 per ordinary share. The dividend was declared from retained earnings and will be subject to a 20% dividend withholding tax for shareholders who are not exempt from, or do not qualify for, a reduced rate of withholding tax. The final dividend will be paid on Monday, 28 September 2020.

Net cash from operating activities benefited from higher rand metal prices and increased to R17.1 billion (FY2019: R10.7 billion).

Capital expenditure increased to R4.2 billion from R3.9 billion due primarily to inclusion of spend on Impala Canada in H2 FY2020, the impact of the weaker rand on spend at Zimplats and higher expenditure at Marula as the TSF project was advanced.

Free cash flow, as a result, increased to R14.4 billion (FY2019: R7.7 billion).

With effect from 13 December 2019, Implats acquired 100% of the outstanding shares of Impala Canada for a cash consideration of C$983 million (R10.8 billion), using a combination of existing cash, proceeds from a forward sale of excess inventory and the proceeds raised on a bridge loan facility. Cash balances of R1.4 billion held by Impala Canada at the time of acquisition resulted in a net outflow at acquisition of R9.4 billion.

Borrowings (excluding lease liabilities) increased to R7.6 billion (FY2019: R7.2 billion) due primarily to the outstanding balance of US$219 million (R3.7 billion) on the Impala Canada term loan which offset the benefit of the reduction in debt due to the incentivised early conversion of US$ bond. The final scheduled Zimplats debt repayment of US$42.5 million was made in December 2019. The scheduled repayment of the Marula BEE loan was deferred from June to September 2020 as an initial cash preservation measure at the onset of the national lockdown in South Africa. However, gross cash balances of R13.3 billion, which include the consolidated cash balances of R3.6 billion at Zimplats and Impala Canada, benefited from improved profitability and closing **net cash**, excluding finance leases, rose from R1.1 billion to R5.7 billion. The gross cash balance includes R0.9 billion pledged in respect of the settlement of the Marula BEE loan at 30 June 2020.

At the end of the period, the Group had an undrawn revolving credit facility of R4 billion. **Liquidity headroom**, comprising gross cash, net of restricted cash, and undrawn committed facilities, increased to R16.1 billion (FY2019: R12.2 billion).

CAPITAL ALLOCATION

The optimisation of the Implats balance sheet and Group capital allocation were meaningfully advanced during the year. The board approved a capital allocation framework, with specific policies regarding the approach to balance sheet and liquidity positioning, dividends, and the guiding principles for developing the business through investment in value-accretive growth opportunities. This framework aims to balance the need to strengthen the Group's financial flexibility, with its strategic imperative to create value for all stakeholders while providing attractive returns to shareholders.

Implats remains exposed to a single grouping of commodities and is hence vulnerable to significant potential market volatility. Management remains steadfast in its view that a proactive approach to reducing debt is both prudent and key to building financial resilience.

Collectively, the repayment of debt by Zimplats, the induced conversion of the US$ bonds and the funds retained by the Group, delivered improved net cash and liquidity. These steps harness the results of better-than-expected profitability for the enduring benefit of the Group – creating increased flexibility and resilience to withstand future potential operational and market volatility.

Finally, by concluding the acquisition of Impala Canada with an optimal funding structure comprising cash and short-term debt, the Group was able to enhance potential returns from the acquisition while delivering on Implats' strategic intent to grow exposure to shallow, mechanised, palladium-rich ore bodies. An added benefit is the establishment of an operational footprint in a leading global mining jurisdiction and a region which represents one of the largest global PGM markets. The impact of this acquisition – net cash acquired, external funding raised and repaid to 30 June 2020 – was a net cash outflow of R6.5 billion.

Pleasingly, the strong free cash flow generated by the Group enabled the implementation of the approved dividend policy guided by a declaration of around 30% of free cash flow, pre-growth capital, for the year. Implats remains well-positioned to leverage its strong balance sheet through prudent and balanced capital allocation priorities to generate value for all stakeholders.

MARKET REVIEW (CALENDAR YEARS UNLESS OTHERWISE STATED)

All three major PGM markets – platinum, palladium and rhodium – recorded fundamental deficits during 2019. While surging automotive use drove fundamental industrial deficits in palladium and rhodium, robust physical investment absorbed the industrial and jewellery surplus in the platinum market.

Covid-19-related market shocks were considerable. PGMs face unprecedented demand destruction balanced by simultaneous and unforeseen supply reductions due to lost production during the national lockdown in South Africa. Secondary supply was also impeded by interruptions to the collection of automotive and industrial scrap during the prevention of normal industrial and consumer activity which characterised much of H2 FY2020.

The confluence of demand and supply interruptions is likely to result in moderated deficits in the palladium and rhodium markets in CY2020. In platinum, another year of strong investment inflow will likely compensate for weakened automotive and jewellery demand and substantially tighten the market relative to previous baseline forecasts.

While several meaningful near-term revisions to market forecasts were required, Implats continues to expect persistent market deficits in both palladium and rhodium – constrained primary supply and legislated demand growth were marked features of these markets and are unlikely to be mitigated by the impact of lower vehicle sales.

Investment demand, spurred by the safe-haven appeal of precious metals, tightened the platinum market in 2020, but we continue to expect an over-supplied market in the medium term. This surplus will likely be eroded in the longer term, however, with stagnant primary and secondary supply offset by continued growth in industrial demand, spurred by increased uptake from elements of the hydrogen economy, tightening global heavy-duty vehicle emission standards and some switching in gasoline catalysts.

The disruption to economic activity caused by national Covid-19 lockdowns resulted in substantial adjustments to individual market components of forecast demand and supply in 2020 and 2021. However, Implats' view remains that the impact of the pandemic is likely to be cyclical rather than structural in the long term.

In February 2020, BASF launched a commercial tri-metal catalyst solution, the result of a project delivered in collaboration with Implats and Sibanye-Stillwater. Following a lengthy research and development process, BASF's innovative technology allows the partial substitution of palladium with platinum in gasoline catalytic converters and is an important step towards rebalancing the global PGM demand profile with the current ratios of global primary supply.

The need to develop alternative PGM ratios in catalytic converters has long been anticipated by Implats and the Group was pleased to be part of the team which worked for several years to ensure a practical and cost-efficient solution for its customer base.

The solution is expected to benefit all members of the value chain – from miners to refiners, fabricators, and OEMs. While the impact of Covid-19 has created headwinds for rapid adoption of the technology, the persistent discount of platinum to palladium reinforces the commercial rationale and early adoption of varied catalyst formulations is expected from 2022.

The impact of the pandemic on industrial demand was less severe than on either jewellery or automotive offtake. Although industrial activity was heavily impacted during lockdowns globally, many applications continued at a reduced pace and could achieve some "catch up" on higher use in the second half of 2020. Currently, it appears that medium-term growth provided by capacity increases in several segments remains intact, with capital investment likely delayed rather than cancelled.

The global focus on decarbonisation has been intensified by Covid-19, with increasing momentum for the establishment of a "hydrogen economy" through a series of recently announced government initiatives. This has served to accelerate the "mainstreaming" of hydrogen and the varied applications of fuel cells over the recent past. It also bodes well for increasing industrial demand for platinum and iridium in the hydrolyser and fuel cell segments and provides a structural hedge against the expected decline in diesel-derived automotive demand in the longer term.

The impact on global consumer activity due to Covid-19-related lockdowns is expected to result in a further annual decline in platinum jewellery demand in 2020. The Group, however, assumes a recovery to previously forecast levels of demand in the medium term. The steep discount to gold has spurred renewed interest from Chinese manufacturers and retailers and the "reboot" strategy led by the PGI has gained substantial momentum.

In India, the impact of the lockdown of the domestic economy resulted in jewellers missing important festivals and the wedding season for jewellery purchasing in the first quarter of 2020 following the outbreak of Covid-19. This compounded the impact of rising unemployment and the resultant loss of income and purchasing power. The PGI believes platinum, as a niche product, is well positioned for a recovery as any jewellery industry consolidation favours PGI partners who can capitalise on the platinum price.

There have been negligible PGM project releases over the past year – increasingly prudent capital allocation by the peer group, together with rising regulatory oversight and increasing stakeholder requirements, have raised the "hurdle rate" for new projects in our view, while constrained processing capacity and the challenges associated with Eskom present further material challenges to primary supply growth in South Africa.

GROUP STRATEGY

Implats' review of its business in 2018 identified the following strategic imperatives: protecting and strengthening the Group's licence to operate, a restructuring of loss-making operations at Impala Rustenburg and a repositioning to the lower half of the cost curve, the optimisation of the Group's value chain, the improvement of organisational effectiveness, the enhancement of the competitiveness of the Implats portfolio and the optimisation of the balance sheet and capital allocation priorities.

Implats' strategic focus has now adapted to reflect the substantial progress and delivery against these objectives and the refined focus is on an integrated operating model founded on:

- Responsible corporate stewardship
- Operational excellence in PGMs through value-driven, modern, safe and competitive production
- Organisational effectiveness
- Sustaining an optimal capital structure
- Leveraging the competitive portfolio of mineral and processing assets
- Supporting market development and value chain optimisation to unlock future potential.

The health and safety of employees and the social welfare of Implats' host communities remain key priorities, underpinned by the Group's values of respect and care. Implats advanced delivery against these fundamental principles during the global pandemic through an integrated and effective Covid-19 response. Investments made at all Group operations, together with contributions to local communities and the public health sector in each of South Africa, Zimbabwe and Canada, served to strengthen relationships with key stakeholders through Implats' role in the management and mitigation of this unprecedented global health crisis. Implats' commitment to responsible corporate stewardship was further evident in the absence of serious environmental incidents reported and improvement in several external ESG ratings received during the year.

The sustained improvement in operational delivery at Impala Rustenburg allowed upward revisions to production plans at the mining complex and mitigated the need for large-scale retrenchments, creating substantial value for all stakeholders. The operational resilience of the Group was also demonstrated in the successful ramp-up of production at the South African operations post-lockdown, with Implats mines returned to approximately 90% of capacity by year-end.

Restored profitability and targeted debt reduction resulted in substantial progress in ensuring an optimal capital structure, creating a firm foundation for prudent capital allocation. This enabled the funding of the Impala Canada acquisition through a combination of debt and cash, the reinstatement of dividend payments during the year and the planned cancellation of the Group's treasury shares.

The competitive mineral and processing asset portfolio was strengthened by the acquisition of Impala Canada, a mechanised, palladium-dominant PGM producer. In addition, Implats completed an extended maintenance programme on its furnaces while facilitating the release of previously identified excess inventory during the year. Studies and projects aimed at matching installed concentrating capacity with inherent mining efficiencies were advanced at Zimplats, Mimosa and Two Rivers. The Waterberg feasibility was advanced during the year. The Group has decided to retain and secure its 15% strategic interest, with beneficial rights to process future metal production from the project.

Implats continues to sustain efforts in market development and value chain optimisation, announcing a commercial switching solution for gasoline auto catalysis through a project with BASF and continued support from the PGI and WPIC during the period. The benefit of long-term relationships with key contractual customers was evidenced by robust and uninterrupted demand for Implats' products at a time when economic activity and PGM demand was under substantial threat.

PROSPECTS AND OUTLOOK

The progress made in the strategic repositioning of Implats over the past several years enabled the Group to successfully navigate the challenges created by the unprecedented external shock of the Covid-19 pandemic. Operational resilience enabled sustained delivery of refined metal to our customers and the Group benefited from robust pricing for primary products, achieving stellar financial results. Production rates at most operations have normalised back to near full capacity.

The Group made meaningful advances in strengthening its balance sheet and dividend payments were reinstated. The capital allocation framework adopted during the year will serve to guide the effective future allocation of financial resources.

The impact of Covid-19 will be a feature for some time and operating in a "business as usual" environment will not be possible until effective prevention and treatment measures become readily available. Internal planning to secure operational resilience during the pandemic has been ongoing since its emergence in early 2020 and vigilance in protecting the safety and health of employees will be maintained in FY2021.

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

PGM miners are under increased pressure to meet challenging and sometimes conflicting stakeholder expectations and this task has been complicated by the economic devastation and uncertainty associated with Covid-19.

In Zimbabwe, efforts to maintain open and constructive engagement with the government will continue amid the ever-challenging economic and political environment. Implats is also committed to advancing positive and mutually beneficial relationships with indigenous mine-host communities, including the First Nations in Canada.

GUIDANCE

Production volumes will be supported through the planned release of accumulated inventory and Group refined production is estimated to be between 2.8 and 3.4 million 6E ounces for FY2021. Group operating costs are expected to be between

R14 500 and R15 500 per 6E refined ounce on a stock-adjusted basis, with Group capital expenditure forecast to be between R6.0 and R6.8 billion. This guidance is based on assumed R/US$ and C$/US$ exchange rates of R16.63/US$ and C$1.35/US$, respectively, and does not account for further Covid-19-related public health disruptions.

Full year 6E in concentrate production estimates for the operational entities are as follows:

• Impala Rustenburg	1.10 to 1.25 million ounces
• Zimplats	570 000 to 600 000 ounces
• Two Rivers	260 000 to 300 000 ounces
• Impala Canada	250 000 to 280 000 ounces
• Mimosa	230 000 to 260 000 ounces
• Marula	220 000 to 260 000 ounces
• IRS (third-party)	330 000 to 380 000 ounces

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

DIRECTORATE AND MANAGEMENT

In August 2019, Implats announced the resignation of Mr Udo Lucht as a non-executive director of the board of directors. Ms Boitumelo Tapnis Koshane was appointed as non-executive director of the board replacing Mr Lucht as a representative of the Royal Bafokeng Nation. The board adopted the Independent Regulatory Board for Auditors Mandatory Audit Firm Rotation rule earlier than required, and appointed Deloitte as Implats' external auditor from FY2020.

Post year-end, in August 2020, the board of directors announced the appointment of Adv Thandi Orleyn as an independent non-executive director and chairman designate. Her appointment to the board was immediate and she will assume the chairmanship at the conclusion of the Company's annual general meeting (AGM) on 14 October 2020. Current chairman, Dr Mandla Gantsho, will retire from the board at the conclusion of the AGM.

DECLARATION OF DIVIDEND

Shareholders are advised that the board has resolved to declare a final gross cash dividend of R4.00 per ordinary share for the financial year ended 30 June 2020. The final dividend has been declared in terms of the dividend policy previously communicated to shareholders. The dividend policy states that a dividend will be declared from 30% of free cash flow, pre-growth capital, for any given period, subject to the board's discretion. The final cash dividend is in addition to the interim cash dividend of R1.25 declared in February 2020 bringing the total dividend for the financial year to R5.25 per ordinary share.

Implats has 799 034 147 ordinary shares in issue and the Company's tax reference number is 9700178719. The cash dividend will be subject to a 20% dividend withholding tax for shareholders who are not exempt from, or do not qualify for, a reduced rate of withholding tax. Therefore, the net dividend amount is R3.20 per ordinary share for shareholders liable to pay the dividend withholding tax and R4.00 per ordinary share for shareholders exempt from dividend withholding tax. Shareholders are advised to complete the requisite declaration form to make the Company aware of their tax status.

The salient dates are as follows:

Declaration date:	Thursday, 3 September 2020
Last day for trading to be eligible for cash dividend:	Monday, 21 September 2020
Trading ex-dividend commences:	Tuesday, 22 September 2020
Record date:	Friday, 25 September 2020
Dividend payment date:	Monday, 28 September 2020

Share certificates may not be dematerialised or rematerialised between Tuesday, 22 September 2020 and Friday, 25 September 2020, both days inclusive.

APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The directors of Impala Platinum Holdings Limited ("Implats", "the Company" or "the Group") are responsible for the maintenance of adequate accounting records and the preparation of the condensed consolidated financial statements and related information in a manner that fairly presents the state of the affairs of the Company. These condensed consolidated financial statements are prepared in accordance with the Listings Requirements of the JSE Limited, the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the Companies Act, No 71 of 2008 and the minimum requirements of International Accounting Standards (IAS) 34 *Interim Financial Reporting* and incorporate full and responsible disclosure in line with the accounting policies of the Group which are supported by prudent judgements and estimates.

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

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

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

The condensed consolidated financial statements have been approved by the board of directors and are signed on their behalf by:

Dr MSV Gantsho
Chairman

NJ Muller
Chief executive officer

Johannesburg
3 September 2020

INDEPENDENT REVIEWER'S REPORT ON THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF IMPALA PLATINUM HOLDINGS LIMITED

We have reviewed the condensed consolidated financial statements of Impala Platinum Holdings Limited, contained in the accompanying preliminary report, which comprise the condensed consolidated statement of financial position as at 30 June 2020 and the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and selected explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, as set out in note 3 to the condensed consolidated financial statements, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of the condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The JSE Limited Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical financial information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of historical financial information in accordance with ISRE 2410 is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making inquiries of management and others within the entity, primarily persons responsible for financial and accounting matters, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing and consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these condensed consolidated financial statements.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that these condensed consolidated financial statements of Impala Platinum Holdings Limited for the year ended 30 June 2020 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, as set out in note 3 to the condensed consolidated financial statements, and the requirements of the Companies Act of South Africa.

Deloitte & Touche

Deloitte & Touche
Registered Auditor
Per: E Zungu
Partner

3 September 2020

Deloitte & Touche
5 Magwa Crescent
Waterfall City
Waterfall
Johannesburg

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2020

	Notes	2020 Rm (Reviewed)	2019 Rm (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	6	50 885	34 499
Investment property		90	90
Investment in equity-accounted entities	7	5 462	4 437
Deferred tax	8	—	3 096
Financial assets at fair value through other comprehensive income		394	265
Other financial assets		83	316
		56 914	42 703
Current assets			
Inventories	9	19 451	11 811
Trade and other receivables		5 128	3 266
Current tax receivable		348	216
Other financial assets		3	232
Prepayments		680	484
Cash and cash equivalents		13 331	8 242
		38 941	24 251
Total assets		95 855	66 954
EQUITY AND LIABILITIES			
Equity			
Share capital and share-based payment reserve[1]		24 481	20 536
Retained earnings		28 854	13 773
Foreign currency translation reserve		8 967	4 668
Other components of equity		(425)	160
Equity attributable to owners of the Company		61 877	39 137
Non-controlling interests		2 669	1 943
Total equity		64 546	41 080
LIABILITIES			
Non-current liabilities			
Provisions		1 812	1 492
Deferred tax	8	10 503	5 503
Borrowings	10	6 233	6 677
Other financial liabilities		35	1 652
Other liabilities		226	267
		18 809	15 591
Current liabilities			
Provisions		192	—
Trade and other payables		9 220	8 294
Current tax payable		188	66
Borrowings	10	2 625	1 885
Other financial liabilities		16	6
Other liabilities		133	32
Bank overdraft		126	—
		12 500	10 283
Total liabilities		31 309	25 874
Total equity and liabilities		95 855	66 954

[1] *Share capital was renamed to share capital and share-based payment reserve, to better reflect the nature of the amounts included in the subtotal column renamed in the statement of changes in equity.*

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2020

	Notes	2020 Rm (Reviewed)	2019 Rm (Audited)
Revenue	11	69 851	48 629
Cost of sales	12	(46 580)	(41 791)
Gross profit		23 271	6 838
Impairment		—	(2 432)
Other income	13	471	1 424
Other expenses	14	(1 963)	(1 799)
Finance income		538	368
Finance cost		(1 155)	(1 136)
Net foreign exchange transaction gains/(losses)		786	(362)
Share of profit of equity-accounted entities		1 082	398
Profit before tax		23 030	3 299
Income tax expense		(6 546)	(2 120)
Profit for the year		16 484	1 179
Other comprehensive income, comprising items that may subsequently be reclassified to profit or loss:			
Exchange differences on translating foreign equity-accounted entities		587	65
Deferred tax thereon		(59)	(6)
Exchange differences on translating foreign operations		3 499	387
Deferred tax thereon		57	(51)
Other comprehensive income/(loss), comprising items that will not be subsequently reclassified to profit or loss:			
Financial assets at fair value through other comprehensive income		28	(28)
Deferred tax thereon		(1)	(2)
Actuarial loss on post-employment medical benefit		(1)	—
Total other comprehensive income		4 110	365
Total comprehensive income		20 594	1 544
Profit/(loss) attributable to:			
Owners of the Company		16 055	1 471
Non-controlling interest		429	(292)
		16 484	1 179
Total comprehensive income/(loss) attributable to:			
Owners of the Company		19 768	1 785
Non-controlling interest		826	(241)
		20 594	1 544
Earnings per share (cents)			
Basic		2 066	205
Diluted		1 911	203

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2020

	Ordinary shares Rm	Share premium Rm	Share-based payment reserve Rm
Balance at 30 June 2018 (Audited)	18	17 986	2 487
Adjustments on initial application of IFRS 9	—	—	—
Shares purchased – Long-term Incentive Plan	—	(111)	—
Share-based compensation expense	—	—	156
Total comprehensive income/(loss)	—	—	—
– Profit/(loss) for the year	—	—	—
– Other comprehensive income/(loss)	—	—	—
Dividends paid	—	—	—
Balance at 30 June 2019 (Audited)	**18**	**17 875**	**2 643**
Conversion of US$ bonds	**—**	**4 810**	**—**
Shares purchased – Long-term Incentive Plan	**—**	**(1 222)**	**—**
Transfer of reserves	**—**	**906**	**(906)**
Share-based compensation expense	**—**	**—**	**357**
Total comprehensive income/(loss)	**—**	**—**	**—**
– Profit for the year	**—**	**—**	**—**
– Other comprehensive (loss)/income	**—**	**—**	**—**
Dividends paid	**—**	**—**	**—**
Balance at 30 June 2020 (Reviewed)	**18**	**22 369**	**2 094**

The table above excludes the treasury shares.

[1] *The total share capital subtotal was renamed to share capital and share-based payment reserve to better reflect the nature of the amounts included in the subtotal.*

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

Share capital and share-based payment reserve[1] Rm	Retained earnings Rm	Foreign currency translation reserve Rm	Other components of equity Rm	Attributable to: Owners of the Company Rm	Non-controlling interest Rm	Total equity Rm
20 491	12 302	4 324	96	37 213	2 380	39 593
—	—	—	94	94	—	94
(111)	—	—	—	(111)	—	(111)
156	—	—	—	156	—	156
—	1 471	344	(30)	1 785	(241)	1 544
—	1 471	—	—	1 471	(292)	1 179
—	—	344	(30)	314	51	365
—	—	—	—	—	(196)	(196)
20 536	**13 773**	**4 668**	**160**	**39 137**	**1 943**	**41 080**
4 810	**—**	**—**	**—**	**4 810**	**—**	**4 810**
(1 222)	**—**	**—**	**—**	**(1 222)**	**—**	**(1 222)**
—	**—**	**612**	**(612)**	**—**	**—**	**—**
357	**—**	**—**	**—**	**357**	**—**	**357**
—	**16 054**	**3 687**	**27**	**19 768**	**826**	**20 594**
—	**16 055**	**—**	**—**	**16 055**	**429**	**16 484**
—	**(1)**	**3 687**	**27**	**3 713**	**397**	**4 110**
—	**(973)**	**—**	**—**	**(973)**	**(100)**	**(1 073)**
24 481	**28 854**	**8 967**	**(425)**	**61 877**	**2 669**	**64 546**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2020

	Notes	2020 Rm (Reviewed)	2019 Rm (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	19 760	11 844
Finance cost paid		(932)	(963)
Income tax paid		(1 706)	(223)
Net cash inflow from operating activities		17 122	10 658
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(4 248)	(3 877)
Proceeds from sale of property, plant and equipment		80	74
Net cash paid for the acquisition of North American Palladium	20	(9 431)	—
– Acquisition of North American Palladium		(10 859)	—
– Cash acquired through the acquisition of North American Palladium		1 428	—
Proceeds from equity instruments held at fair value through other comprehensive income[1]		193	—
Proceeds from long-term debt instruments[1]		87	—
Finance income received		532	358
Dividends received		628	473
Other		(4)	(20)
Net cash outflow from investing activities		(12 163)	(2 992)
CASH FLOWS FROM FINANCING ACTIVITIES			
Shares purchased – Long-term Incentive Plan		(1 222)	(111)
Repayments of borrowings		(6 720)	(2 169)
Proceeds from borrowings net of transaction costs		9 026	—
Repayments of lease liabilities		(155)	—
Cash received from cancellation of cross-currency interest rate swap		77	—
Invitation premium paid on US$ bond conversion		(509)	—
Dividends paid to Company's shareholders		(973)	—
Dividends paid to non-controlling interest		(100)	(196)
Net cash outflow from financing activities		(576)	(2 476)
Net increase in cash and cash equivalents[2]		4 383	5 190
Cash and cash equivalents at the beginning of the year		8 242	3 705
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies		580	(653)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR[2]		13 205	8 242

[1] *Proceeds from liquidation of Pollution Control, Rehabilitation and Closure Trust Fund assets.*
[2] *Cash and cash equivalents are net of bank overdrafts of R126 million (2019: Rnil).*

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2020

1. GENERAL INFORMATION

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

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

On 13 December 2019 Implats successfully concluded the acquisition of 100% of the outstanding shares in the Canadian PGM miner, North American Palladium (NAP). NAP is now a wholly owned subsidiary of Implats and operates in Canada as Impala Canada Limited (Impala Canada).

Impala Canada owns and operates the Lac des Iles Mine (Lac des Iles) northwest of Thunder Bay, Ontario, and has a shareholding in two exploration properties, the Sunday Lake project and the Shebandowan Joint Venture.

The condensed consolidated financial statements were approved for issue on 3 September 2020 by the board of directors.

2. INDEPENDENT AUDITOR'S REVIEW

Deloitte & Touche, the independent auditor has conducted a review in accordance with International Standards on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor and their unmodified review report is available on page 21. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the Group's external auditors. The auditor's report does not necessarily report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should read the auditor's report together with the accompanying financial information.

3. BASIS OF PREPARATION

The condensed consolidated financial statements for the year ended 30 June 2020 have been prepared in accordance with the Listings Requirements of the JSE Limited, the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the Companies Act, No 71 of 2008 and the minimum requirements of International Accounting Standards (IAS) 34 *Interim Financial Reporting*.

The condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 30 June 2019, which have been prepared in accordance with IFRS, and the commentary included in the results.

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
continued

for the year ended 30 June 2020

3. BASIS OF PREPARATION continued

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

US dollar:

Year-end rate: R17.38 (June 2019: R14.09)
Average rate: R15.67 (June 2019: R14.19)

Canadian dollar:

Year-end rate: R12.76
Average rate: (13 Dec 2019 to June 2020): R12.07

Zimbabwean Interbank Real Time Gross Settlement (RTGS) dollar/US$ exchange rates used:

US dollar:

Year-end rate: RTGS$63.74 (2019: RTGS$6.02)
Average rate: RTGS$19.13 (2019 February to June: RTGS$3.66)

4. ACCOUNTING POLICIES

The principal accounting policies and methods used by the Group are consistent with those of the most recent annual financial statements, except for changes due to the adoption of new or revised IFRSs, for which the first time disclosure is more comprehensive than would otherwise be done on interim and includes the once-off transition impact. Further, the transition impact and accounting policies have been disclosed in the relevant notes.

The following standards and amendments to standards have become effective or have been early adopted by the Group on 1 July 2019:

- IFRS 16 *Leases* (note 10)
- IFRIC 23 *Uncertainty over Income Tax Treatment* (note 17)
- IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting policies, Changes in Accounting Estimates and Errors*. Amendments and clarification of the definition of "material" used in the revised conceptual framework and the standards themselves had no impact on the condensed consolidated financial statements.

5. SEGMENT INFORMATION

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

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

The Impala Canada segment consists of the North American Palladium business acquired on 13 December 2019 (note 20).

The chrome processing segment (Impala Chrome), which was previously reported separately, now forms part of the "All other segments" category, along with Afplats, as both these segments are not considered to be material.

Capital expenditure comprises additions to property, plant and equipment (note 6).

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

The two largest sales customers amounted to 13% and 9% (2019: 10% each) of total revenue. These sales are reported as Impala and Impala Refining Services' revenue.

5. SEGMENT INFORMATION continued

	2020 (Reviewed)		2019 (Audited)	
	Revenue Rm	Profit/(loss) after tax Rm	Revenue Rm	Profit/(loss) after tax Rm
Mining				
– Impala	30 220	6 528	21 522	1 185
– Zimplats	14 426	4 904	8 954	1 899
– Marula	5 272	1 673	2 976	149
– Impala Canada	3 254	185	—	—
Impala Refining Services	36 304	4 316	26 899	2 080
All other segments	79	310	247	(3 388)
Reconciliation	(19 704)	(1 432)	(11 969)	(746)
Total segmental revenue/profit or loss after tax	69 851	16 484	48 629	1 179
Reconciliation comprises the following items:				
Unrealised profit in inventory consolidation adjustment		(1 818)		(457)
IRS pre-production Group consolidation adjustment		—		(259)
Inventory adjustments made on consolidation		386		(30)
		(1 432)		(746)

	2020 Capital expenditure Rm	2020 Total assets Rm	2019 Capital expenditure Rm	2019 Total assets Rm
Mining				
– Impala	1 757	29 569	2 006	28 850
– Zimplats	1 735	29 722	1 628	21 232
– Marula	340	3 879	152	3 512
– Impala Canada	657	14 916	—	—
Impala Refining Services	—	30 384	—	18 701
All other segments	—	39 974	—	36 216
Total	4 489	148 444	3 786	108 511
Intercompany balances eliminated		(47 098)		(39 356)
Unrealised profit in inventory, NRV and other inventory adjustments		(3 990)		(1 476)
Segmental deferred tax asset/liability allocations		(1 501)		(725)
Total consolidated assets		95 855		66 954

5. SEGMENT INFORMATION continued

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

	Year ended 30 June 2019 (Audited)							
	Impala (Rm)	Zimplats (Rm)	Marula (Rm)	Impala Canada (Rm)	IRS (Rm)	All other segments (Rm)	Inter-segment revenue (Rm)	Total (Rm)
Revenue from:								
Platinum	8 739	2 761	835	–	9 057	–	(3 596)	17 796
Palladium	6 233	3 365	1 257	–	9 415	–	(4 622)	15 648
Rhodium	3 625	744	562	–	3 848	–	(1 306)	7 473
Nickel	696	700	34	–	1 622	–	(734)	2 318
Other metals	2 229	911	132	–	2 434	247	(1 063)	4 890
Movements in commodity prices	–	473	156	–	–	–	(629)	–
Treatment income	–	–	–	–	523	–	(19)	504
Revenue	21 522	8 954	2 976	–	26 899	247	(11 969)	48 629

6. PROPERTY, PLANT AND EQUIPMENT

	2020 Rm (Reviewed)	2019 Rm (Audited)
Carrying value – opening balance	34 499	36 045
Capital expenditure[1]	4 279	3 786
PPE acquired through the acquisition of North American Palladium (NAP)	11 067	—
Right-of-use assets capitalised[2]	210	—
Interest capitalised	27	89
Disposals	(37)	(15)
Depreciation (note 12)[1]	(4 552)	(3 488)
Impairment	—	(2 432)
Rehabilitation adjustment	(133)	123
Exchange adjustment on translation	5 525	391
Carrying value – closing balance	50 885	34 499

[1] *Includes depreciation of R31 million which was capitalised to the cost of property, plant and equipment.*
[2] *Includes land and buildings of R29 million and mobile equipment of R88 million which were capitalised following the adoption of IFRS 16 (note 10).*

Right-of-use assets

	Shafts, mining development and infrastructure Rm	Metallurgical and refining plants Rm	Land and buildings Rm	Other assets Rm	Total Rm
Finance leases capitalised at 30 June 2019 (Audited)	—	48	598	1	647
Recognised on adoption of IFRS 16	—	—	29	88	117
Right-of-use assets capitalised[1]	—	—	6	95	101
Right-of-use assets acquired through the acquisition of North American Palladium (NAP)	2	—	—	74	76
Depreciation	(1)	(11)	(89)	(41)	(142)
Exchange adjustment on translation	—	—	1	29	30
Closing net book amount (Reviewed)	1	37	545	246	829

[1] *Includes cash additions to Impala Canada's right-of-use assets of R8 million.*

6. PROPERTY, PLANT AND EQUIPMENT continued

Capital commitments

	2020 Rm (Reviewed)	2019 Rm (Audited)
Commitments contracted for	1 384	1 462
Approved expenditure not yet contracted	4 798	4 946
	6 182	6 408
– Less than one year	3 668	3 394
– Between one and five years	2 514	3 014
	6 182	6 408

Capital expenditure will be funded by internally generated funds and from borrowings, where necessary. Apart from all the right-of-use assets that are encumbered by leases, all property, plant and equipment of Impala Canada (R12 549 million) was pledged as security under the Company's credit facility and term loan (note 10). A portion of land (R23 million) has been pledged as payment to the developer of stands to be allocated to eligible non-managerial employees based at the Selous Metallurgical Complex. No other fixed assets were pledged as collateral.

6.1 Significant estimates and judgements

6.1.1 Impairment

The Covid-19 pandemic impacted production, sales, costs and capital spend in the Group as well as the global environment in which the Group operates. These impacts are possible indicators of impairment and were therefore taken into account in the impairment tests for property, plant and equipment (PPE) during the financial year by updating their discounted cash flows (DCFs) to take into consideration the revised production volumes, metal prices, cost forecasts and other factors. No impairment was required.

The key financial assumptions for the cash-generating units used in the impairment calculations are:

- Overall long-term real basket price per 6E ounce sold of R20 300 (2019: R16 200 in equivalent 2019 terms) adjusted for the individual asset or cash-generating unit's prill split
- Long-term real discount rate – a range of 7% to 15% (2019: 8.5% to 16.7%) for the various cash-generating units in the Group
- *In situ* resource valuation of between US$1.60 and US$8.00 (2019: US$1.80 and US$ 9.00) per 6E ounce depending on whether the resource is inferred, indicated and measured.

6.1.2 Change in estimates

Following an assessment of the remaining useful lives and depreciation methods for Zimplats' assets during the year, management concluded that the units-of-production (UOP) method applied on metallurgical and refining assets no longer approximates the pattern in which the future economic benefits will be consumed.

The depreciation method for these assets was changed to the straight-line method. The effect of the change in estimates on the depreciation expense during the year is shown below:

	June 2020 US$m (Reviewed)	June 2020 Rm (Reviewed)
Depreciation based on new estimates	91	1 426
Depreciation based on old estimates	(80)	(1 254)
Increase in depreciation	11	172

7. INVESTMENT IN EQUITY-ACCOUNTED ENTITIES

	2020 Rm (Reviewed)	2019 Rm (Audited)
Summary balances		
Joint venture		
Mimosa	**3 428**	2 353
Associates		
Two Rivers	**1 910**	1 569
Makgomo Chrome	**69**	62
Friedshelf	**55**	42
Waterberg	**—**	411
Total investment in equity accounted entities	**5 462**	4 437
Summary movement		
Beginning of the year	**4 437**	4 317
Shareholder funding – Waterberg	**5**	19
Share of profit	**1 460**	475
Reclassification – Waterberg investment[1]	**(295)**	—
Loss on reclassification of Waterberg investment[1]	**(113)**	—
Exchange differences on translating foreign equity-accounted entities	**588**	65
Dividends received	**(620)**	(439)
End of the year	**5 462**	4 437
Share of profit of equity-accounted entities is made up as follows:		
Share of profit	**1 460**	475
Movement in unrealised profit in inventory	**(378)**	(77)
Total share of profit of equity-accounted entities	**1 082**	398

[1] *On 17 June 2020, the board of Implats elected not to exercise the option arrangement to acquire up to 50.1% from the joint venture partners in the Waterberg Development Project (Waterberg). Although Implats retained its 15% ownership in the project, the decision led to the loss of significant influence in the investment and subsequent discontinuation of equity accounting of this investment by the Group. A resultant loss of R113 million was recognised in other expenses and the investment in Waterberg was reclassified to financial assets at fair value through other comprehensive income (FVOCI) at a fair value of R295 million.*

7.1 Significant estimates and judgements

Impairment

Equity-accounted investments are treated as cash-generating units and are tested for impairment on an individual basis. The Covid-19 pandemic impacted production, sales, costs and capital spend in the Group, as well as the global environment in which the Group operates. These impacts are possible indicators of impairment and were therefore taken into account in the impairment tests for equity-accounted investments during the financial year, by updating their DCFs for the revised production volumes, metal prices, cost forecasts and other factors which affect future dividends from these investments. No impairment was required. For more estimates and judgements on impairments refer note 6.1.1.

8. DEFERRED TAX

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

	2020 Rm (Reviewed)	2019 Rm (Audited)
Deferred tax assets	–	3 096
Deferred tax liabilities	**10 503**	5 503
Total	**10 503**	2 407

The prior year's deferred tax asset was realised as a result of the Group's subsidiaries earning profits in the current year, against which their assessed losses were utilised.

The total year-on-year deferred tax movement is mainly attributable to temporary difference movements relating to property, plant and equipment (R3.6 billion), reversal of assessed losses (R1.1 billion), foreign currency translation adjustment on deferred tax (R1.3 billion) as well as deferred tax on the acquisition of North American Palladium (R2.1 billion).

9. INVENTORIES

	2020 Rm (Reviewed)	2019 Rm (Audited)
Mining metal		
Refined metal	1 421	518
In-process metal	4 348	5 036
	5 769	5 554
Purchased metal[1]		
Refined metal	6 133	1 571
In-process metal	5 995	3 818
	12 128	5 389
Total metal inventories	17 897	10 943
Stores and materials inventories	1 554	868
Total carrying amount	19 451	11 811

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

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

Included in refined metal in the prior year is ruthenium on lease to third parties of 25 600 ounces. Metal lease fee income is included in finance income.

Purchased metal consists mainly of Impala Refining Services inventory.

All the inventory in Impala Canada, valued at R384 million, was pledged as security under the Company's credit facility and term loan (note 10).

9.1 Significant estimates and judgements

Inventory valuation

During the current year Covid-19 impacted on costs. Additional spend was incurred specifically related to Covid-19 as well as abnormal production costs (note 12.1), which would otherwise form part of normal production costs. Cost of sales was therefore adjusted to distinguish these costs from normal production-related costs and presented separately. Normalised 12-month rolling mining production was calculated assuming that normal production ceased at the end of March 2020 and recommenced in June 2020. Going forward production will be taken into account in determining the average cost of normal production after sufficient ramp up to normal production has been achieved.

Change in in-process metal estimate

Quantities of recoverable metal are reconciled to the quantity and grade of ore input as well as the quantities of metal actually recovered (metallurgical balancing). The nature of this process inherently limits the ability to precisely monitor recoverability levels. As a result, the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time. The Group conducts periodic counts (usually annually) at the refineries to assess the accuracy of inventory quantities. Based on these counts, changes in engineering estimates of metal contained in-process resulted in a pre-tax increase in metal inventory of R1 329 million (2019: R404 million). Tolerances of up to 2% of annual throughput of the joint products are regarded as normal levels of estimation uncertainty in the measurement of work-in-progress quantities.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
continued
for the year ended 30 June 2020

10. BORROWINGS

	2020 (Reviewed)			2019 (Audited)		
	Non-current Rm	Current Rm	Total Rm	Non-current Rm	Current Rm	Total Rm
Standard Bank Limited – BEE partners Marula	—	885	885	—	888	888
Standard Bank Limited – Zimplats term loan	—	—	—	—	599	599
Convertible bonds – ZAR	2 707	207	2 914	2 557	207	2 764
Convertible bonds – US$	—	—	—	2 953	114	3 067
Impala Canada term loan	2 347	1 310	3 657	—	—	—
Lease liabilities	1 179	223	1 402	1 167	77	1 244
Total borrowings	6 233	2 625	8 858	6 677	1 885	8 562

	2020 Rm (Reviewed)	2019 Rm (Audited)
Reconciliation		
Beginning of the year	8 562	10 352
Conversion of US$ bonds to equity	(2 996)	—
Proceeds from borrowings	9 026	—
Capital repayments	(6 875)	(2 169)
Interest repayments	(561)	(639)
Lease liabilities acquired through the acquisition of North American Palladium	76	—
Leases capitalised	210	—
Interest accrued	750	906
Change in carrying value of Impala Canada term loan	(100)	—
Exchange adjustments	766	112
End of the year	8 858	8 562
Facilities		
Committed revolving credit facility	4 000	4 000
Revolving discounting facility (US$34 million) – Zimbabwe Platinum Mines (Private) Limited	—	479
Revolving credit limit facility (US$25 million) – Impala Canada Limited	435	—
	4 435	4 479

10. BORROWINGS continued

None of the facilities (2019: nil) had been drawn down at year-end. The R4 billion committed revolving credit facility bears interest at the three-month Johannesburg Interbank Acceptance Rate (JIBAR) plus 350 basis points and matures on 30 June 2021.

The R435 million Impala Canada facility has a two-year maturity which matures on 28 January 2022 with an option to renew for a further year, subject to agreement with the lenders. The facility bears interest at LIBOR plus a margin of between 250 and 300 basis points, subject to the total net debt to EBITDA levels at Impala Canada.

10.1 Convertible bonds

On 17 July 2019, Implats announced an invitation to the holders (bondholders) of its US$250 000 000, 3.25% convertible bonds due 2022 (US$ bonds) to exercise their conversion rights in accordance with the terms and conditions of the bonds for ordinary shares in Implats.

Bondholders representing US$249.8 million of the US$ bonds accepted this offer. As a result, a cash consideration of R509 million was paid to the bondholders and 64.2 million ordinary shares were issued by Implats to bondholders that elected to accept this offer.

On 13 August 2019, the remaining bondholder elected to convert his US$200 000 bond into 51 404 shares in accordance with the terms and conditions of the bond. These shares were issued on 27 August 2019. Consequently, the total number of ordinary shares in issue, post the conversion, increased to 799 034 147.

10.2 Lease liabilities

10.2.1 Adoption of IFRS 16 *Leases*

This standard replaces IAS 17 *Leases*.

Transition

The Group adopted IFRS 16 which became effective on 1 July 2019 and applied the standard retrospectively making use of the simplified retrospective approach, under which a lessee does not restate comparative information. There was no financial impact on the opening retained earnings at 1 July 2019.

Historically, lease contracts were classified as either finance or operating leases. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 July 2019, all lease contracts, with the exception of leases pertaining to low-value assets and leases with a duration of 12 months or less, are recognised as right-of-use assets. The corresponding liability is also recognised from the date at which the leased asset is available for use by the Group.

The Group recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted by the lessee's incremental borrowing rate as at 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 9.79%.

10. BORROWINGS continued

10.2 Lease liabilities continued

10.2.1 Adoption of IFRS 16 *Leases* continued

Transition continued

The aggregate lease liability recognised in the statement of financial position at 1 July 2019 and the Group's operating lease commitment at 30 June 2019 can be reconciled as follows:

	Rm
Operating lease commitments at 30 June 2019	139
Recognition exemptions: short-term and low-value leases	(2)
Operating lease liabilities before discounting	137
Effect of discounting operating lease commitments at an annual rate of 9.79%	(20)
Total lease liabilities recognised under IFRS 16 at 1 July 2019	117

For leases previously classified as finance leases the Group recognised the previous carrying amounts of the resultant right-of-use asset and lease liability immediately before the date of initial application. The measurement principles of IFRS 16 are only applied after that date.

In applying the simplified retrospective approach, the Group has applied the following practical expedients permitted by the standard:

- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- Reliance on previous assessments on whether leases are onerous
- Leases with a remaining term of 12 months or less from the date of application have been accounted for as short-term leases
- The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying IAS 17 and IFRIC 4 *Determining whether an Arrangement Contains a Lease*.

10.2.2 Amounts recognised in statement of comprehensive income

The statement of comprehensive income shows the following amount relating to leases:

	2020 Rm (Reviewed)	2019 Rm (Audited)
Interest expense (included in finance costs)	**135**	136
Expense relating to short-term and low-value leases (included in cost of sales)	**10**	0.1
Deferred profit on sale and leaseback of houses	**(30)**	(30)

The total cash outflow for leases in 2020 was R293 million.

10. BORROWINGS continued

10.2 Lease liabilities continued

10.2.3 The Group's leasing activities

Lease	Nature of leasing activity	Remaining life	Effective interest rate (%)
Friedshelf (Land and buildings)	The leases comprise of houses leased from Friedshelf (an associate of the Group), the houses were previously sold to Friedshelf as part of a sale and leaseback transaction	8 years	10.2
Sasol (Refining assets)	Lease arrangement for a Sasol hydrogen pipeline and an oxygen and nitrogen plant	4 years and 1 year respectively	11.5
Forklifts	Lease arrangements for various forklifts at Impala Platinum Limited – Refineries	4 years and 3 months respectively	8.5
Land and buildings (various)	This includes Marula lease of office buildings, Impala lease of Illovo and Pretoria office buildings and the Rustenburg laboratory, Zimplats lease of the Borrowdale Office Park and Impala Canada lease of its office buildings	Between 1 and 9 years	10.5
DHI (Mobile equipment)	Zimplats road train lease	3 years	9.6
Other	Impala Canada also leases various vehicles, machinery and equipment	Between 3 and 5 years	5

	2020 (Reviewed)			2019 (Audited)		
	Minimum lease payments Rm	**Interest Rm**	**Principal Rm**	Minimum lease payments Rm	Interest Rm	Principal Rm
Maturity analysis for lease liabilities						
Less than one year	**344**	**128**	**216**	204	127	77
Between one and five years	**1 102**	**332**	**770**	936	390	546
More than five years	**454**	**38**	**416**	715	94	621
	1 900	**498**	**1 402**	1 855	611	1 244

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
continued
for the year ended 30 June 2020

11. REVENUE

	2020 Rm (Reviewed)	2019 Rm (Audited)
Disaggregation of revenue by category		
Sales of goods		
Precious metals		
Platinum	18 659	17 796
Palladium	25 630	15 648
Rhodium	17 805	7 473
Ruthenium	886	902
Iridium	1 445	1 346
Gold	1 963	1 524
Silver	33	24
	66 421	44 713
Base metals		
Nickel	2 321	2 318
Copper	559	610
Cobalt	26	59
Chrome	182	425
	3 088	3 412
Commodity price adjustments	151	—
Revenue from services		
Toll refining	191	504
	69 851	48 629

Note 5 contains additional disclosure of revenue per operating segment.

11.1 Significant estimates and judgements

Toll refining income

IRS's refining fee revenue meets the criteria for recognition of revenue over time, as IRS provides a service which creates or enhances an asset under customer control. The declaration period stipulated in the toll refining contracts is indicative of the time it takes to complete the refining service and is considered to be the most appropriate estimate of the progress towards satisfying the performance obligation. Refining revenue is recognised on a straight-line basis over the contractual declaration time frame.

12. COST OF SALES

	2020 Rm (Reviewed)	2019 Rm (Audited)
Production costs		
On-mine operations	**18 581**	17 686
Processing operations	**6 096**	5 410
Refining and selling	**1 720**	1 621
Depreciation of operating assets	**4 521**	3 488
Other costs		
Metals purchased	**18 465**	11 746
Corporate costs	**1 139**	981
Royalty expense	**1 367**	646
Change in metal inventories	**(7 108)**	(182)
Covid-19 abnormal production costs	**1 278**	—
Chrome operation – cost of sales	**84**	144
Other	**437**	251
	46 580	41 791

12.1 Significant estimates and judgements

Cost of sales

Due to the impact of Covid-19, R1 278 million of abnormal and unproductive production-related costs, which would otherwise form part of the calculation of average cost of production for valuing inventory (note 9) were incurred. These costs were excluded from normal production related costs and presented separately in cost of sales. The amount of abnormal production costs separately disclosed was calculated by taking into account the actual shifts worked in relation to target production shifts scheduled for normal budgeted production.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
continued
for the year ended 30 June 2020

13. OTHER INCOME

	2020 Rm (Reviewed)	2019 Rm (Audited)
Insurance proceeds – business interruption (number 5 furnace fire)	**353**	236
Zimplats export incentives received	**—**	516
Fair value gains on foreign exchange rate collars	**—**	230
Customs duty penalty refund	**—**	136
A1 legal action – recovery	**—**	76
Insurance proceeds – asset damage (number 5 furnace fire)	**—**	64
Profit on disposal of property, plant and equipment	**43**	60
Profit on sale and leaseback of houses	**30**	30
Dividend received – Rand Mutual Assurance (RMA)	**8**	34
Bargain purchase on acquisition of North American Palladium	**11**	—
Other	**26**	42
	471	1 424

14. OTHER EXPENSES

	2020 Rm (Reviewed)	2019 Rm (Audited)
Invitation premium paid on US$ bond conversion	**509**	—
Restructuring costs	**105**	—
Derivative financial instruments – fair value movements		
– Conversion option – US$ convertible bond	**203**	1 560
– Cross-currency interest rate swap	**74**	72
– Foreign exchange rate collars	**441**	—
Acquisition-related costs – North American Palladium	**147**	—
Non-production-related corporate costs	**192**	82
Loss on reclassification of Waterberg investment	**113**	—
Auditor remuneration	**20**	19
Exploration expenditure	**92**	—
Other	**67**	66
	1 963	1 799
Auditor remuneration comprises:	**20**	19
Other services	**—**	3
Audit services including interim review	**20**	16

15. CASH GENERATED FROM OPERATIONS

	2020 Rm (Reviewed)	2019 Rm (Audited)
Profit before tax	23 030	3 299
Adjustments for:		
Depreciation	4 521	3 488
Finance income	(538)	(368)
Finance cost	1 155	1 136
Share of profit of equity-accounted entities	(1 082)	(398)
Foreign currency adjustments	(1 225)	336
Impairments	—	2 432
Fair value adjustments on derivative financial instruments	508	1 402
Invitation premium paid on US$ bond conversion	509	—
Other	566	118
	27 444	11 445
Cash movements from changes in working capital:		
(Increase)/decrease in trade and other receivables	(261)	239
Increase in inventories	(7 375)	(152)
(Decrease)/increase in trade and other payables	(48)	312
Cash generated from operations	19 760	11 844

The cash and cash equivalents exposures of R13.3 billion, by country, are largely comprised of the South African rand, but also includes R1 214 million (2019: R39 million) in Zimbabwe, denominated in United States dollars, and R1 281 million (2019: Rnil) in Canada, denominated in Canadian dollars.

Restricted cash
Included in total cash and cash equivalents is restricted cash of R1 229 million, which mainly consists of R289 million (FY2019: R4 million) cash invested in the Impala Pollution Control, Rehabilitation and Closure Trust Fund, and R899 million (FY2019: Rnil) collateral for the Marula BEE loan.

Collateral of Marula BEE loan
Implats has entered into a pledge and cession in security arrangement to deliver on the guarantee of the Marula BEE partners' loan (note 10). This arrangement aims to facilitate the timeous settlement of Implats' obligations to Standard Bank.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
continued
for the year ended 30 June 2020

16. HEADLINE EARNINGS

	2020 Rm (Reviewed)	2019 Rm (Audited)
Profit attributable to owners of the Company	16 055	1 471
Remeasurement adjustments:		
Profit on disposal of property, plant and equipment	(43)	(60)
Bargain purchase on acquisition of North American Palladium	(11)	—
Impairments	—	2 432
Loss on reclassification of Waterberg investment	113	—
Insurance compensation relating to scrapping of property, plant and equipment	—	(64)
Total non-controlling interest effects of adjustments	—	(582)
Total tax effects of adjustments	12	(159)
Headline earnings	16 126	3 038
Adjusted for: Interest on dilutive ZAR convertible bonds (after tax at 28%)	257	245
Headline earnings used in the calculation of diluted earnings per share	16 383	3 283
Weighted average number of ordinary shares in issue for basic earnings per share (millions)	777.20	718.55
Adjusted for:		
Dilutive potential ordinary shares relating to Long-term Incentive Plan	11.55	6.15
Dilutive potential ordinary shares relating to ZAR convertible bonds	64.99	—
Weighted average number of ordinary shares for diluted earnings per share (millions)	853.74	789.69
Headline earnings per share (cents)		
Basic	2 075	423
Diluted	1 919	416

17. CONTINGENT LIABILITIES, GUARANTEES AND UNCERTAIN TAX MATTERS

Contingent liabilities and guarantees

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

The Group has issued guarantees of R4 633 million (2019: R1 587 million). Guarantees of R2 177 million (2019: R1 877 million) have been issued by third parties and financial institutions on behalf of the Group consisting mainly of guarantees to the Department of Mineral Resources and Energy for R1 754 million (2019: R 1 755 million).

Uncertain tax matters

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

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

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

South Africa

At 30 June 2020, the Group has certain unresolved historical tax matters relating mainly to bad debt deductions/provisions at its South African operations. In certain instances, the South African Revenue Service has issued additional assessments or queries relating to these matters and the Group has lodged objections to these assessments. The Group has tax practitioner and legal counsel opinions to support its objections. Should the Group be successful in its objection, it could result in a tax credit of up to R619 million (including interest).

17. CONTINGENT LIABILITIES, GUARANTEES AND UNCERTAIN TAX MATTERS continued

Uncertain tax matters continued

Zimbabwe

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

Legal matters

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

Foreign currency taxes

In accordance with the legislation governing the payment of taxes, Zimplats' operating subsidiary, Zimbabwe Platinum Mines (Private) Limited, is required to pay taxes in accordance with the laws of Zimbabwe, specifically the Income Tax Act, as read with the Finance Act (Chapter 23:04).

Through a Public Notice 26 of 2019 published on 19 June 2019, the tax authorities introduced a computation formula which would consequently require an apportionment of such income tax payment between ZW$ and US$. The Company has been lawfully computing and effecting payment of income taxes in local currency in settlement of tax liabilities. Expert view on this matter is that settlement of these taxes in this manner by the Company, is in full discharge of its obligations. It is however recognised that the tax authorities may hold a different interpretation of the fiscal legislation as read with the public notices available to guide tax payers.

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

18. RELATED PARTY TRANSACTIONS

	2020 Rm (Reviewed)	2019 Rm (Audited)
Associates		
Two Rivers		
Transactions with related party		
Purchases of metal concentrates	**6 229**	5 142
Year-end balances arising from transactions with related party:		
Payables to associate	**1 783**	1 361
Makgomo Chrome		
Transactions with related party		
Tailings fee expense	**11**	7
Sale of metal concentrates	**11**	7
Friedshelf		
Transactions with related party		
Interest accrued	**117**	122
Repayments	**173**	160
Year-end balances arising from transactions with related party:		
Borrowings – finance leases	**1 097**	1 154
The finance leases have an effective interest rate of 10.2%.		
Joint venture		
Mimosa		
Transactions with related party		
Refining fees	**187**	317
Interest received	**13**	17
Purchases of metal concentrates	**4 737**	4 876
Year-end balances arising from transactions with related party:		
Advance to joint venture[1]	**845**	1 004
Payables to joint venture	**992**	1 166

[1] *Advances have been offset against the metal-purchase trade creditor.*

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

Fixed and variable key management compensation was R163 million (June 2019: R97 million).

19. FINANCIAL INSTRUMENTS

Background and basis of preparation

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

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

	2020 Rm (Reviewed)	2019 Rm (Audited)
Financial assets – carrying amount		
Financial assets at amortised cost	16 583	11 170
Other financial assets	86	167
Trade receivables	2 774	1 403
Advances[1]	—	974
Other receivables	538	197
Employee receivables	143	187
Cash and cash equivalents	13 042	8 242
Financial assets at fair value through profit or loss[2,3]	697	381
Derivative financial instruments	—	381
Trade receivables	408	—
Cash and cash equivalents	289	—
Financial assets at fair value through other comprehensive income[4]	394	265
Total financial assets	17 674	11 816
Financial liabilities – carrying amount		
Financial liabilities at amortised cost	12 399	11 913
Borrowings	8 858	8 562
Other financial liability	51	47
Trade payables	3 264	3 296
Other payables	100	8
Bank overdraft	126	—
Financial instruments at fair value through profit or loss[3]	3 871	5 115
Trade payables – metal purchases	3 871	3 504
Advances[1]	(845)	—
Trade payables at fair value through profit or loss	4 716	3 504
Other financial liabilities	—	1 611
Total financial liabilities	16 270	17 028

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

The carrying amounts of financial assets and liabilities approximate their fair values except for the ZAR convertible bond (carrying amount R2 914 million), carried at amortised cost, which has a fair value of approximately R3 077 million. The fair value is categorised within level 3 of the fair value hierarchy. A discounted cash-flow valuation technique was used applying a 9.57% discount rate on the ZAR convertible bond.

19. FINANCIAL INSTRUMENTS continued

Significant estimates and judgements

19.1 Offsetting of advances against trade payables

Certain customers are granted advances based on a contractually agreed percentage of the fair value of their in-process metal purchases. The weighted average effective interest rate on advances was 1.5% (2019: 2.5%). The associated purchase liability serves as collateral for the advance.

Management has the legal right to offset the advance against the metal-purchase creditor and has the intention to settle the creditor on a net basis. Consequently, the advance has been offset against the creditor.

19.2 Fair value hedge accounting

The Group has a hedging strategy and accounting policy to manage the fair value risk (commodity price and foreign currency exchange risk) to which purchased metal (note 8), the hedged instrument, is exposed. The financial instrument used to hedge this risk is trade payables, related to metal purchases included in trade payables, measured at fair value through profit or loss. The fair value movements on this financial liability have been designated to hedge the price and foreign currency exchange risk on purchased metal inventory.

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

The effects of the fair value hedge are as follows:

	2020 Rm (Reviewed)	2019 Rm (Audited)[2]
Hedging instrument: Trade payables at fair value through profit or loss – metal purchases		
Carrying amount	**4 716**	3 504
Fair value loss used to determine hedge effectiveness	**1 362**	336
Hedged item: Metal purchases inventory		
Metal purchases exposed to fair value movement	**4 716**	3 504
Change in fair value of hedging instrument used to determine hedge effectiveness	**(1 362)**	(336)
Accumulated fair value hedge loss included in metal purchases in respect of closing inventory[1]	**372**	37

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

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

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

20. BUSINESS COMBINATION

With effect from 13 December 2019, Implats acquired control of North American Palladium Limited (NAP) through the acquisition of 100% of the outstanding shares for a cash consideration of C$983 million (US$747 million or R10 859 million). The acquisition of NAP, now Impala Canada, will improve the Group's competitive industry position, result in sustained profitability, strengthen financial returns and balances its commodity mix.

As part of the closing process, NAP amalgamated with Implats' wholly owned Canadian subsidiary, 11638050 Canada Inc. and NAP's wholly owned subsidiary Lac des Iles Mines Limited to form Impala Canada Limited (Impala Canada). Impala Canada is now a wholly owned subsidiary of Implats.

Impala Canada is a Canadian-based primary platinum group metals (PGM) producer previously listed on the TSX and the US OTC market. Impala Canada wholly owns and operates the Lac des Iles Mine northwest of Thunder Bay, Ontario, Canada and has an ownership in two Canadian exploration properties, the Sunday Lake Project and Shebandowan Joint Venture.

The Lac des Iles Mine has been in operation since 1993 and is an established PGM producer located in a stable and attractive mining jurisdiction. The operation comprises an underground mine, surface mining activities, and a 13 500 tonnes per day (c.400 000 tonnes per month) concentrator plant. It benefits from year-round road access and low-cost green power from the provincial grid.

The following table summarises the provisionally recognised fair value of assets acquired and liabilities assumed at the acquisition date:

	Rm
Assets	
Property, plant and equipment	11 067
Inventories	480
Trade and other receivables[1]	982
Cash and cash equivalents	1 428
	13 957
Less: Liabilities	
Rehabilitation provision	289
Deferred tax liabilities	2 092
Borrowings	76
Trade and other payables	583
Income tax payable	47
	3 087
Total fair value of identifiable assets and liabilities assumed	10 870
Bargain purchase on acquisition of NAP[2]	(11)
Total consideration	10 859
Comprising the following:	
Cash	5 857
Borrowings (note 9)	5 002
	10 859
Net cash flow on acquisition of NAP business	
Cash consideration	10 859
Less: Cash and cash equivalent balances acquired	(1 428)
	9 431

[1] The fair value of trade receivables (R921 million) and other receivables (R61 million) represent the gross contractual amounts receivable all of which were subsequently collected.
[2] Included in "other" of other income.

Acquisition-related costs of R147 million comprising advisory and legal were incurred by Implats. These costs are included in other expenses.

20. BUSINESS COMBINATION continued

	Rm
Revenue and profit of Impala Canada since the acquisition date included in the consolidated statement of comprehensive income for the reporting period:	
Revenue	3 254
Profit for the year	174
NAP contribution had it been consolidated from 1 July 2019:	
Revenue	6 363
Profit for the year	882

Significant estimates and judgements
Mineral reserve valuation
Mineral reserve estimation has been valued through the discounted cash flow methodology after adjusting for fair value adjustments on contributing assets.

The key financial assumptions for the discounted cash flow value are:
- Long-term real price per palladium ounce sold of R21 200
- Long-term real discount rate – a range of 8.5% to 10%.

Accounting policy
Business combinations
The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are expensed.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the acquisition date. The excess of the aggregate of the cost of the acquisition, the non-controlling interest and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed is recognised as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the gain is recognised directly in profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured either at the non-controlling interest's proportionate share of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. Any difference between the fair value of the consideration paid or received and the carrying amount of the non-controlling interest, is recognised directly in equity and attributed to the owners of the Company.

The profit or loss realised when control is lost by the Group as a result of the disposal of an entity is calculated after taking into account any related goodwill.

21. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Dividends

The board declared a final cash dividend on 3 September 2020 in respect of the financial year ended 30 June 2020. The final dividend has been declared in terms of the newly approved dividend policy to declare 30% of free cash flow pre-growth capital, subject to the board's discretion.

The dividend of 400 cents per ordinary share or R3 113 million in aggregate is to be paid out of retained earnings, but not recognised as a liability at year-end. The dividend will have no tax consequence for the Group, but will be subject to 20% withholding tax for shareholders who are not exempt from or do not qualify for a reduced rate of withholding tax.

The dividend is payable on Monday, 28 September 2020 to shareholders recorded in the register at the close of business, 25 September 2020.

	2020 Rm (Reviewed)	2019 Rm (Audited)
Dividends paid:		
Interim dividend No 92 for 2020 of 125 cents per ordinary share	973	—

BEE loan refinancing

The debt due to Standard Bank in respect of the original Marula BEE transaction was expected to be repaid in June 2020. However, in April this year, the Group requested an extension to the maturity date to 30 September 2020 to provide the Group with additional liquidity in light of the uncertainty around the impact of Covid-19 on the Group's operations but also to allow management time to finalise the refinancing of the original BEE deal. Prior to year-end, the Group had pledged the required funds in settlement of this debt to Standard Bank and consequently, approximately R899 million was reflected as restricted cash at year-end.

In addition, the Group is in the process of concluding a refinancing of the loan with the empowerment partners, which will also include the establishment of an employee share ownership trust. This will be completed prior to the amended repayment date. The transaction, which is a non-adjusting event at 30 June 2020, will be accounted for as a share-based payment transaction and the BEE cost will be determined and expensed at the effective date of the transaction. The non-controlling interest will be recognised when the loan is substantially repaid, at which point the BEE partners' rights to the shares in Marula become unconditional.

Cancellation of treasury shares

Implats has 16 233 994 treasury shares which are held by its subsidiary, Gazelle Platinum Limited. On 26 August 2020, the board adopted a resolution to repurchase the shares from Gazelle and following the repurchase, delist and cancel these shares. The transaction is subject to shareholder approval at the AGM to be held on 14 October 2020. This will be a non-cash transaction and will not have any impact on the Group condensed consolidated financial statements as these shares are reflected as treasury shares in the consolidated annual financial statements of the Company. The new issued capital of the Company will reduce to 782 800 153 following the implementation of the share repurchase agreement.

The directors are not aware of any other subsequent events which materially impact the condensed consolidated financial statements.

KEY STATISTICS

RESPECT, CARE
AND DELIVER

IMPLATS
EXCELLENCE IN PGMs

IMPALA (EX-MINE) KEY STATISTICS

		FY2020	FY2019	Variance %
Mining sales	(Rm)	**30 220**	21 522	40.4
Platinum	(Rm)	**8 855**	8 739	1.3
Palladium	(Rm)	**9 099**	6 233	46.0
Rhodium	(Rm)	**8 858**	3 625	144.4
Nickel	(Rm)	**1 036**	696	48.9
Chrome	(Rm)	**108**	199	(45.7)
Other	(Rm)	**2 264**	2 030	11.5
Cost of sales	(Rm)	**(21 302)**	(20 045)	(6.3)
On-mine operations	(Rm)	**(12 414)**	(12 878)	3.6
Processing operations excl smelter	(Rm)	**(2 165)**	(2 096)	(3.3)
Smelting operations	(Rm)	**(934)**	(993)	5.9
Refining and marketing operations	(Rm)	**(957)**	(826)	(15.9)
Head office costs	(Rm)	**(283)**	(252)	(12.3)
Abnormal production costs	(Rm)	**(998)**	–	–
Share-based payments and other	(Rm)	**(280)**	(145)	(93.1)
Royalty expense	(Rm)	**(531)**	(222)	(139.2)
Depreciation	(Rm)	**(2 232)**	(2 330)	4.2
Change in metal inventories	(Rm)	**(508)**	(303)	(67.7)
Mining gross profit	(Rm)	**8 918**	1 477	503.8
Other	(Rm)	**(23)**	43	(153.5)
Profit before tax	(Rm)	**8 895**	1 520	485.2
Income tax expense	(Rm)	**(2 366)**	(335)	(606.3)
Net profit for the year	(Rm)	**6 529**	1 185	451.0
Gross margin ex mine	(%)	**29.5**	6.9	327.5
EBITDA	(Rm)	**11 606**	4 507	157.5
Sales volumes ex mine				
6E	(000oz)	**1 254.0**	1 438.3	(12.8)
Platinum	(000oz)	**653.1**	744.1	(12.2)
Palladium	(000oz)	**322.8**	372.0	(13.2)
Rhodium	(000oz)	**89.4**	100.0	(10.6)
Nickel	(tonnes)	**4 720**	3 894	21.2
Prices achieved ex mine				
Platinum	(US$/oz)	**892**	827	7.9
Palladium	(US$/oz)	**1 868**	1 180	58.3
Rhodium	(US$/oz)	**6 371**	2 560	148.9
Nickel	(US$/t)	**14 557**	12 613	15.4
Exchange rate achieved ex mine	(R/US$)	**15.28**	14.19	7.7
Revenue per 6E ounce	(R/oz)	**23 541**	14 889	58.1

		FY2020	FY2019	Variance %
Production ex mine				
Tonnes milled ex-mine	(000t)	**9 635**	11 211	(14.1)
% UG2 milled	(%)	**54.4**	56.9	(4.4)
Development metres	(metres)	**82 597**	85 081	(2.9)
Headgrade (6E)	(g/t)	**3.91**	3.99	(2.0)
6E stock adjusted	(000oz)	**1 115.3**	1 298.2	(14.1)
6E refined	(000oz)	**1 270.1**	1 390.8	(8.7)
Platinum refined	(000oz)	**638.3**	753.8	(15.3)
Palladium refined	(000oz)	**343.2**	332.0	3.4
Rhodium refined	(000oz)	**100.0**	86.9	15.1
Nickel refined	(tonnes)	**4 720**	3 439	37.2
Total cost	(Rm)	**16 753**	17 045	1.7
	(US$m)	**1 069**	1 201	11.0
Per tonne milled	(R/t)	**1 739**	1 520	(14.4)
	(US$/t)	**111**	107	(3.7)
Per 6E ounce refined	(R/oz)	**13 190**	12 256	(7.6)
	(US$/oz)	**842**	864	2.5
Per platinum ounce refined	(R/oz)	**26 246**	22 612	(16.1)
	(US$/oz)	**1 674**	1 593	(5.1)
Per 6E stock adjusted	(R/oz)	**15 021**	13 130	(14.4)
	(US$/oz)	**958**	925	(3.6)
Capital expenditure	(Rm)	**1 758**	2 006	12.4
	(US$m)	**112**	141	20.6
Stay-in-business capital	(Rm)	**1 427**	1 603	11.0
Replacement capital	(Rm)	**331**	403	17.9
Labour including capital as at 30 June	(no)	**39 375**	39 523	0.4
Own employees	(no)	**28 754**	28 258	(1.8)
Contractors	(no)	**10 621**	11 265	5.7
Centares per panel man per month	(m^2/man/month)	**17.7**	20.5	(13.7)
Tonnes milled per employee costed*	(t/man/annum)	**245**	289	(15.2)

* *Average working cost employees including contractors.*

MARULA KEY STATISTICS

		FY2020	FY2019	Variance %
Sales	(Rm)	**5 272**	2 976	77.2
Platinum	(Rm)	**937**	835	12.2
Palladium	(Rm)	**2 053**	1 257	63.3
Rhodium	(Rm)	**1 565**	562	178.5
Nickel	(Rm)	**43**	34	26.5
Other	(Rm)	**101**	132	(23.5)
Movement in commodity prices and exchange rate	(Rm)	**573**	156	267.3
Cost of sales	(Rm)	**(2 865)**	(2 676)	(7.1)
On-mine operations	(Rm)	**(2 004)**	(2 027)	1.1
Processing operations	(Rm)	**(251)**	(264)	4.9
Abnormal production costs	(Rm)	**(150)**	–	–
Share-based payments and other	(Rm)	**(3)**	(51)	94.1
Royalty expense	(Rm)	**(207)**	(119)	(73.9)
Treatment charges	(Rm)	**(4)**	(4)	–
Depreciation	(Rm)	**(246)**	(211)	(16.6)
Gross profit	(Rm)	**2 407**	300	702.3
Other	(Rm)	**(45)**	(24)	(87.5)
Profit before tax	(Rm)	**2 362**	276	755.8
Income tax expense	(Rm)	**(689)**	(87)	(692.0)
Net profit for the year	(Rm)	**1 673**	189	785.2
Intercompany adjustment*	(Rm)	**(643)**	(205)	(213.7)
Gross margin	(%)	**45.7**	10.1	352.5
EBITDA	(Rm)	**2 583**	469	450.7
Sales volumes in concentrate				
6E	(000oz)	**210.2**	216.6	(3.0)
Platinum	(000oz)	**80.4**	82.8	(2.9)
Palladium	(000oz)	**82.5**	84.6	(2.5)
Rhodium	(000oz)	**16.6**	17.3	(4.0)
Nickel	(tonnes)	**266**	270	(1.6)
Prices achieved in concentrate				
Platinum	(US$/oz)	**760**	710	7.0
Palladium	(US$/oz)	**1 612**	1 042	54.7
Rhodium	(US$/oz)	**5 430**	2 200	146.8
Nickel	(US$/t)	**10 474**	8 962	16.9
Exchange rate achieved	(R/US$)	**16.03**	14.36	11.6
Revenue per 6E ounce	(R/oz)	**22 335**	13 001	71.8

* *Adjustment note: The adjustment relates to sales from Marula to the Implats group which at year-end were still in the pipeline.*

		FY2020	FY2019	Variance %
Production				
Tonnes milled ex-mine	(000t)	**1 636**	1 772	(7.7)
Headgrade	(g/t)	**4.70**	4.40	6.9
6E in concentrate	(000oz)	**210.5**	216.9	(3.0)
Platinum in concentrate	(000oz)	**80.5**	83.0	(3.0)
Palladium in concentrate	(000oz)	**82.6**	84.7	(2.5)
Rhodium in concentrate	(000oz)	**16.6**	17.3	(4.0)
Nickel in concentrate	(tonnes)	**270**	270	(0.1)
Total cost	(Rm)	**2 255**	2 291	1.6
	(US$m)	**144**	161	10.6
Per tonne milled	(R/t)	**1 378**	1 293	(6.6)
	(US$/t)	**88**	91	3.3
Per 6E ounce in concentrate	(R/oz)	**10 713**	10 562	(1.4)
	(US$/oz)	**683**	744	8.2
Per platinum ounce in concentrate	(R/oz)	**28 012**	27 602	1.5
	(US$/oz)	**1 787**	1 945	(8.1)
Capital expenditure	(Rm)	**340**	152	(123.7)
	(US$m)	**22**	11	(100.0)
Stay-in-business capital	(Rm)	**324**	138	(134.8)
Replacement capital	(Rm)	**16**	14	(14.3)
Labour including capital as at 30 June	(no)	**4 360**	4 072	(7.1)
Own employees	(no)	**3 325**	3 312	(0.4)
Contractors	(no)	**1 035**	760	(36.2)
Centares per panel man per month	(m^2/man)	**19.3**	21.5	(10.2)
Tonnes milled per employee costed**	(t/man/annum)	**386**	445	(13.2)

*** Average working cost employees including contractors.*

IMPALA CANADA KEY STATISTICS

		FY2020
Sales	(Rm)	3 254
Platinum	(Rm)	75
Palladium	(Rm)	2 815
Other	(Rm)	213
Movement in commodity prices	(Rm)	151
Cost of sales	(Rm)	(2 375)
On-mine operations	(Rm)	(873)
Processing operations	(Rm)	(288)
Corporate costs	(Rm)	(105)
Abnormal production costs	(Rm)	(128)
Share-based payments and other	(Rm)	(2)
Royalty expense	(Rm)	(143)
Treatment charges	(Rm)	(34)
Depreciation	(Rm)	(611)
Change in inventories	(Rm)	(191)
Gross profit	(Rm)	879
Other	(Rm)	(550)
Profit before tax	(Rm)	329
Income tax expense	(Rm)	(144)
Net profit for the year	(Rm)	185
Gross margin	(%)	27.0
EBITDA	(Rm)	1 231
Sales volumes in concentrate		
6E	(000oz)	96.9
Platinum	(000oz)	6.7
Palladium	(000oz)	83.9
Prices achieved in concentrate		
Platinum	(US$/oz)	684
Palladium	(US$/oz)	2 055
Exchange rate achieved	(C$/US$)	1.36
Exchange rate achieved	(R/US$)	16.33
Revenue per 6E ounce	(R/oz)	31 660

		FY2020
Production		
Tonnes milled	(000t)	1 553
Headgrade (6E)	(g/t)	2.45
6E in concentrate	(000oz)	97.4
Platinum in concentrate	(000oz)	6.4
Palladium in concentrate	(000oz)	84.7
Total cost	(Rm)	1 266
	(C$m)	105
Per tonne milled	(R/t)	815
	(C$/t)	67
Per 6E ounce in concentrate	(R/oz)	12 998
	(C$/oz)	1 076
Capital expenditure	(Rm)	657
	(C$m)	54
Labour including capital at period end	(no)	879
Own employees	(no)	770
Contractors	(no)	109
Tonnes milled per employee costed*	(t/man/annum)	1 811

* *Average working cost employees including contractors.*

ZIMPLATS KEY STATISTICS

		FY2020	FY2019	Variance %
Sales	(Rm)	**14 426**	8 954	61.1
Platinum	(Rm)	**3 282**	2 761	18.9
Palladium	(Rm)	**6 138**	3 365	82.4
Rhodium	(Rm)	**2 190**	744	194.4
Nickel	(Rm)	**872**	700	24.6
Other	(Rm)	**1 153**	911	26.6
Movement in commodity prices	(Rm)	**791**	473	67.2
Cost of sales	(Rm)	**(7 398)**	(6 292)	(17.6)
On-mine operations	(Rm)	**(3 290)**	(2 781)	(18.3)
Processing excl smelter	(Rm)	**(1 540)**	(1 292)	(19.2)
Smelting operations	(Rm)	**(291)**	(272)	(7.0)
Head office costs	(Rm)	**(579)**	(587)	1.4
Share-based payments	(Rm)	**(152)**	(55)	(176.4)
Royalty expense	(Rm)	**(485)**	(303)	(60.1)
Treatment charges	(Rm)	**1**	(15)	106.7
Depreciation	(Rm)	**(1 427)**	(941)	(51.6)
Change in metal inventories	(Rm)	**365**	(46)	893.5
Gross profit/(loss)	(Rm)	**7 028**	2 662	164.0
Other	(Rm)	**(126)**	370	(134.1)
Profit before tax	(Rm)	**6 902**	3 032	127.6
Income tax expense	(Rm)	**(1 998)**	(1 133)	(76.3)
Net profit for the year	(Rm)	**4 904**	1 899	158.2
Intercompany adjustment*	(Rm)	**(1 542)**	(429)	(259.4)
Gross margin	(%)	**48.7**	29.7	64.0
EBITDA	(Rm)	**8 273**	4 015	106.1
Sales volumes in matte**				
6E	(000oz)	**554.9**	573.0	(3.2)
Platinum	(000oz)	**254.0**	264.9	(4.1)
Palladium	(000oz)	**218.3**	221.6	(1.5)
Rhodium	(000oz)	**22.5**	23.3	(3.4)
Nickel	(tonnes)	**4 992**	5 234	(4.6)
Prices achieved in matte**				
Platinum	(US$/oz)	**778**	734	6.0
Palladium	(US$/oz)	**1 694**	1 070	58.3
Rhodium	(US$/oz)	**5 860**	2 247	160.8
Nickel	(US$/t)	**10 523**	9 424	11.7
Exchange rate achieved	(R/US$)	**16.60**	14.19	17.0
Revenue per 6E ounce	(R/oz)	**24 572**	14 776	66.3

* *Adjustment note: The adjustment relates to sales from Zimplats to the Implats group which at year-end were still in the pipeline.*
** *Including 6E ounces in concentrate sold.*

		FY2020	FY2019	Variance %
Production				
Tonnes milled ex-mine	(000t)	**6 751**	6 486	4.1
Headgrade (6E)	(g/t)	**3.48**	3.48	—
6E in matte**	(000oz)	**580.2**	579.6	0.1
Platinum in matte**	(000oz)	**266.9**	269.9	(1.1)
Palladium in matte**	(000oz)	**228.0**	223.0	2.2
Rhodium in matte**	(000oz)	**23.4**	23.9	(2.1)
Nickel in matte**	(tonnes)	**4 991**	5 295	(5.7)
Total cost	(Rm)	**5 700**	4 932	(15.6)
	(US$m)	**364**	348	(4.6)
Per tonne milled**	(R/t)	**844**	760	(11.1)
	(US$/t)	**54**	54	–
Per 6E ounce in matte**	(R/oz)	**9 824**	8 509	(15.5)
	(US$/oz)	**627**	600	(4.5)
Per platinum ounce in matte**	(R/oz)	**21 356**	18 273	(16.9)
	(US$/oz)	**1 362**	1 288	(5.7)
Capital expenditure	(Rm)	**1 733**	1 628	(6.4)
	(US$m)	**111**	115	3.5
Stay-in-business capital	(Rm)	**1 202**	1 182	(1.7)
	(US$m)	**77**	84	8.3
Replacement capital	(Rm)	**524**	418	(25.4)
	(US$m)	**33**	29	(13.8)
Expansion capital	(Rm)	**7**	28	75.0
	(US$m)	**–**	2	100.0
Labour including capital as at 30 June	(no)	**6 130**	7 117	13.9
Own employees	(no)	**3 332**	3 326	(0.2)
Contractors	(no)	**2 798**	3 791	26.2
Tonnes milled per employee costed***	(t/man/annum)	**1 355**	1 208	12.2

*** Including 6E ounces in concentrate sold.*

**** Average working cost employees including contractors.*

MIMOSA KEY STATISTICS

		FY2020	FY2019	Variance %
Sales	(Rm)	**5 356**	4 448	20.4
Platinum	(Rm)	**1 245**	1 348	(7.6)
Palladium	(Rm)	**1 990**	1 505	32.2
Rhodium	(Rm)	**598**	324	84.6
Nickel	(Rm)	**564**	576	(2.1)
Other	(Rm)	**510**	566	(9.9)
Movement in commodity prices	(Rm)	**449**	129	248.1
Cost of sales	(Rm)	**(3 494)**	(3 675)	4.9
On-mine operations	(Rm)	**(2 168)**	(1 996)	(8.6)
Processing operations	(Rm)	**(720)**	(679)	(6.0)
Selling and administration	(Rm)	**(94)**	(177)	46.9
Royalty expense	(Rm)	**(179)**	(133)	(34.6)
Treatment charges	(Rm)	**(277)**	(313)	11.5
Depreciation	(Rm)	**(529)**	(449)	(17.8)
Change in metal inventories	(Rm)	**473**	72	556.9
Gross profit	(Rm)	**1 862**	773	140.9
Gross margin	(%)	**34.8**	17.4	100.0
Profit for the year	(Rm)	**1 062**	348	205.2
50% attributable to Implats	(Rm)	**531**	174	205.2
Intercompany adjustment*	(Rm)	**(110)**	(47)	134.0
Share of profit in Implats group	(Rm)	**421**	127	231.5
Sales volumes in concentrate				
6E	(000oz)	**204.2**	255.5	(20.1)
Platinum	(000oz)	**96.5**	119.7	(19.4)
Palladium	(000oz)	**76.0**	94.6	(19.7)
Rhodium	(000oz)	**8.3**	10.5	(21.0)
Nickel	(tonnes)	**2 877**	3 525	(18.4)
Prices achieved in concentrate				
Platinum	(US$/oz)	**823**	790	4.2
Palladium	(US$/oz)	**1 671**	1 225	36.4
Rhodium	(US$/oz)	**4 597**	2 386	92.7
Nickel	(US$/t)	**12 509**	11 247	11.2
Exchange rate achieved	(R/US$)	**15.67**	14.19	10.4
Revenue per 6E ounce	(R/oz)	**22 665**	15 679	44.6

* *Adjustment note: The adjustment relates to sales from Mimosa to the Implats group which at year-end were still in the pipeline.*

		FY2020	FY2019	Variance %
Production				
Tonnes milled ex-mine	(000t)	**2 701**	2 814	(4.0)
Headgrade (6E)	(g/t)	**3.85**	3.83	0.5
6E in concentrate	(000oz)	**247.8**	260.6	(4.9)
Platinum in concentrate	(000oz)	**116.6**	122.1	(4.5)
Palladium in concentrate	(000oz)	**91.7**	96.7	(5.2)
Rhodium in concentrate	(000oz)	**9.8**	10.5	(6.7)
Nickel in concentrate	(tonnes)	**3 421**	3 567	(4.1)
Total cost	(Rm)	**2 982**	2 852	(4.6)
	(US$m)	**190**	201	5.5
Per tonne milled	(R/t)	**1 104**	1 014	(8.9)
	(US$/t)	**70**	71	1.4
Per 6E ounce in concentrate	(R/oz)	**12 034**	10 944	(10.0)
	(US$/oz)	**768**	771	0.4
Per platinum ounce in concentrate	(R/oz)	**25 575**	23 358	(9.5)
	(US$/oz)	**1 632**	1 646	0.9
Capital expenditure	(Rm)	**679**	693	2.0
	(US$m)	**43**	49	12.2
Labour including capital as at 30 June	(no)	**3 522**	3 456	(1.9)
Own employees	(no)	**1 291**	1 336	3.4
Contractors	(no)	**2 231**	2 120	(5.2)
Tonnes milled per employee costed**	(t/man/annum)	**1 170**	1 220	(4.1)

*** Average working cost employees including contractors.*

TWO RIVERS KEY STATISTICS

		FY2020	FY2019	Variance %
Sales	(Rm)	**6 203**	4 027	54.0
Platinum	(Rm)	**1 474**	1 479	(0.3)
Palladium	(Rm)	**1 996**	1 297	53.9
Rhodium	(Rm)	**2 289**	849	169.6
Nickel	(Rm)	**90**	80	12.5
Other	(Rm)	**97**	188	(48.4)
Movement in commodity prices and exchange rate	(Rm)	**257**	134	91.8
Cost of sales	(Rm)	**(3 394)**	(3 064)	(10.8)
Mining operations	(Rm)	**(2 016)**	(2 103)	4.1
Processing operations	(Rm)	**(467)**	(448)	(4.2)
Treatment charges	(Rm)	**(30)**	(33)	9.1
Chrome cost	(Rm)	**(55)**	(54)	(1.9)
Royalty expense	(Rm)	**(344)**	(112)	(207.1)
Depreciation	(Rm)	**(371)**	(338)	(9.8)
Change in metal inventories	(Rm)	**(111)**	24	(562.5)
Gross profit	(Rm)	**2 809**	963	191.7
Gross margin	(%)	**45.3**	23.9	89.5
Profit for the year	(Rm)	**1 979**	598	230.9
46% attributable to Implats	(Rm)	**910**	275	230.9
Intercompany adjustment*	(Rm)	**(223)**	(24)	(829.2)
Share of profit in Implats group	(Rm)	**687**	251	173.7
Sales volumes in concentrate				
6E	(000oz)	**261.2**	317.3	(17.7)
Platinum	(000oz)	**122.4**	148.8	(17.7)
Palladium	(000oz)	**73.4**	87.3	(15.9)
Rhodium	(000oz)	**21.1**	25.9	(18.5)
Nickel	(tonnes)	**472**	552	(14.5)
Prices achieved in concentrate				
Platinum	(US$/oz)	**768**	698	10.1
Palladium	(US$/oz)	**1 736**	1 112	56.2
Rhodium	(US$/oz)	**6 917**	2 489	177.8
Nickel	(US$/t)	**12 119**	10 265	18.1
Exchange rate achieved	(R/US$)	**15.67**	14.19	10.4
Revenue per 6E ounce	(R/oz)	**22 437**	11 995	87.1

* *Adjustment note: The adjustment relates to sales from Two Rivers to the Implats group which at year-end were still in the pipeline.*

		FY2020	FY2019	Variance %
Production				
Tonnes milled ex-mine	(000t)	3 016	3 405	(11.4)
Headgrade	(g/t)	3.45	3.52	(2.0)
6E in concentrate	(000oz)	261.0	313.4	(16.7)
Platinum in concentrate	(000oz)	122.4	147.2	(16.8)
Palladium in concentrate	(000oz)	73.2	86.0	(14.9)
Rhodium in concentrate	(000oz)	21.2	25.6	(17.2)
Nickel in concentrate	(tonnes)	481	552	(12.9)
Total cost	(Rm)	2 483	2 551	2.7
	(US$m)	158	180	12.2
Per tonne milled	(R/t)	823	749	(9.9)
	(US$/t)	53	53	0.0
Per 6E ounce in concentrate	(R/oz)	9 513	8 140	(16.9)
	(US$/oz)	607	574	(5.7)
Per platinum ounce in concentrate	(R/oz)	20 286	17 330	(17.1)
	(US$/oz)	1 294	1 221	(6.0)
Capital expenditure	(Rm)	800	571	(40.1)
	(US$m)	51	40	(27.5)
Labour including capital as at 30 June	(no)	3 329	3 261	(2.1)
Own employees	(no)	2 365	2 336	(1.2)
Contractors	(no)	964	925	(4.2)
Tonnes milled per employee costed**	(t/man/annum)	911	1 070	(14.9)

*** Average working cost employees including contractors.*

IRS KEY STATISTICS

		FY2020	FY2019	Variance %
Sales	(Rm)	**36 304**	26 899	35.0
Platinum	(Rm)	**9 729**	9 057	7.4
Palladium	(Rm)	**13 716**	9 415	45.7
Rhodium	(Rm)	**8 947**	3 848	132.5
Nickel	(Rm)	**1 285**	1 622	(20.8)
Other	(Rm)	**2 627**	2 957	(11.2)
Cost of sales	(Rm)	**(30 279)**	(23 534)	(28.7)
Metals purchased	(Rm)	**(38 160)**	(23 676)	(61.2)
Smelting operations	(Rm)	**(593)**	(493)	(20.3)
Refining and marketing operations	(Rm)	**(763)**	(795)	4.0
Head office costs	(Rm)	**(172)**	(142)	(21.1)
Change in metal inventories	(Rm)	**9 409**	1 572	498.5
Gross profit	(Rm)	**6 025**	3 365	79.0
Other	(Rm)	**(21)**	(169)	87.6
Profit before tax	(Rm)	**6 004**	3 196	(100.0)
Income tax expense	(Rm)	**(1 688)**	(1 116)	(51.3)
Net profit for the year	(Rm)	**4 316**	2 080	107.5
Gross margin	(%)	**16.6**	12.5	32.8
EBITDA	(Rm)	**5 974**	3 249	83.9

		FY2020	FY2019	Variance %
Total sales volumes				
6E	(000oz)	**1 449**	1 611	(10.0)
Platinum	(000oz)	**713**	771	(7.6)
Palladium	(000oz)	**470**	557	(15.6)
Rhodium	(000oz)	**85**	105	(19.7)
Nickel	(tonnes)	**6 253**	9 040	(30.8)
Prices achieved				
Platinum	(US$/oz)	**877**	827	6.0
Palladium	(US$/oz)	**1 862**	1 185	57.1
Rhodium	(US$/oz)	**6 615**	2 559	158.5
Nickel	(US$/t)	**14 959**	12 618	18.6
Exchange rate achieved	(R/US$)	**15.67**	14.19	10.4
Revenue per 6E ounce	(R/oz)	**25 008**	16 150	54.8
Refined production				
Platinum	(000oz)	**705.7**	772.4	(8.6)
Palladium	(000oz)	**470.0**	577.6	(18.6)
Rhodium	(000oz)	**80.6**	118.9	(32.2)
Nickel	(tonnes)	**10 666**	12 609	(15.4)
6E refined production	(000oz)	**1 452.7**	1 682.7	(13.7)
Metal returned				
Platinum	(000oz)	**0.1**	0.7	(85.7)
Palladium	(000oz)	**1.0**	2.9	(65.5)
Rhodium	(000oz)	**—**	—	—
Nickel	(tonnes)	**2 949**	3 516	(16.1)

NON-GAAP INFORMATION
for the year ended 30 June 2020

		FY2020	FY2019
COST PER 6E OUNCE REFINED (STOCK ADJUSTED)			
On-mine operations[1]	(Rm)	**18 581**	17 686
Concentrating and smelting operations	(Rm)	**6 096**	5 410
Concentrating operations[1]	(Rm)	**4 244**	3 652
Smelting operations[2]	(Rm)	**1 852**	1 758
Refining operations[2]	(Rm)	**1 720**	1 621
Head office costs[1]	(Rm)	**1 139**	981
	(Rm)	**27 536**	25 698
Managed operations 6E ounces: stock adjusted[1]	(000oz)	**1 985**	2 069
Gross 6E ounces[2]	(000oz)	**2 813**	3 074
Cost per 6E ounce			
On-mine operations[1]	(R/oz)	**9 363**	8 548
Concentrating operations[1]	(R/oz)	**2 138**	1 765
Smelting operations[2]	(R/oz)	**658**	572
Refining operations[2]	(R/oz)	**612**	527
Head office costs[1]	(R/oz)	**574**	474
	(R/oz)	**13 345**	11 886

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

		FY2020	FY2019
FREE CASH FLOW			
Net cash from operating activities	(Rm)	**17 122**	10 658
Capital expenditure	(Rm)	**(4 248)**	(3 877)
Interest received	(Rm)	**532**	358
Net investments	(Rm)	**989**	546
Free cash flow	(Rm)	**14 395**	7 685

		FY2020	FY2019
EBITDA			
Profit before taxation	(Rm)	**23 030**	3 299
Finance income	(Rm)	**(538)**	(368)
Finance cost	(Rm)	**1 155**	1 136
Depreciation and amortisation	(Rm)	**4 521**	3 488
Associates adjustment of EBITDA	(Rm)	**1 159**	661
Adjustments to headline earnings	(Rm)	**59**	2 308
EBITDA (earnings before interest, tax and depreciation)	(Rm)	**29 386**	10 524

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