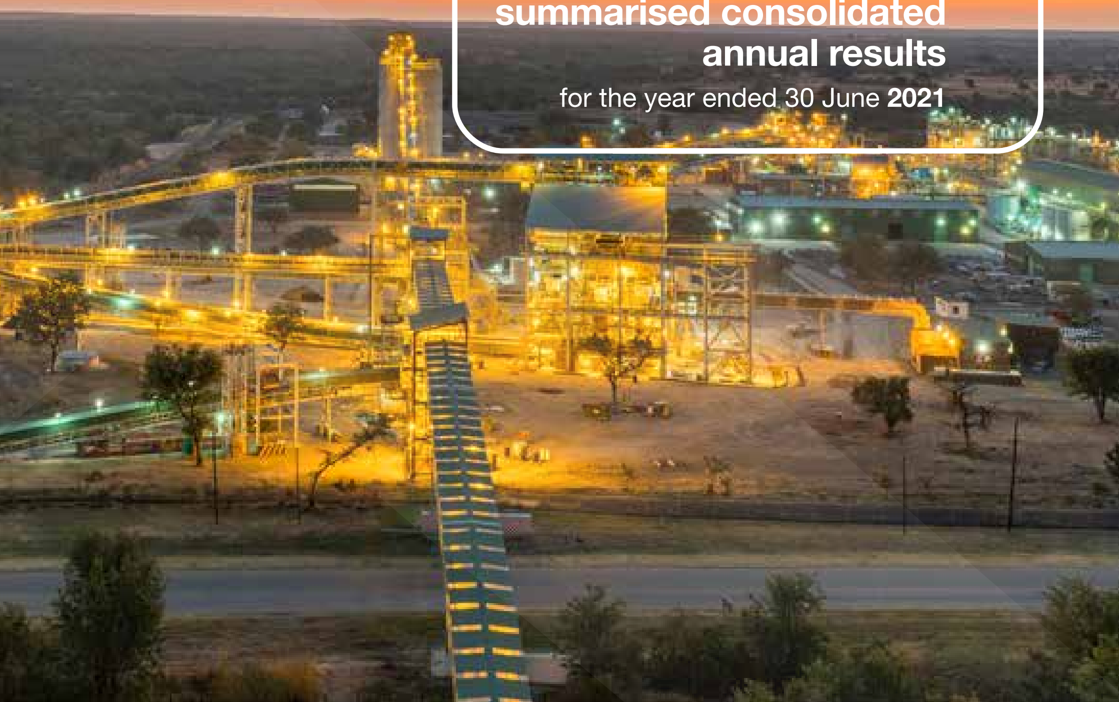
IMPLATS
EXCELLENCE IN PGMs

Creating a better future

Audited preliminary summarised consolidated annual results

for the year ended 30 June **2021**



Our purpose, vision 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 2021
Johannesburg

Sponsor to Implats
Nedbank Corporate and Investment Banking

Creating a better future

Our purpose
Creating a better future

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

Our values
Respect, care and deliver

Key features for the 12 months

Implats is a leading producer of platinum group metals (PGMs) structured around six mining operations and Impala Refining Services, a toll refining business.

Our operations are located on the Bushveld Complex in South Africa, the Great Dyke in Zimbabwe – the two most significant PGM-bearing ore bodies in the world – and the Canadian Shield.

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

Safety

- Regrettably, three fatal injuries recorded at managed operations
- 48% improvement in FIFR to 0.026*
- 13% improvement in TIFR to 9.84*

* *Per million man-hours worked*

Financial

- Gross profit of R53.5bn (+130%) and EBITDA of R61.4bn (+109%)
- Headline earnings of R36.4bn (+125%) or R46.35 per share
- Free cash flow of R38.3bn (+166%)
- R23.5bn cash net of debt
- Debt free and improved liquidity headroom of R30.9bn
- 70% of free cash flow allocated to shareholder returns through repurchases of ZAR convertible bonds and payments of cash dividends
- Final dividend of R12.00 per share, bringing total FY2021 dividend to R22.00 per share

Operational

- Successfully navigated Covid-19-related operational challenges
- 18% increase in managed 6E concentrate production to 2.37Moz
- 10% increase in joint venture operations
- 6E concentrate production to 561koz
- 9% increase in third-party 6E receipts to 358koz
- 16% increase in refined 6E production to 3.27Moz
- 17% increase in 6E sales volumes of 3.27Moz
- Group unit costs per 6E rose 11% to R14 840/oz on a stock-adjusted basis
- Consolidated Group capital expenditure of R6.4bn

Market

- 6E dollar basket pricing up 59% to US$2 587/oz driven by record Rh and Pd prices
- Rand revenue per 6E ounce sold increased by 59% to R39 478/oz
- Fundamental deficits in Pt, Pd and Rh markets in 2020
- Continued tightening in markets for Pd and Rh to support higher pricing in the medium term
- Pt prospects remain muted in the near term, but growing momentum for development of hydrogen economy
- Global focus on the critical role South Africa plays in PGM supply

Operating statistics

		Year ended 30 June 2021	Year ended 30 June 2020	Variance %
Gross refined production				
6E	(000oz)	**3 270.6**	2 812.7	16
Platinum	(000oz)	**1 516.6**	1 349.3	12
Palladium	(000oz)	**1 121.4**	892.0	26
Rhodium	(000oz)	**193.4**	180.6	7
Nickel	(tonnes)	**15 443**	15 387	0
IRS metal returned (toll refined)				
6E	(000oz)	**1.6**	1.0	60
Platinum	(000oz)	**0.1**	0.1	–
Palladium	(000oz)	**1.5**	1.0	50
Rhodium	(000oz)	**–**	–	
Nickel	(tonnes)	**3 984**	2 949	35
Sales volumes				
6E	(000oz)	**3 274.4**	2 792.9	17
Platinum	(000oz)	**1 396.5**	1 371.0	2
Palladium	(000oz)	**1 092.8**	871.7	25
Rhodium	(000oz)	**200.2**	174.0	15
Nickel	(tonnes)	**13 111**	10 973	19
Prices achieved				
Platinum	(US$/oz)	**1 043**	885	18
Palladium	(US$/oz)	**2 419**	1 896	28
Rhodium	(US$/oz)	**17 610**	6 870	156
Nickel	(US$/t)	**15 621**	14 109	11
Consolidated statistics				
Average rate achieved	(R/US$)	**15.26**	15.31	(0)
Closing rate for the period	(R/US$)	**14.32**	17.38	(18)
Revenue per 6E ounce sold	(US$/oz)	**2 587**	1 624	59
Revenue per 6E ounce sold	(R/oz)	**39 478**	24 863	59
Tonnes milled ex-mine*	(000t)	**23 210**	19 576	19
6E in concentrate	(000oz)	**3 291.9**	2 849.4	16
Capital expenditure	(Rm)	**6 437**	4 488	(43)
Group unit cost per 6E ounce stock adjusted	(R/oz)	**14 840**	13 345	11
Group unit cost per 6E ounce stock adjusted	(US$/oz)	**964**	851	(13)
Financial performance				
Revenue	Rm	**129 575**	69 851	86
Gross profit	Rm	**53 455**	23 271	130
EBITDA	Rm	**61 442**	29 386	109
Profit for the year	Rm	**47 855**	16 484	190
Headline earnings	Rm	**36 359**	16 126	125
Free cash flow	Rm	**38 304**	14 395	166
Basic earnings	Rm	**47 032**	16 055	193
Net cash (excluding leases)	Rm	**23 473**	5 748	308
Basic earnings per share	cents	**5 996**	2 066	190
Headline earning per share	cents	**4 635**	2 075	123
Dividends declared	cps	**2 200**	525	319
ESG Indicators				
Fatalities	(count)	**3**	5	(40)
TIFR	(pmmhw)**	**9.84**	11.30	13
LTIFR	(pmmhw)**	**4.92**	4.54	(8)
Labour including capital*	(number)	**56 180**	50 744	(11)
Level 4 or 5 environmental incidents	(count)	**0**	0	0
Level 3 environmental incidents	(count)	**7**	16	(56)
Water consumption	(kilolitres/tonnes milled)	**50 671**	43 122	18
Water recycled/reused	%	**51**	44	16
Energy consumption	(GJ/tonnes milled)	**0.845**	0.857	(1)
Scope 1 and 2 carbon emissions	(tonnes CO_2/tonnes milled)	**0.175**	0.186	(6)
Local procurement	Rm	**3 490**	2 663	31
Social economic spend	Rm	**126**	113	12

* *Managed operations.*

** *Per million man-hours worked.*

INTRODUCTION

Implats harnessed the benefit of improved operational momentum and record rand pricing for its primary products to deliver stellar results for the year ended 30 June 2021 (the period). This was achieved despite the challenges presented by Covid-19 and the erratic provision of essential services required to operate the Group's globally diverse suite of mining and processing assets.

This performance is testament to the progress made in the strategic repositioning of Implats over the past several years, which has enabled the Group to leverage the windfall on pricing to strengthen the business, care for employees, reward investors and secure the future growth and sustainability of the business.

SAFETY

Safe production is non-negotiable. Ensuring the safety of employees and contract workers is essential to delivering on Implats' commitment to zero harm.

Implats delivered an improved safety performance. Despite this, regrettably, three employee fatalities were recorded at managed operations in the period under review: in memorial Kudzanai Manyonganise at Zimplats' Ngwarati Mine, Dan Shongwe at Marula's Clapham Shaft and Bulelani Tshisa at Impala Rustenburg's 16 Shaft. Post-year-end, 16 Shaft recorded another fatality when Isaiah Molale passed away in early August 2021. The board of directors and management team extended their sincere condolences to the families and friends of our four colleagues. Implats offers ongoing support to their families in recognition of the impact of their loss. Thorough investigations took place in each case to identify the causes of the incidents and to share lessons learned and remedial actions across the Group and industry.

The focus on visible leadership, mining discipline and targeted safety interventions saw all safety metrics improving, other than the lost-time injury frequency rate, which deteriorated by 8% to 4.92 per million man-hours worked (FY2020: 4.54). The fatal injury frequency rate, while not zero, improved to 0.026 per million man-hours worked (FY2020: 0.050) with three fatalities reported in the period (FY2020: five). The total injury-frequency rate improved 13% to 9.84 per million man-hours worked (FY2020: 11.30). Of note, Impala Rustenburg achieved a fatality-free 12-month period and more than 10 million fatality-free shifts during the period, a record for the mining complex. By year-end, 13 of the Group's 17 operations had achieved millionaire or multi-millionaire status in terms of fatality-free shifts.

Implats generates superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery.

STRATEGY

Implats' strategic priorities are centred on six focus areas where targeted actions and aspirations create a better future for our diverse stakeholders and deliver superior economic performance through the metals produced and the way the Group conducts business.

At Implats, the aspiration is to become an **industry-leader in environmental, social and governance (ESG)**, producing metals that sustain livelihoods beyond mining and create a better future. The Group's achievements in responsible stewardship were anchored by a sound environmental performance. The Group's commitment to superior ESG practices is recognised in several rankings by leading global and regional agencies. Implats is proud to have achieved an "A" rating by the Carbon Disclosure Project (CDP) for the second consecutive year, for disclosures, awareness and management of water security risk. In addition, the Group again achieved a "B" rating for its climate change action and disclosures. Implats' commitment to gender equality was underscored by its inclusion in the Bloomberg 2021 Gender-Equality Index, one of only 380 companies globally. Implats is rated "BBB" by MSCI, indicating strong resilience to long-term ESG risks.

Implats remains a constituent of the FTSE4Good Index Series, supported by improved disclosure and the progressive decline in fatalities over the past several years, and is also a constituent of the FTSE/JSE Responsible Investment Top 30 Index. The Group's refining assets hold the London Platinum and Palladium Market certificate for Responsible Platinum and Palladium Sourcing.

Commentary

The Group continues to play an industry-leading role in the management and mitigation of Covid-19, maintaining protocols to protect its employees and implementing an active vaccination programme to serve both employees and the communities in which it operates.

Implats generates superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery. The Group delivered meaningful progress in achieving **operational excellence,** with its improved safety performance and an industry-leading recovery in underlying mined volumes following Covid-19-related production interruptions. At Impala Rustenburg, investment in mining flexibility and asset integrity resulted in a 24% increase in development metres and an 11% improvement in mineable face length, with a record 12-month fatality-free performance despite the increased labour complement. At Zimplats, consistent results, despite a series of challenges, are testament to the operational resilience entrenched at the operation. At Marula, the tailings storage facility project was well advanced, and a number of new technologies are being trialled to ensure increased productivity and efficiencies. Impala Canada delivered a 20% increase in underground volumes, despite Covid-19-related labour constraints.

Implats places people at the centre of the organisation and engenders a shared culture founded on its values to respect, care and deliver. **Organisational effectiveness** was advanced through enhanced stakeholder engagement, with organisational structures aligned to support Group strategy. The technical capacity of the Group was strengthened through new appointments and the organisational culture was enhanced and advanced through targeted programmes.

Value creation is pursued through sustaining and leveraging a strong and flexible balance sheet within a prudent capital allocation framework. Significant progress was achieved in delivering an **optimal capital structure** through accelerated debt reduction and the refinancing and upsizing of debt facilities. Targeted corporate action — including the cancellation of treasury shares, an odd-lot offer and the cumulative benefit of a tender offer and on-market purchases of the ZAR convertible bonds — delivered enhanced shareholder returns. During the period, 70% of generated free cash flow was allocated to shareholder returns, 47% through cash dividends and a further 23% through the repurchase of circa 50% of the ZAR convertible bonds and odd-lot shares. The use of cash to reduce debt resulted in Implats ending the period debt free, with a substantial increase in cash balances and balance sheet headroom.

The Group seeks to leverage, strengthen and grow its diverse asset base through operational exposure to shallow, mechanisable orebodies to increase the **competitiveness of the asset portfolio**. During the period, Implats announced expansion projects at Zimplats and joint venture (JV) operation Two Rivers. These capital-efficient and quick-to-market brownfield expansions at the Group's lowest-cost operations will deliver 260 000 6E ounces or an additional circa 9% of mine-to-market production growth. Life-of-mine extensions were delivered through expanded reserve positions across the portfolio in South Africa, Zimbabwe and Canada and, during the period, the Group embarked on a series of studies aimed at delivering efficiency improvements and expansions to its processing capacity. The ability to process and market Implats' expanding production base remains a core competitive advantage, which will be leveraged for additional future benefit.

Implats is **future-focused** and sustains and grows value by supporting present and future demand drivers, creating strong customer relationships and aligning production to evolving demand. During the period, the Group announced its participation in AP Ventures, a private-equity vehicle which supports Implats' market development activities into key evolving end-uses for PGMs, including hydrogen, fuel cell mobility and energy storage. The Group continues to support research that seeks to balance the use of its primary products in autocatalysts and plays a leading role in industry bodies supporting the physical investment and jewellery markets. Collaboration with industry partners and peers has been deepened to leverage the relationships to enhance future value creation.

SUSTAINABILITY

Implats is committed to demonstrating socially and environmentally responsible business practices and aspires to create a better future through the metals it produces and the way it conducts business, underpinned by its core values to respect, care and deliver. The Group prioritises safe, responsible, competitive and consistent operational delivery, while applying industry-leading ESG practices.

Health and wellbeing

The ongoing Covid-19 pandemic impacted institutional and targeted responses to ensure effective control of occupational health risks and to promote employee wellbeing and optimal levels of health. During the period the Group strengthened its Covid-19 approach through operational risk management tools, including communication on behaviour change, self-monitoring and reporting, reducing employee density and promoting social distancing, fever screening, personal protective equipment (PPE), case detection, contact tracing and vaccination.

This proactive approach to Covid-19 prevention and treatment ensured sustained control, with infection and mortality rates remaining significantly below the average rates in the jurisdictions in which the Group operates. Regrettably, however, at the end of the reporting period 46 employees had succumbed to the virus since the onset of the pandemic, 42 of whom were in the period under review.

The Group's leadership in responding to the pandemic was commended by external parties such as the Minerals Council of South Africa and the South African Department of Health. Impala Rustenburg was the first mining company approved to provide Covid-19 vaccinations in South Africa and has supported the government's vaccination efforts. Implats is actively working closely with all role players in rolling out Covid-19 vaccines to its employees and surrounding communities. Impala Canada was the first mine in Ontario, Canada to host a vaccination clinic for healthcare staff and Zimplats received a national award for Covid-19-pandemic support in communities. Currently, 61% of employees have received their first vaccination, while 26% are fully vaccinated across both managed and joint venture operations. In Zimbabwe and Canada, 98% and 85%, respectively, are fully vaccinated.

The Group spent R563 million on Covid-19 initiatives during the period, of which R191 million was spent on medical preparedness. All operations continue to focus on supporting the mental wellbeing of their healthcare workers, employees and their dependants during this challenging time. As the pandemic unfolds, Implats continues to strengthen its approach, informed by learnings across its diverse operations and evolving global best practice.

Good progress was made on targeted interventions to reduce the main occupational and non-occupational health risks facing employees. There were no new cases of noise-induced hearing loss, as measured against new industry criteria. Pulmonary TB and HIV levels were well controlled, with pulmonary TB cases among employees decreasing by 2% to 90 (FY2020: 92). At the South African operations, the annualised TB incidence rate of 196 per 100 000 employees remains well below the estimated national average of 360 per 100 000 citizens. The Group's estimated HIV prevalence rate has remained level at 23%, based on available data for Impala Rustenburg. Adherence to HIV treatment has remained consistently excellent at 95%. Implats' aim is to increase uptake of anti-retroviral treatment to eliminate Aids-related deaths among in-service employees by 2025.

Environment

For the eighth consecutive year, Implats recorded no major (level 5) or significant (level 4) environmental incidents. It achieved a 56% reduction in limited-impact (level 3) environmental incidents to seven (FY2020: 16).

The Group continues to drive performance improvements through its certified environmental management systems for which it retained ISO14001: 2015 certification at Zimplats, Impala Springs, Marula and Impala Rustenburg. Impala Canada made steady progress towards achieving ISO 14001 certification. Impala Springs also holds ISO 9001 certification and Impala Refining Services retained its Responsible Care® status.

Water access is a basic human right, a vital operational resource and an imperative for the socio-economic development of mine-host communities. Water management is a critical concern as Implats' southern African sites are in water-scarce areas – assured security of water supply in South Africa (Bojanala and Rustenburg) and for the Zimplats operations is among the Group's top risks.

The Group's consumption of recycled and reused water improved to 51%, exceeding the 44% target, aided by higher recoveries at the southern African operations. For FY2021, total water consumption increased by 18% to 50 671Ml due to increased production.

Implats is finalising a revised Group water policy to guide a uniform approach to water across operations and will conduct climate-regional vulnerability and site-specific risk assessments to inform water balances and contingency plans. The Group is developing a strategy to secure brown water sources and reduce freshwater intake by employing innovative water-saving technologies.

A low-carbon transition strategy is in development to guide decarbonisation efforts, strengthen energy security and to position the Group in the new energy value chain. During the period, South African power utility Eskom struggled to meet national demand, resulting in an unprecedented levels of load shedding and curtailment calls. Group carbon emission intensity improved by 6% to 0.175 CO_2 per tonne milled (FY2020: 0.186 CO_2 per tonne milled). Total energy consumption during FY2021 increased by 17%, driven by an increase in diesel and electricity usage at Impala Rustenburg as production ramped up. As a result, the Group's carbon footprint increased by 11% for the period. Zimplats and Impala Canada are largely supplied from hydropower schemes and have the lowest carbon footprints across Implats. In line with the Group's energy strategy, Zimplats is exploring a large-scale solar power project to further ensure security of supply. In South Africa, a new energy policy will provide a similar opportunity to augment energy supply in the future and further support the Group's decarbonisation efforts.

Safe and best-practice management of Group tailings storage facilities (TSF) is a critical imperative and Implats supports the Global Industry Tailings Management Standard (GITMS). During the period, Implats conducted an assessment across all operations, including associates, against the 77 requirements of the GITMS. Overall operational compliance to the GITMS is good, exceeding expectations on some requirements. Each operation is implementing a roadmap to ensure continuous improvement and a Group tailings geotechnical engineer was appointed to oversee compliance. Re-mining of tailings at Impala Rustenburg's dormant TSFs has progressed well and the construction of the replacement TSF at Marula was concluded.

Social

Constructive and beneficial relationships in mine-host communities and sustainable socio-economic development remain priorities, particularly given the adverse conditions within many of the Group's mine-host communities due to high youth unemployment, compounded by the economic impacts of Covid-19.

In South Africa, the Group spent R126 million on community development initiatives and a further R212 million on the Group's industry-leading housing development. R3.5 billion was spent with local-tiered suppliers with >25% black ownership and US$239 million (or 56% of discretionary spend) was spent with local suppliers in Zimbabwe. In Canada, supplies to the value of C$39 million were procured from indigenous communities in the areas of the mine's operations.

In South Africa, nine social and labour plan projects worth R94 million were handed over.

During the period, the Group donated R46 million to disaster relief efforts in South Africa, including a R16 million donation to NGO, Gift of the Givers Foundation to provide food, PPE, water and hygiene relief effort in Implats' South African mine-host communities and labour-sending areas.

Constructive and beneficial relationships in mine-host communities and sustainable socio-economic development remain priorities.

Each operation delivered volume gains and the Group benefited from a full annual contribution from Impala Canada, which was acquired in December 2019.

Stakeholder engagement efforts through established formal community engagement structures at Impala Rustenburg and Marula were intensified during the period to improve relations with host communities. Zimplats continues to enjoy cordial relations with its communities. Impala Canada continues to develop strong relationships with host indigenous communities and has secured benefit agreements with two communities.

GROUP OPERATIONAL REVIEW

Tonnes milled from the Group's managed operations at Impala Rustenburg, Zimplats, Marula and Impala Canada increased by 19% to 23.21 million tonnes (FY2020: 19.58 million tonnes). Each operation delivered volume gains and the Group benefited from a full annual contribution from Impala Canada, which was acquired in December 2019. Unit costs at managed operations were impacted by a 19% increase in production volumes following the inclusion of Impala Canada, inflationary pressures compounded by targeted spend on development to improve mining flexibility and asset integrity at Impala Rustenburg and Covid-19-related expenditure across the operations.

As a result, the unit cost per tonne milled at managed operations increased by 12% to R1 301 per tonne (FY2020: R1 166 per tonne) with 46% of volumes generated by fully mechanised operations.

6E concentrate production from mine-to-market operations, including the JVs at Two Rivers and Mimosa, increased by 16% to 2.93 million ounces (FY2020: 2.52 million ounces), as production from managed operations improved 18% to 2.37 million ounces (FY2020: 2.01 million ounces). In the prior comparable period, total 6E production losses of 248 000 ounces in concentrate were directly attributed to the impact of Covid-19 on mine-to-market operations (213 000 ounces at managed operations).

Third-party 6E concentrate receipts increased by 9% to 358 000 ounces (FY2020: 327 000 ounces). In aggregate, total 6E concentrate production of 3.29 million ounces increased by 16% (FY2020: 2.85 million ounces).

Group refined 6E production of 3.27 million ounces increased by 16% (including saleable production from Impala Canada) from 2.81 million ounces in the prior comparable period. On a stock-adjusted basis, unit costs increased by 11% to R14 840 per 6E ounce, with Covid-19-related expenditure amounting to R563 million or R240 per 6E ounce.

Capital expenditure increased by 43% to R6.4 billion (FY2020: R4.5 billion). While capital expenditure in the prior comparable period was impacted by reduced capital development and limited project progression during the various national Covid-19 lockdowns, FY2021 reflected the impact of the inclusion of Impala Canada for the full reporting period, and accelerated spend at Zimplats following the early approval of the expansion projects at Mupani and Bimha and the ongoing spend on the Mupani and third concentrator projects.

Group smelting and refining operations were adversely impacted by increased load shedding by power utility Eskom and Covid-19-related delays in scheduled maintenance at processing facilities in the second half of the period. This resulted in a closing position of excess 6E concentrate stocks of circa 80 000 ounces at year-end, which are expected to be refined by the end of FY2022.

Impala

Impala remains focused on securing a lower-cost and sustainable mining operation through a focus on safety, operational excellence, resilience and flexibility and constructive and collaborative relationships with stakeholders. The business delivered well against these goals in FY2021, with an industry-leading safety performance, an improved mining performance and the progression of studies for several potential life-of-mine extensions.

This was achieved despite the need to navigate an increasingly complex and challenging social environment due to evolving labour dynamics in the region and the ongoing Covid-19 pandemic.

Commentary

Constraints on operations from increased Covid-19-related labour absenteeism were anticipated and mitigated by adopting a strategy carrying an increased labour complement (circa 11% at year-end, including contractors). This ensured the planned mining and development targets were achieved, with development metres increasing by 24% to 102 735 metres and an 11% improvement in mineable face length to 25.4km. These targets were reached despite the final closure of 9 Shaft, which reached the end of its life in the period, and reflects the success of interventions to address development, construction and equipping of workplaces across the Rustenburg operations.

Milled throughput for the period rose by 11% to 10.69 million tonnes (FY2020: 9.64 million tonnes), while the 6E milled head grade improved by 4% to 4.05g/t (FY2020: 3.91g/t) as a result of reduced off-reef mining on the Merensky horizon and the partial completion of the 16 Shaft orepass rehabilitation, which allowed for the separation of waste from reef.

Concentrator recoveries of mined and tailing tonnages improved and 6E concentrate production increased by 16% to 1.29 million ounces (FY2020: 1.11 million ounces), while stock-adjusted 6E production increased by 18% to 1.31 million ounces (FY2020: 1.12 million ounces). In FY2020, the impact of Covid-19 accounted for total production losses of 151 000 ounces 6E in concentrate.

Refined volumes in the prior comparable period benefited from a revised stock allocation policy between Impala Refining Services (IRS) and Impala Rustenburg. As a result, refined 6E volumes of 1.33 million ounces in the period under review increased by 5% (FY2020: 1.27 million ounces).

Total cash costs, including corporate and marketing spend, increased by 31% to R21.9 billion from R16.8 billion in the prior comparable period when R998 million in abnormal production costs incurred during the national lockdown were included in the cost of sales, but excluded from the calculation of cash and unit costs.

Costs were negatively affected by above-CPI increases on utilities and labour. Covid-19-related expenditure amounted to R369 million (R282 per 6E ounce). On a stock-adjusted basis, units costs increased by 11% to R16 729 per 6E ounce (FY2020: R15 021 per 6E ounce).

Constraints on operations from increased Covid-19-related labour absenteeism were anticipated and mitigated by adopting a strategy carrying an increased labour complement

Capital expenditure increased by 41% to R2.5 billion (FY2020: R1.8 billion). Replacement capital of R246 million declined by 26% (FY2020: R331 million) as projects at 11, 14 and 20 shafts reached completion. An additional R811 million was incurred on stay-in-business capital, with total spend of R2.2 billion (FY2020: R1.4 billion) rising by 57% and reflecting higher operating rates across the mining complex, increased expenditure on capital development, infrastructure integrity projects, the tailings retreatment project, scheduled furnace rebuilds and tailings dam lifecycle extensions. Of this, R224 million was invested in Group smelting and refining assets.

Impala delivered R16.8 billion in free cash flow, a 99% increase from the prior comparable period as higher rand PGM pricing and the sales mix offset the impact of a 2% decline in sales volumes of 1.23 million 6E ounces (FY2020: 1.25 million 6E ounces).

Impala made a gross profit of R25.2 billion (FY2020: R8.9 billion) and contributed R17.3 billion to Group headline earnings (FY2020: R6.5 billion).

Impala Refining Services (IRS)

6E receipts in matte and concentrate from mine-to-market operations increased by 14% to 1.38 million ounces (FY2020: 1.21 million ounces) reflecting a recovery from a series of operational constraints in the prior comparable period including: processing challenges at Mimosa and Two Rivers, a temporary increase in smelter inventory at Zimplats, and reduced operating rates at South African operations due to the declaration of *force majeure* during the initial Covid-19 lockdown. 6E receipts from third-party customers increased by 9% to 358 000 ounces (FY2020: 327 000 ounces), comprising 21% of gross receipts of 1.74 million ounces (FY2020: 1.54 million ounces).

Reported operational and financial metrics for IRS in the prior comparable period were impacted by the reallocation of stocks between IRS and Impala Rustenburg, which led to an increase in working capital. Consequently, despite being impacted by constrained Group processing capacity in H2 FY2021, refined 6E volumes increased by 17% to 1.69 million ounces (FY2020: 1.45 million ounces). Sales volumes increased by 25% to 1.81 million 6E ounces with a draw-down in rhodium, iridium and ruthenium inventory to take advantage of strong pricing for these metals.

The cash operating costs associated with smelting, refining and marketing IRS production increased by 21% to R1.8 billion (FY2020: R1.5 billion). Concentrate purchase agreements at IRS are dominated by ore feeds from Great Dyke and UG2 sources and rising minor PGM and base metal pricing, together with higher purchased volumes, resulted in the cost of metals purchased increasing by 66% to R63.3 billion (FY2020: R38.2 billion).

IRS reported a gross profit of R9.5 billion (FY2020: R6.0 billion) and contributed R7.1 billion (FY2020: R4.3 billion) to Group headline earnings.

Free cash flow of R9.0 billion (FY2020: R116 million cash outflow) benefited from higher pricing and sales volumes and low contractual payments processed in Q1 which resulted in a positive working capital movement for FY2021.

Marula

Marula faced several operating challenges during the period. Covid-19 constrained the availability of supervisory management and affected labour productivity due to necessary changes in shift patterns. This was compounded by community disruptions related to regional service delivery and the fatal injury to an employee in the final quarter of the period under review following a three-year fatality-free period.

During the period, the BEE ownership at Marula was successfully restructured to include more sustainable financing terms and the introduction of an employee share-ownership trust.

An improved production performance was established post-year-end. During the period, the BEE ownership of the operation was successfully restructured to include more sustainable financing terms and the introduction of an employee share-ownership trust.

Marula has begun to trial new technologies and mining equipment to increase efficiencies and improve safety and productivity. The completion of the expanded TSF and future mine extensions will ensure the long-term sustainability of the operation.

Tonnes milled increased by 10% to 1.80 million tonnes (FY2020: 1.64 million tonnes), while a deterioration in the ratio of stoping-to-development tonnes and poor ground conditions resulted in a 7% decline in the 6E milled head grade to 4.37g/t (FY2020: 4.70g/t). This was offset by improved concentrator recoveries and additional metal recovered from concentrate sludge. 6E concentrate production increased by 10% to an annual record of 231 000 ounces (FY2020: 210 000 ounces). In FY2020, the impact of Covid-19 accounted for total production losses of 33 000 ounces 6E in concentrate.

Total cash costs were impacted by inflationary pressures and the additional spend associated with a change in shift patterns to compensate for Covid-19 protocols, increasing by 25% to R2.8 billion from R2.3 billion in the prior comparable period when R150 million in abnormal production costs incurred during the national lockdown were included in the cost of sales, but excluded from the calculation of unit costs. Covid-19-related expenditure amounted to R58 million (R252 per 6E ounce) and unit costs increased by 13% to R12 157 per 6E ounce (FY2020: R10 713 per 6E ounce).

Capital expenditure of R342 million (FY2020: R340 million) was incurred on progressing the TSF and fleet replacement, while feasibility studies for a life-of-mine extension were well advanced and will be taken to the board for approval during FY2022. This project is expected to increase life-of-mine at Marula through deepening and extending the existing production shafts.

6E sales volumes of 229 000 ounces increased by 9% (FY2020: 210 000 ounces) and record prices for palladium, rhodium, ruthenium and iridium resulted in a 71% increase in Marula's rand basket price received of R38 260 per 6E ounce (FY2020: R22 335 per 6E ounce). Gross profit of R5.9 billion rose 144% (FY2020: R2.4 billion) and Marula generated R2.9 billion in free cash flow (FY2020: R2.2 billion). After accounting for the impact of the non-cash BEE charge of R1.5 billion, Marula contributed R1.7 billion to Group headline earnings (FY2020: R1.1 billion).

Two Rivers

Two Rivers operated well during the period, successfully navigating challenges presented by Covid-19, intermittent power availability due to regional and national constraints at Eskom and progressing several major replacement and expansion projects under construction.

The delayed return of foreign employees following Covid-19-related national border closures impacted staffing levels at Two Rivers in the early weeks of the reporting period, while the third wave experienced late in the financial year resulted in increased absenteeism from senior management.

Milled throughput of 3.28 million tonnes increased by 9% (FY2020: 3.02 million tonnes), while 6E milled head grade of 3.43g/t (FY2020: 3.45g/t) was impacted by higher volumes of development tonnage. Production volumes benefited from plant stability and recoveries and 6E metal in concentrate increased by 15% to 300 000 ounces (FY2020: 261 000 ounces). In FY2020, the impact of Covid-19 accounted for total production losses of 34 000 ounces 6E in concentrate.

Total cash costs increased by 25% to R3.1 billion (FY2020: R2.5 billion) as mining rates increased to build up the Covid-19-depleted run-of-mine stockpile ahead of commissioning the UG2 plant expansion. In total, run-of-mine production increased by 17% from the prior comparable period. Consequently, unit costs per tonne milled increased by 15% to R949 per tonne (FY2020: R823/tonne) and a more moderate 9% to R10 376 per 6E ounce in concentrate (FY2020: R9 513 per 6E ounce). Covid-19-related expenditure of R19 million equated to spend of R64 per 6E ounce.

Capital expenditure increased by 52% to R1.2 billion (FY2020: R800 million) as spend accelerated on several projects including the UG2 plant expansion, the TSF, the fleet replacement programme and early works on the Merensky expansion.

Record pricing for Two Rivers' UG2 production, together with a 16% increase in 6E sales volumes to 304 000 ounces (FY2020: 261 000 ounces), resulted in record gross profit of R7.5 billion (FY2020: R2.8 billion), with free cash flow rising 153% to R3.3 billion (FY2020: R1.3 billion). After intercompany adjustments, Implats recorded attributable profit from Two Rivers of R1.7 billion (FY2020: R687 million) and received R1.2 billion in dividends during the period (FY2020: R566 million).

Zimplats

Zimplats delivered a strong operational performance and made pleasing progress on the expansion projects under construction at the operation, despite the challenges presented by managing and mitigating the potential threat presented by Covid-19.

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In February, following a period of abnormally high regional rainfall, a portion of the high wall at the Ngwarati Mine box cut collapsed, fatally injuring an employee and resulting in the temporary closure of the mining portal. This necessitated the transfer of production teams to Rukodzi, Bimha and Mupani mines. Milled volumes were supplemented by stockpiled development ore from Mupani to mitigate the impact on production. The box cut was repaired and Ngwarati was recommissioned at the end of the period. All box cuts were reassessed for stability.

Milled volumes increased by 1% to 6.82 million tonnes (FY2020: 6.75 million tonnes). 6E milled head grade of 3.44g/t (FY2020: 3.48g/t) declined by 1% and was impacted by higher volumes of stockpiled development ore to mitigate the production impact of the Ngwarati high wall subsidence. Higher milling rates and lower-grade material adversely impacted process recoveries and 6E metal in concentrate production of 590 000 ounces declined by 1% (FY2020: 597 000 ounces). 6E matte volumes of 579 000 ounces were flat relative the prior comparable period (FY2020: 580 000 ounces), while 6E sales volumes of 543 000 ounces declined by 2% due to an export administrative delay experienced towards the end of the period. This material subsequently delivered post the end of the period in early July 2021.

Total cash costs increased by 6% to US$387 million, with mining inflation compounded by higher mining and smelting costs. Unit costs per tonne milled increased by 6% to US$57 per tonne, while marginally lower matte volumes resulted in unit costs rising by 7% to US$668 per 6E ounce (FY2020: US$627 per 6E ounce). On a stock-adjusted basis, unit costs increased by 8% to US$661 per 6E ounce in matte (FY2020: US$613 per 6E ounce) impacted by the additional milling of low-grade stockpiles. Covid-19-related expenditure of US$6 million equated to spend of US$11 per 6E ounce.

Capital expenditure increased by 43% to US$159 million (FY2020: US$111 million) and was 41% higher in rand terms as the Mupani and Bimha expansion projects and the third concentrator plant received board approval and spend on the Mupani Mine replacement project accelerated. The development of Mupani Mine to replace Rukodzi and Ngwarati mines which deplete in FY2022 and FY2025, respectively, is progressing well and on schedule. The project targets to attain a design capacity of 2.2Mtpa in September 2024, at a total estimated cost of US$264 million. Zimplats achieved gross profit of R11.6 billion (FY2020: R7.0 billion), generated R4.8 billion in free cash flow (FY2020: R2.5 billion) and contributed R4.5 billion in headline earnings (FY2020: R3.4 billion) to the Group.

Mimosa

The impact of rising Covid-19 infection rates in the broader Mimosa community were well-controlled by the operation, which successfully applied Group protocols. The mine delivered strong results in FY2021, benefiting from higher production volumes and a step-change in sales as concentrates accumulated during the FY2020 IRS *force majeure* were delivered to South Africa in the period.

Milled volumes of 2.86 million tonnes increased by 6% from the prior comparable period (FY2020: 2.70 million tonnes), during which extensive repairs were required to the milling circuit. Marginally higher 6E head grade of 3.87g/t (FY2020: 3.85g/t) was offset by weaker recoveries and 6E in concentrate production of 261 000 ounces increased by 5% (FY2020: 248 000 ounces). 6E sales volumes increased by 38% to 283 000 ounces (FY2020: 204 000 ounces).

Mimosa delivered strong results in FY2021, benefiting from higher production volumes and a step-change in sales as concentrates accumulated during the FY2020 IRS *force majeure* were delivered to South Africa in the period.

Commentary

Cash costs at Mimosa increased by 14% to US$217 million (FY2020: US$190 million) with inflationary pressures compounded by bonus payments in recognition of achieving 12 months of operation without a lost-time injury, higher mined and milled throughput and the increased transport and selling expenses associated with higher sales volumes. Unit costs per tonne milled increased by 9% to US$76 per tonne (FY2020: US$70 per tonne), while unit costs of US$832 per 6E ounce were 8% higher than the prior comparable period, which benefited from the drawdown of previously accumulated ore stockpiles during Q4 FY2020. Capital expenditure increased by 37% to US$59 million (FY2020: US$43 million) as spend on the plant optimisation project accelerated.

Strong palladium and base metal prices boosted the basket price received at Mimosa, while higher sales volumes resulted in material gains in reported gross profit, which increased by 235% to R6.2 billion (FY2020: R1.9 billion).

Free cash flow increased to US$89 million (FY2020: US$24 million). After intercompany adjustments, the attributable share of profit in the Implats Group increased to R1.6 billion (FY2020: R421 million). Implats received R561 million in dividends from Mimosa (FY2020: R44 million).

Impala Canada

The acquisition of Impala Canada was concluded on 13 December 2019 and the reported operational and financial results therefore reflect the first full year of Implats' ownership. Despite the logistical obstacles to travel and staffing due to Covid-19 restrictions, material progress was achieved in integrating Impala Canada into the broader Implats Group, with the development of technical, financial, environmental and stakeholder management processes being advanced.

Underground production rates increased by circa 20% during the period, despite Covid-19 staffing constraints, and changes were implemented to the processing flow sheet to improve the integrity and reliability of the concentrator plant. Lac des Iles Mine played a leading role in the regional vaccination programme and relationships with several neighbouring indigenous communities were formalised.

Impala Canada delivered milled throughput of 3.90 million tonnes (FY2020: 1.55 million tonnes) and the milled grade improved to 2.59g/t in the period (FY2020: 2.45g/t), yielding 260 000 ounces 6E in concentrate (FY2020: 97 000 ounces). In FY2020, the impact of Covid-19 accounted for total 6E production losses of 29 000 ounces. Gross costs of C$266 million were impacted by the start-up cost associated with the Sherriff Pit and resulted in a unit cost of C$1 021 per 6E ounce in concentrate. Covid-19-related expenditure of C$3 million equates to spend of C$12 per 6E ounce.

Capital expenditure of C$94 million was incurred on the development of the underground expansion project, the TSF and strengthening critical infrastructure at the Lac des Iles Mine site.

6E sales volumes in concentrate increased to 260 000 ounces (FY2020: 97 000 ounces) and free cash flow generated increased to R3.1 billion (FY2020: R1.1 billion).

Impala Canada achieved gross profit of R4.1 billion (FY2020: R879 million) and contributed R2.8 billion in headline earnings (FY2020: R168 million) to the Group.

KEY PROJECTS

During the period, the Implats' board approved replacement and growth projects at Zimplats and Two Rivers. Collectively, these brownfields mining and concentrator expansions will grow Group 6E mine-to-market production capacity by 260 000 ounces over the short term, with the potential to increase production to 360 000 ounces in the medium term.

At Zimplats, the construction of a third concentrator at Ngezi at a cost of US$94 million will expand milling capacity from 6.7 million tonnes per annum to 7.6 million tonnes. The additional concentrator module will be commissioned in FY2023 and will add 80 000 6E ounces to the operation's annual production capacity. Further minor upgrades to the new concentrator in future will increase milling capacity to 8.6 million tonnes per annum.

During the period, the Implats' board approved replacement and growth projects at Zimplats and Two Rivers.

Stockpile and run-of-mine ore from existing portals, including Mupani, will initially provide 80 000 ounces of feed for the new concentrator. Over the next seven years, Mupani and Bimha mines will be expanded to replace Mupfuti, which is expected to be depleted by the end of FY2027. The cost of this project is US$204 million to be spent between FY2022 and FY2028. Studies are being advanced to grow mining production further to fully utilise the full potential of the additional milling circuit and realise an additional 100 000 ounces of growth over the medium term.

At Two Rivers, a Merensky mine will be developed alongside the existing UG2 mine and a new concentrator plant constructed at a total capital cost of R5.7 billion. The plant will be commissioned with stockpile accumulated during the establishment of the Merensky portal in FY2024, with full production of 180 000 ounces 6E expected in FY2025.

MINERAL RESERVES AND MINERAL RESOURCES

The attributable Mineral Resource estimate remained static at 277.3 million ounces 6E, as overall production depletion was offset by additions at Two Rivers in response to a positive adjustment to the geological losses on the UG2, Mimosa's inclusion of the Anglo Claims (now called Wedza West), and Impala Canada's Lac des Iles following model updates and adjustments to the cut-off grade.

As expected, the sustained high pricing environment had a positive impact on the Group's Mineral Reserve base resulting in a significant reversal in the status of the previously uneconomic life-of-mine (LoM) IA Mineral Resource, which has been converted to a LOM I Mineral Reserve. Attributable Mineral Reserves increased by 12% to 53.4 million 6E ounces. This substantial increase relates to the following changes at Group operations:

- Impala Rustenburg saw a significant reversal in the status and subsequent conversion of previously downgraded LoM IA (shafts closed prematurely for economic reasons) back into LoM I. The life extensions were the result of the better price environment and the maiden inclusion of the surface TSF into Mineral Reserves following trial mining and the conclusion of a bankable feasibility study
- Two Rivers' maiden inclusion of the Merensky Mineral Reserves following successful trial mining and the recent update of the historical feasibility study
- Zimplats converted additional Upper Ores (UOR1) on the shallower dipping (9º to14º) flanks following trial mining
- At Mimosa the inclusion of Wedza West (adjacent resources bought from Anglo American Platinum), which offers significant relief in mining flexibility at South Hill
- The optimisation of mine design and scheduling at Lac des Iles.

Attributable Mineral Reserves increased by 12% to 53.4 million 6E ounces.

FINANCIAL REVIEW

Implats achieved record financial results for the period, driven by higher sales volumes delivered into a robust rand PGM pricing environment. The increased profitability and strong free cash flow generation has enabled further proactive debt reduction while providing strong shareholder returns in line with our capital allocation framework.

Revenue of R129.6 billion increased by 86%, or R59.7 billion, from the prior comparable period:

- Higher dollar metal prices realised a 68% or R47.5 billion benefit. Higher rhodium (41% of revenue), palladium (31% of revenue) and platinum (17% of revenue) prices increased revenue by R32.0 billion, R8.9 billion and R3.4 billion, respectively. This improvement in dollar prices, together with changes in the sales mix, which includes the benefit of higher sales of ruthenium, resulted in a 59% improvement in total dollar revenue per ounce sold to US$2 587 per ounce (FY2020: US$1 624)
- Sales volumes increased by 17% to 3.27 million ounces due to improved operating momentum and the inclusion of Impala Canada's results for the full reporting period. This resulted in a 17%, or R11.6 billion, gain

Commentary

- The average exchange rate achieved of R15.26/US$ (FY2020: R15.31/US$) remained at similar levels to the prior comparable period, contributing to a 1% or R0.6 billion gain in revenue. Together with higher dollar metal prices, the rand revenue per 6E ounce sold rose by 59% to R39 478 (FY2020: R24 863).
- Cost of sales of R76.1 billion increased by 63%, or R29.5 billion:
- Increased volumes of concentrate receipts (FY2020 volumes were impacted by Covid-19-related lockdowns) and record rand metal prices resulted in an 84%, or R15.4 billion, increase in the cost of IRS metals purchased
- Cash costs increased by 30% or R8.2 billion due to inflationary pressures, higher mined volumes, increased spend on asset integrity and mining flexibility at Impala Rustenburg, and the inclusion of Impala Canada for the full reporting period. In the prior comparable period, abnormal production costs of R1.3 billion, which were incurred during South Africa's national lockdown, were excluded from cash costs and the calculation of Group unit costs. A total of R563 million of Covid-19-related spend was incurred at managed operations in FY2021 and is included in both cash and unit costs
- Higher production, pricing and profitability resulted in a significant increase in royalties, which increased by R3.4 billion to R4.7 billion
- The credit to the cost of sales from the deferment of costs to metal inventories reduced by R1.8 billion.

Implats achieved record financial results for the period driven by higher sales volumes delivered into a robust rand PGM environment.

Stock-adjusted unit costs increased by 11% to R14 840 per 6E ounce, with mining inflation of 5.1% exacerbated by Covid-19-related costs, once-off bonuses, increased investment on asset integrity, improved maintenance and targeted spend on development to improve mining flexibility.

The expected destocking of circa 100 000 ounces of 6E in-process inventory was negatively impacted by delays to scheduled processing maintenance due to Covid-19, the impact of Eskom load shedding and the interruption of hydrogen supply to the refineries. As a result, the Group ended the period with circa 80 000 ounces of excess 6E in-process inventory, with circa 45 000 ounces at Zimplats and circa 35 000 ounces at the South African processing facilities. All excess stock is expected to be treated by the end of FY2022. At current prices, the estimated financial impact of excess stock at period-end is circa R2.1 billion in gross profit and circa R2.3 billion in free cash flow.

Record revenue resulted in the Group generating a gross profit of R53.5 billion, up 130% or R30.2 billion from the R23.3 billion achieved in the prior comparable period. The rand strengthened by 18% to close the period at R14.32 (FY2020: R17.38/US$). The revaluation of foreign currency balances resulted in a loss of R1.3 billion compared to a gain of R786 million in the prior comparable period.

The impact of higher sales volumes and record dollar basket pricing resulted in robust earnings from Two Rivers and Mimosa, with income from associates increasing by R2.1 billion to R3.2 billion. Net finance costs declined materially, due to a combination of higher interest earned on higher average cash balances and lower finance costs following the proactive repayment of debt during the period.

There were two significant non-cash adjustments accounted for in profit before tax:

- An impairment reversal of R14.7 billion (pre-tax) comprising a partial reversal of the impairments on property, plant and equipment (R10.4 billion), as well as the prepayment of the Royal Bafokeng royalties (R4.3 billion) relating to Impala Rustenburg. This impairment reversal was due to changes in the estimates, particularly long-term metal prices, used to determine the recoverable amount of Impala Rustenburg assets
- The restructuring of the Marula BEE debt, which resulted in an IFRS 2 BEE charge of R1.5 billion in other expenses arising on the difference in the fair value of the shares disposed of and the fair value on the consideration received from the BEE shareholders.

Commentary

The Group recorded EBITDA of R61.4 billion (FY2020: R29.4 billion) at an EBITDA margin of 47% (FY2020: 42%).

The increase in the tax charge of R20.1 billion from R6.5 billion in the prior comparable period reflects the impact of improved profitability across the Group and the deferred tax charge of R4.1 billion raised on the impairment reversal. The IFRS 2 BEE charge was not deductible for tax purposes and the effective tax rate of 29.5% was marginally higher versus the prior comparable period (FY2020: 28.4%).

Basic earnings increased to R47.0 billion or 5 996 cents per share from R16.1 billion and 2 066 cents per share in the prior comparable period. After adjusting for the after-tax profit on the reversal of the impairment, headline earnings more than doubled to R36.4 billion or 4 635 cents per share (FY2020: R16.1 billion and 2 075 cents per share). The IFRS 2 BEE charge of R1.5 billion is included in headline earnings for the period.

The weighted average number of ordinary shares in issue increased to 784.4 million from 777.2 million in the prior comparable period following the conversion by bondholders of the ZAR bonds into equity. The remaining 59 bonds (R0.59 million) outstanding at year-end were converted to equity in early July 2021.

The Implats board has approved the declaration of a final dividend of R12.00 per ordinary share, in line with the approved dividend policy, bringing the total dividend for FY2021 to R22.00 per share (FY2020: R5.25 per 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 Friday, 27 September 2021.

Cash flow generated from operations increased by R37.1 billion to R56.9 billion, benefiting from higher sales volumes, record pricing and the lag in IRS contractual payments for metals purchased, which impacted positively on working capital. This increased cash flow was partially offset by the increase in cash taxes paid to R14.5 billion from R1.7 billion in the prior comparable period. As a result, net cash flow from operations increased by R24.7 billion to R41.8 billion.

The integrity and sustainability of our business is a key focus. Capital spend of R6.3 billion increased by 47% due primarily to the inclusion of a full year of spend at Impala Canada, increased operating momentum as well as the acceleration of projects at Zimplats. R1.8 billion was received in dividend payments from Two Rivers and Mimosa. Overall, free cash flow increased to R38.3 billion from R14.4 billion. The Group invested R1 billion to pre-fund its future environmental obligations. Spend of R1.6 billion was incurred on the purchase of Implats shares to settle its share scheme liabilities and the stronger rand resulted in a R742 million loss on the translation of offshore cash balances. R8.6 billion was spent on the repurchase of ZAR convertible bonds, and R4.6 billion in repaying borrowings.

Accelerated debt reduction resulted in the repayment of almost all outstanding debt (excluding lease liabilities) at year-end. While the Marula BEE debt of R885 million was repaid as scheduled, the repayment of the Impala Canada term loan of R3.7 billion was expedited and settled in full during the period.

The residual ZAR convertible bond liability was largely extinguished through the combination of a tender offer and on-market purchases of bonds by Implats (cumulatively 157 905 bonds) and conversions to equity (167 036 bonds) during the period, particularly after the Group announced its intention in early June 2021 to exercise its soft-call option to redeem the ZAR convertible bonds. The remaining 59 bonds (R0.59 million) outstanding at year-end were converted in early July 2021. Implats closed the period with gross cash balances of R23.5 billion, which includes the consolidated cash balances of R5.7 billion at Zimplats and Impala Canada.

During the period, the Group successfully refinanced its existing revolving credit facility (RCF) with various South African and international lenders. The multi-currency RCF, which comprises a R6 billion tranche and a US$125 million tranche, was undrawn at year-end. Liquidity headroom – comprising gross cash of R23.5 billion, net of restricted cash of R362 million, and undrawn committed facilities – increased to R30.9 billion (FY2020: R16.1 billion).

Commentary

Implats' capital allocation framework aims to deliver, sustain and grow meaningful value for all stakeholders and provide attractive returns to shareholders, while retaining financial flexibility for the Group. Of the R38.3 billion free cash generated in the period, circa 70% was allocated to shareholder returns through cash dividends of R17.7 billion (R7.9 billion interim and R9.8 billion final) and repurchasing R8.6 billion of ZAR convertible bonds, and R0.2 billion of odd-lot shares. These repurchases have partially reduced the dilutionary impact of the bonds and are earnings-accretive to shareholders.

Cash generation during the financial year, together with the debt reduction initiatives, resulted in Implats ending the period debt free with a substantial increase in the cash balance and balance sheet headroom strengthened through increased facilities.

Implats' capital allocation framework aims to deliver, sustain and grow meaningful value for all stakeholders and provide attractive returns to shareholders, while retaining financial flexibility for the Group.

Balance sheet optimisation, through reduced and restructured debt and increased funding flexibility, is a key pillar of Implats' strategy. Proactive steps to reduce debt have meaningfully reduced the interest cost incurred by the Group and mitigated the potential quantum of equity to be issued in future. Implats is well-positioned to allow a meaningful shift in capital allocation priorities to enhance shareholder returns and the funding of value-accretive expansion of the business aligned with market requirements.

MARKET OUTLOOK

All three major PGM markets – platinum, palladium and rhodium – recorded fundamental market deficits during 2020. Covid-19-related market shocks were considerable with PGMs facing unprecedented demand destruction due to interrupted economic activity, which was largely balanced by simultaneous and unforeseen supply reductions. While both palladium and rhodium were in fundamental industrial deficits, physical investment demand for platinum absorbed the industrial and jewellery surplus, tightened the market and supported pricing.

In 2021, a moderation in investment demand is likely to result in the platinum market returning to surplus. The supply impact of the release of in-process inventory by South African producers will be compounded by the demand impact of the global semi-conductor chip shortage on automotive production. In the case of palladium, reduced Russian supply should result in a persistent, but moderated deficit, while in rhodium a more balanced market in 2021 is expected before demand growth in 2022 results in continued market tightness and a fundamental deficit.

While the pace of the global economic rebound has been more rapid than previously expected, various reinstatements of restrictions have resulted in erratic and uneven growth. In general, the pattern of recovery has favoured advanced economies, where vaccination programmes are well advanced and monetary and fiscal policy is supportive.

Pandemic-related developments have led to rising reported inflation, which has resulted in a potential divergence in the duration and scope of future expansive fiscal and monetary policy across the globe. The International Monetary Fund has struck a note of caution on inflationary fears, reiterating its view that inflation should moderate to pre-pandemic ranges in most countries in 2022, while cautioning central banks to look through transitory inflationary pressures and not damage a still-fragile recovery and consumer confidence through premature tightening.

Platinum continues to take its lead from investor sentiment and hence global macro-economic factors, including the outlook for inflation, interest rates and the dollar. The platinum price rallied to a six-year high of US$1 267 per ounce in February before investor activity moderated with a material slowing in ETF purchases, substantially reduced speculative positioning and net sales of investment bars and coins by Japanese investors.

Palladium pricing was robust, with news of flooding at a major Russian mining complex resulting in an acceleration in pricing to more than US$3 000 per ounce. While the chip shortage has eased demand projections in 2021, physical markets remain tight and these conditions have been exacerbated by renewed investor activity, with purchases by ETF investors and increased futures activity.

Rhodium prices rallied in the early months of the year, but then began to weaken in May as automotive purchases eased ahead of production revisions over the Northern Hemisphere summer and refined supply accelerated on South African de-stocking. This created a perfect storm for rhodium. Still-high pricing, coupled with funding constraints and price volatility, acted as a strong disincentive to customers wishing to take a longer-term view on a market, which is expected to tighten materially in the medium term on the continued recovery in automotive demand and a normalisation of underlying refined volumes from South Africa.

The global light vehicle market remains volatile in 2021. While it is increasingly clear that underlying auto demand is robust, the combination of lockdown disruptions and supply constraints related to the semiconductor shortage have resulted in downward revisions to expected production and sales in 2021, with these volumes deferred into 2022 and 2023. Latest forecasts from LMC Automotive indicate 12% annual sales growth in 2021 with a further 6% growth in 2022. Production is expected to run ahead of sales as depleted inventories are replenished. While total PGM loadings in catalysts are expected to stabilise after several years of structural increases, initial switching of platinum for palladium in gasoline catalyst formulations is expected, before gaining further momentum over the medium term. The heavy-duty market is also set to strengthen in 2021, with tightening emissions legislation in China and India leading to increased platinum use from the sector.

Government policies continues to tighten the net on emissions globally and, as more countries target "net zero", news flow on bans of sales of internal combustion engine vehicles has increased. The Group continues to monitor a range of electrification forecasts to assess the likely impact on this key demand sector. Implats' view remains that the structural impact of electrification will be felt towards the end of the decade and that the medium-term automotive demand outlook for PGMs remains robust, with tightening emissions standards and rising production volumes from a Covid-19-depressed base, likely to support firm demand through the middle of the decade.

Industrial demand remains robust and has rebounded rapidly from the interruptions stemming from Covid-19. Capacity expansions in glass and chemicals continue to bolster annual "top-up" demand from turning of process-catalysts and substrates, while petrochemical demand is recovering in line with increased activity in the oil industry. A series of recently announced electrolyser projects and increased production of stationary fuel cells will also support industrial demand from platinum and iridium in the medium term. Chemical sector activity will support palladium and ruthenium demand, while price increases in rhodium have resulted in increased efforts to thrift "loadings" in industrial processes, where possible.

Industrial demand remains robust and has rebounded rapidly from the interruptions stemming from Covid-19.

Resurgent global consumer activity will support a strong rebound in jewellery demand as the PGI continues to work with industry partners to support and encourage the development of innovative branded collections to increase the competitiveness and appeal of platinum to consumers. While demand recovery in the US has been particularly robust, sporadic lockdowns in the key markets of China and India do provide some headwinds to the expected recovery in demand in 2021. A falling gold price has also increased competition, which has been encouraged by the steepening price discount that emerged between platinum and gold over 2020.

Covid-19 intensified the global focus on decarbonisation. "Build back better" government policies and the increasing focus on reaching "net zero" bodes well for large-scale support for the emergence of a hydrogen economy. In the medium term, while the impact on demand is likely to be limited, the benefit of an improving narrative for the longer-term outlook for PGMs is likely to lend support to investor demand.

Commentary

While the short-term supply outlook for PGMs has been impacted by several operating challenges across the peer group, there have been limited changes to the primary supply outlook over the medium term. Where growth has been announced, it is Implats' view that it will primarily serve to replace the eroding base of other mines reaching end-of-life. In South Africa, constrained processing capacity, the changing mix of ore and challenges associates with Eskom power supply persist, providing limited production upside from the region to meet the robust demand growth expected for primary PGMs in the medium term.

Conversations with Implats' customers recognise the supply constraints that characterise the markets, and while requests for palladium and rhodium have long exceeded the Group's offered volumes, tightening markets for iridium and ruthenium have intensified the focus on the critical role South Africa plays in supplying the PGMs required for the evolving end-uses in industrial applications over the next decade.

PROSPECTS AND OUTLOOK

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 FY2022 as the Group completes its planned vaccination programme for employees.

The operational focus in the near-term will be on the continued optimisation of Impala Canada, the leveraging of the enhanced mining flexibility established at Impala Rustenburg to deliver further growth, and the advancement of projects across mine-to-market operations where Implats has sought to capitalise on inherent mining efficiencies and flexibilities at its low-cost assets to capture quick-to-market production growth to harness the benefit of a robust PGM pricing cycle.

The Group's processing assets are a key competitive differentiator. The changing ore mix of its growing production profile and the aspiration to improve the energy efficiency and environmental impact of its value chain will result in a series of studies aimed at proposing the optimal route for expansion.

Implats' balance sheet is strong, with a substantial closing net cash balance and increased funding flexibility through upsized and refinanced facilities. This will allow the Group's capital allocation priorities to increase shareholder returns and fund the sustainable and efficient growth potential of its asset base.

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PGM miners remain under intense pressure to meet challenging and sometimes conflicting stakeholder expectations and this task has been complicated by the economic devastation and uncertainty associated with the Covid-19 pandemic and recent social unrest in South Africa.

In Zimbabwe and Canada, Implats continues to maintain open and constructive engagement with its stakeholders to advance positive and mutually beneficial relationships with host countries and communities.

GUIDANCE

Production volumes will be supported through the planned release of accumulated inventory and Group 6E refined production is estimated to be between 3.30 and 3.56 million ounces for FY2022. Group operating costs are expected to be between R15 600 and R16 300 per 6E ounce on a stock-adjusted basis. The board approved a R1.1 billion once-off, discretionary employee award, which will be paid in FY2022 and will add R450 per 6E ounce to unit costs. Group capital expenditure is forecast to be between R8.0 and R9.0 billion. This guidance is based on assumed R14.89/US$ and C$1.28/US$ respectively.

	Unit	Actual FY2021	Guidance: FY2022
Refined production	6E koz	**3 271**	3 300 – 3 560
Concentrate production	6E koz	**3 292**	3 240 – 3 510
Impala		**1 291**	1 250 – 1 350
Zimplats		**590**	580 – 600
Two Rivers		**300**	310 – 330
Mimosa		**261**	250 – 270
Marula		**231**	220 – 260
Impala Canada		**261**	270 – 300
IRS (third-party)		**358**	360 – 400
Group unit cost	R/oz 6E	**14 840**	15 600 – 16 300
Includes once-off discretionary bonus of R1.1 billion in FY2022			450
Group capital expenditure	Rm	**6 437**	8 000 – 9 000
Exchange rate assumptions	R/US$	**15.40**	14.89
	C$/US$	**1.28**	1.28

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

DIRECTORATE

Implats announced the appointment of Adv Thandi Orleyn as an independent non-executive director of the board of directors and chairman designate with effect from 3 August 2020. She assumed the chairmanship of the board on 26 October 2020 following the resignation of Dr Mandla Gantsho as chairman and independent non-executive director of the board. Mr Ralph Havenstein was appointed as an independent non-executive director and a member of the audit and risk committee with effect from 1 January 2021. Ms Babalwa Ngonyama will resign as an independent non-executive director of the board at the conclusion of the annual general meeting in October 2021 after 11 years' service on the board.

DECLARATION OF DIVIDEND

Shareholders are advised that the board has resolved to declare a final gross cash dividend of 1 200 cents per ordinary share amounting to R9.8 billion at the date of declaration for the financial year ended 30 June 2021. In terms of the approved dividend policy, a minimum dividend of 30% of free cash flow pre-growth capital should be declared. The board has discretion to vary this percentage depending on the current and forecast financial performance, as well as market and other factors, including sufficiently capitalising the business to allow the Group to take advantage of future value-accretive growth opportunities. As a result of improved profitability and strong cash flow generation on the back of strong metal pricing and sustained operational performance, the board has increased the dividend to approximately 50% of adjusted free cash flow in line with its commitment to prioritise returns to shareholders. The dividend has been declared from retained earnings.

Implats has 817 268 148 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 960 cents per ordinary share for shareholders liable to pay the dividend withholding tax and 1 200 cents per ordinary share for shareholders exempt from dividend withholding tax. Shareholders are advised to complete the requisite declaration form to make the Company aware of their tax status.

The salient dates are as follows:

Declaration date	Thursday, 2 September 2021
Last day for trading to be eligible for cash dividend	Monday, 20 September 2021
Trading ex-dividend commences	Tuesday, 21 September 2021
Record date	Thursday, 23 September 2021
Dividend payment date	Monday, 27 September 2021

Share certificates may not be dematerialised or rematerialised between Tuesday, 21 September 2021 and Thursday, 23 September 2021, both days inclusive.

Approval of the summarised 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 summarised consolidated financial statements and related information in a manner that fairly presents the state of the affairs of the Company. These summarised 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 summarised consolidated financial statements and the 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 summarised consolidated financial statements, and to prevent and detect material misstatement and loss.

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

NDB Orleyn
Chairman

NJ Muller
Chief executive officer

Johannesburg
2 September 2021

Independent auditor's report on the summarised consolidated financial statements

TO THE SHAREHOLDERS OF IMPALA PLATINUM HOLDINGS LIMITED

OPINION

The summarised consolidated financial statements of Impala Platinum Holdings Limited, which comprise the summarised consolidated statement of financial position as at 30 June 2021, the summarised consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Impala Platinum Holdings Limited for the year ended 30 June 2021.

In our opinion, the accompanying summarised consolidated financial statements as set out on pages 22 to 51 are consistent, in all material respects, with the audited consolidated financial statements of Impala Platinum Holdings Limited, in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in note 3 to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

OTHER MATTER

We have not audited future financial performance and expectations by management included in the accompanying summarised consolidated financial statements and accordingly do not express any opinion thereon.

SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The summarised consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summarised consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of Impala Platinum Holdings Limited and the auditor's report thereon.

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 2 September 2021. That report also includes the communication of key audit matters as reported in the auditor's report of the audited financial statements.

DIRECTORS' RESPONSIBILITY FOR THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, set out in note 3 to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), 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 an opinion on whether the summarised consolidated financial statements are consistent, in all material respects, with the consolidated audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Deloitte & Touche

Deloitte & Touche
Registered Auditors
Per: Sphiwe Stemela
Partner
2 September 2021

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

Summarised consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2021

	Notes	2021 Rm	2020 Rm
Revenue	6	**129 575**	69 851
Cost of sales	7	**(76 120)**	(46 580)
Gross profit		**53 455**	23 271
Reversal of impairment	8	**14 728**	—
Other income	9	**214**	471
Other expenses	10	**(2 175)**	(1 963)
Finance income		**768**	538
Finance cost		**(946)**	(1 155)
Net foreign exchange transaction (losses)/gains		**(1 336)**	786
Share of profit of equity-accounted entities	12	**3 212**	1 082
Profit before tax		**67 920**	23 030
Income tax expense		**(20 065)**	(6 546)
Profit for the year		**47 855**	16 484
Other comprehensive (loss)/income, comprising items that may subsequently be reclassified to profit or loss:			
Exchange differences on translating foreign equity-accounted entities		**(739)**	587
Deferred tax thereon		**74**	(59)
Exchange differences on translating foreign operations		**(4 019)**	3 499
Deferred tax thereon		**15**	57
Other comprehensive income/(loss), comprising items that will not be subsequently reclassified to profit or loss:			
Financial assets at fair value through other comprehensive income		**31**	28
Deferred tax thereon		**—**	(1)
Actuarial loss on post-employment medical benefit		**(3)**	(1)
Deferred tax thereon		**1**	—
Total other comprehensive (loss)/income		**(4 640)**	4 110
Total comprehensive income		**43 215**	20 594
Profit attributable to:			
Owners of the Company		**47 032**	16 055
Non-controlling interest		**823**	429
		47 855	16 484
Total comprehensive income attributable to:			
Owners of the Company		**42 860**	19 768
Non-controlling interest		**355**	826
		43 215	20 594
Earnings per share (cents)			
Basic		**5 996**	2 066
Diluted		**5 957**	1 911

The notes on pages 27 to 51 are an integral part of these summarised consolidated financial statements.

Summarised consolidated statement of financial position
as at 30 June 2021

	Notes	2021 Rm	2020 Rm (Restated)[1]
ASSETS			
Non-current assets			
Property, plant and equipment	11	57 709	50 885
Investment property		90	90
Investment in equity-accounted entities	12	7 748	5 462
Financial assets at fair value through other comprehensive income		425	394
Other financial assets		84	83
Prepayments	13	3 747	—
		69 803	56 914
Current assets			
Inventories	14	22 711	19 451
Trade and other receivables		7 308	5 128
Current tax receivable	15	1 064	348
Other financial assets		1 006	3
Prepayments	13	1 109	680
Cash and cash equivalents		23 474	13 331
		56 672	38 941
Total assets		126 475	95 855
EQUITY AND LIABILITIES			
Equity			
Share capital[1]	16	21 189	22 387
Retained earnings		59 661	28 854
Foreign currency translation reserve		4 917	8 967
Share-based payment reserve[1]		1 799	2 094
Other components of equity		263	(425)
Equity attributable to owners of the Company		87 829	61 877
Non-controlling interests		2 847	2 669
Total equity		90 676	64 546
LIABILITIES			
Non-current liabilities			
Provisions		2 239	1 812
Deferred tax	15	14 405	10 503
Borrowings	17	1 087	6 233
Other financial liabilities		24	35
Other liabilities		251	226
		18 006	18 809
Current liabilities			
Provisions		100	192
Trade and other payables		16 190	9 220
Current tax payable	15	653	188
Borrowings	17	241	2 625
Other financial liabilities		28	16
Other liabilities		581	133
Bank overdraft		—	126
		17 793	12 500
Total liabilities		35 799	31 309
Total equity and liabilities		126 475	95 855

[1] *The comparative numbers have been restated to present the share capital and share-based payment reserve, previously presented as a single line item, as separate line items. This was done to improve comparability in the industry and improve capital disclosure. Refer note 16.*

The notes on pages 27 to 51 are an integral part of these summarised consolidated financial statements.

Summarised consolidated statement of changes in equity
for the year ended 30 June 2021

	Share capital[1] Rm	Retained earnings Rm	Foreign currency translation reserve Rm
Balance at 30 June 2019	17 893	13 773	4 668
Conversion of US$ bonds	4 810	—	—
Shares purchased – Long-term Incentive Plan	(1 222)	—	—
Transfer of reserves	906	—	612
Share-based compensation expense	—	—	—
Total comprehensive income	—	16 054	3 687
Profit for the year	—	16 055	—
Other comprehensive (loss)/income	—	(1)	3 687
Dividends paid	—	(973)	—
Balance at 30 June 2020	**22 387**	**28 854**	**8 967**
Conversion of ZAR bonds (net of tax)	**1 605**	**—**	**—**
Repurchase of ZAR bonds	**(7 141)**	**—**	**—**
Shares purchased – Long-term Incentive Plan	**(1 613)**	**—**	**—**
Shares purchased – Odd-lot offer	**(178)**	**—**	**—**
Transfer of reserves[2]	**6 129**	**(5 182)**	**151**
Share-based compensation expense	**—**	**—**	**—**
Share-based compensation scheme modification	**—**	**—**	**—**
Marula IFRS 2 BEE charge	**—**	**—**	**—**
Total comprehensive income/(loss)	**—**	**47 030**	**(4 201)**
Profit for the year	**—**	**47 032**	**—**
Other comprehensive (loss)/income	**—**	**(2)**	**(4 201)**
Dividends paid	**—**	**(11 041)**	**—**
Balance at 30 June 2021	**21 189**	**59 661**	**4 917**

The table above excludes the treasury shares.

1 *The share capital and share premium columns have been combined into a single item, share capital, to improve comparability in the industry and improve capital disclosure. The subtotal comprising share capital and share-based payment reserve has been removed. Refer note 16.*

2 *The transfer of reserves relates mainly to the associated repurchase of the ZAR bonds.*

The notes on pages 27 to 51 are an integral part of these summarised consolidated financial statements.

Share-based payment reserve Rm	Other components of equity Rm	Attributable to: Owners of the Company Rm	Non-controlling interest Rm	Total equity Rm
2 643	160	39 137	1 943	41 080
—	—	4 810	—	4 810
—	—	(1 222)	—	(1 222)
(906)	(612)	—	—	—
357	—	357	—	357
—	27	19 768	826	20 594
—	—	16 055	429	16 484
—	27	3 713	397	4 110
—	—	(973)	(100)	(1 073)
2 094	**(425)**	**61 877**	**2 669**	**64 546**
—	**—**	**1 605**	**—**	**1 605**
—	**—**	**(7 141)**	**—**	**(7 141)**
—	**—**	**(1 613)**	**—**	**(1 613)**
—	**—**	**(178)**	**—**	**(178)**
(1 755)	**657**	**—**	**—**	**—**
408	**—**	**408**	**—**	**408**
(462)	**—**	**(462)**	**—**	**(462)**
1 514	**—**	**1 514**	**—**	**1 514**
—	**31**	**42 860**	**355**	**43 215**
—	**—**	**47 032**	**823**	**47 855**
—	**31**	**(4 172)**	**(468)**	**(4 640)**
—	**—**	**(11 041)**	**(177)**	**(11 218)**
1 799	**263**	**87 829**	**2 847**	**90 676**

Summarised consolidated statement of cash flows
for the year ended 30 June 2021

	Note	2021 Rm	2020 Rm
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	18	**56 852**	19 760
Finance cost paid		**(505)**	(932)
Income tax paid		**(14 513)**	(1 706)
Net cash inflow from operating activities		**41 834**	17 122
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(6 265)**	(4 248)
Proceeds from sale of property, plant and equipment		**148**	80
Acquisition of interest in joint venture		**(232)**	—
Investment in financial instruments at fair value through profit and loss		**(1 000)**	—
Net cash paid for the acquisition of North American Palladium		**—**	(9 431)
Acquisition of North American Palladium		**—**	(10 859)
Cash acquired through the acquisition		**—**	1 428
Finance income received		**766**	532
Dividends received		**1 822**	628
Proceeds from equity instruments held at fair value through other comprehensive income		**—**	193
Proceeds from long-term debt instruments		**—**	87
Other		**8**	(4)
Net cash outflow from investing activities		**(4 753)**	(12 163)
CASH FLOWS FROM FINANCING ACTIVITIES			
Purchase of shares for the Long-term Incentive Plan		**(1 613)**	(1 222)
Purchase of shares for the odd-lot offer		**(178)**	—
Repayments of borrowings		**(5 061)**	(6 720)
Proceeds from borrowings net of transaction costs		**873**	9 026
Repayments of lease liabilities		**(232)**	(155)
Repurchase of ZAR bonds		**(8 641)**	—
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		**(11 041)**	(973)
Dividends paid to non-controlling interest		**(177)**	(100)
Net cash outflow from financing activities		**(26 070)**	(576)
Net increase in cash and cash equivalents		**11 011**	4 383
Cash and cash equivalents at the beginning of the year		**13 205**	8 242
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies		**(742)**	580
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR[1]		**23 474**	13 205

[1] *Cash and cash equivalents are net of bank overdrafts of R126 million in the prior period.*

The notes on pages 27 to 51 are an integral part of these summarised consolidated financial statements.

Notes to the summarised consolidated financial statements
for the year ended 30 June 2021

1. GENERAL INFORMATION

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

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

The summarised consolidated financial statements were approved for issue on 2 September 2021 by the board of directors.

2. INDEPENDENT AUDITOR'S OPINION

The summarised consolidated financial statements have been derived from the audited consolidated financial statements. The summarised consolidated financial statements for the year ended 30 June 2021 have been audited by our external auditor, Deloitte & Touche, who has expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the consolidated financial statements, which included key audit matters, from which these summarised consolidated financial statements were derived. A copy of the auditor's report on the summarised consolidated financial statements and of the auditor's report on the consolidated financial statements are available for inspection at the Company's registered office, together with the financial statements identified in the respective auditor's reports. The auditor's report does not necessarily report on all the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of that report together with the accompanying financial information from the Company's registered office. Any forward looking statements have not been reviewed or reported on by the Company's external auditor.

3. BASIS OF PREPARATION

The summarised consolidated financial statements for the year ended 30 June 2021 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 summarised consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 30 June 2021, which have been prepared in accordance with IFRS, and the commentary included in the results.

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

3. BASIS OF PREPARATION continued

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

The directors take full responsibility for the preparation of the consolidated financial statements from which the summarised consolidated financial statements are derived.

4. ACCOUNTING POLICIES

The principal accounting policies and methods used by the Group are in accordance with IFRS and are consistent with those of the prior year, except for changes due to the adoption of new or revised IFRSs. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in the notes where necessary and indicated with EJ.

The following amendments to standards are not yet effective but were early adopted by the Group on 1 July 2020:

IAS 16 *Property, plant and equipment*

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

Disclosure of accounting policies

- Amendment to IAS 1 and IFRS *Practice Statement 2 Making Materiality Judgements* changes the requirements in IAS 1 *Presentation of Financial Statements* regarding the disclosure of accounting policies. The amendments explain how an entity can identify a material accounting policy, with added examples of when an accounting policy is likely to be material
- To support the amendment, guidance and examples have also been developed to explain and demonstrate the application of the “four-step materiality process” described in IFRS Practice Statement 2. The practice statement provides entities with guidance on making materiality judgements when preparing their annual financial statements
- The Practice Statement is a non-mandatory document and does not change or introduce any requirements in IFRS standards. The amendments had no material impact on the Group.

4. ACCOUNTING POLICIES continued

Definition of accounting estimates

- Amendments to IAS 8 replace the definition of a change in accounting estimates with a definition of accounting estimates, defined as "monetary amounts in financial statements that are subject to measurement uncertainty"
- The amendments further clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. The amendments had no material impact on the Group.

Amendments to IAS 12 *Income Taxes*

- Narrows the IAS 12 scope of the initial recognition exception so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments apply to taxable and deductible temporary differences associated with right-of-use assets and lease liabilities, and decommissioning obligations and the corresponding amounts recognised as assets. Amendments require an entity to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset subject to the recoverability criteria in IAS 12. The amendment had no material impact on the Group as Implats provides for deferred tax on lease assets and liabilities as well as rehabilitation provisions and the associated assets.

Covid-19-related rent concessions beyond 30 June 2021

- Amendment to IFRS 16 *Leases*
  Due to the ongoing nature of the pandemic, the IASB has extended the practical expedient in the IFRS 16 amendment (that relieves a lessee from assessing whether a Covid-19-related rent concession is a lease modification) to reduction in lease payments originally due on or before 30 June 2022 (previously 30 June 2021). The amendment had no material impact on the Group.

5. SEGMENT INFORMATION

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

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

Capital expenditure comprises additions to property, plant and equipment (note 11).

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

Sales to the two largest customers amounted to 14% and 11% (2020: 13% and 9% each) of total revenue. These sales are reported as Impala and Impala Refining Services' revenue.

Notes to the summarised consolidated financial statements
for the year ended 30 June 2021

5. SEGMENT INFORMATION continued

	2021		2020	
	Revenue Rm	Profit/(loss) after tax Rm	Revenue Rm	Profit/(loss) after tax Rm
Mining				
– Impala	51 393	27 973	30 220	6 528
– Zimplats	20 054	6 566	14 426	4 904
– Marula	9 309	2 636	5 272	1 673
– Impala Canada	8 971	2 768	3 254	185
Impala Refining Services	68 895	7 063	36 304	4 316
All other segments	316	2 917	79	310
Reconciliation	(29 363)	(2 068)	(19 704)	(1 432)
Total	129 575	47 855	69 851	16 484
Reconciliation comprises the following items:				
Unrealised profit in inventory consolidation adjustment		(2 227)		(1 818)
Inventory adjustments made on consolidation		159		386
		(2 068)		(1 432)

	2021			2020		
	Capital expenditure Rm	Total assets Rm	Total liabilities Rm	Capital expenditure Rm	Total assets Rm	Total liabilities Rm
Mining						
– Impala	2 484	50 747	28 036	1 757	29 569	34 557
– Zimplats	2 450	31 117	6 178	1 735	29 722	7 464
– Marula	342	7 735	3 236	340	3 879	2 866
– Impala Canada	1 124	14 343	8 727	657	14 916	11 653
Impala Refining Services	—	36 315	19 883	—	30 384	12 487
All other segments	37	44 440	19 468	—	39 974	11 134
Total	6 437	184 697	85 528	4 489	148 444	80 161
Intercompany balances eliminated		(49 412)	(50 287)		(47 098)	(47 972)
Unrealised profit in inventory, NRV and other inventory adjustments		(8 810)	—		(3 990)	—
Deferred income tax raised on consolidation (foreign entities FCTR and reserves)			3 025			1 738
Segmental deferred tax asset/liability allocations and deferred tax on consolidation		—	(2 467)		(1 501)	(2 618)
Total		126 475	35 799		95 855	31 309

5. SEGMENT INFORMATION continued

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

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

6. REVENUE

	2021 Rm	2020 Rm
DISAGGREGATION OF REVENUE BY CATEGORY		
Sales of goods		
Precious metals		
Platinum	22 197	18 659
Palladium	40 625	25 630
Rhodium	53 438	17 805
Ruthenium	2 141	886
Iridium	3 424	1 445
Gold	2 571	1 963
Silver	41	33
	124 437	66 421
Base metals		
Nickel	3 120	2 321
Copper	967	559
Cobalt	80	26
Chrome	472	182
	4 639	3 088
Commodity price adjustments	173	151
Revenue from services		
Toll refining	326	191
	499	342
	129 575	69 851

Note 5 contains additional disclosure of revenue per operating segment.

7. COST OF SALES

	2021 Rm	2020 Rm
Production costs		
On-mine operations	24 709	18 581
Processing operations	7 739	6 096
Refining and selling	1 927	1 720
Depreciation of operating assets	5 475	4 521
Other costs		
Metals purchased	33 903	18 465
Corporate costs	1 368	1 139
Royalty expense	4 740	1 367
Change in metal inventories	(5 288)	(7 108)
Covid-19 abnormal-production costs	—	1 278
Chrome operation – cost of sales	241	84
Other	1 306	437
	76 120	46 580

7. COST OF SALES continued

EJ

Direct Covid-19 costs, which include heightened risk mitigation through early Covid-19 detection, pandemic awareness initiatives, workplace hygiene, medical surveillance, additional personal protective equipment and medical supplies, and isolation and treatment of suspected and confirmed cases, are included in cost of sales as part of the cost of production.

Due to the three-week national lock down starting on 26 March 2020, R1 278 million of abnormal production-related costs, which would otherwise have formed part of the calculation of average cost of production for valuing inventory (note 14) were incurred in the prior period.

These costs were excluded from normal production-related costs and presented separately in cost of sales in the prior period. 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.

8. REVERSAL OF IMPAIRMENT

	2021 Rm	2020 Rm
Property, plant and equipment (note 11)	10 437	—
Prepaid royalty (note 13)	4 291	—
	14 728	—

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

The reversal of impairment was limited to what the carrying amounts of the assets would have been at 31 December 2020 had the assets not been impaired. Refer notes 11 and 13 for detailed disclosure relating to the reversal of the impairment.

EJ

The key financial assumptions for the cash-generating units used at December 2020 in the impairment reversal calculations are:

- Overall long-term real basket price per 6E ounce sold of R21 200 adjusted for the individual asset or cash-generating unit's prill split
- Long-term post-tax real discount rate – a range of 6% to 13% and long-term pre-tax real discount rate – a range of 16% to 24% for the various cash-generating units in the Group
- *In situ* resource valuation of between US$2 and US$11 per 6E ounce depending on whether the resource is inferred, indicated and measured
- If the long-term metal prices were to increase by 5%, the recoverable amount would increase by approximately R8.8 billion. Conversely, a decrease of 5% would negatively affect the recoverable amount by approximately R9.2 billion. A 10% increase or decrease in the *in situ* 6E value would affect the recoverable amount by approximately R160 million
- If the real discount rate were to increase or decrease by 50 basis points, the recoverable amount will decrease or increase respectively by approximately R600 million.

9. OTHER INCOME

	2021 Rm	2020 Rm
Insurance proceeds – business interruption (Number 5 furnace fire)	—	353
Emergency wage subsidy – Impala Canada	54	—
Profit on disposal of property, plant and equipment	49	43
Profit on sale and leaseback of houses	30	30
Dividend received – Rand Mutual Assurance (RMA)	30	8
Bargain purchase on acquisition of North American Palladium	—	11
Other	51	26
	214	471

10. OTHER EXPENSES

	2021 Rm	2020 Rm
Marula IFRS 2 BEE charge	1 514	—
Invitation premium paid on US$ bond conversion	—	509
Restructuring costs	—	105
Derivative financial instruments – fair value movements		
– Conversion option – US$ convertible bond	—	203
– Cross-currency interest rate swap	—	74
– Foreign exchange rate collars	—	441
Acquisition-related costs – North American Palladium	—	147
Non-production-related corporate costs	150	192
Repurchase of ZAR bond costs	169	—
Loss on reclassification of Waterberg investment	—	113
Auditor remuneration	26	20
Exploration expenditure	142	92
Other	174	67
	2 175	1 963
Auditor remuneration comprises:	26	20
Other services	—	—
Audit services including interim review	26	20

10. OTHER EXPENSES continued

Marula IFRS 2 BEE charge

The Group concluded the refinancing of the Standard Bank loan with its Marula empowerment partners (note 17), which included the establishment of an employee share ownership trust (ESOT). The transaction reduced the BEE partners shareholding in Marula from 27% to 22.7% but also introduced a 4% shareholding by the ESOT, resulting in an effective BEE ownership of 26.7% post the refinancing. The ESOT is controlled by Implats and therefore consolidated. The 22.7% BEE shareholding will only be accounted for as non-controlling interest when the loan is substantially repaid, at which point the BEE partners' rights to the shares in Marula become unconditional. The IFRS 2 BEE charge of R1 514 million represents the difference between fair value of the interest in Marula disposed of and the fair value of the consideration received from the BEE shareholders.

EJ

The key financial assumptions in the Marula IFRS 2 BEE charge calculations are:

- Overall long-term real basket price per 6E ounce sold of R21 000
- Long-term real post-tax discount rate – a range of 19% to 22% and long-term real pre-tax discount rate – a range of 32% to 35%.

11. PROPERTY, PLANT AND EQUIPMENT

	2021 Rm	2020 Rm
Carrying value – opening balance	50 885	34 499
Capital expenditure[1]	6 315	4 279
PPE acquired through the acquisition of North American Palladium (NAP)	—	11 067
Right-of-use assets capitalised	172	210
Interest capitalised	—	27
Reversal of impairment (note 8)	10 437	—
Disposals and scrappings	(99)	(37)
Depreciation (note 7)[1]	(5 525)	(4 552)
Rehabilitation adjustment	369	(133)
Exchange adjustment on translation	(4 845)	5 525
Carrying value – closing balance	57 709	50 885

[1] *Includes depreciation of R50 million (2020: R31 million) which was capitalised to the cost of property, plant and equipment.*

11. PROPERTY, PLANT AND EQUIPMENT continued

Reversal of impairment

During the 2018 financial year, the property, plant and equipment of the Impala operating segment was impaired to its recoverable amount. In the current period, R10 437 million of this impairment, relating to shaft, mining development and infrastructure, was reversed as a result of significant increases in the rand PGM prices as well as an expected overall improvement in future operating results. The recoverable amount of the Impala's mining cash-generating unit was approximately R31 billion, determined on the basis of fair value less costs to sell and was calculated using future discounted cash flows, including *in situ* 6E ounce value for mineral resources outside the approved mine plan. This is a level 3 valuation in terms of the fair value hierarchy. Refer note 8.

EJ

Impairment

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

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

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

Possible indicators of impairment were taken into account in the impairment tests for PPE, including Covid-19 as well as climate related impacts where applicable, during the financial year by updating their DCFs to take into consideration the revised production volumes, metal prices, cost forecasts and other factors. No impairment was required.

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

- Overall long-term real basket price per 6E ounce sold of R23 500 (2020: R20 300 in equivalent 2020 terms) adjusted for the individual asset or cash-generating unit's prill split
- Long-term post-tax real discount rate – a range of 5% to 12% (2020: 7% to 15%) and a long-term pre-tax real discount rate – a range of 18% to 29% (2020: 10% to 28%) for the various cash-generating units in the Group
- *In situ* resource valuation of between US$1.70 and US$9.00 (2020: US$1.60 and US$8.00) per 6E ounce depending on whether the resource is inferred, indicated and measured.

For the key financial assumptions for the cash-generating units used at December 2020 in the impairment reversal calculations refer note 8.

11. PROPERTY, PLANT AND EQUIPMENT continued

Right-of-use assets

Included in property, plant and equipment are right-of-use assets, namely, land and buildings with a carrying amount of R489 million (2020: R545 million), refining plants with a carrying amount of R26 million (2020: R37 million) and other assets with a carrying amount of R265 million (2020: R247 million) arising from leases capitalised.

	2021 Rm	2020 Rm
Capital commitments		
Commitments contracted for	3 297	1 384
Approved expenditure not yet contracted	10 592	4 798
	13 889	6 182
Less than one year	8 176	3 668
Between one and five years	5 713	2 514

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, no other fixed assets were pledged as collateral.

12. INVESTMENT IN EQUITY-ACCOUNTED ENTITIES

	2021 Rm	2020 Rm
Summary balances		
Joint venture		
Mimosa	4 251	3 428
Associates		
Two Rivers	3 225	1 910
Individually immaterial associates and joint ventures	272	124
	7 748	5 462

12. INVESTMENT IN EQUITY-ACCOUNTED ENTITIES continued

	2021 Rm	2020 Rm
Summary movement		
Beginning of the year	5 462	4 437
Share of profit	4 616	1 460
Acquisition of interest in AP Ventures[1]	232	—
Disposal of interest in AP Ventures[1]	(31)	—
Shareholder funding – Waterberg	—	5
Reclassification – Waterberg investment	—	(295)
Loss on reclassification of Waterberg investment	—	(113)
Exchange differences on translating foreign equity-accounted entities	(739)	588
Dividends received	(1 792)	(620)
End of the year	**7 748**	**5 462**
Share of profit of equity-accounted entities is made up as follows:		
Share of profit	4 616	1 460
Movement in unrealised profit in inventory	(1 404)	(378)
Total share of profit of equity-accounted entities	**3 212**	**1 082**

[1] *During the year Implats acquired a 25% shareholding in AP Ventures, a limited liability partnership established under the laws of England and Wales. The investment comprise a total commitment to contribute US$61 million over a period of nine years. The contribution of R232 million represents draw-downs for the year of US$15.6 million. Equalisation refunds of R31 million (US$2.2 million) were received during the period and which reduced Implats' shareholding to 19.3%.*

13. PREPAYMENTS

	2021 Rm	2020 Rm
Royal Bafokeng Nation (RBN) prepaid royalty	4112	—
Deposits on property, plant and equipment[1]	472	364
Business-related prepaid expenditure	256	230
Insurance premiums	4	73
Surface lease royalties	12	13
Total prepayments	**4 856**	**680**
Current	1 109	680
Non-current	3 747	—

[1] *Property, plant and equipment prepayments mainly relate to amounts prepaid on capital equipment for Bimha Mine redevelopment, Mupani Mine development, the third concentrator module at Ngezi Concentrator and advance payments for trackless mining machinery.*

13. PREPAYMENTS continued

RBN prepaid royalty

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

Reversal of impairment

In the 2017 financial year, the prepaid royalty to the RBN was impaired in full. During the current year, R4 291 million of this impairment, which related to the Impala operating segment, was reversed due to a significant increase in rand PGM prices, as well as an expected improvement in future operating results, resulting from a lower increase in operating costs relative to the increase in PGM prices. The recoverable amount of the Impala's mining cash-generating unit was approximately R31 billion, determined on the basis of fair value less costs to sell and was calculated using future discounted cash flows, including *in situ* 6E ounce value for mineral resources outside the approved mine plan. This is a level 3 valuation in terms of the fair value hierarchy. Refer note 8 for management estimates and judgements, as well as detailed disclosure relating to the reversal of the impairment.

14. INVENTORIES

	2021 Rm	2020 Rm
Mining metal		
Refined metal	**2 910**	1 421
In-process metal	**5 095**	4 348
	8 005	5 769
Purchased metal[1]		
Refined metal	**4 551**	6 133
In-process metal	**8 519**	5 995
	13 070	12 128
Total metal inventories	**21 075**	17 897
Stores and materials inventories	**1 636**	1 554
Total carrying amount	**22 711**	19 451

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

The net realisable value (NRV) adjustment impacted by prevailing metal prices at the reporting date included in inventory comprised R140 million (2020: R230 million) for refined metal and R428 million (2020: R211 million) for in-process metal.

Purchased metal consists mainly of Impala Refining Services inventory.

14. INVENTORIES continued

EJ

Inventory valuation

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

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

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

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

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

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

Change in in-process metal estimate

Quantities of recoverable metal are reconciled to the quantity and grade of ore input as well as the quantities of metal actually recovered (metallurgical balancing). The nature of this process inherently limits the ability to precisely monitor recoverability levels. As a result, the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time. The Group conducts periodic counts (usually annually) at the refineries to assess the accuracy of inventory quantities. Based on these counts, changes in engineering estimates of metal contained in-process resulted in a pre-tax increase in metal inventory of R851 million (2020: R1 329 million). Tolerances of up to 2% of annual throughput of the joint products are regarded as normal levels of estimation uncertainty in the measurement of work in progress quantities.

15. TAXATION

15.1 Deferred tax

	2021 Rm	2020 Rm
Deferred tax liabilities	**14 405**	10 503

The total year-on-year deferred tax movement is mainly attributable to temporary difference movements relating to property, plant and equipment (R3.6 billion) and royalty prepayment (R1.3 billion), offset by foreign currency translation adjustment on deferred tax (R1.2 billion).

15.2 Current tax

	2021 Rm	2020 Rm
Current tax payable	**653**	188
Current tax receivable	**(1 064)**	(348)
Net current tax receivable	**(411)**	(160)
Reconciliation		
Beginning of the year	**(160)**	(150)
Taxation expense	**14 332**	1 703
Payments made during the year	**(14 513)**	(1 706)
Current tax payable acquired through the acquisition of North American Palladium	**—**	47
Interest and penalties refund	**(10)**	2
Exchange adjustment[1]	**(60)**	(56)
End of the year	**(411)**	(160)

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

16. SHARE CAPITAL

Restatement due to change in classification of equity components

The comparative numbers of the statement of financial position have been restated to present the share capital and share-based payment reserve, previously presented as a single line item, as separate line items.

The share capital and share premium columns in the statement of changes in equity have been combined into a single item, share capital. The subtotal comprising share capital and share-based payment reserve has been removed.

This was done to improve comparability in the industry and improve capital disclosure. No financial ratios, including basic earnings per share and headline earnings per share was impacted by this restatement.

	2021 Rm	30 June 2020 Previous classification Rm	Re-classification Rm	New classification Rm
Statement of financial position				
Share capital and share-based payment reserve	**—**	24 481	(24 481)	—
Share capital	**21 189**	—	22 387	22 387
Share-based payment reserve	**1 799**	—	2 094	2 094
	22 988	24 481	—	24 481
Statement of changes in equity				
Ordinary share capital	**—**	18	(18)	—
Share premium	**—**	22 369	(22 369)	—
Share capital	**21 189**	—	22 387	22 387
Share-based payment reserve	**1 799**	2 094	—	2 094
	22 988	24 481	—	24 481

17. BORROWINGS

	2021 Non-current Rm	2021 Current Rm	2021 Total Rm	2020 Non-current Rm	2020 Current Rm	2020 Total Rm
Standard Bank Limited – BEE partners Marula	—	—	—	—	885	885
Convertible bonds – ZAR	—	1	1	2 707	207	2 914
Impala Canada term loan	—	—	—	2 347	1 310	3 657
Lease liabilities	1 087	240	1 327	1 179	223	1 402
Total borrowings	**1 087**	**241**	**1 328**	6 233	2 625	8 858

	2021 Rm	2020 Rm
Reconciliation		
Beginning of the year	8 858	8 562
Conversion of bonds to equity	(1 578)	(2 996)
Repurchase of ZAR bonds	(1 502)	—
Proceeds from borrowings	873	9 026
Capital repayments	(5 293)	(6 875)
Interest repayments	(342)	(561)
Lease liabilities acquired through the acquisition of North American Palladium	—	76
Leases capitalised	185	210
Interest accrued	555	750
Change in carrying value of Impala Canada term loan	70	(100)
Exchange adjustments	(498)	766
End of the year	**1 328**	8 858

17. BORROWINGS continued

Convertible bonds – ZAR

During the current period 167 036 of the ZAR denominated convertible bonds (the convertible bonds) were converted into ordinary shares, resulting in an increase of 35 480 632 to number of ordinary shares in issue. The Group also repurchased 157 905 of the convertible bonds through a combination of a tender offer to bondholders (26 146 bonds) and on market purchases (131 759 bonds). The accounting for the total R8.8 billion purchase consideration resulted in a reduction in the carrying value of the bond liability of R1.5 billion, a reduction in equity of R7.1 billion and a charge of R0.2 billion to earnings for the year. The remaining convertible bonds representing less than 1% of the original bonds issued have a par value of R0.59 million and carry a coupon of 6.375% per annum. In July 2021, the remaining 59 bonds were converted into 12 678 ordinary shares. The value of this conversion option derivative was R676 million at the time of issue. The effective interest rate of the bonds was 12.8%.

	2021 Rm	2020 Rm
Facilities		
Committed revolving credit facility	**6 000**	4 000
Revolving credit limit facility (US$125 million)	**1 788**	—
Revolving credit limit facility (US$25 million) – Impala Canada Limited	**—**	435
	7 788	4 435

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

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

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

18. CASH GENERATED FROM OPERATIONS

	2021 Rm	2020 Rm
Profit before tax	**67 920**	23 030
Adjusted for:		
Reversal of impairment	(14 728)	—
Depreciation	5 475	4 521
Amortisation of prepaid royalty	180	—
Finance income	(768)	(538)
Finance cost	946	1 155
Share of profit of equity-accounted entities (note 12)	(3 212)	(1 082)
Marula IFRS 2 BEE charge	1 514	—
Dividend received – Rand Mutual Assurance (note 9)	(30)	(8)
Employee benefit provisions	(7)	(7)
Share-based compensation	505	445
Provisions	(116)	191
Rehabilitation provisions	20	(86)
Bargain purchase on acquisition of North American Palladium	—	(11)
Foreign currency adjustments	1 035	(1 225)
Profit on disposal of property, plant and equipment (note 9)	(49)	(43)
Deferred profit on sale and leaseback of houses (note 9)	(30)	(30)
Loss on reclassification of Waterberg investment	—	113
Fair value adjustments on derivative financial instruments	—	508
Invitation premium paid on US$ bond conversion	—	509
Tax penalties and interest (received)/paid	(10)	2
	58 645	27 444
Changes in working capital:		
Increase in trade and other receivables	(3 551)	(261)
Increase in inventories	(5 575)	(7 375)
Increase/(decrease) in trade and other payables	7 333	(48)
Cash generated from operations	**56 852**	19 760

Cash and cash equivalents
Cash and cash equivalents is made up of R17 179 million (2020: R9 193 million) short-term bank deposits, R6 295 million (2020: R3 849 million) cash at bank and Rnil (2020: R283 million) in money market investments. The weighted average effective interest rate on short-term bank deposits was 4.01% and these deposits have a maximum maturity of 32 days.

Exposure by country and currency
The cash and cash equivalents exposures of R23 474 million (2020: R13 205 million), by country, are largely comprised of the South African rand, but also include R3 420 million (2020: R1 146 million) in Europe, denominated in United States dollars, R1 511 million (2020: R1 214 million) in Zimbabwe, denominated in United States dollars, and R760 million (2020: R 1 281 million) in Canada, denominated in Canadian dollars.

Restricted cash
Included in total cash and cash equivalents is restricted cash of R362 million, which mainly consists of R305 million (2020: R289 million) cash invested in the Impala Pollution Control, Rehabilitation and Closure Trust Fund.

19. HEADLINE EARNINGS

	2021 Rm	2020 Rm
Profit attributable to owners of the Company	**47 032**	16 055
Remeasurement adjustments:		
Reversal of impairment	**(14 728)**	—
Profit on disposal of property, plant and equipment	**(99)**	(43)
Bargain purchase on acquisition of North American Palladium	**—**	(11)
Loss on reclassification of Waterberg investment	**—**	113
Total tax effects of adjustments	**4 154**	12
Headline earnings	**36 359**	16 126
Adjusted for:		
Interest on dilutive ZAR convertible bonds (after tax at 28%)	**—**	257
Headline earnings used in the calculation of diluted earnings per share	**36 359**	16 383
Weighted average number of ordinary shares in issue for basic earnings per share (millions)	**784.43**	777.20
Adjusted for:		
Dilutive potential ordinary shares relating to Long-term Incentive Plan	**5.12**	11.55
Dilutive potential ordinary shares relating to ZAR convertible bonds	**0.01**	64.99
Weighted average number of ordinary shares for diluted earnings per share (millions)	**789.56**	853.74
Headline earnings per share (cents)		
Basic	**4 635**	2 075
Diluted	**4 605**	1 919

20. CONTINGENT LIABILITIES, GUARANTEES AND UNCERTAIN TAX MATTERS

Contingent liabilities and guarantees

As at the end of June 2021 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 R80 million (2020: R4 633 million). Guarantees of R2 436 million (2020: R2 177 million) have been issued by third parties and financial institutions on behalf of the Group consisting mainly of guarantees to the Department of Mineral Resources and Energy for R2 042 million (2020: R 1 754 million).

Uncertain tax matters

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

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

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

South Africa

At 30 June 2021, 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 R634 million (including interest).

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

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.

21. RELATED-PARTY TRANSACTIONS

	2021 Rm	2020 Rm
Associates		
Two Rivers		
Transactions with related party		
Purchases of metal concentrates	**11 992**	6 229
Year-end balances arising from transactions with related party:		
Payables to associate	**4 166**	1 783
Makgomo Chrome		
Transactions with related party		
Tailings fee expense	**44**	11
Sale of metal concentrates	**44**	11
Friedshelf		
Transactions with related party		
Interest accrued	**110**	117
Repayments	**188**	173
Year-end balances arising from transactions with related party:		
Borrowings- finance leases	**1 019**	1 097
The finance leases have an effective interest rate of 10.2%		
Joint venture		
Mimosa		
Transactions with related party		
Refining fees	**287**	187
Interest received	**3**	13
Purchases of metal concentrates	**9 136**	4 737
Year-end balances arising from transactions with related party:		
Advance to joint venture[1]	**1 744**	845
Payables to joint venture	**2 733**	992

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

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

Fixed and variable key management compensation was R406 million (2020: R176 million).

22. 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.

	2021 Rm	2020 Rm
Financial assets – carrying amount		
Financial assets at amortised cost	27 868	16 583
Other financial assets	88	86
Trade receivables	3 631	2 774
Other receivables	544	538
Employee receivables	131	143
Cash and cash equivalents	23 474	13 042
Financial assets at fair value through profit or loss[1]	2 706	697
Other financial assets	1 002	—
Trade receivables	1 704	408
Cash and cash equivalents	—	289
Financial assets at fair value through other comprehensive income[3]	425	394
Total financial assets	30 999	17 674
Financial liabilities – carrying amount		
Financial liabilities at amortised cost	6 428	12 399
Borrowings	1 328	8 858
Other financial liability	52	51
Trade payables	4 822	3 264
Other payables	226	100
Bank overdraft	—	126
Financial instruments at fair value through profit or loss[2]	9 025	3 871
Trade payables at fair value through profit or loss	10 772	4 716
Advances	(1 747)	(845)
Total financial liabilities	15 453	16 270

1 *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.*
2 *Level 2 of the fair value hierarchy – valuation techniques for which significant inputs are based on observable market data.*
3 *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.

22. FINANCIAL INSTRUMENTS continued

Fair value hedge accounting

The Group has a hedging strategy and accounting policy to manage the fair value risk (commodity price and foreign currency exchange risk) to which purchased metal (note 14), the hedged item, 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:

	2021 Rm	2020 Rm
Hedging instrument: Trade payables at fair value through profit or loss – metal purchases		
Carrying amount	**10 772**	4 716
Fair value loss used to determine hedge effectiveness	**2 069**	1 362
Hedged item: Metal purchases inventory		
Metal purchases exposed to fair value movement	**10 772**	4 716
Change in fair value of hedging instrument used to determine hedge effectiveness	**(2 069)**	(1 362)
Accumulated fair value hedge loss included in metal purchases in respect of closing inventory[1]	**2 014**	372

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

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.

23. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Dividends

The board declared a final cash dividend on 2 September 2021 in respect of the financial year ended 30 June 2021. 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 1 200 cents per ordinary share or R9 768 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, 27 September 2021 to shareholders recorded in the register at the close of business, 23 September 2021.

	2021 Rm	2020 Rm
Dividends paid:		
Final dividend No 93 for 2020 of 400 cents per ordinary share	3 113	—
Interim dividend No 94 for 2021 (No 92 for 2020) of 1 000 cents (2020: 125 cents) per ordinary share	7 928	973

Other events occurring after the reporting period

In July 2021, the remaining 59 bonds were converted into 12 678 ordinary shares, refer note 17. The directors are not aware of any other subsequent events which materially impact the annual financial statements.

Notes to the key operational performance measure
for the year ended 30 June 2021

		FY2021	FY2020
COST PER 6E OUNCE REFINED (STOCK ADJUSTED)			
On-mine operations[1]	(Rm)	**24 709**	18 581
Concentrating and smelting operations	(Rm)	**7 739**	6 096
Concentrating operations[1]	(Rm)	**5 492**	4 244
Smelting operations[2]	(Rm)	**2 247**	1 852
Refining operations[2]	(Rm)	**1 927**	1 720
Head office costs[1]	(Rm)	**1 368**	1 139
Total cash costs	(Rm)	**35 743**	27 536
Managed operations 6E ounces: stock adjusted[1]	(000oz)	**2 345**	1 985
Gross 6E ounces[2]	(000oz)	**3 029**	2 813
Cost per 6E ounce			
On-mine operations[1]	(R/oz)	**10 537**	9 363
Concentrating operations[1]	(R/oz)	**2 342**	2 138
Smelting operations[2]	(R/oz)	**742**	658
Refining operations[2]	(R/oz)	**636**	612
Head office costs[1]	(R/oz)	**583**	574
Implats costs per 6E ounce	(R/oz)	**14 840**	13 345

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

Notes to the key operational performance measure
for the year ended 30 June 2021

		FY2021	FY2020
FREE CASH FLOW			
Net cash from operating activities	(Rm)	**41 834**	17 122
Capital expenditure	(Rm)	**(6 265)**	(4 248)
Interest received	(Rm)	**766**	532
Net investments and other	(Rm)	**1 969**	666
Add back: Impala Canada transaction fees	(Rm)	**—**	147
Add back: Bridge financing interest	(Rm)	**—**	176
Free cash flow	(Rm)	**38 304**	14 395

		FY2021	FY2020
EBITDA			
Profit before taxation	(Rm)	**67 920**	23 030
Finance income	(Rm)	**(768)**	(538)
Finance cost	(Rm)	**946**	1 155
Depreciation and amortisation	(Rm)	**5 475**	4 521
Associates adjustment of EBITDA	(Rm)	**2 519**	1 159
Adjustments to headline earnings	(Rm)	**(14 827)**	59
EBITDA (earnings before interest, tax and depreciation)	(Rm)	**61 442**	29 386

Definitions for key operational performance measures

Cost per ounces refined (stock adjusted)

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

Free cash flow

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

EBITDA

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

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

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