



ROYAL BAFOKENG
PLATINUM
MORE THAN MINING

Annual Results
for the year ended 31 December 2022

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

OUR BUSINESS AT A GLANCE

We are a mid-tier producer of platinum group metals (PGMs) listed on the Johannesburg Stock Exchange (JSE). Our operations are on shallow long-life Merensky and UG2 ore bodies located on the Bushveld Igneous Complex in the North West province of South Africa. We focus on extracting value from the PGMs and base metals we mine, which make a difference in people’s lives with the aim of achieving our purpose of creating economic value for all our stakeholders by delivering *More than mining*.

We own and operate two mines and two concentrators

Our mines

Bafokeng Rasimone Platinum Mine (BRPM), North and South shafts

Both are twin decline shafts with an average mining depth of 450m. The mining methods applied are conventional and hybrid mining, mining both the Merensky and UG2 reefs

Styl drift Mine (Styl drift)

A twin vertical shaft with an average mining depth of 680m. It is a mechanised bord and pillar mining operation, currently only mining the Merensky reef

Our concentrators

BRPM concentrator

A 250ktpm capacity traditional MF2 process plant

Maseve concentrator

A 180ktpm capacity traditional MF2 process plant

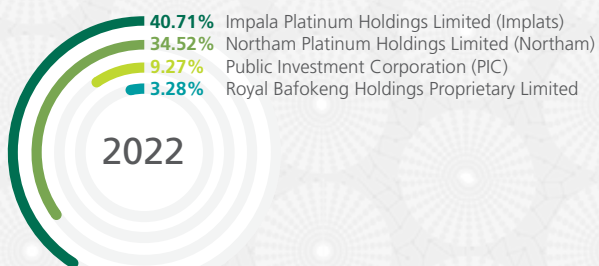
EXPLORATION →

MINING →

CONCENTRATING →

CONCENTRATE sold to Anglo American Platinum Limited (Amplats) through its wholly owned subsidiary, Rustenburg Platinum Mines Limited, who smelt, refines, and markets our product

Major shareholders*



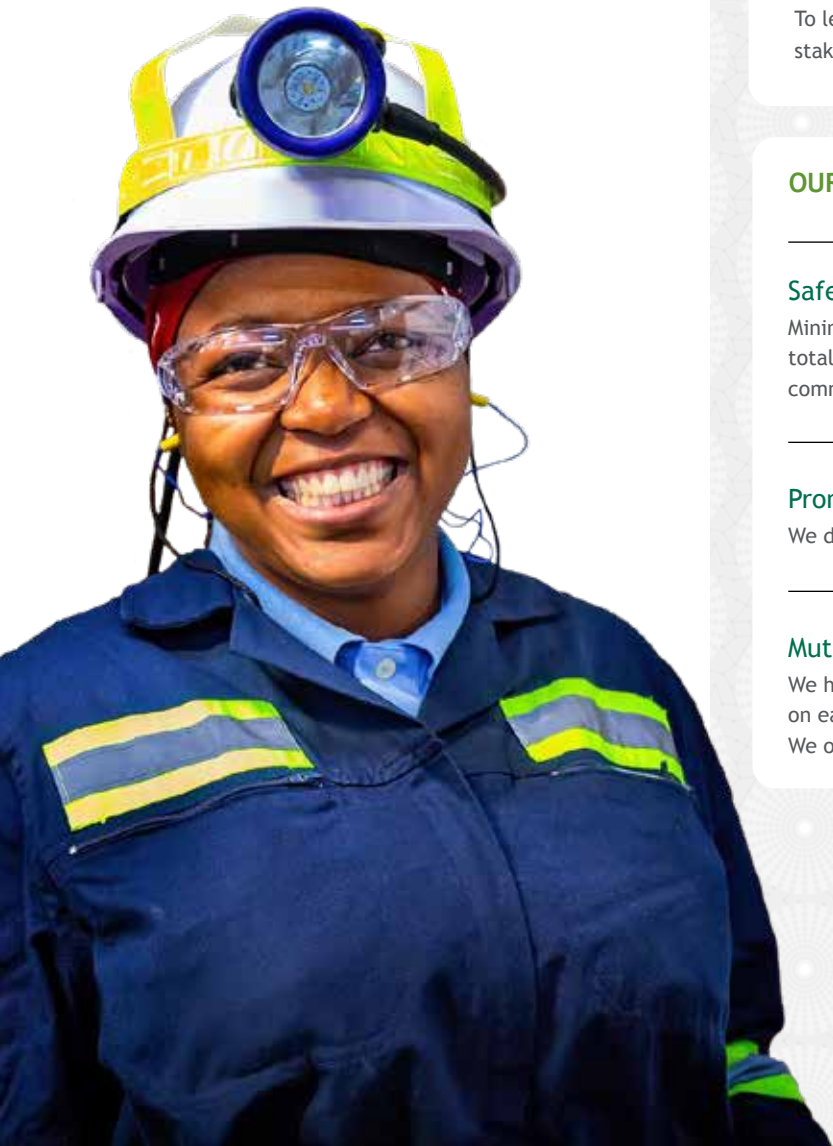
* As at 31 December 2022



OUR PURPOSE



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



OUR VISION

To seek and deliver the good from mining

OUR MISSION

To leave a lasting legacy of sustainable benefits for our stakeholders

OUR VALUES

Safety and people first

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

Promises delivered

We do what we say we will do

Mutual interests and mutual rewards

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

Our *More than mining* philosophy, which commits RBPlat to creating value for society, underpins our ability to create the social, human, intellectual and natural capital we need to be sustainable and perform well in the future.

OUR PERFORMANCE IN 2022

Our commitment to achieving our purpose drives our performance. The past year has been a challenging one for RBPlat, during which we have remained focused on delivering on our purpose and our strategy with the aim of creating value for all. We have done so by delivering on our commitments to our shareholders and to society, which include our environmental stewardship.



FINANCIAL CAPITAL

- EBITDA of R5 993.9 million (2021: R8 530.6 million)
- Headline earnings per share of 1 203.1 cents (2021: 2 324.6 cents)
- Net cash position of R4 353.1 million (2021: R4 898.4 million)
- 780.0 cents per share dividend declared



MANUFACTURED CAPITAL

- **3.1% decrease** in 4E built-up headgrade to 3.74g/t (2021: 3.86g/t)
- **3.9% decrease** in 4E ounces to 449koz (2021: 467koz)
- **22.0% increase** in cash cost per 4E ounce to R20 465 (2021: R16 770)



HUMAN CAPITAL

- **One fatality** (2021: one fatality)
- **Three million** fatality-free shifts on 22 July 2022
- **28.0%** improvement in our serious injury frequency rate (SIFR)
- Invested **R111.1 million** in training and development
- **80%** of our Exco members are black and 60% of our Exco members are black women



SOCIAL AND RELATIONSHIP CAPITAL

- **R12.9 million** spent on community infrastructure
- **R17.3 million** spent on the construction of the schools in the Waterkloof Hills Estate in 2022. Together, RBPlat and the Department of Education have invested approximately R151.2 million in the schools to date
- **R5.6 billion** of our total discretionary procurement was spent with historically disadvantaged businesses (87% of our discretionary procurement)
- **R17.4 million** spent on enterprise development
- **R5.8 million** spent on education support



NATURAL CAPITAL

- **A- score** for our voluntary participation in the CDP water security
- **B score** for our voluntary participation in the CDP climate change
- **Group carbon intensity** 0.131tCO₂e/tonne milled (scope 1 and 2 emissions)
- **Water efficiency** 0.808kl/tonne milled

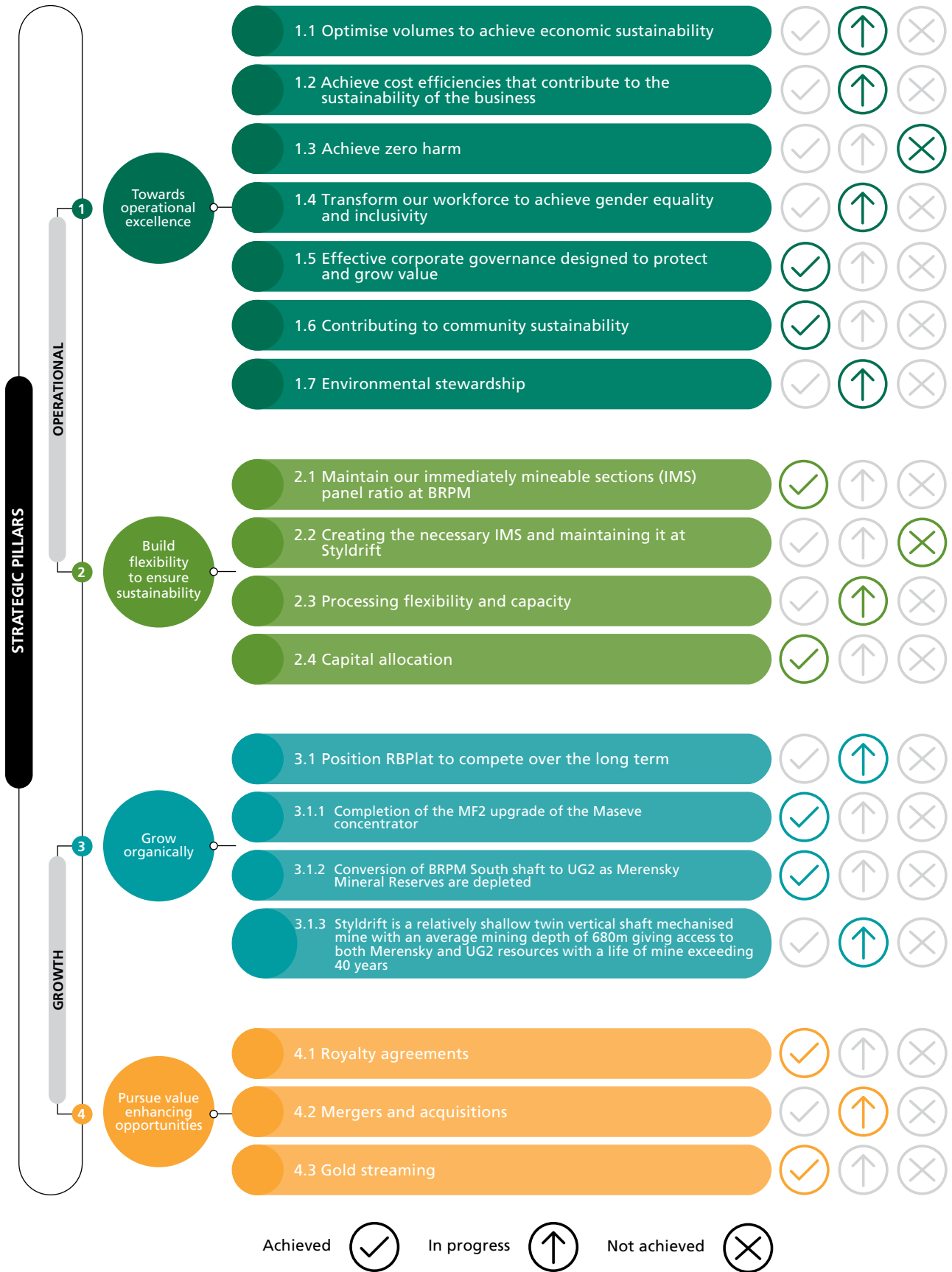


INTELLECTUAL CAPITAL

TECHNOLOGY

- **Over 300 Wi-Fi access points** installed underground at Styldrift as part of the establishment of an underground Wi-Fi network
- **KAELO** platform reach expanded through the integration of safety, production engineering, human resources and supply chain to optimise safety, performance and cost
- Digital technology used in **incident analysis**

STRATEGY



COMMENTARY

OVERVIEW

The first few years of this decade have been particularly disruptive, starting with the Covid-19 pandemic, which was still with us when the war broke out in Ukraine at the beginning of 2022. The war in turn triggered food and energy crises, the return of high inflation and a cost-of-living crisis. Widespread social unrest, fuelled by the impact of high inflation on the cost-of-living and in some instances the political environment, has become a feature globally. To achieve our purpose of creating economic value for all our stakeholders in 2022 required resilience and flexibility to navigate a challenging and changing operating environment. Our ability to achieve operational excellence, Pillar 1 of our strategy, which requires a safe, sustainable and cost-efficient performance, was hampered by high inflationary pressures, supply chain disruptions, safety related section 54 stoppages, Eskom electricity supply disruptions and production constraints.

RBPlat remains committed to establishing an Agile Safety culture and progressing towards our objective of achieving zero harm. Following a disappointing deterioration in our key safety metrics in 2021, the continuing application of our safety strategy and associated safety initiatives yielded positive results in 2022. We achieved a marked year-on-year improvement in our three key safety performance indicators and achieved three million fatality-free shifts on 22 July 2022. Regrettably, we were unable to ensure the safety of all our employees when Ms Amogelang Sibilanga, a Utility Vehicle Operator, was fatally injured at Styldrift on 11 September 2022. The Board of Directors (the Board) and management wish to extend their sincere condolences to the family, friends and colleagues of Ms Sibilanga.

Our overall operating performance in 2022, impacted by Styldrift's weak performance, was disappointing despite the stellar performance of BRPM which has exceeded its business plan for 23 consecutive months. Cash operating costs per 4E ounce were impacted by mining inflation and exacerbated by the lower than expected production volumes at Styldrift. Factors affecting Styldrift's performance included a lengthy section 54 stoppage following the fatality, as well as poor productivity. 4E metals in concentrate decreased by 3.9% to 449koz.

Our *More than mining* philosophy aims to achieve economic value for all our stakeholders. This includes supporting community livelihoods, which in the current environment where around 60% of young people are unemployed, is both challenging and urgent. We support livelihoods through investing in education and skills development of our community members, providing employment in our operations, enterprise and supplier development (ESD) as well as preferential procurement.

CORPORATE ACTION UPDATE AND ITS IMPACT ON THE BUSINESS

In 2021, both Impala Platinum Holdings Limited (Implats) and Northam Platinum Holdings Limited (Northam) acquired significant shareholdings in RBPlat. As at the date of finalisation of these results, Northam has not yet made a formal offer following its firm intention announcement in November 2022. Implats made a mandatory offer to all RBPlat shareholders in January 2022. The Implats offer is subject to fulfilment of certain conditions precedent as set out in the Implats Offer Circular. The key outstanding condition is the issuing of a compliance certificate by the Takeover Regulation Panel (TRP). As at 31 December 2022, Implats and Northam held 40.71% and 34.52%, respectively, in RBPlat. In the most recent development, Implats announced on 24 February 2023 that it has extended the closing date of its offer to RBPlat shareholders to 31 March 2023 due to regulatory delays in relation to the issuance of the TRP's compliance certificate

and that the date set for fulfilment or waiver of the conditions precedent has been moved to 31 March 2023.

The uncertainty caused by the delay in finalising the corporate action is what has become a key risk to managing our people, their morale and retention. The Company has been under takeover offer for more than a year. Under these circumstances:

- We are unable to formulate a long-term strategy and implement aspects of our current strategy, which includes growth
- Our capital allocation abilities are constrained
- Our ability to create further sustainable enterprise value for our stakeholders is impacted
- Uncertainty prevails in the minds of our stakeholders, especially in those of our employees and suppliers, potentially causing instability in the business
- The business is losing key and critical skills to more certainty elsewhere.

All these circumstances, which have existed during the past year, are creating an environment in which it is difficult to operate.

FINANCIAL REVIEW

While the impact of Covid-19 subsided in 2022, the South African economy continued to face significant disruptions including prolonged load shedding and significant inflationary pressures. The PGM prices also declined compared to 2021. This decline was, however, cushioned by the weakening of the rand against the US dollar resulting in a stable basket price. A number of operational challenges resulted in the reduction of 4E ounce production compared to 2021. The lower production coupled with inflationary pressures, resulted in our earnings per share decreasing by 50.9% from 2 332.4 cents to 1 146.3 cents. Despite the reduction in earnings, RBPlat continued to be profitable and our balance sheet remained robust. Remaining profitable not only benefited our shareholders in the form of capital returns, but also benefited our other significant stakeholder, the government, through the increased taxes paid in 2022.

Our revenue for the year decreased by 3.1% to R15 911.3 million, mainly due to lower production. An excellent operational performance from BRPM was offset by a weaker Styldrift performance, resulting in a 3.9% decrease in the Group's 4E ounces for the year compared to 2021. BRPM contributed 266koz of 4E production, an increase of 6.8%, while Styldrift's production decreased by 16.1% to 183koz of 4E due to operational challenges.

Despite the weakening price environment for platinum, rhodium and gold our basket price per 4E ounce increased by 1.5% to R35 733.8 (2021: R35 215.9) due to a weaker rand against the US dollar. The average exchange rate we received for the period was R16.86 per US dollar, compared to R15.00 per US dollar in the comparative period. The resulting contribution to our revenue from platinum amounted to 24.8% (2021: 24.8%), while palladium and rhodium contributed 60.1% (2021: 61.8%).

Cost of sales increased by 21.3% to R11 669.2 million (2021: R9 618.8 million) largely due to on-mine inflation being higher than CPI, the increase in BRPM production and the increase in Styldrift fleet maintenance costs. Substantial increases in the cost of steel, fuel and spares contributed to higher on-mine inflation. The depletion of the unredeemed capital expenditure balance in the first half of 2022 resulted in an increase in state royalties payable to our government from R214.3 million in 2021 to R630.6 million in 2022. The conversion from equity-settled to cash-settled share-based payment schemes resulted in a change in accounting treatment of the share-based payment expense. Under the cash-settled share-based payment schemes, a revaluation, based on the share price at 31 December 2022

resulted in a 261.1% increase in share-based payment expense from R68.1 million to R245.9 million in 2022.

Styldrift's cost of sales increased by 15.9% year-on-year to R5 724.2 million (2021: R4 940.9 million) due to increased trackless fleet maintenance costs, mining consumables, secondary support costs, and on-mine inflation. BRPM's cost of sales increased by 17.5% year-on-year to R5 272.1 million (2021: R4 486.4 million), in line with production volumes and on-mine inflation. The fixed cost component of our cash costs improved by 0.6% year-on-year to 65.2% (2021: 65.8%), reflecting our continued efforts towards cost optimisation.

BRPM reported a 6.6% decrease in gross profit to R4 490.6 million (2021: R4 807.7 million) mainly due to on-mine inflation being higher than CPI. The decrease in production at Styldrift, coupled with the increase in cost of sales resulted in an 80.7% decrease in gross profit to R424.4 million (2021: R2 193.7 million). RBPlat's consolidated gross profit decreased by 37.7% to R4 242.1 million from R6 809.9 million with a return on capital employed of 12.7% compared to 22.4% in 2021 as a result of poor Styldrift production performance and higher cost of sales. Other income decreased by R310.8 million from R1 062.3 million, largely due to the royalty income received from Implats decreasing by 55.8% to R326.7 million. This decrease was as a result of a section 54 stoppage at Implats' 6 shaft since November 2021. The section 54 stoppage was lifted in early March 2022 and full production was achieved during the second quarter of 2022.

Our corporate office administrative expenses increased by 9.4% year-on-year to R259.8 million (2021: R237.4 million) largely as a result of a R33.4 million increase in advisory and legal fees due to the ongoing corporate action. This was offset by a decrease of R7.7 million in commitment fees as a result of the refinancing of the banking facilities in 2021. Our industry membership and market development contributions increased by 12.2% to R47.7 million during the year under review. In 2022, impairment of assets totalling R239.5 million was recognised, relating partly to the R203.8 million impairment of vacant land held by the housing entity and a R35.7 million impairment recognised on the reclassification of the Sundown Ranch assets from property, plant and equipment (PPE) to non-current assets held for sale.

Earnings before interest, taxation, depreciation and amortisation (EBITDA) decreased by 29.7% from R8 530.6 million to R5 993.9 million, with our EBITDA margin decreasing to 37.7% from 51.9% in the prior year. In 2021, our convertible bond was settled at a premium of R312.5 million. Prior to settlement, coupon interest was also incurred. Following the settlement of the convertible bond, our 2022 finance costs decreased by 52.6% to R329.3 million. Finance income increased by 51.6% to R386.8 million, largely due to high cash and cash equivalents throughout the year, as well as an upward trend in interest rates in 2022. Income tax expense increased from R541.1 million to R1 100.6 million, mainly due to the depletion of the unredeemed capital expenditure balance in the first half of 2022.

Headline earnings decreased by 46.3% to R3 485.0 million (2021: R6 488.2 million). Headline earnings per share decreased to 1 203.1 cents (2021: 2 324.6 cents). Basic earnings per share are 1 146.3 cents compared to 2 332.4 cents in 2021. Cash generated from our operations decreased by 48.9% to R4 533.1 million in 2022. This decrease is due to significant increases in cash costs, the reduction in production which had an impact on revenue, and the Rustenburg Platinum Mines concentrate debtor payment only being received in early January 2023 in line with contractual terms. The substantial increase in the taxes we paid to government also had a significant impact on the cash generated from operations. Net cash outflow from financing activities decreased by 72.2% to

R346.3 million. Cash flows from financing activities in 2021 included the repayment of the interest-bearing borrowings and the settlement of the convertible bond.

Employee share schemes

The statement of financial position was impacted by changes relating to employee share schemes. In the second quarter of 2022, the Remuneration and Nominations Committees and the Board considered and approved in principle the establishment of a new cash-based long-term incentive scheme, the '2022 RBPlat Phantom Share Plan'. The old equity-based share schemes were terminated, namely the RBPlat Share Appreciation Rights Plan (SARS), the Bonus Share Plan (BSP) and the Forfeitable Share Plan (FSP) ('the old schemes').

Participants who accepted the termination of rights under the old schemes received replacement awards under the new 2022 RBPlat Phantom Share Plan, which carries the same terms, value and provisions. Instead of RBPlat ordinary shares, notional shares were awarded to participants. Shares not terminated under the old schemes, as elected by some participants, have been grandfathered, and will see out their normal life cycle and vesting periods. The provisions relating to change of control under the old schemes are mirrored in the 2022 RBPlat Phantom Share Plan with the only difference being that the 2022 RBPlat Phantom Share Plan is cash-settled while the old schemes are equity-settled. Approximately 5 819 924 SARS, 2 159 394 BSP and 2 802 084 FSP shares were cancelled and replaced under the 2022 RBPlat Phantom Share Plan. A total of 1 084 473 shares have been grandfathered under the old schemes.

This conversion resulted in the recognition of a share-based payment liability amounting to R734.1 million at 31 December 2022. The valuation of the liability was performed for the unvested awards granted between 2017 and 2022 taking into consideration the RBPlat share price, which has significantly increased by 450% over the past five years from an average price of R30 per share to R165 per share at 31 December 2022.

The decision to convert from an equity-settled to a cash-settled long-term incentive scheme followed an assessment by the Remuneration and Nominations Committees that the recent corporate action may lead to the following:

- A low free float on the JSE, with little to no liquidity
- The shares may no longer represent a fair valuation of the Company
- A limitation on the number of shares available and authorised for the share plans.

In accordance with the JSE Listings Requirements, as new shares (including treasury shares) will not be issued under the 2022 RBPlat Phantom Share Plan, it does not constitute a share scheme requiring compliance with Schedule 14 of the JSE Listings Requirements and shareholder approval was not required.

Following an agreement which was concluded with the labour representatives in terms of which RBPlat will utilise three percent of its annual net profit after tax to acquire shares for the benefit of qualifying employees, RBPlat has set aside R204.5 million (R195.3 million and R9.2 million interest accrued) to acquire Employee Share Ownership Plan (ESOP) shares. The implementation of the ESOP is currently on hold, as the Company is still considering the timing and method of its implementation, given the corporate action to which the Company is currently subject. The qualifying employees are full-time employees of the Group and full-time employees of the Group's volume contractor companies.

Liquidity management

The ongoing corporate action and the current economic conditions are significant considerations when it comes to how the Group manages its liquidity. To that end, the Group continues to follow a prudent liquidity management strategy, which ensures it has sufficient cash resources and banking facilities available.

The Group ended the period with cash and cash equivalents of R4 353.1 million (2021: R4 898.4 million). This includes cash of R79.7 million ringfenced for our employee home ownership scheme and R204.5 million set aside for the new ESOP scheme. In addition to the cash on hand, RBPlat has R3 008 million in banking facilities. The terms of the facilities remained unchanged and we complied with all covenants.

TOWARDS OPERATIONAL EXCELLENCE

Production

Our operational focus in 2022 remained geared towards growth, building operational flexibility, sustainability and competitive cost-efficient production. Total development increased by 3.3% from 42.2km to 43.6km. The increase is related to developing sufficient immediately mineable sections (IMS) to support the increasing contribution of BRPM's UG2 ore. BRPM total development increased by 1.1% to 37.0km and Styldrift's by 17.9% to 6.6km. Improvement was realised in BRPM panel flexibility from an IMS panel ratio of 2.1 to 2.2, which exceeds the revised target of 1.8. The Styldrift IMS section ratio of 0.9 is below the target of 1.3. Notwithstanding additional efforts to secure a healthy IMS ratio, four sections at Styldrift regressed from IMS to temporarily not available (TNA) and required redevelopment to re-establish their IMS status.

Total tonnes hoisted decreased by 1.0% to 4 592kt with the additional volumes from BRPM offset by the lower volumes from Styldrift. BRPM tonnes hoisted increased by 6.9% to 2 603kt and Styldrift tonnes hoisted decreased by 9.8% to 1 989kt, in line with decreased stoping production. Merensky tonnes hoisted decreased by 10.7% to 3 171kt, in line with the decreased contribution from Styldrift and the ongoing transition of BRPM to a UG2 bias operation. UG2 tonnes hoisted increased by 30.5% to 1 421kt.

There was a 0.6% year-on-year decrease in tonnes milled to 4 600kt. Merensky tonnes milled decreased by 10.4% to 3 177kt on the back of decreased production volumes from Styldrift, while UG2 tonnes milled increased by 31.5% to 1 423kt in line with increased UG2 volumes from BRPM North and South shafts. UG2 toll concentrating volumes decreased by 15.4% from 421kt to 356kt due to more UG2 ore being processed at the Maseve concentrator. There was a 3.1% decrease in overall built-up head grade to 3.74g/t (4E). Built-up head grades for Styldrift and BRPM reduced by 7.0% and by 0.3% to 3.56g/t (4E) and 3.87g/t (4E), respectively. The reduction in built-up head grade is attributable to the higher on-reef dilutions experienced at Styldrift, as well as the increased contribution of lower grade South shaft UG2 ore to the overall ore mix. The South shaft UG2 contribution increased from 11.3% to 16.6% of total tonnes milled compared to 2021.

Overall 4E recovery decreased by 0.1% to 81.23%. Recovery at the BRPM concentrator reduced by 1.8% due to the reduction in built-up head grade from Styldrift. Commissioning of the MF2 circuit at the Maseve concentrator resulted in an annual improvement in recovery of 2.8%. Recovery remains aligned with grade/recovery expectations. Marginally lower volumes and recovery as a result of a reduction in built-up head grade yielded a 3.9% and 4.7% decrease in 4E and platinum metals in concentrate, respectively. 4E metals in concentrate amounted to 449koz and platinum in concentrate equated to 287koz.

Year-end surface stocks decreased by 17kt year-on-year, with closing stocks equating to 167kt.

Operating costs

Current global inflation, ongoing supply chain logistic constraints and continued supply/demand imbalance in base commodities such as petroleum, steel and chemical materials have resulted in an abnormally high on-mine inflationary environment. Cash operating costs for the business increased by R1 358 million or 17.3% year-on-year to R9 187 million. BRPM cash costs amounted to R4 544 million and Styldrift to R4 643 million. Key inflationary drivers were CPI (6.84%) and above CPI increases in labour (0.26%), utilities (4.27%), stores (9.57%) and sundries (2.69%). Cash unit costs per tonne milled and 4E ounce increased by 18.0% and 22.0% to R1 997 and R20 465, respectively.

Total cash operating costs at BRPM increased by 17.0% from R3 883 million to R4 544 million year-on-year. Cash operating cost per tonne milled and cash operating cost per 4E ounce increased by 9.6% and 9.4% to R1 733 and R17 066, respectively compared to 2021.

Key drivers included:

- Variable costs incurred to produce an additional 6.7% milled production
- A 9.5% increase in primary development to support the transition to UG2
- On-mine inflation of 10.0%.

Total cash operating costs at Styldrift increased by 17.7% year-on-year from R3 946 million to R4 643 million. Cash operating cost per tonne milled and cash operating cost per 4E ounce increased by 29.2% to R2 348 and 40.4% to R25 419, respectively compared to 2021.

Key drivers included:

- The combination of the 8.9% decrease in tonnes milled and a reduction of 7.0% in the built-up head grade resulted in a net 16.1% reduction in 4E ounces produced
- On-mine inflation of 10.7%
- Increase in TMM-related spares and stores cost
- Working cost development increase of 26.8%
- Stopping crew efficiency decrease of 8.5%.

Capital expenditure

Total capital expenditure increased by 2.3% to R1 852 million year-on-year. Expansion capital expenditure decreased by 34.0% to R439 million. This reduction in expenditure is in line with Styldrift, the BRPM tailings storage facility and Maseve MF2 project expenditure requirements. Replacement capital increased by R22 million to R670 million. Despite the reduction in capital labour as the Styldrift expansion project closed out, ore reserve creation activities aligned to the rate of depletion, main infrastructure and primary development to support ore reserve creation and inflation drove an increase in replacement capital. SIB expenditure increased by R246 million to R743 million in line with an increase in strike belt forward moves and the TMM rebuild programme. SIB as a percentage of operating cost amounted to 8.1%.

STYLDRIIFT OPERATING PERFORMANCE

The upward trajectory in production from 2021 could not be sustained in 2022, as key productivity drivers deteriorated at Styldrift, worsened by a tragic fatality that significantly impeded production during the second half of 2022. Styldrift was designed and constructed to world class standards, on a matching ore resource. The fundamental value of Styldrift and the design to produce to nameplate capacity remain unchanged.

To put Styldrift's performance in 2022 into context, its operational flexibility was negatively affected by several

factors and resulted in the disappointing performance by the mine. These include:

- Loss of IMS
 - The IMS section ratio reduced to 0.9 during the year, with four additional sections being lost to TNA as a result of geological features and ineffective mining practices by inexperienced mining crews
 - With the four sections lost in succession, an increase in re-development was required, which also had a negative effect on the hoisted grade
 - Three redevelopment teams are already fully operational with focused plans to re-establish TNA sections to IMS, and construction has been fast-tracked to enhance IMS with the commissioning of new sections
 - The combination of re-established and new sections will secure ore reserve health over the following months and each stoping team will have a full IMS section to mine during the first quarter of 2023
- A deterioration in tip-to-face distances
 - The increase in tip-to-face distances exacerbated the lower than planned availability of load haul dump machines (LHDs), and as a result the utilisation of the entire fleet and associated resources was negatively affected
 - The improvement in tramming distances is imperative to enhance the efficiency of the fleet, and progress has been made towards the planned target of 90m
 - An additional construction team has been deployed to fast-track construction that will reduce the distance loaders have to travel to take ore from the face to the tip
- Lower than planned trackless mobile machinery (TMM) availability
 - An increased tramming distance resulted in an increase in TMM related breakdowns as machines had to work harder to meet production targets
 - The shortage of trackless parts experienced as a result of the delays in shipment and transport exacerbated the low TMM availability
 - Alternative sources and strategic partnerships are assisting with addressing this concern
- The fatality in September 2022 and the subsequent section 54 stoppage
 - The lengthy section 54 stoppage negatively affected mining efficiency for the remainder of 2022, as Styldrift struggled to deal with preventive actions post the fatality
 - The promulgation in December 2022 of section 8 of the Mine Health and Safety Act, 29 of 1996 (MHSA) requires all underground diesel equipment to be fitted with a collision avoidance system. Styldrift has implemented this system on all its LHDs since 2015, but post the fatality we have adjusted the zone of influence
 - Effective strategies to prevent a future TMM-related fatality, and to promote an efficient and productive fleet in a complex operating environment, are being investigated
- Decline in grade
 - Delivered grade at Styldrift declined by 9.8% to 3.58g/t (4E), due to an increase in on-reef dilution, attributable to a 16.0% increase in total reef development, an 11.4% reduction in square metres and a 1.1% increase in stope width

The key drivers to achieve safe and sustained steady state production have remained unchanged during the ramp up of Styldrift. With a continued focus on implementing these production imperatives, efficiency will improve, and productivity will ramp up to required levels.

PROJECTS

Styldrift

The replacement capital project involves the extension of the North, South and East decline clusters, beyond the initial expansion capital battery limits to secure ore reserves and sustain production in the medium to long term. The replacement scope currently includes the mining of the 642 North and East footwall declines, waste development associated with the 600 Level on-reef declines as well as all associated ore handling and services infrastructure.

Concentrator upgrade projects

Construction work to expand BRPM's tailings storage facility is complete and the facility is ready for deposition. Ancillary projects under way are scheduled for completion in 2023. The ancillary projects to be completed in 2023 include return water pump station tie-in and commissioning, to take place in the first quarter of 2023 and the construction of the stormwater diversion trench scheduled for completion in the third quarter of 2023. The Maseve MF2 upgrade was commissioned during the second quarter of 2022, with the secondary mill achieving 500 operating hours in August, signifying project completion. Initial recovery results from the MF2 upgrade are positive with an increase of 2.8% for the concentrator year-on-year. With mill grind and load optimisation processes completed during the fourth quarter of 2022, further recovery enhancements are expected.

MORE THAN MINING

Ensuring the safety and health of our employees remains a primary objective in achieving our goal of zero harm and establishing a stable and productive operating environment. We started to work on the Agile Safety programme in 2022. This requires gaining a deeper understanding of people's mindsets and working on changing people's attitudes. We are committed to making continuous progress in this regard with the goal being to achieve zero harm. We achieved a year-on-year improvement in our safety, with a 15.2% improvement in our LTIFR, 28.0% in our SIFR and 7.2% in our TRIFR. However, even with improvements in all our injury rates, we still had a fatal accident at Styldrift on 11 September 2022.

As the impact of Covid-19 subsided in 2022 we closed all our satellite vaccination centres. The BRPM clinic is still open for vaccinations. There has been a big reduction in the number of people requesting Covid-19 vaccinations. The field hospital we established for use by the Department of Health during the Covid-19 pandemic, was closed in July 2022. We will be converting it into a rehabilitation and fitness assessment centre. Currently, our employees have to travel to the Union Mine Hospital for rehabilitation and to assess their fitness before returning to work. During 2022 a dispensary was opened at the BRPM clinic. As a result, our employees no longer need to make their way into the town of Rustenburg to collect medication. Previously, people sometimes went without their medication because they did not have the money to pay for the transport into town.

RBPlat is determined to achieve, and where possible exceed, the revised Mining Charter targets for women in management. Women make up 14.9% of our total workforce and 60% of our executive committee members are black women. RBPlat established a Women in Mining Committee (WIMC) in May 2022 to oversee the interests of women, as well as gender equality across RBPlat. The process to establish the Committee included engaging with the union and management to identify a diverse and inclusive group of committee members. The current membership of the Committee includes junior employees, senior leaders and organised labour, drawn from all occupational levels and functions. The Committee has put a clearly defined strategy in place and was able to share its strategy, what it

has achieved so far and what it plans to achieve, when it was invited by the Department of Mineral Resources and Energy (DMRE) to make a presentation at the Regional Tripartite Forum in September 2022.

Our investment in the training and development of our employees and the communities in which we operate is not only to ensure we have the skills we require today, but that we also build a talent pool able to create sustainable enterprise value. Technology is rapidly altering the ways we interact and work and is opening up new opportunities. Young people therefore need to develop digital fluency, science, technology, engineering and mathematics skills if they are to be equipped to make use of these opportunities. This is the purpose driving our investment in the education, learning and development of our employees and the young people from the communities in which we operate. Our intention is to establish a centralised centre of excellence, the RBPlat Academy, where employees can have the opportunity to develop non-technical skills such as leadership, management and computer-related skills, which would facilitate optimal performance. During 2022 there was a 14.5% increase year-on-year in our total investment in education and training to R111.1 million.

Education is the key to lifting people out of poverty and into prosperity. RBPlat's partnership with the North West province's Department of Education (DoE) for the construction of the primary and secondary schools at our employee housing estate, the Waterkloof Hills Estate, resulted in the schools being delivered on time and within budget. We are proud that our workers' children can attend the Waterkloof Hills Estate schools, which gives them the opportunity to receive an education that will equip them to contribute economically and socially to South Africa. The schools enrolled 746 learners when they opened for the first time in January 2022, which increased to 1 425 learners in January 2023, a 91.0% increase in enrolment to 71.3% of their capacity. Together, RBPlat and the DoE have invested approximately R151.2 million in the schools to date.

Our ESD focus remains on localising our supplier footprint and building capacity in our host communities and establishing set-aside procurement opportunities. To achieve this, 57 people from host community companies participated in our supplier development programmes. They focused on addressing performance and supply risks and were supported through their development journey. To expand our reach on host community companies, an open session was held every quarter to address issues pertinent to host community companies. The focus during the four open sessions was on demystifying access to funding, the expression of interest process, tendering processes and unpacking health and safety file processes. Expert support was provided to help bridge the knowledge gap of these companies. The RBPlat Hub continues to provide a one-stop service where host community companies can register on the RBPlat database and access business coaching, mentoring and business advisory services, as and when required.

We increased our overall discretionary procurement spend with historically disadvantaged (HD) businesses by 16.4% in 2022 to R5.6 billion. The proportion of this spend that was with local HD businesses grew by a pleasing 25.6% to R2.9 billion. 87.0% of our total discretionary procurement was spent with HD businesses. Our focus on increasing our discretionary procurement from women-owned businesses is intended to financially empower previously disadvantaged women, create employment and build sustainable businesses. During 2022 our discretionary spend with women-owned businesses was 12.2% of our total discretionary spend. We intend making every effort to increase this percentage. One of the women-owned companies in our local communities has established a foundation that supports early childhood development and has adopted two

early childhood development centres in the community. In the year under review 2.7% of our discretionary procurement was with youth-owned companies. This is also a sector from which we hope to grow our procurement.

We are proud of the relationships we have with our communities as a result of the hard work we have put into engaging to understand each other. We recognise that relationships can be volatile and that they require constant attention and therefore maintain regular engagement. An independent assessment conducted in the past year of the impact of the various projects we have undertaken as part of our social and labour plans (SLPs) indicated that our investments in education, skills development and ESD are viewed positively by the communities and the benefits from these investments are long term.

A RESPONSIBLE APPROACH TO THE NATURAL ENVIRONMENT

Our approach to environmental management is based on international best practice, legal compliance, and maintaining our environmental and social licence to operate. We review our environmental impacts, risks and opportunities annually as part of our environmental management system and ensure environmental objectives are set for our significant environmental impacts. Environmental risks are also identified and reviewed as part of our ERM process. We measure and monitor our potable and recycled water usage and efficiencies, energy consumption and efficiencies, greenhouse gas (GHG) emissions, carbon intensity, surface and ground water quality, dust fall out levels, noise levels and particulate matter, as well as ground vibration.

An urgent global response to the impact of climate change is required across all areas of society and the economy. During the year, we took a number of steps to strengthen our climate change adaptation and mitigation measures. As part of our decarbonisation pathway our climate change roadmap, which we developed, presents a journey that we would take to determine how we would achieve net zero, and how feasible it would be for our business to make commitments to science-based targets. We applied the Science Based Target Initiative's (SBTi) and net zero target setting methodologies and timeframes to help us define emissions targets for the near term and long term.

This is our third year of disclosing in our integrated report in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). It is pleasing that the work we have done previously on climate change and the broader sustainability issues has made this possible. We aim to publish a separate climate change report in the short term.

We are in the process of reviewing the five-year group efficiency targets (carbon intensity, water efficiency and energy efficiency) we set for each of our operations in 2020 with the aim of achieving a 10% reduction by 2024. The conditions in our operations have changed since we set these efficiency targets, which were based on the 2018 baseline. This has resulted in our operations not meeting their targets. These changes include the upgrading of the Maseve concentrator, the increase in compressed air consumption at BRPM, the ramping up of Styldrift etc, which has increased the consumption of water and energy.

The country's current energy crisis, our need to reduce our carbon footprint and to reduce our reliance on Eskom makes it more urgent that we introduce renewable energy in our operations. The bankable feasibility study for the construction of a modular solar PV plant, which would introduce renewable energy into our energy mix, will be completed in the third quarter of 2023 depending on the receipt of regulatory authorisations. The environmental impact assessment (EIA)

process was finalised in February 2023, with the submission of the final EIA report to the authorities. The water use licence application was submitted to the Department of Water and Sanitation in December 2022.

During the year under review, our updated water management strategy was approved by the Board and is being implemented. Since establishing our water treatment plant in 2015, RBPlat has achieved a measurable reduction in its consumption of potable water and its cost. We saved R63 million by replacing potable water with treated water for some of the processes in the BRPM concentrator. During the year under review, we treated 846.96Mℓ of industrial water in our treatment plant and we saved R10.7 million. Our consumption of recycled water increased by 36.0%.

As a voluntary participant in the Carbon Disclosure Project (CDP), RBPlat can measure its progress, benchmark against our peers, and continually improve on our environmental performance. We maintained our 2021 scores. We achieved a B score for climate change, while the average global score and that of the metals and mining sector were both C. We achieved an A- score for water security, this is against an average score in the metals and mining sector of B- and an average global score of B.

CHANGES TO THE BOARD

Mr Hanré Rossouw resigned as Chief Financial Officer (CFO) and as an employee of RBPlat with effect from 3 April 2022, but in order to meet the requirements of the legislation governing the corporate action currently affecting RBPlat, has continued to serve as a non-executive director of the Company. Rotshidzwa Manenzhe, who previously held the position of Head of Finance, has been appointed Interim CFO until the corporate action process is completed.

DECLARATION OF DIVIDEND

Notwithstanding the challenging macroeconomic outlook, the weakening PGM prices and the difficult operating environment, we remained profitable and our balance sheet remained strong, with a significant cash balance. In arriving at the quantum of the dividend, the Board weighed returning a significant amount of cash in the form of dividends to shareholders against a cautious approach in light of the prevailing challenges. The Board considered the aforementioned significant cash balance, our unutilised banking facilities as well as the fact that we do not have significant capital expenditure requirements in 2023. Ultimately, the Board opted for a balanced approach which is a dividend that represents a fair and reasonable return of cash to the shareholders but does not deplete the cash buffer and render the Company vulnerable.

To that end, the Board declared a gross cash final dividend of 535.0 cents per share, equating to approximately R1.5 billion. This is in addition to the interim dividend amounting to R711 million declared in August 2022. The dividend was declared from retained earnings, representing 90% of free cash flow after growth capital and will be subject to a dividend withholding tax of 20% for all shareholders who are not exempt from or do not qualify for a reduced rate of withholding tax. The net dividend payable to shareholders subject to the withholding tax at a rate of 20% amounts to 428.0 cents per ordinary share. The issued share capital at the declaration date is 290 334 425 ordinary shares and the Company's tax number is 9512379166.

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

- Declaration of dividend: Wednesday, 8 March 2023
- Last day for trading to qualify and participate in the final dividend: Tuesday, 28 March 2023
- Trading ex-dividend commences: Wednesday, 29 March 2023

- Record date: Friday, 31 March 2023
- Dividend payment date: Monday, 3 April 2023

Share certificates may not be dematerialised or rematerialised between Wednesday, 29 March 2023 and Friday, 31 March 2023, both days inclusive. Any changes to the dividend instruction will be announced on the JSE Stock Exchange News Service.

MARKET REVIEW

PGM prices began 2022 trending higher and were boosted further by Russia's invasion of Ukraine, as the imposition of sanctions on Russia by the US and EU prompted fears that PGM production might be impacted. This resulted in a rapid increase in PGM prices, with palladium briefly surging to a record price well above US\$3 000/oz. However, platinum and rhodium failed to reach the highs seen in 2021 when they registered peak prices of US\$1 143/oz and US\$22 200/oz, respectively. Palladium and rhodium prices retreated from their highs as it became clear that neither PGM producers nor their exports were being targeted by sanctions. They ultimately ended the year lower as the macroeconomic outlook deteriorated. The platinum price outperformed palladium and rhodium, despite its significant volatility during the year, gaining over US\$90/oz and ending the year at US\$1 048/oz.

The rand weakened during the year, averaging R16.37 per US dollar. However, the rand's weakest point was in October at R18.42 per US dollar. It recovered to end the year at R17.04 per US dollar. In rand terms, the platinum price averaged R15 699/oz, 2% lower than in 2021.

Automotive demand for platinum grew to 2.9Moz in 2022. Much of this growth is attributed to the partial substitution of palladium with platinum in tri-metal catalysts in light-duty gasoline vehicles. Palladium automotive demand rose to 7.8Moz last year. China's continuing growth in internal combustion engine vehicle production helped to offset the partial substitution of palladium with platinum in tri-metal catalysts and the increasing battery electric vehicle share of the light-duty vehicle market. Automotive demand for rhodium increased to 950koz in 2022, with its key role being in the removal of NOx from exhaust gases.

Light-duty vehicle sales in China during 2022 were boosted by consumers purchasing ahead of price increases due to the removal of financial incentives and subsidies. Battery electric vehicles (BEVs) and plug-in hybrid electric vehicles (PHEVs) were eligible for government subsidies throughout the year, but these concluded at the end of 2022. Internal combustion engine (ICE) vehicles were also eligible for a reduced purchase tax in the second half of 2022, which also expired at the end of the year. New energy vehicles (BEVs, PHEVs and fuel cell electric vehicles) accounted for around 24% of overall light-duty vehicle sales in 2022. China is continuing the purchase tax exemption for new energy vehicles through 2023. US light-duty vehicle sales fell in 2022 to the lowest level since 2011. Average vehicle prices reached a record high and this, coupled with interest rate hikes and the continued impact of the semiconductor chip shortage on vehicle availability, meant sales remained weak. In Western Europe, light-duty vehicle registrations were down in 2022. Most major markets saw a decline in car registrations, except for Germany, where the market saw stronger sales at the end of the year before the government lowers its support for BEVs and PHEVs from 2023.

Global demand for platinum jewellery declined to 1.7Moz in 2022, largely due to the decrease in Chinese demand, which offset small improvements in other regions. China's demand declined in the face of Covid-19 restrictions, a weaker housing market and overall sluggish consumer spending. The North American jewellery market has been relatively strong,

however, Western Europe has seen weaker demand as high inflation affects consumers. Jewellery demand continued its recovery in India, with strong wedding season sales and a return to jewellery store visits after restrictions during the pandemic.

Industrial demand for platinum increased to 2.3Moz last year, largely owing to a rebound in net petroleum requirements and further growth in the glass industry where the wave of new capacity in China kept new metal consumption at historically high levels.

Platinum investment remained subdued in 2022. Coin demand was positive, and the US Mint again increased its mintage of platinum American Eagle bullion coins to 80koz. However, bar demand was effectively a source of supply as investors reduced their holdings. The platinum price traded above ¥4 000/g several times during the year and Japanese investors sold some of their holdings and took profits. ETF investors were also significant net sellers in all regions, reducing their holdings by 566koz over the course of the year. This was the largest liquidation of platinum ETF holdings yet seen, but total holdings remained above 3Moz at year-end.

Global refined platinum supply decreased to 5.6Moz in 2022. Refined production in South Africa declined to 4.1Moz as stock was built up last year owing to smelter maintenance, whereas production in 2021 was boosted by the processing of work-in-progress inventory. Power supply shortages also impacted the industry as Eskom imposed increasingly frequent and severe load shedding in the latter part of the year. This made it more difficult for PGM producers to maintain consistent levels of output through the processing pipeline. However, only relatively small amounts of production were lost as a result. Zimbabwean supply increased as debottlenecking projects added to an incremental increase in output. Russian platinum production was in line with guidance and palladium output was higher owing to previously planned smelter maintenance being postponed. In North America, production was adversely affected by flooding in the US which resulted in a decline in output.

Secondary platinum supply is estimated to have declined in 2022. The semiconductor chip shortage continued to be a factor in 2022 and new vehicle production did not recover as strongly as had been anticipated at the start of the year. With new vehicle production constrained, second-hand cars remained sought after and fewer older vehicles were scrapped than would normally have been the case. This reduced autocatalyst recycling in Europe, the US and Japan.

MARKET OUTLOOK

Global refined platinum production is forecast to increase marginally in 2023. Platinum supply in South Africa is set to increase modestly this year as most of the stockpiled material built up last year is expected to be processed. However, the operating environment in South Africa remains challenging, with Eskom predicting that some degree of load shedding will remain necessary during 2023. Depending on the frequency and severity of the load shedding, it is possible that PGM production could be negatively impacted. Zimbabwean production is projected to increase, and North American volumes are also likely to be higher as output recovers to normal levels in the US. However, production in Russia is estimated to be lower owing to the difficulty of operating under sanctions and as the delayed smelter maintenance is performed.

Secondary platinum supply is expected to be little changed. Although light-duty vehicle production should improve, enabling more older vehicles to be scrapped, mild recessions are predicted in the US and Europe, which could also result in older vehicles being kept on the road for longer.

Although light-duty vehicle production capacity is projected to improve in 2023 as the chip shortage and production stoppages ease, the worsening macroeconomic outlook and inflationary pressures could limit growth in vehicle sales. BEVs are also expected to continue to gain market share, particularly in Western Europe and China, limiting the upside for PGM demand from rising light-duty vehicle production volumes.

Platinum automotive demand is set to rise as further substitution occurs in light-duty gasoline vehicles in the more highly PGM-loaded, close-coupled catalysts. Europe is expected to increase the adoption of tri-metal catalysts in 2023, after a slow start in 2021/22. Palladium demand is predicted to decline slightly this year with wider use of tri-metal catalyst formulations displacing some palladium for platinum increasing, particularly in China. The introduction of China 6b Real Driving Emissions limits is planned for 2023 but they are likely to be met without an increase in palladium loadings. Rhodium automotive demand is forecast to be little changed as rising loadings to meet tighter NOx limits are offset by competing thrifting efforts.

Platinum jewellery demand is predicted to contract this year. The deteriorating economic outlook in the US and Europe is likely to result in lower jewellery demand. The end to China's zero-Covid policy could help to lift jewellery demand but with only a modest economic improvement anticipated, consumers may remain cautious in their spending, and the bridal market faces demographic headwinds. Competition from gold jewellery is also intensifying. India is estimated to see higher jewellery demand, but this is not likely to offset the declines in the larger markets.

Industrial demand for platinum is forecast to decrease in 2023, with a slowdown in glass capacity expansions in China following a spate of capacity additions. Demand for petroleum catalysts is expected to be weaker too.

The platinum market is forecast to have a smaller industrial surplus this year than last year. The palladium and rhodium markets are predicted to be close to balance this year, with subdued demand more or less matching refined production. Price volatility could remain a feature of the market, as changing expectations for demand growth or the supply outlook shift the view of whether the markets would be in surplus or deficit.

OUTLOOK AND COMPANY GUIDANCE

The corporate action currently under way since the fourth quarter of 2021, which involves two companies in contest for control of RBPlat, could continue well into the latter part of 2023. Should this be the case, RBPlat could potentially be at risk of not being able to execute its strategy as effectively and efficiently as possible.

Subject to any unforeseen operational disruptions, challenges regarding the stability of the Eskom power supply and the ongoing impact of the war in Ukraine on supply chain stability and costs, our 2023 production is forecast to be between 4.65Mt and 4.90Mt at a grade of 3.78g/t to 3.80g/t 4E, which will yield 470koz to 490koz 4E metals in concentrate. Group cash unit costs are forecast to be between R19 750 and R20 500 per 4E ounce. Group capital expenditure for 2023, including escalation and contingencies, is forecast at approximately R2.6 billion. SIB expenditure is expected to be between 9% and 10% of operating cost.

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2022

		Group		
	Notes	2022 R (million)	2021 R (million)	% change
ASSETS				
Non-current assets		23 933.8	23 432.1	2.1
Property, plant and equipment		17 285.6	16 696.9	3.5
Mineral rights		5 050.4	5 196.6	(2.8)
Right-of-use assets		40.2	34.7	15.9
Environmental trust deposits and guarantee investments		312.0	281.0	11.0
Employee housing loan receivable		936.8	903.1	3.7
Employee housing benefit		246.5	262.4	(6.1)
Housing insurance investment		62.3	57.4	8.5
Current assets		12 462.5	11 615.1	7.3
Employee housing loan receivable		13.6	14.6	(6.8)
Employee housing benefit		21.4	23.9	(10.5)
Employee housing assets		272.8	494.3	(44.8)
Inventories		658.9	564.5	16.7
Trade and other receivables	5	6 954.5	5 552.1	25.3
Current tax receivable	6	158.2	67.3	135.1
Non-current assets held for sale	7	30.0	–	100.0
Cash and cash equivalents	4	4 353.1	4 898.4	(11.1)
Total assets		36 396.3	35 047.2	3.8
EQUITY AND LIABILITIES				
Total equity		24 685.6	24 266.6	1.7
Stated capital		12 522.3	12 413.6	0.9
Retained earnings		12 122.4	11 601.3	4.5
Share-based payment reserve	8	40.9	251.7	(83.8)
Non-current liabilities		9 737.1	9 193.5	(5.9)
Deferred tax liability	9	5 668.7	5 533.1	(2.5)
PIC housing facility	10	1 449.5	1 487.5	2.6
Deferred revenue	11	1 923.5	1 896.0	(1.5)
Restoration, rehabilitation and other provisions		341.8	245.4	(39.3)
Share-based payment liability	12	324.8	–	(100.0)
Lease liabilities		28.8	31.5	8.6
Current liabilities		1 973.6	1 587.1	(24.4)
Trade and other payables		1 302.8	1 302.3	–
Current tax payable	6	3.1	4.7	34.0
Current portion of PIC housing facility	10	45.3	48.0	5.6
Current portion of deferred revenue	11	200.2	228.0	12.2
Current portion of share-based payment liability	12	409.3	–	(100.0)
Current portion of lease liabilities		12.9	4.1	(214.6)
Total equity and liabilities		36 396.3	35 047.2	(3.8)

The notes on pages 15 to 36 form an integral part of these summary consolidated annual financial statements.

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2022

		Group		
	Notes	2022 R (million)	2021 R (million)	% change
Revenue	15	15 911.3	16 428.7	(3.1)
Cost of sales	16	(11 669.2)	(9 618.8)*	(21.3)
Cost of sales excluding depreciation, amortisation and movement in inventories		(10 343.6)	(8 356.5)*	(23.8)
Depreciation and amortisation		(1 372.7)	(1 311.2)	(4.7)
Increase in inventories		47.1	48.9	(3.7)
Gross profit		4 242.1	6 809.9*	(37.7)
Other income		751.5	1 062.3	(29.3)
Other expenses		(42.4)	(18.5)*	(129.2)
Administrative expenses		(348.0)	(363.1)	4.2
Corporate office	16	(259.8)	(237.4)	(9.4)
Housing project	16	(40.5)	(55.5)	27.0
Industry membership and market development	16	(47.7)	(42.5)	(12.2)
Maseve care and maintenance and other costs	16	—	(27.7)	100.0
Impairment of assets	17	(239.5)	—	(100.0)
Finance income	18.1	386.8	255.1	51.6
Finance cost	18.2	(329.3)	(694.7)	52.6
Premium on buy-back of convertible bonds	18.2	—	(312.5)	100.0
Other finance costs	18.2	(329.3)	(382.2)	13.8
Profit before tax		4 421.2	7 051.0	(37.3)
Income tax expense	19	(1 100.6)	(541.1)	(103.4)
Current tax expense	19	(862.8)	(188.0)	(358.9)
Deferred tax expense	9	(237.8)	(353.1)	32.7
Net profit for the period		3 320.6	6 509.9	(49.0)
Other comprehensive income for the period		—	—	—
Total comprehensive income		3 320.6	6 509.9	(49.0)
Earnings per share for profit attributable to the ordinary equity holders of the Company:				
Basic EPS (cents/share)	24	1 146.3	2 332.4	(50.9)
Diluted EPS (cents/share)	24	1 146.3	2 270.7	(49.5)

* The 2021 Maseve care and maintenance and other costs of R18.5 million incurred after the Group reorganisation and amalgamation was concluded have been reclassified from cost of sales to other expenses based on their nature

The notes on pages 15 to 36 form an integral part of these summary consolidated annual financial statements.

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2022

	Group					
	Number of shares	Stated capital R (million)	Share-based payment reserve R (million)	Retained earnings R (million)	Attributable to owners of the Company R (million)	Total R (million)
2022						
Balance at 1 January 2022	287 987 327	12 413.6	251.7	11 601.3	24 266.6	24 266.6
Share-based payment charge	—	—	115.3	—	115.3	115.3
2019 BSP and FSP shares vested in April 2022	2 033 405	79.3	(79.3)	—	—	—
Initial recognition and transfer to share-based payment liability	—	—	(204.7)	(489.3)	(694.0)	(694.0)
Deferred tax on the share-based payment liability	—	—	—	102.2	102.2	102.2
Share options and Share Appreciation Rights (SARS) exercised	313 693	29.4	(42.1)	(143.5) [#]	(156.2)	(156.2)
Total comprehensive income	—	—	—	3 320.6	3 320.6	3 320.6
Dividends paid	—	—	—	(2 268.9)	(2 268.9)	(2 268.9)
Balance at 31 December 2022	290 334 425	12 522.3	40.9	12 122.4	24 685.6	24 685.6
2021						
Balance at 1 January 2021	258 514 387	11 263.7	284.6	8 268.4	19 816.7	19 816.7
Share-based payment charge	—	—	93.2	—	93.2	93.2
2018 BSP and RFSP shares vested in April 2021	1 883 112	68.4	(68.4)	—	—	—
Convertible bonds converted	26 108 136	964.6	—	—	964.6	964.6
Deferred tax on convertible bonds	—	21.3	—	—	21.3	21.3
Share options and SARS exercised	1 481 692	127.4	(57.7)	(106.9)	(37.2)	(37.2)
Total comprehensive income	—	—	—	6 509.9	6 509.9	6 509.9
Deemed dividend tax on the convertible bonds	—	(31.8)	—	—	(31.8)	(31.8)
Dividends paid	—	—	—	(3 070.1)	(3 070.1)	(3 070.1)
Balance at 31 December 2021	287 987 327*	12 413.6	251.7	11 601.3	24 266.6	24 266.6

[#] SARS exercised amounting to R143.5 million is net of R55.8 million income tax credit recognised directly in equity

* The number of shares is net of 1 029 219 treasury shares relating to the Company's management share incentive scheme

The notes on pages 15 to 36 form an integral part of these summary consolidated annual financial statements.

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2022

		Group		
	Notes	2022 R (million)	2021 R (million)	% change
Cash flows from operating activities				
Cash generated from operations		4 533.1	8 873.9	(48.9)
Interest received	18.2	365.2	226.0	61.6
Interest paid	18.2	(2.9)	(71.3)	95.9
Dividends tax paid [#]		(31.8)	–	(100)
Dividends paid		(2 268.9)	(3 070.1)	26.1
Dividend received		2.7	0.9	200.0
Income tax paid		(955.3)	(259.3)	(268.4)
Net cash inflow from operating activities		1 642.1	5 700.1	(71.2)
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment		1.6	2.7	(40.7)
Acquisition of property, plant and equipment		(1 822.6)	(1 782.5)	(2.2)
Employee housing loan receivable repayments		10.0	9.7	3.1
Increase in environmental trust deposits and investments		(30.1)	(28.9)	(4.2)
Net cash outflow from investing activities		(1 841.1)	(1 799.0)	(2.3)
Cash flows from financing activities				
Repayment of PIC housing facility	10	(146.7)	(101.0)	(45.2)
Proceeds from interest-bearing borrowings		647.5*	890.3	(27.3)
Repayment of interest-bearing borrowings		(647.5)*	(1 499.7)	56.8
Principal elements of lease payments		(11.0)	(16.0)	31.3
Proceeds from share options exercised**		10.7	69.7	(84.6)
Settlement of Share Appreciation Rights		(199.3)	(106.9)	(86.4)
Convertible bonds repurchased/redeemed		–	(482.3)	100.0
Net cash outflow from financing activities		(346.3)	(1 245.9)	72.2
Net (decrease)/increase in cash and cash equivalents		(545.3)	2 655.2	(120.5)
Cash and cash equivalents at the beginning of the period		4 898.4	2 243.2	118.4
Cash and cash equivalents at the end of the period		4 353.1	4 898.4	(11.1)

[#] Relates to deemed dividend tax paid to the South African Revenue Service in terms of section 64 of the South African Income Tax Act of 1962 following the conversion of the bonds in 2021

* Interest-bearing borrowings were drawn down and repaid in the current year

** Excludes R18.7 million (2021: R57.7 million) non-cash portion relating to the transfer of the share-based payment reserve to stated capital

The notes on pages 15 to 36 form an integral part of these summary consolidated annual financial statements.

NOTES TO THE SUMMARY CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2022

1. BASIS OF PREPARATION

The summary consolidated annual financial statements are prepared in accordance with the requirements of the JSE Listings Requirements as well as the requirements of the Companies Act applicable to summary financial statements. The JSE Listings Requirements require summary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and also, as a minimum, contain the information required by IAS 34: *Interim Financial Reporting*.

The summary consolidated annual financial statements for the year ended 31 December 2022 were prepared under the supervision of the Interim Chief Financial Officer, Rotshidzwa Manenzhe CA(SA).

2. ACCOUNTING POLICIES

The accounting policies applied in the preparation of the consolidated annual financial statements, from which the summary consolidated financial statements were derived, are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the previous consolidated annual financial statements. For the impact of adoption of new standards, refer to Note 1 of the consolidated annual financial statements. None of the amendments to the existing standards had any impact on the amounts recognised in the prior periods and are not expected to affect current or future periods.

3. AUDIT OPINION

These summary consolidated annual financial statements for the year ended 31 December 2022 have not been audited by KPMG Inc. The auditor expressed an unmodified opinion on the consolidated annual financial statements from which these summary consolidated annual financial statements were derived. A copy of the auditor's report on the consolidated annual financial statements is available for inspection at the registered office of Royal Bafokeng Platinum Limited, together with the annual financial statements identified in the respective auditor's report. The consolidated annual financial statements can be accessed on the Company's website www.bafokengplatinum.co.za.

4. AVAILABLE FUNDS

RBPlat had cash and cash equivalents on hand at 31 December 2022 of R4 353.1 million (2021: R4 898.4 million). Included in the R4 353.1 million cash balance is R79.7 million (2021: R128.1 million) ring-fenced for the RBPlat housing project and R204.5 million set aside for the new Employee Share Ownership Plan (ESOP).

The Group has R3 008 million debt facilities made up of a Revolving Credit Facility (RCF) amounting to R2 000 million and a one-year General Banking Facility (GBF) amounting to R1 008 million.

At year-end R123.6 million (2021: R119.4 million) of the R1 008 million GBF was utilised for guarantees. The RCF remained unutilised at 31 December 2022.

The PIC housing facility was a R2 200 million facility accruing interest at CPI plus a margin of 1%. At 31 December 2022, R1 273.7 million was drawn (2021: R1 273.7 million). Following the suspension of the construction of the houses and commencement of repayments in 2021, the undrawn portion of the facility is no longer available resulting in the reduction of the total facility to R1 273.7 million.

NOTES TO THE SUMMARY CONSOLIDATED ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2022

5. TRADE AND OTHER RECEIVABLES

Royal Bafokeng Resources (Pty) Ltd (RBR) entered into a disposal of concentrate agreement with Rustenburg Platinum Mines Limited (RPM) in terms of which the concentrate of the Platinum Group Metals (PGMs) produced by RBR operations will be treated by RPM.

Trade receivables (RPM concentrate debtor) is measured at fair value through profit or loss from the date of recognition up to date of settlement, as it fails the IFRS 9 amortised cost requirement of cash flows representing solely payment of principal and interest. Payment is due on the last day of the fourth month following delivery.

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

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

The exchange rate and average commodity price used to fair value the trade receivables at the end of the period was R17.2586 (2021: R15.8606) and US\$2 032.6 (2021: US\$1 683.8) per ounce, respectively.

Impala Platinum Holdings Limited (Implats) royalty receivable, deposits made, VAT receivable, prepaid expenses, restricted cash, interest accrued and other receivables, are measured at amortised cost. Maseve restricted cash relates to cash that is set aside for Eskom and the Department of Mineral Resources and Energy (DMRE) guarantees. In total, R15.7 million of this relates to the Eskom guarantee while R12.7 million relates to the DMRE. This cash is not realisable within three months and therefore it is not classified as cash and cash equivalents.

Revenue from mineral resources in South Africa is subject to the Mineral and Petroleum Resources Royalty Act 2008 (Royalty Act). The Royalty Act imposes a royalty on refined and unrefined minerals payable to the State. The royalty in respect of refined and unrefined minerals is calculated by dividing Earnings Before Interest and Tax (EBIT) by the product of 12.5 times gross revenue calculated as a percentage, plus an additional 0.5%. EBIT refers to taxable mining income (with certain exceptions such as no deduction for interest payable and foreign exchange losses) before assessed losses but after capital expenditure. Provisional royalty tax return is submitted based on estimates and payable bi-annually with the annual royalty tax return due after year-end. As a result, R54.8 million (2021: R70.5 million) was receivable from the State pending the submission of the annual royalty return.

Funding transaction costs in respect of financial liabilities, including facility fees that are directly attributable to the issue of a financial liability, which would not have been incurred if the liability had not been acquired, originated or issued are deducted from the liability amount initially recognised. When the financial liability is not yet drawn, but it is probable that a facility will be drawn down, then an initial facility fee is deferred as a prepayment (funding transaction costs capitalised) and treated as an adjustment to the instrument's effective interest rate and recognised as an expense over the instrument's estimated life. However, when it is not probable that a facility will be drawn down, the fee is considered a service fee and recognised as an expense on a straight-line basis over the commitment period.

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

	Group	
	2022 R (million)	2021 R (million)
Trade receivables (RPM concentrate debtor)	6 547.2	5 192.8
Implats royalty receivable	135.0	142.4
VAT receivable	13.3	37.0
Styldrift deposit	31.1	29.8
Maseve restricted cash	28.4	28.4
Deposit paid for mining equipment	—	7.7
Prepaid expenses	84.0	17.1
State royalty taxes receivable	54.8	70.5
Funding transaction costs capitalised	7.7	9.7
Interest accrued on cash and cash equivalents	30.4	13.2
Other receivables	22.6	3.5
Closing balance at 31 December	6 954.5	5 552.1

6. CURRENT TAX RECEIVABLE/(PAYABLE)

	Group	
	2022 R (million)	2021 R (million)
Opening balance at 1 January	62.6	(8.7)
Income tax charge (refer to Note 19)	(862.8)	(188.0)
Payments made	955.3	259.3
Closing balance at 31 December	155.1	62.6
<i>Current tax receivable/(payable) comprises:</i>		
Current tax receivable	158.2	67.3
Current tax payable	(3.1)	(4.7)
Closing balance at 31 December	155.1	62.6

7. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in the statement of comprehensive income. A gain is recognised for any subsequent increases in fair value less costs to sell an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated while they are classified as held for sale.

RBPlat management committed to a plan to sell the Sundown Ranch farm and hotel (disposal group assets). Accordingly, these assets have been reclassified to non-current to assets held for sale in line with the requirements of IFRS 5. On the date of reclassification, efforts to sell the assets with the carrying amount of R65.7 million had advanced and the sale was expected to be concluded within 12 months.

The fair value less costs to sell was determined to be R30 million as agreed with the potential buyer. As a result, an impairment loss of R35.7 million was recognised and has been included in 'Impairment of assets' in the consolidated statement of comprehensive income.

At 31 December 2022, the disposal group assets were stated at fair value less costs to sell and comprised the following assets.

	Group	
	2022 R (million)	2021 R (million)
Property, plant and equipment	30.0	–
Closing balance at 31 December	30.0	–

Subsequent to year-end the sale was concluded and the proceeds of R30 million were received.

NOTES TO THE SUMMARY CONSOLIDATED ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2022

8. SHARE-BASED PAYMENT RESERVE

The Group operated a number of equity-settled share-based compensation plans, under which the subsidiary entities receive services from employees as consideration for equity instruments of the Company. The fair value of the services received in exchange for the grant of the equity instrument was recognised as an expense with a corresponding increase to the share-based payment reserve in equity. The total amount to be expensed was determined by reference to the fair value of the equity instrument determined on the respective grant dates.

In the second quarter of 2022, the Remuneration and Nominations Committees and the Board considered and approved in principle the establishment of a new cash-based long-term incentive scheme, the '2022 RBPlat Phantom Share Plan'. Furthermore, the current equity-based share schemes being the RBPlat Share Appreciation Rights Plan (SARS), the Bonus Share Plan (BSP) and the Forfeitable Share Plan (FSP) ('the old schemes') have been terminated. This termination has resulted in the transfer of R204.7 million from the share-based payment reserve to the share-based payment liability. Refer to Note 12.

RBPlat Employee Share Ownership Scheme

The Group signed an agreement with the labour representatives to establish a profit share funded Employee Share Ownership Plan (ESOP) with the following objectives:

- to enhance accountability of all qualifying employees
- to maximise the Group's overall profitability to fund and grow the pool of the ESOP
- to contribute and facilitate the further financial empowerment and promotion of capital accumulation and savings of employees
- to enable further alignment of shareholders and employees' interests through sharing in the Group's performance.

The qualifying employees are full-time employees of the Group and full-time employees of the Group's volume contractor companies.

In 2022, three percent (3%) of the Group's 2021 net profit after tax (NPAT) was set aside for the purchase of the ESOP shares forming part of the initial 2022 allocations.

Scheme rules

In terms of the scheme rules, the Group will, at the end of every financial year, contribute 3% of the Group's NPAT. However, if the NPAT generated by the Group is less than R500 million in any financial year, the qualifying employees will be afforded a loan amounting to R1 780 per qualifying employee to fund the ESOP allocation for the particular year. This loan will be interest-free and will be fully refundable to the Group from the ESOP pool of funds earned in any future financial year where profitability exceeds R500 million.

The annual NPAT amount will be used solely to purchase RBPlat shares on the market at the prevailing market price for qualifying employees. The shares will be held by an escrow agent on behalf of the qualifying employees for the vesting period of five years from allocation date.

The qualifying employees are entitled to all dividends declared by RBPlat in respect of the ESOP shares allocated to them during the vesting period. However, during this period, all dividends will be used to purchase additional shares, which will be subject to the same conditions applicable to the underlying allocations.

At the vesting date, the shares constituting the allocated shares and additional shares procured through the dividends declared will, subject to the ESOP rules, vest in the name of the individual qualifying employees.

The right of a participant to any ESOP shares (including dividends and additional shares procured through the dividends declared) shall be forfeited by a fault participant ('bad leaver') who leaves before the five-year vesting period. The forfeited shares are reverted to the ESOP for re-allocation to other participants.

In the event of a no fault participant ('good leaver') who leaves before the five-year vesting period, a pro-rata portion of their ESOP shares (including dividends and additional shares procured through the dividends declared) will vest on termination date, while the balance will lapse.

8. SHARE-BASED PAYMENT RESERVE *continued*

Accounting treatment of the ESOP

Given the current scheme rules, the shares to be issued in terms of this scheme are accounted for as equity-settled share-based payments.

Although the grant date of 1 January 2022 has been achieved, the implementation of the ESOP is currently on hold, as the Company is still considering the timing and method of implementation thereof, given the current corporate action that the Company is subject to. The funds amounting to R195.3 million (3% of the 2021 NPAT) have however been set aside and invested in an interest-bearing account. The interest earned on the funds accrues for the benefit of the ESOP and forms part of the initial allocations. By 31 December 2022, the balance of the funds including interest of R9.2 million amounted to R204.5 million.

The following table summarises the movement in the share-based payment reserve:

	Group	
	2022 R (million)	2021 R (million)
Opening balance at 1 January	251.7	284.6
Share-based payment expense	115.3	93.2
BSP and FSP shares vested	(79.3)	(68.4)
Share options and SARS exercised	(42.1)	(57.7)
Transfer to share-based payment liability (refer to Note 12)	(204.7)	–
Closing balance at 31 December	40.9	251.7

NOTES TO THE SUMMARY CONSOLIDATED ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2022

9. DEFERRED TAX LIABILITY

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

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

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

	Group	
	2022 R (million)	2021 R (million)
<i>Deferred tax comprises:</i>		
Deferred tax liability	5 668.7	5 533.1
Closing balance at 31 December	5 668.7	5 533.1

	Group					
	Mineral rights R (million)	Property, plant and equipment R (million)	Unredeemed capital balance R (million)	Provisions including payroll- related provisions R (million)	Other R (million)	Total R (million)
2022						
Opening balance at 1 January	1 455.0	4 741.2	(531.7)	(56.5)	(74.9)	5 533.1
Deferred tax on the share-based payment liability charged to equity	–	–	–	–	(102.2)	(102.2)
Charged to statement of comprehensive income	(40.9)	31.8	531.7	(31.9)	(37.1)	453.6
Change in tax rate charged to statement of comprehensive income	(50.5)	(170.5)	–	3.6	1.6	(215.8)
Closing balance at 31 December	1 363.6	4 602.5	–	(84.8)	(212.6)	5 668.7
2021						
Opening balance at 1 January	1 498.9	4 520.1	(706.0)	(111.7)	–	5 201.3
Charged to equity	–	–	–	–	(21.3)	(21.3)
Charged to statement of comprehensive income	(43.9)	221.1	174.3	55.2	(53.6)	353.1
Closing balance at 31 December	1 455.0	4 741.2	(531.7)	(56.5)	(74.9)	5 533.1

Tax losses included in Royal Bafokeng Platinum Management Services (Pty) Ltd (RBP MS) and Royal Bafokeng Resources Properties (Pty) Ltd (RF) (RBRP), which are not recognised as deferred tax assets, amount to R146.8 million (2021: R278.5 million) and R146.3 million (2021: R113.2 million), respectively. RBR had an unredeemed capital allowance of R1 366.8 million in 2021 which has been fully utilised in the current year. Of the deferred tax liability, approximately R5 200.8 million (2021: R5 093.7 million) will realise after 12 months. Refer to Note 19 for details relating to the change in the tax rate.

10. PIC HOUSING FACILITY

The PIC housing facility was utilised to fund the construction of houses for phase 2 of the housing project as well as the insurance investment. The PIC housing facility was a R2 200 million facility accruing interest at CPI plus a margin of 1%. Following the suspension of the construction of the houses in 2019 and commencement of repayment in 2021, the undrawn portion of the facility is no longer available resulting in the reduction of the total facility to R1 273.7 million. Furthermore, the repaid portion of the facility is also not available. Security for the PIC housing facility is ring-fenced to the housing project assets with no recourse to the RBR operations business.

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

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

	Group	
	2022 R (million)	2021 R (million)
Opening balance at 1 January	1 535.5	1 558.0
Plus: Contractual interest charges capitalised to loan	103.9	72.7
Less: Repayments	(146.7)	(101.0)
Plus: Fair value interest charges capitalised to loan	25.6	29.2
Less: Amortisation of fair value adjustment to loan	(23.5)	(23.4)
Closing balance at 31 December	1 494.8	1 535.5
<i>Split between:</i>		
Non-current portion of PIC housing facility	1 449.5	1 487.5
Current portion of PIC housing facility	45.3	48.0
	1 494.8	1 535.5

11. DEFERRED REVENUE

RBPlat entered into a gold streaming agreement through its wholly owned subsidiary, RBR, with Triple Flag Mining Finance Bermuda Limited (Triple Flag). In terms of the agreement, the Company received an advance payment of US\$143.5 million (US\$145 million net of US\$1.5 million transaction costs) equating to R2 093.5 million, in exchange for the future delivery of gold from the RBPlat mining operations (excluding Styldrift II and the Implats royalty areas), payable over the life of mine (LOM) (the stream). In addition to the advance payment, RBPlat receives 5% cash (variable consideration) (refer to Note 15) from Triple Flag based on the prevailing reference gold price (daily gold market price immediately following the date of delivery) for each ounce of gold delivered. The contract will be settled by RBPlat delivering gold credits to Triple Flag, representing the underlying refined gold which has been mined. One gold credit is equivalent to one ounce of gold. The related costs of the purchase of the gold credits is included in cost of sales (refer to Note 16).

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

The advance payment received is recognised as a contract liability (deferred revenue) under IFRS 15 Revenue from Contracts with Customers. RBPlat's Management identified a significant financing component related to the streaming arrangement resulting from the difference in the timing of the advance consideration received and the transfer of control of the promised gold to Triple Flag. Interest expense on deferred revenue is recognised as finance costs. There is no fixed minimum number of gold ounces to be delivered in terms of the agreement and the commitment is dependent on the actual production.

Significant accounting estimates and judgements

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

NOTES TO THE SUMMARY CONSOLIDATED ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2022

11. DEFERRED REVENUE continued

Inputs to the model to unwind the advance received to revenue

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

Key inputs	Estimate	
Estimated financing rate over life of arrangement	8.8%	Although there is no cash financing cost related to this arrangement, IFRS 15 requires RBPlat to recognise a notional financing charge due to the significant time delay between receiving the upfront streaming payment and satisfying the related performance obligations. The estimated financing rate was determined at inception and was not subsequently changed in line with the requirements of IFRS 15.
Remaining life of stream	45 years	The starting point for the LOM is the approved LOM plan for the operations (excluding Styldrift II and the Implats royalty areas) with a portion of resources included beyond the current LOM plan. However, as IFRS 15 requires the constraint on revenue recognition to be considered, it is more prudent to include a portion of resources in the life of the stream for the purposes of revenue recognition. This will reduce the chance of having a significant decrease in revenue recognised in the future, when the LOM is updated to include a conversion of resources to reserves. As such, RBPlat management has determined that it is appropriate to include 56% of gold in outside LOM resources.
Gold entitlement percentage	70%	The gold entitlement percentage will be 70% up to 261 000 ounces and thereafter 42% for the remainder of the LOM. RBPlat can honour the commitment.
Monthly cash percentage	5%	The monthly cash payment to be received is 5% of the market price of the gold ounce delivery to Triple Flag.

Any changes to the key inputs impacting the ounces delivered could significantly change the quantum of the cumulative revenue amount recognised in the statement of comprehensive income.

The following table summarises the changes in deferred revenue:

	Group	
	2022 R (million)	2021 R (million)
Opening balance at 1 January	2 124.0	2 126.7
Interest charge (refer to Note 18.2)	185.2	186.0
Deferred revenue recognised during the period (refer to Note 15)	(185.5)	(188.7)
Closing balance at 31 December	2 123.7	2 124.0
<i>Split between:</i>		
Non-current portion of deferred revenue	1 923.5	1 896.0
Current portion of deferred revenue	200.2	228.0
	2 123.7	2 124.0

3 198 gold ounces (2021: 3 412) were delivered from BRPM while 4 383 gold ounces (2021: 4 681) were delivered from Styldrift.

12. SHARE-BASED PAYMENT LIABILITY

During the current period, the Remuneration and Nominations Committees assessed that the recent acquisition of RBPlat shares by Implats and Northam Platinum Holdings Limited (Northam) and the current corporate action may lead to the following:

- a low free float on the JSE, with little to no liquidity
- the shares may no longer represent a fair valuation of the Company; and
- a limitation on the number of shares available and authorised for the share plans

As a result, the Remuneration and Nominations Committees replaced the equity-settled share-based compensation plans (old schemes) held by employees of the Group excluding the RBPlat ESOP scheme discussed under Note 8, with the cash-settled share-based compensation plans (the replacement awards/new schemes). The changes from the old schemes to the replacement awards/new schemes only affect the manner of settlement and all other terms, including vesting period and number of instruments allocated to each individual remains the same. Accordingly, from a commercial perspective there is no difference in the value of the benefit each participant was allocated under the old schemes.

The fair value of the new share-based compensation awards determined at the modification date approximate the fair value of the replaced share-based compensation awards determined at the cancellation date, being 30 June 2022. In addition, the vesting conditions, vesting periods and all other terms of the replacement awards were adjusted to ensure consistency with the old schemes. Therefore, the transaction is considered a replacement of previous equity instruments and accounted for as a modification of the old scheme.

The fair value of the replacement awards at modification date was determined using the binomial model and a share-based payment liability of R694.0 million was recognised. The share-based payment reserve (equity) of R204.7 million was transferred to the share-based payment liability (refer to Note 8). The share-based payment liability exceeded the share-based payment reserve by R489.3 million. The Group has elected to recognise this difference between the liability and the share-based payment reserve in equity as this is treated as a repurchase of an equity interest.

After the modification date, the fair value movements of the amount payable to employees in respect of awards, which will be settled in cash, is recognised as an expense with a corresponding increase in the share-based payment liability, over the period during which the employees become unconditionally entitled to payment. This liability will be remeasured at each reporting date and at settlement date based on the fair value of the awards. Any changes in the liability are recognised in the statement of comprehensive income.

Critical accounting estimates and assumptions

The value of the various share-based payment schemes was calculated using the following inputs:

Key inputs

Notional bonus shares (previously bonus share plan)

	2022	2021	2020	2019
Weighted average share price on grant date (R)	146.50	86.30	55.23	34.40
Vesting years	2025	2024	2023	2022

Notional performance shares (previously forfeitable share plan)

	2022	2021	2020	2019	2018	2017
Weighted average share price on grant date (R)	127.22	86.30	55.23	34.02	33.18	41.65
Vesting years	2025 to 2027	2024 to 2026	2023 to 2025	2022 to 2024	2021 to 2023	2020 to 2022

Notional share appreciation rights (previously share appreciation rights plan)

	2022	2021	2020	2019	2018
Weighted average share price on grant date (R)	150.48	72.05	55.23	34.82	28.41
Volatility (%)	28.0 to 60.0	53.95 to 57.58	44.54 to 56.01	38.82 to 45.94	35.19 to 41.73
Dividend yield (%)	7.67	–	–	–	–
Risk-free interest rate (%)	7.07 to 9.60	7.46 to 8.20	7.50 to 8.72	8.25 to 8.67	8.41 to 8.79
Vesting years	2025 to 2027	2024 to 2026	2023 to 2025	2022 to 2024	2021 to 2023

NOTES TO THE SUMMARY CONSOLIDATED ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2022

12. SHARE-BASED PAYMENT LIABILITY continued

Activity on awards outstanding

	Notional Share Appreciation Rights (previously Share Appreciation Rights Plan)		Notional bonus share (previously Bonus share plan)		Notional performance shares (previously Forfeitable share plan)	
	Number of shares	Weighted average award price	Number of shares	Weighted average award price	Number of shares	Weighted average award price
For the year ended 31 December 2022						
Opening balance at 1 January	6 943 594	35.20	2 654 130	56.74	4 157 309	44.88
Granted	827 811	146.36	622 448	145.84	442 443	127.22
Forfeited	(530 738)	38.12	(229 183)	84.41	(961 023)	48.06
Exercised/vested	(2 389 912)	27.36	(907 887)	71.58	(1 316 656)	108.07
Closing balance at 31 December	4 850 755	57.71	2 139 508	91.49	2 322 073	63.20
For the year ended 31 December 2021						
Opening balance at 1 January	8 657 406	31.81	2 317 247	32.04	3 662 797	31.00
Granted	326 367	72.05	1 216 595	86.30	1 111 711	86.30
Forfeited	(180 607)	(16.35)	(39 379)	47.06	(616 200)	37.04
Exercised/vested	(1 859 572)	27.0	(840 333)	31.86	(999)	86.93
Closing balance at 31 December	6 943 594	35.20	2 654 130	56.74	4 157 309	44.88

The following table summarises the movement in the share-based payment liability:

	Group	
	2022 R (million)	2021 R (million)
Opening balance at 1 January	–	–
Transfer from share-based payment reserve (refer to Note 8)	204.7	–
Initial recognition of share-based payment liability	489.3	–
Share-based payment expense	161.3	–
Settlement of share-based payment liability	(121.2)	–
Closing balance at 31 December	734.1	–
<i>Split between:</i>		
Non-current portion of share-based payment liability	324.8	–
Current portion of share-based payment liability	409.3	–
	734.1	–

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

	Group	
	2022 R (million)	2021 R (million)
Contracted commitments	706.0	565.9
Approved expenditure not yet contracted for	1 666.0	2 501.5
Total capital commitments	2 372.0	3 067.4

14. CONTINGENCIES AND COMMITMENTS

Guarantees and commitments

	Group	
	2022 R (million)	2021 R (million)
14.1 Guarantees issued		
<i>RBR and RBP MS, wholly owned subsidiaries of RBPlat, granted the following guarantees:</i>		
Eskom early termination guarantee for Styldrif (guarantee 31160603)	17.5	17.5
Eskom to secure power supply to Styldrif (guarantee OGPE 001449)	57.1	57.1
DMRE guarantee for the rehabilitation of land disturbed by prospecting/mining (guarantee 32388608)	1.3	1.3
Eskom to secure power supply for Styldrif (guarantee 34058907)	42.7	42.7
Tsogo Sun guarantee arising from lease agreement (guarantee OGPE0002385)	0.7	0.7
Tsogo Sun guarantee arising from lease agreement (guarantee OGPE0002383)	0.1	0.1
Employee related guarantees	4.2	–
Total bank guarantees issued at 31 December	123.6	119.4
DMRE guarantees for environmental rehabilitation liability	639.9	388.7
Total insurance guarantees issued at 31 December	639.9	388.7
Eskom to secure power supply for Maseve	28.4	28.4
Total cash-backed bank guarantees issued at 31 December	28.4	28.4

14.2 Contingent liability – remediate groundwater and topsoil provision – Maseve

RBR is committed to remediating groundwater and soil pollution where RBR operates. The 2017 groundwater flow model simulations indicate that the pollution will not extend into or affect nearby township areas/groundwater users until 2075 if no intervention is put in place. Based on the groundwater model update, a project was initiated in 2018 to monitor the groundwater movement on a continuous basis, using borehole loggers to accurately quantify the size and the rate of movement of the pollution plume. The outcome of this project highlighted that the groundwater levels decreased gradually, showing that the aquifer is in a steady state and that there is no evidence of artificial recharge. A groundwater remediation strategy was developed to guide us with the implementation of remediation activities. As a result, BRPM and Styldrif's current closure costs estimate includes the groundwater remediation costs. However, the groundwater remediation plan for Maseve has not yet been completed.

In addition, RBR has not determined whether there will be sufficient topsoil to rehabilitate Maseve. As a result, a study will be undertaken in 2023.

14.3 Contingent liability – Maseve acquisition

Post-implementation of the Maseve transaction, Africa Wide Mineral Prospecting Land Exploration Proprietary Limited (Africa Wide), which held 17.1% of the shares in Maseve prior to the implementation of the share transaction, instituted legal proceedings against Platinum Group Metals Limited (PTM), RBPlat and Maseve, in terms of which it seeks to have the Maseve transaction declared unlawful and invalid, or alternatively to be paid an increased amount for its Maseve shares, which it argues were undervalued. On 14 June 2022 the High Court of South Africa dismissed Africa Wide's claims in the legal proceedings against PTM, RBPlat and Maseve with costs. Subsequent to the ruling, Africa Wide applied for leave to appeal the High Court ruling. Its application was dismissed.

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for the year ended 31 December 2022

15. REVENUE

	Group	
	2022 R (million)	2021 R (million)
Revenue from disposal of concentrate		
Revenue from contract with customers	15 810.6	16 639.9
Other revenue	(95.5)	(410.7)
	15 715.1	16 229.2
Revenue from gold streaming		
Revenue from advanced payment (refer to Note 11)	185.5	188.7
Variable consideration	10.7	10.8
	196.2	199.5
Total	15 911.3	16 428.7

Revenue per metal

	BRPM R (million)	Styldrift R (million)	Total R (million)
2022			
Platinum	2 291.2	1 609.4	3 900.6
Palladium	2 099.8	1 469.8	3 569.6
Rhodium	4 166.6	1 712.3	5 878.9
Gold	126.4	154.3	280.7
Nickel	357.6	609.5	967.1
Other	638.2	480.0	1 118.2
Total revenue from disposal of concentrate	9 679.8	6 035.3	15 715.1
2021			
Platinum	2 113.1	1 907.8	4 020.9
Palladium	1 880.4	1 625.9	3 506.3
Rhodium	4 200.1	2 323.6	6 523.7
Gold	123.3	169.6	292.9
Nickel	265.5	424.7	690.2
Other	627.5	567.7	1 195.2
Total revenue from disposal of concentrate	9 209.9	7 019.3	16 229.2

16. PROFIT BEFORE TAX

	Group	
	2022 R (million)	2021 R (million)
Included in the profit before tax are the following items:		
On-mine costs:		
– Labour	3 387.9	3 032.1
– Utilities	778.5	642.3
– Contractor costs	1 510.5	1 292.3
– Movement in inventories	(47.1)	(48.9)
– Materials and other mining costs	3 376.3	2 682.2
Materials and other mining costs for RBR operations	3 508.3	2 866.5
Elimination of intergroup management fee	(132.0)	(184.3)
State royalty taxes	630.6	214.3
Depreciation – property, plant and equipment	1 226.5	1 154.6
Depreciation – right-of-use assets	10.3	13.6
Amortisation – mineral rights	146.2	156.6
Share-based payment expense	245.9	68.1
Social and Labour Plan expenditure	146.0	167.8
Covid-19 related costs	10.0	24.6
Gold credits purchases	222.6	215.1
Other	25.0	4.1
Total cost of sales	11 669.2	9 618.8
Included in corporate office expenses:		
Advisory fees	47.2	27.4
Legal fees	30.8	17.2
Employee costs (including directors' remuneration)	112.0	105.6
Depreciation of RBP MS property, plant and equipment	0.6	0.8
Revolving credit facility and working capital facility commitment fees	23.1	30.8
Fees for guarantees	1.6	3.1
Share-based payment expense	30.7	25.1
Rent and maintenance for corporate office	2.4	3.3
Other	11.4	24.1
Total corporate office expenses	259.8	237.4
Included in housing project expenses:		
Legal fees	6.2	4.6
Property rates and taxes, water and electricity	(3.9)	3.9
Security	11.0	10.0
Maintenance	8.8	13.6
Depreciation of RBRP property, plant and equipment	0.1	0.3
Amortisation of employee housing benefit and fair value adjustment to loan	(2.1)	(0.6)
Employee housing loan receivable write-off	2.4	11.9
Insurance expenditure	0.8	0.9
Salaries and wages	9.7	9.3
Expected credit loss	4.9	0.3
Other	2.6	1.3
Total housing project expenses	40.5	55.5

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for the year ended 31 December 2022

16. PROFIT BEFORE TAX continued

	Group	
	2022 R (million)	2021 R (million)
Included in Maseve care and maintenance and other costs:		
Labour	–	7.4
Utilities	–	0.3
Contractor costs	–	0.1
Materials and other mining costs	–	6.7
Depreciation	–	13.0
Other	–	0.2
Total Maseve care and maintenance and other costs*	–	27.7
Industry membership and market development	47.7	42.5
External audit fees for the Group included in profit before tax:		
– Fees for audit	10.5	5.2
Total external audit fees	10.5	5.2

* Maseve care and maintenance and other costs related to costs incurred by Maseve before the Group reorganisation and amalgamation process was concluded between Maseve and RBR in May 2021. Subsequent to the amalgamation, these costs have been disclosed in other expenses

17. IMPAIRMENT OF ASSETS

Impairment of housing assets

During 2022, a valuation of the undeveloped land held by RBRP was performed by an independent expert with appropriate qualifications and experience in the location and category of the undeveloped land valued. The valuation indicated that the recoverable amount of the undeveloped land was less than its carrying amount. As a result an impairment amount of R203.8 million was recognised.

Impairment of non-current assets held for sale

An impairment of R35.7 million was recognised on the reclassification of the Sundown Ranch assets to non-current assets held for sale. Refer to Note 7.

	2022 R (million)	2021 R (million)
Impairment of housing assets	203.8	–
Impairment of non-current assets held for sale	35.7	–
	239.5	–

18. NET FINANCE INCOME/(COST)

	2022 R (million)	2021 R (million)
18.1 Finance income consists of the following:		
Interest income on environmental trust deposits	10.0	7.1
Interest income on cash and cash equivalents	267.4	139.2
Interest income on employee housing loan receivable – contractual	90.4	87.9
Interest income on employee housing loan receivable – fair value	16.3	20.1
Dividend income on investments	2.7	0.9
Total finance income	386.8	255.1
Included in the total finance income are the following cash items presented in the statement of cash flows		
Interest received on environmental trust deposits	10.0	7.1
Interest received on cash and cash equivalents	267.4	139.2
Interest received on employee housing loan receivable	87.8	79.7
Total finance income received per the statement of cash flows	365.2	226.0
18.2 Finance cost consists of the following:		
Interest expense – short-term borrowings	–	(0.2)
Interest expense – lease liability	(2.9)	(2.1)
Interest expense – PIC housing facility	(129.5)	(101.9)
Interest expense – convertible bonds	–	(54.3)
Premium on buy-back of convertible bonds	–	(312.5)
Interest expense – deferred revenue (refer to Note 11)	(185.2)	(186.0)
Interest expense – long-term borrowings	–	(27.2)
Unwinding of discount on decommissioning and restoration provision	(11.7)	(10.5)
Total finance cost	(329.3)	(694.7)
Net finance income/(cost)	57.5	(439.6)
Included in the total finance cost are the following cash items presented in the statement of cash flows		
Interest paid – lease liability	(2.9)	(2.1)
Interest paid – long-term borrowings	–	(27.2)
Interest paid convertible bonds	–	(42.0)
Total finance cost paid per the statement of cash flows	(2.9)	(71.3)

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for the year ended 31 December 2022

19. INCOME TAX EXPENSE

Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates enacted at the statement of financial position date, and any adjustment of tax payable for previous years.

Critical accounting estimates and assumptions

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determinations are made.

	Group	
	2022 R (million)	2021 R (million)
Income tax expense		
Income tax expense	(862.8)	(188.0)
Current year	(862.6)	(188.0)
Prior year	(0.2)	–
Deferred tax expense	(237.8)	(353.1)
Current year	(251.3)	(437.3)
Prior year	13.5	84.2
Total income tax expense	(1 100.6)	(541.1)
Tax rate reconciliation:		
Profit before tax	4 421.2	7 051.0
Tax expense calculated at a tax rate of 28% (2021: 28%)	(1 237.9)	(1 974.3)
Non-taxable income – dividends	0.8	0.3
Non-taxable income – other	1.7	0.6
Non-deductible expenses – legal and advisory fees	(17.7)	(6.1)
Non-deductible expenses – other	(7.1)	(6.3)
Non-deductible expenses – buy-back of convertible bonds	–	(10.5)
Non-deductible expenses – impairment of assets	(18.3)	–
S44 unredeemed capex – Maseve	–	1 517.9
S44 Maseve provision for rehabilitation	–	7.1
S24J premium on conversion of convertible bonds	–	384.2
Share Appreciation Rights	–	19.8
Tax losses not recognised	(51.2)	(460.4)
Change in tax rate	215.8	–
Prior year adjustments	13.3	(13.4)
Total	(1 100.6)	(541.1)
Effective tax rate (%)	24.9	7.7

On 24 February 2021, the South African Minister of Finance announced a change in the companies tax rate from 28% to 27% for companies with years of assessment commencing on or after 1 April 2022. The Minister confirmed this rate change on 23 February 2022. The rate change affected the deferred tax for the year ended 31 December 2022 and will affect the income tax for the year ending 31 December 2023.

As part of the corporate income tax restructuring process announced by the Minister above, certain measures were put in place to broaden the tax base. These amendments were effective for years of assessment commencing on or after 1 April 2022. One such measure is to limit the assessed losses that are set off against taxable income to 80% of the taxable income. The Minister further proposed that certain anomalies between this new assessed loss restriction provision in terms of section 20 of the Income Tax Act and the redemption of capital expenditure in terms of section 36 of the Income Tax Act be clarified. The above amendment will impact the period over which existing assessed losses in the Group will be recovered and the further clarifications may impact the period over which the redemption of capital expenditure may be utilised.

20. RELATED PARTY TRANSACTIONS

	Group	
	2022 R (million)	2021 R (million)
Balances at 31 December		
Amount owing by Implats for the fourth quarter royalty income (refer to Note 5)	135.0	142.4
Transactions with Implats		
Royalty income	326.7	738.5

21. DIVIDENDS

Dividends payable

Dividends are recognised in the period in which the dividends are declared. These dividends are recorded and disclosed as dividends paid in the statement of changes in equity and classified as cash flow from operating activities in the statement of cash flows. Dividends proposed or declared subsequent to the date of the statement of financial position are not recognised, but are disclosed in the notes to the consolidated annual financial statements.

Final dividend declared

A final gross cash dividend of 535.0 cents per share was declared by the Board on 8 March 2022 from profits accrued during the financial year ended 31 December 2021 (2021: 575.0 cents per share). The dividend was payable on 4 April 2022 to shareholders who were on the register on 1 April 2022. This final dividend, amounting to R1 557.6 million, has been recognised in shareholders' equity in 2022.

Interim dividend declared

An interim cash dividend of 245.0 cents per share was declared by the Board on 2 August 2022 from profits accrued during the interim period ended 30 June 2022 (2021: 535.0 cents per share). The dividend was payable on 29 August 2022 to shareholders who were on the register on 26 August 2022. This interim dividend, amounting to R711.3 million, has been recognised in shareholders' equity in 2022.

The following table summarises dividends declared:

	Group	
	2022 Cents	2021 Cents
Final dividend	535.0	575.0
Interim dividend	245.0	535.0
	780.0	1 110.0
	R (million)	R (million)
Final dividend	1 557.6	1 523.9
Interim dividend	711.3	1 546.2
	2 268.9	3 070.1

Subsequent to year-end, a final dividend of 535.0 cents per share (2021: 535.0 cents per share) was declared. Refer to Note 25.

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22. FINANCIAL RISK MANAGEMENT

Fair value determination

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

	Notes	Group		
		Level 1 R (million)	Level 2 R (million)	Level 3 R (million)
2022				
Financial assets at fair value				
Environmental guarantee investment ¹		–	125.6	–
Housing insurance investment ²		–	–	62.3
RPM concentrate debtor ³	5	–	–	6 547.2
Financial assets at amortised cost				
Employee housing loan receivable ⁴		–	–	950.4
Implats royalty receivable ⁵	5	–	–	135.0
Other receivables (excluding prepaid expenses, funding transaction costs capitalised, deposits and VAT) ⁵	5	–	–	112.5
Environmental trust deposits ⁴		–	–	186.4
Financial liabilities at fair value				
Share-based payment liability ⁶	12	–	–	734.1
Financial liabilities at amortised cost				
PIC housing facility ⁴	10	–	–	1 494.8
Lease liabilities ⁴		–	–	41.7
Trade and other payables (excluding VAT payable) ⁵		–	–	1 210.5
2021				
Financial assets at fair value				
Environmental guarantee investment ¹		–	104.6	–
Housing insurance investment ²		–	–	57.4
RPM concentrate debtor ³	5	–	–	5 192.8
Financial assets at amortised cost				
Employee housing loan receivable ⁴		–	–	917.7
Implats royalty receivable ⁵	5	–	–	142.4
Other receivables (excluding prepaid expense, funding transaction costs capitalised, deposits and VAT) ⁵	5	–	–	61.7
Environmental trust deposits ⁴		–	–	176.4
Financial liabilities at amortised cost				
PIC housing facility ⁴	10	–	–	1 535.5
Lease liabilities ⁴		–	–	35.6
Trade and other payables (excluding VAT payable) ⁵		–	–	1 170.7

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

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

³ Fair value was determined using the commodity prices and foreign exchange rates

⁴ The fair value was determined using a discounted cash flow model

⁵ Carrying amount approximates fair value

⁶ The fair value was determined using the binomial model

23. SEGMENTAL REPORTING

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

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

23. SEGMENTAL REPORTING continued

23.1 Segmental statement of comprehensive income

	For the year ended 31 December 2022					For the year ended 31 December 2021								
	BRPM mining segment R (million)	Stydrift mining segment (B) R (million)	RBR operations segment (A + B) R (million)	RBPlat housing segment R (million)	Corporate office segment R (million)	Consolidation adjustments R (million)	Total R (million)	BRPM mining segment (A) R (million)	Stydrift mining segment (B) R (million)	RBR operations segment (A + B) R (million)	RBPlat housing segment R (million)	Corporate office segment R (million)	Consolidation adjustments R (million)	Total R (million)
Revenue	9 762.7	6 148.6	15 911.3	28.9	3 550.7	(3 579.6)	15 911.3	9 294.1	7 134.6	16 428.7	66.6	3 264.5	(3 331.1)	16 428.7
Cost of sales	(5 272.1)	(5 724.2)	(10 996.3)	(17.4)	(4 176.4)	3 520.9	(11 669.2)	(4 486.4)	(4 940.9)	(9 427.3)	(46.0)	(3 420.8)	3 275.3	(9 618.8)*
Cash cost of sales excluding depreciation and amortisation	(4 859.0)	(4 977.6)	(9 836.6)	(17.4)	(4 018.3)	3 528.7	(10 343.6)	(4 120.9)	(4 204.7)	(8 325.6)	(46.0)	(3 254.1)	3 269.2	(8 356.5)*
Depreciation	(388.4)	(818.4)	(1 206.8)	—	(11.9)	(7.8)	(1 226.5)	(351.2)	(799.4)	(1 150.6)	—	(10.1)	6.1	(1 154.6)
Amortisation	—	—	—	—	(146.2)	—	(146.2)	—	—	—	—	(156.6)	—	(156.6)
Movement in inventories	(24.7)	71.8	47.1	—	—	—	47.1	(14.3)	63.2	48.9	—	—	—	48.9
Gross profit/(loss) per segment and total	4 490.6	424.4	4 915.0	11.5	(625.7)	(58.7)	4 242.1	4 807.7	2 193.7	7 001.4	20.6	(156.3)	(55.8)	6 809.9*
Other income	602.2	69.1	671.3	15.3	2 413.4	(2 348.5)	751.5	919.3	101.2	1 020.5	17.5	3 588.2	(3 563.9)	1 062.3
Other expenses	—	(42.4)	(42.4)	—	—	—	(42.4)	—	(18.5)	(18.5)	—	—	—	(18.5)*
Total administrative expenditure	—	—	—	(33.2)	(317.8)	3.0	(348.0)	—	—	—	(55.5)	(311.0)	3.4	(363.1)
Administrative expenditure	—	—	—	(35.2)	(269.4)	3.0	(301.6)	—	—	—	(55.8)	(235.9)	3.4	(288.3)
Depreciation	—	—	—	(0.2)	(0.7)	—	(0.9)	—	—	—	(0.3)	(4.9)	—	(5.2)
Maseve care and maintenance	—	—	—	—	—	—	—	—	—	—	—	(27.7)	—	(27.7)
Amortisation of employee housing benefit and fair value adjustment to loan	—	—	—	2.2	—	—	2.2	—	—	—	0.6	—	—	0.6
Industry membership and market development	—	—	—	—	(47.7)	—	(47.7)	—	—	—	—	(42.5)	—	(42.5)
Impairment of assets	(12.8)	(21.4)	(34.2)	(138.5)	42.7	(109.5)	(239.5)	—	—	—	—	101.6	(101.6)	—
Net finance (cost)/income	(16.7)	(158.9)	(175.6)	(20.1)	252.9	0.3	57.5	(21.0)	(157.5)	(178.5)	9.2	3 309.6	(3 579.9)	(439.6)
Finance income	14.8	8.8	23.6	109.4	253.8	—	386.8	14.0	5.9	19.9	111.2	3 704.0	(3 580.0)	255.1
Other finance costs	(31.5)	(167.7)	(199.2)	(129.5)	(0.9)	0.3	(329.3)	(35.0)	(163.4)	(198.4)	(102.0)	(81.9)	0.1	(382.2)
Premium on buy-back of convertible bonds	—	—	—	—	—	—	—	—	—	—	—	(312.5)	—	(312.5)
Profit/(loss) before tax per segment and total	5 063.3	270.8	5 334.1	(165.0)	1 765.5	(2 513.4)	4 421.2	5 706.0	2 118.9	7 824.9	(8.2)	6 532.1	(7 297.8)	7 051.0
Taxation	—	—	—	—	—	—	(1 100.6)	—	—	—	—	—	—	(541.1)
Profit after tax attributable to owners of the Company	—	—	—	—	—	—	3 320.6	—	—	—	—	—	—	6 509.9

* The 2021 Maseve care and maintenance and other costs of R18.5 million incurred after the Group reorganisation and amalgamation process concluded have been reclassified from cost of sales to other expenses based on their nature.

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23. SEGMENTAL REPORTING continued

23.2 Segmental statement of financial position

	As at 31 December 2022							As at 31 December 2021						
	BRPM mining segment R (million)	Stydrift mining segment (B) R (million)	RBR operations segment (A+B) R (million)	RRPlat housing segment R (million)	Corporate office R (million)	Consolidation adjustment R (million)	Total R (million)	BRPM mining segment R (million)	Stydrift mining segment (B) R (million)	RBR operations segment (A+B) R (million)	RRPlat housing segment R (million)	Corporate office R (million)	Consolidation adjustment R (million)	Total R (million)
Non-current assets	4 900.9	12 779.2*	17 680.1	1 248.1	15 323.1	(10 317.5)	23 933.8	4 706.5	12 273.3*	16 979.8	1 225.5	14 484.6	(9 257.8)	23 432.1
Allocation of mineral rights	595.6	4 454.8	5 050.4	—	(5 050.4)	—	—	624.6	4 572.0	5 196.6	—	(5 196.6)	—	—
Non-current assets after allocation of mineral rights	5 496.5	17 234.0	22 730.5	1 248.1	10 272.7	(10 317.5)	23 933.8	5 331.1	16 845.3	22 476.4	1 225.5	9 288.0	(9 257.8)	23 432.1
Current assets	4 786.5	2 772.7	7 559.2	388.0	4 541.8	(26.5)	12 462.5	3 892.6	2 711.8	6 604.4	595.2	4 361.2	54.3	11 615.1
Employee housing current assets	—	—	—	304.9	—	2.9	307.8	—	—	—	464.2	—	68.6	532.8
Inventories	155.0	503.9	658.9	—	—	—	658.9	169.5	395.0	564.5	—	—	—	564.5
Non-current assets held for sale	13.2	16.8	30.0	—	—	—	30.0	—	—	—	—	—	—	—
Trade and other receivables	4 616.2	2 250.8	6 867.0	3.4	113.5	(29.4)	6 954.5	3 156.2	2 316.8	5 473.0	2.9	90.5	(14.3)	5 552.1
Current tax receivable	—	—	—	—	158.2	—	158.2	—	—	—	—	67.3	—	67.3
Cash and cash equivalents	2.1	1.2	3.3	79.7	4 270.1	—	4 353.1	566.9	—	566.9	128.1	4 203.4	—	4 898.4
Total assets per statement of financial position	10 283.0	20 006.7	30 289.7	1 636.1	14 814.5	(10 344.0)	36 396.3	9 223.7	19 557.1	28 780.8	1 820.7	13 649.2	(9 203.5)	35 047.2
Non-current liabilities	343.9	1 807.3	2 151.2	1 586.8	6 056.6	(57.5)	9 737.1	337.9	1 694.5	2 032.4	1 620.9	5 597.7	(57.5)	9 193.5
Deferred tax liability	—	—	—	—	5 724.3	(55.6)	5 668.7	—	—	—	—	—	—	—
Deferred revenue	186.6	1 736.9	1 923.5	—	—	—	1 923.5	238.8	1 657.2	1 896.0	—	5 587.5	(54.4)	5 533.1
Share-based payment liability	—	—	—	—	324.8	—	324.8	—	—	—	—	—	—	—
PIC housing facility	—	—	—	1 449.5	—	—	1 449.5	—	—	—	1 487.5	—	—	1 487.5
Lease liabilities	23.2	—	23.2	—	7.5	(1.9)	28.8	24.4	—	24.4	—	10.2	(3.1)	31.5
Long-term provisions and other	134.1	70.4	204.5	137.3	—	—	341.8	74.7	37.3	112.0	133.4	—	—	245.4
Current liabilities	(16 179.6)	10 536.7	(5 642.9)	109.5	7 537.9	(30.9)	1 973.6	(12 775.7)	10 080.1	(2 695.6)	87.6	6 692.8	(2 497.7)	1 587.1
Trade and other payables	617.0	326.4	943.4	29.1	348.7	(18.4)	1 302.8	578.2	285.2	863.4	34.7	417.2	(13.0)	1 302.3
RBR payable	(16 843.7)	10 045.7	(6 798.0)	35.1	6 774.1	(11.2)	—	(13 397.3)	9 607.4	(3 789.9)	4.9	6 268.7	(2 483.7)	—
Current portion of share-based payment liability	—	—	—	—	409.3	—	409.3	—	—	—	—	—	—	—
Current portion of PIC housing facility	—	—	—	45.3	—	—	45.3	—	—	—	48.0	—	—	48.0
Current tax payable	—	—	—	—	3.1	—	3.1	—	—	—	—	4.7	—	4.7
Current portion of deferred revenue	35.6	164.6	200.2	—	—	—	200.2	40.5	187.5	228.0	—	—	—	228.0
Current portion of lease liabilities	11.5	—	11.5	—	2.7	(1.3)	12.9	2.9	—	2.9	—	2.2	(1.0)	4.1
Total liabilities per statement of financial position	(15 835.7)	12 344.0	(3 491.7)	1 696.3	13 594.5	(88.4)	11 710.7	(12 437.8)	11 774.6	(663.2)	1 708.5	12 290.5	(2 555.2)	10 780.6

* Includes Stydrift // exploration and evaluation costs

23. SEGMENTAL REPORTING continued

23.3 Segmental statement of cash flows

	For the year ended 31 December 2022					For the year ended 31 December 2021						
	BRPM mining segment R (million)	Stydrift mining segment (B) R (million)	RBR operations segment (A + B) R (million)	RBPlat housing segment R (million)	Corporate office and consolidation adjustment R (million)	Total R (million)	BRPM mining segment R (million)	Stydrift mining segment (B) R (million)	RBR operations segment (A + B) R (million)	RBPlat housing segment R (million)	Corporate office and consolidation adjustment R (million)	Total R (million)
Net cash inflow/(outflow) from operating activities	4 089.7	1 449.1	5 538.8	58.2	(3 954.9)	1 642.1	4 508.7	4 196.9	8 705.6	56.9	(3 062.4)	5 700.1
Proceeds from disposal of property, plant and equipment	–	1.6	1.6	–	–	1.6	–	2.6	2.6	–	0.1	2.7
Acquisition of property, plant and equipment	(475.7)	(1 383.8)	(1 859.5)	(0.1)	37.0	(1 822.6)	(392.1)	(1 429.6)	(1 821.7)	–	39.2	(1 782.5)
Cash acquired as part of Maseve amalgamation	–	–	–	–	–	–	–	0.1	0.1	–	(0.1)	–
Employee housing loan receivable repayments	–	–	–	10.0	–	10.0	–	–	–	9.7	–	9.7
Increase in environmental trust deposits and guarantees	(30.1)	–	(30.1)	–	–	(30.1)	(28.9)	–	(28.9)	–	–	(28.9)
Net cash (outflow)/inflow from investing activities	(505.8)	(1 382.2)	(1 888.0)	9.9	37.0	(1 841.1)	(421.0)	(1 426.9)	(1 847.9)	9.7	39.2	(1 799.0)
(Distribution to)/ [*] cash investments by RBR	(4 019.8)	14.4	(4 005.4)	30.2	3 975.2	–	(5 162.6)	(2 732.8)	(7 895.4)	(0.6)	7 896.0	–
Repayment of PIC housing facility	–	–	–	(146.7)	–	(146.7)	–	–	–	(101.0)	–	(101.0)
Proceeds from interest-bearing borrowings	–	–	–	–	647.5	647.5	–	–	–	–	890.3	890.3
Repayment of interest-bearing borrowings	–	–	–	–	(647.5)	(647.5)	–	–	–	–	(1 499.7)	(1 499.7)
Principal elements of lease payments	(9.7)	–	(9.7)	–	(1.3)	(11.0)	(9.8)	(3.8)	(13.6)	–	(2.4)	(16.0)
Settlement of share-based payment	(119.2)	(80.1)	(199.3)	–	–	(199.3)	(37.4)	(33.4)	(70.8)	–	(36.1)	(106.9)
Proceeds from share options exercised	–	–	–	–	10.7	10.7	–	–	–	–	69.7	69.7
Convertible bonds repurchased	–	–	–	–	–	–	–	–	–	–	(482.3)	(482.3)
Net cash (outflow)/inflow from financing activities	(4 148.7)	(65.7)	(4 214.4)	(116.5)	3 984.6	(346.3)	(5 209.8)	(2 770.0)	(7 979.8)	(101.6)	6 835.5	(1 245.9)
Net (decrease)/increase in cash and cash equivalents	(564.8)	1.2	(563.6)	(48.4)	66.7	(545.3)	(1 122.1)	–	(1 122.1)	(35.0)	3 812.3	2 655.2
Cash and cash equivalents at the beginning of the period	566.9	–	566.9	128.1	4 203.4	4 898.4	1 689.0	–	1 689.0	163.1	391.1	2 243.2
Cash and cash equivalents at the end of the period	2.1	1.2	3.3	79.7	4 270.1	4 353.1	566.9	–	566.9	128.1	4 203.4	4 898.4

NOTES TO THE SUMMARY CONSOLIDATED ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2022

24. EARNINGS PER SHARE

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

	Group	
	2022	2021
Number of shares issued at 1 January	289 016 546	258 792 016
Management incentive schemes at 1 January	(1 029 219)	(277 629)
Number of shares issued outside the Group at 1 January	287 987 327	258 514 387
Adjusted for weighted average number of shares issued during the year	1 632 089	20 601 952
Weighted average number of ordinary shares in issue for earnings per share	289 619 416	279 116 339
Dilutive potential ordinary shares relating to management incentive schemes	—	7 585 141
Weighted average number of potential dilutive ordinary shares in issue	289 619 416	286 701 480
Profit attributable to owners of the Company R (million)	3 320.6	6 509.9
Adjustments	—	—
Diluted profit R (million)	3 320.6	6 509.9
Basic earnings per share (cents/share)		
Basic earnings per share is calculated by dividing the profit attributable to owners of the Company for the year by the weighted average number of ordinary shares in issue for earnings per share	1 146.3	2 332.4
Diluted earnings per share (cents/share)		
Diluted earnings per share is calculated by adjusting the weighted average* number of ordinary shares outstanding to assume conversion of all diluted potential ordinary shares	1 146.3	2 270.7

	2022		2021	
	Gross	Net	Gross	Net
Headline earnings				
Profit attributable to owners of the Company R (million)		3 320.6		6 509.9
Adjustments:				
Profit on disposal of property, plant and equipment and other assets R (million)	(11.2)	(8.0)	(21.7)	(21.7)
Impairment of assets R (million)	239.5	172.4	—	—
Headline earnings R (million)		3 485.0		6 488.2
Diluted profit R (million)*		3 485.0		6 488.2
Basic headline earnings per share (cents/share)		1 203.1		2 324.6
Diluted headline earnings per share (cents/share)		1 203.1		2 263.1

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

25. SUBSEQUENT EVENTS

Declaration of final dividend

A final gross cash dividend of 535.0 cents per share was declared by the Board on 8 March 2023 from profits accrued during the financial year ended 31 December 2022. The total cash dividend for the year amounted to 780.0 cents per share. The dividend is payable on 3 April 2023 to shareholders who will be on the register on 31 March 2023. This final dividend, amounting to approximately R1 553.3 million, has not been recognised as a liability in 2022. It will be recognised in shareholders' equity in the year ending 31 December 2023.

CORPORATE INFORMATION

Shareholders' diary

Financial year-end

31 December of each year

Interim period-end

30 June of each year

Administration

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

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FORWARD-LOOKING STATEMENTS

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

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