

Condensed consolidated interim results (reviewed)

for the six months ended 31 December 2023



**RESPECT, CARE
AND DELIVER**



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

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29 February 2024
Johannesburg

Sponsor to Implats
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Our purpose

To create a better future



Our vision

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



Our values

RESPECT

- We believe in ourselves
- We work together as a team
- We take ownership of our responsibilities
- We are accountable for our actions

CARE

- We set each other up for success
- We care for the environment
- We work safely and smartly
- We make a positive contribution to society

DELIVER

- We play our A-game every day
- We go the extra mile
- We learn, adapt and grow
- We create a better future

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

Our mining operations span the Bushveld Complex in South Africa, the Great Dyke in Zimbabwe and the Canadian Shield. The metals we produce are key to making many industrial, medical and electronic items – and they contribute to a cleaner, greener world.

KEY FEATURES FOR THE SIX MONTHS

Safety and sustainability

- Safety performance was dominated by the 11 Shaft tragedy, which resulted in 13 fatalities
- Three further fatalities at managed operations
- LTIFR* deteriorated to 4.65 from 4.05 in H1 FY2023
- No major, significant or limited environmental incidents
- Third consecutive inclusion in the S&P Global Sustainability Yearbook (2024)
- Maintained CDP ratings for environment and water management.

* Per million man-hours worked.

Operational

- Maiden interim inclusion of Impala Bafokeng increases production volumes
- 28% increase in managed 6E production to 1.51Moz
- 2% higher JV 6E production of 276koz
- 33% decrease in third-party 6E receipts to 113koz
- Refined and saleable 6E production increased 19% to 1.75Moz
- 6E sales volumes rose 12% to 1.70Moz
- Group 6E unit costs increased 5% to R20 334/oz (stock-adjusted)
- Consolidated Group capital expenditure of R6.8 billion
- FY2024 production and cost guidance maintained.

Financial

- Gross profit of R3.4 billion at a gross profit margin of 8%
- EBITDA of R8.4 billion and EBITDA margin of 19%
- Headline earnings of R3.3 billion or 365cps
- Free cash outflow of R4.8 billion
- R5.2 billion in net cash (excluding leases)
- No interim dividend declared.



Market

- Dollar revenue per 6E ounce sold down 37% to US\$1 376/oz
- Rand revenue per 6E ounce sold declined 32% to R25 795/oz
- Precious metal pricing heavily influenced by industrial destocking and weak investor sentiment
- Platinum, palladium and rhodium in deficit in 2024

Operating statistics

		Six months to 31 Dec 2023	Six months to 31 Dec 2022	Variance %
Gross refined production				
6E	(000oz)	1 751.1	1 476.0	18.6
Platinum	(000oz)	831.9	684.8	21.5
Palladium	(000oz)	593.3	519.7	14.2
Rhodium	(000oz)	97.7	85.8	13.9
Nickel	(tonnes)	8 309	7 944	4.6
IRS metal returned (toll refined)				
6E	(000oz)	0.7	0.5	40.0
Platinum	(000oz)	–	–	–
Palladium	(000oz)	0.7	0.5	40.0
Rhodium	(000oz)	–	–	–
Nickel	(tonnes)	1 851	1 886	(1.9)
Sales volumes				
6E	(000oz)	1 696.8	1 515.2	12.0
Platinum	(000oz)	809.5	729.1	11.0
Palladium	(000oz)	598.4	528.7	13.2
Rhodium	(000oz)	95.5	84.7	12.8
Nickel	(tonnes)	5 780	5 791	(0.2)
Prices achieved				
Platinum	(US\$/oz)	924	927	(0.3)
Palladium	(US\$/oz)	1 182	2 009	(41.2)
Rhodium	(US\$/oz)	4 152	13 805	(69.9)
Nickel	(US\$/t)	19 553	23 568	(17.0)
Consolidated statistics				
Average rate achieved	(R/US\$)	18.75	17.36	8.0
Closing rate for the period	(R/US\$)	18.36	17.04	7.7
Revenue per 6E ounce sold	(US\$/oz)	1 376	2 199	(37.4)
Revenue per 6E ounce sold	(R/oz)	25 795	38 117	(32.3)
Tonnes milled ex mine*	(000t)	14 313	11 815	21.1
Group 6E production	(000oz)	1 901.6	1 618.3	17.5
Group unit cost per 6E ounce stock adjusted	(R/oz)	20 334	19 346	(5.1)
Group unit cost per 6E ounce stock adjusted	(US\$/oz)	1 088	1 116	2.5
Capital expenditure*	(Rm)	6 816	4 949	(37.7)
Stay-in-business capital	(Rm)	3 236	3 155	(2.6)
Replacement capital	(Rm)	1 420	1 100	(29.1)
Expansion capital	(Rm)	2 159	695	(210.6)

* Managed operations.

Operating statistics

		Six months to 31 Dec 2023	Six months to 31 Dec 2022	Variance %
Financial performance				
Revenue	(Rm)	43 425	57 797	(24.9)
Gross profit	(Rm)	3 435	17 194	(80.0)
EBITDA**	(Rm)	8 435	24 506	(65.6)
Profit for the six months	(Rm)	1 697	14 827	(88.6)
Basic earnings	(Rm)	1 614	13 973	(88.4)
Headline earnings	(Rm)	3 264	14 020	(76.7)
Free cash flow**	(Rm)	(4 760)	11 001	(143.3)
Net cash (excluding leases)	(Rm)	5 240	27 023	(80.6)
Basic earnings per share	(cps)	180	1 648	(89.1)
Headline earnings per share	(cps)	365	1 654	(77.9)
Dividends per share	(cps)	-	420	(100.0)

** Non-International Financial Reporting Standards metric.

Additional statistical information is available on the company's internet website.

		Six months to 31 Dec 2023	Six months to 31 Dec 2022	Variance %
ESG indicators				
Fatalities	(count)	16	2	(700.0)
TIFR	(pmmhw)**	9.05	9.16	1.2
LTIFR	(pmmhw)**	4.65	4.05	(14.8)
Labour including capital*	(number)	67 973	58 569	(16.1)
Level 4 or 5 environmental incidents	(count)	0	0	-
Level 3 environmental incidents	(count)	0	4	100.0
Water consumption	(kl/t milled)	1.02	2.21	53.8
Water recycled/reused	(%)	54	50	(8.0)
Energy consumption***	(GJ/t milled)	0.76	0.83	8.4
Renewable electricity consumption	(%)	40	27	(48.1)
Scope 1 and 2 carbon emissions	(t CO ₂ /t milled)	0.150	0.161	6.8
Carbon emissions avoided	(t CO ₂)	170 000	25 733	(560.6)
Land rehabilitated	(hectares)	21.75	11.00	(97.7)

* As at 31 December 2023.

** Per million man-hours worked.

*** Excluding remined tonnage.

INTRODUCTION

Implats delivered a strong operational performance despite several challenges during the period under review. This production performance is a testament to prior investment in enhanced operational flexibility, and the resilience and disciplined execution demonstrated by our people. The 11 Shaft tragedy at Impala Rustenburg was a devastating and significant event for our Group. We continue to progress investigations into the accident while providing ongoing support to our many colleagues who have been impacted as a result.

Notable gains in production and sales volumes and commendable cost control across several of our operations were offset by the material decline in platinum group metals (PGMs) prices over the course of 2023, resulting in a step-change in interim reported profitability at the Group. Implats generated EBITDA of R8.4 billion, headline earnings of R3.3 billion or 365 cents per share and recorded a free cash outflow of R4.8 billion, after funding capital expenditure of R6.8 billion in the period. The acquisition of Royal Bafokeng Platinum Limited (RBPlat) was concluded and Implats closed the period with net cash of R5.2 billion.

The final months of 2023 witnessed slowing global inflation and signs of cooling labour markets. However, the future trajectory of interest rates, which remain at multi-decade highs, remains uncertain and continues to provide a meaningful headwinds to the outlook for global growth and in turn, precious metal consumer and investor sentiment and pricing. Escalating geopolitical conflicts poses further risks to an already complicated global macro-economic picture.

While fundamental demand for our primary products remains robust, the persistence of lower PGM prices requires a robust strategic response to ensure the long-term sustainability of the Group.

Implats has interrogated its planned capital profile, with a number of projects earmarked for deferral. Impala Canada initiated a restructuring and repositioned Lac des Iles during the period. Significant effort is being placed on the strategic options available to protect value at Impala Bafokeng. While many Group operations remain sustainable and profitable at current depressed prices, several further actions may be necessary to ensure business sustainability in the medium term.

SAFETY

Implats' safety performance for the period under review was dominated by the tragic event at 11 Shaft on Monday, 27 November 2023, when an accident involving a personnel conveyance occurred. In total, 13 employees tragically lost their lives and an additional 73 employees were injured, several of whom are receiving ongoing rehabilitation, care and support from the Company. Our hearts remain heavy for the lives lost and the individuals affected by this devastating accident. With deep regret, we report that an additional three employees lost their lives in unrelated accidents at managed operations, bringing the Group's reported fatalities to 16 in the period.

In August 2023, Mr Caiphus Magowa lost his life in a winch accident at Marula. In September 2023, Mr Michael Labuschagne suffered fatal injuries in a fall-of-ground incident at Impala Bafokeng's Styldrift Mine. In October 2023, Mr Kokoetso Malephapha was fatally injured in a scraper accident at Impala Rustenburg's 12 Shaft. We honour the memories of our 13 employees who lost their lives at 11 Shaft in late November: Mr Khayaletu Joel Bhekamane, Mr Vuyane Dangazele, Mr Mcingeni Dlabone, Mr Mncedisi Hukwana, Mr Eric Fanisile Libada, Mr Morena Mohlomi, Mr Petrus Nare, Mr Mandisi Nkulwana, Mr Zwelethu Nomsuka, Mr Raselebedi Elias Ntoi, Mr Siyabulela Nzume, Mr Lethola Qebe and Mr Marumo Shasha.

The board of directors and the management team have extended their heartfelt condolences to the families of our late colleagues and the Group offers ongoing support to their families through the comprehensive Implats We Care programme. In the case of the 11 Shaft accident, investigations are ongoing (see 11 Shaft update), while investigations into the winch, fall-of-ground and scraper incidents were completed and remedial actions implemented.

Prior to the 11 Shaft tragedy, the Group began implementing a targeted approach to effect sustainable risk reduction and deliver a step-change in its safety performance to achieve the industry target of zero harm, to which it is pledged and fully committed. While the Group employs leading practices related to falls-of-ground, has embedded critical controls and has intensified employee engagement on safety, a Group-wide safety summit in the period identified areas for improvement. An accelerated focus will be placed on risk

identification, critical control verification, agile technology adoption, improved risk-based on-the-job training and frontline coaching, and an unwavering approach to visible leadership to address mindsets and behaviours and drive a culture of accountability and safety adherence.

The 11 Shaft accident marked a material retracement in the steadily improving safety record all Group operations worked so hard to achieve. The mechanisms used to operate personnel conveyance systems, and the safety protocols involved in arresting falls in such systems, are known to be safe and are used in mining operations globally, highlighting the uncommon and tragic nature of this accident.

Due to the magnitude of the 11 Shaft tragedy, most Group reported safety metrics deteriorated significantly during the period. The Group's fatal-injury frequency rate worsened to 0.209 per million man-hours worked (H1 FY2023: 0.032). The lost-time injury frequency rate (LTIFR) retraced 15% to 4.65 per million man-hours worked (H1 FY2023: 4.05). The Group recorded a 1% improvement in the total injury frequency rate to 9.05 (H1 FY2023: 9.16).

Safety remains our foremost priority. We aspire to eliminate harm to the health and safety of our employees and contractors, and we are devastated by the events in the period.

11 SHAFT UPDATE

During December 2023, the 11 Shaft in-loco inspection was conducted and Implats received the associated instructions from the Department of Mineral Resources and Energy (DMRE). The 11 Shaft site was returned to Implats to proceed with further investigations, and to begin the necessary repairs to the damaged infrastructure — under the direction of the DMRE.

In January 2024, Implats' subsidiary, Impala Platinum Limited, submitted its investigation report to the DMRE, in terms of section 11(5)(e) of the Mine Health and Safety Act, which paves the way for the DMRE to initiate formal proceedings relating to the accident, possibly during 2024. The formal proceedings are expected to take several months to complete. In parallel, Implats is conducting its own investigations, which will draw on observations and findings from the regulated investigation, but also

explore potential interventions to further enhance the safe operation of all conveyance systems across the Group. The investigations are regulated by internal, industry and regulatory protocols and procedures. Once concluded, the relevant learnings from these investigations will be shared with the regulator and industry stakeholders.

Permission to use the rock winder at 11 Shaft was granted by the DMRE on 9 January 2024, with personnel access to underground workings authorised through the adjacent 11C Shaft infrastructure. Consequently, 11 Shaft mining crews were systematically re-mobilised during January 2024, with surplus labour deployed across the broader Rustenburg asset base. Mining volumes were ramped up to circa 60% of production capacity by the end of January.

In late February, the Group completed infrastructure repairs, and the DMRE lifted the Section 54 notice at 11 Shaft and issued the man winder licence. A build-up to full production capacity is currently targeted for April 2024.

All mining operations at Impala Rustenburg were halted during the week of the accident and again for the evening shift on 5 December 2023, as well as the morning shift on 6 December 2023, to facilitate attendance at the memorial service for our colleagues who passed away.

DELIVERING TO STRATEGY AMID CONSTRAINED METAL PRICES

The Group is executing a range of responses to the prevailing operating environment, including capital prioritisation, operational efficiency improvements, and both operating and labour cost rationalisation and optimisation to ensure all operations contribute sustainably and profitably through PGM cycles.

Individual operational responses continue to evolve, and a comprehensive review of medium-term capital expenditure has been implemented, with initial steps taken to preserve cash balances and secure positive free cash flow.

Impala Canada restructured operations, reducing labour, lowering capital and shortening the expected life-of-mine at Lac des Iles. Significant effort is being placed on the strategic options available to Impala Bafokeng. The Group continues to work closely with

its joint venture (JV) partner, African Rainbow Minerals (ARM) at Two Rivers to ensure delivery of the required step-change in mining performance at UG2 operations and to review and optimise value from the Merensky growth project. Medium-term production and capital investment plans at Impala Rustenburg are being carefully considered. Post the new smelter commissioning at Zimplats, plans to slow future growth capital will see the asset revert to free cash flow generation.

A full review of capital expenditure was undertaken, with several projects earmarked for deferral as a result of the Group's targeted capital and cost interventions. Key actions taken to reduce project capital across the Group include:

- At Zimplats, the implementation of the SO₂ abatement and smelter expansion project was rationalised to manage cash constraints. The execution of the Selous Base Metal Refinery (BMR) refurbishment was deferred. Further phases of the 185MW solar project have also been postponed
- Marula slowed down the Phase 2 life-of-mine extension project
- The North and South decline waste development at Impala Bafokeng's Styldrift Mine was deferred to FY2025
- The North Hill life-of-mine extension at the Mimosa JV was not approved by its respective shareholders
- Impala Refineries, which conducted conceptual studies for a combined heat and power project to eliminate coal usage, has deferred the project and delayed implementing Phase 4 of its precious metals refinery refurbishment by 24 months, from April 2026 to April 2028
- In terms of the Group's other proposed renewable energy projects, Marula completed the bankable feasibility study (BFS), currently being reviewed, for a 30MW solar power project, but will defer project execution. Impala Rustenburg will postpone its proposed 140MW solar project, for which feasibility studies are in progress, with the project forecast to be completed in Q2 FY2025
- Impala Canada lowered capital expenditure in line with its shortened life-of-mine.

Labour is a significant cost that requires critical and sensitive consideration. The Group implemented several labour optimisation interventions including deferring annual management salary increases, recruitment freezes for non-essential positions, and the offer of a voluntary Mutual Separation Package (MSP) for non-bargaining unit employees.

Should pricing not recover in the short to medium term, several further actions may be necessary to ensure business sustainability and Group operations are interrogating their capital and labour budgets.

Key projects

The Group is focused on ensuring residual capital is spent on addressing safety and regulatory requirements, ensuring asset integrity and advancing our strategic objectives. In recent years, Implats invested strategically in asset integrity, leveraging the benefit of the PGM upcycle to materially strengthen its portfolio competitiveness.

Growth

Implats, together with its JV partner African Rainbow Minerals, committed R7.3 billion to construct a new Merensky mine and concentrator at the Two Rivers operation. The Merensky mining project was approved in FY2021 and is expected to expand production by circa 180 000 6E ounces per annum. Estimated project completion is expected in Q2 FY2025, with the concentrator commissioning planned for Q4 FY2024. Implats has a 46% stake in Two Rivers, but 100% of the project's 180 000 6E ounces in production will be treated through Impala Refining Services (IRS). Capital and operating cost inflation, coupled with weak PGM pricing has necessitated a further review of the current project.

Mine replacements and upgrades

Zimplats' US\$468 million mine replacement and upgrade projects at Bimha and Mupani mines will replace production from Rukodzi Mine, which depleted in FY2022, and that from Ngwarati and Mupfuti mines, which will be depleted in FY2025 and FY2028, respectively. Full production of 3.1 million tonnes per annum from Bimha and 3.6 million tonnes per annum from Mupani are on track and scheduled for completion in Q4 FY2024 and Q1 FY2029, respectively.

Impala Rustenburg's R460 million project to refurbish and upgrade the 12 Shaft decline, including trackless and track-bound fleet, is ongoing. First mechanised ore production was achieved in January 2023 and it continues to contribute to volume gains. Additional ground consolidation requirements have, however, resulted in a six-month extension to the project, which is now forecast for completion in June 2024.

Zimplats' US\$43 million Selous Metallurgical Complex Tailings Storage Facility (TSF), to extend the design life of the TSF from 2025 up to 2049 by expanding the footprint, commenced with Phase 1 (US\$25 million) in May 2021, and Phase 2A (US\$18 million) in November 2023. Both phases are in progress and forecast to be completed in Q2 FY2026 and Q4 FY2028, respectively.

Beneficiation

By period end, US\$272 million (including prepayments) had been spent on the Zimplats smelter expansion and SO₂ abatement plant project. The expansion of the existing smelter is forecast to be completed on schedule in mid-FY2025 and will accommodate an additional 479 000 6E ounces per annum. This matte will initially be transported to IRS facilities for refining.

At Impala Refineries, R500 million was approved to debottleneck sections of the base metals refinery in Springs and expand treatment capacity by circa 10% to provide room for future growth. The project continues to progress well, is more than two-thirds complete, and the final unit process package is forecast to be completed before the end of FY2024. Phase 3 of the precious metal refinery refurbishment is nearing completion and is scheduled for June 2024.

The R360 million flash dryer project at Impala Rustenburg's smelter operation, which will double the smelter's flash drying capability and yield environmental benefits, is on track for completion in June 2024.

Decarbonisation

Zimplats' 35MW solar plant project is the first large-scale project towards meeting the Group's decarbonisation targets. Planned plant commissioning was, however, negatively impacted by severe port and logistics constraints during the period, resulting in a five-month delay. It is now forecast for completion in Q4 FY2024. Zimplats currently sources 67% of its energy from regional hydro-electric facilities. Its proportion of renewable energy use will grow as the first phase of the solar programme is commissioned.

SUSTAINABILITY

Sustainable development is at the heart of the Group's strategy and Implats is resolute in progressively enhancing its environmental practices while contributing to socio-economic benefits for all stakeholders.

During the period, Implats received its annual S&P Dow Jones Sustainability Index (DJSI) assessment results. The Group achieved a score of 61 out of 100 (FY2023: 66 out of 100), ranking the Group in the 93rd percentile (FY2023: 89th percentile) of the mining and metals industry. The score earned Implats its third consecutive inclusion in S&P's Sustainability Yearbook (2024), a distinction reserved for top-performing companies. Implats is one of only three JSE-listed companies in the mining and metals category to be included in S&P's Global Sustainability Yearbook (2024), as published in January 2024.

In the period under review, Implats received an 'A-' rating for water security risk management and a 'B' rating for climate change action and disclosure, both from the Carbon Disclosure Project (CDP).

The Group remains a constituent of the FTSE4Good Index Series and the FTSE/JSE Responsible Investment Top 30 Index. All operations, except Impala Canada, are ISO 14001:2015 certified, while Impala Refineries, Marula and Zimplats are ISO 45001:2018 certified. In addition, Impala Refineries is ISO 9001:2015 certified and holds the London Palladium and Platinum Markets Responsible Sourcing Standard certificate.

Health and wellbeing

Implats has a proactive strategy on health and wellness, which seeks to reduce the main occupational and non-occupational health risks facing employees and promote uptake of and engagement with the Implats Employee Wellness Programme. There were 35 cases of noise-induced hearing loss (H1 FY2023: 32) where employees were duly certified and compensated according to our occupational health policies and the regulations in force.

Implats has an integrated approach to managing TB and HIV given that, in southern Africa, the two infections often occur together. Pulmonary TB remains well controlled with an 18% decrease year-on-year to 36 cases (H1 FY2023: 44). The

Group continues to implement its 95/95/95 principle for the management of HIV infections, whereby we seek to ensure 95% of employees undergo awareness training; 95% of employees test for HIV/Aids; and 95% of HIV-positive employees are on a disease management and/or anti-retroviral programme. Our aspirational goal is zero HIV-related deaths for employees on our HIV management programme. In the period under review, the Group recorded five HIV-related deaths (H1 FY2023: three).

Mental health and wellness support for the Group's employees and dependants is a cornerstone of our health and wellbeing approach. We continue to embed and strengthen our approach to mental wellness, informed by evolving global best practice.

Environment

The Group again delivered an excellent environmental performance during the first half. There were no major (level 5) or significant (level 4) environmental incidents, and no fines or non-monetary sanctions were imposed for non-compliance with environmental regulations, licences or permits at any Group operation. There were zero limited-impact (level 3) incidents (H1 FY2023: four). The Group achieved 54% water recycled and re-used against an annual target of 54% (H1 FY2023: 50%), largely due to the maiden inclusion of Impala Bafokeng with its relatively high water recycling and re-use rates (H1 FY2024: 60%). The Group is advancing several initiatives to improve water recycling/re-use, boost water-use efficiency and reduce freshwater withdrawal.

The Group's energy security and decarbonisation strategy targets carbon neutrality by 2050, with a short-term target to reduce carbon emissions 30% by FY2030 (off FY2019 as the baseline year). Good progress was made on the construction of Zimplats' 35MW solar power project, which is expected to be completed by the end of FY2024. Marula has finalised the BFS for a 30MW solar project. Given the constrained operating environment, the Group is assessing various financial options to implement the project. The initiative to procure wheeled renewable electricity via the national grid for South African operations is being reviewed given current market conditions.

The Group's carbon emissions increased by 10% year on year following the incorporation of Impala Bafokeng operations. Carbon emission and energy use intensities improved to 0.15 t CO₂/tonne milled (H1 FY2023: 0.17) and 0.76GJ per tonne milled (H1 FY2023: 0.83), respectively, due to a 21% increase

in milled tonnage. The Group avoided 170 000 tonnes CO₂ emissions (H1 FY2023: 25 733 tonnes CO₂) through the increased use of renewable energy, specifically at Zimplats, which increased renewable consumption to 67% from 50% after concluding a 50MW hydro-power offtake agreement with the Zambia Electricity Supply Corporation in Q4 FY2023. This was increased to 70MW with effect from 1 January 2024. At the end of H1 FY2024, the Group's renewable electricity consumption was estimated at 40% (H1 FY2023: 27%).

Implats continues to support the Global Industry Standard on Tailings Management (GISTM).

Social

Implats is committed to building sustainable, self-sustaining and inclusive communities during and beyond mining, while also ensuring the viability of the business in a depressed metals price environment.

The focus is on key, high-impact and strategic community investment projects, and the Group is gratified that its latest DJSI scores on Asset Closure Management and Social Impacts on Communities have improved by 26% and 20%, respectively, following training and implementation of the newly developed guidelines. The Group formed new and developed existing partnerships with suppliers, external donors and peers to drive collective impact.

Delivery against social and labour plans (SLPs) commitments is being prioritised across Group operations during the prevailing period of constrained profitability, which has impacted beyond compliance social spend. Marula's SLP 4 was approved by the DMRE in December 2023, while Impala Rustenburg's SLP 4 was submitted to the authorities in October 2023. All targets set in terms of operational SLPs are actively driven and closely monitored.

Implats' social performance framework is directed at four key focus areas — community wellbeing; education and skills development; enterprise and supplier development (ESD) and inclusive procurement; and infrastructure development.

Taken together, the Group's social performance initiatives benefited more than 74 000 people and supported more than 4 000 employment opportunities during the period.

Community wellbeing projects trained 160 farmers, supported more than 20 000 people, sustained six agricultural programmes in support of food security, and supported five community health programmes and five gender-based violence initiatives.

The Group's education and skills development outcomes in the period reached more than 9 700 learners and 6 700 sports programme recipients, supported five early childhood development centres and 67 mine-community schools (including five in the Eastern Cape, a labour-sending area), and has 400 community bursaries and learnerships currently in the pipeline.

In terms of ESD and inclusive procurement activities, the Group supported more than 1 680 SMMEs, trained 1 040 mine-community entrepreneurs, sustained 4 000 employment opportunities and created 140 new jobs.

Infrastructure development outcomes during the period benefited more than 35 900 community members. The Group delivered 27 water installations to schools, supported four farms at Marula with water provision, completed two bridges and two sports fields, built 91 houses and upgraded one community facility, together creating 480 job opportunities.

Implats continues to drive social performance maturity and project delivery improvements to ensure it delivers long-term positive impacts in its mine communities.

GROUP OPERATIONAL REVIEW

Implats delivered strong production and commendable cost control, despite navigating several serious operational challenges and a low PGM price environment. Achieved volumes benefited from the maiden interim consolidation of Impala Bafokeng. However, notable improvements were achieved on a like-for-like basis (excluding Impala Bafokeng's contribution) at the Groups' mining and processing operations. Input inflation eased, but rand depreciation persisted, which impacted the translated dollar cost and capital base of our Zimbabwean and Canadian assets.

Tonnes milled from the Group's managed operations increased by 21% to 14.31 million tonnes (H1 FY2023: 11.82 million), augmented by the inclusion of Impala Bafokeng, with 2% gains on a like-for-like basis — higher volumes at Impala Rustenburg and Zimplats offset lower throughput at Marula and Impala Canada. Grade improved by 6% to 3.77g/t (H1 FY2023: 3.56g/t), due to the

improved ore mix at Impala Rustenburg, the prioritisation of higher-grade ore blocks at Impala Canada, and the inclusion of Impala Bafokeng volumes. 6E production at managed operations increased by 28% to 1.51 million ounces (H1 FY2023: 1.18 million) with a like-for-like improvement of 7% from the collective production base at Impala Rustenburg, Marula, Zimplats and Impala Canada.

6E production from JVs increased by 2% to 276 000 ounces (H1 FY2023: 270 500 ounces). Improved grade at Two Rivers countered a constrained mining environment, while increased processing yields at Mimosa offset the deterioration in head grade due to bad ground conditions. Concentrate receipts from third parties declined by 33% to 112 600 ounces (H1 FY2023: 169 100 ounces) as two contracts concluded in Q3 FY2023.

In total, Group production increased by 18% to 1.90 million 6E ounces (H1 FY2023: 1.62 million), with like-for-like gains of 2%.

Refined 6E production, which includes saleable ounces from Impala Bafokeng and Impala Canada, increased by 19% to 1.75 million ounces (H1 FY2023: 1.48 million ounces) and was 4% higher on a like-for-like basis. The frequency and intensity of load curtailment reduced in the period.

As a result, Implats estimates production of circa 16 000 6E ounces was foregone across southern African managed and JV operations, and a further 8 000 6E ounces deferred (H1 FY2023: 9 000 ounces foregone, and 38 000 ounces deferred). Implats ended H1 FY2024 with excess inventory of approximately 330 000 6E ounces (H1 FY2023: 140 000 6E ounces).

The benefit of volume gains and cost containment was offset by inflationary pressure related to rand depreciation on the translated dollar cost base of Zimplats and Impala Canada, and the inclusion of the Impala Bafokeng cost base. Group unit costs per 6E ounce increased by 5% to R20 334 on a stock-adjusted basis (H1 FY2023: R19 346 per ounce) and were 3% higher on a like-for-like basis.

Capital expenditure at managed operations rose by 38% to R6.8 billion (H1 FY2023: R4.9 billion) as spend at Impala Bafokeng was consolidated in the period, expenditure on growth projects at Zimplats accelerated and the rand weakened against the dollar. Stay-in-business spend of R3.2 billion, replacement capital of R1.4 billion and expansion capital of R2.2 billion increased by 3%, 29% and 211%, respectively.

Impala

Impala Rustenburg delivered a step-change in operating momentum. Production benefited from previous investment in asset integrity and operational flexibility, specific internal interventions and fewer external interruptions. Notwithstanding the 11 Shaft tragedy, achieved production in the period reached a five-year high.

Total development declined by 7%, with reduced development rates reflecting the scheduled reduction in waste development, which offset a marginal increase in primary reef development. Mineable face length decreased by 3% to 24.9 kilometres as 1 and 6 shafts approach the end of their life-of-mine. Tonnes milled increased by 4% to 5.39 million tonnes (H1 FY2023: 5.17 million) with improved delivery from the growth shafts and the start of the 12 Shaft trackless project. Tonnes milled per employee costed increased by 5%. Milled grade improved by 5% to 4.00g/t, benefiting from lower volumes of off-reef mining and improved waste control. Reduced load curtailment led to an increase in tailings volumes treated and increased plant stability and processing yields, and stock-adjusted 6E production was 11% higher at 675 300 ounces (H1 FY2023: 608 300). Refined 6E volumes of 630 200 ounces improved by 4% (H1 FY2023: 605 000).

Total cash costs, including corporate and marketing costs, increased by 4% to R13.9 billion (H1 FY2023: R13.3 billion). Costs in the prior comparable period were elevated by the R442 million discretionary employee bonus payment. In the period under review, higher production volumes and estimated mining inflation of 6.5% were partially offset by cost control measures. Stock-adjusted unit costs were 6% lower at R20 569 per 6E ounce (H1 FY2023: R21 874).

Capital expenditure decreased by 19% to R1.6 billion (H1 FY2023: R2.0 billion). Stay-in-business spend declined by 16% to R1.4 billion as investment across several mining and processing projects slowed. Replacement capital declined by 81% as spend on the 12 Shaft decline project neared completion and R141 million was spent on expansion projects at the base metals refinery. R553 million was invested in the Rustenburg smelters and the base and precious metals refineries (H1 FY2023: R547 million). The scheduled rebuild of Number 5 furnace was initiated in December 2023, with recommissioning planned for April 2024. This is the final phase of the

Group's scheduled rebuild of the Impala furnaces over the past three financial years and, after completion, annual refining volumes will benefit from higher installed capacity.

6E sales volumes declined by 5% to 596 400 ounces and revenue per 6E ounce sold fell 33% to R24 943 per ounce (H1 FY2023: R37 028). Impala made a gross profit of R958 million. Free cash flow, while heavily impacted by weaker PGM pricing and increased working capital, remained positive at R376 million and Impala contributed R755 million to Group headline earnings.

Production losses associated with the 11 Shaft accident are estimated at 30 000 6E ounces during the period under review and current estimates indicate a further 30 000 6E ounce shortfall from the 11 Shaft complex in H2 FY2024. Strong operational delivery has resulted in FY2024 production guidance being maintained between 1.18 and 1.28 million 6E ounces.

Impala Refining Services (IRS)

6E receipts from managed operations at Marula and Zimplats increased by 4% to 436 800 ounces (H1 FY2023: 420 100), benefiting from higher deliveries from Zimplats. 6E receipts from JVs, Two Rivers and Mimosa, increased by 5% to 278 500 ounces (H1 FY2023: 264 000). Third-party 6E receipts declined by 33% to 112 600 ounces (H1 FY2023: 169 100) due to the conclusion of two contracts in the prior comparable period. In aggregate, gross 6E receipts of 827 800 ounces were 3% lower (H1 FY2023: 853 100).

Refined 6E volumes increased by 4% to 773 100 ounces as available processing capacity increased due to reduced load curtailment and despite the planned rebuild of Number 5 furnace.

The cash operating costs associated with smelting, refining and marketing IRS production increased by 8% to R1.14 billion, with higher refined throughput and electricity inflation offsetting slowing inflation on consumables.

Weak PGM pricing and lower purchases resulted in a 44% retracement in the cost of metals purchased to R15.8 billion (H1 FY2023: R28.4 billion). 6E sales volumes declined by 2% to 752 600 ounces (H1 FY2023: 765 400), as sales in the prior comparative period benefited from refined inventory destocking. Lower nickel sales and weaker PGM pricing resulted in a 34% decline in received revenue to R26 362 per

Commentary

6E ounce sold (H1 FY2023: R39 362). The impact of higher in-process stock was offset by the valuation impact of weaker rand PGM pricing, and IRS reported a gross profit of R2.7 billion and a decline in free cash flow to R122 million. IRS contributed R2.2 billion to Group headline earnings.

Zimplats

Zimplats delivered a strong performance. Production volumes benefited from higher installed milling capacity, and cost containment limited the impact of inflationary pressure. Project activity remained elevated as the smelter expansion and mine replacement projects advanced.

Tonnes mined increased by 4% while tonnes milled rose by 6% to 3.91 million tonnes (H1 FY2023: 3.68 million). Milled grade declined by 1% to 3.34g/t, impacted by major geological features. 6E in matte production increased by 9% to 327 800 ounces (H1 FY2023: 300 700).

Total cash costs increased by 10% to US\$271 million. Zimbabwean US dollar mining inflation was 5.4%, and the operation experienced elevated costs on higher production volumes due to the third concentrator operating for the full period. Translated costs were impacted by the weaker rand and increased by 18% to R5.1 billion (H1 FY2023: R4.3 billion). Volume gains helped offset inflationary pressures, with unit costs per tonne milled increasing by 3% to US\$69 per tonne, while stock-adjusted unit costs per 6E ounce in matte, including stockpile movements, were just 1% higher at US\$829 (H1 FY2023: US\$822).

Capital expenditure increased by 47% to US\$194 million (H1 FY2023: US\$132 million) and was 59% higher in rand terms, as lower stay-in-business spend was offset by a step-change in growth spend as the new smelter neared commissioning.

Sales volumes increased in line with higher production volumes and rose 9% to 320 200 6E ounces (H1 FY2023: 292 700). Strong base metal coproduction helped offset weak palladium and rhodium pricing, and revenue per ounce sold declined by 34% to R23 495 per 6E ounce (H1 FY2023: R35 351). Gross revenue was impacted by higher negative provisional pricing adjustments of R500 million (H1 FY2023: R163 million) and declined by 31% to R7.0 billion (H1 FY2023: R10.2 billion). Gross profit declined to R591 million, as cash flow generation was impeded by softer PGM prices and peak capital

expenditure associated with the capital expansion programme underway — the operation reported a free cash outflow of R2.1 billion in the period. Earnings benefited from tax credits and Zimplats contributed R1.5 billion to Group headline earnings.

Marula

Operational delivery at Marula was constrained by lengthy safety stoppages and subsequent audits following the fatal accident in August 2023, as well as a brief period of industrial action relating to employee share ownership trust (ESOT) payments.

Milled volumes declined by 6% to 945 000 tonnes (H1 FY2023: 1.01 million) and grade retraced by 2% to 4.30g/t (H1 FY2023: 4.40g/t), impacted by a higher development-to-stopping ratio. Process recoveries were hampered by lower milled grade and throughput and 6E concentrate volumes declined by 12% to 112 800 ounces (H1 FY2023: 128 000).

A higher headcount of community notice employees, operating costs associated with trackless machinery, and higher SLP spend compounded mining inflation. In total, cash costs increased by 9% to R2.1 billion (H1 FY2023: R1.9 billion). Lower volumes resulted in unit costs increasing by 23% to R18 395 per 6E ounce in concentrate (H1 FY2023: R14 906). Capital expenditure increased by 106% to R268 million (H1 FY2023: R130 million) as Phase 2 project execution accelerated.

6E sales volumes of 114 800 ounces (H1 FY2023: 127 900) declined in line with lower production and the impact of significantly lower palladium and rhodium pricing, resulting in a 41% decline in sales revenue per 6E ounce in concentrate to R20 815 (H1 FY2023: R35 297). Negative provisional pricing adjustments to revenue increased three-fold to R284 million (H1 FY2023: R69 million) and revenue declined by 53% to R2.1 billion (H1 FY2023: R4.4 billion). Marula reported a gross loss of R238 million, a free cash outflow of R100 million, and contributed R274 million to Group headline earnings.

Impala Bafokeng

The period under review marks the first six months Implats has controlled and fully owned the RBPlat assets, now known as Impala Bafokeng. Several interventions to improve operating and maintenance protocols and enhance recoveries at the concentrators were implemented. Production momentum was, however, heavily impeded by a lengthy Section 54 safety stoppage at Styldrift Mine following the fatal accident in September 2023,

and at Bafokeng Rasimone Platinum Mine (BRPM) due to illegal industrial action in the final weeks of the period.

The operation processed 2.25 million tonnes at a milled grade of 4.33g/t, yielding 253 600 6E ounces in concentrate — of which, 152 500 6E ounces were from BRPM, and 101 100 6E ounces from Styldrift. Gross cash costs of R5.0 billion were incurred, with unit costs of R19 598 per 6E ounce in concentrate (BRPM R15 960 per 6E ounce and Styldrift R25 579 per 6E ounce). Capital expenditure totalled R879 million, with capital reprioritised to sustain current production levels.

A gross loss of R634 million was recorded, while several additional once-off costs associated with the acquisition were incurred. The delayed receipt of concentrate payments at year end resulted in elevated working capital and, in total, Impala Bafokeng recorded a free cash outflow of R2.7 billion and recorded a headline loss of R756 million.

Impala Canada

In the face of deteriorating palladium pricing, Impala Canada was restructured and repositioned, which revised its production and cost profile. Lac des Iles reduced labour and capital expenditure, and revised life-of-mine to circa three to four years.

Tonnes mined declined by 28%, with tonnes milled 8% lower at 1.81 million tonnes (H1 FY2023: 1.96 million), as underground mining prioritised higher-grade ore blocks, and milled volumes were supplemented with surface stockpiles. Milled grade increased by 8% to 3.00g/t (H1 FY2023: 2.79g/t) and improved process recoveries offset lower volume throughput, with 6E concentrate production rising 1% to 143 500 ounces (H1 FY2023: 141 700).

Cash costs of C\$164 million decreased by 5% — the benefit of easing Canadian dollar mining inflation from lower energy pricing was augmented by lower mining volumes and cost containment actions. Unit costs retraced by 6% to C\$1 144 per 6E ounce (H1 FY2023: C\$1 224) with rand depreciation resulting in a 1% decline in reported 6E unit costs to R15 833 per ounce (H1 FY2023: R15 914). Capital expenditure was limited to C\$32 million (H1 FY2023: C\$44 million).

The 6% increase in 6E sale volumes to 143 100 ounces was offset by lower palladium prices and higher negative provisional pricing adjustments.

Gross revenue declined to R3.0 billion (H1 FY2023: R4.2 billion). Impala Canada reported a gross loss of R96 million, recorded a free cash outflow of R23 million, and reported a headline loss of R224 million.

Two Rivers

Two Rivers continues to face a constrained mining environment on the UG2 footprint as development rates are accelerated to facilitate increased mined volumes, and mining cuts are adjusted to accommodate the split reef. Operational complexity was compounded by intensive project activity associated with establishing the Merensky mine and concentrator at the JV.

Tonnes milled were stable at 1.82 million tonnes (H1 FY2023: 1.81 million), with UG2 ore volumes supplemented by batch-milling small quantities of Merensky tonnage. Milled grade benefited from improved UG2 grade control and increased by 3% to 3.10g/t (H1 FY2023: 3.02g/t). Processing yields benefited from plant stability on reduced power interruptions and improved grade and recoveries, and 6E concentrate production increased by 3% to 151 000 ounces (H1 FY2023: 147 300 ounces).

Total cash costs increased by 12% to R2.2 billion (H1 FY2023: R2.0 billion), with mining inflation exacerbated by higher trackless maintenance costs. Stock-adjusted unit costs per 6E ounce in concentrate (which include the cost of the Merensky stockpile milled) increased by 13% to R15 464 per ounce (H1 FY2023: R13 632). Capital expenditure increased by 48% to R1.9 billion (H1 FY2023: R1.3 billion) as growth spend of R1.5 billion remained elevated by the Merensky project. Commissioning of the new concentrator is planned for Q4 FY2024.

Sales volumes increased by 5% to 152 800 6E ounces, but revenue per 6E ounce sold was impacted by weaker palladium and rhodium pricing and declined by 40% to R19 687 per ounce (H1 FY2023: R32 896). Gross revenue declined by 36% to R3.0 billion (H1 FY2023: R4.8 billion). Gross profit declined to R351 million, and the operation recorded a free cash outflow of R1.1 billion. Accounting for the impairment and adjustments on the valuation of in-process volumes at IRS, Two Rivers reported an attributable net loss of R504 million and contributed R483 million to Group headline earnings.

Mimosa

Mimosa operated well, with improved plant stability mitigating the intermittent impact of power interruptions on mined and milled volumes, partially offset by a deterioration in head grade due to bad ground conditions.

Tonnes milled rose by 3% to 1.42 million tonnes (H1 FY2023: 1.38 million) benefiting from an initiative to stress test the optimised plant by increasing throughput to evaluate the optimal balance between concentrator recoveries and milling rates. Higher volumes offset the impact of lower grade from poor ground conditions, and improved concentrator recoveries resulted in a 2% increase in 6E production in concentrate to 125 100 ounces (H1 FY2023: 123 200).

Cash costs at Mimosa increased by 3% to US\$131 million and were 11% higher in rand, as cost containment efforts helped counter mining inflation and higher local spend. Unit costs per tonne milled improved by 1% to US\$92 (H1 FY2023: US\$93) and were just 1% higher at US\$1 046 per 6E ounce in concentrate (H1 FY2023: US\$1 033). Capital expenditure retraced by 11% to US\$59 million on completion of the plant optimisation project.

Sales volumes increased in line with production, but revenue per ounce was negatively impacted by lower dollar pricing for rhodium, palladium and nickel and declined by 24% to R26 745 per 6E ounce (H1 FY2023: R34 987). Gross revenue was affected by higher negative provisional pricing adjustments and declined by 27% to R2.8 billion (H1 FY2023: R3.8 billion). Mimosa recorded a gross loss of R319 million and an attributable net loss of R27 million.

MINERAL RESOURCES AND MINERAL RESERVES

Following the acquisition of RBPlat, now Impala Bafokeng, the Group's attributable Mineral Resource estimate increased by 28% to 336.2 million 6E ounces from 262.7 million announced at the end of June 2023. The 75.0 million 6E ounces included from Impala Bafokeng were marginally offset by 1.5 million ounces in production depletion across Group operations during the half-year period.

Group attributable Mineral Reserves increased by 21% to 63.4 million 6E ounces from 52.5 million ounces announced at Implats' year end, following the inclusion of 12.3 million 6E ounces from Impala Bafokeng, offset by 1.4 million ounces in production depletion.

Implats has published an Interim Mineral Resource and Mineral Reserve Statement, available on www.implats.co.za, which contains the Group's maiden declaration of Mineral Resources and Mineral Reserves for Impala Bafokeng.

FINANCIAL REVIEW

The retracement in PGM pricing was the defining feature of the Group's financial performance in the period. The Group benefited from strong operational delivery across its mining and processing operations and disciplined cost control. This was negated by the significantly weaker prevailing pricing, leading to a marked decline in reported financial metrics.

Revenue of R43.4 billion was 25% or R14.4 billion lower than the prior comparable period:

- Higher sales volumes resulted in a 12% or R6.8 billion rand increase in revenue. 6E sales increased by 12% to 1.70 million ounces, benefiting from the maiden interim consolidation of saleable ounces from Impala Bafokeng. Platinum sales increased by 11% to 809 500 ounces, while palladium and rhodium sales were 13% higher at 598 400 ounces and 95 500 ounces, respectively. Nickel sales were unchanged, impacted by logistical challenges associated with exports
- Lower dollar metal prices resulted in a 42% or R24.0 billion reduction in revenue, with weaker achieved rhodium and palladium pricing accounting for a R15.9 billion and R8.6 billion decline in revenue, respectively. Dollar revenue declined by 37% to US\$1 376 per 6E ounce sold (H1 FY2023: US\$2 199)
- The achieved rand exchange rate weakened by 8% to R18.75/US\$ (H1 FY2023: R17.36/US\$) resulting in a R3.3 billion or 6% increase in revenue. Rand depreciation somewhat offset the impact of material US dollar metal pricing weakness, and rand revenue decreased by 32% to R25 795 per 6E ounce sold (H1 FY2023: R38 117)
- Lower closing metal prices resulted in a R0.4 billion fair value movement in revenue at Impala Bafokeng and Impala Canada.

Cost of sales declined by 2% to R40.0 billion:

- Cash costs increased by 29% or R6.6 billion to R29.4 billion with the maiden interim consolidation of Impala Bafokeng accounting for R5.0 billion, or 22% of the increase. Group mining inflation of 5.6% and the translation of foreign subsidiaries' costs at a weaker rand accounted for an increase of R1.2 billion and R0.5 billion, respectively
- Lower volumes purchased from third parties, together with softer rand PGM pricing resulted in a 51% or R7.0 billion decrease in the cost of metals purchased
- Depreciation increased by 15% or R556 million, with a lower charge at Impala Canada offset by the translation of depreciation at both Impala Canada and Zimplats at a weaker exchange rate, and the consolidation of Impala Bafokeng
- Royalties declined by R850 million, in line with lower profitability and sales
- The increase in stock was impacted by higher quantities of in-process, refined metal and unit costs.

Stock-adjusted unit costs increased by 5% or R988 per 6E ounce to R20 334:

- Group mining inflation of 5.6% at managed operations contributed R1 045 per 6E ounce to the unit cost increase, as pricing pressure eased across Implats' operating geographies. Inflation of 6.5% at South African operations moderated from 8.6% in the prior comparable period, with US dollar inflation of 5.4% at Zimplats and Canadian dollar deflation of 0.6% at Impala Canada, the latter benefiting from decreased utility pricing. Inflation on consumables moderated across all operations
- The translation impact of the weaker rand on the cost base at Zimplats and Impala Canada contributed R380 per ounce, or 2% to the unit cost increase
- Volumes from managed operations (on a like-for-like basis, excluding Impala Bafokeng) increased by 7%, with notable grade improvement at Impala Rustenburg and higher volumes milled at Zimplats, resulting in a R1 024 per ounce benefit to reported unit costs
- A discretionary employee bonus payment in the prior comparable period resulted in a R420 per ounce reduction in reported unit costs in the period under review
- Impala Bafokeng's consolidation resulted in a R818 per ounce increase in reported unit costs, with PGM in concentrate production adjusted for offtake terms in the calculation of Group unit costs.

Normalised unit costs increased by 3% to R19 516 per 6E ounce, excluding the consolidation of Impala Bafokeng and the impact of the prior year's discretionary bonus.

The Group generated gross profit of R3.4 billion (H1 FY2023: R17.2 billion) at a gross profit margin of 8% (H1 FY2023: 30%).

Implats accounted for two once-off, non-cash items in H1 FY2024:

- A R701 million (no tax impact) impairment of property, plant and equipment at Impala Canada due to a further material decline in the US dollar palladium price and subsequent changes in planned operating parameters at the operation
- The R987 million post-tax attributable share of an impairment of property, plant and equipment at the Two Rivers JV (included in income from associates) due to the combined valuation impact of lower rand PGM pricing and elevated near-term capital expenditure from the Merensky project, currently under construction.

Income was impacted by foreign exchange losses of R255 million (H1 FY2023: foreign exchange gain of R538 million) with a period-end exchange rate of R18.36/US\$ (FY2023: R18.85/US\$) and lower net finance income because of lower cash balances.

Other expenses were impacted by costs associated with concluding the RBPlat acquisition in the period. The impact of lower PGM pricing on earnings at both JVs, Mimoso and Two Rivers, was compounded by the impairment at Two Rivers, resulting in a loss from associates of R495 million (H1 FY2023 profit of R1.83 billion), with earnings in the prior comparable period also benefiting from the equity earnings of RBPlat. Implats recorded EBITDA of R8.4 billion (H1 FY2023: R24.5 billion) at an EBITDA margin of 19% (H1 FY2023: 42%).

The tax charge for the period amounted to R175 million, resulting in an effective tax rate of 9% (H1 FY2023: R5.0 billion and 25%). The tax charge benefited from a deferred tax credit relating to a reversal of withholding taxes on undistributed profits of Zimplats, which was partially offset by a deferred tax charge due to the increase in the Zimbabwean corporate tax rate.

Basic earnings declined to R1.6 billion or 180 cents per share, from R14.0 billion or 1 648 cents per share. Headline earnings of R3.3 billion or 365 cents per share were 77% and 78% lower, respectively. The weighted average number of shares in issue increased to 894.75 million from 847.62 million.

Commentary

The number of ordinary shares in issue increased to 904.37 million at period end from 866.40 million at 30 June 2023, after 37.97 million Implats shares were issued, with a fair value of R5.2 billion, in part consideration for the acquisition of the remaining 43.59% in RBPlat.

Cash generated from operations of R2.4 billion declined from R17.7 billion. The impact of weaker rand and PGM pricing was compounded by a R2.0 billion increase in working capital due to higher in-process inventory, a timing delay in the R1.0 billion receipt for sale of concentrates at Impala Bafokeng, and R0.9 billion in once-off RBPlat transaction costs. Net cash inflows from operating activities of R1.3 billion declined from R14.5 billion in the prior comparable period.

Capital cash outflows increased by 40% to R6.8 billion (H1FY2023: R4.8 billion) and, excluding the consolidation of Impala Bafokeng expenditure of R879 million, were 22% higher. Spend accelerated on growth projects at Zimplats and was negatively impacted by the weaker rand on the translation of Zimplats and Impala Canada capital. The Group recorded a free cash outflow of R4.8 billion (H1 FY2023: R11.0 billion inflow).

The cash consideration associated with acquiring the remaining shareholding in RBPlat resulted in a R11.4 billion outflow during the period. Implats received R20 million (H1 FY2023: R684 million) in dividends from JVs and associates, while dividend payments totalling R1.8 billion (H1 FY2023: R9.5 billion) were made to shareholders (R1.5 billion) and non-controlling interests at Zimplats and Impala Chrome (R304 million).

Zimplats used US\$35 million (R643 million) of its US\$40 million (R735 million) 12-month revolving borrowing base facility to fund its capital expenditure. Closing cash balances of R8.7 billion comprised cash and cash equivalents of R9.2 billion and a bank overdraft of R469 million. The consolidation of Impala Bafokeng's PIC housing facility (R1.5 billion) and deferred revenue associated with its gold streaming facility (R1.4 billion) resulted in a gross closing debt of R3.5 billion. Implats closed the period with net cash of R5.2 billion (excluding finance leases of R977 million).

At the end of the period, the Group had undrawn, dual-tranche revolving credit facilities (RCFs) of R6.5 billion and US\$93.8 million in place, resulting in liquidity headroom of R16.7 billion.

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

During the period, Implats incurred R4.6 billion on stay-in-business and replacement capital with a further R0.4 billion spent on acquiring shares for the Implats share incentive schemes. After adjusting for foreign exchange translation losses, the Group realised an adjusted free cash outflow of R3.1 billion.

No interim dividend was declared, in line with the Group's dividend policy, which is premised on returning a minimum of 30% of adjusted free cash flow, pre-growth capital. In H1 FY2024, R13.7 billion in cash was allocated to growth and investment by funding the R11.4 billion cash consideration for the remaining RBPlat equity, investment of R2.2 billion in expansion projects at our mining and processing operations and contributing to AP Ventures (hydrogen venture capital). Free cash flow allocation to shareholder returns, through dividends to Zimplats and Impala Chrome minorities, accounted for R0.3 billion. Cash reserves of R17.1 billion were used to support the remaining cash component of the RBPlat mandatory offer, once-off RBPlat acquisition costs, and fund operational and capital requirements.

PGM MARKET REVIEW (Calendar years unless otherwise stated)

Lacklustre primary production and softer-than-expected secondary supplies resulted in tighter-than-expected PGM markets in 2023, despite disappointing pricing over the period. Deficits in the platinum, palladium and rhodium markets are estimated at 741 000, 1.42 million and 96 000 ounces, respectively.

All three major PGM markets are likely to remain in deficit in 2024. Market shortfalls are expected to moderate from those witnessed in 2023 – automotive production growth is expected to moderate with easing industrial demand and rising supply on a modest recovery in auto catalyst scrap.

Despite the growing industrial demand and improved vehicle sales recorded in 2023, significant pricing dislocations were caused by industrial and automotive end-users destocking portions of their PGM inventory, as well as metal discounting as trade flows shifted from West to East. Negative precious metal investor sentiment and speculative positioning amplified these factors.

Platinum pricing benefited from strong ETF buying at the start of 2023, with the threat of Eskom load curtailment supporting renewed inflows. However, as the year progressed, a lack of announced supply cuts, coupled with soft Chinese physical buying on the SGE and persistent dollar strength created growing headwinds to price appreciation. Rand depreciation continues to place pressure on platinum pricing, while a narrowing platinum price premium to palladium has called into question the extent to which switching may advance in gasoline catalysts. In the short term, pricing should receive support from the start of an easing interest rate cycle, while in the medium to longer term, tightening market fundamentals should support renewed investor activity and price appreciation.

Palladium pricing continued to be negatively impacted by a confluence of factors, including the sustained flow of discounted Russian primary supply, destocking by automotive original equipment manufacturers (OEMs) adjusting their inventory levels, and rising open interest and growing net short positioning on NYMEX. Perceived supply risk has dissipated significantly since Russia invaded Ukraine and the broader demand rhetoric remains bearish given the expected thrifting, switching and rising penetration of pure BEVs in the global light-duty vehicle fleet.

Rhodium pricing was negatively affected by soft spot demand from Chinese fabricators due to a slower-than-expected recovery in economic activity on the easing of zero-Covid-19 policies, the destocking of inventory by domestic fibreglass manufacturers facing financial difficulties, elevated levels of inventory at auto OEMs, and the increased flow of metal to Asia from Russia. Pricing has settled at a new base of circa US\$4 250 per ounce – a brief increase during the final quarter of 2023 was caused by short covering in China, and soon faded.

Automotive

The global light vehicle (LV) market delivered significant volume improvements in 2023 versus 2022, boosted by pent-up demand and fading supply constraints as semiconductor shortages eased. In 2024, markets that were previously impeded by a lack of vehicle availability will now reflect underlying demand drivers, with inventory levels approaching more normal levels and consumer requirements dictating sales volumes.

In the case of the US and Western Europe, underlying demand is facing headwinds from high-interest rates impacting financing, elevated vehicle transaction pricing and generally weak macro-economic conditions. Market expectations include some easing in pricing and, with 2023 results still soft relative to 'underlying capacity', continued growth is expected, albeit at a slower pace. In China, selling rates have proved robust – some pull-forward of sales is expected, with a stable market likely in 2024 before growth returns in 2025. India delivered another record year in 2023 and is expected to deliver strong volume gains in the medium term. In total, Global Data expects LV sales growth of 3% in 2024 and 4% in 2025. Production, which increased by 10% in 2023, is expected to rise by 1% in 2024 and 3% in 2025.

An emerging theme in the final months of 2023 was slowing sales growth in battery electric vehicles (BEVs) — despite a record number of BEVs delivered during the year. Growth in aggregate electrified vehicles is now faster than for BEVs, with various types of hybrid electric vehicles gaining notable sales traction. BEVs suffer from poor affordability in mature markets, and an inadequate public charging infrastructure deters buyers who cannot charge their vehicles overnight on a private driveway or garage and those who want to undertake long journeys without worrying about how to refuel their vehicles. In many European markets and the US, the BEV early adopter phase is waning, and future growth will be determined by practical considerations, most notably affordability and convenience.

Global medium and heavy truck sales are expected to slow in 2024 after a strong performance in 2023, which created a higher starting base, and a weaker outlook in mature markets including Europe and North America. Global Data expects growth of 1% in 2024 and 6% in 2025 after the 16% volume gain

delivered in 2023. Production, which increased by 10% in 2023, is expected to deliver a 1% gain in 2024 before accelerating marginally to 3% growth in 2025.

Having surprised positively in 2023, PGM automotive demand is set to ease in 2024, with limited forecast LV production growth skewed to BEVs and continued efforts to thrift loadings between emission stages underway in both LV and heavy-duty vehicle markets.

Industrial

The chemical, glass, electrical, biomedical and petroleum sectors drive industrial demand for PGMs, with annual demand impacted by both capacity utilisation rates and changes in installed capacity. Platinum industrial demand was stable in 2023, benefiting from resilient glass and chemical demand, which offset softer offtake elsewhere. Industrial demand for palladium continues to exhibit greater price elasticity than for platinum or rhodium, with easing chemical offtake during the year compounded by weaker electronic demand. Rhodium industrial demand was negatively impacted by weak glass demand in 2022 and 2023 as alloys were adjusted on change-outs to higher platinum content in response to record pricing.

Jewellery

Platinum jewellery demand decreased in 2023 on a further contraction in the Chinese jewellery market due to soft consumer sentiment, competition from gold, and a run-down in retail and manufacturer stocks, which offset better-than-expected demand elsewhere. In Europe, lower bridal and mass-market demand was offset by continued gains in top-end jewellery and watch brands, while in North America, wedding numbers normalised after the post-Covid-19 catch-up. Declines in western markets were more modest than initially feared, however, with both Europe and North America maintaining elevated levels of demand relative to those achieved pre-Covid-19 — platinum's sustained price discount to gold and promotional support resulted in structural market growth. Japan and India both saw rising demand for the continued recovery from Covid-19 restrictions. Post-Covid-19 recovery in jewellery demand is now largely complete and a modest recovery in Chinese demand is expected in 2024, albeit off a base of circa 50% of pre-pandemic levels. Western demand is likely to be largely stable and India is set to deliver double-digit growth in the medium term.

Investment

A distinct lack of investor conviction in the outlook for PGMs characterised 2023, with an unfavourable economic backdrop to commodities in general compounded by the outlook for global interest rates, which look set to remain higher for longer. Elevated interest rates increased yields, strengthened the US dollar and detracted from the investment case for precious metal investment. In China, despite a series of fiscal and monetary stimulus, the real estate sector remained troubled and industrial commodities suffered bouts of heavy selloffs, which weighed further on PGMs. Strong medium to longer-term fundamentals and gold price gains have provided a floor to both platinum pricing and investment in recent months.

Implats' definition of the investment market includes ETF flows and net bar and coin purchases. In 2023, modest purchasing by platinum ETFs and positive Japanese bar buying helped offset weakness in bar and coin purchases elsewhere, resulting in total net platinum investment of circa 177 000 ounces. Palladium and rhodium investment markets are far more modest in size, and the Group estimates net ETF purchases of 58 000 ounces of palladium and negligible sales of less than 1 000 ounces of rhodium, respectively, in 2023.

Supplies

Refined PGM mine supply disappointed in 2023, with operational constraints across most key producing geographies, limited destocking of excess in-process inventory and a series of negative revisions announced to medium-term production profiles across the PGM peer group. Russian production, however, was delivered in excess of previous guidance, with sales volumes further elevated by destocking of refined inventory. Scheduled furnace maintenance at Nornickel in 2023 was delayed and 2024 production will retrace as a result.

The significant retracement in PGM pricing over 2023 has placed considerable pressure on South African and North American producer economics. Capital expenditure, which was set to peak across the industry in 2023 and 2024, has been scaled back as a result, with several mine closures and project deferrals announced. Implats retains its assertion that previously planned capex was primarily aimed at improving asset integrity and environmental performance, and that the limited project profile served as replacement rather than growth off the existing asset base. Current PGM pricing will induce

further supply rationalisation, with primary supply now set to decline in the medium term.

Secondary supply of PGMs contracted again in 2023 as scrappage rates remained weak. In addition, the cost and complexity of collecting, funding and transporting spent catalyst material remains high. Some recovery in secondary supply is expected in the short term, with meaningful potential medium-term growth from the rising pool of metal accumulating from the Chinese light-duty fleet.

PROSPECTS AND OUTLOOK

PGM pricing has been negatively impacted by a confluence of factors that look set to persist in the medium term. We expect 2024 to be a difficult year characterised by anaemic precious metal consumer and investor sentiment as economic and geopolitical uncertainty linger. The Group has benefited from some retracement in input pricing escalation, however, inflationary pressures on operating and capital costs have persisted. Individual operational responses continue to evolve, and a comprehensive review of medium-term capital expenditure and planned production profiles has been implemented, with steps taken to preserve cash balances and secure positive free cash flow.

Impala Canada was repositioned, and capital projects were deferred and halted at Marula and Mimosa during the period. Strategic options to secure value at Impala Bafokeng are under investigation. We continue to work closely with our JV partner at Two Rivers to ensure delivery of the required step-change in mining performance at UG2 operations and

to review and optimise value from the Merensky growth project. Impala Rustenburg delivered exceptional results and generated free cash flow, but medium-term production and capital investment plans are being carefully considered in response to low PGM pricing.

Guidance

Group production in FY2024 will be supported by strong delivery at Impala Rustenburg and Zimplats, countering the impact of headwinds faced at Marula, Impala Bafokeng and Two Rivers in H1 FY2024, and further supported by the changed operating parameters at Impala Canada. Implats' processing performance benefited from reduced load curtailment and, despite the scheduled smelter rebuild underway, Implats is pleased to reiterate previously provided production and cost guidance for FY2024, while trimming the outlook for capital expenditure despite a weaker assumed rand exchange rate.

Group 6E refined and saleable production is expected to be between 3.30 million and 3.45 million ounces. Group unit costs are forecast to rise by between 6% and 10% to R21 000 and R22 000 per ounce on a stock-adjusted basis. Group capital expenditure has been revised downwards and is forecast to be between R11.0 billion and R12.0 billion, inclusive of growth capital of between R3.0 billion and R3.5 billion. This guidance assumes exchange rates of R18.60/US\$ and C\$1.35/US\$, respectively.

Commentary

	Unit	Actual FY2023	Previous guidance FY2024	New guidance FY2024
Refined and saleable production	6E koz	2 959	3 300 – 3 450	3 300 – 3 450
Group production	6E koz	3 246	3 550 – 3 780	3 550 – 3 780
Impala, stock-adjusted refined	6E koz	1 232	1 175 – 1 275	1 175 – 1 275
Zimplats, stock-adjusted matte	6E koz	611	630 – 660	630 – 660
Impala Bafokeng, concentrate	6E koz	43	490 – 530	490 – 530
Two Rivers, concentrate	6E koz	295	290 – 320	290 – 320
Impala Canada, concentrate	6E koz	291	270 – 290	270 – 290
Mimosa, concentrate	6E koz	245	240 – 260	240 – 260
Marula, concentrate	6E koz	241	230 – 250	230 – 250
IRS (third-party)	6E koz	287	180 – 210	180 – 210
Group unit cost	R/oz 6E	19 834	21 000 – 22 000	21 000 – 22 000
Group capital expenditure	Rm	11 510	12 500 – 13 500	11 000 – 12 000
Exchange rate	R/US\$	17.77	18.25	18.60
	C\$/US\$	1.33	1.34	1.35

The financial information on which the above mentioned prospects and outlook is based, has not been audited nor reported on by Implats' external auditors.

Approval of the condensed consolidated interim financial statements

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

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

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

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

The condensed consolidated interim financial statements as set out on pages 22 to 59 have been approved by the board of directors and are signed on their behalf by:

NDB Orleyn
Chairman

NJ Muller
Chief executive officer

Johannesburg

29 February 2024

Independent auditor's review report on interim financial statements

TO THE SHAREHOLDERS OF IMPALA PLATINUM HOLDINGS LIMITED

We have reviewed the condensed consolidated interim financial statements of Impala Platinum Holdings Limited, as set out on pages 22 to 59, which comprise the condensed consolidated statement of financial position as at 31 December 2023 and the condensed consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows for the six months then ended, and selected explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE INTERIM FINANCIAL STATEMENTS

The directors are responsible for the preparation and presentation of these interim financial statements in accordance with International Financial Reporting Standard (IAS) 34, *Interim Financial Reporting*, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

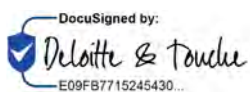
AUDITOR'S RESPONSIBILITY

Our responsibility is to express a conclusion on these interim financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* (ISRE 2410). ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained. The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of Impala Platinum Holdings Limited for the six months ended 31 December 2023 are not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.



Deloitte & Touche
Registered Auditor
Per: Sphiwe Stemela
Partner

29 February 2024

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

Condensed consolidated statement of profit or loss and other comprehensive income

	Notes	Six months ended 31 December 2023 (Reviewed) Rm	Six months ended 31 December 2022 (Reviewed) Rm	Year ended 30 June 2023 (Audited) Rm
Revenue	5	43 425	57 797	106 594
Cost of sales	6	(39 990)	(40 603)	(84 256)
Gross profit		3 435	17 194	22 338
Impairment – Property, plant and equipment	9	(701)	—	(10 872)
Impairment – Goodwill on RBPlat acquisition	10	—	—	(4 244)
Loss on remeasurement of previously held equity investment before acquisition – RBPlat	11	—	—	(1 772)
Other income	7	468	57	240
Other expenses	8	(673)	(219)	(1 319)
Finance income		547	733	1 792
Finance costs		(454)	(318)	(615)
Net foreign exchange transaction (losses)/gains		(255)	538	857
Share of (loss)/profit of equity-accounted entities	11	(495)	1 826	3 382
Profit before tax		1 872	19 811	9 787
Income tax expense	15	(175)	(4 984)	(3 609)
Profit for the period		1 697	14 827	6 178
Other comprehensive (loss)/income, comprising items that may subsequently be reclassified to profit or loss:				
Exchange differences on translating foreign operations		(1 125)	922	5 805
Deferred tax thereon		559	(25)	(89)
Other comprehensive income, comprising items that will not be subsequently reclassified to profit or loss:				
Financial assets at fair value through other comprehensive income		16	21	152
Deferred tax thereon		—	—	—
Actuarial gain on post-employment medical benefit		—	—	5
Deferred tax thereon		—	—	(1)
Total other comprehensive (loss)/income		(550)	918	5 872
Total comprehensive income		1 147	15 745	12 050
Profit attributable to:				
Owners of the Company		1 614	13 973	4 905
Non-controlling interests		83	854	1 273
		1 697	14 827	6 178
Total comprehensive income attributable to:				
Owners of the Company		1 184	14 798	10 263
Non-controlling interests		(37)	947	1 787
		1 147	15 745	12 050
Earnings per share (cents)				
Basic		180	1 648	577
Diluted		180	1 644	575

For headline earnings per share refer to note 19.

The notes on pages 27 to 59 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated statement of financial position

	Notes	As at 31 December 2023 (Reviewed) Rm	As at 31 December 2022 (Reviewed) Rm	As at 30 June 2023 (Audited) Rm
ASSETS				
Non-current assets				
Property, plant and equipment	9	72 166	66 763	71 176
Investment property		88	88	88
Goodwill	10	9 870	—	9 870
Investments in equity-accounted entities	11	11 433	29 479	12 525
Financial assets at fair value through other comprehensive income		677	484	661
Environmental rehabilitation investments	12	2 599	322	2 506
Other financial assets		1 267	183	1 257
Prepayments and other assets	13	3 295	3 436	3 541
		101 395	100 755	101 624
Current assets				
Inventories	14	27 029	26 961	24 320
Trade and other receivables		10 000	5 437	11 310
Current tax receivable	15	1 175	183	1 059
Other financial assets		39	1 089	23
Prepayments and other assets	13	3 898	3 455	4 230
Cash and cash equivalents		9 188	27 023	26 820
		51 329	64 148	67 762
Total assets		152 724	164 903	169 386
EQUITY AND LIABILITIES				
Equity				
Share capital	16	31 090	23 701	25 819
Retained earnings		63 235	87 117	74 175
Foreign currency translation reserve		13 474	9 522	13 920
Share-based payment reserve		191	299	480
Other components of equity		469	322	453
Equity attributable to owners of the Company		108 459	120 961	114 847
Non-controlling interests		5 187	4 934	11 188
Total equity		113 646	125 895	126 035
LIABILITIES				
Non-current liabilities				
Provisions		2 801	2 326	2 734
Deferred tax	15	17 557	17 170	19 140
Deferred revenue		1 238	—	1 238
Borrowings	17	2 107	907	2 255
Other financial liabilities		4	12	8
Other liabilities		140	187	304
		23 847	20 602	25 679
Current liabilities				
Trade and other payables		12 816	15 755	16 041
Current tax payable	15	611	2 024	242
Borrowings	17	963	272	335
Bank overdraft		469	—	—
Other financial liabilities		45	40	263
Provisions		96	96	94
Deferred revenue		147	—	144
Other liabilities		84	219	553
		15 231	18 406	17 672
Total liabilities		39 078	39 008	43 351
Total equity and liabilities		152 724	164 903	169 386

The notes on pages 27 to 59 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated statement of changes in equity

	Share capital Rm	Retained earnings Rm	Foreign currency translation reserve Rm
Balance at 30 June 2022 (Audited)	23 080	81 336	8 718
Shares issued	454	—	—
Shares purchased – long-term incentive plans	(300)	—	—
Transfer of reserves	467	704	—
Share-based compensation expense	—	—	—
Total comprehensive income	—	13 973	804
Profit for the period	—	13 973	—
Other comprehensive income	—	—	804
Dividends paid	—	(8 896)	—
Balance at 31 December 2022 (Reviewed)	23 701	87 117	9 522
Shares issued	2 177	—	—
Acquisition of non-controlling interest in Royal Bafokeng Platinum	—	—	—
Acquisition of shares in Royal Bafokeng Platinum from non-controlling interest	—	(269)	—
Shares purchased – long-term incentive plans	(84)	—	—
Transfer of reserves	25	(11)	—
Share-based compensation expense	—	—	—
Deferred tax on share-based compensation liability	—	(28)	—
Total comprehensive (loss)/income	—	(9 064)	4 398
(Loss)/profit for the period	—	(9 068)	—
Other comprehensive income	—	4	4 398
Dividends paid	—	(3 570)	—
Balance at 30 June 2023 (Audited)	25 819	74 175	13 920
Shares issued	5 172	—	—
Acquisition of shares in Royal Bafokeng Platinum from non-controlling interest ¹	—	(10 937)	—
Shares purchased – long-term incentive plans	(401)	—	—
Transfer of reserves	500	(75)	—
Share-based compensation expense	—	—	—
Deferred tax on share-based compensation liability	—	(55)	—
Total comprehensive income	—	1 614	(446)
Profit for the period	—	1 614	—
Other comprehensive (loss)/income	—	—	(446)
Dividends paid	—	(1 487)	—
Balance at 31 December 2023 (Reviewed)	31 090	63 235	13 474

¹ During the current period, the remainder of the 43.59% shareholding in RBPlat was acquired from the non-controlling shareholders for a total consideration of R11 431 million in cash and the issue of 37 967 328 Implats shares with a fair value of R5 172 million. The difference between the adjustment to the carrying amount of the non-controlling interest and the fair value of the consideration paid was directly recognised in equity, and attributable to the owners of the Company.

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

The notes on pages 27 to 59 are an integral part of these condensed consolidated interim financial statements.

	Share-based payment reserve Rm	Other components of equity Rm	Attributable to:		Total equity Rm
			Owners of the Company Rm	Non- controlling interests Rm	
	1 262	301	114 697	4 594	119 291
	—	—	454	—	454
	—	—	(300)	—	(300)
	(1 171)	—	—	—	—
	208	—	208	—	208
	—	21	14 798	947	15 745
	—	—	13 973	854	14 827
	—	21	825	93	918
	—	—	(8 896)	(607)	(9 503)
	299	322	120 961	4 934	125 895
	—	—	2 177	—	2 177
	—	—	—	6 147	6 147
	—	—	(269)	(145)	(414)
	—	—	(84)	—	(84)
	(14)	—	—	—	—
	195	—	195	3	198
	—	—	(28)	(22)	(50)
	—	131	(4 535)	840	(3 695)
	—	—	(9 068)	419	(8 649)
	—	131	4 533	421	4 954
	—	—	(3 570)	(569)	(4 139)
	480	453	114 847	11 188	126 035
	—	—	5 172	—	5 172
	—	—	(10 937)	(5 666)	(16 603)
	—	—	(401)	—	(401)
	(425)	—	—	—	—
	136	—	136	3	139
	—	—	(55)	3	(52)
	—	16	1 184	(37)	1 147
	—	—	1 614	83	1 697
	—	16	(430)	(120)	(550)
	—	—	(1 487)	(304)	(1 791)
	191	469	108 459	5 187	113 646

Condensed consolidated statement of cash flows

	Notes	Six months ended 31 December 2023 (Reviewed) Rm	Six months ended 31 December 2022 (Reviewed) Rm	Year ended 30 June 2023 (Audited) Rm
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash generated from operations	18	2 423	17 724	30 372
Finance costs paid		(256)	(210)	(384)
Income tax paid	15	(855)	(3 028)	(6 419)
Net cash inflow from operating activities		1 312	14 486	23 569
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment		(6 797)	(4 838)	(11 356)
Decrease/(increase) in deposits on property, plant and equipment		156	—	(1 314)
Proceeds from sale of property, plant and equipment		35	24	55
Acquisition of equity-accounted interest in Royal Bafokeng Platinum	11	—	(755)	(2 195)
Net cash acquired through the acquisition of Royal Bafokeng Platinum		—	—	2 862
Acquisition of controlling interest in Royal Bafokeng Platinum		—	—	(2 394)
Cash acquired through the acquisition of Royal Bafokeng Platinum from non-controlling interests		(11 431)	—	(275)
Acquisition of interest in other equity-accounted investments	11	(117)	(101)	(250)
Proceeds from disposal of short-term and other investments		—	—	1 125
Investments in environmental rehabilitation financial assets		—	—	(1 689)
Acquisition of financial assets at fair value through other comprehensive income		—	—	(46)
Finance income received		528	699	1 695
Dividends received		20	684	1 616
Other		(14)	(54)	(94)
Net cash outflow from investing activities		(17 620)	(4 341)	(9 866)
CASH FLOWS FROM FINANCING ACTIVITIES				
Purchase of shares for long-term incentive plans		(401)	(300)	(384)
Proceeds from borrowings		654	—	—
Repayments of borrowings		(23)	—	(2)
Repayments of lease liabilities		(151)	(138)	(295)
Dividends paid to shareholders of the Company		(1 487)	(8 896)	(12 466)
Dividends paid to non-controlling interests		(304)	(607)	(1 176)
Net cash outflow from financing activities		(1 712)	(9 941)	(14 323)
Net (decrease)/increase in cash and cash equivalents		(18 020)	204	(620)
Cash and cash equivalents at beginning of the period		26 820	26 505	26 505
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies		(81)	314	935
Cash and cash equivalents at end of the period		8 719¹	27 023	26 820

¹ Cash and cash equivalents comprise cash of R9 188 million as well as the bank overdraft of R469 million.

The notes on pages 27 to 59 are an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements for the six months ended 31 December 2023

1. GENERAL INFORMATION

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

Implata has its primary listing on the JSE Limited (JSE) and a secondary listing on A2X Markets in South Africa, as well as a level 1 American Depositary Receipt programme in the United States of America.

The condensed consolidated interim financial statements were approved for issue on 29 February 2024 by the board of directors.

The condensed consolidated interim financial statements for the six months ended 31 December 2023 were reviewed, but not audited, by the Group's statutory auditors, Deloitte & Touche.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements for the period ended 31 December 2023 have been prepared in accordance with the Listings Requirements of the JSE Limited, the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) as issued by the IASB, the minimum requirements of IAS 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act, No 71 of 2008, as amended.

The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 30 June 2023, which were prepared in accordance with IFRS, and the commentary included in these interim results.

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

Sustainability and climate change-related disclosures

Implata adheres to existing legislation and financial reporting framework. The Group additionally notes the current developments in corporate sustainability reporting, particularly in relation to their financial impacts. Implata supports the work of the IFRS International Sustainability Standards Board (ISSB) toward achieving this goal through its published sustainability disclosure standards, whose impact on the Group is currently being evaluated.

Climate change and other sustainability-related matters have been considered to the extent that these have materially impacted the carrying amounts of assets and liabilities, cash flows or the related estimates and judgements contained in the financial statements and have been disclosed in the relevant notes. Other climate and sustainability-related disclosures are available in the accompanying management commentary in the front pages of this book.

Notes to the condensed consolidated interim financial statements for the six months ended 31 December 2023

2. BASIS OF PREPARATION continued

The condensed consolidated interim financial information is presented in South African rand (ZAR), which is the Company's functional currency.

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

	Six months ended 31 December 2023 (Reviewed)	Six months ended 31 December 2022 (Reviewed)	Year ended 30 June 2023 (Audited)
US\$/ZAR			
Closing rate	18.36	17.04	18.85
Average rate	18.69	17.33	17.77
C\$/ZAR			
Closing rate	13.81	12.56	14.23
Average rate	13.84	13.01	13.26
US\$/Zw\$³			
Closing rate	6 192.40	660.45	5 739.80
Average rate	5 281.37	576.10	1 185.37


¹ United States dollar.

² Canadian dollar.

³ Zimbabwean dollar.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

3. ACCOUNTING POLICIES

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

The following amendments to standards are effective and were adopted by the Group on 1 July 2023:

Amendments to IAS 12 Income Taxes – International Tax Reform: Pillar Two Model Rules

- The amendments introduce a mandatory temporary exception (whose application must be disclosed) from the recognition and disclosure of deferred taxes arising from implementation of the Organisation for Economic Co-operation and Development (OECD) Pillar Two Model Rules
- An entity is required to separately disclose its current tax expense (income) related to Pillar Two income taxes, in the periods when the legislation is effective, and for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclose known or reasonably estimate information of the entity's exposure from Pillar Two income taxes
- The exception applies retrospectively and immediately while the rest of the disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023
- The amendments did not have an impact on the condensed consolidated interim financial statements.

The following amendments to standards are not yet effective and were early adopted by the Group on 1 July 2023:

Lack of exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates

- The amendments add guidance to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not
- The amendments did not have an impact on the condensed consolidated interim financial statements.

4. SEGMENT INFORMATION

Refer to note 1 for an overview of Implats' operations.

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

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

Revenue flows

The Group's segments generate revenues from the respective geographical locations in which they operate. The "All other segments" segment includes the Group's equity-accounted entities, Mimosa and Two Rivers.

Prior to 30 May 2023, Impala Bafokeng (previously known as RBPlat) was included in "All other segments", as it was an equity-accounted associate of the Group. On 30 May 2023, Implats obtained control of Impala Bafokeng, and it now forms part of the Mining segment:

- Impala mines and refines its own metal inventories and sells externally to third parties. Sales are disaggregated geographically in the revenue note (note 5)
- Impala Canada and Impala Bafokeng sell their mined PGM concentrate to one customer each in North America and South Africa, respectively
- IRS, a division of Impala, is dedicated to the refining of metal concentrate purchases built up by Implats. Situated in Springs, some 35km east of Johannesburg in South Africa, IRS provides smelting and refining services through offtake agreements with Group companies (except Impala Canada and Impala Bafokeng) and third parties
- The Marula and Zimplats mining segment revenues are therefore made intra-group to IRS, which ultimately sells the refined metal externally to the third parties disaggregated geographically as indicated in note 5.

Sales to the two largest customers amounted to 12% and 9% (December 2022: 12% and 10%) (June 2023: 12% and 10%) of total revenue, from Impala and IRS.

Capital expenditure comprises additions to property, plant and equipment (note 9).

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

Notes to the condensed consolidated interim financial statements
for the six months ended 31 December 2023

4. SEGMENT INFORMATION continued

	Six months ended 31 December 2023 (Reviewed)		Six months ended 31 December 2022 (Reviewed)		Year ended 30 June 2023 (Audited)	
	Revenue Rm	Profit/(loss) after tax Rm	Revenue Rm	Profit after tax Rm	Revenue Rm	Profit/(loss) after tax Rm
Mining						
Impala	14 875	774	23 128	5 841	43 082	8 014
Impala Bafokeng	4 977	(845)	—	—	610	(4 781)
Marula	2 106	(133)	4 445	1 564	6 851	2 020
Zimplats	7 023	1 192	10 182	3 500	18 047	4 598
Impala Canada	3 025	(920)	4 184	462	7 502	(7 737)
Impala Refining Services	20 022	2 160	30 265	1 439	54 691	(362)
All other segments	463	(515)	220	1 499	709	1 340
Reconciliation						
Consolidation adjustments to revenue and inventory	(9 066)	(16)	(14 627)	522	(24 898)	3 086
	43 425	1 697	57 797	14 827	106 594	6 178

	Six months ended 31 December 2023 (Reviewed)			Six months ended 31 December 2022 (Reviewed)			Year ended 30 June 2023 (Audited)		
	Capital expenditure Rm	Total assets Rm	Total liabilities Rm	Capital expenditure Rm	Total assets Rm	Total liabilities Rm	Capital expenditure Rm	Total assets Rm	Total liabilities Rm
Mining									
Impala	1 603	63 601	21 005	1 971	79 836	53 462	4 054	62 647	18 922
Impala Bafokeng	879	18 593	5 838	—	—	—	158	20 854	7 476
Marula	268	5 635	1 608	130	7 724	2 639	558	5 935	1 758
Zimplats	3 627	44 894	12 364	2 281	42 302	9 347	5 513	46 611	11 158
Impala Canada	439	4 137	4 777	567	14 917	7 348	1 223	5 486	5 200
Impala Refining Services	—	28 950	18 373	—	67 831	51 226	—	33 228	20 352
All other segments	—	27 551	15 254	—	95 085	51 783	4	38 103	19 491
	6 816	193 361	79 219	4 949	307 695	175 805	11 510	212 864	84 357
Intercompany balances eliminated	—	(40 146)	(41 013)	—	(136 825)	(137 699)	—	(42 366)	(43 234)
Inventory adjustments	—	(491)	—	—	(5 967)	—	—	(1 112)	—
Deferred tax raised on undistributed reserves	—	—	681	—	—	2 513	—	—	2 528
Deferred tax on consolidation	—	—	191	—	—	(1 611)	—	—	(300)
	6 816	152 724	39 078	4 949	164 903	39 008	11 510	169 386	43 351

Notes to the condensed consolidated interim financial statements
for the six months ended 31 December 2023

4. SEGMENT INFORMATION continued

	Six months ended 31 December 2023 (Reviewed)								Total Rm
	Impala Rm	Zimplats Rm	Marula Rm	Impala Bafokeng Rm	Impala Canada Rm	IRS Rm	All other segments Rm	Inter-segment revenue Rm	
Revenue from									
Platinum	5 578	2 276	653	2 106	142	6 178	–	(2 929)	14 004
Palladium	3 635	2 463	835	1 118	2 457	5 967	–	(3 298)	13 177
Rhodium	2 914	846	623	962	–	3 660	–	(1 469)	7 536
Nickel	528	815	34	353	–	1 233	–	(849)	2 114
By-products	2 220	1 123	248	744	480	2 804	503	(1 348)	6 774
Commodity price adjustments	–	(500)	(284)	(369)	(54)	–	–	784	(423)
Gold streaming	–	–	–	63	–	–	–	–	63
Treatment charges	–	–	(3)	–	–	–	(40)	43	–
Treatment income	–	–	–	–	–	180	–	–	180
	14 875	7 023	2 106	4 977	3 025	20 022	463	(9 066)	43 425

	Six months ended 31 December 2022 (Reviewed)								
Revenue from									
Platinum	5 582	2 076	670	–	135	6 003	–	(2 746)	11 720
Palladium	5 600	3 800	1 505	–	3 692	9 069	–	(5 305)	18 361
Rhodium	9 237	2 575	2 065	–	–	10 957	–	(4 640)	20 194
Nickel	790	976	45	–	–	1 582	–	(1 021)	2 372
By-products	1 919	918	232	–	361	2 519	239	(1 169)	5 019
Commodity price adjustments	–	(163)	(69)	–	(4)	–	–	232	(4)
Treatment charges	–	–	(3)	–	–	–	(19)	22	–
Treatment income	–	–	–	–	–	135	–	–	135
	23 128	10 182	4 445	–	4 184	30 265	220	(14 627)	57 797

Year ended 30 June 2023 (Audited)

Revenue from									
Platinum	11 528	4 521	1 343	365	295	11 983	–	(5 864)	24 171
Palladium	9 587	6 875	2 525	217	6 854	15 917	–	(9 401)	32 574
Rhodium	16 258	4 356	3 244	225	–	18 142	–	(7 600)	34 625
Nickel	1 548	2 021	86	67	–	2 996	–	(2 107)	4 611
By-products	4 161	2 001	465	133	837	5 349	771	(2 527)	11 190
Commodity price adjustments	–	(1 727)	(807)	(413)	(484)	–	–	2 534	(897)
Gold streaming	–	–	–	16	–	–	–	–	16
Treatment charges	–	–	(5)	–	–	–	(62)	67	–
Treatment income	–	–	–	–	–	304	–	–	304
	43 082	18 047	6 851	610	7 502	54 691	709	(24 898)	106 594

Notes to the condensed consolidated interim financial statements
for the six months ended 31 December 2023

5. REVENUE

	Six months ended 31 December 2023 (Reviewed) Rm	Six months ended 31 December 2022 (Reviewed) Rm	Year ended 30 June 2023 (Audited) Rm
5.1 Disaggregation of revenue by category			
Sale of goods			
Platinum	14 004	11 720	24 171
Palladium	13 177	18 361	32 574
Rhodium	7 536	20 194	34 625
Nickel	2 114	2 372	4 611
By-products	6 774	5 019	11 190
	43 605	57 666	107 171
Commodity price adjustments	(423)	(4)	(897)
Revenue from gold streaming¹			
Deferred revenue recognised	57	—	15
Variable consideration	6	—	1
Revenue from services			
Toll refining	180	135	304
	43 425	57 797	106 594
5.2 Analysis of revenue by destination			
Main products (Pt, Pd, Rh and Ni)			
Asia	13 400	22 731	40 713
North America	8 137	13 971	23 883
South Africa	6 983	6 058	11 491
Western Europe	7 869	9 867	18 997
	36 389	52 627	95 084
By-products			
Asia	2 045	1 641	3 635
Australia	60	41	130
Bermuda	63	—	16
North America	1 060	661	1 548
South Africa	2 274	1 283	3 002
Western Europe	1 354	1 409	2 875
	6 856	5 035	11 206
Toll refining			
North America	1	2	2
Rest of Africa	175	131	298
South Africa	4	2	4
	180	135	304
	43 425	57 797	106 594

¹ Impala Bafokeng (previously known as RBPlat) entered into a gold streaming agreement with Triple Flag Mining Finance Bermuda Limited (Triple Flag) where the latter made an advance payment of US\$144 million to Impala Bafokeng, to be repaid through future delivery of the gold production from its mining operations (excluding Styldrift II and the Implats royalty areas). The remaining life of the arrangement is 44 years (December 2022: nil) (June 2023: 44.5 years) with an estimated financing rate of 9% (December 2022: nil) (June 2023: 9%), 3 327 (December 2022: nil) (June 2023: 576) gold ounces were delivered during the period.

Additional disclosure of revenue per reportable segment is contained in note 4.

Notes to the condensed consolidated interim financial statements
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6. COST OF SALES

	Six months ended 31 December 2023 (Reviewed) Rm	Six months ended 31 December 2022 (Reviewed) Rm	Year ended 30 June 2023 (Audited) Rm
Production costs			
On-mine operations	20 678	15 612	32 476
Processing operations	6 405	4 959	10 437
Refining and selling	1 295	1 303	2 537
Depreciation of operating assets ¹	4 238	3 682	7 736
Other costs			
Metals purchased	6 789	13 797	22 253
(Increase)/decrease in metal inventories	(2 061)	(2 450)	2 546
Royalty expenses	980	1 830	2 624
Corporate costs	1 044	936	2 052
Chrome operation – cost of sales	247	172	407
Share based compensation and other	375	762	1 188
	39 990	40 603	84 256

¹ In the prior period, Impala Canada revised its estimate of useful lives for certain assets, increasing depreciation by approximately R741 million (C\$56 million) (December 2022: R364 million (C\$28 million)). Refer to note 9.

Notes to the condensed consolidated interim financial statements
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7. OTHER INCOME

	Six months ended 31 December 2023 (Reviewed) Rm	Six months ended 31 December 2022 (Reviewed) Rm	Year ended 30 June 2023 (Audited) Rm
Fair value gain on foreign exchange rate collars	228	—	—
Fair value gain on environmental rehabilitation investments (note 12)	84	7	165
Profit on sale and leaseback of houses	15	15	30
Insurance proceeds – asset damage	27	—	—
Profit on disposal of property, plant and equipment	21	7	24
Dividend received – Rand Mutual Assurance	—	7	7
Other	93	21	14
	468	57	240

8. OTHER EXPENSES

	Six months ended 31 December 2023 (Reviewed) Rm	Six months ended 31 December 2022 (Reviewed) Rm	Year ended 30 June 2023 (Audited) Rm
Acquisition-related costs – RBPlat	198	26	415
Acquisition-related costs – RBPlat acceleration of IFRS 2 share-based payments	213	—	—
Non-production-related corporate costs	53	41	101
Fair value loss on foreign exchange rate collars	—	—	222
Exploration expenditure	72	89	169
Restructuring costs	53	—	—
Fair value loss on metal inventories – hedge ineffectiveness (note 14)	—	—	138
Loss on disposal of property, plant and equipment	7	—	39
Auditor remuneration	17	8	37
Loss – change of interest in associates	—	—	21
Other	60	55	177
	673	219	1 319
Auditor remuneration comprises:	17	8	37
Audit services including interim review	17	8	37
Other services	—	—	—

Notes to the condensed consolidated interim financial statements
for the six months ended 31 December 2023

9. PROPERTY, PLANT AND EQUIPMENT

	Six months ended 31 December 2023 (Reviewed) Rm	Six months ended 31 December 2022 (Reviewed) Rm	Year ended 30 June 2023 (Audited) Rm
Carrying value – opening balance	71 176	64 513	64 513
Capital expenditure ¹	6 802	4 854	11 379
Right-of-use assets capitalised	19	111	154
Property, plant and equipment acquired through the acquisition of RBPlat	—	—	8 644
Depreciation (note 6) ¹	(4 243)	(3 698)	(7 759)
Impairment	(701)	—	(10 872)
Disposals and scrapping	(21)	(17)	(70)
Rehabilitation adjustment	25	8	(66)
Interest capitalised	4	—	—
Exchange differences	(895)	992	5 253
Carrying value – closing balance	72 166	66 763	71 176

¹ Includes depreciation of R5 million (December 2022: R16 million) (June 2023: R23 million) which was capitalised to the cost of property, plant and equipment.

Impairment

During the reporting period, as a result of a lower palladium price profile, changes to the mine life and plans to restructure operations, Impala Canada carried out a review of the recoverable amount of the Lac des Iles mine. The review led to the recognition of an impairment of R701 million (C\$51 million) of property, plant and equipment. The property, plant and equipment's recoverable amount of R1 448 million (C\$105 million) was determined on the basis of their fair value less costs of disposal.

9. PROPERTY, PLANT AND EQUIPMENT continued

Impairment continued

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

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

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

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

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

- An overall long-term real basket price per 6E ounce sold of R27 300 (December 2022: R23 800 in 2024 equivalent terms) (June 2023: R28 000 in 2024 equivalent terms) adjusted for the individual asset or cash-generating unit's prill split
- A long-term pre-tax real discount rate range of 19% to 26% (December 2022: 15% to 27%) (June 2023: 21% to 29%) and long term post-tax real discount rate range of 10% to 18% (December 2022: 10% to 19%) (June 2023: 11% to 19%) for the various cash-generating units in the Group
- In situ resource valuation of between US\$2.00 and US\$12.00 (December 2022: US\$1.90 and US\$10.00) (June 2023: US\$2.00 and US\$12.00) per 4E ounce depending on whether the resource is inferred, indicated or measured.

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Notes to the condensed consolidated interim financial statements
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9. PROPERTY, PLANT AND EQUIPMENT continued

	Six months ended 31 December 2023 (Reviewed) Rm	Six months ended 31 December 2022 (Reviewed) Rm	Year ended 30 June 2023 (Audited) Rm
Right-of-use assets included in property, plant and equipment			
Land and buildings	283	379	330
Refining plants	80	97	95
Other assets	124	211	152
	487	687	577
Capital commitments in respect of property, plant and equipment:			
Commitments contracted for	8 040	8 059	11 320
Approved expenditure not yet contracted	15 893	20 607	18 414
	23 933	28 666	29 734
Less than one year	8 642	13 696	15 160
Between one and five years	15 291	14 970	14 574

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

10. GOODWILL

	Six months ended 31 December 2023 (Reviewed) Rm	Six months ended 31 December 2022 (Reviewed) Rm	Year ended 30 June 2023 (Audited) Rm
Cost	14 114	—	14 114
Accumulated impairment	(4 244)	—	(4 244)
Carrying amount	9 870	—	9 870

The goodwill of R14 114 million associated with RBPlat arose on the business combination at acquisition date (30 May 2023) and was impaired by an amount of R4 244 million to its recoverable amount of R9 870 million in the prior period. The carrying amount of R9 870 million has been allocated to the relevant cash-generating units (CGUs), with R6 347 million allocated to the Impala CGU, R3 333 million to the Impala Refining Services CGU and R190 million (post impairment) to the Impala Bafokeng CGU, respectively.

10. GOODWILL continued

Impairment of goodwill

Goodwill is assessed for impairment as part of the specific CGUs to which the goodwill was allocated to. The recoverable amount of the various CGUs where goodwill has been allocated to was determined using its fair value less costs to sell. The fair value less costs to sell was determined based on estimates of future discounted cash flows (DCFs) of the latest adjusted life-of-mine plans using updated assumptions on metal prices, rand foreign exchange rates and inflation. A risk-adjusted discount rate was used, taking into account specific risks relating to the CGU where cash flows have not been adjusted for the risk.

Mineral resources outside the approved mine plans are valued based on the *in situ* 4E ounce value. Comparable market transactions are used as a source of evidence adjusting specifically for the nature of each underlying ore body and the prevailing platinum price.

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

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

- An overall long-term real basket price per 6E ounce sold of R27 300 (December 2022: Rnil) (June 2023: R28 000 in 2024 equivalent terms) adjusted for the CGU's prill split
- A long-term pre-tax real discount rate of 26% (December 2022: nil) (June 2023: 24% to 29%) and long-term post-tax real discount rate of 18% (December 2022: nil) (June 2023: 17% to 20%)
- *In situ* resource valuation of between US\$2.00 to US\$12.00 (December 2022: US\$nil) (June 2023: US\$2.00 and US\$12.00) per 4E ounce depending on whether the resource is inferred, indicated and measured.

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Goodwill

Goodwill is an intangible asset with an indefinite useful life that arises on the date of acquisition of a business combination and represents the excess of the aggregate of the cost of the acquisition, the non-controlling interest and the fair value of the acquirer's previously held equity interest in the acquiree over the net amounts of the identifiable assets acquired and the liabilities assumed at the acquisition date.

For the purposes of impairment testing, goodwill is allocated to each of the Group's CGUs (or group of CGUs) that is expected to benefit from the synergies of the combination. Goodwill is carried at cost less accumulated impairment losses, if any. Gains or losses on the disposal of a CGU includes the carrying amount of goodwill allocated to the CGU sold.

Impairment of goodwill

Goodwill is tested for impairment at least annually, and at the end of each reporting period when an indicator of impairment exists. Goodwill is allocated to CGUs for impairment testing. The recoverable amount of the CGU to which goodwill has been allocated is based on the highest of value in use or fair value less costs to sell, derived from reserve and resource ounce valuation. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to other assets of the unit prorata based on the carrying amount of each asset in the unit. Any impairment loss on goodwill is recognised directly in profit or loss and may not be reversed.

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Notes to the condensed consolidated interim financial statements
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11. INVESTMENTS IN EQUITY-ACCOUNTED ENTITIES

	Six months ended 31 December 2023 (Reviewed) Rm	Six months ended 31 December 2022 (Reviewed) Rm	Year ended 30 June 2023 (Audited) Rm
Summary balances			
Joint ventures			
Mimosa	6 297	6 092	6 642
AP Ventures	1 139	832	1 150
Associates			
RBPlat	—	18 081	—
Two Rivers ¹	3 646	4 250	4 494
Individually immaterial associates and joint ventures	351	224	239
Total investments in equity-accounted entities	11 433	29 479	12 525
Summary movement			
Beginning of the period	12 525	26 804	26 804
Share of (losses)/profits ¹	(989)	1 767	2 523
Acquisition of equity-accounted interest in RBPlat	—	1 211	3 451
Cash consideration ²	—	757	2 195
Shares issued	—	454	1 256
Acquisition of interests in other equity-accounted investments	117	101	250
Carrying amount of equity investment immediately before acquisition date	—	—	(19 878)
Fair value of equity investment immediately before acquisition date – RBPlat	—	—	(18 106)
Loss on remeasurement of previously held equity investment before acquisition – RBPlat	—	—	(1 772)
Change of interests in associates	—	—	(23)
Exchange differences	(200)	273	1 007
Dividends received	(20)	(677)	(1 609)
End of the period	11 433	29 479	12 525
Share of (loss)/profit of equity-accounted entities is made up as follows:			
Share of (losses)/profits	(989)	1 767	2 523
Unrealised profit in inventory movements	494	59	859
Total share of (loss)/profit of equity-accounted entities	(495)	1 826	3 382

¹ Equity-accounted losses include a R987 million impairment loss comprising an impairment of R1 352 million of property, plant and equipment and its related tax credit of R365 million from Two Rivers. Refer to note 19.

² Includes accrued transaction costs of Rnil (December 2022: R2 million) (June 2023: Rnil).

12. ENVIRONMENTAL REHABILITATION INVESTMENTS

	Six months ended 31 December 2023 (Reviewed) Rm	Six months ended 31 December 2022 (Reviewed) Rm	Year ended 30 June 2023 (Audited) Rm
Guarantee investments – Guardrisk	2 247	322	2 169
Guarantee investments – Centriq Insurance Company Limited	149	—	143
Environmental trust deposits	203	—	194
	2 599	322	2 506

Financial assets measured at fair value through profit or loss

Fair value measurements reflect the view of market participants under current market conditions taking into account climate-related risks, geopolitical and other economic factors. Refer to note 22 for financial instrument risk disclosures.

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13. PREPAYMENTS AND OTHER ASSETS

	Notes	Six months ended 31 December 2023 (Reviewed) Rm	Six months ended 31 December 2022 (Reviewed) Rm	Year ended 30 June 2023 (Audited) Rm
Royal Bafokeng Nation (RBN) prepaid royalty	13.1	3 399	3 711	3 572
Deposits on property, plant and equipment	13.2	2 502	1 891	2 659
Business-related prepaid expenditure	13.3	1 033	1 289	1 276
Employee housing benefit	13.4	259	—	264
		7 193	6 891	7 771
Current		3 898	3 455	4 230
Non-current		3 295	3 436	3 541

13. PREPAYMENTS AND OTHER ASSETS continued

13.1 Royal Bafokeng Nation (RBN) prepaid royalty

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

13.2 Deposits on property, plant and equipment

Property, plant and equipment prepayments mainly relate to amounts prepaid on capital equipment at Zimplats for the tailings storage facility, replacement mines, solar power projects, the smelter expansion and SO₂ abatement plant projects.

13.3 Business-related prepaid expenditure

The business-related prepaid expenditure mainly relate to amounts prepaid on operating activities at Zimplats for power supply, import duty as well as other consumables.

13.4 Employee housing benefit

The Group recognises the difference between the fair value of the employee housing loan receivable at initial recognition and the transaction price as an employee benefit. The employee benefit is amortised over the shorter of the service period of the employee (which takes into account expected retirement date) and the loan period. If the employee's service period differs from the initial expectation on occupation date, the change in expectation is recognised in profit or loss in the statement of profit or loss and other comprehensive income.

The portion of the short-term employee benefit to be realised within 12 months from the reporting date is presented as part of current assets and the balance of the amount is presented as a non-current asset in the statement of financial position.

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14. INVENTORIES

	Six months ended 31 December 2023 (Reviewed) Rm	Six months ended 31 December 2022 (Reviewed) Rm	Year ended 30 June 2023 (Audited) Rm
Mining metal			
Refined metal	3 765	3 668	2 893
In-process metal	8 015	7 195	6 503
	11 780	10 863	9 396
Purchased metal¹			
Refined metal	3 593	4 367	3 536
In-process metal	8 360	9 290	8 100
	11 953	13 657	11 636
Total metal inventories	23 733	24 520	21 032
Stores and materials inventories	3 296	2 441	3 288
	27 029	26 961	24 320

¹ The fair value exposure on purchased metal was designated as a hedged item and is included in the calculation of the cost of inventories. The fair value exposure relates to adjustments made to commodity prices and US dollar exchange rates from the date of delivery until the final pricing date as per the relevant contract. At 30 June 2023, the hedging relationship was ineffective, resulting in a fair value loss adjustment of R138 million recognised in other expenses (note 8).

The net realisable value (NRV) adjustment included in the inventory value is impacted by the prevailing metal prices at the reporting date. The current period adjustment of R755 million (December 2022: R156 million) (June 2023: R 2 879 million) comprised R264 million (December 2022: R44 million) (June 2023: R923 million) for refined metal inventory and R491 million (December 2022: R112 million) (June 2023: R1 956 million) for in-process metal inventory.

Purchased metal consists mainly of Impala Refining Services inventory.

14. INVENTORIES continued

Inventory valuation

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

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

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

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

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

In-process metal estimate adjustments

Quantities of recoverable metal are reconciled to the quantity and grade of ore input as well as the quantities of metal actually recovered (metallurgical balancing). The nature of this process inherently limits the ability to precisely monitor recoverability levels. As a result, the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time. The Group conducts periodic counts (usually annually) at the refineries to assess the accuracy of inventory quantities. Based on these counts, changes in engineering estimates of metal contained in-process resulted in a pre-tax increase in metal inventory of R943 million (December 2022: R731 million) (June 2023: R480 million). Tolerances of up to 2% of annual throughput of the main products are regarded as normal levels of estimation uncertainty in the measurement of work-in-progress quantities.

EJ

Notes to the condensed consolidated interim financial statements
for the six months ended 31 December 2023

15. TAXATION

15.1 Deferred tax

	Six months ended 31 December 2023 (Reviewed) Rm	Six months ended 31 December 2022 (Reviewed) Rm	Year ended 30 June 2023 (Audited) Rm
Deferred tax liabilities	17 557	17 170	19 140

The total deferred tax movement for the period is mainly attributed to a reversal of R207 million in foreign currency and translation differences of foreign subsidiaries, a reversal of R1 847 million withholding taxes on undistributed profits which was offset by temporary difference movements of R321 million from a change in tax rate at Zimplats and R183 million from unrealised profit adjustment on purchased metal inventory.

Unrecognised temporary differences

There are unrecognised temporary differences of R6 253 million (December 2022: R3 629 million) (June 2023: R5 885 million) in the Group, relating to certain subsidiaries. These comprise unredeemed capex of R2 202 million (December 2022: R2 211 million) (June 2023: R2 200 million), capital losses of R3 388 million (December 2022: R1 325 million) (June 2023: R2 581 million), assessed losses of R456 million (December 2022: R93 million) (June 2023: R669 million) and revaluation of assets of R207 million (December 2022: Rnil) (June 2023: R435 million).

Reversal of these temporary differences is currently uncertain, therefore deferred tax has not been provided.

EJ

15.2 Current tax

	Six months ended 31 December 2023 (Reviewed) Rm	Six months ended 31 December 2022 (Reviewed) Rm	Year ended 30 June 2023 (Audited) Rm
Current tax payable	611	2 024	242
Current tax receivable	(1 175)	(183)	(1 059)
Net current tax (receivable)/payable	(564)	1 841	(817)
Reconciliation			
Beginning of the period	(817)	3	3
Income tax expense	1 225	4 909	5 243
Payments made during the period	(855)	(3 028)	(6 419)
Current tax payable acquired through the acquisition of RBPlat	—	—	426
Penalties paid	(165)	(3)	(3)
Exchange differences ¹	48	(40)	(67)
End of the period	(564)	1 841	(817)

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

Notes to the condensed consolidated interim financial statements
for the six months ended 31 December 2023

15. TAXATION continued

15.3 Tax rate reconciliation

	Six months ended 31 December 2023 (Reviewed) Rm	Six months ended 31 December 2022 (Reviewed) Rm	Year ended 30 June 2023 (Audited) Rm
The tax on the Group's profit differs as follows from the theoretical charge that would arise using the basic tax rate of 27% (December 2022: 27%) (June 2023: 27%) for South African companies:			
Normal tax for companies on profit before tax	505	5 349	2 642
Adjusted for:			
Withholding taxes on undistributed profits	(1 305)	—	—
Disallowable expenditure	265	89	2 514
Change in tax rate – Zimbabwe	322	—	—
Effect of after-tax share of profit from equity-accounted entities	134	(493)	(913)
Other	254	39	(634)
Income tax expense	175	4 984	3 609
Effective tax rate (%)	9	25	37
	Six months ended 31 December 2023 (Reviewed) Rm	Six months ended 31 December 2022 (Reviewed) Rm	Year ended 30 June 2023 (Audited) Rm
Current tax	1 225	4 909	5 243
Deferred tax	(1 050)	75	(1 634)
Income tax expense	175	4 984	3 609

Notes to the condensed consolidated interim financial statements
for the six months ended 31 December 2023

16. SHARE CAPITAL

	Six months ended 31 December 2023 (Reviewed) Rm	Six months ended 31 December 2022 (Reviewed) Rm	Year ended 30 June 2023 (Audited) Rm
Share capital	31 090	23 701	25 819

Number of ordinary shares in issue outside the Group

	Six months ended 31 December 2023 (Reviewed) Million	Six months ended 31 December 2022 (Reviewed) Million	Year ended 30 June 2023 (Audited) Million
Number of ordinary shares issued	904.37	852.73	866.40
Treasury shares	(4.40)	(2.96)	(3.36)

Number of ordinary shares issued outside the Group

	899.97	849.77	863.04
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The movement of ordinary shares was as follows:

Beginning of the period	863.04	846.13	846.13
Shares issued for long-term incentive plans	2.88	2.65	2.77
Shares purchased for long-term incentive plans	(3.92)	(1.52)	(2.04)
Shares issued on acquisition of interest in RBPlat (note 11)	37.97	2.51	16.18
End of the period	899.97	849.77	863.04

The authorised share capital of the Company consists of 1 044.01 million (December 2022: 944.01 million) (June 2023: 944.01 million) ordinary no par value shares. The additional 100 million ordinary no par value shares were approved by shareholders at the annual general meeting. The authorised but unissued share capital is 139.64 million (December 2022: 91.28 million) (June 2023: 77.61 million) ordinary no par value shares and remains under the control of the directors.

Notes to the condensed consolidated interim financial statements
for the six months ended 31 December 2023

17. BORROWINGS

	Six months ended 31 December 2023 (Reviewed) Rm	Six months ended 31 December 2022 (Reviewed) Rm	Year ended 30 June 2023 (Audited) Rm
Lease liabilities	977	1 179	1 117
PIC housing facility	1 450	—	1 473
Bank borrowings	643	—	—
Total borrowings	3 070	1 179	2 590
Current	963	272	335
Non-current	2 107	907	2 255
Reconciliation			
Beginning of the period	2 590	1 207	1 207
Proceeds from borrowings	654	—	—
Capital repayments	(174)	(138)	(297)
Interest repayments	(103)	(54)	(120)
Borrowings acquired through the acquisition of RBPlat	—	—	1 475
Lease liabilities acquired through the acquisition of RBPlat	—	—	37
Leases capitalised	19	111	154
Interest accrued	104	54	120
Modification to lease liabilities	(5)	—	—
Exchange differences	(15)	(1)	14
End of the period	3 070	1 179	2 590

Bank borrowings

Implats entered into a revolving borrowing base facility of R735 million (US\$40 million) with Standard Bank of South Africa Limited. The facility bears interest at the Secured Overnight Financing Rate plus 285 basis points per annum which is paid quarterly, with a tenor of 12 months. R643 million (US\$35 million) of the facility was utilised by Zimplats to mainly fund capital expenditure and any gaps in working capital. R92 million (US\$5 million) of the facility was undrawn at the end of the period.

Notes to the condensed consolidated interim financial statements
for the six months ended 31 December 2023

17. **BORROWINGS** continued

	Six months ended 31 December 2023 (Reviewed) Rm	Six months ended 31 December 2022 (Reviewed) Rm	Year ended 30 June 2023 (Audited) Rm
Facilities			
Committed revolving credit facilities			
ZAR tranche	6 545	6 545	6 545
US\$ tranche – US\$93.8 million (December 2022: US\$93.8 million) (June 2023: US\$93.8 million)	1 722	1 597	1 767
Credit facilities – Impala Bafokeng	3 008	–	3 008
	11 275	8 142	11 320

Implats has a committed revolving credit facility with various financial institutions consisting of a R6.5 billion ZAR tranche (December 2022: R6.5 billion) (June 2023: R6.5 billion) and a US\$93.8 million US\$ tranche (December 2022: US\$93.8 million) (June 2023: US\$93.8 million). Impala Canada is also a borrower under the US\$ tranche.

The committed revolving credit facility of R6.5 billion bears interest at the three-month Johannesburg Interbank Acceptance Rate plus a margin and utilisation fee of between 210 and 260 basis points, subject to the level of utilisation and the total net debt to earnings before interest, tax, depreciation and amortisation (EBITDA) levels of the Group. The facility has an accordion option to increase the facility by an additional R2.2 billion (December 2022: R2.2 billion) (June 2023: R2.2 billion). In the current period, the facility was extended for another year and will mature on 24 February 2026. The facility was undrawn at the end of the period.

The US dollar tranche of the committed revolving credit facility of US\$93.8 million bears interest at the three-month Secured Overnight Financing Rate plus a credit adjustment spread, margin and utilisation fee of between 211 and 251 basis points, subject to the level of utilisation and the total net debt to EBITDA levels of the Group (December 2022 and June 2023: three-month London Interbank Offered Rate plus a margin and utilisation fee of between 185 and 225 basis points). The facility has an accordion option to increase the facility by an additional US\$37.5 million (December 2022: US\$37.5 million) (June 2023: US\$37.5 million). In the current period, the facility was extended for another year and will mature on 24 February 2026. The facility was undrawn at the end of the period.

The R3 billion (December 2022: Rnil) (June 2023: R3 billion) Impala Bafokeng credit facilities comprise a revolving credit facility of R2 billion (December 2022: Rnil) (June 2023: R2 billion) which bears interest at the Johannesburg Interbank Average Rate (JIBAR) plus 250 basis points (December 2022: nil) (June 2023: JIBAR plus 250 basis points), as well as a general banking facility of R1 billion (December 2022: Rnil) (June 2023: R1 billion) which bears interest at the prime rate less 140 basis points (December 2022: nil) (June 2023: prime rate less 140 basis points). Impala Bafokeng provided a cession and pledge of its shares in and claims against Impala Bafokeng Resources (IBR) as security under a subordination agreement of its claims against IBR in favour of the banks. IBR also provided a cession in which it cedes and pledges its rights, title and interest in respect of, or connected with the IBR operations. The revolving credit facility was undrawn at year-end and R123.6 million (December 2022: Rnil) (June 2023: R123.6 million) of the general banking facility was utilised for guarantees as at the end of the period.

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for the six months ended 31 December 2023

18. CASH GENERATED FROM OPERATIONS

	Six months ended 31 December 2023 (Reviewed) Rm	Six months ended 31 December 2022 (Reviewed) Rm	Year ended 30 June 2023 (Audited) Rm
Profit before tax	1 872	19 811	9 787
Adjusted for:			
Impairment – Property, plant and equipment (note 9)	701	—	10 872
Impairment – Goodwill on RBPlat acquisition (note 10)	—	—	4 244
Loss on remeasurement of previously held equity investment before acquisition – RBPlat (note 11)	—	—	1 772
Depreciation	4 238	3 682	7 736
Amortisation of prepaid royalty	173	140	279
Finance income	(547)	(733)	(1 792)
Finance costs	454	318	615
Share of loss/(profit) of equity-accounted entities (note 11)	495	(1 826)	(3 382)
Net realisable value adjustment on metal inventory	(2 124)	—	2 879
Dividend received – Rand Mutual Assurance (note 7)	—	(7)	(7)
Employee benefit provisions	—	1	(7)
Share-based compensation	(480)	140	310
Rehabilitation and other provisions	(60)	(17)	(96)
Acquisition-related costs accrued – RBPlat	—	—	250
Foreign currency differences	276	(609)	(1 031)
Profit on disposal of property, plant and equipment (note 7)	(21)	(7)	(24)
Loss on disposal of property, plant and equipment (note 8)	7	—	39
Deferred profit on sale and leaseback of houses (note 7)	(15)	(15)	(30)
Deferred revenue	(57)	—	(15)
Loss – change of interest in associates	—	—	21
Fair value gain on environmental rehabilitation and other investments	(88)	(5)	(159)
Fair value (profit)/loss on foreign exchange rate collars (note 8)	(228)	—	222
Tax penalties paid	(165)	(3)	—
	4 431	20 870	32 483
Changes in working capital:			
Decrease/(increase) in trade and other receivables	1 162	(442)	137
Decrease/(increase) in inventories	1	(2 924)	(882)
(Decrease)/increase in trade and other payables	(3 171)	220	(1 366)
Cash generated from operations	2 423	17 724	30 372

Notes to the condensed consolidated interim financial statements
for the six months ended 31 December 2023

19. HEADLINE EARNINGS

	Six months ended 31 December 2023 (Reviewed) Rm	Six months ended 31 December 2022 (Reviewed) Rm	Year ended 30 June 2023 (Audited) Rm
Profit attributable to owners of the Company	1 614	13 973	4 905
Remeasurement adjustments:			
Impairment – Property, plant and equipment (note 9)	701	—	10 872
Impairment – Goodwill on RBPlat acquisition	—	—	4 244
Loss on remeasurement of previously held equity investment before acquisition – RBPlat	—	—	1 772
Profit on disposal of property, plant and equipment and profit on sale and leaseback of houses	(36)	(22)	(53)
Loss on disposal of property, plant and equipment	7	—	32
Loss – change of interest in associates	—	—	18
Earnings adjustments from equity-accounted entities (note 11)	1 352	63	62
Insurance proceeds – asset damage	(21)	—	—
Total tax effects of adjustments	(353)	6	(3 051)
Headline earnings	3 264	14 020	18 801
Headline earnings used in the calculation of diluted earnings per share	3 264	14 020	18 801
	Six months ended 31 December 2023 (Reviewed) Million	Six months ended 31 December 2022 (Reviewed) Million	Year ended 30 June 2023 (Audited) Million
Weighted average number of ordinary shares in issue for basic and headline earnings per share			
Adjusted for:	894.75	847.62	850.28
Dilutive potential ordinary shares relating to long-term incentive plan	1.59	2.47	3.49
Weighted average number of ordinary shares for diluted basic and headline earnings per share	896.34	850.09	853.77
Headline earnings per share (cents)			
Basic	365	1 654	2 211
Diluted	364	1 649	2 202

20. CONTINGENT LIABILITIES, GUARANTEES AND UNCERTAIN TAX MATTERS

Contingent liabilities and guarantees

As at 31 December 2023, the Group had contingent liabilities in respect of matters arising in the ordinary course of business from which it anticipated that no material liabilities will arise.

The Group has issued guarantees of R51 million (December 2022: R63 million) (June 2023: R57 million) in respect of liabilities held by companies in the Group. Guarantees of R3 878 million (December 2022: R18 292 million) (June 2023: R15 291 million) have been issued by third parties and financial institutions on behalf of the Group consisting mainly of guarantees to the Department of Mineral Resources and Energy (DMRE) for R3 270 million (December 2022: R2 357 million) (June 2023: R3 254 million). The guarantees to the Takeover Regulation Panel (TRP) required in terms of the mandatory offer for RBPlat were cancelled following the closure of the mandatory offer on 21 July 2023 (December 2022: R15 505 million) (June 2023: R11 417 million).

Uncertain tax matters

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

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

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

20. CONTINGENT LIABILITIES, GUARANTEES AND UNCERTAIN TAX MATTERS

continued

South Africa

At 31 December 2023, the Group had an unresolved historical tax matter relating to deductions at its South African operations. The South African Revenue Service has issued an additional assessment relating to this matter which the Group objected to. The Group has a tax practitioner and legal counsel opinion to support its objection. Should the Group be successful in its objection, it could result in a tax credit of up to R695 million (December 2022: R653 million) (June 2023: R673 million) including interest.

Zimbabwe

Foreign currency taxes

Zimplats has historically filed, and continues to file, all required income tax returns and to pay the taxes reasonably determined to be due. The fiscal legislation in Zimbabwe is complex and subject to interpretation. From time to time, Zimplats is subject to a review of its historic income tax returns and in connection with such reviews, disputes can arise with the Zimbabwe Revenue Authority (ZIMRA) over the interpretation and/or application of certain legislation.

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

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

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

Matters before the courts

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

Notes to the condensed consolidated interim financial statements
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21. RELATED PARTY TRANSACTIONS

	Six months ended 31 December 2023 (Reviewed) Rm	Six months ended 31 December 2022 (Reviewed) Rm	Year ended 30 June 2023 (Audited) Rm
Associates			
Two Rivers			
Transactions with related party:			
Purchases of metal concentrates	2 327	4 801	7 897
Period-end balances arising from transactions with related party:			
Payable to associate	1 942	3 220	2 458
Makgomo Chrome			
Transactions with related party:			
Tailings fee expense	43	38	69
Sale of metal concentrates	43	38	69
Friedshel			
Transactions with related party:			
Interest accrued	39	46	89
Repayments	117	108	220
Period-end balances arising from transactions with related party:			
Borrowings – lease liabilities ¹	707	855	785
Royal Bafokeng Platinum (RBPlat)²			
Transactions with related party:			
Royalty expense	—	220	308
Period-end balances arising from transactions with related party:			
Payable to associate	—	106	—
Joint venture			
Mimosa			
Transactions with related party:			
Refining fees	175	131	298
Interest received	15	18	36
Purchases of metal concentrates	2 440	3 607	6 494
Period-end balances arising from transactions with related party:			
Payable to joint venture net of advance	824	1 132	1 117

¹ Friedshel finance leases have an effective interest rate of 10.2%.

² The prior period RBPlat royalties were expensed until 30 May 2023, thereafter RBPlat was consolidated and renamed Impala Bafokeng.

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

Fixed and variable key management compensation was R196 million (December 2022: R185 million) (June 2023: R258 million).

Notes to the condensed consolidated interim financial statements
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22. FINANCIAL INSTRUMENTS

Background

The impact of external factors such as climate change, geopolitical tensions and other global and domestic economic factors are deemed to be priced into the valuation of financial assets and liabilities with quoted prices and categorised in the level 1 hierarchy of fair value measurement (refer to page 55 for definitions). These factors are also considered in the valuation of other assets and liabilities in the Group that make use of these inputs but are otherwise categorised in the level 2 and 3 fair value hierarchy.

The valuation techniques of assets in the of level 3 fair hierarchy are, among others, adjusted by amending the cash flows associated with the discounted cash flow valuations to incorporate the impact of various micro and macro-economic factors where applicable. The outcome of these considerations and the resulting adjustments are reflected in the respective carrying amounts of the financial assets and financial liabilities measured at fair value.

The following table summarises the Group's classification of financial instruments:

	Six months ended 31 December 2023 (Reviewed) Rm	Six months ended 31 December 2022 (Reviewed) Rm	Year ended 30 June 2023 (Audited) Rm
Financial assets – carrying amount			
Financial assets at amortised cost	14 405	30 964	33 502
Other financial assets ¹	1 230	187	1 214
Environmental rehabilitation investments (note 12)	203	—	194
Trade receivables	1 991	2 082	3 485
Other receivables ²	1 589	1 437	1 577
Employee receivables	204	235	212
Cash and cash equivalents	9 188	27 023	26 820
Financial assets at fair value through profit or loss (FVPL)	7 868	2 447	7 652
Environmental rehabilitation investments (note 12)	2 396	322	2 312
Other financial assets	76	1 085	66
Trade receivables	5 396	1 040	5 274
Financial assets at fair value through other comprehensive income (FVOCI)	677	484	661
Total financial assets	22 950	33 895	41 815
Financial liabilities – carrying amount			
Financial liabilities at amortised cost	9 920	6 425	10 796
Borrowings (note 17)	3 070	1 179	2 590
Other financial liabilities	49	52	49
Trade payables	6 244	5 194	8 000
Other payables	88	—	157
Bank overdraft	469	—	—
Financial liabilities at FVPL	4 032	7 673	5 754
Trade payables – metal purchases	4 032	7 673	5 532
Trade payables at FVPL	4 755	8 682	6 521
Advance payments on metal purchases ³	(723)	(1 009)	(989)
Other financial liabilities	—	—	222
Total financial liabilities	13 952	14 098	16 550

¹ Other financial assets consist mainly of 20 year – employee housing loans secured by life cover and disability cover of the employees and have a market-related effective weighted average interest rate of 11.6% (June 2023: 10.8%).

² Other receivables are mainly comprised of state royalties receivable of R555 million (December 2022: R252 million) (June 2023: R605 million), housing assets of R409 million (December 2022: R150 million) (June 2023: R440 million) which increased due to the acquisition of RBPlat in the previous reporting period, and Zimplats contractors receivable of R226 million (December 2022: R15 million) (June 2023: R218 million).

³ Advances are carried at amortised cost.

Notes to the condensed consolidated interim financial statements for the six months ended 31 December 2023

22. FINANCIAL INSTRUMENTS continued

Fair value hierarchy

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

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices that are observable for the asset or liability (directly or indirectly).

Level 3 Inputs for the asset or liability that are unobservable.

Financial instrument	Six months ended 31 December 2023 (Reviewed) Rm	Six months ended 31 December 2022 (Reviewed) Rm	Year ended 30 June 2023 (Audited) Rm	Fair value hierarchy	Valuation technique and key inputs
Financial assets at FVOCI	677	484	661		
Waterberg	510	366	506	Level 3	Discounted cash flow
Other	167	118	155	Level 3	Risk-free ZAR interest rate Discounted cash flow Risk-free ZAR interest rate
Financial assets at FVPL	7 868	1 362	7 652		
Environmental rehabilitation investments – Guardrisk (note 12)	2 247	–	2 169	Level 2	Market prices for listed investments
Environmental rehabilitation investments – Guardrisk (note 12)	–	322	–	Level 3	Discounted cash flow
Environmental rehabilitation investments – Centriq Insurance Company Limited (note 12)	149	–	143	Level 2	Risk-free ZAR interest rate Shareholders Weighted Top 40 Index on the JSE
Other financial assets – Short-term investments	–	1 085	–	Level 1	Quoted market prices for the same instrument
Other financial assets – Housing insurance investment	70	–	66	Level 3	Market prices for listed investments and reliance on an external valuer for discounted cash flow models for unlisted investments
Other financial assets – Foreign exchange rate collars ¹	6	–	–	Level 2	Black Scholes valuation technique using quoted market exchange rates, volatility and risk-free ZAR interest rate
Trade receivables	5 396	1 040	5 274	Level 2	Quoted market metal prices and exchange rates
Financial liabilities at FVPL	4 755	8 682	6 743		
Other financial liabilities – Foreign exchange rate collars ¹	–	–	222	Level 2	Black Scholes valuation technique using quoted market exchange rates, volatility and risk-free ZAR interest rate
Trade payables at FVPL	4 755	8 682	6 521	Level 2	Quoted market metal prices and exchange rates

¹ Implants entered into zero-cost foreign exchange rate collars (FERCs) with various financial institutions in the prior reporting period, to hedge the foreign currency exchange rate risk against the US dollar. The hedging agreements entered into convert US\$52.5 million per month to South African rand for the period from June 2023 to May 2024. The floor has a minimum range of between R17.75/US\$ to R18.10/US\$ and the cap has a maximum range of between R19.21/US\$ to R19.52/US\$.

The FERCs are carried at their fair value of R6 million (December 2022: Rnil) (June 2023: R222 million). No hedge accounting has been applied in respect of these derivative financial instruments.

22. FINANCIAL INSTRUMENTS continued

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

The carrying amount of financial assets and liabilities which are not carried at fair value is a reasonable approximation of their fair value.

Reconciliation of Level 3 fair value measurements

	Waterberg Rm	Other Rm	Environmental rehabilitation investments Rm	Total Rm
Balance at 30 June 2022 (Audited)	366	97	315	778
Income recognised in profit or loss	—	—	7	7
Income recognised in other comprehensive income	—	21	—	21
Balance at 31 December 2022 (Reviewed)	366	118	322	806
Purchases	—	46	—	46
Re-invested	—	—	(322)	(322)
Acquired through the acquisition of RBPlat	—	66	—	66
Income recognised in profit or loss	—	—	—	—
Income/(loss) recognised in other comprehensive income	140	(9)	—	131
Balance at 30 June 2023 (Audited)	506	221	—	727
Income recognised in profit or loss	—	4	—	4
Income recognised in other comprehensive income	4	12	—	16
Balance at 31 December 2023 (Reviewed)	510	237	—	747

22. FINANCIAL INSTRUMENTS continued

Cash and cash equivalents exposure by country and currency

	Six months ended 31 December 2023 (Reviewed) Rm	Six months ended 31 December 2022 (Reviewed) Rm	Year ended 30 June 2023 (Audited) Rm
Exposure by currency is as follows:			
Bank balances – ZAR	5 032	20 846	19 627
Bank balances – US\$	3 131 ¹	5 327	6 268
Bank balances – C\$	338	673	726
Bank balances – ZW\$	207	165	188
Bank balances – Other currencies	11	12	11
	8 719	27 023	26 820
Exposure by country is as follows:			
South Africa	6 623	21 952	21 119
Zimbabwe – US\$	518 ¹	152	2 093
Europe	595	3 956	2 499
Canada	764	787	910
Zimbabwe – ZW\$	207	165	188
Asia	11	11	11
Australia	1	—	—
	8 719	27 023	26 820

¹ Cash and cash equivalents exposures are net of the bank overdraft of R469 million.

Collateral – Triple Flag

Impala Bafokeng issued a guarantee in favour of Triple Flag, guaranteeing the due payment and performance of all present and future obligations under the stream. Under the guarantee, Triple Flag will have recourse only to Impala Bafokeng shares in Impala Bafokeng Resources. In addition, Impala Bafokeng also granted a second lien security, over all its property, assets and undertakings which have been provided as security in favour of senior lenders.

Notes to the condensed consolidated interim financial statements
for the six months ended 31 December 2023

22. FINANCIAL INSTRUMENTS continued

Fair value hedge accounting

The Group has a hedging strategy and accounting policy to manage the fair value risk (commodity price and foreign currency exchange risk) to which purchased metal (note 14), the hedged item, is exposed. The financial instrument used to hedge this risk is trade payables related to metal purchases, included in trade payables, measured at fair value through profit or loss. The fair value movements on this financial liability have been designated to hedge the price and foreign currency exchange risk on purchased metal inventory.

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

	Six months ended 31 December 2023 (Reviewed) Rm	Six months ended 31 December 2022 (Reviewed) Rm	Year ended 30 June 2023 (Audited) Rm
Hedging instrument			
Trade payables at fair value through profit or loss – metal purchases			
Carrying amount	4 755	8 682	6 521
Fair value gain used to determine hedge effectiveness	(743)	(736)	(2 599)
Hedged item			
Purchased metal inventory			
Purchased metal inventory exposed to fair value movement	4 755	8 682	6 521
Change in fair value of hedged instrument used to determine hedge effectiveness	743	736	2 737
Accumulated fair value hedge gain included in metal purchases in respect of closing inventory ¹	167	770	994

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

Due to the significant decrease in the metal prices at the end of the period in relation to the fair value movements in trade payables and inventory, there has been hedge ineffectiveness identified in the hedging relationship at 30 June 2023. A R138 million fair value loss was recognised in other expenses (note 8) at 30 June 2023.

Notes to the condensed consolidated interim financial statements
for the six months ended 31 December 2023

23. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Dividends

In terms of the approved dividend policy, a minimum dividend of 30% of free cash flow pre-growth capital should be declared. The board has discretion to vary this percentage depending on the current and forecast financial performance, the financial position of the Group, as well as market and other factors, including sufficiently capitalising the business to allow the Group to take advantage of future value-accretive growth opportunities.

Given the prevailing market conditions of softer PGM pricing, the actual and forecast operating and capital requirements of the business, particularly the impact of several key capital projects and in line with the dividend policy, as the free cash outflows pre-growth capital, no interim cash dividend was declared in respect of the six-month period ended 31 December 2023.

	Six months ended 31 December 2023 (Reviewed) Rm	Six months ended 31 December 2022 (Reviewed) Rm	Year ended 30 June 2023 (Audited) Rm
Dividends paid:			
Final dividend No 99 for 2023 (No 97 for 2022) of 165 cents (2022:1 050 cents) per ordinary share	1 487	8 896	8 896
Interim dividend No 98 for 2023 of 420 cents per ordinary share	—	—	3 570
	1 487	8 896	12 466

Other events occurring after the reporting period

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

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