

IMPALA PLATINUM HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1957/001979/06)
JSE Share code: IMP
ISIN: ZAE000083648
ADR code: IMPUY
JSE 2022 Convertible Bond ISIN: ZAE000247458
JSE 2022 Convertible Bond Code: IMCB22
("Implats" or the "Company")



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INVITATION TO HOLDERS TO OFFER TO SELL UP TO ZAR 1.625 BN OF OUTSTANDING ZAR 3,250,000,000 6.375 PER CENT CONVERTIBLE BONDS DUE 2022 ISSUED BY THE COMPANY

Introduction

Implats announces that it invites the holders ("**Bondholders**") of its ZAR 3,250,000,000 6.375 per cent. convertible bonds due 2022 (the "**Bonds**") to offer to sell their Bonds to the Company, on the basis set out below, up to ZAR 1,625,000,000 in aggregate principal amount of the Bonds, which is 50 per cent. of ZAR 3,249,990,000, being the "**Outstanding Principal Amount**" of the Bonds as at the date hereof (the "**Invitation**").

The Invitation is made upon the terms and subject to the conditions set forth in the invitation term sheet dated 7 December 2020 (the "**Invitation Term Sheet**"). Capitalised terms used but not otherwise defined in this announcement have the meaning ascribed to them in the Invitation Term Sheet.

Rationale

Implats pursues value creation by maintaining and leveraging a strong and flexible balance sheet within a prudent capital allocation framework. The proactive management of the balance sheet is considered key to repositioning the Company as a profitable and sustainable business with the ability to deliver meaningful returns for all stakeholders through the commodity cycle.

In July 2019, Implats completed the successful incentivised conversion of the 2022 USD Convertible Bonds, which were settled through the issue of equity. The ZAR Bonds remain in place and, in accordance with their terms and conditions, Implats has the option to redeem these Bonds in June 2021.

The increase in rand PGM pricing and sustained operational delivery has provided a meaningful tailwind to Company profitability and free cash flow generation. Implats has confidence in the outlook for PGM markets and the Invitation is considered a proactive approach to extinguish a material existing debt liability and simultaneously reduce the potential future dilution associated

with the conversion of the Bonds on existing Implats shareholders.

Invitation

The Company may purchase up to ZAR 1,625,000,000 in aggregate principal amount of the Bonds (the “**Tender Cap**”) for cash at the Final Purchase Price plus an Accrued Interest Payment, however, the Company reserves the right, in its sole discretion and for any reason, to decrease the Tender Cap. Each Bondholder who wishes to participate in the Invitation must validly offer for purchase at least ZAR 10,000 in principal amount of Bonds (the “**Minimum Denomination**”).

In indicating their willingness to offer their Bonds for purchase, Bondholders may indicate (i) that they are making a Proportionate Offer only and the aggregate principal amount of Bonds the subject of such Proportionate Offer or (ii) a Proportionate Offer and an Additional Offer, and the principal amount of Bonds the subject of each, as further described and on the terms set out in the Invitation Term Sheet.

A “**Proportionate Offer**” is an offer by an Eligible Bondholder to sell Bonds on the basis that, if accepted by the Company, the Company will purchase an aggregate principal amount of Bonds which is equal to 50% of the aggregate principal amount of Bonds the subject of such Proportionate Offer. Proportionate Offers will not be subject to further pro ration.

An “**Additional Offer**” is an offer by an Eligible Bondholder to sell Bonds on the basis that, if accepted by the Company, the Company will purchase an aggregate principal amount of Bonds which is equal to the aggregate principal amount of Bonds the subject of such Additional Offer. Additional Offers may be subject to pro-rata, as described below and are also subject to the further terms and conditions set out in the Invitation Term Sheet.

The Initial Purchase Price per Minimum Denomination of the Bonds validly offered by a Bondholder and accepted for purchase by the Company will be ZAR 35,330.33 per ZAR 10,000 principal amount. The Final Purchase Price for each Minimum Denomination of the Bonds will be calculated as follows:

Final Purchase Price

$$\text{Final Purchase Price} = \text{Initial Purchase Price} + (\text{RP} - \text{CP}) \times \text{CR} \times \text{RD}$$

where:

RP = The average of the daily Pricing VWAPs on each of each of 7, 8 and 9 December, with the final average subject to a cap of ZAR 186.65

CP = ZAR 169.68, being the closing price of an Ordinary Share of the Offeror on the Johannesburg Stock Exchange on 4 December 2020

CR = 207.3334 being each ZAR 10,000 principal amount divided by the Conversion Price at the date on which the Invitation is launched

RD = 100%, the reference delta

“**Pricing VWAP**” = in respect of any Trading Day, the volume

weighted average price of an Ordinary Share of the Company on the Johannesburg Stock Exchange appearing on or derived from the Bloomberg screen page IMP SJ Equity VAP on the Bloomberg information system from 1.00 pm to 5.00 pm (South African time) on 7 December 2020, and from 9.00 a.m. to 5.00 p.m. (South African time) on 8 and 9 December 2020

Implats will also make payment of an amount in respect of accrued and unpaid interest in respect of the Bonds accepted for purchase, as further described in the Invitation Term Sheet.

The final acceptance amount will be the lower of the Tender Cap and the aggregate principal amount of the Bonds which the Company decides in its sole discretion to purchase pursuant to the Invitation ("**Final Acceptance Amount**"). If, after the Final Acceptance Amount has been determined, the aggregate principal amount of Bonds being offered for sale at the Final Purchase Price is higher than the Final Acceptance Amount, the Company will accept offers for sale so that the Final Acceptance Amount is equal to, or less than, the Tender Cap as further set out, and subject to the terms of, the Invitation Term Sheet.

The Company will first accept all Proportionate Offers and thereby accept offers to sell in respect of 50% of the aggregate principal amount of the Bonds subject to each such Proportionate Offer.

If the aggregate principal amount of Bonds accepted for purchase in respect of valid Proportionate Offers is less than the Tender Cap, the Company will accept Additional Offers. If the aggregate principal amount of Bonds the subject of valid Additional Offers exceeds the Remaining Amount, each Additional Offer will be scaled on a pro rata basis subject to the pro-rata factor, as further described and subject to the terms set out in the Invitation Term Sheet. Any Bonds repurchased pursuant to the Invitation will be cancelled.

The Invitation is expected to expire at 5.00 p.m. (South African time) on 9 December 2020 (the "**Expiration Deadline**"), subject to the right of the Company, in its sole discretion, to extend, re-open, amend, waive any condition of, or terminate the Invitation at any time prior to announcement of the Final Acceptance Amount (as defined below and subject to applicable law). Details of any such extension, re-opening, amendment, waiver or termination will be announced as soon as reasonably practicable after the relevant decision is made.

Bondholders wishing to offer to sell their Bonds for purchase by the Company pursuant to the Invitation must do so in accordance with the procedures set out in the Invitation Term Sheet.

Announcement of the Final Acceptance Amount and the Final Purchase Price will be made as soon as reasonably practicable after the Expiration Deadline by publication of such information by announcement on the Stock Exchange News Service of the JSE Limited, expected to be before market open on 10 December 2020.

Settlement will occur through Strate Proprietary Limited.

Expected Timetable

Launch Date	Monday, 7 December 2020
Expiration Deadline	5.00 p.m. (South African time) on Wednesday, 9 December

2020

This Expiration Deadline sets out the latest time for instructions by Bondholders to be received by the Dealer Manager

Results Announcement

Announcement of the Final Acceptance Amount and the Final Purchase Price, as soon as reasonably practicable after the Expiration Deadline by publication of such information by announcement on the Stock Exchange News Service of the JSE Limited ("**SENS**"), expected to be before market open on Thursday, 10 December 2020

Expected Settlement Date

Tuesday, 22 December 2020 (T+7) (the "**Settlement Date**")
The Company may, in its discretion, extend, re-open, amend, waive any condition of, or terminate the Invitation at any time prior to announcement of the Final Acceptance Amount (subject to applicable laws). Details of any such extension, re-opening, amendment, waiver or termination will be announced as soon as reasonably practicable after the relevant decision is made

Copies of the Invitation Term Sheet may be obtained from the Dealer Manager, whose contact details are set out at the end of this announcement. Bondholders are requested to read the Invitation Term Sheet in full before making any decision with respect to the Invitation. Bondholders may wish to obtain independent professional advice before making any such decision.

Further Information:

Requests for information in relation to the terms of the Invitation should be directed to the Dealer Manager as follows:

Morgan Stanley & Co. International plc

25 Cabot Square Canary Wharf London, E14 4QA United Kingdom

Attention: Marco Guarino

Email: Marco.Guarino@morganstanley.com

Telephone: +44 20 7425-7057

Attention: Peter Murphy

Email: Peter.Murphy@morganstanley.com

Telephone: +44 20 7677-4292

IMPORTANT NOTICE IN RELATION TO THE INVITATION

This announcement does not constitute an invitation to participate in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such invitation under applicable securities laws. The distribution of this announcement in certain jurisdictions may be restricted by law. Persons into whose possession this announcement comes are required by each of the Company and the Dealer Manager to inform themselves about, and to observe, any such restrictions.

United States

This announcement is not for publication or distribution, directly or indirectly, in or into the United States. This announcement is not an offer to sell securities in the United States. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or pursuant to an exemption from registration.

This announcement is not being made and will not be made directly or indirectly in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the Internet and other forms of electronic communication. Accordingly, copies of this announcement and any other documents or materials relating to the Invitation are not being, and must not be, directly or indirectly mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States, to U.S. persons or to persons located or resident in the United States and Bonds cannot be offered for purchase in the Invitation by any such use, means, instruments or facilities or from within the United States or by persons located or resident in the United States, as defined in Regulation S of the US Securities Act of 1933, as amended (the "**Securities Act**"). Persons into whose possession this announcement, the Invitation or any document or other information referred to herein comes should inform themselves about and observe any such restrictions. Failure to comply with these restrictions may result in a violation of applicable laws and any purported offer of Bonds for purchase resulting directly or indirectly from a violation of these restrictions will be invalid and offers of Bonds for purchase made by a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a nominee giving instructions from within the United States or a U.S. person will be invalid and will not be accepted.

This announcement is not an offer of securities for sale or an invitation to offer or sell securities in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act. The purpose of this announcement is limited to the Invitation and this announcement may not be sent or given to a person in the United States. Each holder of Bonds participating in the Invitation will represent that it is not located in the United States and is not participating in the Invitation from the United States, or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Invitation from the United States.

For the purposes of this and the above two paragraphs, "**United States**" means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.

United Kingdom

The communication of this announcement by the Company and any other documents or materials relating to the Invitation is not being made, and this announcement and any such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000, as amended (the "**FSMA**"). Accordingly, this announcement and any such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials is exempt from the restriction on financial promotions under section 21 of the FSMA on the basis that it is only directed at and may only be communicated to (1) persons in the United Kingdom who have professional experience in matters relating to investments, being investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**FPO**"); (2) persons who fall within Article 43(2) of the FPO; or (3) any other persons to whom these documents and/or materials may otherwise lawfully be communicated. Any investment or investment activity to which this announcement relates is available only to such persons or will be engaged in only with such persons and other persons should not rely on it.

France

This announcement and any other offering material relating to an Invitation may be distributed in France only to qualified investors (*investisseurs qualifiés*) as defined in Article 2(e) of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Neither this announcement, nor any other such materials relating to the Invitation has been nor will be submitted for clearance to, nor approved by the Autorité des Marchés Financiers.

Italy

None of the Invitation, this announcement, the Invitation Term Sheet or any other documents or materials relating to the Invitation have been or will be submitted to the clearance procedures of the Commissione Nazionale per le Società e la Borsa ("**CONSOB**") pursuant to Italian laws and regulations. The Invitation is being carried out in the Republic of Italy ("**Italy**") as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the Financial Services Act) and article 35-bis, paragraph 3 of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the "**Issuers' regulation**").

Accordingly, the Invitation is only addressed to holders of Bonds located in the Republic of Italy who are "qualified investors" (*investitori qualificati*) as defined pursuant to and within the meaning of Article 100 of the Financial Services Act and article 34-ter, paragraph 1,

letter b) of the Issuers' Regulation.

Holders or beneficial owners of the Bonds that are resident or located in Italy may offer their Bonds for purchase in the Invitation through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB, the Bank of Italy or any other Italian authority. Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Bonds or the Invitation.

South Africa

The communication of this announcement by the Company and any other documents or materials relating to the Invitation should not be construed as constituting any form of investment advice or recommendation, guidance or proposal of a financial nature under the South African Financial Advisory and Intermediary Services Act, 37 of 2002 (as amended or re-enacted). The Invitation is not being made to and does not constitute an "offer to the public" (as such term is defined in the South African Companies Act, 71 of 2008 (the "**SA Companies Act**") and is not, nor is it intended to constitute, a "registered prospectus" (as such term is defined in the SA Companies Act) prepared and registered under the SA Companies Act.

General

This announcement does not constitute an offer to sell or buy or a solicitation of an offer to sell or buy the Bonds, as applicable (and offers of Bonds for purchase in the Invitation will not be accepted from Bondholders), in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require the Invitation to be made by a licensed broker or dealer and the Dealer Manager or its affiliates is such a licensed broker or dealer in such jurisdictions, the Invitation shall be deemed to be made by the Dealer Manager or such affiliate (as the case may be) on behalf of the Company in such jurisdictions.

7 December 2020

Dealer Manager

Morgan Stanley & Co. International plc

Sponsor

Nedbank Corporate & Investment Banking