

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
("Implats" or "Group")

ANNOUNCEMENT BY IMPLATS OF ITS FIRM INTENTION TO MAKE AN OFFER TO ACQUIRE ALL OF THE SHARES IN ROYAL BAFOKENG PLATINUM LIMITED THAT IT DOES NOT ALREADY HOLD

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION

1. INTRODUCTION

- (a) Shareholders of Royal Bafokeng Platinum Limited (**RBPlat**) are hereby advised that Implats has, on 26 November 2021, communicated to the independent board of directors of RBPlat, Implats' firm intention to make a general offer to the holders of issued ordinary shares of RBPlat (**RBPlat Shareholders**) for Implats to acquire all the issued ordinary shares of RBPlat, other than treasury shares, that it does not already hold (**RBPlat Shares**).
- (b) The purpose of this firm intention announcement is to advise RBPlat Shareholders of the terms and conditions of the offer.
- (c) As at the date of this announcement, Implats has concluded agreements with certain institutional shareholders of RBPlat (which shareholders the Takeover Regulation Panel (**TRP**) has permitted Implats to approach) to acquire 70,859,372 RBPlat Shares constituting approximately 24.52% of the RBPlat Shares in issue. In accordance with the TRP's specific instruction that same be disclosed in this announcement, the institutions who sold RBPlat Shares to Implats are Abax Investments, Allan Gray (Pty) Ltd, Coronation Asset Management (Pty) Ltd, MandG Investment Managers (Pty) Ltd and Ninety One SA (Pty) Ltd and, where required, the applicable announcements will be made in due course. Save for shares in RBPlat thus to be acquired, neither Implats nor any person acting in concert with Implats holds or controls (directly or indirectly) any other RBPlat Shares or options to acquire any RBPlat Shares as at the date of this announcement. Save as may be prohibited under the Companies Act, 2008 (**Companies Act**) or Chapter 5 of the Companies Regulations, 2011 (**Takeover Regulations**), Implats may be acquiring further RBPlat Shares after the date of this announcement whilst the Offer remains open and, if required under the Companies Act or the Takeover Regulations, will make further disclosures and announcements in that regard.
- (d) Following presentation of the key terms of Implats' intended offer to the independent board of RBPlat and pursuant to a co-operation agreement between Implats and RBPlat, RBPlat has agreed to facilitate the making of the offer to the RBPlat Shareholders. This co-operation agreement also contains (among other provisions) undertakings given by RBPlat in relation to possible competing proposals and further details regarding this co-operation agreement

will be set out in the offer circular to be distributed by Implats to the RBPlat Shareholders in due course (**Offeror Circular**).

2. TERMS OF THE OFFER

- (a) Implats intends to make a general offer (**Offer**) to RBPlat Shareholders other than the holders of treasury shares, on the basis contemplated in section 117(1)(c)(v) of the Companies Act and the Takeover Regulations, to acquire from the RBPlat Shareholders who accept the Offer (**Offer Participants**) the RBPlat Shares thus sold (**Offer Shares**) for a consideration (**Offer Consideration**) of R150 per Offer Share, consisting of (i) a cash amount of R90 per Offer Share and (ii) 0.300 ordinary shares in Implats (**Implats Shares**) per Offer Share (the value of which equates to R60 at the 3-day volume weighted average price (**VWAP**) of an Implats Share as at the close of business on the Reference Date referred to below). In the event that RBPlat declares a dividend or makes a distribution after the date of this announcement, the cash component of the Offer Consideration will be reduced by an amount equal to the RBPlat dividend on a Rand for Rand basis.
- (b) As at the end of trade on 24 November 2021 (**Reference Date**), the Offer Consideration represents a premium of 23% to RBPlat's closing share price of R121.92 on the Reference Date and a premium of 80% to RBPlat's 30-day VWAP of R83.51 prior to RBPlat and Implats' joint cautionary announcement on 27 October 2021.
- (c) If the conditions precedent for the implementation of the Offer set out in paragraph 5 below (**Offer Conditions Precedent**) have all been fulfilled or waived, Implats will acquire all the Offer Shares validly tendered into the Offer and the Offer Participants will dispose of and transfer the relevant Offer Shares to Implats in exchange for the Offer Consideration per Offer Share thus sold, which will be discharged by Implats through:
 - (i) the settlement of the share component by issuing or procuring the transfer of Implats Shares to each relevant Offer Participant (including the transfer secretaries for and on behalf of Offer Participants); and
 - (ii) the settlement of the cash component by paying the applicable cash consideration to each relevant Offer Participant (including the transfer secretaries for and on behalf of Offer Participants).
- (d) Offer Participants shall be entitled to receive the share component of the Offer Consideration for every one Offer Share sold on the basis that where an Offer Participant's entitlement to the share component of the Offer Consideration results in a fractional entitlement to Implats Shares, such fraction of an Implats Share will be rounded to the nearest whole number, resulting in allocations of whole Implats Shares on the basis set out in the Offeror Circular.
- (e) Implats may determine that the Implats Shares to which Foreign Offer Participants (being Offer Participants who are resident or located or who have registered addresses in any jurisdiction outside South Africa and who may not be entitled to receive Implats Shares without violating applicable law or regulatory requirements or to whom the issue of Implats Shares may be prohibited or be subject to requirements that are unduly onerous or impractical) are entitled as part of the Offer Consideration under the Offer, will not be issued to such Foreign Offer Participants but will instead be issued to an independent sales agent to hold same for and on behalf of such Foreign Offer Participants

on the basis that the sales agent will, as soon as practicable following the date on which the Offer is declared to be fully unconditional and is implemented, sell those Implats Shares through a market sale process and remit the net proceeds of such Implats Shares to the relevant Foreign Offer Participants as if it were part of the cash component of the Offer Consideration. Further details will be set out in the Offeror Circular.

- (f) If Offer Participants accept the Offer in respect of at least 90% of the issued shares in RBPlat (other than treasury shares and shares already held by Implats, persons related or inter-related to Implats and persons acting in concert with Implats) and if the Offer becomes wholly unconditional and is implemented, Implats may (at its election) invoke the provisions of section 124 of the Companies Act to compulsorily acquire all of the RBPlat Shares not already tendered for sale under the Offer.

3. INFORMATION ABOUT IMPLATS AND RBPLAT

- (a) Implats is a public company, duly registered and incorporated in accordance with the laws of the Republic of South Africa, with registration number 1957/001979/06 and is listed on the main board of the JSE, under share code IMP, and a level 1 American Depositary Receipt (IMPUY). Further information on Implats can be found at www.implats.co.za.
- (b) RBPlat is a public company, duly registered and incorporated in accordance with the laws of the Republic of South Africa, with registration number 2008/015696/06 and is listed on the main board of the JSE, under share code RBP. Further information on RBPlat can be found at www.bafokengplatinum.co.za and in paragraph 4 below.

4. RATIONALE FOR THE OFFER

- (1) RBPlat is a mid-sized PGM producer with mining and concentrating operations contiguous to Implats' Impala Rustenburg portfolio on the Western Limb of the Bushveld Igneous Complex in South Africa. Its mineral reserve inventory is notable due to its size and quality, with a mechanised, Merensky-rich orebody, aligned to robust future demand for platinum, nickel and copper.
- (2) Implats' acquisition of RBPlat offers compelling strategic, operational and financial benefits for all stakeholders through securing a significant Western Limb production base that enhances and entrenches the region's position as the most significant source of global primary PGM production.
- (3) A sizeable and sustainable Western Limb operation will deliver tangible socio-economic benefits for the region and its communities, including employment security and through sustained indirect benefits for the various industries and stakeholders supported by mining activities in the greater-Rustenburg region.
- (4) For RBPlat Shareholders, the Offer provides a compelling value proposition by crystallising inherent equity value at an attractive premium, through the receipt of a combination of cash and high quality and liquid scrip in a company which offers:
 - (i) exposure to a global portfolio, comprising operating PGM assets, projects, and a toll refining business, which is well-positioned to capture the benefits of the full PGM value chain through integrated processing

facilities, including wholly-owned smelters, as well as base and precious metal refineries;

- (ii) the opportunity to benefit from regionally diverse production growth across shallow, mechanised operations on the Eastern Limb of the Bushveld Complex, Canada and Zimbabwe and the planned expansion of installed processing capacity across the Group;
 - (iii) the best position to deliver future operational benefits of significant, unique regional synergies presented by these contiguous operations, given its comprehensive experience of the ore body and its ability to leverage cost effective opportunities for future growth; and
 - (iv) an attractive and sustainable dividend yield underpinned by clear and disciplined capital allocation priorities and a strong and flexible balance sheet.
- (5) For Implats shareholders, the Offer will deliver on Implats' stated value-focused strategy to increase exposure to low-cost, shallow, mechanised assets, further positioning the Group with a quality portfolio of high-value, sustainable and competitive operations through the cycle.
- (6) Further, the Offer will enhance Implats' ability to:
- (i) deploy its significant, scale, relevance, mineral resource base and technical capabilities to further grow and optimise value delivery of its asset portfolio;
 - (ii) progress enhanced regional socio-economic stability, sustainability, and shared value delivery;
 - (iii) enhance strategic optionality to significantly extend life of mine production profiles, which will enhance job security and socio-economic benefits to all concerned stakeholders; and
 - (iv) increase its ability to further pursue substantial, unique regional synergies in the fullness of time through broader collaboration and/or the logical combination of complementary assets and shared infrastructure.

5. CONDITIONS PRECEDENT TO THE IMPLEMENTATION OF THE OFFER

- (a) The making and implementation of the Offer will be subject to the fulfillment or, where applicable, waiver (to the extent that they can be lawfully waived) of the following conditions precedent:
- (i) RBPlat Shareholders accepting the Offer and tendering RBPlat Shares thereunder constituting more than 50% (or such lower percentage as Implats may announce that it is willing to accept) of the entire issued share capital of RBPlat (excluding treasury shares) if aggregated with the RBPlat Shares already held by Implats;
 - (ii) Implats having obtained the approval from the Financial Surveillance Department of the South African Reserve Bank in terms of the Exchange Control Regulations, 1961 (to the extent required) and Implats and RBPlat having obtained all such approvals as may be required from the JSE Limited (**JSE**) and the TRP, respectively, in terms

of the JSE Listings Requirements, the Companies Act or the Takeover Regulations (as applicable) in connection with the Offer and its implementation, including (without limitation):

- (A) the JSE and the TRP approving all relevant documentation to be sent to the RBPlat Shareholders, including the Offeror Circular;
 - (B) a compliance certificate issued by the TRP in terms of section 121(b) of the Companies Act; and
 - (C) approval of the JSE for the listing on the JSE of all Implats Shares that constitute the share component of the Offer Consideration (and to the extent applicable, the entitlement to such Implats Shares);
- (iii) to the extent required and by no later than 31 July 2022, Implats and RBPlat having obtained all approvals required for the implementation of the Offer and the acquisition by Implats of the Offer Shares from the Competition Commission, the Competition Tribunal and/or the Competition Appeal Court (as the case may be), as are required in terms of the Competition Act, 1998;
- (iv) to the extent required under any material contract to which RBPlat or its affiliates are party and relating to the continued operation of its business and by no later than the date referred to in paragraph (iii) above, RBPlat having obtained approval from its third-party financiers and contract counterparties for any change of control arising from the Offer (if implemented); and
- (v) none of the following occurs between the date of this announcement and the date on which the Offer is declared to be unconditional (measured using publicly available information):
- (A) the production output (in ounces) of RBPlat and its subsidiaries for any rolling three-month period reduces by more than 15 % (fifteen percent) in comparison to the preceding three-month period for any reason; or
 - (B) there is a 20% (twenty percent) or more reduction in the free cash flow (**FCF**) of RBPlat and its subsidiaries for any rolling three-month period in comparison to the preceding three-month period for any reason (FCF being calculated as follows: cash generated from operating activities less capital expenditure as reflected in the cash flow statement of RBPlat for the time being).
- (b) Implats reserves the right and shall be entitled, in its sole and absolute discretion:
- (i) to extend the date set for fulfilment or waiver of any of these Offer Conditions Precedent, which Implats may only do in accordance with the requirements of the Takeover Regulations and any other applicable laws (where relevant); and/or
 - (ii) to waive (in whole or in part) any of the Offer Conditions Precedent referred to in paragraphs 5(a)(i), 5(a)(iv) and/or 5(a)(v) above.

- (c) If these Offer Conditions Precedent are fulfilled or waived and the Offer has become wholly unconditional and is to be implemented, an announcement will be released on SENS, and, where required, published in the South African press to that effect and the effective date will be six business days thereafter. At the date of this announcement, it is estimated that such effective date will be 9 August 2022. Announcements will also be released on SENS, and, where required, published in the South African press as soon as possible after the non-fulfilment of any Offer Condition Precedent or any extension of any date set for fulfilment or waiver of any of the Offer Conditions Precedent.

6. CONFIRMATIONS TO THE TRP

- (a) Implats has provided the TRP with confirmation that it has a sufficient number of Implats Shares available in order to satisfy the share component of the Offer Consideration as and when required under the Offer.
- (b) The TRP has been furnished with the requisite cash confirmations in compliance with regulations 111(4) and 111(5) of the Takeover Regulations from JPMorgan Chase Bank, N.A., Johannesburg Branch, Nedbank Limited and The Standard bank of South Africa Limited in order to satisfy the cash component of the Offer Consideration.

7. DISTRIBUTION OF THE OFFEROR CIRCULAR

The Executive Director of the TRP has given approval for the Offeror Circular to be distributed to RBPlat Shareholders by no later than 17 January 2022. The Offeror Circular will include, *inter alia*, further details of the Offer. The salient dates in relation to the Offer will be published at or about the time of distribution of the Offeror Circular.

8. CATEGORISATION FOR IMPLATS

The Offer, if implemented in full, is categorised as a category 2 transaction for Implats in terms of the JSE Listings Requirements, and accordingly Implats shareholder approval is not required. Should RBPlat become a subsidiary of Implats as a result of the Offer, Implats will ensure that the provisions of RBPlat's memorandum of incorporation do not frustrate Implats in any way from compliance with its obligations in terms of the JSE Listings Requirements.

9. FINANCIAL INFORMATION OF RBPLAT

- (a) The value of the net assets as at 30 June 2021 and the profit attributable to the net assets of RBPlat for the six month period ended 30 June 2021 are R24 275.5 million and R4 739 million, respectively (**RBPlat Financial Information**).
- (b) The RBPlat Financial Information in this announcement has been extracted from RBPlat's reviewed results for the interim period ended 30 June 2021 (**RBPlat Results**), which were prepared in terms of International Financial Reporting Standards.
- (c) The TRP has given approval that the relevant *pro forma* financial information to be made available to RBPlat Shareholders will be contained in the Offeror Circular.

10. RESPONSIBILITY STATEMENT

The board of directors of Implats (to the extent that the information relates to Implats) accepts responsibility for the information contained in this announcement and, to the best of the Implats board's knowledge and belief, that information is true and this announcement does not omit anything likely to affect the importance of the information included.

Illovo, Johannesburg

29 November 2021

Corporate Advisor and Lead Financial Advisor to Implats

Macquarie Advisory and Capital Markets South Africa (Pty) Ltd

Financial Advisors to Implats

J.P. Morgan

Nedbank Limited

The Standard Bank of South Africa Limited

Legal Advisor to Implats

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Forward-Looking Statements

This announcement contains "forward-looking statements". Forward-looking statements can be identified by words like "may," "will," "likely," "should," "expect," "anticipate," "future," "plan," "believe," "intend," "goal," "seek," "estimate," "project," "continue" and similar expressions. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of Implats' business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of Implats' control. Implats' actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. The forward-looking statements included in this announcement are made only as of the date of this announcement, and except as otherwise required by law, Implats does not have any obligation to publicly update or revise any forward-looking statements to reflect subsequent events or circumstances.

Important information for US shareholders

RBPlat is a public company incorporated in South Africa. The Offer will be made to RBPlat Shareholders in the United States in compliance with the applicable US tender offer rules under the US Securities Exchange Act of 1934, as amended (**US Exchange Act**), including Regulation 14E thereunder, and otherwise in accordance with the requirements of South African law. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, the offer timetable, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer law and practice. The financial information of RBPlat and Implats, including any included in the offer documentation, will not have been prepared in accordance with US GAAP, or derived therefrom, and may therefore differ from, and not be comparable with, financial information of US companies.

The Implats Shares to be issued pursuant to the Offer as part of the Offer Consideration (the **Consideration Shares**) have not been, and will not be, registered under the US Securities Act of 1933, as amended (the **US Securities Act**), or under any laws or with any securities regulatory authority of any state, district or other jurisdiction, of the United States, and may only be offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable state and other securities laws. There will be no public offer of any securities in the United States. This announcement does not constitute an offer to sell or solicitation of an offer to buy any of the shares in the United States. Further details of which US and other RBPlat Shareholders are eligible to receive the Consideration Shares, and the procedural steps required to be taken by such persons to so receive such shares, as well as the procedures for those US and other RBPlat Shareholders who do not so qualify to receive the Consideration Shares, will be set forth in the Offer Circular. Also see paragraph 2(e) of this announcement.

Implats and its affiliates or brokers (acting as agents for Implats and its affiliates, as applicable) may from time to time, and other than pursuant to the Offer, directly or indirectly, purchase, or arrange to purchase outside the United States, shares in RBPlat or any securities that are convertible into, exchangeable for or exercisable for such shares before or during the period in which the Offer remains open for acceptance, to the extent permitted by, and in compliance with, Rule 14e-5 under the US Exchange Act. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Information about any such purchases or arrangements to purchase that is made public in accordance with South African law and practice will be available to all investors (including in the United States) via announcements on the Stock Exchange News Service (or **SENS**) of the JSE Limited.

Neither the US Securities and Exchange Commission (**SEC**) nor any US state securities commission has approved or disapproved of the Consideration Shares to be issued in connection with the Offer, or determined if this announcement or the Offer Circular is accurate or complete. Any representation to the contrary is a criminal offence in the United States.

The Consideration Shares have not been and will not be listed on a US securities exchange or quoted on any inter-dealer quotation system in the United States. Implats does not intend to take any action to facilitate a market in the Consideration Shares in the United States.

The Offer, if consummated, may have consequences under US federal income tax and applicable US state and local, as well as non-US, tax laws for RBPlat Shareholders. Each RBPlat Shareholder is urged to consult his or her independent professional adviser regarding the tax consequences of the Offer.

It may not be possible for RBPlat Shareholders in the United States to effect service of process within the United States upon RBPlat and/or Implats (each a company incorporated in South Africa), or their respective officers or directors, some or all of which may reside outside the United States, or to enforce against any of them judgments of the United States courts predicated upon the civil liability provisions of the federal securities laws of the United States or other US law. It may not be possible to bring an action against RBPlat and/or Implats or their respective officers or directors, in a non-US court for violations of US law, including the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement. In addition, it may be difficult to enforce in South Africa original actions, or actions for the enforcement of judgments of US courts, based on the civil liability provisions of the US federal securities laws.