



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 the Company)

IMPLATS CONCLUDES BROAD-BASED BLACK ECONOMIC EMPOWERMENT TRANSACTION

1. INTRODUCTION

- (a) Shareholders are referred to the announcement released on SENS on 31 May 2023 in relation to Implats' intention to facilitate increased broad-based black economic empowerment (**B-BBEE**) in the South African platinum group metals (**PGM**) sector through the implementation of a broad-based empowerment transaction (the **Empowerment Transaction**) at both Impala Platinum Limited (**Impala**) and Impala Bafokeng Platinum Proprietary Limited (**IBPlat**), previously known as Royal Bafokeng Platinum Limited.
- (b) As part of the merger approval conditions for Implats' acquisition of IBPlat, which closed in September 2023, Implats committed to renew and promote a greater spread of ownership at Impala and IBPlat, through its wholly owned subsidiary Impala Bafokeng Resources Proprietary Limited (**IBR**).
- (c) Implats' acquisition of IBPlat solidified a stronger, more sustainable long-term future for both Impala and IBR, and incorporates the South African smelting and refining assets. This provides the foundation for sustainable and enduring benefits for the beneficiaries of the transaction, which promotes a greater spread of ownership across the PGM sector.
- (d) The Empowerment Transaction will result in 13% B-BBEE ownership at each of Impala and IBR for a combined transaction value of c.R9 billion, and comprises the following:
 - (i) A 4% community share ownership trust (**CSOT**) across both Impala and IBR;
 - (ii) A new 4% employee share ownership trust (**IBR ESOT**), which replaces the previously proposed IBPlat employee share ownership plan; and
 - (iii) A strategic broad-based empowerment consortium (**Bokamoso Consortium- meaning 'Our tomorrow and future'**), led by Siyanda Resources Proprietary Limited (**Siyanda Resources**), which will hold a 5% shareholding in each of Impala and IBR.
- (e) Siyanda Resourcesⁱ was selected as Implats' empowerment partner due to its demonstrable track record as the owner and operator of Siyanda Bakgatla Platinum Mine in the Rustenburg area and pre-eminent strategic partner in the PGM sector, the experience of its executive and operational leadership, its standing, reputation and depth of relationships in the broader Rustenburg community and its financial strength to meet its participation obligations.

- (f) Shareholders are advised that Implats has now concluded a series of agreements (the **Transaction Agreements**) to give effect to the Empowerment Transaction, which are subject to the fulfilment of the conditions precedent set out in paragraph 4 below. Salient terms of the Empowerment Transaction are set out in this announcement.

2. SALIENT TERMS OF THE EMPOWERMENT TRANSACTION

The Empowerment Transaction will comprise the following three components:

2.1 The Community Share Ownership Trust (CSOT)

- (a) A CSOT has been established, which will subscribe for an indirect 4% equity interest in Impala and IBR, through the CSOT's wholly owned company, IBR CSOT Proprietary Limited (**CSOT Co**).
- (b) The CSOT will operate for the benefit of a broad range of beneficiaries from previously disadvantaged communities situated in the "host communities" identified and defined in the Social and Labour Plans applicable to the Impala Platinum Mine, the Bafokeng Rasimone Mine, the Maseve Mine and the Styldrift Mine (the **Mines**).
- (c) The CSOT will focus on, *inter alia*, education and skills development, enterprise development, community wellbeing and social and economic infrastructure. The CSOT will be "evergreen" and is aimed at contributing to and facilitating transformation in the host- communities, to ensure these communities are economically sustainable beyond the life-of-mine.
- (d) Structure and funding
 - (i) The CSOT will hold its interest in Impala and IBR respectively through CSOT Co.
 - (ii) The subscription by CSOT Co will be funded by way of interest-free vendor loans from Impala and IBR to CSOT Co.
 - (iii) CSOT Co will be entitled to distribute 65% of its attributable annual dividends from Impala and IBR to the CSOT (and thus for the beneficiaries of the CSOT), with the remaining 35% utilised to service and pay down the interest-free vendor funding.
 - (iv) CSOT Co will pledge and cede its underlying Impala and IBR shares to Impala and IBR, respectively, as security for the vendor loans.

2.2 The IBR Employee Share Ownership Trust (IBR ESOT)

- (a) IBPlat employees elected to implement the IBR ESOT on similar terms to the existing Impala employee share ownership trust (**Impala ESOT**). The IBR ESOT has been established and will subscribe for an indirect 4% equity interest in IBR through IBR ESOT's wholly owned company, IBR ESOT Proprietary Limited (**ESOT Co**).
- (b) The IBR ESOT will be open to all eligible permanent employees of IBR who are employed for the duration of any dividend period, and volume contractors who are rendering services at IBR.
- (c) The IBR ESOT will allow qualifying employees to participate and benefit from the dividends received by the ESOT Co in respect of its 4% equity ownership in IBR, subject to the terms of the rules of the IBR ESOT. The determination of the

distributable amount payable to each beneficiary in respect of any dividend period will be based on the aggregate amount available for distribution, the number of employees entitled to participate, and the period during which an employee is a qualifying beneficiary.

- (d) Structure and funding
 - (i) The IBR ESOT will hold its interest in IBR through ESOT Co.
 - (ii) The subscription by ESOT Co will be funded by way of an interest-free vendor loan from IBR.
 - (iii) ESOT Co will be entitled to distribute 65% of its attributable annual dividends from IBR to the IBR ESOT (for the beneficiaries of the IBR ESOT), with the remaining 35% utilised to service the interest-free vendor funding.
 - (iv) ESOT Co will pledge and cede its underlying IBR shares to IBR as security for the vendor loan.

2.3 The Bokamoso Consortium

- (a) The Bokamoso Consortium will subscribe for a 5% equity interest in each of Impala and IBR, through a special purpose investment vehicle, Bokamoso Rustenburg Proprietary Limited (to be renamed Bokamoso Rustenburg (RF) Proprietary Limited) (**Bokamoso RF**).
- (b) Structure and funding
 - (i) The Bokamoso Consortium will hold its interest in each of Impala and IBR through Bokamoso RF.
 - (ii) The subscription by the Bokamoso Consortium will be funded by way of:
 - (A) A R100 million equity injection by the Bokamoso Consortium, and
 - (B) Vendor funding for the remaining amount by way of preference shares to be issued by Bokamoso RF to Impala and IBR (**Preference Shares**). The Preference Shares will be issued on commercial terms, with conditions typical for a funding structure of this nature.
 - (iii) Bokamoso RF must apply all amounts received on its Impala and IBR shares in accordance with an agreed waterfall of payments, which will allow it to cover its operational costs and distribute approximately 30% of its attributable annual dividends from Impala and IBR to its equity funders, with the remaining amounts used to service and pay down the Preference Shares.
- (c) Other salient terms
 - (i) Bokamoso RF shall not, without the prior written consent of Implats, be entitled to encumber or dispose of its equity stakes in Impala and IBR for so long as it is indebted to any member of the Implats Group.
 - (ii) Bokamoso RF shall be entitled to appoint one director to each of the boards of Impala and IBR, for as long as it holds 5% or more in the respective subsidiaries.

- (iii) Bokamoso RF has undertaken, *inter alia*, to -
 - (A) maintain a direct or indirect ownership, economic and voting control B-BBEE interest of 60%;
 - (B) be an empowerment company as contemplated in the B-BBEE legislation;
 - (C) ensure that Siyanda Resources retains control of Bokamoso RF; and
 - (D) ensure that its conduct does not result in an adverse impact on Impala's and IBR's B-BBEE status.
- (iv) For so long as Bokamoso RF holds ordinary shares in either Impala or IBR, Bokamoso RF shall be entitled to participate in competitive processes, on an arms' length and commercial basis (in accordance with Implats' internal procurement policies), in relation to any downstream opportunities at the Mines.

3. POST TRANSACTION SHAREHOLDING

Subsequent to the implementation of the Empowerment Transaction, the shareholding in Impala and IBR will be held as follows:

- (a) Impala Holdings Limited, a wholly owned subsidiary of Implats, will hold an 87% shareholding in Impala, together with CSOT Co (4%), the existing Impala ESOT (4%) and Bokamoso RF (5%); and
- (b) IBPlat, a wholly owned subsidiary of Implats, will hold an 87% shareholding in IBR, together with CSOT Co (4%), ESOT Co (4%) and Bokamoso RF (5%).

4. CONDITIONS PRECEDENT AND EFFECTIVE DATE

- (a) The implementation of the Empowerment Transaction remains subject to the fulfilment or, where applicable, waiver of the following remaining conditions precedent:
 - (i) Receipt of all the required consents and approvals under Implats' financing agreements.
- (b) Shareholders will be informed once all the remaining conditions precedent have been fulfilled, and the anticipated effective date of the Empowerment Transaction, which is expected to be on or about 30 June 2024.

5. FINANCIAL INFORMATION

The profits attributable to the net assets, and the value of the net assets, that are the subject of the Empowerment Transaction in the six months ended December 2023 were as follows:

- (a) Impala - profit after tax: R2.934 billion; net assets: R53.173 billion; and
- (b) IBR - loss after tax: R0.845 billion; net assets: R12.755 billion.

The financial information was extracted from Implats' unaudited interim results for the six months ended 31 December 2023, which were prepared in terms of International Financial Reporting Standards. The financial information is the responsibility of the directors of Implats and has not been reviewed or reported on by the Company's auditors.

On implementation of the Empowerment Transaction, a once-off IFRS 2 (share-based payment) B-BBEE charge will be recognised in headline earnings reflecting the facilitation provided to the empowerment parties, as is customary for a transaction of this nature. Further details will be provided in due course.

6. JSE CATEGORISATION OF THE EMPOWERMENT TRANSACTION

The Empowerment Transaction constitutes a Category 2 transaction for Implats in terms of the JSE Limited Listings Requirements and involves no related parties.

20 May 2024
Illovo, Johannesburg

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ENS

Transaction Sponsor to Implats

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Ends

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¹ About Siyanda Resources

Siyanda Resources was founded in 2004 by black mining professionals with the objective of building a pan African resources business around industrial minerals, energy and the raw materials used in the manufacturing of steel products. Its shareholders are the Public Investment Corporation (33.7%) and Siyanda Investments (66.3%), which is majority owned by its co-founders (Lindani Mthwa (also CEO of Siyanda Resources) and Xolile Mazabane) and employees of the Siyanda group. Siyanda Resources

has grown from a single asset investment company into a diversified minerals group consisting of cash generative businesses as well as developmental assets and the ownership and operation of a mine. Areas of interest for Siyanda Resources include PGMs, chrome, base metals (manganese), energy and industrial minerals (copper, cobalt, etc). The Group holds various controlling and minority interests in operating assets as well as in undeveloped (greenfield) and expansion (brownfield) resources and beneficiation projects. It has grown both organically as well as through a series of acquisitions which have been funded from internally generated funds and external financing.