PLATINUM HOLDINGS LIMITED

NORTHAM PLATINUM HOLDINGS LIMITED

Incorporated in the Republic of South Africa
Registration number: 2020/905346/06
JSE share code: NPH
ISIN: ZAE000298253
("**Northam Holdings**" or, together with its subsidiaries, "**Northam**" or the "**group**")

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Incorporated in the Republic of South Africa
Registration number: 1977/003282/06
JSE debt issuer code: NHMI

Bond code: NHM016	Bond ISIN: ZAG000167750
Bond code: NHM021	Bond ISIN: ZAG000181496
Bond code: NHM022	Bond ISIN: ZAG000190133
Bond code: NHM023	Bond ISIN: ZAG000190968
Bond code: NHM025	Bond ISIN: ZAG000195934
Bond code: NHM026	Bond ISIN: ZAG000195942

("**Northam Platinum**")

TRADING STATEMENT AND TRADING UPDATE FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

Key metrics

- 3.7% increase in equivalent refined metal from own operations to 451 213 oz 4E (H1 F2024: 434 977 oz 4E), following a strong performance from all mines, including a 15.1% increase in 4E metal in concentrate produced from own operations and surface sources at Eland to 37 488 oz 4E (H1 F2024: 32 574 oz 4E).
- 2.5% decrease in refined metal produced to 425 151 oz 4E (H1 F2024: 436 178 oz 4E) due to the planned rebuild of furnace 2.
- 7.7% increase in group unit cash costs per equivalent refined 4E ounce to R25 381/oz 4E (H1 F2024: R23 562/oz 4E), reflecting the impact of mining inflation and lower refined metal volumes during the first half of H1 F2025.
- 3.1% decrease in sales revenue to R14.5 billion (H1 F2024: R15.0 billion), primarily attributable to a 3.3% decrease in the 4E ZAR basket price to R23 457/oz 4E (H1 F2024: R24 269/oz 4E).
- 7.5% increase in chrome concentrate sales to 716 622 tonnes (H1 F2024: 666 692 tonnes).
- 55.2% decrease in operating profit to R1.1 billion (H1 F2024: R2.4 billion).
- 49.9% - 59.9% expected decrease in basic earnings per share.
- 44.7% - 54.7% expected decrease in headline earnings per share.
- Net debt as at 31 December 2024 of R6.1 billion with a net debt to EBITDA ratio of 1.26.
- R12.3 billion fully undrawn and available banking facilities.

Introduction

In terms of paragraph 3.4(b) of the JSE Limited Listings Requirements, companies are required to publish a trading statement as soon as they are satisfied, with a reasonable degree of certainty, that the financial results for the current reporting period will differ by at least 20% from the financial results of the previous corresponding period.

Northam Holdings' financial results for the six-months ended 31 December 2024 ("**H1 F2025**") are underpinned by a solid production performance. Notwithstanding this, Northam Holdings expects to report a decrease in basic and headline earnings per share for H1 F2025 compared to the previous six-months ended 31 December 2023 ("**H1 F2024**").

The table below provides key earnings per share information for H1 F2025, compared to that of H1 F2024:

	H1 F2025	H1 F2024	% Variance
Basic earnings per share (cents)	54.7 – 68.4	136.5	(59.9 – 49.9)
Headline earnings per share (cents)	55.0 – 67.1	121.4	(54.7 – 44.7)
Number of shares in issue including treasury shares	396 238 229	396 238 229	0.0
Weighted average number of shares in issue*	389 859 874	390 090 148	(0.1)

**The weighted average number of shares in issue has been used to determine the basic and headline earnings per share.*

Safety

The group's overall safety performance improved, with the total injury incidence rate ("**TIIR**") expressed per every 200 000 hours worked recorded at 1.08 (H1 F2024: 1.35).

However, we sadly lost two of our employees in separate incidents at Eland mine. On 5 August 2024, Mr Aubrey Katlego Sithole, a shotcrete assistant, passed away in a barring incident which occurred during shotcreting operations in a development tunnel and on 29 November 2024, Mr Koshi Charles Makhobo, an engineering fitter, was fatally injured whilst undertaking maintenance on a conveyor belt.

The safety of all of our employees remains of utmost importance and takes precedence over any production, operational or financial objectives.

Improving safety performance, as well as the health and wellness of our workforce, remain critical focus areas for the business.

Production

The first half of F2025 has seen further progress towards the group's strategic goals of growing safe and sustainable production down the industry cost curve.

Challenges remain, particularly in respect of metal prices, mining and energy cost inflation and the potential for Eskom load curtailment events. The tragedy of two fatalities during the period also demonstrates the potential for serious accidents, which remains an inherent ongoing risk.

Our growth programme remains on track, despite temporary pauses to specific project modules which do not have a detrimental impact on the overall objectives. These pauses represent appropriate management interventions to preserve liquidity whilst low Platinum Group Metal ("**PGM**") prices persist.

Our strategy of counter-cyclical growth and operational resilience pursued over the past decade has established a competitive and sustainable production base which is able to withstand medium to long-term cyclical downturns, including current market conditions. This strategic approach remains a differentiating factor for Northam.

A key feature of the period is the steady and robust production volumes delivered by all operations. Zondereinde benefitted from focussed Merensky stoping in the Western extension, together with logistical decongestion resulting from the ongoing shift in UG2 stoping from the western to the higher yielding eastern portions of the mine. Booysendal has reached its steady state production profile and is now focussing on productivity and efficiency gains, whilst Eland continues to ramp-up on schedule.

The group's equivalent refined metal from own operations increased by 3.7% to 451 213 oz 4E (H1 F2024: 434 977 oz 4E). Strong production growth was recorded at Eland, despite safety stoppages. Zondereinde achieved marginal production improvements, ahead of commissioning 3 shaft and despite an Eskom power outage during November 2024. Booysendal production also improved as a result of productivity gains. These achievements continue to demonstrate the quality of our operations and orebodies.

Group production of chrome concentrate increased by 7.5% to 716 622 tonnes (H1 F2024: 666 692 tonnes), as a result of improvements in UG2 tonnage throughput, feed grades and concentrator yields, and a notable increase at Eland.

Mining tonnages and grades across the group are expected to improve further over the coming two years upon our growth and innovation projects reaching completion and achieving their planned targets. These improvements, together with an expected increase in mineable reserves, will provide important additional operational flexibility.

Key production metrics for H1 F2025, compared to H1 F2024, are as follows (in oz 4E):

	H1 F2025	H1 F2024	% Variance
Equivalent refined metal production from own operations at Zondereinde	165 076	160 188	3.1
Concentrate production from own operations at Booysendal	256 759	250 004	2.7
Concentrate production from own operations and surface sources at Eland	37 488	32 574	15.1
Total equivalent refined metal production from own operations	451 213	434 977	3.7

Unit cash costs

The increase in unit cash costs across the group was restricted to 7.7%, averaging R25 381/oz 4E (H1 F2024: R23 562/oz 4E). This was primarily the result of increased mining production, improved concentrator feed grades and improved concentrator recoveries. Unit cash costs increased at Zondereinde by 8.0% to R26 752/oz 4E, at Booysendal by 7.0% to R18 383/oz 4E, and at Eland by 6.1% to R35 711/oz 4E.

Unit cash costs per 4E ounce for the group, and per operation, are as follows (in R/4E oz):

	H1 F2025	H1 F2024	% Variance
Zondereinde cash cost per equivalent refined 4E ounce	26 752	24 778	(8.0)
Booysendal cash cost per 4E ounce in concentrate produced	18 383	17 173	(7.0)
Eland cash cost per 4E ounce in concentrate produced	35 711	33 652	(6.1)
Group cash cost per equivalent refined 4E ounce	25 381	23 562	(7.7)

Sales revenue

Sales revenue amounted to R14.5 billion, a decrease of 3.1% (H1 F2024: R15.0 billion).

This is predominantly attributable to a 3.3% decrease in the 4E ZAR basket price to R23 457/oz 4E (H1 F2024: R24 269/oz 4E), resulting mainly from a decrease in the average ZAR/USD exchange rate achieved, i.e. a stronger Rand, of R17.92/USD (H1 F2024: R18.64/USD), together with the impact of the planned furnace rebuild.

The rebuild of furnace 2 was scheduled to minimise the impact on refined metal production during both the previous financial year as well as the current financial year. As a result, sales for F2025 will be lopsided, with the full year forecast estimated at between 980 000 and 1 020 000 4E ounces of equivalent refined metal.

The benefits from the full mine to market value chain in respect of chrome is clear. For H1 F2025, 716 622 tonnes of chrome concentrate was sold (H1 F2024: 666 692 tonnes), contributing 12.5% or R1.8 billion to total revenue. During the last quarter of calendar year 2024, stainless steel margins came under renewed pressure, which, coupled with ferrochrome oversupply, prompted stainless steel producers to reduce ferrochrome purchases, which in turn led to a decline in chrome ore prices towards the end of the period.

The current weakness in PGM prices continues to place significant pressure on revenue and therefore profitability.

Total revenue per equivalent refined 4E ounce sold decreased by 2.9% to R31 835/oz 4E (H1 F2024: R32 785/oz 4E).

The table below summarises metal volumes dispatched to the group's precious metal refiners, compared to metal volumes refined and sold, together with the average USD sales prices achieved (expressed per metal and on a 4E basis) during H1 F2025:

	Dispatched	Total refined metal produced	Total equivalent refined metal sold (including the sale of concentrate)	Average sales prices achieved
	oz	oz	oz	USD/oz
Platinum	272 259	257 860	276 796	953
Palladium	131 632	124 186	132 989	982
Rhodium	44 245	38 544	42 102	4 545
Gold	4 787	4 561	4 657	2 579
Total 4E	452 923	425 151	456 544	1 309

Included in total equivalent refined metal sold is concentrate sold to a third party to honour legacy offtake agreements relating to the Everest and Maroelabult operations, which contained 37 341 oz 4E in concentrate (H1 F2024: 24 497 oz 4E). Refined metal sold to the group's customers totalled 420 232 oz 4E (H1 F2024: 433 535 oz 4E).

Financial results

Sales revenue decreased by 3.1% to R14.5 billion, whilst cost of sales increased by 6.9% to R13.4 billion. This resulted in an operating profit of R1.1 billion (H1 F2024: R2.4 billion), and an operating profit margin of 7.5% (H1 F2024: 16.1%).

We operate a largely fixed cost business and consider increasing production, and doing so efficiently, to be our best defence against current global inflationary pressures and persistent weak metal prices. Our capital allocation and treasury decisions have been guided by our growth strategy and our results have benefitted from our consistent approach to growing our production base down the industry cost curve.

Earnings before interest, taxation, depreciation and amortisation ("**EBITDA**") amounted to R1.8 billion (H1 F2024: R3.2 billion).

Metal inventory on hand increased to 529 825 oz 4E, as a result of the impact of the planned furnace rebuild, with a Rand carrying value of R9.2 billion and a sales value of R15.1 billion when applying the 4E price and exchange rate as at the end of December 2024.

Our operations generated cash to the value of R419.2 million (before cash capital expenditure of R2.4 billion), impacted by negative working capital movements amounting to R1.2 billion relating to a build-up of inventory and the settlement of trade and other payables, before the December 2024 close.

In addition, the group paid R272.9 million in dividends and settled Domestic Medium Term Notes ("**DMTNs**") upon maturity and finance costs to the value of R1.2 billion.

As at 31 December 2024, the gross cash balance amounted to R4.0 billion.

During the period under review, Northam increased its existing revolving credit facility ("**RCF**") from R10.0 billion to R11.3 billion ("**RCF Increase**"). Northam proactively implemented the RCF Increase to further enhance liquidity and balance sheet flexibility in light of the current weak PGM pricing environment, and in the event that these circumstances prevail for a sustained period of time.

Northam's total available banking facilities now amount to R12.3 billion, comprising the RCF of R11.3 billion and existing general banking facilities ("**GBF**") of R1.0 billion. Both these facilities remain undrawn.

Capital expenditure

Capital expenditure of R2.4 billion related to significant activity on the Western extension project at Zondereinde, the ongoing ramp-up at Eland, and mining fleet purchases and concentrator upgrades at Booysendal South. Further development activity at Zondereinde and Eland is planned for the 2025 calendar year.

At Zondereinde mine, stoping is ramping-up within the Western extension section. Equipping of 3 shaft for personnel and material transport, as well as the provision of services, is in progress. This includes the establishment of the intermediate pumping chamber, which is a key milestone. Reaming of 3a ventilation shaft also continues. Both shafts are scheduled for commissioning at the end of the 2025 calendar year. This will deliver efficiency benefits to mining in the Western extension section. Pilot drilling of 3b rock hoisting shaft is complete, reaming will commence, with shaft commissioning scheduled for the 2028 calendar year.

At the group's metallurgical facilities, upgrades to the base metal removal plant are progressing well and the expanded and upgraded furnace slag concentrator will soon start to improve overall metal recovery. The planned rebuild of furnace 2, which commenced during May 2024, was completed on schedule in August 2024.

At Booysendal, all mining modules are operating at steady state levels. Decline development is continuing in order to increase mineable reserves and enhance operational flexibility.

At Eland mine, processing of ore from surface sources continues, whilst ore production from underground mining ramps up, with an increase in stoping crews operating ahead of production and consequently impacting unit cash costs, circumstances that will normalise over the coming two years. Development of the decline system was resumed after a temporary pause, as part of a capital trimming exercise, and a planned reconfiguration of the mine's ventilation circuit towards the end of the current financial year will contribute positively towards accelerated decline development rates from F2026 onwards. A new 4.5 metre diameter raise-bored ventilation shaft has significantly improved environmental conditions, particularly in the deeper sections of the mine that are critical to the medium-term ramp-up and facilitated the planned ventilation reconfiguration. Focus remains on strike and raise development, in order to increase mineable reserves. Underground stoping ramp-up continues on track. This is yielding meaningful increases in own 4E metal production.

Enhancements to the PGM and chrome concentrator circuits at each of the mines are starting to generate low-risk and profitable improvements in metal recoveries.

Capital expenditure for the remainder of F2025 is estimated at R2.2 billion, with the bulk being invested in focussed growth programmes.

The development of an 80 MW solar power facility at Zondereinde is in progress, in collaboration with an Independent Power Producer through a Power Purchase Agreement. Power will be supplied behind the Eskom meter and will thus not be subject to load curtailment events. Construction has commenced, and commissioning is scheduled midway through F2026. Once operational, the facility will improve security of power supply, whilst reducing energy costs and the mine's carbon footprint.

Conclusion

Commodity markets are known for their cyclicality. The current outlook for global PGM demand and supply remains uncertain which in turn results in an uncertain outlook for PGM prices. A raft of global geopolitical and macro-economic issues have the potential to cause further disruption to the PGM markets and metal prices, whilst the possibility of Eskom load curtailment events could lead to additional operational disruption and challenges. We continue to monitor the market and are confident that our recently commissioned additional on-demand self-generation capacity units at all our operations will significantly contribute towards mitigating risks associated with load curtailment events.

The prevailing low PGM price environment is constraining earnings across the entire PGM sector. The sector's ability to respond to lower PGM prices by suspending or reducing costs is limited, as the majority of mining costs are fixed in nature. This is consequently constraining cash generation across the sector, requiring ever more prudent management of liquidity.

The following factors have been considered as part of the liquidity management of the group:

- The group's growth strategy is focussed on growing production down the industry cost curve by developing shallow, mechanisable orebodies. Our programme of optimising existing operations continues and remains on track. We have utilised our balance sheet to grow the business and the project pipeline has been funded through cash generated by our operations, as well as the utilisation of our banking facilities and our R15.0 billion DMTN Programme.
- The staggered maturity profile of Northam's DMTN Programme provides an additional degree of certainty and flexibility to prudent cash flow management. Northam has proactively managed its DMTN Programme's maturity profile to appropriately match the production growth build-up, and therefore the expected cash generation capacity of the group. Furthermore, the maturity profile has been staggered over a number of years to enhance and protect our liquidity position through metal price cycles.
- The group's available banking facilities amount to R12.3 billion, comprising an R11.3 billion RCF and a R1.0 billion GBF. These facilities remain fully undrawn.
- Should market conditions deteriorate, adjustments will be made to the group's expansionary capital expenditure, if necessary, to preserve liquidity.

In light of the prevailing market uncertainty, Northam remains internally focussed and places full emphasis on operational excellence, particularly surrounding safe, sustainable production, and efficient mining at the right cost. Cash generation and preservation remain particular focus areas.

Relative positioning on the industry cost curve, and the ability to retain operational flexibility and balance sheet strength, remain a key differentiator for the group.

The financial information contained in this announcement is the responsibility of the board of directors of Northam Holdings and has not been reviewed or reported on by Northam Holdings' auditors, PricewaterhouseCoopers Incorporated. The reviewed results for Northam Holdings for H1 F2025 are expected to be published on or about Friday, 28 February 2025.

Johannesburg

12 February 2025

Corporate Advisor and Sponsor to Northam Holdings
One Capital

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