

NEWS RELEASE

IMPLATS DELIVERS STRONG FULL-YEAR EARNINGS, ADVANCES PROGRESS ACROSS STRATEGIC OBJECTIVES

Johannesburg, 1 September 2022 – Implats continued to deliver strong absolute earnings and free cash flow generation for its full year to end 30 June 2022, despite navigating several operational challenges and lower prevailing rand PGM pricing. Headline earnings of R32.0 billion or 3 853 cents per share were, respectively 12% and 17% lower than the prior comparable period. The Group generated free cash flow of R28.8 billion, closing the period debt free and with net cash of R26.5 billion (excluding leases). The Implats board approved the declaration of a final cash dividend of 1 050 cents per ordinary share, bringing the total dividend for the full year to 1 575 cents per share.

Implats CEO, Nico Muller, said: *“In a period typified by increasing global macro-economic headwinds, escalating geopolitical conflict, and several localised challenges, Implats continued to reap the benefit of elevated metal pricing, albeit off the record levels achieved in the prior comparable period. During the year, the Group advanced a suite of ambitious organic growth projects, pursued value-accretive acquisitive growth, concluded an historic wage agreement, strengthened its organisational flexibility, contributed to the socio-economic improvement of mine-host communities and shared significant value with its stakeholders. This continued strong performance is a testament to Implats’ increasing strategic and operating agility and the significant capabilities of our resilient and innovative people.*

“Despite lower received rand PGM pricing and sales volumes, Implats delivered strong absolute earnings and free cash flow. This was achieved while navigating numerous operational challenges, including rising input costs, constrained supply chains and labour market tightness, the impacts of which were compounded by extended safety stoppages, intermittent power supply and periods of community unrest.

“The progress made on our strategic journey has resulted in a stronger Implats, able to withstand numerous headwinds. Implats ended the period with a strong and flexible balance sheet, well-positioned to fund its planned capital expenditure programme, sustain shareholder returns and pursue a range of exciting strategic options to further enhance value delivery for all stakeholders and ensure long-term sustainability for the Group.

“We are proactively pursuing the conclusion of the offer process associated with our proposed acquisition of Royal Bafokeng Platinum, with a key focus on securing outstanding regulatory approval from the Competition Tribunal.

“Our operational focus in the near term is on re-establishing positive operational momentum at Impala Canada and Impala Rustenburg, ramping up installed milling capacity at Zimplats and Two Rivers and the timeous and cost-effective advancement of our significant suite of life-of-mine extension, growth and environmental projects across the Group’s mining and processing assets.”

KEY FEATURES FOR THE 12 MONTHS ENDED 30 JUNE 2022

Safety and sustainability

- Regrettably, five fatal incidents resulted in seven fatal injuries at managed operations
- 14% improvement in LTIFR to 4.21¹
- R4.3bn allocated over next five years to energy security and decarbonisation
- No major environmental incidents, with a 43% reduction in limited-impact incidents (Level 3) to four
- MSCI ESG rating upgraded to 'A' from 'BBB'
- Included in the S&P Global Sustainability Yearbook 2022 – and the only company, globally, awarded the Metals and Mining Industry Mover Award
- Historic five-year wage agreement concluded at South African operations

Operational

- 4% decrease in Group 6E concentrate production to 3.17Moz
- 4% decrease in managed 6E concentrate production to 2.27Moz
- 2% decrease in JV operations' 6E concentrate production to 548koz
- 2% decrease in third-party 6E receipts to 351koz
- 6% decrease in refined 6E production to 3.09Moz
- 4% decrease in 6E sales volumes of 3.15Moz
- Group 6E unit costs rose 17% to R17 364 per ounce (stock-adjusted)
- Consolidated Group capital expenditure of R9.1bn, up 41%
- 4% increase in 6E Group Mineral Reserves to 55.7Moz

Financial

- Gross profit of R41.3bn and gross margin of 35%
- EBITDA of R53.4bn and EBITDA margin of 45%
- Headline earnings of R32.0bn or 3 853c per share
- Free cash flow of R28.8bn
- Closing cash of R26.5bn, net of debt (excluding leases)
- 48% of free cash flow allocated to shareholder returns
- Final dividend of 1 050c per share, bringing total FY2022 dividend to 1 575c per share

Market

- 6E dollar basket pricing down 4% to US\$2 481/oz
- Rand revenue per 6E ounce sold decreased by 4% to R37 703/oz sold
- Tightening markets for Pd and Rh in 2022, with fundamental surplus expected in Pt
- Auto production recovery and investment in industrial capacity counter uncertain macro-economic outlook

SAFETY

Implats' goal is to eliminate harm to the health and safety of our employees and contractors, and safe production remains our foremost priority. It is with deep regret the Group reported eight employee fatalities in the year, with seven at its managed operations. The board of directors and the management team have extended their sincere condolences to the families and friends of our lost colleagues, and the Group offers ongoing support to their families.

¹ Per million man-hours worked

Following investigations in each case, the Group has renewed its focus on visible leadership, mining discipline and targeted safety interventions. Heightened safety measures implemented, which were shared across the Group and industry, resulted in a fatal-free final quarter.

During the 12 months to end-June 2022, the Group's fatal injury frequency rate deteriorated to 0.056 per million man hours worked. The lost-time injury frequency rate and the all-injury frequency rate however, improved by 14% to 4.21 and by 1% to 9.76 per million man hours worked, respectively (FY2021: 4.92 and 9.84). By year end, 12 of the Group's 17 operations had achieved millionaire or multi-millionaire status in terms of fatality free shifts.

The Group is focussed on re-establishing the excellent safety performance it demonstrated in the prior comparable period, which saw several historic records reached and earned Implats the MineSafe 2021 Best Safety Performance in the PGM Sector award.

KEY PROJECTS

Significantly, during the year Implats announced a commitment to a five-year, R50 billion capital investment programme to extend life-of-mine development at several of its operations, increase beneficiation capacity, strengthen energy security and ensure the Group meets its decarbonisation targets. Of this capital investment, R9 billion is earmarked to expand its South African and Zimbabwean smelting and refining facilities. In addition, around R8 billion will be invested across managed and joint venture (JV) South African mining operations over the next few years to extend life-of-mine at producing mines, secure meaningful employment and entrench South Africa's status as a stable and sustainable global PGM producer, to support enduring benefits for all stakeholders.

Added to several other life-of-mine extension projects at the Impala Rustenburg operation, Implats is confident of sustaining and growing total refined 6E PGM supply from its southern African assets over the next decade. Projects under study and in implementation at our integrated processing assets will benefit the southern African region's production, reduce the Group's processing environmental footprint and directly increase local beneficiation, positioning the region more competitively as a global mine-to-market PGM producer.

In November 2021, the Group launched the proposed acquisition of Royal Bafokeng Platinum (RBPlat), a transaction with the potential to transform the outlook of its key Western Limb assets at Impala Rustenburg, while ensuring long-term sustainable PGM production and continued economic benefits for the greater Rustenburg area and its communities.

Energy security and decarbonisation projects

Over the next five years, R4.3 billion has been allocated to ensure each operation has renewable energy in the mix, to meet the Group's decarbonisation targets and strengthen energy security. Impala Canada is already 95% powered by renewable hydro power (5% natural gas), and Zimplats' energy mix is 50:50 thermal to renewable hydro power.

Zimplats has obtained a 185MW power generation license, with the first phase of a solar photovoltaic (PV) project (35MW, US\$37m) in progress. This is the first large-scale project towards meeting the Group's short-term (2030) decarbonisation target of a 30% reduction against the 2019 baseline, and it supports Implats' stated ambition of achieving carbon neutrality by 2050.

In addition, several studies are underway — 33MW of solar PV generation is at feasibility stage at Marula, and pre-feasibility studies were completed at Impala Rustenburg and Impala Refineries — to establish additional renewable energy capacity of around 300MW by 2030, with additional capacity possible. These studies are conducted in parallel to Implats' programme to purchase electricity from independent power producers.

Zimplats' mine replacement and beneficiation projects

In November 2021, the board approved the expansion of existing smelter capacity at Zimplats and the installation of SO₂ abatement to mitigate its air quality impacts, at a total capital vote of US\$521 million. Together with the phased solar projects, this will result in an industry-leading environmental footprint for the Zimbabwean smelting facilities. This expansion will accommodate an additional 600 000 6E PGM ounces per annum, the matte from which will be transported to the existing South African processing facilities for further refining.

The US\$468 million mine replacement projects, focused on upgrading Bimha Mine and developing the new Mupani Mine, progressed well and remain ahead of schedule. Bimha and Mupani will replace the Ngwarati, Rukodzi and Mupfuti mines, on their depletion.

The construction of an initial 0.9 million tonne per annum module at the third concentrator plant (US\$104 million), together with associated additional mining fleet (US\$18million) and infrastructure, is on schedule, with commissioning planned in FY2023.

In addition, studies are underway to refurbish and commission the base metal refinery at Zimplats, affirming our commitment to furthering in-country beneficiation.

Impala Refineries projects

The nature and quantum of ore feeds contributing to the Group's PGM production continues to evolve over time, while ounce production is set to increase in line with Implats' growth and beneficiation strategy — as such, R3.9 billion over five years has been allocated to improving the South African refining facilities. Circa R500 million was approved to de-bottleneck sections of the Base Metals Refinery in Springs and expand treatment capacity by circa 10% in the medium term to provide room for future growth. In addition, the Group is building a new precious metals facility, including three new processing sections and acquired utilities and ancillary areas. Feasibility studies into further capacity expansions at the South African base and precious metals refineries are also well advanced.

Marula's Phase II expansion project

The R5.1 billion Marula Phase II project was approved by the board during the year. It serves to replace production as the current Marula life-of-mine depletes and includes a concentrator plant expansion allowing for incremental production growth. The project will deliver a 17-year life-of-mine extension to FY2039, with a circa 20% increase in milling capacity to 2.4 million tonnes per annum.

Two Rivers' Merensky mine, UG2 plant expansion and tailings projects

After experiencing delays due to Covid-19-related supply-side challenges, the pace of project execution at Two Rivers accelerated in FY2022. In partnership with African Rainbow Minerals, Implats has committed R5.7 billion over the next five years to construct a new Merensky mine at the Two Rivers operation. The Merensky mining project will expand production by circa 180 000 6E ounces. Implats has a 46% stake in Two Rivers, but 100% of the 180 000 ounces of 6E PGM project production will be treated through the Group's smelting and refining facilities.

The 40 000 tonne per month UG2 plant expansion was commissioned in early H2 FY2022, with mining rates ramping up to maintain higher annualised feed rates to secure increased ounce production. Expansion of the tailings storage facility (TSF), which facilitates both the UG2 expansion and Merensky project, is nearing completion.

Mimosa's North Hill project

The US\$90 million North Hill project will extend Mimosa's life-of-mine by circa 10 years to FY2044 and sustain 227 000 tonnes per month into the existing processing plant. The feasibility study was completed and presented to the Mimosa board in FY2022 and a Memorandum of

Understanding to support the project execution is under discussion with the Zimbabwean government. A plant optimisation project underway is aimed at improving process recoveries.

Impala Canada mill decoupling project

A mill decoupling project at Impala Canada was approved in May 2021 and will decouple the SAG mill from the crushing section to optimise the availability of milling capacity, throughput and grind.

Royal Bafokeng Platinum (RBPlat) transaction

The Group launched the proposed acquisition of RBPlat in November 2021, with an offer of R90.00 in cash and 0.3 Implats shares per RBPlat share. At year end, the Group held 37.83% in RBPlat, and the transaction was still subject to regulatory approval. The proposed transaction is highly compelling — creating sustainable socio-economic benefits for the Rustenburg region and its communities, securing employment, unlocking significant value from the neighbouring operations and contiguous orebodies of Impala Rustenburg and RBPlat, and securing a Western Limb production base to entrench the region's position as the most significant source of global primary PGM production. The RBPlat board's recommendation of the offer and the achieved ownership levels to date indicate the broad support received and affirms the strategic rationale and value proposition provided by the acquisition.

The considerable organic and acquisitive growth ambitions outlined above, were made possible by a relentless focus in recent years on achieving an optimal capital structure and ensuring that windfall profits from the current PGM cycle are appropriately harnessed to secure enduring benefit through enhanced flexibility and asset integrity to entrench operational excellence.

SUSTAINABILITY

Implats' aspiration is to become an industry leader in ESG, producing metals that sustain livelihoods beyond mining and create a better future. The Groups' achievements in sustainable development during the year were anchored by a sound environmental and social performance, an increase in capital allocation to ESG projects, and through prioritising safe, responsible, competitive and consistent operational delivery, while applying industry leading ESG practices.

During the year, Implats was honoured to be recognised for its outstanding ESG performance. The Group retained, and in some cases improved several important external rankings by leading global and regional agencies. Implats' MSCI ESG Rating was upgraded to 'A' from 'BBB,' reflecting an improved approach to emissions and water management, and its strong governance structures. The Group was also proud to be one of only four JSE-listed metals and mining companies to be included in the S&P Global Sustainability Yearbook 2022 — and the only company, globally, awarded the Metals and Mining Industry Mover Award.

For the third consecutive year, Implats achieved an 'A' rating by the Carbon Disclosure Project (CDP) for management of water security risk, a 'B' rating for climate change action and disclosures, and was included in the Bloomberg 2022 Gender-Equality Index. Implats remains a constituent of the FTSE4Good Index Series and the FTSE/JSE Responsible Investment Top 30 Index. All operations, bar Impala Canada, are ISO 14001:2015 certified, with three out of the five operations also ISO 45001:2018 certified. Impala Refineries holds the London Palladium and Platinum Markets Responsible Sourcing Standard certificate.

Please visit www.implats.co.za for the detailed breakdown on our social, environmental and health and wellbeing performance.

GROUP OPERATIONAL REVIEW

Implats navigated several operating challenges during the year. Extended safety stoppages, intermittent industrial action and power supply interruptions at Impala Rustenburg had a notable impact on production, while a storm-related provincial power outage, ongoing supply-chain and labour availability

constraints hampered operational continuity at Impala Canada. Marula delivered record production in the period and Zimplats sustained production levels despite a complex operating environment and increased project activity.

- **Tonnes milled** from the Group's managed operations decreased by 4% to 22.36 million tonnes (FY2021: 23.21 million tonnes) with lower reported volumes at Impala Rustenburg and Impala Canada offsetting improved throughput at Marula and Zimplats
- **Total 6E concentrate production** of 3.17 million ounces was 4% lower (FY2021: 3.29 million ounces). 6E concentrate production at managed operations decreased by 4% to 2.27 million ounces (FY2021: 2.37 million ounces). Production volumes at the JV Two Rivers operation were impacted by extended safety stoppages while the JV at Mimososa continued to grapple with a drop in process recoveries. 6E concentrate production from JV operations declined by 2% to 548 000 ounces (FY2021: 561 000 ounces). Third-party 6E concentrate receipts decreased by 2% to 351 000 ounces (FY2021: 358 000 ounces) as the ramp-up of deliveries from new contracts was slower than expected, with third-party customers facing a series of operational challenges
- **Group refined 6E production** of 3.09 million ounces (including equivalent refined production from Impala Canada) was 6% lower (FY2021: 3.27 million ounces), impacted by lower concentrate production and the extended maintenance required on the Number 3 furnace at Impala Rustenburg. Refined volumes in the prior comparable period benefitted from increased availability of processing capacity due to the timing of annual processing maintenance
- Inflationary pressures from energy and consumables were compounded by the additional headcount across the Group and the payment of the previously signalled discretionary employee bonus in recognition of the strong financial performance in FY2021. **Total cash operating costs** increased by 12%, with the impact of lower mined and refined volumes resulting in a 17% increase in **unit costs** to R17 364 per 6E ounce (FY2021 R14 840 per ounce) on a stock-adjusted basis
- **Capital expenditure** increased by 41% to R9.1 billion (FY2021: R6.4 billion) as investment accelerated across the mining and processing operations at Impala Rustenburg and several Group replacement and growth projects were initiated during the period. Spend in the prior comparable period was constrained by Covid-19-related factors.

Please visit www.implats.co.za for the detailed breakdown per operation.

FINANCIAL REVIEW

Implats continued to deliver robust EBITDA, earnings and free cash flow in FY2022 despite lower rand PGM pricing and the need to navigate several operational challenges. Implats' strong and flexible balance sheet allowed the Group to pursue value-accretive organic and acquisitive growth, while maintaining its stated commitment to sustainable shareholder returns.

- **Revenue** of R118.3 billion was 9% lower than the prior comparable period due to 4% lower 6E sales flowing from lower production volumes and extended furnace maintenance, 4% lower dollar revenue per 6E ounce sold, and rand revenue per 6E ounce sold decreasing by 4%
- **Cost of sales** increased 1% to R77.0 billion, largely due to increased cash costs and depreciation, coupled with lower metals volumes purchased, softer rand metal pricing and lower royalty expenses
- The combination of lower revenue and higher cost of sales reduced **gross profit** by 23% to R41.3 billion
- The Group recorded **EBITDA** of R53.4 billion (FY2021: R61.4 billion) at an EBITDA margin of 45% (FY2021: 47%)
- **Basic earnings** declined to R32.0 billion or 3 856 cents per share (FY2021: R47.0 billion or 5 996 cents per share)

- **Headline earnings** of R32.0 billion or 3 853 cents per share were 12% and 17% lower, respectively
- The Implats board approved the declaration of a **final dividend** of R8.9 billion or R10.50 per ordinary share, bringing the total dividend for FY2022 to R15.75 per share (FY2021: R22.00 per share). The dividend was declared from retained earnings and will be paid on Monday, 26 September 2022
- **Net cash** from operating activities of R34.9 billion declined by 16% or R6.9 billion due to lower sales volumes delivered into weaker average rand pricing
- The Group balance sheet remained debt free, with **closing net cash** (excluding finance leases of R1.2 billion) increasing to R26.5 billion (FY2021: R23.5 billion). At the end of the period, the Group had undrawn, dual-tranche revolving credit facilities of R6 billion and US\$125 million in place, resulting in **liquidity headroom** of R34.5 billion
- The Group generated R29.9 billion in adjusted **free cash flow** (FY2021: R36.0 billion). Of this, 38% was allocated to growth and investment through funding the cash consideration for the Group's 37.83% investment in RBPlat, investment in brownfield expansion projects at our processing operations, and contributions to AP Ventures. Free cash flow allocation to shareholder returns, through the interim and final dividends and payments to Zimplats minority shareholders, accounted for circa 47% of adjusted free cash flow in the period.

MARKET OUTLOOK (calendar years unless otherwise stated)

All three major PGM markets – platinum, palladium, and rhodium – recorded fundamental surpluses in 2021. The combination of accelerated destocking of producer inventories, coupled with the shortfall in expected auto demand due to the worsening semi-conductor chip shortage, resulted in a year characterised by extreme volatility with tight physical markets and price support in the first half of the year countered by increased primary and secondary refined supplies and erratic auto purchasing in the latter months.

2022 has seen several revisions to forecast PGM demand and supply: supplies will be impacted by operational challenges at South African and North American operations, refined volumes will be affected by required maintenance at several major processing complexes, and the pattern of Russian sales is complicated by the potential impact of restrictions on routes to market. From a demand perspective, auto volumes have been downgraded by the lingering impact of supply chain challenges, the lockdown in China in the first six months of the year and the deteriorating outlook for global growth, in Europe in particular. Industrial demand is expected to soften off the high base of 2021 and a weaker Chinese jewellery market will offset growth elsewhere.

Group forecasts indicate tight rhodium and palladium markets and continued surpluses in the platinum market in 2022.

OUTLOOK AND GUIDANCE

Macro-economic uncertainty, inflationary pressures and geopolitical challenges are likely to persist in FY2023 and the Group remains vigilant in timeously assessing and responding to the risks this uncertain environment presents to its people, operations, and the implementation of its strategy.

PGM pricing remains robust, and the Group has retained a strong and flexible balance sheet which provides a meaningful underpin to its ability to withstand short-term headwinds and fluctuations in consumer and industrial demand, while pursuing its capital investment programme and sustaining attractive shareholder returns.

Mine-to-market concentrate volumes in FY2023 will be supported by growth from Zimplats and Two Rivers and the expected improvement in operating momentum at Impala Rustenburg and Impala Canada. The conclusion of two contracts at IRS will result in lower third-party receipts.

- Group 6E refined production is expected to be between 3.0 and 3.15 million ounces and will be impacted by the scheduled rebuild of a Rustenburg furnace during the period. Group sales are expected to be in line with refined volumes
- Group unit costs are forecast to rise by between 5% and 11% to between R18 200 and R19 200 per 6E ounce on a stock-adjusted basis
- Group capital expenditure is forecast to be between R11.5 and R12.5 billion, inclusive of growth capital of R2.9 to R3.3 billion
- This guidance assumes exchange rates of R16.00/US\$ and C\$1.26/US\$, respectively.

Ends

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About Implats

Impala Platinum Holding Limited (Implats) is a leading producer of platinum group metals (PGMs). Implats has six mining operations and its toll-refining business, Impala Refining Services. Its mining operations span the Bushveld Complex in South Africa, the Great Dyke in Zimbabwe and the Canadian Shield and include Impala Rustenburg, Zimplats, Marula, Impala Canada's Lac des Iles, Mimosa and Two Rivers. The Group's head office is in Johannesburg.

Implats employs more than 56 000 people across all operations and is focused on creating a better future. The Group aspires to deliver value through excellence and execution and its commitment to responsible stewardship and long-term value creation.

The metals produced by Implats are key to making many essential industrial, medical and electronic items — and they contribute to a cleaner, greener world. Implats actively develops markets for its PGM products, which are sold in South Africa, Japan, China, the US and Europe.