NEWS RELEASE

IMPLATS DELIVERS SUSTAINED PRODUCTION MOMENTUM AND A STRONG FINANCIAL PERFORMANCE

Johannesburg, 2 March 2023 – Implats delivered sustained production momentum and benefitted from strong demand for its primary products in the half year ended 31 December 2022, amid a robust rand PGM pricing environment, which mitigated the financial impact of broad-based inflationary pressures.

Against this backdrop, the Group delivered headline earnings of R14.0 billion or 1 654 cents per share, generated free cash flow of R11.0 billion after funding capital expenditure of R4.9 billion, and ended the period debt free with net cash of R27 billion (excluding leases). The board of directors declared an interim dividend of 420 cents per share, with 36% of free cash flow allocated to shareholder returns.

Implats CEO, Nico Muller, said: *"The benefits of our geographically diverse production footprint and maiden contributions from our suite of growth projects countered the challenging global macro-economic and operating environment, which was typified by high inflation and intensified utility-level power constraints in South Africa. Operating momentum was sustained during the period, and there was limited direct impact on mined volumes from escalating load curtailment in South Africa.*

"The Group's financial performance was supported by robust rand PGM pricing and destocking refined metal inventory to offset the impact of lower refined volumes, but was hampered by broad-based inflationary pressures and a marked rand depreciation.

"Implats delivered significant EBITDA and free cash flow generation, maintained a strong and flexible balance sheet and sustained its commitment to consistent shareholder returns - while simultaneously funding increased rates of capital expenditure across a suite of mining and processing projects.

"Implats' progress on its journey to achieve its purpose – creating a better future – gained momentum, and the Group was delighted to again receive several accolades recognising its excellence in environmental, social and governance (ESG) management.

"Rand PGM pricing remains robust and we are well positioned to pursue our capital investment programme and sustain attractive shareholder returns. The operational focus for the remainder of FY2023 is on ensuring stability at our South African mining and processing assets during an expected period of inflationary pressure and more persistent load curtailment, and recommissioning the refurbished Number 4 smelter at Impala Rustenburg in Q4 FY2023.

"Implats is committed to rigorous stakeholder engagement as we navigate the changeable socio-economic environment in South Africa and Zimbabwe and pursue the successful conclusion of our proposed acquisition of a majority stake in Royal Bafokeng Platinum."

KEY FEATURES FOR THE SIX MONTHS

Safety and sustainability

- Regrettably, two fatal injuries recorded at managed operations
- 12% improvement in TIFR to 9.16*
- R4.3bn allocated over next five years to energy security and decarbonisation
- Social performance projects benefitted 130 000 people
- In 89th sector percentile of S&P Dow Jones Sustainability Index
- ESG performance ranked ahead of sector peers by FTSE Russell

Operational

- Benefit of geographical diversification and maiden contributions from growth projects
- Challenging operating context with high inflation and power constraints
- 2% increase in managed 6E concentrate production to 1.18Moz
- JV operations maintained 6E concentrate production at 270koz
- 10% decrease in third-party 6E receipts to 169koz
- 9% decrease in refined and saleable 6E production to 1.48Moz
- 2% decrease in 6E sales volumes to 1.52Moz
- Group unit costs rose by 15% to R19 346 per 6E ounce (stock-adjusted)
- Consolidated Group capital expenditure of R4.9bn
- Maintained key FY2023 production guidance

Financial

- Gross profit of R17.2bn and EBITDA of R24.5bn
- Headline earnings of R14.0bn or 1 654c per share
- Free cash flow of R11.0bn
- R27.0bn cash net of debt (excluding leases)
- Liquidity headroom of R35.1bn
- 36% of adjusted free cash flow allocated to shareholder returns
- Interim dividend of 420c per share

Market

- Dollar revenue per 6E ounce sold down 9% to US$2 199/oz
- Rand revenue per 6E ounce sold increased by 5% to R38 117/6E oz sold
- PGM markets set to tighten on demand recovery and constrained supply in 2023

**per million man-hours worked*

RESULTS COMMENTARY

Implats delivered sustained production momentum and saw strong demand for its primary products in the half year ended 31 December 2022 ("the period"), amid a robust rand PGM pricing environment, mitigating the financial impact of broad-based inflationary pressures. The benefits of a geographically diverse production footprint and initial contributions from its suite of growth projects countered the challenging operating environment, which was typified by high inflation and intensified utility-level power constraints in South Africa.

Safe production remains the Group's foremost priority, with the goal of eliminating harm to the health and safety of our employees and contractors. Despite much-improved safety metrics from a focus on visible leadership and mine-safety discipline, it is with deep regret the Group reports two employee fatalities at managed operations during the period.

During the six months to end-December 2022, the Group's fatal injury frequency rate improved 60% to 0.032 per million man hours worked (H1 FY2022: 0.080). The total injury frequency rate improved 12% to 9.16 (H1 FY2022: 10.45) and the lost-time injury frequency rate deteriorated 4% to 4.05 per million man hours worked (H1 FY2022: 3.88). By period end, 13 of the Group's 17 operations had achieved millionaire or multi-millionaire status in terms of fatality free shifts.

Implats reaped the benefit of its geographically diverse production portfolio and saw maiden contributions from a suite of expansion projects in execution across the asset base during the period, despite a challenging global macro-economic and operating environment. Operating momentum was sustained, and there was limited direct impact on mined volumes from escalating load curtailment in South Africa.

The South African processing assets were somewhat constrained by the timing of scheduled maintenance and the increased severity and frequency of load curtailment. In total, an estimated 9 000 6E ounces of mined volumes were foregone and circa 38 000 6E ounces of refined production deferred due to power constraints during the period.

Concentrate production at our managed operations at Impala Rustenburg, Impala Canada, Zimplats and Marula increased by 2% to 1.18 million 6E ounces (H1 FY2022: 1.16 million ounces). 6E concentrate production from JV operations, Two Rivers and Mimosa, was unchanged at 270 000 ounces, while third-party 6E receipts of 169 000 ounces were 10% lower than those in the prior comparable period, with several operational challenges reported at peer group producers, including load curtailment and severe weather events. In total, 6E in concentrate volumes produced were stable at 1.62 million ounces (H1 FY2022: 1.62 million ounces).

Group refined production of 1.48 million 6E ounces, including saleable production from Impala Canada, declined by 9% (H1 FY2022: 1.62 million ounces). Smelting capacity was constrained by increased load curtailment and the scheduled rebuild of the Number 4 Furnace in Rustenburg, which started in late November 2022. Implats ended the period with circa 140 000 6E ounces of excess inventory (H1 FY2022: nil).

Notable rand depreciation resulted in additional inflationary pressures, compounding the impact of high energy and consumables pricing on the translated cost and capital expenditure at the Zimbabwean and Canadian operations. Total cash operating costs increased by 15%, while unit costs were further impacted by lower refined production and, on a stock-adjusted basis, increased by 15% to R19 346 per 6E ounce (H1 FY2022: R16 756 per 6E ounce).

Capital expenditure at managed operations rose by 39% to R4.9 billion (H1 FY2022: R3.6 billion) as expenditure on replacement and growth projects accelerated and the rand weakened against the dollar. Stay-in-business spend of R3.2 billion, replacement capital of R1.1 billion and expansion capital of R0.7 billion increased by 15%, 88% and 191%, respectively.

The Group's financial performance was supported by robust rand PGM pricing and destocking refined metal inventory to offset the impact of lower refined volumes, and was hampered by broad-based inflationary pressures and a marked rand depreciation. Implats delivered significant EBITDA and free cash flow generation, maintained a strong and flexible balance sheet and sustained its commitment to consistent shareholder returns — while simultaneously funding increased rates of capital expenditure across a suite of mining and processing projects.

Revenue of R57.8 billion increased by 4%, cost of sales of R40.6 billion increased by 8% and Implats delivered gross profit of R17.2 billion. EBITDA of R24.5 billion was achieved at an EBITDA margin of 42%.

Basic and headline earnings increased by 1% both to R14.0 billion. Basic and headline earnings per share of 1 648 cents per share and 1 654 cents per share were 3% and 2% lower, respectively. The weighted average number of shares in issue increased by 30.2 million to 847.6 million, with the total number of ordinary shares increasing to 852.7 million shares at period end, including treasury shares. A total of 2.5 million Implats shares, with a fair value of R454 million, were issued as part settlement for acquiring an additional 8.4 million RBPlat shares in the period.

The Group generated R11.0 billion in free cash flow, after capital investment of R4.8 billion at its managed operations and ended the period with net cash after debt of R27.0 billion and liquidity headroom of R35.1 billion. The board of directors declared an interim dividend of 420 cents per share.

MARKET OUTLOOK (calendar years unless otherwise stated)

Palladium and rhodium markets tightened in 2022, recording deficits of 800 000 ounces and 62 000 ounces, respectively. Primary supply retraced as work-in-process inventory releases moderated and South African processing capacity was constrained by maintenance and increased load curtailment. Automotive supply-chain constraints eased and underpinned a modest recovery in light-duty vehicle production, while industrial demand remained robust. Platinum benefitted from underlying auto and industrial demand growth but saw negative investor sentiment as the precious metals complex came under pressure and ETFs returned metal to the market, leading to a post-investment surplus of 336 000 ounces in 2022.

PGM pricing exhibited extreme intra-period volatility in 2022, spiking in the early months of the year on escalating supply-side risks and then easing over subsequent months as the global macro-economic outlook deteriorated, inflation rose, monetary policy was tightened, the dollar dominated and physical demand was vulnerable to intermittent shocks from lockdowns associated with China's stringent zero-Covid policies. The average pricing of all three major PGMs retraced in 2022, although platinum closed the period higher than it opened, and palladium and rhodium prices closed lower.

The global macro-economic backdrop is expected to become more benign in 2023. Dollar dominance is expected to ease, supporting a recovery in precious metal pricing which has been buffeted by rising speculative length and soft physical demand due to Chinese and OEM destocking in the opening weeks of the year.

PGM markets are expected to tighten during 2023, as auto production progressively recovers from recent supply chain constraints, China moves away from its zero-Covid policy and industrial demand remains resilient. The risk to primary global supply has been elevated by the escalation in load curtailment in South Africa and logistical and supply chain constraints in Russia. Secondary supply should deliver modest growth, but remains vulnerable to rising funding and freight costs, constrained processing capacity and weak auto sales in developed markets.

OUTLOOK AND GUIDANCE

Rand PGM pricing remains robust and the Group retained a strong and flexible balance sheet, which provides a meaningful underpin to navigate the pricing impact of short-term fluctuations in consumer and industrial demand while it pursues its capital investment programme and sustains attractive shareholder returns.

Implats' planned production in FY2023 remains within the boundaries of previously provided key guidance parameters. While some allowance has been made for the likely impact of load curtailment on South African mining volumes and Group refined production, the severity of capacity constraints at Eskom remains a key risk to the near-term outlook. Broad-based inflationary pressures on energy and consumables were exacerbated by rand depreciation and the translation of the cost and capital base of both Zimplats and Impala Canada. A revised currency forecast has resulted in negative revisions to the unit cost outlook for the year.

- Group 6E refined production in FY2023 is estimated to be between 3.0 and 3.15 million ounces
- Group operating costs are forecast to be between R18 500 and R19 500 per 6E ounce on a stock-adjusted basis (from R18 200 and R19 200 per ounce)
- Group capital expenditure is forecast to be between R11.5 and R12.5 billion, including growth capital of between R2.3 and R2.8 billion.
- This guidance assumes exchange rates of R17.00/US$ and C$1.26/US$ respectively (from R16.00/US$ and C$1.26/US$).

ESG INDICATORS AND ACHIEVEMENTS

Implats' aspires to produce metals that create a cleaner, greener future, and to operate in a way that sustains livelihoods beyond mining leaving a positive social and environmental legacy. Sustainable development is a core strategic focus for Implats and the Group is committed to improving its environmental performance and delivering material socio-economic benefits for all its stakeholders.

During the period, Implats received its annual S&P Dow Jones Sustainability Index (DJSI) assessment score, which improved to 66 out of 100 (FY2021: 61 out of 100), and which ranked the Group in the 89th percentile of the mining and metals industry. This score earned Implats its second consecutive inclusion in S&P's Sustainability Yearbook (2023), a notable distinction reserved for top-performing companies. In addition, FTSE Russell ranked Implats first in the mining sub-sector, ahead of its peers, for disclosures on managing environmental, social and governance risks.

Implats maintained an overall 'A' rating from MSCI, reflecting excellent emissions and water performances, and strong governance structures, and was included in the Bloomberg Gender-Equality Index (2023) for a fourth consecutive year, based on its progressive inclusivity policies and practices. The Group also earned an 'A' rating for water security risk management and a 'B' rating for climate change action and disclosures from the Carbon Disclosure Project (CDP). The Group remains a constituent of the FTSE4Good Index Series and the FTSE/JSE Responsible Investment Top 30 Index. All managed operations, with the exception of Impala Canada, are ISO 14001:2015 certified, while Impala Refineries, Marula and Zimplats are also ISO 45001:2018 certified. Impala Refineries retained its London Palladium and Platinum Markets Responsible Sourcing Standard certification.

Please visit www.implats.co.za for more detailed commentary on our operational, financial and sustainability performances.

KEY FINANCIAL METRICS

		Six months ended 31 December 2022	Six months ended 31 December 2021	Variance %
Revenue	(Rm)	57 797	55 620	3.9
Gross profit	(Rm)	17 194	17 945	(4.2)
EBITDA*	(Rm)	24 506	23 992	2.1
Profit for the six months	(Rm)	14 827	14 383	3.1
Basic earnings	(Rm)	13 973	13 838	1.0
Headline earnings	(Rm)	14 020	13 814	1.5
Free cash flow*	(Rm)	11 001	15 149	(27.4)
Net cash (excluding leases)	(Rm)	27 023	18 537	45.8
Basic earnings	(cps)	1 648	1 693	(2.7)
Headline earnings	(cps)	1 654	1 690	(2.1)
Dividend declared	(cps)	420	525	(20.0)

**Non-International Financial Reporting Standards metrics*

KEY OPERATING STATISTICS

		Six months ended 31 December 2022	Six months ended 31 December 2021	Variance %
Gross refined production				
6E	(000oz)	**1 476.0**	1 616.6	(8.7)
Platinum	(000oz)	**684.8**	759.6	(9.8)
Palladium	(000oz)	**519.7**	551.2	(5.7)
Rhodium	(000oz)	**85.8**	92.6	(7.3)
Nickel	(tonnes)	**7 944**	8 223	(3.4)
Sales volumes				
6E	(000oz)	**1 515.2**	1 545.7	(2.0)
Platinum	(000oz)	**729.1**	741.0	(1.6)
Palladium	(000oz)	**528.7**	529.5	(0.2)
Rhodium	(000oz)	**84.7**	84.3	0.5
Nickel	(tonnes)	**5 791**	6 111	(5.2)
Prices achieved				
Platinum	(US$/oz)	**927**	1 022	(9.3)
Palladium	(US$/oz)	**2 009**	2 200	(8.7)
Rhodium	(US$/oz)	**13 805**	16 036	(13.9)
Nickel	(US$/t)	**23 568**	18 476	27.6
Consolidated statistics				
Average rate achieved	(R/US$)	**17.36**	15.00	15.7
Closing rate for the period	(R/US$)	**17.04**	15.94	6.9
Revenue per 6E ounce sold	(US$/oz)	**2 199**	2 417	(9.0)
Revenue per 6E ounce sold	(R/oz)	**38 117**	36 230	5.2
Tonnes milled ex-mine*	(000t)	**11 815**	11 301	4.5
6E in concentrate production	(000oz)	**1 615.6**	1 615.8	-
Capital expenditure*	(Rm)	**4 949**	3 568	(38.7)
Group unit cost per 6E ounce (stock adjusted)*	(R/oz)	**19 346**	16 756	(15.5)
Group unit cost per 6E ounce (stock adjusted)*	(US$/oz)	**1 116**	1 114	(0.2)

**Managed operations*

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.