IMPLATS
EXCELLENCE IN PGMs

Delivering on our purpose

Audited summarised consolidated annual results

For the year ended 30 June 2024

Forward looking and cautionary statement

Certain statements contained in this disclosure, other than the statements of historical fact, contain forward looking statements regarding Implats' operations, economic performance or financial condition, including, without limitation, those concerning the economic outlook for the platinum industry, expectations regarding metal prices, production, cash costs and other operating results, growth prospects and the outlook of Implats' operations, including the completion and commencement of commercial operations of certain of Implats' exploration and production projects, its liquidity and capital resources and expenditure and the outcome and consequences of any pending litigation, regulatory approvals and/or legislative frameworks currently in the process of amendment, or any enforcement proceedings. Although Implats believes that the expectations reflected in such forward looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. Accordingly, results may differ materially from those set out in the forward looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metal prices, levels of global demand and exchange rates and business and operational risk management. For a discussion on such factors, refer to the risk management section of the Company's integrated annual report. Implats is not obliged to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after the dates of the integrated annual report or to reflect the occurrence of unanticipated events.

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29 August 2024
Johannesburg

Sponsor to Implats
Nedbank Corporate and Investment Banking, a division of Nedbank Limited

Purpose, vision and values

Our purpose

To create a better future

Our vision

To be the most valued and responsible metals producer, creating a better future for our stakeholders

Our values

RESPECT
- We believe in ourselves
- We work together as a team
- We take ownership of our responsibilities
- We are accountable for our actions

CARE
- We set each other up for success
- We care for the environment
- We work safely and smartly
- We make a positive contribution to society

DELIVER
- We play our A-game every day
- We go the extra mile
- We learn, adapt and grow
- We create a better future

Implats is a leading producer of platinum group metals (PGMs) structured around seven mining operations and a refining business, Impala Refining Services.

Our mining operations span the Bushveld Complex in South Africa, the Great Dyke in Zimbabwe and the Canadian Shield. Contributing approximately 20% to global primary production annually, Implats holds attributable PGM resources of 316.5 million ounces.

KEY FEATURES FOR THE 12 MONTHS

Safety and sustainability

- Safety performance dominated by the 11 Shaft tragedy, with 19 fatalities at managed operations
- LTIFR* improved by 1% to 3.89 from 3.92 in FY2023
- TIFR* improved by 10% to 8.29 from 9.25 in FY2023
- No major, significant or limited environmental incidents
- Third consecutive inclusion in the S&P Global Sustainability Yearbook (2024).

* *Per million man-hours worked.*

Operational

- Achieved volumes benefited from maiden annual inclusion of Impala Bafokeng
- 21% increase in managed 6E production to 2.92Moz
- 1% higher JV 6E production of 547koz
- 34% decrease in third-party 6E receipts to 191koz
- Refined and saleable 6E production increased 14% to 3.38Moz
- 6E sales volumes rose 16% to 3.44Moz
- Group 6E unit costs increased 5% to R20 922/oz (stock-adjusted)
- Consolidated Group capital expenditure of R14.0bn
- Excess 6E inventory of circa 390koz at year-end.

Financial

- RBPlat acquisition completed and landmark B-BBEE transaction concluded
- Reported financial metrics impacted by weak pricing and several once-off expenses
- Gross profit of R5.5bn and gross profit margin of 6%
- EBITDA of R12.4bn and EBITDA margin of 14%
- Basic loss of R17.3 billion or 1 929cps
- Headline earnings of R2.4bn or 269cps
- Free cash outflow of R4.0bn
- R6.9bn in closing adjusted net cash.

Market

- Dollar revenue per 6E ounce sold down 34% to US$1 350
- Rand revenue per 6E ounce sold declined 30% to R25 257
- Precious metal pricing heavily impacted by industrial and automotive destocking and poor investor sentiment amid an uncertain macro-economic and geopolitical landscape
- Platinum, palladium and rhodium markets to remain in deficit in 2024.

Operating statistics

		FY2024	FY2023	Variance %
Gross refined production**				
6E	(000oz)	**3 377.8**	2 958.7	14.2
Platinum	(000oz)	**1 589.8**	1 359.5	16.9
Palladium	(000oz)	**1 157.5**	1 050.5	10.2
Rhodium	(000oz)	**189.6**	169.3	12.0
Nickel	(tonnes)	**16 155**	14 970	7.9
IRS metal returned (toll refined)**				
6E	(000oz)	**0.7**	1.6	(56.3)
Platinum	(000oz)	**—**	0.1	(100.0)
Palladium	(000oz)	**0.7**	1.5	(53.3)
Rhodium	(000oz)	**—**	—	—
Nickel	(tonnes)	**3 634**	3 588	1.3
Sales volumes				
6E	(000oz)	**3 438.6**	2 973.0	15.7
Platinum	(000oz)	**1 579.4**	1 408.1	12.2
Palladium	(000oz)	**1 192.9**	1 047.4	13.9
Rhodium	(000oz)	**193.3**	167.8	15.2
Nickel	(tonnes)	**12 617**	10 902	15.7
Prices achieved				
Platinum	(US$/oz)	**934**	962	(2.9)
Palladium	(US$/oz)	**1 083**	1 763	(38.6)
Rhodium	(US$/oz)	**4 360**	11 696	(62.7)
Nickel	(US$/t)	**18 241**	23 864	(23.6)
Consolidated statistics				
Average rate achieved	(R/US$)	**18.71**	17.75	5.4
Closing rate for the period	(R/US$)	**18.19**	18.85	(3.5)
Revenue per 6E ounce sold	(US$/oz)	**1 350**	2 035	(33.7)
Revenue per 6E ounce sold	(R/oz)	**25 257**	36 118	(30.1)
Tonnes milled ex-mine*	(000t)	**27 887**	23 883	16.8
Group 6E production	(000oz)	**3 653.7**	3 245.6	12.6
Group unit cost per 6E ounce stock adjusted	(R/oz)	**20 922**	19 834	(5.5)
Group unit cost per 6E ounce stock adjusted	(US$/oz)	**1 118**	1 116	(0.2)
Capital expenditure*	(Rm)	**14 003**	11 510	(21.7)
Stay-in-business capital	(Rm)	**8 076**	7 333	(10.1)
Replacement capital	(Rm)	**1 843**	2 272	18.9
Expansion capital	(Rm)	**4 084**	1 905	(114.4)

* *Managed operations.*
** *Includes saleable production from Impala Bafokeng and Impala Canada.*

Operating statistics

		FY2024	FY2023	Variance %
Financial performance				
Revenue	(Rm)	**86 398**	106 594	(18.9)
Gross profit	(Rm)	**5 467**	22 338	(75.5)
EBITDA**	(Rm)	**12 367**	36 002	(65.6)
(Loss)/profit for the year	(Rm)	**(17 151)**	6 178	(377.6)
Basic (loss)/earnings	(Rm)	**(17 313)**	4 905	(453.0)
Headline earnings	(Rm)	**2 411**	18 801	(87.2)
Free cash flow**	(Rm)	**(3 954)**	14 171	(127.9)
Adjusted net cash (excluding leases)**	(Rm)	**6 923**	24 974	(72.3)
Basic (loss)/earnings per share	(cps)	**(1 929)**	577	(434.3)
Headline earnings per share	(cps)	**269**	2 211	(87.8)
Dividends per share	(cps)	**–**	585	(100.0)

** *Non-IFRS Accounting Standards metric.*

Additional statistical information is available on the company's website.

		FY2024	FY2023	Variance %
ESG indicators				
Fatalities	(count)	**19**	5	–
TIFR	(pmmhw)**	**8.31**	9.25	10.2
LTIFR	(pmmhw)**	**3.89**	3.92	0.8
Labour including capital*	(number)	**66 249**	69 936	5.3
Level 4 or 5 environmental incidents	(count)	**0**	0	–
Level 3 environmental incidents	(count)	**0**	7	100.0
Water consumption	(kl/t milled)	**1.12**	2.25	50.2
Water recycled/reused	%	**56**	52	7.7
Energy consumption	(GJ/t milled)	**0.783**	0.835	6.2
Scope 1 and 2 carbon emissions	(t CO_2/t milled)	**0.154**	0.171	9.9
Land rehabilitated	Hectares	**38.00**	32.00	18.8
Spend with mine and indigenous community suppliers	Rbn	**5.8**	3.4	70.6
Social economic spend	Rm	**375.0**	343.0	9.3

** *Managed operations.*

Spend with mine and indigenous community suppliers = Tier 1 SA + Spend with LEDs in Zimbabwe + spend with indigenous communities in Canada

Commentary

INTRODUCTION

Implats delivered guided production volumes and commendable cost controls despite navigating several serious challenges amid a constrained operating environment characterised by macro-economic headwinds and persistently low prices for platinum group metals (PGMs). The journey to zero harm suffered a significant set-back, with the Group's safety performance dominated by the devastating 11 Shaft tragedy at Impala Rustenburg in November 2023.

Key strategic projects at the Group's mining and processing operations were successfully advanced and the construction of its flagship renewable energy project – the largest solar power plant in Zimbabwe – was completed. Together with water security and community investment initiatives progressed in the period, Implats continued to demonstrate its overarching commitment to environmental stewardship and long-term sustainability.

The acquisition of the remaining shareholding in Royal Bafokeng Platinum Limited (RBPlat), now Impala Bafokeng, was also concluded in the period. The Group's landmark broad-based black economic empowerment (B-BBEE) transaction at Impala and Impala Bafokeng was completed for value and has broadened economic participation of key stakeholders in our mining and processing assets.

Significantly weaker US dollar sales revenue offset the benefit of strong operational delivery in FY2024 – average palladium and rhodium pricing dropped sharply, negating higher sales volumes and compressing operating margins and free cash flow. Financial metrics were further impacted by impairments resulting from lower PGM pricing, as well as several once-off cash and non-cash charges arising from the conclusion of the RBPlat and B-BBEE transactions and the labour restructuring initiated during the period.

Implats generated EBITDA of R12.4 billion, headline earnings of R2.4 billion or 269 cents per share and recorded a free cash outflow of R4.0 billion, after incurring cash capital spend of R12.3 billion in the period. Our strong balance sheet positioning was sustained with closing adjusted net cash of R6.9 billion.

FY2025 started with labour restructuring completed, Group operations set up to deliver free cash flow – despite the assumption of continued near-term PGM pricing weakness – and Implats' suite of processing assets well capitalised and able to draw down previously accumulated in-process inventory and release cash to the Group.

SAFETY

Implats' purpose, to create a better future, is underpinned by the Group values – to respect, care and deliver – and forms the foundation of its safety culture. Health and safety are a top priority for management, teams and individuals. An increased focus on visible-felt leadership and accountability remains key to addressing mindsets and safety behaviours and driving the desired culture of safety adherence.

Implats' safety performance was dominated by the 11 Shaft tragedy in the first half of the year, in which 13 employees lost their lives and a further 73 employees were injured following an accident involving a personnel conveyance. Good progress was made on rehabilitating the injured and seven employees completed their medical treatment and successfully passed their functional work assessment evaluations. The remaining employees continue with their rehabilitative treatment.

All impacted employees continue to receive counselling and therapy according to their respective rehabilitation requirements. In addition, the Group's long running We Care programme provides ongoing support to the families of the deceased, including financially supporting the children of our late colleagues, from birth through to the completion of their tertiary studies.

With deep regret, we report that an additional six employees lost their lives in unrelated incidents at managed operations in FY2024, bringing the Group's reported fatalities to 19 in the period. As a result, Implats' fatal-injury frequency rate deteriorated to 0.127 per million man-hours worked (FY2023: 0.040). The board of directors and management team have extended their heartfelt condolences to the families of our deceased colleagues and the Group offers them ongoing support.

Commentary

Investigations into the 11 Shaft incident are ongoing. The *in loco* inspection was conducted in December 2023, following which Implats proceeded with further investigations and began the necessary repairs to damaged infrastructure under the direction of the Department of Mineral Resources (DMR). In January 2024, Impala submitted its investigation report to the DMR, in terms of section 11(5)(e) of the Mine Health and Safety Act, which paves the way for the DMR to initiate formal proceedings relating to the incident. The formal proceedings are expected to take several months to complete.

In parallel, Implats conducted its own investigations, drawing on observations and findings from the regulated investigation, and exploring potential interventions to further enhance the safe operation of all conveyance systems across the Group. This investigation, which was governed by internal, industry and regulatory protocols and procedures, has been concluded and is with a third party for verification.

The lost-time injury frequency rate (LTIFR) improved by 1% to 3.89 per million man-hours worked and the Group recorded a 10% improvement in the total-injury frequency rate (TIFR) to 8.29 in FY2024.

While Implats' safety and operational risk strategy compares favourably with other leading miners and addresses all relevant key safety enablers, the Group interrogated its safety procedures and intensified measures to further embed fatal risk prevention in the operating culture at all operations. Among others, the focus areas include improving the methodology and quality of planning, enhanced early entrance examinations, accelerating the fatal risk control protocols, capacitating managers and supervisors and addressing the high turnover in these roles, and an increased focus on the critical safe behaviours for each role, particularly those in high-risk work areas. Visible-felt leadership was increased, as was on-the-job training and frontline coaching. These initiatives were supported by Group-wide safety summits held in November 2023, facilitated by independent third parties, and a second summit in May 2024.

The Group is actively embedding a safety-conscious culture at all operations, one that emphasises care, individual accountability and collaboration. The commitment to employee wellbeing and protection is multi-faceted and includes robust systems and processes to ensure proactive risk management and continuous process improvements, as well as empowering employees to actively collaborate on safety improvements and technology adoption.

STRATEGIC DELIVERY

- **Sustainable development:** We aspire to deliver an industry-leading sustainability performance, producing metals that sustain livelihoods through and beyond mining, creating a cleaner and better future for all
- **Operational excellence:** We generate superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery
- **Organisational effectiveness:** We place people at the centre of our organisation and engender a shared culture founded on our values to respect, care and deliver
- **Optimal capital structure:** We pursue value creation by sustaining and leveraging a strong and flexible balance sheet within a prudent capital allocation framework
- **Competitive asset portfolio:** We seek to leverage, strengthen and grow our diverse asset base through operational exposure to shallow, mechanisable orebodies
- **Future focus:** We sustain and grow value by supporting present and future demand drivers, creating strong customer relationships and aligning our production to evolving demand.

Implats' value-focused strategy seeks to facilitate the agility and resilience necessary to navigate a dynamic global, operating and metal price environment, enabling the Group to serve the evolving markets for its primary products and create and share value for its key stakeholders.

Commentary

Despite robust demand for our primary products, the PGM peer group has experienced meaningful and sustained margin compression due to significant pricing dislocations caused by:
- Industrial and automotive end-users destocking portions of their PGM inventory
- Metal discounting as trade flows have shifted from West to East
- Negative precious metals investor sentiment.

The Group's strategic imperatives are premised on delivering a robust and resilient portfolio, underpinned by prudent capital allocation and supported by a strong and flexible balance sheet. These principles guided management action over the past year to deliver a range of strategic responses to ensure that Group production and planning parameters were proactively adjusted to sustain business viability, enhance competitive positioning and deliver optimal returns and shared value for all stakeholders.

Implats has benefited from past investment into its people and assets, which underpinned the strong operational delivery at its key mining and processing assets in the period and provided the flexibility to take measured action in response to soft metal pricing, minimise cash outflows and limit the use of the balance sheet to cross-subsidise loss-making operations.

Constrained PGM pricing required a critical focus on capital expenditure, with the project portfolio geared towards ensuring asset integrity, preserving operational flexibility and efficiency, maintaining ore reserve flexibility and ensuring statutory compliance. Projects key to advancing Implats' strategic aspirations in both beneficiation and renewable energy were prioritised for completion.

During FY2024, a Group restructuring process commenced to rationalise and optimise labour deployment with appropriate staffing levels across corporate and operational functions. Labour restructuring at Impala Canada and Zimplats was completed, and a section 189(3) consultation process (S189) was initiated during Q4 FY2024 across the South African managed operations – Impala Rustenburg, Impala Bafokeng, Marula and the corporate office – and completed in July 2024. Natural attrition, together with re-deployment, reskilling efforts and the uptake of voluntary separation packages, ensured no employees were forcibly retrenched.

In addition, operational strategies for several assets were amended:
- High-grade ore sources were prioritised at Impala Canada, resulting in a lower operating cost and shorter life-of-mine
- A decision was taken by the JV partners at Two Rivers to place the Merensky Mine expansion project on care and maintenance post initial commissioning. This limits the funding requirements that would have been required to ramp-up production during a weak pricing environment and allows for a refocus on UG2 operations
- The North Hill Project at Mimosa was not approved by the JV partners. The South Hill Mine was optimised to improve operational efficiencies and options to extend life-of-mine are under evaluation
- At Impala Bafokeng's Styldrift operation, performance continued to lag expectations and production parameters were reset to match current performance, and to establish the operational readiness needed to deliver improved efficiencies and increase production to steady-state levels. Monthly milled throughput of 230 000 tonnes is targeted for the end of FY2027
- The integration of processing facilities across the Western Limb operations of Impala Rustenburg and Impala Bafokeng started, resulting in improved plant availability and recovery
- The two operations have accelerated the process to realise synergies.

Sustainable development remains at the heart of our strategy and Implats is resolute in progressively enhancing its environmental practices while contributing to socio-economic benefits for all stakeholders. Key renewable energy, water security and community infrastructure and upliftment initiatives were delivered and the Group's overarching commitment to environmental stewardship and broader sustainability remains unchanged, despite the constrained operating environment.

Against the backdrop of a challenging year, Implats was proud to conclude a strategic B-BBEE transaction ensuring broad-based ownership in the

Commentary

mine-to-market PGM value chain. Equity ownership at Impala (including Impala Refining Services) and Impala Bafokeng is via an employee share ownership trust (4%), a community share ownership trust (4%) and a strategic empowerment consortium, Bokamoso (5%), led by Siyanda Resources Proprietary Limited (Siyanda).

Implats continues to monitor and evaluate the future demand landscape for its primary PGM and associated base metal production, ensuring the current and future asset portfolio allows the Company to adapt and thrive in a cyclical sector, which faces both existential threats and tremendous opportunities as demand patterns shift in response to the global imperative to decarbonise.

Current efforts are centred on the consolidation of the existing portfolio – and assessing incremental partnerships and transactions to improve our competitive positioning and leverage our processing assets.

Key projects

Over the past five years, Implats has invested significantly in a series of mine replacement, growth, environmental and processing projects to strengthen the competitiveness of its portfolio. A full review of capital expenditure was undertaken, and where required, investment plans were adjusted to the current reality of weak PGM pricing. As such, the focus during the year was on prioritising delivery of the growth and replacement projects that enhance Implats' competitive positioning, securing processing flexibility and reducing the Group's carbon footprint, utility costs and energy dependency.

Construction on several key capital projects will start in FY2025 to improve operational efficiency and flexibility, including a chrome recovery plant and a tailings retreatment plant at Impala Bafokeng, a ventilation upgrade at Impala Rustenburg's 14 Shaft, an additional matte ball mill at the base metal refinery, and Phase 2 solar at Zimplats.

For the year ahead, there is an intensified focus on reducing stay-in-business capital across all operating subsidiaries, while preserving operational efficiency through ore reserve positioning, infrastructure integrity and statutory compliance. This, combined with improved capital intensity at Impala Canada, deferring spend on Marula's Phase 2 project and tapering spend at several growth projects, will result in Group capital expenditure of approximately R9 billion per annum over the medium term.

Mine replacements and upgrades

Zimplats' development project at Mupani Mine will provide replacement volumes for Rukodzi and Ngwarati mines, on their respective depletion. The project is on schedule to achieve production of 2.2 million tonnes per annum in FY2026, which represents full replacement of Rukodzi and Ngwarati, with design capacity production of 3.6 million tonnes per annum planned for FY2029. The upgrade to Zimplats' Bimha Mine, which will partly replace tonnage from Mupfuti Mine on depletion in FY2028, was completed during the year, increasing the mine's design capacity to 3.1 million from 2.2 million tonnes per annum.

Impala Rustenburg's R460 million project to refurbish and upgrade the 12 Shaft decline, including trackless and track-bound fleet, was completed in May 2024, and good progress was made on its R220 million project to create four UG2 half levels at 11 Shaft, due for completion during FY2027.

Zimplats' US$43 million project at the Selous Metallurgical Complex tailings storage facility (TSF), to extend the design life from 2025 up to 2049 by expanding the footprint, commenced with Phase 1 (US$25 million) in May 2021, and Phase 2A (US$18 million) in November 2023. Both phases are in progress and forecast to be completed in Q4 FY2026 and Q4 FY2028, respectively.

In response to the lower metal prices, and to preserve cash, execution on Marula's Phase 2 life-of-mine extension project was slowed. The project is expected to deliver a life-of-mine extension to FY2045.

Commentary

Beneficiation

By period end, US$387 million had been spent on Zimplats' smelter expansion and SO_2 abatement plant, against a total budget of US$544 million. The expanded smelter, incorporating a new 38MW furnace, will be commissioned in H1 FY2025, with the matte produced transported to IRS for refining. The SO_2 abatement plant is scheduled for completion by June 2028. US$21 million of a budgeted US$190 million was spent on refurbishing the base metal refinery at Selous, with project timelines adjusted and future spending deferred in response to lower metal prices.

The refineries' project to debottleneck sections of the base metals refinery in Springs is nearing completion with final commissioning expected in H1 FY2025. The project expands beneficiation capacity by circa 10% to provide room for future growth. Phase 3 of the precious metal refinery refurbishment was completed and Phase 4 is scheduled for completion by year-end FY2027.

Impala Rustenburg's flash dryer project, which doubles the smelter's flash drying capability and yields environmental benefits, was successfully commissioned during the year.

Decarbonisation

Zimplats completed construction of the first 35MW phase of its 185MW solar power project – the Group's first large-scale project towards meeting its decarbonisation targets. The 35MW plant was tested and commissioned, with grid connection scheduled for Q1 FY2025. Zimplats already sources 88% of its energy from regional hydro-electric facilities and its proportion of renewable energy use will grow as the solar programme comes on stream. Construction of the second phase of the project, a 45MW solar plant, will start in FY2025 and is scheduled for commercial production in FY2026.

Bankable feasibility studies for the construction of a 30MW solar plant at Marula were completed and funding options are being explored. To further strengthen security of electricity supply in South Africa, while reducing greenhouse gas emissions and long-term input costs, Implats is also assessing several renewable energy solutions for its South African operations.

Growth

Together with JV partner, African Rainbow Minerals, Implats developed a new Merensky Mine and concentrator at Two Rivers, with planned annual output of 180 000 6E in concentrate. Given current market conditions and ongoing challenges faced by the asset's UG2 operations, the JV partners agreed to put the project on care and maintenance, with plans to re-evaluate a production ramp-up when market conditions improve. The processing plant will be completed and commissioned in Q1 FY2025, before operations are halted.

SUSTAINABILITY

Sustainability is core to Implats' strategy. The Group's environment, social and governance (ESG) framework captures its sustainable development aspirations and is embedded into how it conducts businesses in a transparent, ethical and accountable way. The relationships formed with employees, communities, regulators and other stakeholders are key to maintaining Implats' social licence to operate and to achieving its purpose – creating a better future. The PGMs produced from the Group's geographically diverse operations play an important role in achieving net zero. Implats is progressively reducing and mitigating its environmental impact at its own operations and across its value chain, while also investing in developing thriving communities to sustain livelihoods beyond mining. Taken together, the Group's sustainability activities and initiatives contribute towards 14 of the United Nations' Sustainable Development Goals (SDGs), which inform Implats' short- to medium-term strategy and underpins its goal to create long-term value.

ESG ratings and recognition

- During the period, Implats' annual S&P Global Corporate Sustainability Assessment score for the Dow Jones Sustainability Index (DJSI) was 61 out of 100 (FY2023: 66 out of 100), ranking the Group in the 93rd percentile of the mining and metals industry
- Implats earned its third consecutive inclusion in S&P's Global Sustainability Yearbook (2024), a distinction reserved for top-performing companies
- The Group achieved an overall BBB rating from MSCI, reflecting excellent environmental and social performances and strong governance structures
- Implats received an 'A-' rating for water security risk management, and a 'B' rating for climate

Commentary

change action and disclosures, both 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 operations, except Impala Canada, are ISO 14001:2015 certified
- Impala Refineries, Marula and Zimplats are ISO 45001:2018 certified
- Impala Refineries is ISO 9001:2015 certified and holds the London Palladium and Platinum Markets Responsible Sourcing Standard certificate.

Health and wellbeing

Employee safety, health and wellbeing is key to achieving the Group's goal of zero harm. Implats' proactive approach to health and wellbeing prioritises not only its employees but also the health and wellbeing of the communities in which it operates. It does this through extensive education on health and wellness topics, vaccination and wellness outreach drives and facilitating access to its on-site medical facilities. The Group encourages its employees and their dependants to use its free-of-charge Employee Wellness Programme (EWP) for occupational and non-occupation health matters, mental wellbeing and psychosocial support, as well as their financial wellness needs.

The Group made good progress on reducing the incidence of its main occupational diseases during the period under review. Superb progress was made on reducing the incidence of tuberculosis (TB) among Implats' workforce to a rate of 162 per 100 000 – less than half the national incidence rate in South Africa and Zimbabwe – a testament to targeted TB control measures and sustained commitment to employee wellbeing. Meanwhile, hearing conservation programmes and focused efforts to address the Covid-19 backlog in noise-induced hearing loss (NIHL) screenings led to a 33% decrease in new NIHL cases. Operations continue to make progress on re-engineering or replacing machines that emit noise levels above the 107dBA limit, providing noise-exposed employees with custom-fitted hearing protection and implementing regular awareness programmes. Implats adopted the industry-wide buy and maintain quiet initiative (IBMQI), and in partnership with the Minerals Council South Africa and other industry stakeholders, trialled hydropower rock drills and second-generation rock drill mufflers.

Managing the impacts of non-occupational diseases remains a key focus. Implats endeavours to increase uptake of anti-retroviral treatment to eliminate Aids-related deaths among in-service employees by 2025 and is committed to the UNAIDS 95-95-95 targets for the management of HIV infections, in which 95% of employees undergo awareness training; 95% of employees are tested for HIV/Aids; and 95% of HIV-positive employees are on a management/ARV programme. The Group's voluntary counselling and testing efforts during the year led to an uptick in awareness, and the adherence rate to HIV treatment was sustained at over 95%. A daily single-dose anti-retroviral treatment regime was introduced to improve HIV management and measurably improve productivity and quality of life, with a year-on-year 3.7% improvement in viral suppression.

Support for the mental health and wellness of employees and dependants was increased in the year, given the impacts of the 11 Shaft incident and the s189 process, and received strong employee engagement. The Group also introduced a mental health and wellness policy to address and prioritise this important facet of employee wellbeing.

Implats has detected a notable rise in obesity and associated lifestyle diseases in its workforce. In response the Group has broadened the scope of screening on offer to employees to include testing for high cholesterol – in addition to diabetes and hypertension – with targeted interventions designed for those at high risk.

Environment

As an extractive and energy-intensive industry, mining and processing activities inevitably impact the natural environment. Implats is committed to ensuring responsible stewardship of natural resources. The Group seeks to demonstrate best practice in environmental management, guided by its updated environmental strategy and ESG framework. Focus areas include environmental legal compliance and management systems, water stewardship, energy and climate change, air quality, waste management and rehabilitation, mine closure and biodiversity.

Commentary

The Group advanced its sustainability journey during the year under review. There were no major (level 5), significant (level 4) or limited-impact (level 3) environmental incidents (FY2023: 0, 0 and 7, respectively) and no fines or non-monetary sanctions were imposed for non-compliance with environmental regulations, licences or permits at any Group operation.

Implats is decarbonising its operations to achieve carbon neutrality by 2050, with a short-term target to reduce carbon emissions by 30% by FY2030 against FY2019 as a baseline. During the period, Implats' total carbon emissions increased by 6% to 4 298kt CO_2 following the incorporation of Impala Bafokeng operations. Carbon emission and energy use intensities improved to 0.154 CO_2 tonnes per tonne milled (FY2023: 0.171) and 0.783 GJ per tonne milled (FY2023: 0.835), respectively, due to a 17% increase in milled tonnes.

Significant progress was made on increasing the use of renewable energy, despite the deferral of some projects due to the depressed metals price environment. Zimplats completed the first 35MW of its intended 185MW solar power complex. Zimplats' hydro-power offtake agreement with the Zambia Electricity Supply Corporation was increased to 70MW from 1 January 2024, raising the operation's consumption of renewable energy sources to 88% of its total energy usage. Impala Canada's grid-supplied energy is 100% renewable hydropower. In total, the Group's FY2024 renewable electricity consumption was 37% (FY2023: 30%), which resulted in Implats avoiding 356 406 tonnes of CO_2 emissions (FY2023: 127 000 tonnes).

Implats' southern African operations are in water-scarce regions, underlining the importance of minimising freshwater withdrawals and increasing water recycling and re-use. During the period, 56% (FY2023: 52%) of water used at the operations was re-used or recycled against the FY2024 target of 54%, aided by the maiden inclusion of Impala Bafokeng (which has relatively high water recycling and re-use rates), and the introduction of treated brown water sources. Several initiatives to improve water management, security and water-use efficiencies for operations, and infrastructure projects to ensure access to clean water for employees and local communities are ongoing.

Implats supports the Global Industry Standard on Tailings Management (GISTM), and annual independent tailings review board audits of the Group's tailings storage facilities (TSFs) continue to show no significant areas of concern.

Land rehabilitation is key to managing biodiversity impacts. The Group has developed a biodiversity framework and site-specific biodiversity management plans and standards, and conducts several initiatives to protect wildlife species, control invasive alien vegetation and prevent deforestation.

Social

Implats seeks to leave a lasting positive legacy in the communities in which it operates. Mine communities, especially in southern Africa, face major socio-economic challenges and have become increasingly dependent on mining companies. Climate-change risks also present severe weather events, long-term cyclical droughts and reduced yields from subsistence agriculture. Implats is committed to sharing the economic value it creates in a bid to create self-sustaining communities, beyond mining.

The focus is on key, high-impact and strategic community investment projects which align with community needs. During the period under review, Implats spent R375 million on projects focused on community wellbeing, education and skills development, enterprise development, inclusive procurement and developing resilient infrastructure, which together benefited more than 140 000 people and supported approximately 4 800 employment opportunities.

The Group contributes to its communities through supporting several health and wellbeing, job creation and food security projects. Food insecurity remains a particular challenge among households in communities across all operating regions, especially in the southern Africa region, which is prone to cyclical long-term droughts. The Group's food security initiatives in this region enhance community

Commentary

resilience in the face of the negative impacts from climate change on agriculture. At the Western Limb operations, the Sesigo food parcel distribution programme – a partnership between Impala Rustenburg and the Royal Bafokeng Nation (RBN) – supports vulnerable households and, in the longer term, aims to transition them to self-sufficiency through support initiatives.

Various agriculture support programmes are underway at the Zimplats communities and South Africa's Western Limb operations. Zimplats' training programme for smallholder farmers is designed to reduce their vulnerability to the effects of climate change and drought, and the three horticulture gardens it established help to create self-sufficient, food-secure communities. Impala Canada continues to support the Roots partnership which supports several Roots' food markets for indigenous communities to bring fresh, in-season produce to the residents at affordable prices.

Gender-based violence (GBV) remains rife in South Africa and Implats continues to support national initiatives in the fight against GBV, the most recent of which is providing support to Thuthuzela Care Centres (TCCs) through the Minerals Council GBV Partnership.

Implats' community wellbeing initiatives during the year benefited more than 25 900 people, supported 250 farmers, seven agricultural programmes, nine community health programmes and five GBV initiatives.

Education is key to ensuring community members have the necessary skills to find meaningful employment. Implats' approach realises the importance of timeous interventions to improve early childhood development, as this is the most neglected element in the education value chain. The school support programmes run by Impala Rustenburg, Impala Bafokeng, Marula and Impala Refineries invest in the full education value chain from early childhood development to tertiary education, with the participating schools achieving matric results that outperform their district counterparts. Impala Canada provides ongoing support to various educational initiatives in its local Thunder Bay community, including multi-year donation commitments to the local university and college, as well as several educational scholarships, primarily in support of indigenous students. The Group's education and skills development initiatives supported more than 9 700 learners during the year and provided more than 600 bursaries and learnerships for community members. Five early childhood development centres and 72 mine community schools were supported, and Implats sponsored a school sports programmes for more than 6 700 participants.

Implats' enterprise and supplier development (ESD) and inclusive procurement efforts are focused on localising its supplier footprint, building capacity in host communities' companies to become part of Implats' supply chain, and developing these companies to diversify their revenue base beyond Implats' supply chain and ultimately transition beyond mining. Opportunities are set aside for community entrepreneurs to become suppliers. During the year, the Group supported 1 700 SMMEs, trained 1 600 mine-community entrepreneurs, sustained 4 000 employment opportunities and created 850 new employment opportunities.

Infrastructure projects support the Group's wellbeing, educational and inclusive growth goals, with roads and bridges built enhancing community resilience against the negative impacts of climate change. In the period under review Implats completed 25 community infrastructure development projects, which positively impacted more than 87 000 people, created 780 jobs and provided procurement opportunities to 140 local SMMEs.

Since the Group's industry-leading accommodation strategy was implemented in 2008, thousands of employees and their families have benefited from access to decent accommodation and wealth-creation opportunities through home ownership. Implats has spent more than R5 billion on the provision of decent housing and improving living conditions for employees since the inception of its housing programme. During the past year, 222 houses were built bringing the total number of houses built to more than 5 700, creating 6 032 first-time homeowners.

Commentary

A meaningful B-BBEE transaction was introduced at Impala and Impala Bafokeng, which included the creation of a community share ownership trust (CSOT) with 4% ownership in both operations. The CSOT includes a broad range of beneficiaries from the mine host communities and will focus on education and skills development, enterprise development, community wellbeing and social and economic infrastructure.

Zimplats' Empowerment Plan was approved by the Zimbabwean government in 2022, after which Zimplats issued equity in its empowerment companies to a CSOT. Future dividends from these companies are committed to ensuring that communities realise tangible benefits from their ownership in these companies. Community ownership fosters a common goal to create sustainable operations for the benefit of all stakeholders.

GROUP OPERATIONAL REVIEW

Implats navigated several serious challenges and a constrained operating environment to deliver guided production volumes and commendable cost controls. Achieved volumes benefited from the maiden annual consolidation of Impala Bafokeng. However, notable performances were achieved on a like-for-like basis (excluding Impala Bafokeng's contribution) at the Group's key mining and processing operations.

Tonnes milled at the Group's managed operations increased by 17% to 27.89 million tonnes (FY2023: 23.88 million tonnes) and were up 1% on a like-for-like basis, with higher milled volumes at Zimplats and stable tonnage at Impala Rustenburg offsetting the impact of re-based production volumes at Impala Canada and safety-impacted throughput at Marula. 6E milled grade rose 4% to 3.73g/t (FY2023: 3.60g/t) on the consolidation of higher-grade Impala Bafokeng volumes and improvements at Impala Rustenburg. 6E production at managed operations increased by 21% to 2.92 million ounces (FY2023: 2.42 million ounces), with like-for-like gains of 2%.

The Group's JV operations increased 6E concentrate production by 1% to 547 000 ounces (FY2023: 541 000 ounces). Mimosa benefited from plant optimisation but Two Rivers delivered lower volumes due to constrained mining flexibility from challenging geological conditions. Third-party 6E concentrate receipts declined by 34% to 191 000 ounces (FY2023: 287 000 ounces) as two contracts terminated in Q3 FY2023.

In total, Group 6E production increased by 13% to 3.65 million ounces (FY2023: 3.25 million ounces) and was 1% lower on a like-for-like basis.

Refined 6E production, which includes saleable ounces from Impala Bafokeng and Impala Canada, increased by 14% to 3.38 million 6E ounces (FY2023: 2.96 million ounces) and was 2% higher on a like-for-like basis. Mining and processing performance benefited from a notable reduction in the frequency and intensity of load curtailment in South Africa, but Zimbabwe experienced heightened electricity supply constraints. As a result, Implats estimates production of circa 21 000 6E ounces was foregone across southern African managed and JV operations in the period, while a further 12 000 6E ounces were deferred (FY2023: 36 000 ounces foregone and 101 000 ounces deferred).

Group processing capacity was limited by the scheduled rebuild of the Number 5 furnace in the period at Impala Rustenburg. Maintenance was initiated in December 2023 with the furnace successfully recommissioned as planned in April 2024. All three furnaces at Impala Rustenburg were successfully rebuilt between FY2022 and FY2024, with excess concentrates and matte stockpiled for future refining and sale. Implats ended the period with excess inventory of approximately 390 000 6E ounces (FY2023: 245 000 6E ounces). Group processing capacity will benefit from higher annual available capacity at Impala Rustenburg and will be bolstered by the commissioning of the new furnace at Zimplats in H1 FY2025. This will facilitate the steady release of excess inventory over the FY2025, FY2026 and FY2027 reporting periods.

Commentary

Mining inflation, the maiden annual consolidation of Impala Bafokeng costs and the translation of the dollar cost base of Zimplats and Impala Canada offset the benefit of volume gains and cost containment measures delivered at managed operations. Group stock-adjusted unit costs increased by 5% to R20 922 per 6E ounce (FY2023: R19 834 per 6E ounce) and were 3% higher on a like-for-like basis (excluding Impala Bafokeng and the discretionary employee bonus paid in FY2023).

Capital expenditure at managed operations rose by 22% to R14.0 billion (FY2023: R11.5 billion) as annual spend at Impala Bafokeng was consolidated in the period and expenditure on growth projects at Zimplats accelerated, offsetting reduced capital expenditure at Impala Rustenburg, Impala Canada and Marula.

Impala

Impala reaped the benefit of specific internal interventions, previous investment in asset integrity and operational flexibility and fewer external interruptions, to deliver a strong operational result. Notwithstanding the 11 Shaft tragedy, achieved production in the period reached a three-year high.

Total development declined by 11%, in line with planned development rates, while mineable face length declined by 2% to 25.8km due to reductions at the short-life shafts (1, 6 and EF). Structural changes and process enhancements were implemented to support targeted mining flexibility of 1.6 panels per stoping team and mineable face length of circa 25km.

Tonnes milled were stable at 10.20 million tonnes (FY2023: 10.25 million tonnes) with strong mining momentum at 12, 14, 16 and 20 shafts offsetting the production impact of safety stoppages at 6, 10 and 11 shafts. Tonnes milled per employee costed increased by 2%. Several interventions, focused on grade control and mining flexibility, yielded improvements, and milled grade also benefited from a reduction in development volumes and increased by 3% to 3.99g/t (FY2023: 3.88g/t). Reduced load curtailment led to an increase in tailings volumes treated as well as plant stability and improved processing yields, and stock-adjusted 6E production was 4% higher at 1.28 million ounces (FY2023: 1.23 million ounces). Production losses associated with the 11 Shaft accident are estimated at circa 50 000 6E ounces. Refined 6E volumes increased by 1% to 1.21 million ounces (FY2023: 1.21 million ounces), with processing capacity constrained during the scheduled rebuild of the Number 5 furnace.

Total cash costs, including corporate and marketing costs, increased by 5% to R27.9 billion (FY2023: R26.7 billion). Costs in the prior comparable period were elevated by the R442 million discretionary employee bonus payment. In the period under review, cost-containment measures mitigated estimated mining inflation of 6.5%. Stock-adjusted unit costs benefited from volume gains and were stable at R21 772 per 6E ounce (FY2023: R21 685 per 6E ounce).

Capital expenditure decreased by 23% to R3.1 billion (FY2023: R4.1 billion). Stay-in-business spend declined by 22% as several mining and processing projects neared completion and cash-preservation measures were implemented. Replacement capital declined by 80% to R68 million on the completion of the decline project at 12 Shaft, and expansion capital increased by 60% to R255 million as the debottlenecking project at the base metal refinery was progressed. In total, R1.1 billion (FY2023: R1.2 billion) was invested in the Rustenburg smelters and the Springs refineries during the period.

6E sales volumes increased by 4% to 1.26 million 6E ounces (FY2023: 1.20 million 6E ounces), aided by some destocking of refined inventory of palladium and minor PGM, but the achieved rand revenue per 6E ounce sold declined by 31% to R24 542 (FY2023: R35 768). Free cash flow was impeded by lower revenue and declined by 79% to R1.5 billion, while EBITDA retraced 74% to R3.5 billion. Headline

Commentary

earnings were impacted by the R1.1 billion non-cash IFRS 2 B-BBEE charge and R197 million in restructuring costs incurred in the period, resulting in a headline loss of R611 million (FY2023: R8.0 billion profit).

Stock-adjusted production at Impala Rustenburg is expected to be between 1.25 and 1.30 million 6E ounces in FY2025. Refined production and sales volumes for the year will benefit from the expected reduction in excess inventory, with no major processing maintenance scheduled in the period.

Impala Refining Services (IRS)

Receipts of 6E matte and concentrates from managed operations at Zimplats and Marula increased by 4% to 869 900 ounces (FY2023: 838 500 ounces) as higher production at Zimplats offset lower deliveries from Marula. 6E receipts from JVs, Two Rivers and Mimosa, increased by 2% to 545 000 6E ounces (FY2023: 531 900 6E ounces). Third-party 6E receipts decreased by 34% to 190 800 ounces (FY2023: 287 300 ounces) due to the conclusion of two contracts in the prior comparable period. In aggregate, gross 6E receipts were 3% lower at 1.61 million ounces (FY2023: 1.66 million ounces).

Despite the Number 5 furnace rebuild in the period, refined 6E volumes increased by 3% to 1.49 million ounces (FY2023: 1.45 million ounces) as available processing capacity benefited from the reduced severity and intensity of load curtailment.

The cash operating costs associated with smelting, refining and marketing IRS production rose by 3% to R2.2 billion (FY2023: R2.1 billion), with rising electricity costs partially offset by slowing inflation on consumables. Weaker rand PGM pricing and lower purchased volumes resulted in the cost of metals purchased declining by 32% to R32.0 billion (FY2023: R47.2 billion) and offset the valuation impact of higher in-process inventory. Profitability in the prior comparable period was negatively impacted by the net realisable value adjustments required by the fall in rhodium pricing. In FY2024, gross profit and EBITDA rebounded to R4.9 billion and R5.2 billion, respectively. Free cash flow generation was impacted by higher in-process inventory and declined to R99 million (FY2023: R1.3 billion) and IRS contributed R3.8 billion to Group headline earnings (FY2023: loss of R362 million).

Receipts of third-party 6E in concentrate are expected to be between 150 000 ounces and 170 000 ounces in FY2025, while refined output and sales at IRS are set to benefit from improved available Group processing capacity.

Impala Bafokeng

The period under review marks the first full year Implats has controlled and fully owned the RBPlat assets, now known as Impala Bafokeng. Performance during the period lagged expectations, with operating momentum at Styldrift negatively impacted by limited mining flexibility, poor fleet availability and a lengthy safety stoppage following a fatal accident in H1 FY2024. BRPM performed well but production was impeded by sporadic illegal industrial action.

The interventions implemented to improve plant availabilities and lift recoveries at the concentrators yielded notable gains during the year, negating the need for toll milling. Studies for future tailing retreatment and chromite recovery projects were initiated. Capital expenditure planning was reviewed and adjusted. The conclusion of the S189 process, announced in May 2024 in response to a weaker PGM pricing environment, will result in the appropriate labour complement for near-term production parameters. Ongoing initiatives to strengthen leadership capability and management routines and embed Implats' policies and systems were progressed.

At Styldrift, production parameters were reset to match current performance, providing time to establish the operational readiness needed to deliver improved efficiencies and increase production to steady-state levels. Monthly milled throughput of 230 000 tonnes is now targeted for the end of FY2027.

Commentary

Impala Bafokeng processed 4.24 million tonnes at a milled grade of 4.36 g/t yielding 482 600 6E ounces in concentrate – of which, 294 400 6E ounces were from BRPM and 188 200 6E ounces from Styldrift.

Cash costs of R9.8 billion were incurred, with unit costs of R20 406 per 6E ounce in concentrate (BRPM R16 481 per ounce and Styldrift R26 709 per ounce). Capital expenditure was R1.4 billion with capital reprioritised to sustain current production levels.

Impala Bafokeng reported a gross loss of R994 million. Its negative EBITDA of R1.4 billion was impacted by several once-off charges and costs associated with concluding the RBPlat acquisition, the S189 process and the IFRS 2 B-BBEE charge. A headline loss of R1.9 billion was reported. Free cash outflow was R3.1 billion, impacted by weak PGM pricing, once-off expenditure incurred in the period and the delayed receipt of concentrate payments at year-end, which resulted in elevated working capital.

Impala Bafokeng is expected to produce between 490 000 and 530 000 6E ounces in concentrate in FY2025.

Zimplats

Zimplats delivered another strong performance, benefiting from higher installed milling capacity and cost-containment initiatives implemented in the period. Project activity and hence capital expenditure remained elevated, with significant progress achieved on the mine replacement projects, the construction of a new furnace and Phase 1 of the solar photovoltaic plant.

Tonnes mined increased by 5% to 7.9 million tonnes (FY2023: 7.6 million tonnes), benefiting from pillar reclamation at Rukodzi Mine and the continued production ramp-up at Mupani Mine, while tonnes milled rose 5% to 7.9 million tonnes (FY2023: 7.5 million tonnes) with the third concentrator plant in operation for the full period. Milled grade was stable at 3.32g/t (FY2023: 3.33g/t) and 6E in matte production increased by 6% to 645 900 6E ounces (FY2023: 611 200 6E ounces).

Total cash costs increased by 6% to US$532 million (FY2023: US$503 million) on higher production volumes and mining inflation of 4.1%, driven primarily by utilities escalation. Translated costs were impacted by rand depreciation and increased by 11% to R9.9 billion (FY2023: R8.9 billion). Unit costs per tonne milled were maintained at US$67 per tonne, while stock-adjusted costs, including stockpile movements, improved by 1% to US$829 per 6E ounce (FY2023: US$836 per 6E ounce).

Capital expenditure increased by 42% to US$440 million (FY2023: US$310 million) and, at R8.2 billion, was 49% higher in rand terms (FY2023: R5.5 billion). Stay-in-business spend increased by 39% to R3.0 billion (FY2023: R2.1 billion) as the solar project was progressed, while replacement capital retraced by 7% to R1.5 billion (FY2023: R1.6 billion) due to the project at Bimha Mine completing in June 2024. The smelter expansion resulted in expansion capital rising 116% to R3.7 billion.

The significant retracement in rhodium, palladium and nickel pricing resulted in a 29% decline in sales revenue to R23 188 per 6E ounce sold, which offset the 6% increase in sales volumes to 641 300 6E ounces. Gross profit fell 76% to R1.5 billion, while EBITDA was 63% lower at R3.0 billion. Headline earnings attributable to the Group were impacted by higher foreign exchange losses but benefited from tax credits and fell 60% to R2.0 billion. Zimplats recorded a free cash outflow of R2.4 billion, with elevated capital expenditure exacerbating the pressure of lower metal pricing in the period.

Zimplats is operating at steady-state and is expected to produce between 630 000 and 660 000 6E ounces in FY2025. Commissioning of both the expanded smelter and the solar plant is planned for H1 FY2025.

Commentary

Marula

Production at Marula was negatively impacted by lengthy safety stoppages and subsequent audits following a fatal accident in August 2023, as well as constrained mining flexibility due to geological features and a brief period of industrial action relating to employee share ownership trust (ESOT) payments. Operating momentum was stabilised with programmes implemented to strengthen leadership and management routines, and the labour restructuring concluded in July 2024.

Tonnes milled fell by 4% to 1.85 million tonnes (FY2023: 1.94 million tonnes) reflecting the operational challenges, and grade declined by 3% to 4.28g/t on the higher proportion of development tonnage processed, resulting in a 7% decline in 6E concentrate volumes to 223 300 ounces (FY2023: 241 000 ounces).

The provision for community expenses, addition of novice labour, higher SLP spend and trackless machinery operating costs compounded the impact of mining inflation, and cash costs increased by 11% to R4.4 billion (FY2023: R3.9 billion). Lower ounce production resulted in a 20% increase in unit costs to R19 530 per 6E ounce (FY2023: R16 303 per 6E ounce). Capital expenditure reduced to R497 million (FY2023: R558 million) as the execution of the Phase 2 life-of-mine extension project was delayed and spend on trackless machinery was deferred.

Lower production and elevated costs compounded the impact of weaker rand PGM pricing and Marula reported a gross loss of R532 million, and negative EBITDA of R100 million. Headline earnings attributable to Group reduced to R203 million (FY2023: R2.3 billion) and a free cash outflow of R161 million was recorded.

Marula is expected to produce between 230 000 and 250 000 6E ounces in concentrate in FY2025.

Impala Canada

Impala Canada was repositioned and restructured due to the deterioration in palladium pricing, sustained inflationary pressures and the constrained operating environment. Production is now focused on high-grade underground mining blocks and cost, and capital expenditure was rebased to lower the operation's all-in sustaining cost. Spend on greenfield TSF capacity was halted and the Lac des Iles life-of-mine was revised to between three and four years at a reduced production rate.

Tonnes mined decreased by 27% to 3.30 million tonnes (FY2023: 4.54 million tonnes), in line with the rebased production profile, which incorporates updated cut-off grades and removes lower margin material. Milled throughput declined by 3% to 3.68 million tonnes (FY2023: 3.80 million tonnes) as milled volumes were supplemented with surface stockpiles. Milled grade declined by 1% to 2.90g/t (FY2023: 2.93g/t) due to treatment of ore stockpiles and 6E production in concentrate decreased by 4% to 280 600 ounces (FY2023: 290 900 ounces).

Inflationary pressures eased on utilities, while absolute savings were achieved on labour restructuring and lower mined volumes in the period. Cash costs declined by 14% to C$306 million (FY2023: C$358 million) and were 11% lower in rand at R4.2 billion (FY2023: R4.7 billion). Stock-adjusted unit costs per 6E ounce in concentrate improved by 6% and 2% to C$1 129 (FY2023: C$1 195) and R15 592 (FY2023: R15 854), respectively.

Capital expenditure declined by 41% to C$54 million (FY2023: C$92 million) as spend on the greenfield TSF was stopped and expenditure on capital development and mobile equipment was curtailed in line with the shortened life-of-mine production profile.

The 37% fall in received palladium pricing offset the benefit of lower costs and the weaker achieved rand in the period. Impala Canada reported a gross loss of R94 million (FY2023: profit of R587 million), a headline loss of R308 million (FY2023: profit of R94 million), and with a free cash inflow of R96 million. Basic earnings were further impacted by R1.6 billion in impairments recorded during the year.

Impala Canada is expected to produce between 250 000 and 270 000 6E ounces in concentrate in FY2025.

Commentary

Two Rivers

Two Rivers continued to face a constrained environment on the UG2 footprint – development rates were accelerated to increase mined volumes and mining activities navigated poor geological conditions. The Merensky project was progressed in the period, but the decision was taken to place the project on care and maintenance in FY2025, following initial commissioning, to mitigate potential free cash outflows associated with a ramp-up during the prevailing price environment.

Tonnes milled were stable at 3.57 million tonnes (FY2023: 3.56 million tonnes) as lower mined UG2 volumes were supplemented by batch-milling Merensky feed. Grade of 3.12g/t (FY2023: 3.09g/t) was impacted by the treatment of the lower grade Merensky stockpiles, which also lowered processing yields. 6E concentrate production declined by 1% to 291 400 ounces (FY2023: 295 400 ounces).

Total cash costs increased by 16% to R4.7 billion (FY2023: R4.0 billion), with mining inflation exacerbated by higher trackless maintenance costs and rental of a mobile crusher to enable the milling of Merensky ore. Stock-adjusted unit costs per 6E ounce (which include the cost of the Merensky stockpile milled) increased by 18% to R16 513 per ounce (FY2023: R13 974 per ounce).

Capital expenditure increased by 33% to R4.0 billion (FY2023: R3.0 billion) with R3.1 billion incurred on the Merensky project.

Gross profit for the year reduced by 82% to R538 million (FY2023: R3.0 billion) on the back of lower sales revenue and higher cash costs. Two Rivers reported an attributable net loss of R407 million (FY2023: profit of R1.5 billion) after accounting for an impairment of R987 million (post tax) and contributed R580 million to Group headline earnings.

Two Rivers is expected to produce between 270 000 and 300 000 6E ounces in concentrate in FY2025 as activities to deepen the UG2 mine and restore operational flexibility are prioritised.

Mimosa

Mimosa operated well, delivering volume gains and strong cost containment, which mitigated persistent local mining inflation and increased power instability in Zimbabwe.

Tonnes milled increased by 6% to 2.89 million tonnes (FY2023: 2.74 million tonnes) as the optimised plant was stress-tested to evaluate the optimal balance between concentrator recoveries and milling rates. Higher volumes and improved plant stability offset lower milled grade, which declined by 4% to 3.61g/t on dilution caused by poor ground conditions. 6E production in-concentrate increased by 4% to 255 400 ounces (FY2023: 245 100 ounces) as improved concentrator recoveries from the plant optimisation project partially offset the lower grades.

Costs were negatively impacted by spend incurred on labour rationalisation in the period, elevated utility costs and local inflation, increasing by 5% and 11% to US$265 million and R5.0 billion, respectively. Unit costs benefited from volume gains and increased by 1% and 6% to US$1 039 and R19 444 per 6E ounce, respectively (FY2023: US$1 030 and R18 290).

Capital expenditure decreased by 26% to US$90 million (FY2023: US$122 million) as the plant optimisation project concluded and the new TSF project was advanced. A decision was taken not to progress the North Hill operation in the current pricing environment, which will impact on life-of-mine at Mimosa. Efforts are focused on the current operations to improve efficiencies and options are evaluated to extend its life-of-mine.

Lower rhodium, palladium and nickel prices resulted in significant margin compression and a gross loss of R604 million (FY2023: R2.0 billion profit) was recorded in the period. An attributable post-tax impairment of R686 million resulted in an attributable loss of R861 million (FY2023: R887 million profit). Implats received R91 million in dividends from Mimosa in the period.

Mimosa is expected to produce between 240 000 and 260 000 6E ounces in concentrate in FY2025.

Commentary

MINERAL RESOURCES AND MINERAL RESERVES

The Group's attributable Mineral Resource estimate increased by 21% to 316.5 million 6E ounces, due to the inclusion of Impala Bafokeng. This increase was marginally offset by production depletion and the decrease in Implats' shareholding in Impala from 96% to 87%, following the conclusion of the B-BBEE transaction.

Group attributable Mineral Reserves increased by 4% to 54.6 million 6E ounces, due to the inclusion of Impala Bafokeng. The increase was offset by production depletion, the decrease in Implats' shareholding in Impala from 96% to 87%, and the exclusion of the Mimosa North Hill and the Two Rivers Merensky projects, which are not progressing due to the unfavourable metal price environment.

The maiden inclusion of Impala Bafokeng's Mineral Resources and Mineral Reserves at 31 December 2023 was calculated at 100% shareholding and has subsequently been offset by mining depletion and the decrease in Implats' shareholding to 87% on conclusion of the B-BBEE transaction.

FINANCIAL REVIEW

The benefit of strong operational delivery in FY2024 was offset by significantly weaker US dollar sales revenue. Sharply lower average palladium and rhodium pricing negated higher sales volumes and the benefit of a weaker average rand. Reported financial metrics were also negatively impacted by several once-off cash and non-cash items in the period.

Revenue of R86.4 billion was 19% or R20.2 billion lower than the prior comparable period:

- Higher sales volumes resulted in a 14% or R15.2 billion increase in revenue. 6E sales volumes increased by 16% to 3.44 million ounces, benefiting from the maiden annual consolidation of saleable ounces from Impala Bafokeng. Platinum sales increased by 12% to 1.58 million ounces, while palladium and rhodium sales were 14% and 15% higher at 1.19 million and 193 300 ounces, respectively. Sales volumes of minor PGMs increased by 35%
- Lower dollar metal prices resulted in a 38% or R40.0 billion reduction in revenue, with materially lower achieved rhodium and palladium pricing accounting for a R25.0 billion and R14.4 billion decline in revenue, respectively. Dollar revenue per 6E ounce sold declined by 34% to US$1 350 per ounce (FY2023: US$2 035 per ounce)
- The achieved rand exchange rate weakened by 5% to R18.71/US$ (FY2023: R17.75/US$) resulting in a R4.3 billion or 4% increase in revenue, which partly offset the impact of the significant retracement in US dollar metal pricing. Rand revenue per 6E ounce sold declined by 30% to R25 257 per ounce (FY2023: R36 118 per ounce)
- Lower closing metal prices resulted in a R0.5 billion (FY2023: R0.9 billion) fair value loss in revenue at Impala Bafokeng and Impala Canada.

Cost of sales declined by 4% or R3.3 billion to R80.9 billion:

- Cash costs increased by 23% or R11.0 billion to R58.6 billion, with the maiden annual consolidation of Impala Bafokeng accounting for R8.8 billion of the increase. Group mining inflation of 5.6% and the translation of foreign subsidiaries' costs at a weaker rand accounted for increases of R2.6 billion and R0.7 billion, respectively
- Lower volumes purchased from third parties, coupled with softer prevailing rand PGM pricing resulted in a 39% or R8.7 billion decrease in the cost of metals purchased
- Depreciation increased by 4% or R308 million to R8.0 billion, with the consolidation of Impala Bafokeng partially offset by lower charges at Impala Canada post its impairment
- Royalty expenses declined by R874 million to R1.8 billion, in line with lower prices and profitability
- The credit to the cost of sales arising from movement in inventory increased to R1.9 billion from a debit of R2.5 billion in FY2023, which was the result of the write-down of rhodium to net realisable value in that period. The impact of higher in-process inventory and unit costs in FY2024 was partially offset by a reduction in refined inventory.

Commentary

Stock-adjusted unit costs increased by 5% or R1 088 per 6E ounce to R20 922:

- Group mining inflation of 5.6% at managed operations contributed R1 075 per 6E ounce to the unit cost increase, as pricing pressures eased across Implats' operating geographies. Inflation of 6.5% at South African operations moderated from 9.0% in FY2023, and US dollar inflation of 4.1% at Zimplats and Canadian dollar inflation of 1.1% at Impala Canada eased from 11.0% and 7.8% recorded in the prior comparable period, respectively. Softer labour and consumables inflation was offset by high utilities inflation at both the Zimbabwean and South African operations
- The translation of subsidiaries' cash costs at the weaker prevailing exchange rate accounted for R266 per 6E ounce, or 1% of the annual increase
- Costs were positively impacted by managed operations delivering 3% in volume gains (on a like-for-like basis, excluding Impala Bafokeng). Notable improvements in grade and yield at Impala Rustenburg and higher milled throughput at Zimplats offset lower production at Marula and Impala Canada, resulting in a R969 per 6E ounce benefit to unit costs
- A discretionary employee bonus payment in the prior comparable period resulted in a R209 per 6E ounce reduction in reported unit costs in the period under review
- The maiden annual consolidation of Impala Bafokeng resulted in a R881 per ounce increase in reported unit costs, with PGM in-concentrate production adjusted for offtake terms in the calculation of Group unit costs.

Normalised unit costs, excluding the consolidation of Impala Bafokeng and the impact of the prior year's discretionary bonus, increased by 3% to R20 041 per 6E ounce.

The Group generated gross profit of R5.5 billion (FY2023: R22.3 billion) at a gross profit margin of 6% (FY2023: 21%).

Implats accounted for several significant once-off, non-cash items in profit before tax in FY2024:

- A R1.9 billion (no tax impact) IFRS 2 *(Share-based Payment)* B-BBEE non-cash charge arising on the implementation of the empowerment transaction at Impala Rustenburg and Impala Bafokeng in June 2024, reflecting the facilitation provided to empowerment parties including employees, communities and the Siyanda-led broad-based empowerment consortium, Bokamoso
- The impairment of goodwill (R6.3 billion), pre-paid royalty (R3.2 billion) and property, plant and equipment (R10.6 billion) at Impala Rustenburg of R20.2 billion (pre-tax), due to lower rand PGM pricing
- The impairment of property, plant and equipment of R1.6 billion (no tax impact) at Impala Canada, reflecting the change in the operation's planned operating parameters effected during the period
- The R987 million post-tax attributable share of a property, plant and equipment impairment at the Two Rivers JV (included in loss from associates) due to the combined valuation impact of lower rand PGM pricing and elevated near-term capital expenditure from the Merensky project
- The R686 million post-tax attributable share of a property, plant, and equipment impairment at the Mimosa JV (included in loss from associates) due to the combined valuation impact of lower rand PGM pricing and the deferral of the North Hill life-of-mine replacement project.

Income was impacted by foreign exchange losses of R924 million (FY2023: R857 million gain) with a period-end exchange rate of R18.19/US$ (FY2023: R18.85/US$). Other expenses include the R1.9 billion non-cash IFRS 2 charge, R418 million transaction-related costs associated with concluding the RBPlat acquisition, and R488 million incurred on the labour restructuring processes at Impala Canada, Zimplats, the South African managed operations and the corporate office in the period. The impact of lower PGM pricing on earnings at both JVs, Mimosa and Two Rivers, was compounded by combined post-tax impairments of R1.7 billion, resulting in a loss from associates of R1.2 billion (FY2023: profit of R3.4 billion and benefit of RBPlat equity earnings).

Implats recorded EBITDA of R12.4 billion (FY2023: R36.0 billion) at an EBITDA margin of 14% (FY2023: 34%) negatively impacted by the non-cash IFRS 2 charge and once-off cash expenses associated with the RBPlat acquisition and labour restructuring.

The tax credit for the period amounted to R3.3 billion, resulting in an effective tax rate of 16% (FY2023: R3.6 billion charge and 37%). The tax rate was

Commentary

impacted by adjustments for non-deductible expenditure related to impairments and the IFRS 2 B-BBEE charge, and the post-tax accounting of the losses from associates, while benefiting from a deferred tax credit relating to a reversal of withholding tax on undistributed profits at Zimplats.

Headline earnings of R2.4 billion or 269 cents per share were 87% and 88% lower, respectively, and reflect the 215 cents per share impact of the IFRS 2 B-BBEE charge (FY2023: R18.8 billion and 2 211 cents per share). Basic earnings declined to a loss of R17.3 billion or 1 929 cents per share, from basic earnings of R4.9 billion and 577 cents per share in the prior year. The cumulative impact of impairments in FY2024 resulted in a post-tax charge of R19.8 billion or 2 204 cents per share.

The weighted average number of shares in issue increased to 897.36 million from 850.28 million in the comparative period. The number of shares in issue increased to 904.37 million at period-end from 866.40 million at 30 June 2023, after 37.97 million Implats shares were issued as part of the acquisition consideration for RBPlat.

Cash flows from operating activities declined by 71% to R8.7 billion from R30.4 billion. The impact of materially lower received rand PGM pricing was compounded by the working capital impact of higher in-process inventory, a timing delay in the R1.0 billion receipt for sale of concentrates at Impala Bafokeng which was received in early July 2024, and R0.9 billion incurred on once-off RBPlat transaction costs. Net cash inflows from operating activities of R6.9 billion declined from R23.6 billion in the prior comparable period.

Capital cash outflows decreased by 3% to R12.3 billion (FY2023: R12.7 billion). A further R1.7 billion of capital payments, primarily associated with the Zimplats growth projects and incurred in the prior period, was transferred from prepayments to capital expenditure in the FY2024 period. As a result, the Group's total capital expenditure increased to R14.0 billion, reflecting the consolidation of capital expenditure from Impala Bafokeng (R1.4 billion), higher levels of growth capital at Zimplats and the impact of rand depreciation on the translation of foreign subsidiaries' spend. Stay-in-business spend increased by 10% to R8.1 billion, while replacement spend of R1.8 billion declined by 19% and expansion capital of R4.1 billion increased by 114%. The Group recorded a free cash outflow of R4.0 billion (FY2023: inflow of R14.2 billion).

The cash consideration associated with acquiring the remaining shareholding in RBPlat resulted in a R11.4 billion outflow (FY2023: R4.9 billion) during the period. Implats received R249 million (FY2023: R1.6 billion) in dividends from JVs and associates, while dividend payments totalling R1.8 billion (FY2023: R13.6 billion) were made to shareholders (R1.5 billion) and non-controlling interests at Zimplats and Impala Chrome (R304 million).

Zimplats utilised its revolving borrowing base facility of US$60 million (R1.1 billion) to fund its elevated capital expenditure during the period, with closing Group cash balances of R9.6 billion (FY2023: R26.8 billion).

The consolidation of Impala Bafokeng's PIC housing facility (R1.4 billion) and deferred revenue associated with its gold streaming facility (R1.5 billion) resulted in gross debt of R4.0 billion, excluding R0.9 billion in finance leases (FY2023: gross debt of R2.9 billion). Due to limited recourse to Implats, the PIC housing facility has been excluded from debt calculations for the purpose of covenants, resulting in closing adjusted debt of R2.6 billion and closing adjusted net cash of R6.9 billion (FY2023: R25.0 billion).

At the end of the period, the Group had an undrawn, dual-tranche revolving credit facility (RCF) of R6.5 billion and US$93.8 million, with accordion options in place of R2.2 billion and US$37.5 million, respectively, resulting in liquidity headroom of R17.7 billion. Subsequent to year-end, the Impala Bafokeng RCF of R2.0 billion was cancelled and the accordion option in the Implats RCF increased by R2.0 billion to R4.2 billion.

Implats' capital allocation framework aims to sustain and grow meaningful value for all stakeholders and provide attractive returns to shareholders while maintaining financial flexibility for the Group.

Commentary

During the period Implats incurred R9.9 billion on stay-in-business and replacement capital, with a further R0.4 billion spent on acquiring shares for the Implats share incentive schemes. After adjusting for foreign exchange translation losses, the Group realised an adjusted free cash outflow of R0.5 billion (FY2023: inflow of R16.6 billion), pre-growth capital.

No dividend was declared, in line with the Group's dividend policy, which is premised on returning a minimum of 30% of adjusted free cash flow, pre-growth capital. In FY2024, R15.6 billion in cash was allocated to growth and investment by funding the R11.4 billion cash consideration for the remaining RBPlat equity, investment of R4.1 billion in strategic expansion projects at the Group's mining and processing operations and contributing to AP Ventures. Free cash flow allocated to shareholder returns, through dividends to Zimplats and Impala Chrome minorities, accounted for R0.3 billion. Due to negative free cash generation during the period, prior period cash reserves of R16.4 billion were used to support the remaining cash component of the RBPlat mandatory offer and fund the once-off RBPlat acquisition costs, and the Group's operational and capital requirements.

PGM MARKET REVIEW (calendar years unless otherwise stated)

The global macro-economy has continued to deliver steady growth in 2024, seemingly navigating a complex geopolitical environment at a low and slow rate of output. This performance has largely surprised to the upside, despite fiscal fragilities, slowing disinflation and still-restrictive global interest rates and the International Monetary Fund forecasts an economic expansion of 3.2% and 3.3% in 2024 and 2025, respectively.

Lacklustre primary production and softer-than-expected secondary supply resulted in tighter-than-expected PGM markets in 2023, despite disappointing pricing over the period. Deficits in platinum, palladium and rhodium markets are estimated at 811 000, 1.32 million and 131 000 ounces, respectively. Pent-up demand and fading supply chain constraints supported significantly improved global light-vehicle production, which bolstered automotive offtake and offset lacklustre industrial demand for palladium and rhodium and softening investment demand for platinum.

Despite headline market deficits, significant pricing dislocations were caused by industrial and automotive end-users who destocked portions of their PGM inventory, as well as metal discounting as trade flows shifted from West to East. Negative precious metal investor sentiment and burgeoning speculative positioning amplified these factors.

All three major PGM markets are likely to remain in fundamental deficits in 2024, although market shortfalls are expected to ease from those witnessed in 2023 – automotive production growth is expected to moderate, industrial demand is expected to be marginally lower as capacity expansions ease, and supply is expected to stage a modest recovery on improved auto catalyst scrap collections. However, the pricing impact of continued industrial and automotive original equipment manufacturer (OEM) destocking will continue to heavily influence physical market tightness over the remainder of the calendar year, as will the trajectory of monetary policy and interest rates in major developed economies.

Pricing

The 'pre-investment' surplus characteristic of the platinum market's recent history has dissipated as automotive growth from switching, tightening heavy duty diesel demand and resilient offtake from the industrial sector met with softer-than-expected primary and secondary supply. Investor interest remains anaemic, however, with softening trade on the SGE and a widening discount to gold.
The platinum price remains rangebound between US$900 and US$1 000 per ounce, despite the recent strengthening of the rand on an improving domestic outlook following South African national elections in May 2024.

Commentary

Palladium pricing continues to be negatively impacted by a confluence of factors, including the sustained flow of discounted Russian primary supply, destocking by automotive OEMs adjusting their inventory levels and rising open interest, and growing net short positioning on NYMEX. The demand growth outlook for palladium remains supportive on expectations for a medium-term recovery in automotive production, and as the narrative about EV penetration rates slowing at the expense of hybrid vehicles gains traction. Despite news of lower Russian refined production in 2024 and weaker recycling flows, investor positioning remains overwhelmingly bearish, weighing heavily on pricing.

Rhodium's modest gains over the financial year reflected improving physical market conditions. The metal is significantly exposed to South African supply and the pace of electrification. Likely revisions to both these metrics will continue to result in tight markets and price support in the medium term.

Automotive

The global light vehicle (LV) market delivered significant volume improvements in 2023 versus 2022, boosted by pent-up demand and fading supply constraints as semiconductor shortages eased, with all key regions posting annual gains. In 2024, markets previously impeded by a lack of vehicle availability will now reflect underlying demand drivers, with inventory levels approaching normalised levels and consumer requirements dictating LV sales volumes, which are expected to increase by 3% and 4% in 2024 and 2025, respectively.

LV production increased by 10% in 2023 and is expected to rise by 1% in 2024 and 3% in 2025 as backlogs and inventories normalise, exposing production to cooler underlying LV demand due to the tight economic conditions and affordability issues weighing on consumers. LV sales of 42.4 million units in H1 2024 rose by 3% from the prior comparable period.

An emerging theme in the final months of 2023 was the slowing sales growth in battery electric vehicles (BEVs) and this gained momentum in the first half of 2024 – with growth in aggregate electrified vehicles currently outstripping that of BEVs, as various types of hybrid electric vehicles gained notable sales traction.

Current forecasts assume BEVs will realise further market share gains at the expense of internal combustion engine vehicles in 2024 and beyond. However, near-term market outlooks are now being trimmed in both North America and Europe where mass-market adoption of BEVs faces challenges from a combination of lower or withdrawn government subsidies, high pricing, falling resale values and a lack of charging infrastructure.

Global medium and heavy truck sales are expected to slow in 2024 after a strong performance in 2023 and a weaker outlook in mature markets, including Europe and North America. Global Data expects growth of 3% in 2024 and 5% in 2025 after the 16% volume gain delivered in 2023. Production, which increased by 13% in 2023, is expected to grow 2% in 2024 before accelerating marginally to 5% in 2025.

Having surprised positively in 2023, PGM automotive demand is set to ease in 2024, with limited forecast LV production growth still skewed to BEVs, and on continued efforts to thrift loadings between emission stages in both the LV and heavy-duty markets. Platinum demand will outperform both palladium and rhodium, supported by higher switching and growth in the heavy duty market.

Industrial

Industrial demand for PGMs is driven by the chemical, glass, electrical, biomedical and petroleum sectors and is impacted by capacity utilisation rates and changes in installed capacity. China's goal of self-sufficiency has driven structural growth in industrial PGMs in the recent past, with heavy investment into expanding domestic capacity in chemical, glass and petroleum refining.

Commentary

Platinum industrial demand was stable in 2023, benefiting from resilient glass and chemical demand, which offset softer offtake elsewhere. Industrial demand for palladium continues to exhibit greater price elasticity than for platinum or rhodium, with easing chemical offtake during the year compounded by weaker electronics demand. Rhodium industrial demand was negatively impacted by weak glass demand in 2022 and 2023, as alloys were adjusted to contain higher platinum content in response to record rhodium pricing.

Industrial demand for PGMs is expected to ease but remain elevated in 2024, supported by robust chemical demand and a modest recovery in electronics demand from both electronic devices and renewed investment in data storage following the post-Covid-19 slowdown. These underlying growth drivers will help compensate for a slowing cycle of capacity expansions in key demand sectors, including chemicals, glass, and petrochemicals, which supported industrial PGM demand at record levels over the recent past.

Jewellery

Platinum jewellery demand decreased in 2023 as the Chinese jewellery market contracted due to soft consumer sentiment on a slowing domestic economy, competition from gold, and a run-down in retail and manufacturer stocks, which offset better-than-expected demand in other regions.

The post-Covid-19 recovery in jewellery demand is now largely complete and after a notable contraction in the recent past, a modest improvement in Chinese demand is expected in 2024, albeit off a base of circa 50% of pre-pandemic levels. Western demand is likely to edge higher – platinum's sustained price discount to gold, expectations for a 'soft landing' in the US and modest restocking will support offtake in North America. European demand will benefit from a resilient luxury sector and further growth in the bridal market, away from white gold. India is set to deliver double-digit growth in the medium term, with manufacturing volumes benefiting from store expansions into tier two and tier three cities and strong exports. Japanese demand will also benefit from the pricing differential to gold supporting bridal offtake.

The platinum jewellery sector has rebalanced – from a Chinese-dominated demand segment to a more regionally diverse and less price elastic one – and demand is now more closely linked to underlying consumer and demographic trends. Implats' modelling indicates this provides resilient and meaningful stability to the demand outlook for platinum jewellery.

Investment

Implats' definition of the investment market includes exchange trades fund (ETF) flows and net bar and coin purchases. In 2023, modest purchasing by platinum ETFs and positive Japanese bar buying offset weakness in bar and coin purchases elsewhere, resulting in total net platinum investment of circa 177 000 ounces. Palladium and rhodium investment markets are far more modest in size and the Group estimates net ETF purchases of 58 000 ounces of palladium and negligible sales of less than 1 000 ounces of rhodium in 2023.

As of 30 June 2024, the 13 platinum, palladium and rhodium ETFs in Europe, Asia, North America, Australia, Japan and South Africa held a total of 3.39 million ounces platinum and 656 500 ounces palladium, with 2024 calendar year-to-date inflows of 444 100 ounces and 142 000 ounces, respectively. Rhodium ETF activity was negligible, with holdings of 9 300 ounces some 100 ounces lower in 2024.

The rising yen platinum price has resulted in net bar returns by Japanese investors, resulting in modest net disinvestment in the year to date. Bar and coin demand in the West will be challenged by lower Eagle coin production by the US Mint, while Chinese demand is set to benefit from the increased availability and promotion of investment products.

Commentary

PGMs in the energy transition

As the world seeks to decarbonise, the unique chemical properties of PGMs have resulted in a plethora of potential emerging and expanded future demand segments. These include the synthesis of biofuels and synthetic fuels, and in electrochemical applications for platinum, iridium, and ruthenium.

The development of a hydrogen economy and the latent potential offtake for PGMs is a key underpin to our long-term view of future demand and the role our primary products will play in a changing world. The more recent pace of advancement has been slower than previously anticipated, despite many major economies including the US, China, Japan, the UK, the EU, Australia, Canada and India all having hydrogen programmes and associated subsidies in place.

Medium-term hydrogen-derived PGM growth is expected to remain rapid, but some high-end forecasts have been trimmed amid project delays, uncertain policy and the weak macro-economic environment. In a period where top-line demand numbers have been revised, news flow from OEMs on fuel-cell electric vehicle (FCEV) plans and launches has increased – and this should continue providing upside to currently conservative market commentator estimates of likely penetration rates of this key zero-emission technology.

Industry alignment, collaboration and advocacy are essential to supporting the future demand potential for PGMs.

Supplies

Refined PGM mine supply disappointed in 2023, due to operational constraints across most key producing geographies, limited destocking of excess in-process inventory and a series of negative revisions announced to medium-term production profiles across the PGM peer group. Russian production, however, was delivered in excess of previous guidance, with sales volumes further elevated by destocking of refined inventory. Scheduled furnace maintenance at Nornickel in 2023 was delayed and 2024 production was guided to retrace as a result, with constrained processing capacity unlikely to allow for in-process inventory to accumulate.

The persistence of prevailing PGM pricing placed considerable pressure on South African and North American producer economics. Planned capital expenditure was scaled back significantly, with several mine closures and project deferrals announced, and primary supply is now set to decline in the medium term.

Secondary PGM supply contracted again in 2023 as auto sales remained weak and scrappage rates reduced. In addition, the cost and complexity of collecting, funding, and transporting spent catalyst material remains high. Some recovery in secondary supply is expected in the medium term. However, the pattern and scale of a recovery in western world collections remains a key forecast risk to near-term market balances and tightness in the major PGMs.

OUTLOOK AND GUIDANCE

The outlook for growth and inflation continues to face risks with implications for the timing and pace of rate cuts, which are seen as integral to the expected recovery in precious metal investor sentiment, demand and pricing. Political and geopolitical risks and the potential impact for trade, industrial policy, fiscal dynamics and productivity are likely to prevail for much of FY2025 – resulting in continued uncertainty and investor caution.

Implats remains focused on delivering safe and profitable production – operational planning and capital investment is structured to enhance the competitive positioning of each asset to maximise returns and limit the use of the balance sheet to cross-subsidise loss-making operations.

Following the significant setback in fatalities in FY2024, the focus on improving the Group's safety performance and eliminating fatal injuries remains steadfast, reinvigorated by targeted initiatives to enhance our safety culture, individual compliance and visible-felt leadership.

Commentary

Key mining and processing assets operated well in FY2024, however some failed to deliver to expectations and a series of interventions are underway at each of Marula, Two Rivers and Styldrift to ensure these operations revert to plan and realise their inherent potential during FY2025.

PGM miners continue to face challenging – and sometimes competing – stakeholder expectations from host communities, governments, organised labour and investors. Given persistent socio-economic challenges and financial constraints across our operating geographies, Implats will continue to prioritise labour stability, and constructive engagement with its mine communities, regulators and other key stakeholders.

Guidance

Group production in FY2025 will be supported by sustained operating momentum at each of Impala Rustenburg, Zimplats and Mimosa. Performance at Two Rivers is expected to stabilise as the Merensky project is placed on care and maintenance and UG2 production is prioritised. At Impala Bafokeng, production at Styldrift will be consolidated at a lower labour complement, while third-party receipts reflect expected volumes from pre-existing contracts. Refined volumes will benefit from the partial release of previously accumulated excess inventory, with Group sales in line with refined and saleable production.

Group 6E refined and saleable production is expected to be between 3.45 and 3.65 million ounces. Group unit costs are forecast to rise by up to 5% to between R21 000 and R22 000 per 6E ounce on a stock-adjusted basis. Group capital expenditure is forecast to be between R8 billion and R9 billion, inclusive of growth capital of between R0.9 billion and R1.1 billion. This guidance assumes exchange rates of R18.25/US$ and C$1.33/US$, respectively.

Area	Unit	Actual FY2024	Guidance FY2025
Refined production[1]	6E koz	**3 378**	3 450 – 3 650
Group production	6E koz	**3 654**	3 500 – 3 700
Impala, stock-adjusted	6E koz	**1 284**	1 250 – 1 300
Zimplats, in-matte	6E koz	**646**	630 – 660
Impala Bafokeng	6E koz	**483**	490 – 530
Two Rivers	6E koz	**291**	270 – 300
Impala Canada	6E koz	**281**	250 – 270
Mimosa	6E koz	**255**	240 – 260
Marula	6E koz	**223**	230 – 250
IRS (third-party)	6E koz	**191**	150 – 170
Group unit cost, stock-adjusted	R/oz 6E	**20 922**	21 000 – 22 000
Group capital expenditure	Rm	**14 003**	8 000 – 9 000
Exchange rate	R/US$	**18.71**	18.25
	C$/US$	**1.35**	1.33

[1] *Includes Impala Canada and Impala Bafokeng saleable ounces.*

The financial information on which the above guidance is based has not been reviewed and reported on by Implats' external auditors.

Approval of the summarised consolidated financial statements

The directors of Impala Platinum Holdings Limited (Implats, the Company or the Group) are responsible for the maintenance of adequate accounting records and the preparation of the summarised consolidated financial statements and related information in a manner that fairly presents the state of the affairs of the Company. These summarised consolidated financial statements are prepared in accordance with the Listings Requirements of the JSE Limited, the framework concepts and the measurement and recognition requirements of IFRS Accounting Standards, the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the Companies Act (71 of 2008) and the requirements of International Accounting Standards (IAS) 34 *Interim Financial Reporting* and incorporate full and responsible disclosure in line with the accounting policies of the Group which are supported by prudent judgements and estimates.

The summarised consolidated financial statements and the consolidated financial statements have been prepared under the supervision of the chief financial officer, Ms M Kerber CA(SA).

The directors are additionally responsible for the maintenance of effective systems of internal control which are based on established organisational structure and procedures. These systems are designed to provide reasonable assurance as to the reliability of the summarised consolidated financial statements, and to prevent and detect material misstatement and loss.

The summarised consolidated financial statements have been prepared on a going-concern basis as the directors believe that the Group will continue to be in operation in the foreseeable future.

The summarised consolidated financial statements have been approved by the board of directors and are signed on their behalf by:

NDB Orleyn
Chairman

NJ Muller
Chief executive officer

Johannesburg
29 August 2024

Independent auditor's report on summarised consolidated financial statements

TO THE SHAREHOLDERS OF IMPALA PLATINUM HOLDINGS LIMITED

Opinion

The summarised consolidated financial statements of Impala Platinum Holdings Limited, which comprise the summarised consolidated statement of financial position as at 30 June 2024, the summarised consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Impala Platinum Holdings Limited for the year ended 30 June 2024.

In our opinion, the summarised consolidated financial statements included on **pages 28** to **66** are consistent, in all material respects, with the audited consolidated financial statements of Impala Platinum Holdings Limited, in accordance with the requirements of the JSE Limited Listings Requirements for summary financial statements, set out in note 3 to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Other Matter

We have not audited future financial performance and expectations by management included in the accompanying summarised consolidated financial statements and accordingly do not express any opinion thereon.

Summarised Consolidated Financial Statements

The summarised consolidated financial statements do not contain all the disclosures required by the IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summarised consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of Impala Platinum Holdings Limited and the auditor's report thereon.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 29 August 2024. That report also includes the communication of key audit matters as reported in the auditor's report of the audited consolidated financial statements.

Directors' Responsibility for the Summarised Consolidated Financial Statements

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for summary financial statements, set out in note 3 to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

The Listings Requirements require summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS Accounting Standards as issued by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and also contain the information required by IAS 34, *Interim Financial Reporting*.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summarised consolidated financial statements are consistent, in all material respects, with the consolidated audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

DocuSigned by:
Deloitte & Touche
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Deloitte & Touche
Registered Auditors
Per: Sphiwe Stemela
Partner
29 August 2024

The Ridge
6 Marina Road
Portswood District
V&A Waterfront
Cape Town, 8000

Summarised consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2024

	Notes	2024 Rm	2023 Rm
Revenue	6	**86 398**	106 594
Cost of sales	7	**(80 931)**	(84 256)
Gross profit		**5 467**	22 338
Impairment	8	**(21 852)**	(15 116)
IFRS 2 charge on B-BBEE transaction	19	**(1 932)**	—
Loss on remeasurement of previously held equity investment before acquisition – Royal Bafokeng Platinum	13	**—**	(1 772)
Other income	9	**1 170**	240
Other expenses	10	**(1 289)**	(1 319)
Finance income		**1 076**	1 792
Finance costs		**(960)**	(615)
Net foreign exchange transaction (losses)/gains		**(924)**	857
Share of (loss)/profit of equity-accounted entities	13	**(1 182)**	3 382
(Loss)/profit before tax		**(20 426)**	9 787
Income tax credit/(expense)	17	**3 275**	(3 609)
(Loss)/profit for the year		**(17 151)**	6 178
Other comprehensive (loss)/income comprising items that may subsequently be reclassified to profit or loss:			
Exchange differences on translating foreign operations		**(1 432)**	5 805
Deferred tax thereon		**673**	(89)
Other comprehensive income/(loss) comprising items that will not be subsequently reclassified to profit or loss:			
Financial assets at fair value through other comprehensive income		**32**	152
Deferred tax thereon		**—**	—
Actuarial (loss)/gain on post-employment medical benefit		**(3)**	5
Deferred tax thereon		**1**	(1)
Total other comprehensive (loss)/income		**(729)**	5 872
Total comprehensive (loss)/income		**(17 880)**	12 050
(Loss)/profit attributable to:			
Owners of the Company		**(17 313)**	4 905
Non-controlling interests		**162**	1 273
		(17 151)	6 178
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(17 882)**	10 263
Non-controlling interests		**2**	1 787
		(17 880)	12 050
(Loss)/earnings per share (cents)			
Basic		**(1 929)**	577
Diluted		**(1 924)**	575

The notes on **pages 33** to **66** are an integral part of these summarised consolidated financial statements.

Summarised consolidated statement of financial position

as at 30 June 2024

	Notes	2024 Rm	2023 Rm
ASSETS			
Non-current assets			
Property, plant and equipment	11	**63 502**	71 176
Investment property		**86**	88
Goodwill	12	**3 523**	9 870
Investments in equity-accounted entities	13	**10 305**	12 525
Financial assets at fair value through other comprehensive income		**693**	661
Environmental rehabilitation investments	14	**2 776**	2 506
Other financial assets		**1 275**	1 257
Prepayments and other assets	15	**208**	3 541
		82 368	101 624
Current assets			
Inventories	16	**26 578**	24 320
Trade and other receivables		**11 826**	11 310
Current tax receivable	17	**791**	1 059
Other financial assets		**34**	23
Prepayments and other assets	15	**1 729**	4 230
Cash and cash equivalents		**9 629**	26 820
		50 587	67 762
Total assets		**132 955**	169 386
EQUITY AND LIABILITIES			
Equity			
Share capital	18	**31 096**	25 819
Retained earnings		**44 276**	74 175
Foreign currency translation reserve		**13 321**	13 920
Share-based payment reserve	19	**2 221**	480
Other components of equity		**485**	453
Equity attributable to owners of the Company		**91 399**	114 847
Non-controlling interests		**5 226**	11 188
Total equity		**96 625**	126 035
LIABILITIES			
Non-current liabilities			
Deferred tax	17	**13 332**	19 140
Provisions		**2 855**	2 734
Deferred revenue		**1 259**	1 238
Borrowings	20	**1 912**	2 255
Other financial liabilities		**—**	8
Other liabilities		**128**	304
		19 486	25 679
Current liabilities			
Trade and other payables		**14 798**	16 041
Current tax payable		**173**	242
Provisions		**55**	94
Deferred revenue		**240**	144
Borrowings		**1 429**	335
Other financial liabilities		**49**	263
Other liabilities		**100**	553
		16 844	17 672
Total liabilities		**36 330**	43 351
Total equity and liabilities		**132 955**	169 386

The notes on **pages 33** to **66** are an integral part of these summarised consolidated financial statements.

Summarised consolidated statement of changes in equity

for the year ended 30 June 2024

	Share capital Rm	Retained earnings Rm	Foreign currency translation reserve Rm
Balance at 30 June 2022	23 080	81 336	8 718
Shares issued	2 631	—	—
Acquisition of non-controlling interest in Royal Bafokeng Platinum	—	—	—
Acquisition of shares in Royal Bafokeng Platinum from non-controlling interest	—	(269)	—
Shares purchased – long-term incentive plans	(384)	—	—
Transfer of reserves	492	693	—
Share-based compensation expense	—	—	—
Deferred tax on share-based compensation liability	—	(28)	—
Total comprehensive income	—	4 909	5 202
Profit for the year	—	4 905	—
Other comprehensive income	—	4	5 202
Dividends paid	—	(12 466)	—
Balance at 30 June 2023	**25 819**	**74 175**	**13 920**
Shares issued	**5 172**	**—**	**—**
Acquisition of shares in Royal Bafokeng Platinum from non-controlling interest[1]	**—**	**(10 937)**	**—**
Shares purchased – long-term incentive plans	**(439)**	**—**	**—**
Transfer of reserves	**544**	**(105)**	**—**
Share-based compensation expense	**—**	**—**	**—**
Deferred tax on share-based compensation liability	**—**	**(55)**	**—**
IFRS 2 charge on B-BBEE transaction (note 19)	**—**	**—**	**—**
Total comprehensive (loss)/income	**—**	**(17 315)**	**—**
(Loss)/profit for the year	**—**	**(17 313)**	**—**
Other comprehensive (loss)/income	**—**	**(2)**	**—**
Dividends paid	**—**	**(1 487)**	**—**
Balance at 30 June 2024	**31 096**	**44 276**	**13 321**

[1] *During the year, the remainder of the 43.59% shareholding in Royal Bafokeng Platinum (RBPlat) was acquired from the non-controlling shareholders for a total consideration of R11 431 million in cash and the issue of 37 967 328 Implats shares with a fair value of R5 172 million. The difference between the adjustment to the carrying amount of the non-controlling interest and the fair value of the consideration paid was directly recognised in equity, and attributable to the owners of the Company.*

The table above excludes the treasury shares held in terms of the Group's long-term incentive plans.

The notes on **pages 33** to **66** are an integral part of these summarised consolidated financial statements.

Summarised consolidated statement of changes in equity

for the year ended 30 June 2024

		Attributable to:		
Share-based payment reserve Rm	**Other components of equity Rm**	**Owners of the Company Rm**	**Non-controlling interests Rm**	**Total equity Rm**
1 262	301	114 697	4 594	119 291
—	—	2 631	—	2 631
—	—	—	6 147	6 147
—	—	(269)	(145)	(414)
—	—	(384)	—	(384)
(1 185)	—	—	—	—
403	—	403	3	406
—	—	(28)	(22)	(50)
—	152	10 263	1 787	12 050
—	—	4 905	1 273	6 178
—	152	5 358	514	5 872
—	—	(12 466)	(1 176)	(13 642)
480	**453**	**114 847**	**11 188**	**126 035**
—	**—**	**5 172**	**—**	**5 172**
—	**—**	**(10 937)**	**(5 666)**	**(16 603)**
—	**—**	**(439)**	**—**	**(439)**
(439)	**—**	**—**	**—**	**—**
244	**—**	**244**	**3**	**247**
—	**—**	**(55)**	**3**	**(52)**
1 936	**—**	**1 936**	**—**	**1 936**
—	**32**	**(17 882)**	**2**	**(17 880)**
—	**—**	**(17 313)**	**162**	**(17 151)**
—	**32**	**(569)**	**(160)**	**(729)**
—	**—**	**(1 487)**	**(304)**	**(1 791)**
2 221	**485**	**91 399**	**5 226**	**96 625**

Summarised consolidated statement of cash flows

for the year ended 30 June 2024

	Notes	2024 Rm	2023 Restated[1] Rm
Cash flows from operating activities			
Cash generated from operations	21	**8 666**	30 372
Finance costs paid		**(480)**	(384)
Income tax paid	17	**(1 245)**	(6 419)
Net cash inflow from operating activities		**6 941**	23 569
Cash flows from investing activities			
Capital expenditure net of changes in deposits on property, plant and equipment		**(12 291)**	(12 670)
Purchase of property, plant and equipment		**(13 980)**	(11 356)
Decrease/(increase) in deposits on property, plant and equipment		**1 689**	(1 314)
Proceeds from the sale of property, plant and equipment		**119**	55
Acquisition of equity-accounted interest in Royal Bafokeng Platinum	13	**—**	(2 195)
Net cash acquired through the acquisition of Royal Bafokeng Platinum		**—**	2 862
Acquisition of controlling interest in Royal Bafokeng Platinum		**—**	(2 394)
Cash acquired through the acquisition		**—**	5 256
Acquisition of interest in other equity-accounted investments	13	**(134)**	(250)
Proceeds from disposal of short-term and other investments		**—**	1 125
Investments in environmental rehabilitation financial assets		**(22)**	(1 689)
Acquisition of financial assets at fair value through other comprehensive income		**—**	(46)
Finance income received		**1 014**	1 695
Dividends received		**249**	1 616
Other		**14**	(94)
Net cash outflow from investing activities		**(11 051)**	(9 591)
Cash flows from financing activities			
Acquisition of Royal Bafokeng Platinum from non-controlling interests[1]		**(11 431)**	(275)
Purchase of shares for long-term incentive plans		**(439)**	(384)
Proceeds of borrowings	20	**1 123**	—
Repayments of borrowings	20	**(79)**	(2)
Repayments of lease liabilities	20	**(282)**	(295)
Dividends paid to shareholders of the Company	27	**(1 487)**	(12 466)
Dividends paid to non-controlling interests		**(304)**	(1 176)
Net cash outflow from financing activities		**(12 899)**	(14 598)
Net decrease in cash and cash equivalents		**(17 009)**	(620)
Cash and cash equivalents at the beginning of the year		**26 820**	26 505
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies		**(182)**	935
Cash and cash equivalents at the end of the year		**9 629**	26 820

[1] *The comparative has been restated to correct presentation. The 'Acquisition of Royal Bafokeng Platinum from non-controlling interests' of R275 million was incorrectly presented as cash outflow from investing activities and has now been reclassified to be presented as cash outflow from financing activities. Refer to note 26.*

The notes on **pages 33** to **66** are an integral part of these summarised consolidated financial statements.

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

1. GENERAL INFORMATION

Impala Platinum Holdings Limited (Implats, the Company or the Group) is a leading producer of platinum group metals (PGMs). Implats is structured around seven mining operations and Impala Refining Services (IRS), a refining business. The mining operations are located on the Bushveld Complex in South Africa, the Great Dyke in Zimbabwe – the two most significant PGM-bearing ore bodies in the world – and the Canadian Shield, a prominent layered igneous complex domain for PGMs.

Implats has its primary listing on the JSE Limited (JSE) and a secondary listing on A2X Markets in South Africa, as well as a level 1 American Depositary Receipt programme in the United States of America.

The summarised consolidated financial statements were approved for issue on 29 August 2024 by the board of directors.

2. INDEPENDENT AUDITOR'S OPINION

The summarised consolidated financial statements have been derived from the audited consolidated financial statements which have been published on the Company's website (**www.implats.co.za**). The summarised consolidated financial statements for the year ended 30 June 2024 have been audited by our external auditor, Deloitte & Touche, who has expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the consolidated financial statements, which included key audit matters, from which these summarised consolidated financial statements were derived. A copy of the auditor's report on the summarised consolidated financial statements is available on **page 27**. Any forward looking statements have not been reviewed or reported on by the Company's external auditor.

3. BASIS OF PREPARATION

The summarised consolidated financial statements for the year ended 30 June 2024 have been prepared in accordance with the Listings Requirements of the JSE Limited, the framework concepts and the measurement and recognition requirements of IFRS Accounting Standards as issued by the International Accounting Standards Board, the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the Companies Act (71 of 2008) and the requirements of International Accounting Standards (IAS) 34 *Interim Financial Reporting*.

The summarised consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 30 June 2024, which were prepared in accordance with IFRS Accounting Standards, and the commentary included in the results.

The summarised consolidated financial statements were prepared under the historical cost convention except for certain financial assets, financial liabilities and derivative financial instruments which are measured at fair value and liabilities for cash-settled share-based payment arrangements which are measured using a binomial option pricing model.

The summarised consolidated financial statements are presented in South African rand, which is the Company's functional currency.

The summarised consolidated financial statements and consolidated financial statements have been prepared under the supervision of the chief financial officer, Ms M Kerber CA(SA).

The directors take full responsibility for the preparation of the consolidated financial statements from which the summarised consolidated financial statements are derived.

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

3. BASIS OF PREPARATION continued

Sustainability and climate change-related disclosures

Implats adheres to existing legislation and financial reporting frameworks. The Group additionally notes the current developments in corporate sustainability reporting, particularly in relation to their financial impacts. Implats supports the work of the IFRS International Sustainability Standards Board (ISSB) toward achieving this goal through its published sustainability disclosure standards, whose impact on the Group is currently being evaluated.

Climate change and other sustainability-related matters have been considered to the extent that these have materially impacted the carrying amounts of assets and liabilities, cash flows or the related estimates and judgements contained in the consolidated financial statements and have been disclosed in the relevant notes. Other climate and sustainability-related disclosures are available in the accompanying management commentary in the front pages of the summarised consolidated annual results.

4. ACCOUNTING POLICIES

The principal accounting policies and methods used by the Group are in accordance with IFRS Accounting Standards and are consistent with those of the prior year, except for changes due to the adoption of new or revised IFRS Accounting Standards. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in the notes where necessary and indicated with EJ.

AP

The following amendments to standards are effective and were adopted by the Group on 1 July 2023:

Amendments to IAS 12 *Income Taxes – International Tax Reform: Pillar Two Model Rules*

- The amendments introduce a mandatory temporary exception/(whose application must be disclosed) from the recognition and disclosure of deferred taxes arising from implementation of the Organisation for Economic Co-operation and Development (OECD) Pillar Two Mode Rules
- An entity is required to separately disclose its current tax expense/(income) related to Pillar Two income taxes, in the periods when the legislation is effective, and for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclose known or reasonably estimate information of the entity's exposure from Pillar Two income taxes
- The exception applies retrospectively and immediately while the rest of the disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023
- The amendments did not have a material impact on these financial statements.

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

4. ACCOUNTING POLICIES continued

AP

The following amendments to standards are not yet effective and were early adopted by the Group on 1 July 2023:

Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates – Lack of exchangeability*

- The amendments add guidance to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not
- The amendments are effective for reporting periods beginning on or after 1 January 2025
- The amendments did not have a material impact on these financial statements.

The following new standard is not yet effective and was not adopted by the Group on 1 July 2023:

IFRS 18 *Presentation and Disclosure in the Financial Statements*

- The new standard replaces IAS 1 *Presentation of Financial Statements*
- IFRS 18 introduces new presentation and disclosure requirements of additional totals in the statement of profit or loss, a new note which discloses management-defined performance measures and enhancements to the requirements for aggregation and disaggregation
- The new standard is effective for annual periods beginning on or after 1 January 2027, with early application permitted
- IFRS 18 is expected to impact the presentation and disclosure of the financial statements.

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

5. SEGMENT INFORMATION

The Group identified Mining, Impala Refining Services (IRS) and 'All other segments' as reportable segments.

Management has defined the operating segments based on the business activities and management structure within the Group. Management considers factors such as the nature of the products and services, as well as the geographical location of operations in their judgement to identify reportable segments.

Revenue flows

The Group's segments generate revenues from their respective geographical locations in which they operate. The 'All other segments' includes the Group's equity-accounted entities, Mimosa and Two Rivers.

Prior to 30 May 2023, Impala Bafokeng (previously known as RBPlat) was included in 'All other segments', as it was an equity-accounted associate of the Group. On 30 May 2023, Implats obtained control of Impala Bafokeng, and it then formed part of the Mining segment:

- Impala mines and refines its own metal inventories and sells externally to third parties. Sales are disaggregated geographically in the revenue note (note 6)
- Impala Canada and Impala Bafokeng sell their mined PGM concentrate to one customer each in North America and South Africa, respectively
- IRS, a division of Impala, is dedicated to the refining of metal concentrate/matte purchases built up by Implats. Situated in Springs, some 35km east of Johannesburg in South Africa, IRS provides smelting and refining services through offtake agreements with Group companies (except Impala, Impala Canada and Impala Bafokeng) and third parties
- The Marula and Zimplats mining segment revenues are therefore made intra-group to IRS, which ultimately sells the refined metal externally to the third parties disaggregated geographically as indicated in note 6.

Sales to the two largest customers were 11% and 8% (2023: 12% and 10%) of total revenue, from Impala and IRS.

Capital expenditure comprises additions to property, plant and equipment (note 11).

The measure of profit or loss for reportable segments is profit after tax, which is reconciled to the consolidated profit after tax. The basis of accounting for reportable segments is consistent with the Group's consolidated financial statements.

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

5. SEGMENT INFORMATION continued

	2024		2023	
	Revenue Rm	Profit/ (loss) after tax Rm	Revenue Rm	Profit/ (loss) after tax Rm
Mining				
Impala	**30 880**	**(17 053)**	43 082	8 014
Impala Bafokeng	**9 729**	**(1 992)**	610	(4 781)
Marula	**4 321**	**(311)**	6 851	2 020
Zimplats	**14 402**	**1 671**	4 598	4 598
Impala Canada	**5 580**	**(1 932)**	7 502	(7 737)
Impala Refining Services	**39 162**	**3 801**	(362)	(362)
All other segments	**875**	**(1 355)**	709	1 340
Reconciliation				
Consolidation adjustments to revenue and inventory	**(18 551)**	**20**	(24 898)	3 086
	86 398	**(17 151)**	106 594	6 178

	2024			2023		
	Capital expendi-ture Rm	Total assets Rm	Total liabilities Rm	Capital expendi-ture Rm	Total assets Rm	Total liabilities Rm
Mining						
Impala	**3 102**	**44 241**	**18 338**	4 054	62 647	18 922
Impala Bafokeng	**1 437**	**18 712**	**6 692**	158	20 854	7 476
Marula	**497**	**5 540**	**1 682**	558	5 935	1 758
Zimplats	**8 225**	**45 462**	**12 922**	5 513	46 611	11 158
Impala Canada	**742**	**3 130**	**4 744**	1 223	5 486	5 200
Impala Refining Services	**—**	**30 200**	**17 846**	—	33 228	20 352
All other segments	**—**	**27 402**	**16 106**	4	38 103	19 491
	14 003	**174 687**	**78 330**	11 510	212 864	84 357
Intercompany balances eliminated	**—**	**(41 457)**	**(42 328)**	—	(42 366)	(43 234)
Inventory adjustments	**—**	**(275)**	**—**	—	(1 112)	–
Deferred tax	**—**	**—**	**328**	—	—	2 228
	14 003	**132 955**	**36 330**	11 510	169 386	43 351

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

5. SEGMENT INFORMATION continued

	2024									
	Impala Rm	Impala Bafokeng Rm	Marula Rm	Zimplats Rm	Impala Canada Rm	Total mining segments Rm	Impala Refining Services Rm	All other segments Rm	Recon-ciliation Rm	Total Rm
Revenue from										
Platinum	11 563	4 020	1 315	4 612	262	21 772	11 710	–	(5 928)	27 554
Palladium	6 642	1 958	1 509	4 515	4 457	19 081	10 977	–	(6 025)	24 033
Rhodium	6 477	1 980	1 287	1 829	–	11 573	7 313	–	(3 117)	15 769
Nickel	1 233	635	64	1 564	–	3 496	2 436	–	(1 628)	4 304
By-products	4 965	1 571	489	2 350	972	10 347	6 369	951	(2 912)	14 755
Commodity price adjustments	–	(435)	(338)	(468)	(111)	(1 352)	–	–	806	(546)
Gold streaming	–	–	–	–	–	–	–	–	172	172
Treatment charges	–	–	(5)	–	–	(5)	–	(76)	81	–
Treatment income	–	–	–	–	–	–	357	–	–	357
	30 880	9 729	4 321	14 402	5 580	64 912	39 162	875	(18 551)	86 398

	2023								
	Impala Rm	Impala Bafokeng Rm	Marula Rm	Zimplats Rm	Impala Canada Rm	Impala Refining Services Rm	All other segments Rm	Recon-ciliation Rm	Total Rm
Revenue from									
Platinum	11 528	365	1 343	4 521	295	11 983	–	(5 864)	24 171
Palladium	9 587	217	2 525	6 875	6 854	15 917	–	(9 401)	32 574
Rhodium	16 258	225	3 244	4 356	–	18 142	–	(7 600)	34 625
Nickel	1 548	67	86	2 021	–	2 996	–	(2 107)	4 611
By-products	4 161	133	465	2 001	837	5 349	771	(2 527)	11 190
Commodity price adjustments	–	(413)	(807)	(1 727)	(484)	–	–	2 534	(897)
Gold streaming	–	16	–	–	–	–	–	–	16
Treatment charges	–	–	(5)	–	–	–	(62)	67	–
Treatment income	–	–	–	–	–	304	–	–	304
	43 082	610	6 851	18 047	7 502	54 691	709	(24 898)	106 594

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

6. REVENUE

		2024 Rm	2023 Rm
6.1	**Disaggregation of revenue by category**		
	Sale of goods		
	Platinum	**27 554**	24 171
	Palladium	**24 033**	32 574
	Rhodium	**15 769**	34 625
	Nickel	**4 304**	4 611
	By-products	**14 755**	11 190
		86 415	107 171
	Commodity price adjustments	**(546)**	(897)
	Revenue from gold streaming[1]		
	Deferred revenue recognised	**160**	15
	Variable consideration	**12**	1
	Revenue from services		
	Toll refining	**357**	304
		86 398	106 594
6.2	**Analysis of revenue by destination**		
	Main products (Pt, Pd, Rh and Ni)		
	Asia	**26 127**	40 713
	North America	**15 441**	23 883
	Western Europe	**15 980**	18 997
	South Africa	**13 545**	11 491
		71 093	95 084
	By-products		
	Asia	**4 426**	3 635
	Western Europe	**3 096**	2 875
	South Africa	**5 054**	3 002
	North America	**2 047**	1 548
	Australia	**153**	130
	Bermuda	**172**	16
		14 948	11 206
	Toll refining		
	Rest of Africa	**349**	298
	South Africa	**7**	4
	North America	**1**	2
		357	304
		86 398	106 594

[1] *Impala Bafokeng (previously RBPlat) entered into a gold-streaming agreement with Triple Flag International Limited (Triple Flag) whereunder Triple Flag made an advance payment of US$145 million to Impala Bafokeng Resources (previously Royal Bafokeng Resources, a subsidiary of Impala Bafokeng), to be repaid through future delivery of gold credits directly linked with the gold production from its mining operations (excluding Styldrift II and the Impala royalty areas). 6 270 (2023: 576) gold ounces were delivered during the year.*

Note 5 contains additional disclosure of revenue per reportable segment.

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

7. COST OF SALES

	2024 Rm	2023 Rm
Production costs		
On-mine operations	**41 291**	32 476
Processing operations	**12 887**	10 437
Refining and selling	**2 480**	2 537
Depreciation of operating assets[1]	**8 044**	7 736
Other costs		
Metals purchased	**13 534**	22 253
(Increase)/decrease in metal inventories	**(1 850)**	2 546
Royalty expenses	**1 750**	2 624
Corporate costs	**1 892**	2 052
Chrome operation – cost of sales	**443**	407
Share-based compensation and other	**460**	1 188
	80 931	84 256
The following disclosure items are included in cost of sales:		
Repairs and maintenance expenditure on property, plant and equipment	**5 743**	4 361
Cost of inventories sold[2]	**81 097**	78 137

1 *In the prior year, Impala Canada revised the useful lives estimate for certain assets, increasing depreciation by approximately R741 million (C$56 million) in the current year. Refer to note 11* EJ.

2 *The cost of inventories sold excludes the net realisable value adjustment of R361 million (2023: R2 879 million) disclosed in note 16.*

8. IMPAIRMENT

	2024 Rm	2023 Rm
Impairment of non-financial assets is made up of the following:		
Impairment – property, plant and equipment (note 11)	**12 258**	10 872
Impairment – goodwill (note 12)	**6 347**	4 244
Impairment – prepaid royalty (note 15.1)	**3 247**	—
	21 852	15 116

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

9. OTHER INCOME

	2024 Rm	2023 Rm
Insurance proceeds – business interruption	**300**	—
Fair value gain on environmental rehabilitation investments	**231**	165
Fair value gain on foreign exchange rate collars	**222**	—
Tax penalties – credit (note 17.2)	**159**	—
Profit on sale and leaseback of houses	**30**	30
Profit on disposal of property, plant and equipment	**30**	24
Insurance proceeds – asset damage	**27**	—
Dividends received – Rand Mutual Assurance	**—**	7
Other	**171**	14
	1 170	240

10. OTHER EXPENSES

	2024 Rm	2023 Rm
Restructuring costs	**488**	—
Acquisition-related costs – RBPlat	**204**	415
Acquisition-related costs – RBPlat acceleration of IFRS 2 *Share-based Payments*	**214**	—
Non-production-related corporate costs	**151**	101
Fair value loss on foreign exchange rate collars	**—**	222
Exploration expenditure	**88**	169
Fair value loss on metal inventories – hedge ineffectiveness (note 16)	**—**	138
Loss on disposal of property, plant and equipment	**9**	39
Auditor remuneration	**52**	37
Loss – change of interest in associates	**—**	21
Other	**83**	177
	1 289	1 319
Auditor remuneration comprises:	**52**	37
Audit services including interim review	**52**	37
Other services	**—**	—

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

11. PROPERTY, PLANT AND EQUIPMENT

	2024 Rm	2023 Rm
Carrying value – opening balance	**71 176**	64 513
Capital expenditure[1]	**13 988**	11 379
Right-of-use assets capitalised	**23**	154
Property, plant and equipment acquired through the acquisition of RBPlat	**—**	8 644
Depreciation (note 7)[1]	**(8 052)**	(7 759)
Impairment	**(12 258)**	(10 872)
Disposals and scrapping	**(98)**	(70)
Environmental rehabilitation adjustment	**2**	(66)
Interest capitalised	**47**	—
Exchange differences	**(1 326)**	5 253
Carrying value – closing balance	**63 502**	71 176

[1] *Includes depreciation of R8 million (2023: R23 million) which was capitalised to the cost of property, plant and equipment.*

Impairment – Impala Rustenburg mining operation

In the current year, Impala performed a recoverability assessment of its Impala Rustenburg mining operation due to a lower PGM price profile, as well as changes to the mine life. The assessment concluded in the impairment of R10 626 million to property, plant and equipment and an offsetting impact on deferred tax of R2 869 million that resulted in a post-tax loss of R7 757 million. The recoverable amount of the Impala Rustenburg mining cash-generating unit (CGU) of R21 026 million was determined on the basis of its fair value less costs of disposal. The recoverable amount is based on future discounted cash flows (value in use of the CGU), including an *in situ* 4E ounce value for mineral resources outside the approved mine plan. This is a level 3 valuation in terms of the fair value hierarchy (note 25).

EJ

The key financial assumptions for the CGU used in the recoverable amount calculations were:

- An overall long-term real basket price per 6E ounce sold of R27 470 (2023: R28 650 in 2024 equivalent terms)
- A long-term pre-tax real discount rate of 26% (2023: 29%) and a long-term post-tax real discount rate of 12% (2023: 13%)
- If the long-term metal prices were to increase by 5%, the recoverable amount would increase by approximately R20 000 million. Conversely, a decrease of 5% would negatively affect the recoverable amount by approximately R21 000 million
- If the real discount rate were to increase or decrease by 50 basis points, the recoverable amount would decrease or increase by approximately R1 700 million.

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

11. PROPERTY, PLANT AND EQUIPMENT continued

Impairment – Impala Rustenburg mining operation continued

EJ

Change in estimate

For purposes of impairment testing, Implats calculates the value in use of CGUs based on the latest reliable information available, and considers experience gained over time.

The valuation of the mining and the refining CGUs require the input of revenue estimates that are impacted by internal transfer pricing, which affect the relative cash flow estimates associated with CGUs. The valuation technique applied in the value-in-use calculation is applied consistently.

In the current period, the cash flow inputs in value-in-use discounted cash flow calculation of Impala Rustenburg mining operation CGU was re-assessed using management's best estimate of future prices that could be achieved in an arm's-length transaction. The improvement in accuracy of the value-in-use calculation resulting from the change in estimate was achieved by transferring the concentrator from the refining to the mining CGU and re-estimating the mining CGU revenue cash flows by taking into account mine to concentrate revenues for the mining segment.

Consequently, the current year profit and loss includes a R10 626 million pre-tax impairment charge at the Impala Rustenburg mining operation. Due to the change in estimate, the post-tax impairment charge was R4 000 million higher than what it would otherwise have been. There is currently no reliable estimate of the impact of the change in estimate on future profits.

Impairment – Canada

Impala Canada performed a recoverability assessment of its Lac des Iles mine due to decreased consensus pricing and changes to the mine life and mineral reserves estimates. The assessment concluded in the impairment of R1 632 million (C$120 million) (2023: R10 872 million (C$771 million)) to property, plant and equipment and an offsetting impact on deferred tax of Rnil (C$nil) (2023: R3 058 million (C$217 million)) that resulted in a post-tax loss of R1 632 million (C$120 million) (2023: R7 814 million (C$554 million)). The recoverable amount of the CGU of Rnil (C$nil) (2023: R2 334 million (C$164 million)) was determined on the basis of its fair value less costs of disposal.

EJ

The key financial assumptions for the CGU used in the recoverable amount calculations were:

- An overall long-term real palladium price per ounce of US$970 (2023: US$1 350)
- A long-term post-tax real discount rate range of 10% to 11% (2023: 11% to 12%)
- If the long-term metal prices were to increase by 5%, the recoverable amount would increase by approximately R468.3 million (C$35.2 million) (2023: R1 120 million (C$78.7 million)). Conversely, a decrease of 5% would negatively affect the recoverable amount by approximately Rnil (C$nil) (2023: R1 241 million (C$87.2 million))
- If the real discount rate were to increase or decrease by 50 basis points, there would be no impact on the recoverable amount (2023: the recoverable amount would decrease or increase by approximately R28 million (C$2 million)).

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

11. PROPERTY, PLANT AND EQUIPMENT continued

	2024 Rm	2023 Rm
Right-of-use assets included in property, plant and equipment		
Land and buildings	**237**	330
Refining plants	**72**	95
Other assets	**96**	152
	405	577

	2024 Rm	2023 Rm
Capital commitments in respect of property, plant and equipment:		
Commitments contracted for	**3 060**	11 320
Approved expenditure not yet contracted	**9 985**	18 414
	13 045	29 734
Less than one year	**6 930**	15 160
Between one and five years	**6 115**	14 574

Capital expenditure will be funded from internally generated funds and borrowings, where necessary. All right-of-use assets are encumbered by lease liabilities. No other fixed assets are pledged as collateral.

12. GOODWILL

	2024 Rm	2023 Rm
Cost	**14 114**	14 114
Accumulated impairment	**(10 591)**	(4 244)
Carrying amount	**3 523**	9 870

The goodwill of R14 114 million associated with RBPlat arose on the business combination at acquisition date on 30 May 2023 and was impaired by R4 244 million to its recoverable amount of R9 870 million in the prior year. The carrying amount of R9 870 million was allocated to the relevant cash-generating units (CGUs), with R6 347 million allocated to the Impala Rustenburg mining CGU, R3 333 million to the Impala Refining Services (IRS) CGU and R190 million (post-impairment) to the Impala Bafokeng CGU, respectively.

During the current year, goodwill allocated to the Impala Rustenburg mining CGU of R6 347 million was impaired in full as part of the impairment of the Impala Rustenburg mining operation. Refer to note 11.

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

12. GOODWILL continued

EJ

Impairment of goodwill

Goodwill is assessed for impairment as part of the specific CGUs to which the goodwill was allocated. The recoverable amount of the various CGUs where goodwill has been allocated to was determined using its fair value less costs to sell. The fair value less costs to sell was determined based on estimates of future discounted cash flows (DCFs) of the latest adjusted life-of-mine (LoM) plans using updated assumptions on metal prices, rand foreign exchange rates and inflation. A risk-adjusted discount rate was used, taking into account specific risks relating to the CGU where cash flows have not been adjusted for the risk.

Mineral resources outside the approved mine plans are valued based on the *in situ* 4E ounce value. Comparable market transactions are used as a source of evidence adjusting specifically for the nature of each underlying ore body and the prevailing platinum price.

All the above estimates are subject to risks and uncertainties including achievement of mine plans, future metal prices and exchange rates. It is therefore possible that changes may occur which may affect the recoverability of the Impala, IRS and Impala Bafokeng's CGUs.

The key financial assumptions used in the recoverable amount calculations were:

- An overall long-term real basket price per 6E ounce sold of R27 470 (2023: R28 650 in 2024 equivalent terms) adjusted for the CGU's prill split
- A long-term pre-tax real discount rate of 26% (2023: range of 24% to 29%) and long-term post-tax real discount rate of 12% (2023: range of 17% to 20%)
- *In situ* resource valuation of between US$2.00 and US$12.00 (2023: US$2.00 and US$12.00) per 4E ounce depending on whether the resource is inferred, indicated and measured
- Any changes in the assumptions used will impact the recoverable amount as disclosed in note 11 and will not have any impact in the amount of goodwill impaired as goodwill allocated to the Impala Rustenburg mining CGU was impaired in full prior to the impairment of the prepaid royalty and thereafter property plant and equipment.

AP

Goodwill

Goodwill is an intangible asset with an indefinite useful life that arises on the date of acquisition of a business combination and represents the excess of the aggregate of the cost of the acquisition, the non-controlling interest and the fair value of the acquirer's previously held equity interest in the acquiree (where applicable) over the net amounts of the identifiable assets acquired and the liabilities assumed at the acquisition date.

For the purposes of impairment testing, goodwill is allocated to each of the Group's CGUs (or group of CGUs) that is expected to benefit from the synergies of the business combination. Goodwill is carried at cost less any accumulated impairment losses. Gains or losses on the disposal of a CGU include the carrying amount of goodwill allocated to the CGU sold.

Impairment of goodwill

Goodwill is tested for impairment at least annually, and at the end of each reporting period when an indicator of impairment exists. Goodwill is allocated to CGUs for impairment testing. The recoverable amount of the CGU to which goodwill was allocated is based on the highest of value in use or fair value less costs to sell, derived from reserve and resource ounces. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to other assets of the CGU prorate based on the carrying amount of each asset in the CGU. Any impairment loss on goodwill is recognised directly in profit or loss and is not reversed.

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

13. INVESTMENT IN EQUITY-ACCOUNTED ENTITIES

	2024 Rm	2023 Rm
Summary balances		
Joint ventures		
Mimosa	**5 248**	6 642
AP Ventures	**1 093**	1 150
Associates		
Two Rivers[1]	**3 649**	4 494
Individually immaterial associates and joint ventures	**315**	239
Total investments in equity-accounted entities	**10 305**	12 525
Summary movement		
Beginning of the year	**12 525**	26 804
Share of (losses)/profits[1]	**(1 773)**	2 523
Acquisition of equity-accounted interest in RBPlat	**–**	3 451
Cash consideration	**–**	2 195
Shares issued	**–**	1 256
Acquisition of interests in other equity-accounted investments	**134**	250
Carrying amount of equity investment immediately before acquisition date	**–**	(19 878)
Fair value of equity investment immediately before acquisition date – RBPlat	**–**	(18 106)
Loss on remeasurement of previously held equity investment before acquisition – RBPlat	**–**	(1 772)
Change of interests in associates	**–**	(23)
Exchange differences	**(242)**	1 007
Dividends received	**(339)**	(1 609)
End of the year	**10 305**	12 525
Share of profit of equity-accounted entities is made up as follows:		
Share of (loss)/profit	**(1 773)**	2 523
Unrealised profit in inventory movements	**591**	859
Total share of profit of equity-accounted entities	**(1 182)**	3 382

[1] *Share of losses include a R1 673 million (after tax) impairment loss comprising an impairment of R2 378 million of property, plant and equipment and its related deferred tax credit of R705 million from Mimosa and Two Rivers. Refer to note 20.*

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

14. ENVIRONMENTAL REHABILITATION INVESTMENTS

	2024 Rm	2023 Rm
Guarantee investments – Guardrisk	**2 395**	2 169
Guarantee investments – Centriq Insurance Company Limited	**170**	143
Environmental trust deposits	**211**	194
	2 776	2 506

EJ

Financial assets measured at fair value through profit or loss
Fair value measurements reflect the view of market participants under current market conditions taking into account climate-related risks, geopolitical and other economic factors. Refer to note 25 for financial instrument risk disclosures.

15. PREPAYMENTS AND OTHER ASSETS

	Notes	2024 Rm	2023 Rm
Royal Bafokeng Nation (RBN) prepaid royalty	15.1	**–**	3 572
Deposits on property, plant and equipment	15.2	**924**	2 659
Business-related prepaid expenditure	15.3	**788**	1 276
Employee housing benefit	15.4	**225**	264
		1 937	7 771
Current		**1 729**	4 230
Non-current		**208**	3 541

15.1 Royal Bafokeng Nation (RBN) prepaid royalty

In March 2007, the Group agreed to pay the RBN all future royalties due to them, thus effectively discharging any further obligation to pay royalties. In turn, the RBN purchased shares through Royal Bafokeng Impala Investment Company and Royal Bafokeng Tholo Investment Holding Company, giving them a 13.2% holding in the Company at the time. The RBN has subsequently sold their shareholding in the Company. At year-end, the carrying amount of the prepaid royalty (R3 247 million) was impaired in full as part of the impairment of the Impala Rustenburg mining operation.

15.2 Deposits on property, plant and equipment

Property, plant and equipment prepayments mainly relates to amounts prepaid on capital equipment at Zimplats for the smelter expansion and SO_2 abatement plant projects, replacement mines, duty and value added tax on capital equipment, power supply, tailings dam extension implementation and base metal refinery.

15.3 Business-related prepaid expenditure

The business-related prepaid expenditure mainly relate to amounts prepaid on operating activities at Zimplats for power supply, import duty as well as other consumables.

15.4 Employee housing benefit

The current year movement in the employee housing benefit comprised an increase of R22 million (2023: R1 million) for additional houses sold to employees, an amortisation charge of R22 million (2023: R2 million), and reversals of R39 million (2023: R2 million) as a result of agreements being terminated.

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

16. INVENTORIES

	2024 Rm	2023 Rm
Mining metal		
Refined metal	**2 380**	2 893
In-process metal	**8 664**	6 503
	11 044	9 396
Purchased metal[1]		
Refined metal	**3 404**	3 536
In-process metal	**9 200**	8 100
	12 604	11 636
Total metal inventories	**23 648**	21 032
Stores and materials inventories	**2 930**	3 288
	26 578	24 320

1 *The fair value exposure on purchased metal was designated as a hedged item and is included in the calculation of the cost of inventories. The fair value exposure relates to adjustments made to commodity prices and US dollar exchange rates from the date of delivery until the final pricing date as per the relevant contract. During the prior year, the hedging relationship was ineffective, resulting in a fair value loss adjustment of R138 million recognised in other expenses (note 10).*

The net realisable value (NRV) adjustment included in the inventory value is impacted by the prevailing metal prices at the reporting date. The current year adjustment of R361 million (2023: R2 879 million) comprised R65 million (2023: R923 million) for refined metal and R296 million (2023: R1 956 million) for in-process metal.

Purchased metal consists mainly of Impala Refining Services inventory.

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

16. INVENTORIES continued

EJ

Inventory valuation

Metals classification between main and by-products is determined based on an assessment of the relative metal content for each segment. The relative metal content of Impala Canada, mining on the Canadian Shield, differs materially from what is mined in the Bushveld Complex in South Africa and the Great Dyke in Zimbabwe.

For purposes of inventory valuation, the southern African operations treat platinum, palladium, rhodium and nickel as main products and other precious and base metals produced, as by-products.

Impala Canada's mining and processing activities do not form part of the southern African operations' production process and its inventory is valued independently. Impala Canada classifies palladium as a main product and all other precious and base metals as by-products for inventory valuation purposes.

The average unit cost of normal pre-smelter production for mining metal is determined by dividing mining production cost with mining output on a 12-month rolling-average basis. The normal cost of purchased metal is measured based on the acquisition cost determined on a six-month rolling average basis. The refining cost per unit (further conversion through smelter, base metal refinery (BMR) and precious metal refinery (PMR)) is determined by dividing normal refining costs with total output (both mining and purchased) on a 12-month rolling-average basis.

Refined ruthenium and iridium metal quantities on hand are valued using the lower of the actual stock quantity and three-months' sales quantity.

In-process metal estimate adjustments

Quantities of recoverable metal are reconciled to the quantity and grade of ore input as well as the quantities of metal actually recovered (metallurgical balancing). The nature of this process inherently limits the ability to precisely monitor recoverability levels. As a result, the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time. The Group conducts periodic counts (usually annually) at the refineries to assess the accuracy of inventory quantities. Based on these counts, changes in engineering estimates of metal contained in-process resulted in a pre-tax increase in metal inventory of R968 million (2023: R480 million). Tolerances of up to 2% of annual throughput of the main products are regarded as normal levels of estimation uncertainty in the measurement of work-in-progress quantities.

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

17. TAXATION

		2024 Rm	2023 Rm
17.1	**Deferred tax**		
	Deferred tax liabilities	**13 332**	19 140

The total year-on-year deferred tax movement is mainly attributable to temporary difference movements relating to property, plant and equipment (R1 639 million), prepaid royalty (R856 million), assessed losses (R1 068 million) and withholding taxes on undistributed profits.

EJ

Unrecognised temporary differences

There are unrecognised temporary differences of R8 271 million (2023: R5 885 million) in the Group, relating to certain subsidiaries. These comprise unredeemed capex of R5 689 million (2023: R3 292 million), capital losses of R1 287 million (2023: R1 287 million), assessed loss of R553 million (2023: R669 million), fair value of assets and liabilities of R348 million (2023: R40 million) and other of R394 million (2023: R597 million).

Reversal of these temporary differences is currently uncertain, therefore deferred tax has not been provided.

		2024 Rm	2023 Rm
17.2	**Current tax**		
	Current tax payable	**173**	242
	Current tax receivable	**(791)**	(1 059)
	Net current tax receivable	**(618)**	(817)
	Reconciliation		
	Beginning of the year	**(817)**	3
	Income tax expense	**1 844**	5 243
	Payments made during the year	**(1 245)**	(6 419)
	Current tax payable acquired through the acquisition of RBPlat	**—**	426
	Tax penalties paid	**(165)**	—
	Interest accrued	**(72)**	(3)
	Interest and penalties refunded	**(159)**	—
	Exchange differences[1]	**(4)**	(67)
	End of the year	**(618)**	(817)

[1] *The exchange differences mainly arose from the settlement and translation of Zimbabwean dollar-denominated income tax liabilities to US dollar.*

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

17. TAXATION continued

	2024 Rm	2023 Rm
17.3 Tax rate reconciliation		
The tax on the Group's profit differs as follows from the theoretical charge that would arise using the basic tax rate of 27% (2023: 27%) for South African companies:		
Normal tax for companies on profit before tax	**(5 515)**	2 642
Adjusted for:		
Withholding taxes in undistributed profits	**(1 474)**	—
Disallowable expenditure	**2 642**	2 514
Change in tax rate – Zimbabwean tax	**322**	—
Effect of after-tax share of profit from equity-accounted entities	**319**	(913)
Other	**431**	(634)
Income tax expense	**(3 275)**	3 609
Effective tax rate (%)	**16**	37

	2024 Rm	2023 Rm
Current tax	**1 844**	
Deferred tax	**(5 119)**	(1 634)
Income tax expense	**(3 275)**	3 609

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

18. SHARE CAPITAL

	2024 Rm	2023 Rm
Share capital	**31 096**	25 819

Number of ordinary shares in issue outside the Group

	2024 Million	2023 Million
Number of ordinary shares issued	**904.37**	866.40
Treasury shares	**(4.62)**	(3.36)
Number of ordinary shares issued outside the Group	**899.75**	863.04
The movement of ordinary shares was as follows:		
Beginning of the year	**863.04**	846.13
Shares issued for long-term incentive plans	**3.08**	2.77
Shares purchased for long-term incentive plans	**(4.34)**	(2.04)
Shares issued on acquisition of interest in RBPlat	**37.97**	16.18
End of the year	**899.75**	863.04

The authorised share capital of the Company consists of 1 044.01 million (2023: 944.01 million) ordinary no par value shares. The additional 100 million ordinary no par value shares were approved by shareholders at the previous annual general meeting. The authorised but unissued share capital is 139.64 million (2023: 77.61 million) ordinary no par value shares and remains under the control of the directors.

19. SHARE-BASED PAYMENT RESERVE

	2024 Rm	2023 Rm
B-BBEE transaction share-based payment reserve	**1 936**	—
Equity-settled share-based compensation	**285**	480
Total share-based payment reserve	**2 221**	480
Reconciliation		
Beginning of the year	**480**	1 262
Shares issued – B-BBEE transaction	**4**	—
IFRS 2 charge on B-BBEE transaction	**1 932**	—
Transfer of reserves	**(439)**	(1 185)
Share-based compensation expense	**244**	403
End of the year	**2 221**	480

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

19. SHARE-BASED PAYMENT RESERVE continued

Broad-based black economic empowerment (B-BBEE)

During the current year, Implats concluded a broad-based black economic empowerment (B-BBEE) transaction which resulted in an aggregate 13% B-BBEE ownership at Impala Platinum Limited (Impala), which owns Impala Rustenburg and Impala Refineries assets, and Impala Bafokeng, through its wholly owned subsidiary, Impala Bafokeng Resources Proprietary Limited (IBR). The B-BBEE equity ownership at Impala and IBR is held through the use of an employee share ownership trust (ESOT) and a community share ownership trust (CSOT), each holding 4%, as well as a strategic empowerment consortium, the Siyanda-led Bokamoso Consortium, holding another 5%. The purchase consideration due by the Impala CSOT and the IBR ESOT and CSOT was funded by interest-free vendor loans from Impala and IBR which will be repaid by 35% of future dividends receivable. The purchase consideration due by the Bokamoso Consortium was funded by way of a R100 million equity injection and vendor funding by Impala and IBR of the remaining amount at market-related coupon rates. The vendor funding will be repaid by 70% of future dividends. The transaction resulted in an IFRS 2 charge of R1 932 million. This charge represents the difference between the fair values of the interests in Impala and IBR and the fair values of the consideration received from the B-BBEE shareholders. The non-controlling interest resulting from the B-BBEE transaction will only be recognised once the loans are repaid.

EJ

The key financial assumptions for the IFRS 2 charge on the B-BBEE transaction calculation were:

- An overall long-term real basket price per 6E ounce of R27 470
- A long-term real post-tax discount rate of 12% and a long-term real pre-tax discount rate of 16%
- An estimated dividend yield range of 4% to 13% for Impala over the next 11 years and 1.5% to 8% for IBR over the next 25 years
- An estimated historical equity volatility of 50.2%
- A minority discount of between 12% to 20%
- If the dividend yield was to increase by 5%, the IFRS 2 charge would increase by approximately R110 million. Conversely, a decrease by 5% would result in the IFRS 2 charge decreasing by approximately R300 million
- If the historical equity volatility was to increase by 5%, the IFRS 2 charge would increase by approximately R80 million. Conversely, a decrease by 5% would result in the IFRS 2 charge decreasing by approximately R77 million.

AP

Share-based payments

Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis, with a corresponding increase in equity, as services are rendered over the vesting period, based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

20. BORROWINGS

	2024			2023		
	Non-current Rm	**Current Rm**	**Total Rm**	**Non-current Rm**	**Current Rm**	**Total Rm**
Lease liabilities	**571**	**282**	**853**	830	287	1 117
PIC housing facility	**1 341**	**55**	**1 396**	1 425	48	1 473
Bank borrowings	**—**	**1 092**	**1 092**	—	—	—
Total borrowings	**1 912**	**1 429**	**3 341**	2 255	335	2 590

	2024 Rm	2023 Rm
Reconciliation		
Beginning of the year	**2 590**	1 207
Proceeds from borrowings	**1 123**	—
Capital repayments	**(361)**	(297)
Interest repayments	**(245)**	(120)
Borrowings acquired through the acquisition of RBPlat	**—**	1 475
Lease liabilities acquired through the acquisition of RBPlat	**—**	37
Leases capitalised	**23**	154
Interest accrued	**271**	120
Amortisation of fair value adjustment to PIC housing facility	**(24)**	—
Exchange differences	**(36)**	14
End of the year	**3 341**	2 590

Bank borrowings

Implats entered into a revolving borrowing base facility of R1 092 million (US$60 million) with Standard Bank of South Africa Limited in the current year. The facility bears interest at the Secured Overnight Financing Rate plus 285 basis points per annum which is paid quarterly, with a tenor of 12 months. The facility was fully drawn at the end of the year.

	2024 Rm	2023 Rm
Facilities		
Committed revolving credit facility		
South African rand tranche	**6 545**	6 545
US dollar tranche – US$93.8 million (2023: US$93.8 million)	**1 707**	1 767
Credit facilities – Impala Bafokeng	**3 008**	3 008
	11 260	8 312

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

20. BORROWINGS continued

Implats has a committed revolving credit facility with various financial institutions consisting of a R6.5 billion South African rand tranche (2023: R6.5 billion) and a US$93.8 million US dollar tranche (2023: US$93.8 million). Impala Canada is also a borrower under the US dollar tranche.

The committed revolving credit facility of R6.5 billion (2023: R6.5 billion) bears interest at the three-month Johannesburg Interbank Acceptance Rate (JIBAR) plus a margin and utilisation fee of between 210 and 260 basis points, subject to the level of utilisation and the total net debt to earnings before interest, tax, depreciation and amortisation (EBITDA) levels of the Group. The facility has an accordion option to increase the facility by an additional R2.2 billion (2023: R2.2 billion). In the current year, the facility was extended for another year and will mature on 24 February 2026. The facility was undrawn at year-end.

Subsequent to year-end, the committed revolving credit facility was amended and restated to add Impala Bafokeng Resources as an additional guarantor to the facilities agreement and the accordion option was increased from R2.2 billion to R4.2 billion.

The US dollar tranche of the committed revolving credit facility of US$93.8 million (2023: US$93.8 million) bears interest at the three-month Secured Overnight Financing Rate plus a credit adjustment spread, margin and a utilisation fee of between 211 and 251 basis points, subject to the level of utilisation and the total net debt to EBITDA levels of the Group. The facility has an accordion option to increase the facility by an additional US$37.5 million (June 2023: US$37.5 million). During the current year, the facility was extended for another year and will mature on 24 February 2026, with no further option to extend. The facility was undrawn at year-end.

The R3 billion Impala Bafokeng credit facilities comprise a revolving credit facility of R2 billion (2023: R2 billion) which bears interest at JIBAR plus 250 basis points, as well as a general banking facility of R1 billion (2023: R1 billion) which bears interest at the prime rate less 140 basis points. Impala Bafokeng provided a cession and pledge of its shares in and claims against Impala Bafokeng Resources (IBR) as security under a subordination agreement of its claims against IBR in favour of the banks. IBR also provided a cession in which it cedes and pledges its rights, title and interest in respect of, or connected with the IBR operations. The revolving credit facility had an accordion option to increase the facility by an additional R1 billion (2023: R1 billion). The revolving credit facility was undrawn at year-end and Rnil (2023: R123.6 million) of the general banking facility was utilised for guarantees as at year-end.

Subsequent to year-end the revolving credit facility, the general banking facility and the associated security were cancelled.

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

21. CASH GENERATED FROM OPERATIONS

	2024 Rm	2023 Rm
(Loss)/profit before tax	**(20 426)**	9 787
Adjusted for:		
Impairment (note 8)	**21 852**	15 116
IFRS 2 charge on B-BBEE transaction (note 19)	**1 932**	—
Loss on remeasurement of previously held equity investment before acquisition – RBPlat (note 13)	**—**	1 772
Depreciation	**8 044**	7 736
Amortisation of prepaid royalty	**325**	279
Finance income	**(1 076)**	(1 792)
Finance costs	**960**	615
Share of loss/(profit) of equity-accounted entities (note 13)	**1 182**	(3 382)
Net realisable value adjustment on metal inventory (note 16)	**(2 518)**	2 879
Dividends received – Rand Mutual Assurance (note 9)	**—**	(7)
Employee benefit provisions	**(7)**	(7)
Share-based compensation	**(348)**	310
Rehabilitation and other provisions	**(126)**	(96)
Acquisition-related costs accrued – RBPlat	**—**	250
Foreign currency differences	**803**	(1 031)
Profit on disposal of property, plant and equipment (note 9)	**(30)**	(24)
Loss on disposal of property, plant and equipment (note 10)	**9**	39
Deferred profit on sale and leaseback of houses (note 9)	**(30)**	(30)
Deferred revenue	**(160)**	(15)
Loss – change of interest in associates	**—**	21
Amortisation of fair value adjustment to PIC housing facility	**(24)**	—
Employee housing benefit	**(21)**	—
Fair value gain on environmental rehabilitation and other investments	**(240)**	(159)
Fair value (gain)/loss on foreign exchange rate collars (notes 9 and 10)	**(222)**	222
Tax penalties paid	**(165)**	—
Tax penalties credit	**(159)**	—
	9 555	32 483
Changes in working capital:		
(Increase)/decrease in trade and other receivables	**(588)**	137
Decrease/(increase) in inventories	**938**	(882)
Decrease in trade and other payables	**(1 239)**	(1 366)
Cash generated from operations	**8 666**	30 372

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

22. HEADLINE EARNINGS

	2024 Rm	2023 Rm
(Loss)/profit attributable to owners of the Company	**(17 313)**	4 905
Remeasurement adjustments:		
Impairment – property, plant and equipment and prepaid royalty	**15 505**	10 872
Impairment – goodwill on RBPlat acquisition	**6 347**	4 244
Loss on remeasurement of previously held equity investment before acquisition – RBPlat	**—**	1 772
Profit on disposal of property, plant and equipment	**(60)**	(53)
Loss on disposal of property, plant and equipment	**8**	32
Loss – change of interest in associates	**—**	18
Earnings adjustments from equity-accounted entities	**2 378**	62
Insurance proceeds – asset damage	**(21)**	—
Total tax effects of adjustments	**(4 433)**	(3 051)
Headline earnings	**2 411**	18 801
Headline earnings used in the calculation of diluted headline earnings per share	**2 411**	18 801

	2024 Million	2023 Million
Weighted average number of ordinary shares in issue for basic and headline earnings per share	**897.36**	850.28
Adjusted for:		
Dilutive potential ordinary shares relating to long-term incentive plan	**2.49**	3.49
Weighted average number of ordinary shares for diluted basic and headline earnings per share	**899.85**	853.77
Headline earnings per share (cents)		
Basic	**269**	2 211
Diluted	**268**	2 202

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

23. CONTINGENT LIABILITIES, GUARANTEES AND UNCERTAIN TAX MATTERS

Contingent liabilities and guarantees

At year-end, the Group had contingent liabilities in respect of matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

The Group has issued guarantees of R41 million (2023: R57 million) in respect of liabilities held by companies in the Group. Guarantees of R4 018 million (2023: R15 291 million) have been issued by third parties and financial institutions on behalf of the Group consisting mainly of guarantees to the Department of Mineral Resources for R3 487 million (2023: R3 254 million). The guarantees to the Takeover Regulation Panel (TRP) required in terms of the mandatory offer for RBPlat were cancelled following the closure of the mandatory offer on 21 July 2023 (2023: R11 417 million).

Uncertain income tax matters

Implats is subject to income taxes under the various income tax regimes in the countries in which it operates. The Group has filed, and continues to file, all the required income tax returns and to pay the taxes, as reasonably determined, to be due. In some jurisdictions tax authorities are yet to complete all their annual assessments and the income tax assessments, where completed by the tax authorities, remain subject to further examination within prescribed periods. Significant judgement is required in determining the Group's provisions for income taxes due to the complexity of legislation, which is often subject to interpretation. As a result, disputes can arise with the tax authorities over the interpretation or application of legislation in respect of the Group's tax affairs within the country involved and the outcome of these claims and disputes cannot be predicted with certainty. On tax matters which are particularly complex or require judgement in applying, management has obtained and will continue to obtain, independent legal and/or tax practitioner opinions which inform and support the tax positions adopted.

Implats' companies are involved in tax queries, litigation and disputes with various tax authorities in the normal course of business. A detailed review is performed regularly on each matter and a provision is recognised, where appropriate. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially reported, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Regardless of whether potential economic outflows of matters have been assessed as probable or possible, individually significant matters are included below.

South Africa

At 30 June 2024, the Group has an unresolved historical tax matter relating to deductions at its South African operations. The South African Revenue Service (SARS) had issued an additional assessment relating to this matter which the Group had lodged an appeal to the Tax Court. The Tax Court found in favour of SARS. Management is in the process of lodging an appeal to the High Court to settle this matter. Should the Group be successful in its appeal, it could result in a tax credit of up to R718 million (2023: R673 million) (including interest).

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

23. CONTINGENT LIABILITIES, GUARANTEES AND UNCERTAIN TAX MATTERS continued

Uncertain income tax matters continued

Zimbabwe

Foreign currency taxes

Zimplats has historically filed, and continues to file, all required income tax returns and to pay the taxes reasonably determined to be due. The fiscal legislation in Zimbabwe is volatile, highly complex and subject to interpretation. From time to time, Zimplats is subject to a review of its historic income tax returns and in connection with such reviews, disputes can arise with the Zimbabwe Revenue Authority (ZIMRA) over the interpretation and/or application of certain legislation.

Significant judgement is required in determining the provision for income taxes due to the complexity and differences of interpretation of fiscal legislation, and application which may require determination through the courts. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Zimplats recognises liabilities for anticipated tax audit issues and uncertain tax positions based on estimates of whether additional taxes will be due. The assessment is based on objective, unbiased interpretation of the fiscal legislation, informed by specialist independent tax and legal advice. Where ZIMRA as the tax authority makes an assessment that differs from that determined and initially recorded by the Company, such difference in computation will impact the income tax expenses and liabilities in the period in which such determination is made.

Irrespective of whether potential economic outflows of matters have been assessed as probable or possible, individually significant matters are included as follows to the extent that disclosure does not prejudice the Company.

Matters before the courts

Zimplats filed legal proceedings in the Special Court for Income Tax Appeals and the Supreme Court of Zimbabwe in relation to various historical income tax matters. Subsequent to year-end, the Supreme Court of Zimbabwe ruled in favour of ZIMRA in respect of one of the tax matters. The ruling did not have any financial impact as Zimplats has on a without prejudice basis, settled the disputed liabilities involved in these cases.

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

24. RELATED PARTY TRANSACTIONS

	2024 Rm	2023 Rm
Associates		
Two Rivers		
Transactions with related party:		
Purchases of metal concentrates	**5 160**	7 897
Year-end balances arising from transactions with related party:		
Payable to associate	**1 867**	2 458
Makgomo Chrome		
Transactions with related party:		
Tailings fee expense	**80**	69
Sale of metal concentrates	**80**	69
Friedshelf		
Transactions with related party:		
Interest accrued	**73**	89
Repayments	**239**	220
Year-end balances arising from transactions with related party:		
Borrowings – finance leases[1]	**619**	785
RBPlat[2]		
Transactions with related party:		
Royalty expense	**–**	308

[1] *Friedshelf finance leases have an effective interest rate of 10.2%.*
[2] *RBPlat royalty expense for the prior year reflects the royalty expense up to 30 May 2023, thereafter RBPlat was consolidated and renamed Impala Bafokeng.*

	2024 Rm	2023 Rm
Joint venture		
Mimosa		
Transactions with related party:		
Refining fees	**349**	298
Interest received	**34**	36
Purchases of metal concentrates	**5 003**	6 494
Year-end balances arising from transactions with related party:		
Payable to joint venture net of advance	**1 168**	1 117

There is no contractual relationship governing the Group's transactions with Mimosa. These are conducted through an intermediary. For accounting purposes, and to demonstrate the economic substance of the transactions, they are disclosed as related party transactions, as though the Group had transacted directly with Mimosa.

Fixed and variable key management compensation was R257 million (2023: R258 million).

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

25. FINANCIAL INSTRUMENTS

Background and basis of preparation

The impact of external factors such as climate change, geopolitical tensions and other global and domestic economic factors are deemed to be priced into the valuation of financial instruments, which for the Group, mostly relates to securities price risk and commodity price risk used in the level 1 and 2 fair valuation techniques as determined by the market.

The level 3 valuation techniques were adjusted by amending the cash flows associated with the discounted cash flow (DCF) valuations to factor in impacts of the various micro and macro-economic factors where applicable. The outcome of these considerations and the resulting adjustments are reflected in the respective carrying amounts of the financial assets and financial liabilities measured at fair value.

The following table summarises the Group's classification of financial instruments:

	2024 Rm	2023 Rm
Financial assets – carrying amount		
Financial assets at amortised cost	**15 602**	33 502
Other financial assets[1]	**1 235**	1 214
Environmental rehabilitation investments (note 14)	**211**	194
Trade receivables	**2 307**	3 485
Other receivables[2]	**2 014**	1 577
Employee receivables	**206**	212
Cash and cash equivalents	**9 629**	26 820
Financial assets at fair value through profit or loss (FVPL)	**8 166**	7 652
Environmental rehabilitation investments (note 14)	**2 565**	2 312
Other financial assets	**74**	66
Trade receivables	**5 527**	5 274
Financial assets at fair value through other comprehensive income (FVOCI)	**693**	661
Total financial assets	**24 461**	41 815
Financial liabilities – carrying amount		
Financial liabilities at amortised cost	**11 842**	10 796
Borrowings (note 20)	**3 341**	2 590
Other financial liabilities	**49**	49
Trade payables	**8 341**	8 000
Other payables	**111**	157
Financial liabilities at FVPL	**4 142**	5 754
Trade payables – metal purchases	**4 142**	5 532
Trade payables at FVPL	**4 640**	6 521
Advance payments on metal purchases[3]	**(498)**	(989)
Other financial liabilities	**—**	222
Total financial liabilities	**15 984**	16 550

1 *Other financial assets consist mainly of 20-year employee housing loans secured by life cover and disability cover of the employees and have a market-related effective weighted average interest rate of 11.6% (2023: 10.8%).*

2 *Other receivables mainly comprise state royalties receivable of R594 million (2023: 605 million), housing assets of R394 million (2023: R440 million) which increased due to the acquisition of RBPlat in the prior year, and Zimplats contractors receivable of R264 million (2023: 218 million).*

3 *Advances on metal purchases are carried at amortised cost.*

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

25. FINANCIAL INSTRUMENTS continued

Fair value hierarchy

The table below represents significant financial instruments measured at fair value at the reporting date. The calculation of fair value requires various inputs into the valuation methodologies used. The source of the inputs used affects the reliability and accuracy of the valuations. Significant inputs have been classified into the hierarchical levels in line with IFRS 13 valuations.

- **Level 1** – Quoted prices in active markets for identical assets or liabilities
- **Level 2** – Inputs other than quoted prices that are observable for the asset or liability (directly or indirectly)
- **Level 3** – Inputs for the asset or liability that are unobservable.

	Fair value			
Financial instrument	**2024 Rm**	**2023 Rm**	**Fair value hierarchy**	**Valuation technique and key inputs**
Financial assets at FVOCI	**693**	661		
Waterberg	**501**	506	Level 3	DCF Risk-free South African rand interest rate
Other	**192**	155	Level 3	DCF Risk-free South African rand interest rate
Financial assets at FVPL	**8 166**	7 652		
Environmental rehabilitation investments – Guardrisk (note 14)	**2 395**	2 169	Level 2	Market prices for listed investments
Environmental rehabilitation investments – Centriq Insurance Company Limited (note 14)	**170**	143	Level 2	Shareholders Weighted Top 40 Index on the JSE
Other financial assets – Housing insurance investment	**74**	66	Level 3	Market prices for listed investments and reliance on an external valuer for discounted cash flow models for unlisted investments
Trade receivables	**5 527**	5 274	Level 2	Quoted market metal prices and exchange rates
Financial liabilities at FVPL	**4 640**	6 743		
Other financial liabilities – Foreign exchange rate collars[1]	**–**	222	Level 2	Black Scholes valuation technique using quoted market exchange rates, volatility and risk-free South African rand interest rate
Trade payables at FVPL	**4 640**	6 521	Level 2	Quoted market metal prices and exchange rates

[1] *During the prior period, Implats entered into zero-cost foreign exchange rate collars (FERCs) with various financial institutions to hedge the foreign currency exchange rate risk against the US dollar. The hedging agreements entered into converted US$52.5 million per month to South African rand for the period from June 2023 to May 2024. The floor had a minimum range of between R17.75/US dollar to R18.10/US dollar and the cap had a maximum range of between R19.21/US dollar to R19.52/US dollar. The FERCs expired in May 2024 and were all within range (refer to note 9).*

No hedge accounting has been applied in respect of these derivative financial instruments.

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

25. FINANCIAL INSTRUMENTS continued

There were no transfers between fair value hierarchy levels in the current year.

The carrying amount of financial assets and liabilities which are not carried at fair value, is a reasonable approximation of their fair value.

Reconciliation of level 3 fair value measurements

	Waterberg Rm	Other Rm	Environmental rehabilitation investments Rm	Total Rm
Balance at 30 June 2022	366	97	315	778
Purchases	—	46	—	46
Acquired through the acquisition of RBPlat	—	66	—	66
Income recognised in profit or loss	—	—	7	7
Income recognised in other comprehensive income	140	12	—	152
Re-invested	—	—	(322)	(322)
Balance at 30 June 2023	**506**	**221**	**—**	**727**
Income recognised in other profit or loss	**—**	**8**	**—**	**8**
(Loss)/income recognised in other comprehensive income	**(5)**	**37**	**—**	**32**
Balance at 30 June 2024	**501**	**266**	**—**	**767**

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

25. FINANCIAL INSTRUMENTS continued

Cash and cash equivalent exposure by country and currency

	2024 Rm	2023 Rm
Exposure by currency is as follows:		
Bank balances – South African rand	**4 932**	19 627
Bank balances – US dollar	**3 238**	6 268
Bank balances – Canadian dollar	**724**	726
Bank balances – Zimbabwe Gold (2023: Zimbabwean dollar)[1]	**721**	188
Bank balances – Other currencies	**14**	11
	9 629	26 820
Exposure by country is as follows:		
South Africa	**7 354**	21 119
Europe	**306**	2 499
Zimbabwe – US dollar	**392**	2 093
Zimbabwe – Zimbabwe Gold (2023: Zimbabwean dollar)[1]	**721**	188
Canada	**842**	910
Asia	**13**	11
Australia	**1**	—
	9 629	26 820

[1] *The Zimbabwean dollar (ZW$) was replaced by the Zimbabwe Gold (ZWG) in April 2024.*

Collateral – Triple Flag

Impala Bafokeng issued a guarantee in favour of Triple Flag, guaranteeing the due payment and performance of all present and future obligations under the stream. Under the guarantee, Triple Flag will have recourse only to Impala Bafokeng shares in Impala Bafokeng Resources. In addition, Impala Bafokeng also granted a second lien security, over all its property, assets and undertakings which have been provided as security in favour of senior lenders.

Fair value hedge accounting

The Group has a hedging strategy and accounting policy to manage the fair value risk (commodity price and foreign currency exchange risk) to which purchased metal (note 19), the hedged item, is exposed. The financial instrument used to hedge this risk is trade payables related to metal purchases, included in trade payables, measured at fair value through profit or loss. The fair value movements on this financial liability were designated to hedge the price and foreign currency exchange risk on purchased metal inventory.

To the extent that the hedging relationship is effective, that is, to the extent that an economic relationship exists between the hedged item and hedging instrument, the fair value gains and losses on both the hedged item and hedging instrument are offset against each other. Where the hedge is ineffective the gains and losses on trade payables and purchased metal inventory are recognised in profit or loss in other income and other expenses respectively.

Notes to the summarised consolidated financial statements
for the year ended 30 June 2024

25. FINANCIAL INSTRUMENTS continued

The effects of the fair value hedge are as follows:

	2024 Rm	2023 Rm
Hedging instrument		
Trade payables at fair value through profit or loss – metal purchases		
Carrying amount	**4 640**	6 521
Fair value gain used to determine hedge effectiveness	**(871)**	(2 599)
Hedged item		
Purchased metal inventory		
Purchased metal exposed to fair value movement	**4 640**	6 521
Change in fair value of hedging instrument used to determine hedge effectiveness	**871**	2 737
Accumulated fair value hedge gain included in metal purchases in respect of closing inventory[1]	**216**	994

[1] *Relates to metal purchases that were still in the refining process at year-end.*

Due to the significant decrease in the metal prices in the prior year in relation to the fair value movements in trade payables and inventory, there was hedge ineffectiveness identified in the hedging relationship at 30 June 2023. A R138 million fair value loss was recognised in other expenses (notes 10 and 16) in the prior year.

26. RESTATEMENT DUE TO CHANGE IN CLASSIFICATION IN THE STATEMENT OF CASH FLOWS

The 'Acquisition of Royal Bafokeng Platinum from non-controlling interests' of R275 million was incorrectly presented as a cash outflow from investing activities and has now been reclassified to a cash outflow from financing activities. The previous presentation was restated as follows:

	2023 As reported Rm	Re-classification Rm	2023 Restated Rm
Acquisition of Royal Bafokeng Platinum from non-controlling interests	(275)	275	—
Net cash outflow from investing activities	(9 866)	275	(9 591)
Acquisition of Royal Bafokeng Platinum from non-controlling interests	—	(275)	(275)
Net cash outflow from financing activities	(14 323)	(275)	(14 598)

Notes to the summarised consolidated financial statements

for the year ended 30 June 2024

27. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Dividends

The Company has a dividend policy which is aligned with the Company's capital allocation framework which prioritises the Company's commitment to providing sustainable and attractive returns to shareholders while retaining a strong and flexible balance sheet and sufficiently capitalising the business to allow the Group to take advantage of future value-accretive growth opportunities. The dividend policy recommends a minimum payout of 30% of free cash flow, pre-growth capital for the period. However, at the time of the dividend declaration, the board will consider market conditions, the balance sheet position and the Company's forecast funding requirements and exercise its discretion in determining the final quantum of the dividend. This allows the board to adjust the minimum threshold through the cycle depending on the capital allocation priorities and enable the board to pay out much higher ratios at the top of the PGM cycle.

The persistence of weak PGM pricing and significant capital cash outflows resulted in a free cash outflow of R4.0 billion. After adding back growth capital of R4.1 billion and other non-discretionary outflows of R0.6 billion, an adjusted free cash outflow for the financial year of R0.5 billion was recorded. In line with the approved dividend policy, and after consideration of market conditions and capital requirements, no final dividend for the year-end 30 June 2024 was declared.

	2024 Rm	2023 Rm
Dividends paid		
Final dividend No 99 for 2023 (2023: No 97 for 2022) of 165 cents (2023: 1 050 cents) per ordinary share	**1 487**	8 896
Interim dividend No 98 for 2023 of 420 cents per ordinary share	**—**	3 570
	1 487	12 466

Other events occurring after the reporting period

The directors are not aware of any other subsequent events which materially impact the annual financial statements, aside from amendments to the credit facilities as disclosed in note 20.

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