

NEWS RELEASE

IMPLATS DELIVERS ROBUST INTERIM EARNINGS AMID CHALLENGING PERIOD

Johannesburg, 1 March 2022 – Impala Platinum Holdings Limited (Implats) delivered robust earnings and free cash flow generation for its half year ended 31 December 2021, despite the retracement in rand PGM pricing from recent highs and a decline in sales volumes. Headline earnings of R13.8 billion, or 1 690 cents per share, were 4% and 9% lower, respectively, than the previous comparable period. The Group generated free cash flow of R15.1 billion, closing the period debt free and with net cash of R18.5 billion (excluding leases). The Implats board approved the declaration of an interim cash dividend of 525 cents per ordinary share, after spending R9.2 billion on acquiring 35.3% of the shares in RBPlat during the period.

Implats CEO, Nico Muller, said: *“The financial consequences of a series of operational challenges were compounded by softening rand PGM pricing. The ongoing impact of the Covid-19 pandemic continues to be felt in constrained labour and skills availability, elevated absenteeism and heightened community dissatisfaction. This required increased focus and innovation from management teams and added to the challenges that have persisted across the sector for several years. Inflationary pressures were compounded by the strategic decision to increase labour to facilitate mining development rates and the payment of discretionary employee bonus in recognition of the Group’s strong financial performance in FY2021.*

“Profitability and cash generation remain strong, indicative of the enduring robustness of the current PGM cycle. The Group delivered meaningful progress against several key strategic imperatives, including advancing a suite of processing projects aimed at capitalising on inherent mining efficiencies, ore resource optionality and flexibility at managed and joint venture operations. An integrated plan to increase capacity across the Group’s smelting and refining assets, advance the reduction of Implats’ carbon footprint and deliver sustainable improvements in environmental performance is now underway.

“A robust balance sheet, strengthened by targeted transactions which have harnessed the benefit of elevated profitability to secure enviable financial flexibility, enabled the Group to withstand and rapidly respond to changes in the operating environment. This allowed Implats to pursue value-accretive organic and acquisitive growth, while maintaining its commitment to delivering sustainable shareholder returns.

“The proposed acquisition of all outstanding Royal Bafokeng Platinum (RBPlat) shares provides compelling strategic, operational and financial benefits for both Implats and RBPlat stakeholders and communities. It will secure a Western Limb production base to enhance and entrench the region’s position as the most significant source of global primary PGM production, and will deliver tangible socio-economic benefits for the region, its communities, and South Africa as a whole, including employment security and sustained indirect benefits for the greater-Rustenburg region.”

KEY FEATURES FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

Health and safety

- Five fatal injuries occurred at managed operations (6 and 16 shafts)
- 21% improvement in the LTIFR to 3.88* from FY2021
- 6% deterioration in the TIFR to 10.45* from FY2021
- 88% of employees, including contractors, are fully vaccinated (100% at the Zimbabwean and Canadian operations).

Operational

- Period impacted by extended safety stoppages, industrial action and intermittent power provision in South Africa and a shortage of critical skills in Canada
- 4% decline in mine-to-market 6E concentrate production to 1.43Moz
- 4% decrease in third-party 6E receipts to 188koz
- 5% decrease in refined 6E production
- 6E sales volumes declined by 5% to 1.55Moz
- Group unit costs per 6E ounce increased by 17% to R16 756/oz on a stock-adjusted basis
- Consolidated Group capital expenditure of R3.6bn.

Financial

- Robust earnings and free cash flow generation, impacted by operational challenges and elevated inflation
- Gross profit of R17.9bn and EBITDA of R24.0bn declined by 20% and 4%, respectively
- Headline earnings of R13.8bn (-4%) and headline earnings per share of 1 690c (-9%)
- Free cash flow of R15.1bn and closing net cash (excluding leases) of R18.5bn
- Acquisition of a 35.3% shareholding in RBPlat
- Interim dividend of 525c per share declared.

Market

- Confidence in elevated PGM strength
- Tightening in palladium and rhodium markets expected
- Platinum remains vulnerable to changing investor sentiment

**per million man-hours worked*

SAFETY

Safe production is the cornerstone of Implats' objective to achieve zero harm for all employees and contractors. It is with deep regret the Group reports a deterioration in its safety record in the period under review. Four incidents at Group operations and JVs resulted in six fatalities, five at managed operations. The board of directors and management team have extended their sincere condolences to the families and friends of our seven colleagues, and the Group offers ongoing support to their families.

The retracement in the Group's safety record is deeply concerning. Each incident is being thoroughly investigated at an operational level to determine the causes and to share lessons learned and remedial actions.

The fatal injury frequency rate and the total injury-frequency rate deteriorated to 0.080 (FY2021: 0.026) and 10.45 (FY2021: 9.84) per million man-hours worked, respectively. In contrast, the lost-time injury frequency rate improved by 21% to 3.88 per million man-hours worked (FY2021: 4.92) and by period end, 13 of the Group's 17 operations had achieved millionaire or multi-millionaire status in terms of fatality-free shifts.

In November 2021, at the South African MineSafe 2021 Tripartite Conference, Implats was honoured to be awarded the “best safety performance in the PGM sector” for the period, following several record safety performances, before the safety retracement.

SUSTAINABILITY

Post period end, Implats was delighted to have its sustainability journey recognised through being one of only four JSE-listed metals and mining companies to be included in the S&P Global Sustainability Yearbook 2022, and the only company awarded the Metals and Mining Industry Mover Award. The Group’s commitment to gender equality was recognised through its third consecutive inclusion in the Bloomberg Gender-Equality Index (2022). Implats holds an “A” rating by the Carbon Disclosure Project (CDP) for water security risk and holds a “B” rating for climate change action and disclosures. The Group’s increased focus on sustainability was recognised by MSCI with a rerating to “A”. Implats is a long-term constituent of the FTSE4Good Index Series and the FTSE/JSE Responsible Investment Top 30 Index. The refining assets hold the London Platinum and Palladium Market certificate for Responsible Platinum and Palladium Sourcing.

Health and wellbeing: The Group was well prepared for the fourth wave of Covid-19. Implats continues to work closely with all role players in vaccinating employees and surrounding communities. As at the end of January 2022, more than 93% of employees, including contractors, at Group operations had received a first vaccine dose, while 88% are fully vaccinated. At the SAIMM MineSafe 2021 Tripartite Conference, the Group was awarded for its industry leading Covid-19 response by a large company, in recognition of its extensive employee and community vaccination programme.

Environment: Implats recorded no major (level 5) or significant (level 4) environmental incidents and achieved a 33% reduction in limited impact (level 3) environmental incidents to two (H1 FY2021: three). The Group’s consumption of recycled and reused water improved to 51% in the period, against an annual target of 48%, supported by higher levels of rainwater recovery at all our southern African operations (H1 FY2021: 44%). Implats made progress on its strategy to transition to lower-carbon production and in its efforts to strengthen energy security. During the period, Zimplats obtained a power generation license for a 185MW solar power plant. The Group’s carbon emission intensity remained largely unchanged at 0.16 tonnes of CO₂ per tonne milled (H1 FY2021: 0.17 tonnes CO₂ per tonne milled).

Social: Adverse socio-economic conditions continue to be a feature in many of Implats’ mine-host communities, compounded by the economic scarring from Covid-19. Implats aims to maintain constructive and beneficial relationships with its mine-host communities and prioritises sustainable socio-economic development to mitigate, where it can, adverse conditions. In South Africa, social and labour plans (SLPs) are the backbone for delivering social projects. In the period under review, Impala Rustenburg handed over two projects at a cost of R8 million, and various community infrastructure projects are in progress and planned for completion by year end at Marula. Zimplats’ US\$15 million Community Empowerment Cattle Ranching project was launched and Impala Canada continues to work with local Indigenous partner communities on food security and education programmes. Stakeholder engagement efforts continue to be prioritised and take place through established formal community engagement structures across the Group.

GROUP OPERATIONAL REVIEW

Implats faced several operational challenges in its first half. Extended safety stoppages, intermittent industrial action and power supply interruptions at the South African operations and a shortage of critical skills in Canada all had a notable impact on reported production.

Tonnes milled from managed operations declined by 4% to 11.30 million tonnes, with lower reported volumes at Impala Rustenburg and Impala Canada offsetting improved throughput at Marula. Concentrate production at managed operations decreased by 4% to 1.16 million 6E ounces.

Production volumes at Two Rivers were impacted by safety stoppages, with mined throughput supplemented by a drawdown in ore stockpiles, while at Mimosa, plant instability due to power interruptions and a change in reagents led to a drop in process recoveries. 6E concentrate production

from JV operations declined by 4% to 271 000 ounces. In total, mine-to-market 6E concentrate produced decreased by 4% to 1.43 million 6E ounces.

Third-party 6E receipts of 188 000 ounces were 4% lower and gross 6E concentrate volumes declined by 4% to 1.62 million ounces.

Group refined production of 1.62 million 6E ounces, including saleable production from Impala Canada, declined by 5%. Refined volumes in the previous comparative period benefitted from increased availability of processing capacity due to the timing of annual processing maintenance.

Inflationary pressures were compounded by additional working cost labour and the payment of the previously signalled discretionary employee bonus but benefitted somewhat from the impact of rand strength. Total cash operating costs increased by 12% from the previous comparable period, while unit cost inflation was compounded by lower production volumes and, on a stock-adjusted basis, increased by 17% to R16 756 per 6E ounce.

Capital expenditure at managed operations rose by 34% to R3.6 billion as investment accelerated across the mining and processing operations at Impala Rustenburg following Covid-19 related delays in the previous comparable period, and several Group replacement and growth projects were initiated during the period.

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

FINANCIAL REVIEW

While rand PGM pricing retraced and sales volumes declined, Implats continued to deliver robust earnings and free cash flow generation in the period. The Group maintained a strong and flexible balance sheet while pursuing value-accretive organic and acquisitive growth, sustaining its commitment to shareholder returns.

- **Revenue** of R55.6 billion decreased by 4% from the previous comparable period a year ago. Higher dollar metal prices, which resulted in a 14% benefit, were offset by a 5% reduction in sales volumes and an 8% stronger rand/dollar exchange rate.
- **Cost of sales** increased 5% to R37.7 billion due largely to increased cash costs and depreciation partially offset by lower royalties, metals purchased and the change in inventory movements
- The combination of lower revenue and higher costs reduced **gross profit** by 20% to R17.9 billion.
- **Basic earnings** declined to R13.8 billion or 1 693 cents per share
- **Headline earnings** of R13.8 billion or 1 690 cents per share were 4% and 9% lower respectively
- An interim cash **dividend** of 525 cents per ordinary share was declared in terms of the Group's dividend policy. The dividend will be paid on Tuesday, 22 March 2022.
- **Net cash** from operating activities of R17.6 billion declined mainly due to lower sales volumes.
- The Group generated **free cash flow** of R15.15 billion and, following the early conversion of the residual ZAR bond liability, Implats closed the period **debt free**, with a **closing net cash position**, excluding finance leases, of R18.5 billion and **liquidity headroom** of R26.5 billion.

Of the R15.1 billion in free cash flow generated, circa 64% was allocated to growth and investment through funding the cash portion of the acquisition cost of the 35.3% shareholding in RBPlat, investment in brownfield expansion projects at mining and processing operations, and contributions to AP Ventures. Implats maintained its previously signalled dividend policy, by allocating 30% of adjusted free cash flow, or circa R4.5 billion, to shareholder returns in the form of the cash dividends to Implats shareholders, while minority shareholders in Zimplats received R0.2 billion in dividends. Finally, 5% of free cash flow was allocated to strengthening the balance sheet through cash retention of R0.5 billion and a R0.3 billion investment to cash fund future rehabilitation obligations.

MARKET (calendar year unless stated)

Pricing of most commodities soared in calendar year 2021 following the broad-based decline in early 2020. This was in response to a strong rebound in underlying global economic activity following the Covid-19-led recession in 2020. Countering this positive trend at a macro level, rising inflation fuelled rate hike

expectations and depressed investor appetite for precious metals, while at a fundamental level, the persistent semi-conductor chip shortage negatively impacted automotive production and absolute demand in the latter half of the year.

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

Western World investor interest in platinum softened as global inflation persisted and central banks signalled the 'beginning of the end' of expansive monetary policy, and the resultant retracement of physical investment demand resulted in a market surplus of 975 000 ounces. In palladium and rhodium, reduced OEM purchases in the face of chip shortages were met with a wall of secondary material and accelerated destocking by peer producers, resulting in market surpluses of 362 000 and 173 000 ounces, respectively.

There was material volatility in PGM prices in 2021. While the average pricing of all three major PGMs recorded annual gains in the early months of 2021, platinum, palladium and rhodium closed the year at lower levels than they opened.

PGM pricing improved in early 2022. Auto production supply chain constraints eased, supporting increased physical demand as rising geopolitical tensions and well-signalled processing maintenance across the sector reaffirmed persistent supply-side constraints. The confluence of these factors is likely to result in a tightening of both palladium and rhodium markets relative to the over-supply experienced in H1 FY2022. Platinum remains vulnerable to changes in broader precious metal investor sentiment in the short to medium term.

OUTLOOK AND GUIDANCE

The Group remains confident in its assertion of elevated strength in PGMs, and the strategic rationale of accelerated investment to secure the long-term sustainability and competitiveness of its diverse asset suite, including its industry-leading integrated processing assets.

The Group's operational focus in the remainder of FY2022 will be on restoring operational momentum at Impala Rustenburg and Impala Canada, progressing delivery across the project suite currently underway and advancing those approaching approval.

The impact of production shortfalls relative to expectations at Impala Rustenburg and Impala Canada, together with the extension of processing maintenance, has necessitated revisions to previously provided key guidance parameters.

Production volumes will be negatively impacted by the accumulation of inventory and Group 6E refined production in FY2022 is estimated to be between 3.10 and 3.20 million ounces. Group operating costs are forecast to be between R16 800 and R17 400 per 6E ounce on a stock-adjusted basis. Group capital expenditure is forecast to be between R8.5 and R9.5 billion as project approvals at Zimplats have necessitated upward revisions to previous guidance. This revised guidance assumes exchange rates of R15.20/US\$ and C\$1.26/US\$ respectively.

Ends

For more information, please contact:

Johan Theron

E-mail: johan.theron@implats.co.za

T: 011 731 9013/17

M: 082 809 0166

Emma Townshend

E-mail: emma.townshend@implats.co.za

T: +27 (0) 21 794 8345

M: +27 (0) 82 415 3770

Alice Lourens

E-mail: alice.lourens@implats.co.za

T: 011 731 9033/17

M: 082 498 3608

About Implats

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

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

At the end of its 2021 financial year, the Group had PGM mineral resources of 277 million 6E ounce and mineral reserves of 53.4 million 6E ounces available. Group refined PGM production for FY2021 was 3.27 million ounces, which included 1.52 million ounces of platinum, 1.12 million ounces of palladium and 193 000 ounces of rhodium.

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