

Audited Annual Financial Statements



Supplement to the Annual Integrated Report 30 June 2023

RESPECT, CARE
AND DELIVER

A photograph of a worker from behind, wearing a white hard hat with a logo and a dark grey jacket. The jacket has 'IMPALA REFINERIES' printed in white on the back. The worker is standing in an industrial facility with large piles of material and machinery in the background.

IMPALA
REFINERIES

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www.implats.co.za



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in this report

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- Direct access to all our reports available on release
- Our website has detailed investor, sustainability and business information.



<https://twitter.com/Implats>



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https://www.youtube.com/channel/UCgshehA_JCYUeox7ICZw6bw/featured



<https://www.facebook.com/implats/>

Our 2023 suite

Annual Integrated Report

- Reports to providers of financial capital how Implats creates, preserves or erodes value over time.



Mineral Resource and Mineral Reserve Statement

- Provides updated estimates and reconciliation of Mineral Resources and Mineral Reserves
- Conforms to the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code) (2016)
- Conforms to Section 12.13 of the JSE Listings Requirements
- Competent Persons sign-off
- Third-party assurance.



ESG Report

- Detail on material economic, social and environmental performance and governance
- GRI G4 core compliance
- Internal reporting guidelines in line with the UN Global Compacts
- Independent assurance report.



Climate Change Report

- Climate change risks and adaptations, decarbonisation plans, and adoption of renewable energy
- Prepared in accordance with the recommendations of the TCFD and the Johannesburg Stock Exchange (JSE) Climate Change Disclosure Guidance.



Remuneration Report

- Background statement
- Remuneration philosophy and policy
- Implementation report.



Notice to Shareholders

- Notice of annual general meeting
- Form of proxy



Tax Transparency and Economic Contribution Report

Prepared in accordance with GRI 207 and provides information on Implats'

- Approach to tax
- Tax governance and risk management
- Tax numbers and performance
- Country-by-country tax and economic contribution.



This report contains the consolidated financial statements and the separate annual financial statements of Impala Platinum Holdings Limited for the year ended 30 June 2023.

These annual financial statements were prepared according to International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the South African Companies Act, No 71 of 2008, as amended (Companies Act), the Listings Requirements of the JSE Limited (JSE), as well as the recommendations of King IV™*.

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Implats is structured around seven mining operations and Impala Refining Services, 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 orebodies 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.

We welcome your feedback to ensure we cover all aspects



Go to www.implats.co.za or email investor@implats.co.za to provide us with your feedback.

Welcome to our 2023 annual financial statements

Impala Platinum Holdings Limited (Implats) is a leading producer of platinum and associated Platinum Group Metals (PGMs).



Our vision

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

Our purpose

To create a better future

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 everyday

We go the extra mile

We learn, adapt and grow

We create a better future

AP Accounting policies

The specific principles, bases, conventions, rules and practices applied by the Company for preparing and presenting financial statements.

EJ Estimates and judgements

The complex or subjective judgements that have the most significant effect on amounts recognised and assumptions and other sources of estimation uncertainty where there is a significant risk of material adjustment to the carrying amounts of assets or liabilities with the next reporting period.

How to navigate this report

For easy navigation and cross-referencing, we have included the following icons within this report:

Report of the audit and risk committee

The Implats audit and risk committee (the committee) is pleased to present its report for the financial year ended 30 June 2023, as required by section 94 of the Companies Act, No 71 of 2008, as amended (Companies Act), the King Code of Governance for South Africa (King IV), and the Johannesburg Stock Exchange Listings Requirements (JSE Requirements). This report aims to provide details on how the committee satisfied its statutory and board-delegated duties during the period under review, as well as on some of the significant matters that arose and how they were addressed to ensure the integrity of the Group's financial reporting.

FUNCTION AND RESPONSIBILITIES

The committee's main objective is to assist the board in fulfilling its oversight responsibilities and has terms of reference in place which regulate both its statutory duties and those duties delegated to it by the board. The terms of reference are reviewed and updated annually. The scope of the committee extends to all activities of Implats and its subsidiaries. The committee is focused on ensuring the integrity of the Company's financial statements and the robustness of the Group's systems of internal control and financial and regulatory risk management, as well as its compliance with policies, plans, procedures, laws and regulations. Additionally, the committee monitors the internal and external assurance services to ensure an effective control environment and to confirm that the assurance provided supports the integrity of information produced and reported on by the Company. The committee is also responsible for information technology (IT) governance.

COMPOSITION AND MEETINGS

The committee comprises four members all of whom are independent non-executive directors and have been appointed by the board and approved by the shareholders at the annual general meeting on 12 October 2022. The committee held a total of four scheduled meetings during the year.

Members ¹	Attendance	Appointed
Ms D Earp <i>BCom, BAcc, CA(SA)</i> (Chairperson)	4/4	1 August 2018
Mr PW Davey <i>BSc (Hons) Mining Engineering, MBA</i>	2/2 ²	18 February 2016
Mr R Havenstein <i>BSc and MSc Chemical Engineering, BCom</i>	4/4	1 January 2021
Ms M Moshe <i>BCom (Accounting), BCom (Hons) (Management Accounting), MBA, CA(SA)</i>	4/4 ³	23 August 2022
Mr PE Speckmann <i>BCompt (Hons), CA(SA)</i>	4/4	1 August 2018

¹ Refer annexure C for the aggregate remuneration of the committee members. Information on the board composition and profiles, including experience and diversity, is disclosed in the annual integrated report which can be accessed at (www.implats.co.za).

² Mr Davey ceased to be a member of the committee following his passing in February 2023.

³ Ms Moshe was officially appointed to the audit and risk committee in August 2022. Prior to her appointment, she participated in the first committee meeting of the financial year as a special invitee.

The Group chief executive officer (CEO), the chief financial officer (CFO), the chief audit executive (CAE), the executive heads representing Group financial reporting, Group management accounting, risk and security, legal services, the chief information officer, the external auditors as well as other members of management are standing invitees to all the committee meetings. At every scheduled quarterly meeting, the chairperson of the committee extends to the internal auditors, external auditors and management the opportunity to meet separately with the committee in closed sessions. The committee chairperson also meets separately with external and internal auditors between committee meetings.

COMMITTEE EVALUATION PROCESS

The board and its committees undergo effectiveness evaluations every two years on an alternating schedule. During the year the effectiveness of the committee was evaluated through a process overseen by the nomination, governance and ethics committee and the latest results indicated that the committee remains effective. The recommendations and key focus areas have been included in the annual work plans.

Report of the audit and risk committee

MANDATE OF THE COMMITTEE – DISCHARGE OF DUTIES

The committee has discharged all its responsibilities as required by the Companies Act, King IV, the JSE Listings Requirements and the board-approved terms of reference, including but not limited to the following:

External reporting	Internal control and risk management and combined assurance
<ul style="list-style-type: none"> • Reviewing accounting policies and key accounting judgements and estimates • Reviewing management's assessment of the appropriateness of the going-concern basis of preparing the consolidated financial statements • Reviewing tax provisions and contingencies including uncertain tax matters • Monitoring the reporting processes and the preparation of fairly presented financial statements in compliance with the applicable legal and regulatory requirements and accounting standards • Monitoring the activities of internal auditors, ensuring the independence of their function and recommending the internal audit charter for board approval • Reviewing and recommending the annual integrated report and its supplementary reports for board approval • Reviewing and recommending publicly disclosed financial information for approval by the board and where appropriate, the quarterly production reports and trading updates to shareholders • Considering the impact of the JSE Proactive Monitoring Panel reports on the Group financial statements. 	<ul style="list-style-type: none"> • Quarterly review and monitoring of the effectiveness and implementation of the Group risk management framework and internal control mechanisms • Approving the terms of reference of the internal audit function and assessing its effectiveness • Approving the internal audit plan and reviewing regular reports from the Group risk management and internal audit functions and external auditors on the adequacy and effectiveness of the internal control system • Ensuring the integrity of financial information issued to stakeholders through robust internal controls and risk management processes • Considering the activities of material subsidiaries and non-controlled operations through review of reports and minutes of the respective audit and risk committees • Oversee appropriateness of the Group's combined assurance model to provide a coordinated approach to all assurance activities, including cooperation between internal and external auditors • Oversight and monitoring of legal and compliance-related matters and approval of the Group compliance policy • Monitoring the effectiveness of the information technology (IT), as well as focusing on cyber security particularly with regard to both IT and operational technology (OT) functions • Confirmation of adequacy of insurance cover and placement.
External auditors	Governance
<ul style="list-style-type: none"> • Monitoring the activities, independence and suitability of the external auditors • Approving audit fees and limiting the scope of their non-audit services to those that do not compromise their independence • Recommending the appointment of external auditors for shareholder approval and overseeing any change of the lead partner. Prior to making its nomination, the committee requested and considered all information required in terms of section 22.15(h) of the JSE Listings Requirements in assessing the auditor and the designated auditor's suitability for appointment. 	<ul style="list-style-type: none"> • Considering the solvency and liquidity tests undertaken for specific transactions and distributions, and making associated recommendations to the board • Recommending dividends in line with the Group capital allocation framework, balance sheet and liquidity, as well as dividend policies • Fulfilling duties attributed to it by the Companies Act, the JSE Requirements and King IV • Reviewing and approving the Group tax and treasury policies • Reviewing and approving the IT governance framework and strategy • Reviewing and approving the compliance framework • Reviewing the expertise, experience and performance of the CAE, CFO and the finance and internal audit functions.

FOCUS AREAS DURING THE YEAR ANNUAL REPORTING

Interim and annual financial statements

The financial statements are prepared using appropriate accounting policies, which conform to International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides and Financial Reporting Pronouncements, the requirements of the South African Companies Act, the JSE Listings Requirements and the recommendations of King IV.

The committee assessed and confirmed the appropriateness of the going-concern assumption adopted in the annual financial statements, considering the reasonableness of the values and commodity prices included in management budgets and the capital and the liquidity plans.

Report of the audit and risk committee

Specific attention was given to areas of significant judgement which included, but was not limited to, the items tabulated below:

Significant accounting issues considered by the committee in relation to the Group's financial statements	Responses of audit and risk committee
<p>Accounting for Implats' equity interest in Royal Bafokeng Platinum (RBPlat) and the initial consolidation and associated purchase price allocation when it became a subsidiary of Implats (notes 13 and 36)</p> <p>In the current period, the Group obtained control of RBPlat by way of a step acquisition. The accounting for the transaction involved significant judgement, particularly in respect of the business combination fair value measurement and related goodwill assessment.</p>	<p>The committee reviewed the accounting treatment of the investment in RBPlat both as an investment in an associate as well as its transition to a subsidiary through a business combination achieved in stages. The committee was satisfied that the accounting for the transaction, including the purchase price allocation, as well as the resultant consolidation procedures and disclosures were appropriate.</p>
<p>Measurement of in-process metal inventories (note 18)</p> <p>Inventory valuation is an area of focus for the Group due to the inherent level of judgement and complexity involved in assessing the carrying value of inventory carried on the balance sheet. Areas of judgement include quantifying in-process metal inventory.</p>	<p>The committee considered the relevant internal controls around the determination of in-process metal inventories and concluded that the in-process metal was fairly valued. The significant accounting judgements and estimates are appropriately disclosed in the consolidated audited annual financial statements.</p>
<p>Investments in rehabilitation assets (note 15)</p>	<p>The committee reviewed and approved the Group's revised investment policy for rehabilitation assets to meet the rehabilitation obligations of its South Africa operations, which culminated in a R1 689 million outlay investment in an insurance cell captive during the current period.</p> <p>The committee is satisfied with the associated accounting treatment and disclosure.</p>
<p>Reviewing and monitoring the impact of climate change</p> <p>The committee is cognisant of the rising calls for better information about the financial impact of sustainability and climate-related matters and risks. It is kept abreast of reporting developments in this area.</p>	<p>The committee reviewed the impact of climate change on the income statement, cash flows and financial position, as well as each of its significant accounting judgements and estimates. The Group's principal source of estimation uncertainty resulting from climate change relates to the consideration given to its impact on the assumptions used in the valuation of financial and other assets where indicators of impairment or impairment reversal are identified. No material impact was identified and the assumptions used in the valuations were appropriate to test for impairment and to value assets.</p> <p>The Implats carbon cost climate-related disclosures were considered by taking into account guidance from the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations and the Group's broader climate strategy. The committee reviewed and approved the associated disclosure.</p>

Report of the audit and risk committee

Significant accounting issues considered by the committee in relation to the Group's financial statements	Responses of audit and risk committee
<p>Impairment of assets (notes 10, 12 and 13) The value of mining operations is sensitive to a range of characteristics unique to each asset. Management is required to apply judgement in the estimation of ore reserves, metal prices and production forecasts which impact cash flow projections.</p>	<p>The committee exercises oversight over the impairment review of property, plant and equipment, right-of-use assets, goodwill and equity-accounted investments.</p> <p>The committee assessed the identification of impairment and impairment reversal indicators, the impact of economic and geopolitical factors and climate change on commodity prices and exchange rate assumptions, the review of changes in the valuation of cash-generating units (CGUs) and associated sensitivity analyses, as well as the appropriateness of disclosures made in the current year financial statements on key sources of estimation uncertainty. In the current year, the most significant assets considered and impaired were:</p> <p>Goodwill arising from the acquisition of RBPlat The impact of high inflation, coupled with the lower PGM pricing due to the current macro-economic conditions, have resulted in a significant contraction in profit margins and cash generation capacity across the PGM industry, causing a marked decline in equity valuations across the PGM sector. This has resulted in a decline in the value of both the underlying fair value of the net assets acquired, as well as the value of the synergies that was accounted for at acquisition date, and has led to a loss on the remeasurement of the previously held equity investment before acquisition (note 13) and the impairment of goodwill (note 12) in the current year.</p> <p>Impala Canada Impala Canada is highly sensitive to movements in the palladium price.</p> <p>The committee reviewed the updates provided by management on estimates and sensitivities used in the valuation of these assets, including the discount rates and long-term metal prices and was satisfied with the appropriateness of the calculation and impairment disclosures in the annual financial statements</p>
<p>Taxation (notes 8, 20 and 26) The Group's tax affairs are governed by complex domestic tax legislation, international tax treaties between countries and the interpretation of both tax authorities and courts. Given the many uncertainties that could arise from these factors, judgement is often required in determining the taxes due. Counsel is received from independent experts where required.</p>	<p>The Group CFO provided the committee with updates throughout the year on various tax matters, including foreign and domestic tax policy updates, the implementation and operational outcomes of the tax risk management framework, the status of tax audits, tax reporting, and the status of uncertain tax positions which are disclosed in note 33. Although all these matters are inherently judgemental, no significant issues arose during the current reporting period.</p> <p>The Implats Group tax policy and maiden Tax Transparency and Economic Contribution Report (once published) can be accessed at (www.implats.co.za).</p>

Report of the audit and risk committee

The annual financial statements were approved by the board subsequent to the committee's review thereof and recommendation for approval.

JSE section 3.84(k) – Group CEO and CFO sign-off on internal controls over financial reporting

The committee was informed of the outcome of the internal financial controls certification process performed during the reporting period, which supports the CEO and CFO's attest statement. Where necessary, the committee considered the identified deficiencies as well as the appropriateness of management's response including remediation, reliance on compensating controls and additional review procedures. In the current year, the committee further considered the consolidation procedures of RBPlat and noted the attestation made by the CEO and CFO of that company.

Mineral Resource and Mineral Reserve Statement

The committee is satisfied with the review of the Mineral Resources and Reserves report, which was prepared in accordance with the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code (2016)) and the relevant JSE Listings Requirements by the strategy and investment committee and the sign-off by the Competent Persons. The control environment associated with the estimation of reserves is adequate and effective and the committee believes the reporting to be appropriate in all material aspects. Third-party assurance on the Mineral Resource and Reserve Statement is contained on page 102 of that report.

The committee reviewed and jointly, with the strategy and investment committee, recommended the Mineral Resource and Reserve Statement to the board for approval.

Annual integrated report

The committee is responsible for the content of the annual integrated report and its compliance with applicable reporting frameworks, guidelines and best practice, including the International Integrated Reporting Framework, which informs the integrated reporting process. The material matters included in the report, identified by senior management through third-party facilitated workshops, as well as the structure and contents of the annual integrated report for the current year were approved by the committee.

The committee reviews and recommends the report to the board for approval.

Environmental, social and governance (ESG) and climate change reports

The committee is responsible for reviewing the material issues reported to shareholders and other stakeholders, and considers the appointment, scope and conclusion of independent assurance providers for the ESG report. While the climate change report is not assured, certain key performance indicators disclosed therein are assured as part of the broader ESG reporting. The committee reviewed and commented on the material matters to be included in the climate change report (which is prepared in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)) and ESG report, which are jointly recommended to the board by the health, safety and environment committee, the social, transformation and ethics committee and the audit and risk committee.

Tax Transparency and Economic Contribution Report

The committee reviewed Implats' inaugural tax transparency report, which aims to explain the Group's approach to tax, including its tax strategy, governance, risk management and economic contribution, to ensure that it was prepared in accordance with appropriate reporting frameworks and that its disclosures fairly represent the position of the Group.

RISK MANAGEMENT AND COMPLIANCE, INTERNAL CONTROL

The committee monitors the Group's system of risk management and internal control under delegation from the board. The Implats risk management system is designed to ensure awareness of risks that threaten the achievement of strategic and operational objectives and the controls that mitigate those risks are identified so that assurance can be provided on the effectiveness of those controls. A determination can then be made on whether the risk is contained within the Group's risk appetite and tolerance levels.

Implats aims to maintain a strong ethical culture and risk awareness, and has implemented adequate and effective internal financial controls to confirm the integrity and reliability of the financial statements. The committee reviews management's self assessment of the effectiveness and adequacy of the internal control environment, as well as internal audit's assessment of the effectiveness thereof, as part of the Group's combined assurance model. The committee receives quarterly reports on the status of risks and controls and has the opportunity to discuss and evaluate the findings and the reasonableness of remediation steps, if applicable.

The committee received detailed reports from the chief information officer on the Group's information and technology framework and had detailed discussions around cyber security, including the inherent risks and vulnerabilities with an increased focus on the security associated with operational technology. The committee considered the performance of information management, which includes IT, against an approved governance framework and is satisfied that adequate controls are in place and effective.

Report of the audit and risk committee

The committee further considered the risk of fraud, certain tax risks and the risks related to legislative compliance and measures taken to safeguard Implats.

The feedback of external auditors and specialists on the Group's systems of internal control, financial controls and IT risks and controls was reviewed.

The committee was satisfied with the controls and risk mitigation measures in place and no material or significant deficiencies were identified that could result in a material misstatement of the annual financial statements.

The Implats executive review the material Group risks quarterly. Strategic risks are allocated to the relevant board committees to oversee executive management's responses to those risks. The committees occasionally request detailed analyses by management to entrench their understanding where additional focus on specific risks is warranted. The committee reviews the risk management policies and processes to mitigate key risks and receives quarterly reports on the material Group and individual operations' risks.

The committee considered and approved the risk appetite and tolerance curves of the risks assigned to it, on which a review is performed at least annually. Details of the material Group risks, the board committees that oversee them as well as their related deliberations are provided in the annual integrated report which can be accessed at (www.implats.co.za).

IMPLATS GROUP INTERNAL AUDIT (IGIA)

IGIA provides independent assurance to the committee and is the overall coordinator of combined assurance for the Group.

In line with its charter, IGIA coordinates input into the combined assurance map (CAM) by collating assurance-related information from across the organisation related to the Group strategic risks. This input is arranged according to four levels of assurance to provide the committee with a view of overall assurance per risk. The third level of assurance is provided by IGIA in the form of assurance through internal audits and CAM verification reviews.

CAM verification reviews are conducted per board committee, on a quarterly rotational basis to provide assurance over the associated controls to confirm that they are in place and operating as intended. The outcomes of these reviews are shared with the relevant committee and with the audit and risk committee. No concerns were noted in the current period.

The Committee assesses the work of internal audit regularly through the receipt of reports on the progress of the internal audit plan and issues arising through its annual effectiveness review. The resources of internal audit are also monitored to ensure appropriate expertise and experience.

The internal audit department budgets and annual plans for the material Group subsidiaries, associates and joint ventures were approved by their respective audit and risk committees. The risk-based audit plans, which cover key risks for appropriate scope and coverage, are aligned across the Group. The committee monitors progress against the approved audit plan quarterly. The CAE has a direct reporting line to the audit and risk committee chair and administratively reports to the CFO.

The CAE has unrestricted access to the members of the committee and the internal audit reports are provided to the chairperson of the board and committee members. These internal audit reports are reviewed in detail at the quarterly committee meetings.

The committee held private sessions in the absence of management where issues could be brought to the attention of the committee.

IGIA provided the committee with the annual written assurance assessments (premised on King IV principles) of:

- Ethical leadership and corporate citizenship
- Risk and IT governance
- Compliance with laws, rules, codes and standards
- The effectiveness of internal controls, including those over financial reporting.

Cyber risk and automation continue to evolve and where appropriate, specialists and data-driven techniques were utilised to deliver on assurance requirements. As new risks emerge, focus is placed on strengthening the associated control environment.

The committee has considered the appropriateness and timelines associated with significant audit findings and was satisfied that the identified deficiencies are in the process of being addressed and remediated. These are tracked to resolution through a formal issues-log tracking system.

Report of the audit and risk committee

While noting that improvements are required in certain areas of the business, the committee is of the opinion that, having reviewed the assessments undertaken by IGIA, nothing has come to the attention of the committee that caused it to believe that the Group's system of internal controls and risk management is not effective and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements.

Forensic investigation activities

In order to realise its purpose and safeguard against risks of fraud, corruption, bribery and other unlawful behaviour, Implats has various policies (<https://www.implats.co.za/esg-policies-and-key-documents.php>) in place and reporting mechanisms which include a toll-free Whistle Blower Hotline (number: 0800 005 314) which is available 24 hours, to facilitate reports in all the official languages of South Africa. The Hotline is operated by an independent third party with specialist knowledge and experience and all information is treated with strict confidentiality. The anonymity of all callers is also guaranteed if so requested. The chairpersons of the committee and the board receive all whistleblowing call reports. There is quarterly reporting of direct and indirect allegations received including, the results of closed cases, details of new cases per category and location, and the ageing profile of open cases based on the risk priority. In addition, monitoring of corrective action taken by management, root cause identification and feedback to whistle-blowers, are also reviewed by the committee.

Chief audit executive review

The committee reviews the performance appraisal of the CAE and determines the competence and independence of the internal audit department annually. In the prior year, the committee further assessed the effectiveness of the internal audit function through an independent external quality assurance review.

The committee is of the view that the CAE, Ms Daneshri Naidu, has the necessary qualifications, skills and experience to fulfil this role and is further satisfied with her performance and that of the internal audit function.

EXTERNAL AUDIT

Auditor effectiveness and independence – assessment of Deloitte

The committee monitored and assessed the effectiveness of the external auditors in respect of their independence and expertise and satisfied itself of the suitability and independence of the external auditor of the Group and the lead audit partner, Mr Sphiwe Stemela and that both are accredited and do not appear on any list of disqualified individual auditors in accordance with the requirements of paragraph 3.84(g)(iii) and section 22.15(h) of the JSE Listings Requirements.

The committee reviewed reports submitted by Deloitte on the quality assessment reviews undertaken internally and by the Independent Regulatory Board for Auditors together with progress on any remedial actions.

The committee reviewed and approved the 2023 external audit plan and the key audit risks identified. As part of the assessment of the performance and quality of the audit, the committee performed its assessment of the planning, delivery and execution of the audit, as well as considered the views of management and found the performance of the external auditor to be satisfactory.

No unresolved issues of concern between the Group and the external auditors were brought to the attention of the committee.

Audit fees

The committee, in consultation with executive management, approved the audit fee for the 2023 financial year. Audit fees are disclosed in note 5 to the consolidated annual financial statements.

To safeguard the independence of the external auditor, the nature, extent and approval of permitted non-audit-related services and related fees is governed by a policy that sets the limit as a percentage of the audit fee. The committee pre-approved all non-audit services and concluded that there were none that impacted the external auditor's independence.

Consideration given to the appointment of the external auditor

The committee's assessment of the external auditor's performance and independence underpinned its recommendation to propose to shareholders the re-appointment of Deloitte as auditor for the fifth year until the conclusion of the annual general meeting in 2024.

Report of the audit and risk committee

Resolutions to authorise the re-appointment of Deloitte will consequently be proposed at the annual general meeting of shareholders on 30 October 2023.

Key audit matters

The external auditors communicated three key audit matters in respect of their 2023 audit, concerning the measurement of in-process metal inventories, the acquisition of RBPlat and the impairment of goodwill and long-lived assets.

In addition to the committee's consideration of these matters (refer to the significant accounting issues considered by the committee in relation to the Group's financial statements on page 4), the committee discussed the key audit matters with the external auditors to understand the audit procedures followed and auditors' views. Following its assessment, the committee was satisfied with the conclusions reached by management and the external auditors.

The report of the external auditor can be found on pages 12 to 15.

CHIEF FINANCIAL OFFICER AND FINANCE FUNCTION REVIEW

The committee reviewed an internal assessment of the skills, expertise and experience of Ms Meroonisha Kerber, the Group CFO, and is satisfied she has the appropriate expertise and experience to meet her responsibilities.

Additionally, the committee considered and concluded on the appropriateness of the expertise, continuous development and adequacy of resources in the finance function.

FUTURE FOCUS AREAS

Future focus areas of the committee include, but are not limited to:

- Monitoring the ever-increasing cyber security risk and the internal and mitigating controls in place and continuing the focus and monitoring the integration of the IT and the OT environment and the associated impact on cyber security risk
- Continuing to monitor and maintaining an optimal capital structure for the Group and the appropriateness of the capital allocation framework, taking cognisance of future growth options and medium-term capital requirement
- Successful integration of RBPlat into the Group's financial, risk management and reporting systems
- Monitoring and responding to developments in the sustainability and climate-related financial reporting landscape to ensure that the Group has the appropriate resources and controls to meet stakeholder requirements.

CONCLUSION AND APPRECIATION

The committee is satisfied that it has considered and discharged its responsibilities in accordance with its mandate and statutory responsibilities. The committee further confirms that Implats has complied with the provisions of the Companies Act specifically relating to its incorporation and has operated in conformity with its memorandum of incorporation during the reporting period.

I would like to extend my appreciation to my fellow committee members, management, the external auditors and internal auditors for their work and support throughout the year.

The committee would like to note the significant contribution made by Mr Peter Davey as a member of the committee over the years. We will miss his extensive knowledge of the business and industry, depth of experience and unique perspective on issues debated by the committee. We also welcomed the appointment of Ms Mametja Moshe to the board and committee at the beginning of the year and have already benefited from her experience and expertise during the year.

Ms Dawn Earp

Chairperson of the audit and risk committee

31 August 2023

Directors' responsibility statement

The directors of Impala Platinum Holdings Limited (the board) present the consolidated and separate annual financial statements (the annual financial statements) for the year ended 30 June 2023. The annual financial statements have been prepared in accordance with the International Financial Reporting Standards, the requirements of the Companies Act and the Listings Requirements of the JSE Limited (the Listings Requirements), and incorporate full and responsible disclosure in line with the accounting policies of the Group which are supported by prudent judgements and estimates.

The board is responsible for the maintenance of effective systems of internal control which are based on established organisational structures and procedures. These systems are designed to provide reasonable assurance as to the reliability of the annual financial statements, and to prevent and detect material misstatement and loss.

The audit and risk committee assessed the adequacy and effectiveness of the system of internal controls and risk management during the year under review. This was achieved through the various levels of assurance such as management self-assessments and reports from the internal and external auditors. On the recommendation of the audit and risk committee, the board has considered and is satisfied that adequate accounting records, risk management processes and internal controls have been maintained to provide reasonable assurance of the integrity and reliability of the annual financial statements and compliance with policies, plans, procedures, laws and regulations. The board is further satisfied that the internal controls, processes and procedures provide reasonable assurance that all Group assets are safeguarded and verified, and that the possibility of material loss or misstatement is minimised.

The board further confirms that nothing has come to its attention that caused it to believe that the Company's system of internal controls and risk management are not effective and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements. The board's opinion is underpinned by the audit and risk committee's statement which appears on pages 2 to 9.

The consolidated and separate annual financial statements have been prepared under the supervision of the chief financial officer, Ms M Kerber, CA(SA). The annual financial statements have been prepared on a going-concern basis as the directors believe that the Company and the Group will continue to be in operation in the foreseeable future.

The annual financial statements as set out on pages 21 to 124 have been approved and authorised for issue by the board and are signed on its behalf by:

NDB Orleyn
Chairman

NJ Muller
Chief executive officer

31 August 2023

Chief executive officer and chief financial officer responsibility statement

Each of the directors, whose names are stated below, hereby confirms that:

- (a) The annual financial statements set out on pages 21 to 124 fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS.
- (b) To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading.
- (c) Internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer.
- (d) The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls.
- (e) Where we are not satisfied, we have disclosed to the audit and risk committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies.
- (f) We are not aware of any fraud involving directors.

M Kerber

Chief financial officer

NJ Muller

Chief executive officer

31 August 2023

Certificate by Company secretary

In terms of section 88(2)(e) of the Companies Act, I certify that the Company has lodged with the Commissioner all such returns and notices as required by the Act and that all such returns and notices are true, correct and up to date.

TT Liale

Company secretary

31 August 2023

Independent auditor's report

To the shareholders of Impala Platinum Holdings Limited Report on the Audit of the Consolidated and Separate Financial Statements

OPINION

We have audited the consolidated and separate financial statements of Impala Platinum Holdings Limited (the Company) and its subsidiaries (the Group) set out on pages 21 to 124, which comprise the consolidated and separate statements of financial position as at 30 June 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and the Company as at 30 June 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our audit report with regard to the separate financial statements of the Company.

Key audit matter	How the matter was addressed in the audit
<p>IN-PROCESS METAL INVENTORIES</p> <p>In-process metal inventories are held in a wide variety of forms, and prior to refining as a precious metal, are contained in a carrier material. It is not possible to determine the exact metal content within the carrier material until the refining process is complete. As such, theoretical quantities are determined through a process known as metal accounting, in which the processes of sampling, analysing and weighing determine the metal content and split between types of metal.</p> <p>Quantities of recoverable metal are reconciled to the quantity and grade of input as well as the quantities of metal actually recovered. The nature of this process inherently limits the ability to precisely monitor recoverability levels. As a result, the metal accounting process is constantly monitored, and the engineering estimates are refined based on actual results over time.</p> <p>The accuracy of metal accounting can vary quite significantly, and the quantum of in-process metal inventories requires a significant amount of estimation and judgement in its determination and was therefore considered a key audit matter.</p> <p>The estimates and judgements with respect to in-process metal inventories, including the quantification of the change in engineering estimate for the current financial year, are disclosed in note 18 of the consolidated financial statements.</p>	<p>Our work on the in-process metal inventories included:</p> <ul style="list-style-type: none">• Obtaining an understanding of the Group's procedures around the estimation of physical quantities and measurement of in-process metal inventories• Evaluating the design and implementation of key metal accounting controls, including an evaluation of the process by our technical mining advisory specialists• Testing the operating effectiveness of controls that measure in-process metal inventories quantities, including the relevant automated controls• Attending the physical in-process metal inventories counts at the refineries and the smelter• Using our internally developed metal accounting tool to verify the accuracy of management's inventories valuation• Auditing the allocation of costs to the in-process metal inventories• Auditing the elimination of intercompany profits associated with the in-process metal inventories• Evaluating the change in engineering estimates with respect to in-process metal inventories that have been recognised in the current financial year• Reviewing the disclosures in respect of in-process metal inventories, including the description of the estimates and judgements in estimating the physical quantities of metal inventories, in the consolidated financial statements. <p>Based on our procedures performed, the estimates and judgements with respect to the in-process metal inventories, including the relevant disclosures in the consolidated financial statements, are substantiated and the Group's processes for estimation of in-process metal inventories are reliable.</p>

Independent auditor's report

Key audit matter	How the matter was addressed in the audit
<p>ACQUISITION OF ROYAL BAFOKENG PLATINUM LIMITED</p> <p>The Group obtained control of Royal Bafokeng Platinum Limited (RBPlat) on 30 May 2023, after concluding an agreement to acquire the Public Investment Corporation (SOC) Limited's 9.16% shareholding in RBPlat.</p> <p>The acquisition required judgement in determining the provisional fair values of the assets and liabilities acquired. The significance of the acquisition to the Group, together with the judgement required in determining the provisional fair values of the assets and liabilities acquired has resulted in this being considered a key audit matter.</p> <p>The accounting policies with respect to these judgements, together with the provisional fair value of the assets and liabilities acquired, have been disclosed in note 36 of the consolidated financial statements.</p>	<p>Our work on the acquisition of RBPlat included:</p> <ul style="list-style-type: none"> • Obtaining the purchase price allocation and business valuation performed by management's specialists • Engaging our corporate finance specialists to assist in the review of the valuation methodologies applied in the cash flow models supporting the business valuation, and the value of the assets and liabilities acquired, including the significant assumptions used, such as the number of cash-generating units identified, the intangible assets identified as acquired as part of the transaction, and the discount rate used • Involving our technical mining advisory specialists to assist in the evaluation of the reserves used in the future production estimate, including a review of the life-of-mine model and the commodity prices and exchange rate used in the life-of-mine model • Reviewing the disclosures in the consolidated financial statements with respect to the acquisition of RBPlat. <p>Our procedures lead us to conclude that the provisional fair values of the assets and liabilities recognised as part of the acquisition and the relevant disclosures in the consolidated financial statements are appropriate.</p>
<p>IMPAIRMENT OF GOODWILL AND LONG-LIVED ASSETS RBPlat</p> <p>Goodwill of R14.1 billion was recognised on the acquisition of RBPlat. This goodwill was allocated to the Impala mining, Impala Refining Services and RBPlat cash-generating units (CGUs).</p> <p>International Financial Reporting Standards require goodwill acquired in a business combination, from the acquisition date, be allocated to each of the acquirer's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units. Goodwill is also required to be tested for impairment on an annual basis.</p> <p>Management subsequently impaired the goodwill arising on acquisition of RBPlat by R4.2 billion at 30 June 2023 in the consolidated financial statements.</p> <p>The impairment of goodwill requires judgement and is based on management determining the recoverable amount of the underlying CGUs to which goodwill is allocated and comparing the recoverable amount to the carrying amount. The recoverable amount has been determined based on a discounted cash flow model which has been prepared by management. The key inputs into the discounted cash flow model are the discount rate, commodity price forecasts, production volumes and costs of production.</p> <p>The accounting policies with respect to the judgements surrounding the impairment of goodwill have been disclosed in note 12 of the consolidated financial statements.</p> <p>Impala Canada</p> <p>In addition, due to the continued and sustained decrease in the palladium price experienced in the current year, as well as changes to the life-of-mine and mineable reserves, management has recognised an impairment of R10.9 billion (before tax) at an Impala Canada level.</p> <p>The accounting policies with respect to the judgements surrounding the impairment recognised at an Impala Canada level have been disclosed in note 10 of the consolidated financial statements.</p>	<p>Our work on the impairment of goodwill arising on acquisition of RBPlat and the impairment recognised at an Impala Canada level included:</p> <ul style="list-style-type: none"> • Obtaining the respective impairment models prepared by management, as required by International Financial Reporting Standards • Obtaining management's documented assessment of the key judgements and estimates used in the respective impairment models • With respect to the impairment recognised against goodwill, auditing management's allocation of the goodwill across the relevant CGUs • Engaging our corporate finance specialists to assist with evaluating the appropriateness of the discount rate used to discount the cash flows used in the respective impairment models • Engaging our technical mining advisory specialists to assist in evaluation of the reserves used in the future production estimate, including a review of the life-of-mine model and the commodity prices and exchange rate used in the respective impairment models • Assessing the integrity and accuracy of the impairment models and concluding on the reasonability of the key inputs into the discounted cash flow model. <p>Our procedures lead us to conclude that impairment of goodwill and impairment recognised at an Impala Canada level and the relevant disclosures in the consolidated financial statements relating to the impairment of goodwill and impairment recognised at an Impala Canada level are appropriate.</p>

Independent auditor's report

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Audited Annual Financial Statements 2023", which includes the Report of the Audit and Risk Committee, the Certificate by Company Secretary, the Directors' Report, as required by the Companies Act of South Africa and chief executive officer and chief financial officer responsibility statement, which we obtained prior to the date of this report, and the Annual Integrated Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern

Independent auditor's report

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

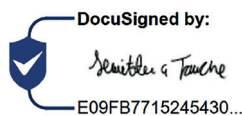
We communicate with the audit and risk committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit and risk committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit and risk committee, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in *Government Gazette* Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of Impala Platinum Holdings Limited for four years.



Deloitte & Touche

Registered Auditor

Per: Sphiwé Stemela

Partner

31 August 2023

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

Directors' report

for the year ended 30 June 2023

NATURE OF BUSINESS

Impala Platinum Holdings Limited (Implats/Company/Group) is a holding company and one of the world's foremost producers and suppliers of Platinum Group Metals (PGMs) to industrial economies. The Company is incorporated in South Africa and has a primary listing on the JSE Limited and a secondary listing on A2X Markets. The Company has interests in mining, processing and refining operations which are held as follows:

Company	Effective interest in %
Impala Platinum Limited (Impala), includes Impala and Impala Refining Services division	96
Marula Platinum Proprietary Limited	73.2
Zimplats Holdings Limited	87
Impala Canada Limited	100
Royal Bafokeng Platinum Limited ¹	98.9
Mimosa Investments Limited	50
Two Rivers Platinum Proprietary Limited	46
Impala Chrome Proprietary Limited	65
Makgomo Chrome Proprietary Limited	50

¹ At 30 June 2023, the effective interest was 56.4% (30 June 2022: 37.8%).

FINANCIAL MATTERS

Compliance with financial reporting standards

The Company annual financial statements and the Group consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, requirements of the South African Companies Act and the Listings Requirements of the JSE Limited and A2X Markets.

Accounting policies

Amended standards were effective for the first time on 1 January 2022 or were not yet effective and early adopted by the Group on 1 July 2022. None of the amendments had an impact on the Group. Refer to the accounting policy section on page 22 for the principal accounting policies and the changes to the accounting policies that were adopted during the financial year.

Results for the year

The consolidated annual financial statements can be found on pages 21 to 109.

Capital expenditure

Capital expenditure amounted to R11.5 billion (2022: R9.1 billion).

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 cycle.

On 2 March 2023, the board approved the declaration of an interim cash dividend of 420 cents (2022: 525 cents) per ordinary share for the six-month period ended 31 December 2022 amounting to R3.6 billion and paid to shareholders on 27 March 2023. The interim dividend was declared in line with the Company dividend policy and after consideration of the funding requirements of its mandatory offer for RBPlat.

Directors' report

for the year ended 30 June 2023

A final dividend of 165 cents per ordinary share, amounting to R1.49 billion, for the six-month period ended 30 June 2023 was approved by the board on 31 August 2023, for payment to shareholders on 26 September 2023. Shareholders will be eligible for payment if they are recorded in the register of the Company on 22 September 2023. Together with the interim dividend of 420 cents per ordinary share, this equates to a total dividend of 585 cents per share for the 2023 financial year.

The board is satisfied that subsequent to the dividend declaration, the Company has adequate balance sheet strength and liquidity available to withstand market and operational volatility. The board has performed the solvency and liquidity tests as required by the Companies Act.

POST-BALANCE SHEET EVENTS

The increase in Implats' shareholding in RBPlat and further developments in the acquisition of RBPlat subsequent to year-end are disclosed in note 36 of the consolidated annual financial statements. The directors are not aware of any other subsequent events that materially impact the annual financial statements.

GOING CONCERN

Based on the review of the Group's financial budgets and forecasts, the directors believe that the Company and the Group have adequate financial resources to continue to be in operation in the foreseeable future. As a result, the consolidated financial statements have been prepared on a going-concern basis, using appropriate accounting policies and supported by reasonable and prudent judgements and estimates.

ASSOCIATED AND SUBSIDIARY COMPANIES

Information regarding the Company's associated and subsidiary companies is given in note 6 and note 7 of the annual financial statements of the Company.

SHARE CAPITAL



During the year under review, the Company issued 16 182 027 shares to acquire RBPlat shares pursuant to the mandatory offer made by Implats on 17 January 2022. The new issued shares were in addition to the 32 950 982 issued for the same transaction during the 2022 financial year. The issued share capital was 866 401 157 at 30 June 2023. The Company has issued 37 014 918 shares relating to the acquisition of RBPlat since the beginning of the new financial year, increasing the issued share capital to 903 416 075. The authorised share capital has remained unchanged at 944 008 000 no par value shares and the unissued share capital has reduced to 40 591 925.

Further details on the authorised and issued share capital appear in note 22 of the consolidated annual financial statements.

Shares repurchased

During the year under review, the Group repurchased 2 035 075 shares in the market at the average price of R185.92 to satisfy the requirements of its long-term incentive plans. To the extent that these awards have not yet vested, these shares are reflected as treasury shares.

Treasury shares

There are currently 3 358 916 treasury shares held in terms of the long-term incentive plans.

Share-based compensation

The participation of the directors and prescribed officers in the Group's share option schemes are set out in annexure C of the consolidated financial statements.

Directors' report

for the year ended 30 June 2023

American depositary receipts

At 30 June 2023, Implats had 14 080 261 (2022: 15 713 958) sponsored American depositary shares in issue through Deutsche Bank AG London and trading on the over-the-counter markets in the US. Each American depositary share is equal to one Implats ordinary share.

Shareholding in the Company

The issued capital of the Company held by public and non-public entities as at 30 June 2023 was as follows:

Shareholder type	Number of holders	% of total shareholders	Number of shares	% of issued capital
Public shareholders	27 456	99.98	862 558 221	99.56
Non-public shareholders	5	0.02	3 842 936	0.44
– Treasury	1	0.00	3 358 916	0.39
– Directors and executives	4	0.02	484 020	0.05
Total	27 461	100.00	866 401 157	100.00

BENEFICIAL SHAREHOLDINGS

The following table provides the details of the beneficial shareholding of more than 3% at 30 June 2023:

Beneficial shareholdings	Total shareholding	%
Government Employees Pension Fund (PIC)	171 412 990	19.78
GIC Asset Management Pte Ltd	27 824 866	3.21
Total	199 237 856	22.99

INVESTMENT MANAGEMENT SHAREHOLDINGS

The following investment managers held, directly or indirectly, more than 3% of the issued share capital at 30 June 2023:

Investment manager	Total shareholding	%
PIC	137 410 395	16.03
Fidelity Management & Research Company	49 423 549	5.77
Ninety One SA (Pty) Ltd	44 234 064	5.16
M&G Investment Managers (Pty) Ltd	37 429 559	4.37
BlackRock Advisors LLC	35 692 348	4.16
The Vanguard Group Inc.	33 003 794	3.85
GIC Asset Management Pte Ltd	27 508 766	3.21
Total	364 702 475	42.55

CHANGES IN DIRECTORATE

The board lost two long-serving members in Mr Alastair Macfarlane who retired in October 2022 and Mr Peter Davey who sadly passed away in February 2023 after a brief illness. The two individuals were board members for 10 years and nine years respectively. In addition to these changes, Mr Bernard Swanepoel, an independent non-executive director, was appointed lead independent director of the board effective February 2023.

Directors' report

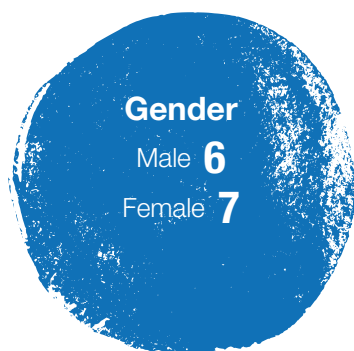
for the year ended 30 June 2023

Directorate

The board comprises nine (9) independent non-executive directors, one (1) non-executive director and three (3) executive directors. In compliance with the Company's memorandum of incorporation and Schedule 10 of the JSE Listings Requirements, the directors who will retire at the next AGM are Adv Thandi Orleyn, Ms Boitumelo Koshane and Mr Preston Speckmann. The average length of service of the current ten (10) non-executive directors is 4.6 years (2022: 5.4 years), while that of the three (3) executive directors is 5.6 years (2022: 4.6 years).

Name	Position as director	Appointment date
NDB Orleyn	Independent non-executive chairman	3 August 2020
D Earp	Independent non-executive director	1 August 2018
R Havenstein	Independent non-executive director	1 January 2021
M Kerber	Chief financial officer	1 August 2018
BT Koshane	Non-executive director	27 August 2019
B Mawasha	Independent non-executive director	1 September 2022
MJ Moshe	Independent non-executive director	1 July 2022
FS Mufamadi	Independent non-executive director	5 March 2015
NJ Muller	Chief executive officer	3 April 2017
MEK Nkeli	Independent non-executive director	29 April 2015
LN Samuel	Executive director	27 November 2017
PE Speckmann	Independent non-executive director	1 August 2018
ZB Swanepoel	Independent non-executive director	5 March 2015

Board diversity



Directors' interests

No contracts of significance were entered into in which the directors of the Company were materially interested during the financial year except for Ms M Kerber, Mr NJ Muller and Ms L Samuel who had an interest in some intercompany contracts and agreements by virtue of their membership of the board of Impala. No change in the interests has taken place between 30 June 2023 and the date of this report.

Directors' report

for the year ended 30 June 2023

Directors' beneficial interest in the Company's issued ordinary shares at 30 June 2023 is shown below:

Directors	Direct	
	2023	2022 ¹
M Kerber	71 213	30 595
NJ Muller	357 351	285 557
LN Samuel	44 951	44 951
ZB Swanepoel	10 000	10 000
NDB Orleyn	505	505
Total	484 020	371 608

¹ Excludes shares held by the late Mr PW Davey.

The above disclosure includes 343 193 shares held in terms of the minimum shareholding requirement for executive directors. In terms of the long-term incentive plan, executive directors held 322 842 awards to acquire shares in the Company, 108 469 bonus share plan awards and 29 047 awards in terms of the matching share plan. Refer to annexure C of the consolidated annual financial statements.

Directors' remuneration

Directors' remuneration is disclosed in annexure C of the consolidated annual financial statements in line with the Companies Act requirements.

SPECIAL RESOLUTIONS PASSED

During the year, the following special resolutions were passed by the shareholders:

Approval of non-executive directors' and committee members remuneration

Shareholders approved the remuneration which was paid to non-executive directors during the year under review.

Repurchase of Company's shares by the Company or subsidiaries

A renewal of the general authority to acquire up to 5% of the Company's shares subject to the provisions of the JSE Listings Requirements and the Companies Act, provided that the authority does not extend beyond 15 months from the date of the granting of that authority.

ADMINISTRATION

Financial, administrative and technical advisers

In terms of a service agreement, Impala acted as financial, administrative and technical advisers to the Group during the year on a fee basis. Ms M Kerber, Mr NJ Muller and Ms LN Samuel had an interest in the contract by virtue of the membership of the board of Impala.

Company secretary

Mr TT Llale acted as secretary to Implats and Impala. Impala acted as secretaries to other subsidiaries in the Group. The business and postal addresses of the Company secretary are set out on the inside back cover.

United Kingdom secretaries

The business and postal addresses of the United Kingdom secretaries are set out on the inside back cover.

Public officer

Mr Ben Jager acted as public officer to companies in the Group for the year under review.

Auditors

Deloitte acts as the current auditor. The designated auditor partner is Mr Sphiwe Stemela.

Sponsor

Nedbank Corporate and Investment Banking acted as the Company's JSE and A2X Markets sponsor.

ANNUAL GENERAL MEETING

The AGM will be held on Monday, 30 October 2023 at 10:00. Please refer to the notice for further details of the ordinary and special business for consideration at the meeting.

Consolidated financial statements

for the year ended 30 June 2023

GENERAL INFORMATION

The significant accounting policies, judgements and estimates that are deemed material and have been applied in the preparation of these Group and Company financial statements are set out within the relevant notes to the financial statements and are indicated as follows:

AP

Accounting policies

The specific principles, bases, conventions, rules and practices applied in preparing and presenting financial statements.

EJ

Estimates and judgements

The complex or subjective judgements that have the most significant effect on amounts recognised and assumptions and other sources of estimation uncertainty where there is a significant risk of material adjustment to the carrying amounts of assets or liabilities within the next reporting period.

Accounting policies, which are useful to users, especially where particular accounting policies are based on judgement regarding choices within International Financial Reporting Standards (IFRS) have been disclosed. Accounting policies for which no choice is permitted in terms of IFRS, have been included only if management concluded that the disclosure would assist users in understanding the financial statements as a whole, taking into account the materiality of the item being discussed. Accounting policies which are not applicable from time to time, have been removed, but will be included if the type of transaction occurs in future.

Accounting policies that refer to 'consolidated' or 'Group', apply equally to the Company financial statements where relevant. The composition of the Group is further described in note 7 of the Company financial statements. These consolidated financial statements are presented in South African rand and rounded to millions, unless otherwise stated.

The following foreign currency exchange rates were used when preparing these consolidated financial statements:

US\$¹/ZAR

Year-end rate:	R18.85 (2022: R16.27)
Average rate:	R17.77 (2022: R15.22)

C\$²/ZAR

Year-end rate:	R14.23 (2022: R12.64)
Average rate:	R13.26 (2022: R12.03)

¹ United States dollar.

² Canadian dollar.

The following Zimbabwean dollar/US dollar exchange rates were used when preparing these consolidated financial statements:

US\$/ZWS¹

Year-end rate:	ZW\$5 739.80 (2022: ZW\$372.87)
Average rate:	ZW\$1 185.37 (2022: ZW\$141.15)

¹ Zimbabwean dollar.

Sustainability and climate change-related disclosures

Implats adheres to existing legislation and financial reporting frameworks. Furthermore, the Group has noted 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 and notes the inaugural sustainability disclosure standards, IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and topic-specific IFRS S2 *Climate-related Disclosures*, published in June 2023, for application in the general purpose financial reports of an organisation. The impact of these currently voluntary standards is being evaluated in order to establish the appropriate response to achieve decision-useful reporting to our providers of financial capital.

Notwithstanding, to the extent that climate change impacted the carrying amounts of assets and liabilities, cash flows or the related estimates and judgements contained in the AFS, these have been considered and disclosed in the relevant notes.

Other climate and sustainability-related disclosures are available in the Group suite of annual reports as listed on the inside front cover of this book.

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for the year ended 30 June 2023

NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The principal accounting policies used by the Group are consistent with those of the prior year, except for changes emanating from new or revised IFRS standards.

NEW AND REVISED IFRS STANDARDS ADOPTED BY THE GROUP

The following amendments to standards are not yet effective and were early adopted by the Group on 1 July 2022:

Amendments to IFRS 16 *Lease Liability in a Sale and Leaseback*

- The amendments prohibit the seller-lessee in a sale and leaseback arrangement from recognising any gain or loss that relates to the right of use asset it retains, when the proceeds exceed the fair value of the asset being sold. The excess of the sales price over the fair value is recognised as additional funding provided by the buyer-lessor to the seller-lessee. The amendment does not prevent the seller-lessee from recognising a gain or loss relating to the right of use asset if it relates to the partial or full termination of the lease
- The amendments did not have an impact on these financial statements.

Amendments to IAS 1 *Non-current Liabilities with Covenants*

- The amendments clarify that only covenants to be complied with on or before the reporting date should affect the classification of a liability as current or non-current and require an entity to disclose information that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within 12 months
- The amendments did not have an impact on these financial statements.

Amendments to IAS 7 and IFRS 7 *Supplier Finance Arrangements*

- The amendments add disclosure requirements, and guidance within existing disclosure requirements, that require entities to provide qualitative and quantitative information about supplier finance arrangements
- The amendments did not have an impact on these financial statements.

NEW AND REVISED IFRS STANDARDS NOT ADOPTED BY THE GROUP

The following amendments to standards are not yet effective and were not early adopted by the Group on 1 July 2022:

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 Model 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 estimable 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 are currently not expected to impact the Group.

SIGNIFICANT ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATES

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, requirements of the South African Companies Act and the Listings Requirements of the JSE Limited and A2X Markets.

Basis of preparation

The consolidated financial statements have been prepared under the historical-cost convention except for the following:

- Certain financial assets and financial liabilities are measured at fair value
- Derivative financial instruments are measured at fair value
- Liabilities for cash-settled share-based payment arrangements are measured using a binomial option pricing model.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services received.


Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Headline earnings (note 9) has been prepared in accordance with the changes contained in Circular 1/2023 – *Headline earnings* as issued by SAICA.

Based on the review of the Group's financial budgets and forecasts, the directors believe that the Company and the Group have adequate financial resources to continue to be in operation in the foreseeable future. As a result, the consolidated financial statements have been prepared on the going-concern basis. Management and the board are required to exercise their judgement in the process of applying the Group's accounting policies. The preparation of financial statements in conformity with IFRS also requires the use of certain critical accounting estimates and assumptions.

Consolidated financial statements

for the year ended 30 June 2023

The estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors that are considered relevant, including current and expected economic conditions, expectations of future events that are believed to be reasonable under the circumstances and climate-related and other sustainability considerations where applicable. These estimates will seldom equal the actual results exactly. Revisions to accounting estimates are recognised in the period in which the estimates are reviewed and in future periods. 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 the  icon.

Summary of critical estimates and judgements:

- Depreciation of property, plant and equipment (note 10)
- Impairment of property, plant and equipment (note 10.1.4)
- Impairment of goodwill (note 12)
- Valuation and measurement of inventory (note 18)
- Environmental rehabilitation provision (note 25)
- Business combination (note 36).

Summary of selected accounting policies:

- New accounting policies adopted (page 22)
- Property, plant and equipment and intangible assets are measured on the historical-cost model
- Expenses are classified on a functional basis, with additional information provided on the nature of the expenses
- Operating cash flows are presented on the indirect method
- Other comprehensive income has been disclosed on a pre-tax basis, with the tax effect for each item disclosed separately.

Consolidation

The consolidated financial statements include those of the parent company, Impala Platinum Holdings Limited, its subsidiaries, associates, joint ventures and structured entities, using uniform accounting policies.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured in its functional currency, ie the currency of the primary economic environment in which the entity operates. For South African operations, the functional currency is South African rand, for Zimbabwean operations (Zimplats and Mimoso), US dollar, and for Impala Canada, the Canadian dollar. The consolidated financial statements are presented in South African rand, which is the presentation currency of the Group.

Functional currency of Zimplats

Considering the primary economic environment in which Zimplats operates, as well as factors such as which currency influences sales prices, competitive forces and regulations primarily determining sales prices, costs, financing activities and the currency in which receipts from operating activities are retained, management concluded Zimplats' functional currency to be the US dollar. The exchange rate between the US dollar and the Zimbabwean dollar was established through the Reserve Bank of Zimbabwe foreign currency auction market up to 6 May 2022. Thereafter, the exchange rate was obtained from the interbank market.

Transactions and balances

Foreign currency transactions are accounted for at the rates of exchange ruling at the date of the transaction. Foreign currency monetary assets and liabilities are translated at year-end exchange rates. Gains or losses arising on settlement of such transactions and from the translation of foreign currency monetary assets and liabilities are recognised in profit or loss.

Group companies

Total comprehensive income of our foreign operations is translated into South African rand at the actual exchange rate on transaction date. The average exchange rate is, where appropriate, used as an approximation of the actual rate at transaction date. Assets, including goodwill, and liabilities are translated at the ruling rates at the reporting date. The exchange differences arising on the translation of assets and liabilities of the foreign operations are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. The proportionate disposal of the foreign entity would result in all of the translation differences being reclassified to profit or loss if control of the entity is lost. The proportionate share of accumulated exchange differences are re-attributed to non-controlling interest if control is retained.

Consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2023

	Notes	2023 Rm	2022 Rm
Revenue	2	106 594	118 332
Cost of sales	3	(84 256)	(77 047)
Gross profit		22 338	41 285
Impairment – Property, plant and equipment	10	(10 872)	–
Impairment – Goodwill on RBPlat acquisition	12	(4 244)	–
Loss on remeasurement of previously held equity investment before acquisition – RBPlat	13	(1 772)	–
Other income	4	240	100
Other expenses	5	(1 319)	(539)
Finance income	6	1 792	805
Finance costs	7	(615)	(562)
Net foreign exchange transaction gains/(losses)		857	(161)
Share of profit of equity-accounted entities	13	3 382	4 311
Profit before tax		9 787	45 239
Income tax expense	8	(3 609)	(12 100)
Profit for the year		6 178	33 139
Other comprehensive income comprising items that may subsequently be reclassified to profit or loss:			
Exchange differences on translating foreign operations		5 805	4 304
Deferred tax thereon	26	(89)	(106)
Other comprehensive income comprising items that will not be subsequently reclassified to profit or loss:			
Financial assets at fair value through other comprehensive income	14	152	38
Deferred tax thereon		–	–
Actuarial gain on post-employment medical benefit	30	5	1
Deferred tax thereon	26	(1)	–
Total other comprehensive income		5 872	4 237
Total comprehensive income		12 050	37 376
Profit attributable to:			
Owners of the Company		4 905	32 049
Non-controlling interests	24	1 273	1 090
		6 178	33 139
Total comprehensive income attributable to:			
Owners of the Company		10 263	35 889
Non-controlling interests		1 787	1 487
		12 050	37 376
Earnings per share (cents)			
Basic	9	577	3 856
Diluted	9	575	3 840

The notes and annexures on pages 29 to 109 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

as at 30 June 2023

	Notes	2023 Rm	2022 Rm
ASSETS			
Non-current assets			
Property, plant and equipment	10	71 176	64 513
Investment property	11	88	90
Goodwill	12	9 870	—
Investments in equity-accounted entities	13	12 525	26 804
Financial assets at fair value through other comprehensive income	14	661	463
Environmental rehabilitation investments	15	2 506	315
Other financial assets	16	1 257	125
Prepayments and other assets	17	3 541	3 597
		101 624	95 907
Current assets			
Inventories	18	24 320	23 899
Trade and other receivables	19	11 310	6 209
Current tax receivable	20	1 059	530
Other financial assets	16	23	1 056
Prepayments and other assets	17	4 230	1 981
Cash and cash equivalents	21	26 820	26 505
		67 762	60 180
Total assets		169 386	156 087
EQUITY AND LIABILITIES			
Equity			
Share capital	22	25 819	23 080
Retained earnings		74 175	81 336
Foreign currency translation reserve		13 920	8 718
Share-based payment reserve	23	480	1 262
Other components of equity		453	301
Equity attributable to owners of the Company		114 847	114 697
Non-controlling interests	24	11 188	4 594
Total equity		126 035	119 291
LIABILITIES			
Non-current liabilities			
Provisions	25	2 734	2 214
Deferred tax	26	19 140	16 795
Deferred revenue	27	1 238	—
Borrowings	28	2 255	957
Other financial liabilities	29	8	16
Other liabilities	30	304	227
		25 679	20 209
Current liabilities			
Provisions	25	94	98
Deferred revenue	27	144	—
Trade and other payables	31	16 041	15 428
Current tax payable	20	242	533
Borrowings	28	335	250
Other financial liabilities	29	263	34
Other liabilities	30	553	244
		17 672	16 587
Total liabilities		43 351	36 796
Total equity and liabilities		169 386	156 087

The notes and annexures on pages 29 to 109 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

for the year ended 30 June 2023

	Share capital Rm	Retained earnings Rm
Balance at 30 June 2021	21 189	59 661
Shares issued (notes 13 and 22)	6 544	—
Conversion of ZAR convertible bonds (net of tax) (notes 22 and 28)	1	—
Shares purchased – long-term incentive plans (note 22)	(867)	—
Transfer of reserves	(3 787)	4 020
Transfer of Marula non-controlling interest (note 24.1)	—	—
Share-based compensation expense (note 23)	—	—
Total comprehensive income	—	32 050
Profit for the year	—	32 049
Other comprehensive income	—	1
Dividends paid	—	(14 395)
Balance at 30 June 2022	23 080	81 336
Shares issued (notes 13, 22 and 36)	2 631	—
Acquisition of non-controlling interest in Royal Bafokeng Platinum (note 36)	—	—
Acquisition of shares in Royal Bafokeng Platinum from non-controlling interest	—	(269)
Shares purchased – long-term incentive plans (note 22)	(384)	—
Transfer of reserves	492	693
Share-based compensation expense (note 23)	—	—
Deferred tax on share-based compensation liability	—	(28)
Total comprehensive income	—	4 909
Profit for the year	—	4 905
Other comprehensive income	—	4
Dividends paid	—	(12 466)
Balance at 30 June 2023	25 819	74 175

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

The notes and annexures on pages 29 to 109 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

for the year ended 30 June 2023

	Foreign currency translation reserve Rm	Share- based payment reserve Rm	Other components of equity Rm	Attributable to:		Total equity Rm
				Owners of the Company Rm	Non- controlling interests Rm	
	4 917	1 799	263	87 829	2 847	90 676
	—	—	—	6 544	—	6 544
	—	—	—	1	—	1
	—	—	—	(867)	—	(867)
	—	(233)	—	—	—	—
	—	(654)	—	(654)	654	—
	—	350	—	350	—	350
	3 801	—	38	35 889	1 487	37 376
	—	—	—	32 049	1 090	33 139
	3 801	—	38	3 840	397	4 237
	—	—	—	(14 395)	(394)	(14 789)
	8 718	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)
	5 202	—	152	10 263	1 787	12 050
	—	—	—	4 905	1 273	6 178
	5 202	—	152	5 358	514	5 872
	—	—	—	(12 466)	(1 176)	(13 642)
	13 920	480	453	114 847	11 188	126 035

Consolidated statement of cash flows

for the year ended 30 June 2023

	Notes	2023 Rm	2022 Rm
Cash flows from operating activities			
Cash generated from operations	32	30 372	45 955
Finance costs paid		(384)	(379)
Income tax paid	20	(6 419)	(10 637)
Net cash inflow from operating activities		23 569	34 939
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(11 356)	(8 968)
Increase in deposits on property, plant and equipment	17	(1 314)	—
Proceeds from sale of property, plant and equipment		55	83
Acquisition of equity-accounted interest in Royal Bafokeng Platinum	13	(2 195)	(9 939)
Net cash acquired through the acquisition of Royal Bafokeng Platinum	36	2 862	—
Acquisition of controlling interest in Royal Bafokeng Platinum		(2 394)	—
Cash acquired through the acquisition		5 256	—
Acquisition of Royal Bafokeng Platinum from non-controlling interests		(275)	—
Acquisition of interest in other equity-accounted investments	13	(250)	(218)
Proceeds from disposal of short-term and other investments		1 125	—
Investments in environmental rehabilitation financial assets		(1 689)	(306)
Acquisition of financial assets at fair value through other comprehensive income		(46)	—
Finance income received		1 695	756
Dividends received		1 616	2 070
Other		(94)	(40)
Net cash outflow from investing activities		(9 866)	(16 562)
Cash flows from financing activities			
Purchase of shares for long-term incentive plans		(384)	(867)
Repayments of borrowings	28	(2)	—
Repayments of lease liabilities	28	(295)	(249)
Dividends paid to shareholders of the Company	37	(12 466)	(14 395)
Dividends paid to non-controlling interests		(1 176)	(394)
Net cash outflow from financing activities		(14 323)	(15 905)
Net (decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		26 505	23 474
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies		935	559
Cash and cash equivalents at the end of the year	21	26 820	26 505

The notes and annexures on pages 29 to 109 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

for the year ended 30 June 2023

1. SEGMENT INFORMATION

Notes to operating segment analysis

The Group identified Mining, Impala Refining Services 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.

The acquisition of a controlling interest in Royal Bafokeng Platinum (RBPlat) on 30 May 2023 resulted in RBPlat being consolidated and included in the mining segment since the date of acquisition (note 36).

Revenue flows

The geographical locations of our operations (five of which form the 'Mining' segment, and the 'All other segments' includes the Group's equity-accounted entities, Mimoso, Two Rivers and up until the end of May 2023, RBPlat (refer to notes 13 and 36)) represent the origins of the revenues.

- Impala mines and refines its own metal inventories and sells externally to third parties. Sales are disaggregated geographically in the revenue note (note 2)
- Impala Canada and RBPlat 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 and metal concentrate 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 RBPlat) 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 2.

Sales to the two largest customers amounted to 12% and 10% (2022: 13% and 12%) of total revenue, from Impala and Impala Refining Services.

Capital expenditure comprises additions to property, plant and equipment (note 10).

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.

	Revenue		Capital expenditure		Non-current assets ¹	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Other segment information						
South Africa	105 943	119 774	4 774	3 680	48 647	29 083
Zimbabwe	18 047	19 311	5 513	4 115	30 135	22 850
Canada	7 502	6 946	1 223	1 286	2 352	12 670
Intersegment revenue	(24 898)	(27 699)	—	—	—	—
	106 594	118 332	11 510	9 081	81 134	64 603

¹ Excludes investments in equity-accounted entities, financial instruments and prepayments.

Non-current assets and capital expenditure are allocated according to the location of the asset.

Revenues are allocated based on the country from which the sale originates.

Additional disaggregation of revenue by category, per segment, has been disclosed to meet the requirements of IFRS 15.

	2023 Rm	2022 Rm
Segment profit reconciliation comprises the following items:		
Consolidation adjustments to inventory	3 086	1 036
	3 086	1 036
Reconciliation of segment assets comprises the following items:		
Intercompany balances eliminated	(42 366)	(85 229)
Inventory adjustments	(1 112)	(6 518)
Total consolidated assets	(43 478)	(91 747)
Reconciliation of segment liabilities comprises the following items:		
Intercompany balances eliminated	(43 234)	(86 103)
Deferred tax raised on undistributed reserves	2 528	2 528
Deferred tax on consolidation	(300)	(1 760)
Total consolidated liabilities	(41 006)	(85 335)

Notes to the consolidated financial statements

for the year ended 30 June 2023

1. SEGMENT INFORMATION *continued* Operating segments – June 2023

	Mining segments				
	Impala Rm	Zimplats Rm	Marula Rm	RBPlat Rm	Impala Canada Rm
Segment profit					
Sale of goods					
Platinum	11 528	4 521	1 343	365	295
Palladium	9 587	6 875	2 525	217	6 854
Rhodium	16 258	4 356	3 244	225	—
Nickel	1 548	2 021	86	67	—
By-products	4 161	2 001	465	133	837
Commodity price adjustments	—	(1 727)	(807)	(413)	(484)
Revenue from gold streaming	—	—	—	16	—
Toll refining					
Treatment charges	—	—	(5)	—	—
Treatment income	—	—	—	—	—
Revenue	43 082	18 047	6 851	610	7 502
Production costs					
On-mine operations	(19 735)	(5 019)	(3 485)	(790)	(3 447)
Processing operations	(4 946)	(2 990)	(444)	(140)	(1 098)
Refining and selling	(1 521)	—	—	—	—
Depreciation of operating assets	(3 249)	(1 940)	(384)	(38)	(2 114)
Other costs					
Metals purchased	—	—	—	—	—
Corporate costs	(512)	(933)	—	(94)	(204)
Royalty expenses	(1 734)	(674)	201	(65)	(332)
Change in metal inventories	(814)	(78)	—	(151)	303
Chrome operation – cost of sales	—	—	—	—	—
Share-based compensation and other	(949)	(55)	(80)	(81)	(23)
Cost of sales	(33 460)	(11 689)	(4 192)	(1 359)	(6 915)
Gross profit/(loss)	9 622	6 358	2 659	(749)	587
Impairments and loss on remeasurement of previously held equity investment in RBPlat before acquisition	—	—	—	(4 244)	(10 872)
Other (expenses)/income	(16)	(33)	6	(13)	(201)
Finance income	1 342	73	171	44	45
Finance costs	(256)	(47)	(15)	(26)	(258)
Net foreign exchange transaction gains/(losses)	642	(307)	—	—	(19)
Share of profit of equity-accounted entities	—	—	—	—	—
Profit/(loss) before tax	11 334	6 044	2 821	(4 988)	(10 718)
Income tax (expense)/credit	(3 320)	(1 446)	(801)	207	2 981
Profit/(loss) for the year	8 014	4 598	2 020	(4 781)	(7 737)
External revenue²	43 020	—	—	610	7 502

¹ Total reconciliation profit of R3 086 million is explained on page 29.

² External revenue excludes intersegment revenue.

Notes to the consolidated financial statements

for the year ended 30 June 2023

Total mining segments Rm	Impala Refining Services Rm	All other segments Rm	Reconciliation ¹ Rm	Total Rm
18 052	11 983	—	(5 864)	24 171
26 058	15 917	—	(9 401)	32 574
24 083	18 142	—	(7 600)	34 625
3 722	2 996	—	(2 107)	4 611
7 597	5 349	771	(2 527)	11 190
(3 431)	—	—	2 534	(897)
16	—	—	—	16
(5)	—	(62)	67	—
—	304	—	—	304
76 092	54 691	709	(24 898)	106 594
(32 476)	—	—	—	(32 476)
(9 618)	(819)	—	—	(10 437)
(1 521)	(1 016)	—	—	(2 537)
(7 725)	—	(11)	—	(7 736)
—	(47 151)	—	24 898	(22 253)
(1 743)	(309)	—	—	(2 052)
(2 604)	—	(20)	—	(2 624)
(740)	(6 036)	2	4 228	(2 546)
—	—	(407)	—	(407)
(1 188)	—	—	—	(1 188)
(57 615)	(55 331)	(436)	29 126	(84 256)
18 477	(640)	273	4 228	22 338
(15 116)	—	(1 772)	—	(16 888)
(257)	(148)	(674)	—	(1 079)
1 675	44	1 737	(1 664)	1 792
(602)	—	(1 677)	1 664	(615)
316	235	306	—	857
—	—	3 382	—	3 382
4 493	(509)	1 575	4 228	9 787
(2 379)	147	(235)	(1 142)	(3 609)
2 114	(362)	1 340	3 086	6 178
51 132	54 691	771	—	106 594

Notes to the consolidated financial statements

for the year ended 30 June 2023

1. SEGMENT INFORMATION continued Operating segments – June 2023 continued

	Mining segments				Impala Canada Rm
	Impala Rm	Zimplats Rm	Marula Rm	RBPlat Rm	
Segment assets and liabilities					
Non-current segment assets	39 012	30 330	2 992	10 524	2 352
Property, plant and equipment	27 325	30 135	2 567	8 746	2 352
Goodwill	6 347	—	—	190	—
Investments in equity-accounted entities	—	46	—	—	—
Environmental rehabilitation investments	1 833	—	336	337	—
Other financial assets	98	149	1	1 009	—
Prepayments	3 299	—	—	242	—
Other	110	—	88	—	—
Current segment assets	23 635	16 281	2 943	10 330	3 134
Inventories	8 395	2 314	105	737	1 084
Trade and other receivables	4 727	431	57	4 799	1 074
Intercompany balances	2 414	5 197	2 752	29	—
Intercompany treasury balances	5 359	—	—	—	—
Prepayments	637	3 452	7	94	36
Cash and cash equivalents	1 507	4 781	6	4 538	910
Other	596	106	16	133	30
Total assets	62 647	46 611	5 935	20 854	5 486
Non-current segment liabilities	7 845	8 218	1 009	5 294	529
Deferred tax	5 601	7 781	887	2 100	13
Deferred revenue	—	—	—	1 238	—
Borrowings	696	47	38	1 468	6
Provisions	1 409	366	84	350	499
Other	139	24	—	138	11
Current segment liabilities	11 077	2 940	749	2 182	4 671
Trade and other payables	4 136	2 729	625	1 429	1 043
Intercompany balances	894	46	115	—	3 525
Intercompany treasury balances	5 484	—	—	—	—
Deferred revenue	—	—	—	144	—
Borrowings	185	44	9	60	37
Provisions	59	—	—	—	—
Other	319	121	—	549	66
Total liabilities	18 922	11 158	1 758	7 476	5 200
¹ Reconciliation of assets of R43 478 million and liabilities of R41 006 million is explained on page 29.					
Segment cash flow					
Net increase/(decrease) in cash and cash equivalents	5 626	1 177	1 446	4 570	509
Net cash from/(used in) operating activities	10 161	8 516	2 868	(590)	1 795
Net cash (used in)/from investing activities	(4 035)	(6 792)	(715)	5 164	(1 191)
Net cash used in financing activities	(500)	(547)	(707)	(4)	(95)
Capital expenditure including right-of-use assets	4 054	5 513	558	158	1 223

Notes to the consolidated financial statements

for the year ended 30 June 2023

Total mining segments Rm	Impala Refining Services Rm	All other segments Rm	Reconciliation ¹ Rm	Total Rm
85 210	3 333	13 081	—	101 624
71 125	—	51	—	71 176
6 537	3 333	—	—	9 870
46	—	12 479	—	12 525
2 506	—	—	—	2 506
1 257	—	—	—	1 257
3 541	—	—	—	3 541
198	—	551	—	749
56 323	29 895	25 022	(43 478)	67 762
12 635	12 777	20	(1 112)	24 320
11 088	8	214	—	11 310
10 392	136	4 690	(15 218)	—
5 359	16 920	4 869	(27 148)	—
4 226	—	4	—	4 230
11 742	2	15 076	—	26 820
881	52	149	—	1 082
141 533	33 228	38 103	(43 478)	169 386
22 895	—	556	2 228	25 679
16 382	—	530	2 228	19 140
1 238	—	—	—	1 238
2 255	—	—	—	2 255
2 708	—	26	—	2 734
312	—	—	—	312
21 619	20 352	18 935	(43 234)	17 672
9 962	5 532	547	—	16 041
4 580	9 461	2 045	(16 086)	—
5 484	5 359	16 305	(27 148)	—
144	—	—	—	144
335	—	—	—	335
59	—	35	—	94
1 055	—	3	—	1 058
44 514	20 352	19 491	(41 006)	43 351
13 328	1 330	(15 278)	—	(620)
22 750	1 286	(2 133)	1 666	23 569
(7 569)	44	(675)	(1 666)	(9 866)
(1 853)	—	(12 470)	—	(14 323)
11 506	—	4	—	11 510

Notes to the consolidated financial statements

for the year ended 30 June 2023

1. SEGMENT INFORMATION *continued* Operating segments – June 2022

	Mining segments			
	Impala Rm	Zimplats Rm	Marula Rm	Impala Canada Rm
Segment profit				
Sale of goods				
Platinum	9 799	3 987	1 317	221
Palladium	9 835	7 665	2 970	6 493
Rhodium	19 453	5 622	4 398	—
Nickel	1 143	1 639	80	—
By-products	3 321	1 904	494	688
Commodity price adjustments	—	(1 506)	(866)	(456)
Toll refining				
Treatment charges	—	—	(5)	—
Treatment income	—	—	—	—
Revenue	43 551	19 311	8 388	6 946
Production costs				
On-mine operations	(18 158)	(3 790)	(3 039)	(2 620)
Processing operations	(4 491)	(1 946)	(385)	(1 017)
Refining and selling	(1 278)	—	—	—
Depreciation of operating assets	(2 840)	(1 492)	(369)	(1 107)
Other costs				
Metals purchased	—	—	—	—
Corporate costs	(434)	(700)	—	(171)
Royalty expenses	(2 175)	(670)	(283)	(309)
Change in metal inventories	1 894	(453)	—	34
Chrome operation – cost of sales	—	—	—	—
Share-based compensation and other	(497)	(107)	33	(28)
Cost of sales	(27 979)	(9 158)	(4 043)	(5 218)
Gross profit	15 572	10 153	4 345	1 728
Other income/(expenses)	16	(68)	(31)	(145)
Finance income	57	11	5	6
Finance costs	(258)	(30)	(79)	(135)
Net foreign exchange transaction gains/(losses)	637	(617)	—	(1)
Share of profit of equity-accounted entities	—	—	—	—
Profit before tax	16 024	9 449	4 240	1 453
Income tax expense	(4 541)	(3 114)	(1 234)	(471)
Profit for the year	11 483	6 335	3 006	982
External revenue²	43 523	—	—	6 946

¹ Total reconciliation profit of R1 036 million is explained on page 29.

² External revenue excludes intersegment revenue.

Notes to the consolidated financial statements

for the year ended 30 June 2023

Total mining segments Rm	Impala Refining Services Rm	All other segments Rm	Reconciliation ¹ Rm	Total Rm
15 324	12 896	—	(5 303)	22 917
26 963	20 037	—	(10 635)	36 365
29 473	25 126	—	(10 020)	44 579
2 862	3 077	—	(1 719)	4 220
6 407	6 088	355	(2 427)	10 423
(2 828)	—	—	2 372	(456)
(5)	—	(28)	33	—
—	284	—	—	284
78 196	67 508	327	(27 699)	118 332
(27 607)	—	—	—	(27 607)
(7 839)	(711)	—	—	(8 550)
(1 278)	(974)	—	—	(2 252)
(5 808)	—	(13)	—	(5 821)
—	(54 638)	—	27 699	(26 939)
(1 305)	(275)	—	—	(1 580)
(3 437)	—	(16)	—	(3 453)
1 475	(2 945)	(11)	1 502	21
—	—	(267)	—	(267)
(599)	—	—	—	(599)
(46 398)	(59 543)	(307)	29 201	(77 047)
31 798	7 965	20	1 502	41 285
(228)	—	(211)	—	(439)
79	34	864	(172)	805
(502)	—	(232)	172	(562)
19	(292)	112	—	(161)
—	—	4 311	—	4 311
31 166	7 707	4 864	1 502	45 239
(9 360)	(2 033)	(241)	(466)	(12 100)
21 806	5 674	4 623	1 036	33 139
50 469	67 508	355	—	118 332

Notes to the consolidated financial statements

for the year ended 30 June 2023

1. SEGMENT INFORMATION *continued* Operating segments – June 2022 *continued*

	Mining segments			
	Impala Rm	Zimplats Rm	Marula Rm	Impala Canada Rm
Segment assets and liabilities				
Non-current segment assets	30 633	22 895	2 487	12 670
Property, plant and equipment	26 539	22 850	2 396	12 670
Investments in equity-accounted entities	—	11	—	—
Prepayments	3 597	—	—	—
Other	497	34	91	—
Current segment assets	33 223	16 543	4 890	2 773
Inventories	9 103	1 654	87	604
Trade and other receivables	4 162	748	37	1 099
Intercompany balances	13 657	6 370	4 641	—
Intercompany treasury balances	4 698	—	—	—
Prepayments	291	1 622	3	48
Cash and cash equivalents	1 015	6 149	3	983
Other	297	—	119	39
Total assets	63 856	39 438	7 377	15 443
Non-current segment liabilities	5 782	6 198	1 200	3 434
Deferred tax	3 424	5 730	1 066	3 005
Borrowings	876	—	47	34
Provisions	1 300	423	87	379
Other	182	45	—	16
Current segment liabilities	24 775	2 418	1 226	4 843
Trade and other payables	3 548	2 120	951	937
Intercompany balances	12 426	2	184	3 801
Intercompany treasury balances	8 196	—	—	—
Borrowings	156	13	7	74
Provisions	60	—	—	—
Other	389	283	84	31
Total liabilities	30 557	8 616	2 426	8 277
Segment cash flow				
Net (decrease)/increase in cash and cash equivalents	(13 073)	735	2	139
Net cash from/(used in) operating activities	13 766	7 894	3 501	2 267
Net cash (used in)/from investing activities	(3 449)	(4 145)	(367)	(1 245)
Net cash (used in)/from financing activities	(23 390)	(3 014)	(3 132)	(883)
Capital expenditure including right-of-use assets	3 352	4 115	321	1 286

¹ Reconciliation of assets of R91 747 million and liabilities of R85 335 million is explained on page 29.

Notes to the consolidated financial statements

for the year ended 30 June 2023

Total mining segments Rm	Impala Refining Services Rm	All other segments Rm	Reconciliation ¹ Rm	Total Rm
68 685	—	27 222	—	95 907
64 455	—	58	—	64 513
11	—	26 793	—	26 804
3 597	—	—	—	3 597
622	—	371	—	993
57 429	50 106	44 392	(91 747)	60 180
11 448	18 951	18	(6 518)	23 899
6 046	38	125	—	6 209
24 668	138	16 588	(41 394)	—
4 698	30 936	8 201	(43 835)	—
1 964	—	17	—	1 981
8 150	1	18 354	—	26 505
455	42	1 089	—	1 586
126 114	50 106	71 614	(91 747)	156 087
16 614	2 490	337	768	20 209
13 225	2 490	312	768	16 795
957	—	—	—	957
2 189	—	25	—	2 214
243	—	—	—	243
33 262	30 787	38 641	(86 103)	16 587
7 556	7 727	145	—	15 428
16 413	23 060	2 795	(42 268)	—
8 196	—	35 639	(43 835)	—
250	—	—	—	250
60	—	38	—	98
787	—	24	—	811
49 876	33 277	38 978	(85 335)	36 796
(12 197)	25 109	(10 440)	—	2 472
27 428	8 333	(826)	4	34 939
(9 206)	34	(7 386)	(4)	(16 562)
(30 419)	16 742	(2 228)	—	(15 905)
9 074	—	7	—	9 081

Notes to the consolidated financial statements
for the year ended 30 June 2023

2. REVENUE

	2023 Rm	2022 Rm
2.1 Disaggregation of revenue by category		
Sale of goods		
Platinum	24 171	22 917
Palladium	32 574	36 365
Rhodium	34 625	44 579
Nickel	4 611	4 220
By-products	11 190	10 423
	107 171	118 504
Commodity price adjustments	(897)	(456)
Revenue from gold streaming		
Deferred revenue recognised (note 27)	15	—
Variable consideration	1	—
Revenue from services		
Toll refining	304	284
	106 594	118 332
2.2 Analysis of revenue by destination		
Main products (Pt, Pd, Rh and Ni)		
Asia	40 713	45 443
North America	23 883	27 144
Western Europe	18 997	22 332
South Africa	11 491	12 701
	95 084	107 620
By-products		
Asia	3 635	3 610
Western Europe	2 875	2 389
South Africa	3 002	2 621
North America	1 548	1 662
Australia	130	146
Bermuda	16	—
	11 206	10 428
Toll refining		
Rest of Africa	298	280
South Africa	4	4
North America	2	—
	304	284
	106 594	118 332

Note 1 contains additional disclosure of revenue per reportable segment.

Notes to the consolidated financial statements

for the year ended 30 June 2023

2. REVENUE continued

Toll refining income

The IRS refining fee revenue meets the criteria for recognition of revenue over time, as IRS provides a service which creates or enhances an asset under customer control. The declaration period stipulated in the toll refining contracts is indicative of the time it takes to complete the refining service and is considered to be the most appropriate estimate of the progress towards satisfying the performance obligation. Refining revenue is recognised on a straight-line basis over the contractual declaration time frame.

EJ

The Group generates revenue from the mining, concentrating, refining and sale of Platinum Group Metals (PGMs) and associated base metals. Revenue is measured based on the consideration specified in the customer contract.

Sales revenue

The Group recognises revenue on inventory sold to a customer on delivery to the contractually agreed upon delivery point. This is the point at which the performance obligation is satisfied and a receivable is recognised as entitlement to the consideration is unconditional and only the passage of time is required before payment is due. No element of financing is present due to the short-term nature of Group contracts and credit terms are consistent with market practice. The total consideration in the sales contract is allocated to each product based on the contractually agreed upon metal prices. Metal sales prices are determined based on observable spot prices when revenue is recognised.

Commodity price adjustments

At Impala Canada as well as RBPlat, the sales price is determined on a provisional basis at the date of the sale, with adjustments made to the sales price based on movements in quoted market prices up to the date of final pricing. These adjustments are separately disclosed within revenue.

Toll refining income

The Group derives toll income revenue from the processing and refining of metal concentrate which is subsequently returned to the customer. Toll refining income is recognised over time.

AP

Notes to the consolidated financial statements

for the year ended 30 June 2023

3. COST OF SALES

	2023 Rm	2022 Rm
Production costs		
On-mine operations	32 476	27 607
Wages and salaries	16 754	14 997
Materials and consumables	13 086	10 390
Utilities	2 636	2 220
Processing operations	10 437	8 550
Wages and salaries	1 896	1 620
Materials and consumables	5 410	4 395
Utilities	3 131	2 535
Refining and selling	2 537	2 252
Wages and salaries	809	737
Materials and consumables	1 470	1 277
Utilities	258	238
Depreciation of operating assets (notes 10 and 32) ¹	7 736	5 821
Other costs		
Metals purchased	22 253	26 939
Decrease/(increase) in metal inventories	2 546	(21)
Royalty expenses	2 624	3 453
Corporate costs	2 052	1 580
Wages and salaries	1 095	845
Insurance	481	453
Donations	72	70
Other costs	404	212
Chrome operation – cost of sales	407	267
Share-based compensation and other	1 188	599
	84 256	77 047
The following disclosure items are included in cost of sales:		
Repairs and maintenance expenditure on property, plant and equipment	4 361	3 626
Cost of inventories sold ²	78 137	74 868
Employment benefit expense comprises:		
Wages and salaries	19 390	17 145
Pension costs – defined contribution plans	1 164	1 054
Share-based compensation	1 230	732
Cash-settled	781	340
Equity-settled	449	392
	21 784	18 931

¹ Impala Canada revised its estimate of useful lives for certain assets, increasing depreciation by approximately R741 million (C\$56 million) in the current period. Refer to note 10.1.5. **E1**

² Cost of inventories sold excludes the net realisable value adjustment of R2 879 million disclosed in note 18.

Annexure D provides details of share awards issued and vested during the year by participants as well as the disclosures required by IFRS 2 *Share-based Payments*. The details pertaining to share awards issued to and vested by directors during the year are disclosed in annexure C.

Notes to the consolidated financial statements

for the year ended 30 June 2023

3. COST OF SALES continued

Employee benefits

Short-term employee benefits

Remuneration to employees is charged to profit or loss on an ongoing basis. Provision is made for accumulated leave, incentive bonuses and other short-term employee benefits.

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration production and safety performance. The Group recognises a provision when contractually obliged or where there is a past practice that has created a constructive obligation.

Post-employment benefits

Post-employment benefits include defined contribution plans and defined benefit plans. Additional information on defined benefit plans is provided in note 30.1.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after reporting date are discounted to present value.

AP

Share-based payments

For share-based payments accounting policies, refer to notes 23 and 30.

4. OTHER INCOME

	2023 Rm	2022 Rm
Fair value gain on environmental rehabilitation investments (note 15)	165	9
Profit on sale and leaseback of houses	30	30
Insurance proceeds – asset damage	–	32
Profit on disposal of property, plant and equipment	24	3
Dividends received – Rand Mutual Assurance (RMA)	7	11
Other	14	15
	240	100

AP

Deferred profit on sale and leaseback of houses

The excess of the proceeds over the carrying amount of the asset sold is amortised over the lease term.

Notes to the consolidated financial statements

for the year ended 30 June 2023

5. OTHER EXPENSES

	2023 Rm	2022 Rm
Acquisition-related costs – RBPlat (note 36)	415	97
Fair value loss on foreign exchange rate collars (note 29)	222	—
Exploration expenditure	169	159
Fair value loss on metal inventories – hedge ineffectiveness (note 18)	138	—
Non-production-related corporate costs	101	144
Loss on disposal of property, plant and equipment	39	—
Auditor remuneration	37	26
Loss – change of interest in associates	21	25
Other	177	88
	1 319	539
Auditor remuneration comprises:	37	26
Audit services including interim review	37	26
Other services	—	—

6. FINANCE INCOME

	2023 Rm	2022 Rm
Interest received – cash and cash equivalents	1 691	718
Interest received – employee housing loans	23	13
Interest received – advances	36	4
Interest received – current tax	3	40
Other	39	30
	1 792	805

Interest income recognised at amortised cost is R1 715 million (2022: R754 million).



Interest income

Interest income at amortised cost is recognised on a time-proportion basis using the effective interest method.

7. FINANCE COSTS

	2023 Rm	2022 Rm
Unwinding of discount – provision for environmental rehabilitation (note 25)	213	173
Guarantee fees	173	170
Interest paid – leases (note 28)	107	120
Commitment and facility fees	88	72
Interest paid – borrowings (note 28)	13	—
Other	21	27
	615	562

Notes to the consolidated financial statements

for the year ended 30 June 2023

8. INCOME TAX EXPENSE

	2023 Rm	2022 Rm
Current tax		
South African current tax	4 502	7 882
Current tax on profits for the year	4 389	7 880
Prior year adjustment	38	2
Withholding tax	75	—
Other countries' current tax	741	3 058
Current tax on profits for the year	512	2 199
Prior year adjustment	(47)	(46)
Withholding tax	276	905
Total current tax (note 20)	5 243	10 940
Deferred tax		
South African deferred tax	618	631
Temporary differences	655	832
Prior year adjustment	(37)	17
Change in tax rate – South Africa	—	(218)
Other countries' deferred tax	(2 252)	529
Temporary differences	(2 138)	499
Prior year adjustment	(114)	30
Total deferred tax (note 26) ¹	(1 634)	1 160
Total income tax expense	3 609	12 100
The tax on the Group's profit differs as follows from the theoretical charge that would arise using the basic tax rate of 27% (2022: 28%) for South African companies:		
Normal tax for companies on profit before tax	2 642	12 667
Adjusted for:		
Disallowable expenditure:		
Impairment and remeasurements of RBPlat	1 624	—
Foreign currency adjustments	—	327
Share-based compensation expense	295	147
Finance costs	51	48
Donations and other social and labour plan costs	105	27
Income tax interest and penalties	3	10
Head office costs	68	50
Royalty expenses	24	43
Canadian mining costs	212	—
Other	132	48
Exempt income:		
Withholding taxes on undistributed profits	—	(539)
Foreign currency adjustments	(279)	—
Canadian mining costs allowances	—	(48)
Share-based compensation expense	(23)	—
Other	(15)	(16)
Prior year adjustment	(160)	3
Canadian mining taxes	(822)	164
Change in tax rate – South Africa	—	(218)
Deferred tax not recognised	348	13
Effect of after-tax share of profits from equity-accounted entities	(913)	(1 207)
Effect of different taxes of foreign subsidiaries	242	581
Withholding taxes on dividends	75	—
Income tax expense	3 609	12 100
Effective tax rate (%)	37	27

¹ FY2022: Total deferred tax of R1 160 million comprised R1 378 million current deferred tax expenses less R218 million relating to a tax rate change (note 26).

Notes to the consolidated financial statements

for the year ended 30 June 2023

8. INCOME TAX EXPENSE continued

Income tax

Income tax includes current tax, deferred tax and withholding taxes. Current tax is calculated by applying enacted or substantively enacted tax rates to taxable income, including adjustments to tax payable in respect of prior years.

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit matters based on estimates of whether additional taxes will be due.

EJ

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.

9. EARNINGS PER SHARE

The weighted average number of ordinary shares in issue outside the Group for the purposes of basic and headline earnings per share are calculated as follows:

	2023 Million	2022 Million
Number of shares		
Number of ordinary shares issued outside the Group (note 22)	863.04	846.13
Adjusted for weighted average number of ordinary shares issued during the year	(13.58)	(16.67)
Adjusted for weighted average number of ordinary shares acquired during the year	0.82	1.79
Weighted average number of ordinary shares in issue for basic and headline earnings per share	850.28	831.25
Adjusted for:		
Dilutive potential ordinary shares relating to long-term incentive plan	3.49	3.39
Weighted average number of ordinary shares for diluted basic and headline earnings per share	853.77	834.64
	2023 Rm	2022 Rm
Basic earnings – attributable profit		
Profit attributable to owners of the Company	4 905	32 049
Profit used in the calculation of diluted earnings per share	4 905	32 049
	2023 Cents	2022 Cents
Basic earnings per share	577	3 856
Diluted earnings per share	575	3 840

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company for the year by the weighted average number of ordinary shares in issue for basic earnings per share.

Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit attributable to the owners of the Company for the year by the weighted average number of ordinary shares for diluted earnings per share. Potential ordinary shares are only treated as dilutive when their conversion would decrease earnings per share.

Notes to the consolidated financial statements

for the year ended 30 June 2023

9. EARNINGS PER SHARE continued

Profit attributable to owners of the Company is adjusted as follows:

	2023 Rm	2022 Rm
Headline earnings – attributable profit		
Profit attributable to owners of the Company	4 905	32 049
Remeasurement adjustments:		
Impairment – Property, plant and equipment	7 814	–
Earnings remeasurement	10 872	–
Tax effects	(3 058)	–
Impairment – Goodwill on RBPlat acquisition	4 244	–
Earnings remeasurement	4 244	–
Tax effects	–	–
Loss on remeasurement of previously held equity investment before acquisition – RBPlat	1 772	–
Earnings remeasurement	1 772	–
Tax effects	–	–
Profit on disposal of property, plant and equipment ¹	(38)	(29)
Earnings remeasurement after non-controlling interests	(53)	(37)
Tax effects	15	8
Loss on disposal of property, plant and equipment ¹	24	–
Earnings remeasurement after non-controlling interests	32	–
Tax effects	(8)	–
Loss – change of interest in associates	18	25
Earnings remeasurement after non-controlling interest	18	25
Tax effects	–	–
Earnings adjustments from equity-accounted entities	62	1
Earnings remeasurement	62	2
Tax effects	–	(1)
Insurance proceeds – asset damage	–	(18)
Earnings remeasurement after non-controlling interests	–	(28)
Tax effects	–	10
Headline earnings	18 801	32 028
Headline earnings used in the calculation of diluted headline earnings per share	18 801	32 028

¹ Including profit on disposal of property, plant and equipment from equity-accounted entities.

	2023 Cents	2022 Cents
Headline earnings per share	2 211	3 853
Diluted headline earnings per share	2 202	3 837

Headline earnings per share

Headline earnings per share is calculated by dividing the headline earnings attributable to the owners of the Company for the year by the weighted average number of ordinary shares in issue for headline earnings per share.

Diluted headline earnings per share

Diluted headline earnings per share is calculated by dividing the adjusted headline earnings attributable to the owners of the Company for the year by the weighted average number of ordinary shares for diluted headline earnings per share. Potential ordinary shares are only treated as dilutive when their conversion would decrease headline earnings per share.

Notes to the consolidated financial statements

for the year ended 30 June 2023

10. PROPERTY, PLANT AND EQUIPMENT

	2023 Rm	2022 Rm
Carrying value – opening balance	64 513	57 709
Capital expenditure ¹	11 379	8 989
Right-of-use assets capitalised	154	113
Property, plant and equipment acquired through the acquisition of RBPlat (note 36)	8 644	–
Depreciation (note 3) ¹	(7 759)	(5 842)
Impairment	(10 872)	–
Disposals and scrapping	(70)	(80)
Rehabilitation adjustment (note 25.1)	(66)	(43)
Exchange differences	5 253	3 667
Carrying value – closing balance	71 176	64 513

¹ Includes depreciation of R23 million (2022: R21 million) which was capitalised to the cost of property, plant and equipment.

For detailed disclosure per asset category of property, plant and equipment and right-of-use assets, refer to annexure A.

Impairment

During the year, as a result of decreased consensus pricing and changes to the mine life and mineable reserves, Impala Canada carried out a review of the recoverable amount of the Lac des Iles mine. The review led to the recognition of an impairment of R10 872 million (C\$771 million) of property, plant and equipment with an offsetting impact on deferred tax of R3 058 million (C\$217 million) resulting in a post-tax loss of R7 814 million (C\$554 million). The property, plant and equipment's recoverable amount of R2 334 million (C\$164 million) has been determined on the basis of their fair value less costs of disposal.

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\$1 350
- A long-term post-tax real discount rate range of 11% to 12%
- If the long-term metal prices were to increase by 5%, the recoverable amount would increase by approximately R1 120 million (C\$78.7 million). Conversely, a decrease of 5% would negatively affect the recoverable amount by approximately R1 241 million (C\$87.2 million)
- If the real discount rate was to increase or decrease by 50 basis points, the recoverable amount will decrease or increase respectively by approximately R28 million (C\$2 million).

EJ

	2023 Rm	2022 Rm
Capital commitments in respect of property, plant and equipment:		
Commitments contracted for	11 320	7 031
Approved expenditure not yet contracted	18 414	18 902
	29 734	25 933
Less than one year	15 160	13 318
Between one and five years	14 574	12 615

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

Notes to the consolidated financial statements

for the year ended 30 June 2023

10. PROPERTY, PLANT AND EQUIPMENT continued

10.1 Areas of judgement

Shafts, mining development and infrastructure

Individual mining assets are depreciated on the units-of-production (UOP) method for the units associated with the assets (note 10.1.1). The UOP method better reflects the pattern of consumption of future economic benefits from these assets when compared to the straight-line method.

Metallurgical and refining plants

Metallurgical and refining assets are depreciated on either the straight-line method over the useful life of the asset, limited to the life of the mine, or the UOP method, depending on which method best reflects the expected pattern of consumption of the future economic benefits embodied in the asset (note 10.1.1).

Land, buildings and general infrastructure

Assets in this category are depreciated on either the straight-line method over the useful life of the asset, limited to the life of the mine, or the UOP method, depending on which method best reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Depreciation ceases when the residual value exceeds the carrying amount. The useful life of land and buildings subject to a finance lease is limited to the lease term. Land is not depreciated.

Other assets

Other assets are depreciated on the straight-line method over the useful life of the asset, limited to the life of the mine. The useful lives of these assets are monitored on an ongoing basis and are as follows:

Asset type	Estimated useful life
• Information technology	3 years
• Mobile equipment	5 to 10 years

EJ

10.1.1 Units-of-production

Management has elected to use the centares mined in relation to centares proved and probable mineral reserves as an appropriate UOP depreciation methodology. Changes in proved and probable mineral reserves will impact the useful lives of the assets depreciated on the UOP method and the useful lives of assets depreciated on a straight-line basis, where those lives are limited to the life of the mine.

The depreciation calculation is based on reserve centares of board-approved projects and has applied the following life-of-mine (LoM): Impala 14 years (2022: 16 years), Zimplats 35 years (2022: 39 years), Marula 24 years (2022: 13 years), RBPlat 22 years and Impala Canada 9 years (2022: 10 years). Due to the impairment at Impala Canada, the LoM at Impala Canada was revised to 5 years.

EJ

10.1.2 Mineral reserves estimations

The estimation of reserves impacts the depreciation and recoverable amount of property, plant and equipment. Resources related to a future project are transferred to the reserve category on approval of the project by the board. These resources are taken into account in the calculation of the UOP and form part of the LoM for that mine. Factors impacting the determination of proved and probable reserves are:

- Variance in the grade of mineral reserves (ie differences between actual grades mined and grades modelled)
- Differences between actual commodity prices and commodity price assumptions
- Unforeseen operational issues at mine sites
- Changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates.

Expectations regarding future profitability would impact the decision to continue mining and consequently, the continued classification as proved and probable mineral reserves. During the year, the factors impacting the proved and probable mineral reserves were reassessed and the life-of-mines were adjusted for accordingly. Refer to the Mineral Resource and Mineral Reserve Statement at (www.implats.co.za).

EJ

Notes to the consolidated financial statements

for the year ended 30 June 2023

10. PROPERTY, PLANT AND EQUIPMENT continued

10.1 Areas of judgement continued

10.1.3 Production start date

The Group assesses the stage of each mine construction project to determine when a mine moves into the commercial production stage. The criteria used to assess the start date are determined based on the unique nature of each mine construction project, such as the complexity of a plant and its location.

Pre-production costs are expensed to the extent that they are associated with pre-production income. When a mine construction project is ready for use and moves into commercial production, the capitalisation of mine construction costs ceases and further costs are either regarded as inventory or expensed. During the production stage, only costs qualifying for capitalisation as mining assets additions or improvements, underground mine development or mineable reserve development are capitalised.

EJ

10.1.4 Impairment

Long-term mining assets forming part of board-approved projects are valued based on estimates of future discounted cash flows (DCF) of the latest board-approved business forecasts on production volumes, costs of production, capital expenditure, metal prices and market forecasts for foreign exchange rates. A risk-adjusted discount rate is used, which takes into account risk specific to the cash-generating unit (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 orebody 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 can occur which may affect the recoverability of the mining assets.

Possible indicators of impairment were considered in the impairment tests for property, plant and equipment, including climate-related impacts where applicable, during the period. The assets' DCFs were updated to reflect the revised production volumes, metal prices, cost forecasts and other factors. No impairment was required other than property, plant and equipment at Impala Canada refer to page 46.

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

- An overall long-term real basket price per 6E ounce sold of R27 300 (2022: R24 100 in 2023 equivalent terms) adjusted for the individual asset or cash-generating unit's prill split
- A long-term pre-tax real discount rate range of 21% to 29% (2022: 20% to 33%) and a long-term post-tax real discount rate range of 11% to 19% (2022: 8% to 17%) for the various cash-generating units in the Group
- *In situ* resource valuation of between US\$2.00 and US\$12.00 (2022: US\$1.90 and US\$10.00) per 4E ounce, depending on whether the resource is inferred, indicated and measured.

EJ

10.1.5 Change in useful lives

With effect from 1 July 2022, Impala Canada revised its estimate of the reserves used in the calculation of its UOP depreciation for certain assets within the following categories:

- Shafts, mining development and infrastructure
- Metallurgical plants
- Other assets.

Previously, the UOP depreciation was determined using the full proven and probable reserves. Following this change, only the current mineable portion of those reserves has been applied to assets that may be subject to either additional capital investment (depending on the future identification and extraction of reserves) or a shorter useful life. In addition, the straight-line periods applied to certain buildings and machinery were also revised. The effect of these changes in estimates will align the depreciation charge in profit and loss more closely with the future pattern and rate of consumption of those assets. This change in estimates increased the depreciation charge and reduced net profit before tax by approximately R741 million (C\$56 million) for the current year.

EJ

Notes to the consolidated financial statements

for the year ended 30 June 2023

10. PROPERTY, PLANT AND EQUIPMENT continued

Property, plant and equipment

Carrying amount

Property, plant and equipment is recognised at cost less accumulated depreciation and less any accumulated impairment losses.

Components

Property, plant and equipment comprising major components with different useful lives are accounted for separately. Significant expenditure to replace or modify a major component is capitalised after derecognition of the existing carrying amount and its write off to profit or loss. All maintenance costs are expensed.

Cost

Pre-production expenditure is capitalised, subsequent to the directors approving the project, when it can be demonstrated that future economic benefits are probable. Mining development and infrastructure expenditure, as well as evaluation costs and professional fees to establish, expand and to support and maintain productive capacity of the mines, is capitalised to property, plant and equipment. Capitalisation of costs ceases when the asset is in the location and condition necessary to operate as intended by management. Any net mining income earned, while the item is not yet capable of operating as intended, is recognised in profit or loss.

Interest on general or specific borrowings to finance the establishment or expansion of mining assets is capitalised during the construction phase. When general and/or specific borrowings are utilised to fund qualifying capital expenditure, such borrowing costs attributable to the capital expenditure are capitalised from the point at which the capital expenditure and related borrowing cost are incurred until completion of construction. Actual interest on specific borrowings, net of any temporary income, is capitalised. Interest on general borrowings is capitalised at the weighted average cost of the debt on qualifying expenditure, limited to actual interest incurred.

The present value of decommissioning cost, which is the dismantling and removal of the asset included in the environmental rehabilitation obligation, is included in the cost of the related pre-production assets and changes in the liability resulting from changes in the estimates are accounted for as follows:

- Any decrease in the liability reduces the cost of the related asset. The decrease in the asset is limited to its carrying amount and any excess is accounted for in profit or loss
- Any increase in the liability increases the carrying amount of the related asset.

Information technology software purchased and any direct expenditure incurred in customisation and installation thereof are capitalised. Internally developed software is capitalised only if it meets the criteria for capitalising development expenditure. All other software development expenditure is charged to the income statement.

For right-of-use assets accounting policy refer to note 28 **AP**.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured. All repairs and maintenance costs are expensed during the financial period in which they are incurred.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal, retirement or scrapping of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation

Assets are depreciated over their useful lives, taking into account historical and expected performance for straight-line depreciation and actual usage, on the UOP method. Depreciation is calculated on the carrying amount less residual value of the assets or components of the assets, where applicable, and ceases when the residual value equals or exceeds the carrying amount of the asset. Depreciation on operating assets is charged to profit or loss and depreciation incurred in constructing an asset is capitalised to the cost of the asset.

The UOP method of depreciation is based on actual production divided by the estimated economically recoverable proved and probable mineral reserves to be produced or concentrated or refined by that asset. The residual value of assets is determined by estimating the amount the entity would currently realise from disposal after disposal costs, if the asset was already in the condition expected at the end of its life.

Depreciation methods and depreciation rates are applied consistently within each asset class except where significant individual assets or major components of assets have been identified which have different depreciation patterns.

AP

Depreciation methods, residual values and useful lives are reviewed annually. The depreciation calculation is adjusted prospectively for changes in the residual value and useful lives.

Notes to the consolidated financial statements

for the year ended 30 June 2023

10. PROPERTY, PLANT AND EQUIPMENT continued

Impairment

Property, plant and equipment is assessed for indicators of impairment at each reporting date. Implants tests these assets for impairment on an annual basis, irrespective of whether there is any indication of impairment. An impairment loss is recognised in profit or loss, equal to the amount by which the carrying amount of an asset or a cash-generating unit exceeds the higher of its fair value less cost to sell and its value in use. When impairments are reversed due to change in circumstances, reversals are based on the newly calculated recoverable amount, and limited to what the carrying amount would have been had the initial impairment not been recognised in prior years.

Property, plant and equipment is grouped at subsidiary level, which is the lowest level for which separately identifiable cash flows are available (cash-generating units). The assets within a cash-generating unit can include a combination of board-approved projects and mineral resources outside the approved mine plans.

AP

11. INVESTMENT PROPERTY

	2023 Rm	2022 Rm
Cost	213	220
Accumulated impairment	(125)	(130)
Carrying amount	88	90
Reconciliation		
Cost		
Beginning of the year	220	220
Disposals	(7)	—
End of the year	213	220
Accumulated impairment		
Beginning of the year	130	130
Disposals	(5)	—
End of the year	125	130

Rental income of R6 million (2022: R5 million) after costs was received during the year. The R88 million (2022: R90 million) carrying amount of investment property, comprising undeveloped land and residential houses, has a fair value of R88 million (2022: R90 million). This fair value is categorised within level 3 of the fair value hierarchy (note 34.1). Fair value was calculated using a discounted cash flow valuation technique and a 9.7% (2022: 9.7%) discount rate applied to the expected future rental income. The fair value was not determined by a qualified independent valuer.

Investment property is depreciated over the expected useful life of the asset, limited to the residual value of residential houses. No depreciation is provided on land.

Investment property

Investment property comprises land and houses held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment property is recognised initially at cost, including transaction costs. Subsequent recognition of investment property is at cost, less accumulated depreciation and less any accumulated impairment losses.

AP

Refer to note 10 ^{AP} for the cost model and impairment accounting policies.

12. GOODWILL

	2023 Rm
Cost	14 114
Accumulated impairment	(4 244)
Carrying amount	9 870

The goodwill of R14 114 million associated with RBPlat arose on the business combination at acquisition date (note 36) and was impaired by an amount of R4 244 million to its recoverable amount of R9 870 million. The carrying amount of R9 870 million has been allocated to the relevant cash-generating units (CGUs), with R6 347 million allocated to the Impala CGU, R3 333 million to the Impala Refining Services CGU and R190 million (post impairment) to the RBPlat CGU, respectively.

Notes to the consolidated financial statements

for the year ended 30 June 2023

12. GOODWILL continued

Implats' acquisition of RBPlat offers compelling strategic, operational and financial benefits for all stakeholders through securing a significant Western Limb production base that enhances and entrenches the region's position as the most significant source of global primary PGM production.

A sizeable and sustainable Western Limb operation will deliver tangible socio-economic benefits for the region and its communities, including employment security and through sustained indirect benefits for the various industries and stakeholders supported by mining activities in the greater-Rustenburg region.

Further, this acquisition will enhance Implats' ability to:

- Deploy its significant scale, relevance, mineral resource base and technical capabilities to further grow and optimise value delivery of its asset portfolio;
- Progress enhanced regional socio-economic stability, sustainability and shared value delivery;
- Enhance strategic optionality to significantly extend life-of-mine production profiles, which will enhance job security and socio-economic benefits to all concerned stakeholders; and
- Increase its ability to further pursue substantial, unique regional synergies in the fullness of time through broader collaboration and the logical combination of complementary assets and shared infrastructure.

Impairment of goodwill

The recoverable amount of the RBPlat CGU 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 plans using updated assumptions on metal prices, and 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 orebody and the prevailing platinum price.

The fair value less costs to sell valuation of RBPlat was categorised as a level 2 valuation of the fair value hierarchy (note 36).

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 will affect the recoverability of the RBPlat CGU.

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 300 adjusted for the CGU's prill split
- A long-term pre-tax real discount rate range of 24% to 29% and long-term post-tax real discount rate range of 17% to 20%
- *In situ* resource valuation of between US\$2.00 and US\$12.00 per 4E ounce depending on whether the resource is inferred, indicated and measured
- If the long-term real basket price per 6E ounce were to increase or decrease by 5%, the recoverable amount would increase or decrease by approximately R2 700 million
- If the real discount rate was to increase or decrease by 50 basis points, the recoverable amount will decrease or increase respectively by approximately R240 million.

EJ

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 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 combination. Goodwill is carried at cost less accumulated impairment losses, if any. Gains or losses on the disposal of a CGU includes 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 has been allocated is based on the highest of value in use or fair value less costs to sell, derived from reserve and resource ounce valuation. 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 unit and then to other assets of the unit prorata based on the carrying amount of each asset in the unit. Any impairment loss on goodwill is recognised directly in profit or loss and may not be reversed.

AP

Notes to the consolidated financial statements

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13. INVESTMENTS IN EQUITY-ACCOUNTED ENTITIES

Details of the Group's material joint ventures and associates at the end of the reporting period are as follows:

Entity	Principal activity	Place of incorporation	Place of business	Proportion of ownership and voting rights held by the Group		Investment	
				2023 %	2022 %	2023 Rm	2022 Rm
Joint ventures							
Mimosa	Mining and producing PGM concentrate	Mauritius	Zimbabwe	50	50	6 642	5 488
AP Ventures	Developing high-growth technology companies	United Kingdom	United Kingdom	19	19	1 150	534
Associates							
RBPlat ¹	Mining and producing PGM concentrate	South Africa	South Africa	56	38	—	16 731
Two Rivers	Mining and producing PGM concentrate	South Africa	South Africa	46	46	4 494	3 838
Individually immaterial associates and joint ventures						239	213
Total investments in equity-accounted entities						12 525	26 804

¹ The proportion of ownership and voting rights held in RBPlat of 56% represents the investment held in the subsidiary which is consolidated at 30 June 2023.

	Note	2023 Rm	2022 Rm
Movement in investments in equity-accounted entities			
Beginning of the year		26 804	7 748
Share of profits		2 523	3 761
Acquisition of equity-accounted interest in RBPlat	13.1	3 451	16 483
Cash consideration		2 195	9 939
Shares issued		1 256	6 544
Acquisition of interest in other equity-accounted investments		250	218
Carrying amount of equity investment immediately before acquisition date		(19 878)	—
Fair value of equity investment immediately before acquisition date – RBPlat	13.1	(18 106)	—
Loss on remeasurement of previously held equity investment before acquisition – RBPlat	13.1	(1 772)	—
Change of interests in other associates		(23)	(25)
Exchange differences		1 007	678
Dividends received		(1 609)	(2 059)
End of the year		12 525	26 804
Share of profit of equity-accounted entities is made up as follows:			
Share of profits		2 523	3 761
Unrealised profit in inventory movements		859	550
Total share of profit of equity-accounted entities		3 382	4 311

13.1 RBPlat

On 30 May 2023, Implats acquired control through the acquisition of 9.2%, representing 26 601 654 shares in RBPlat, increasing its equity interest from 46.2% to 55.4%. As a result of the business combination achieved in stages (note 36), the equity-accounted investment in RBPlat (46.2%) was deemed to be disposed of at a fair value of R18 106 million, resulting in a loss of R1 772 million, and was consolidated on the same date.

Notes to the consolidated financial statements

for the year ended 30 June 2023

13. INVESTMENTS IN EQUITY-ACCOUNTED ENTITIES continued

Summarised financial information of the Group's material joint ventures and associates is set out below (100%):

	Mimosa		Two Rivers	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Financial position				
Capital and reserves	13 284	10 976	9 770	8 343
Non-current liabilities	3 135	2 503	2 669	2 335
Current liabilities	738	743	867	795
	17 157	14 222	13 306	11 473
Non-current assets	8 795	6 405	9 305	6 356
Current assets	8 362	7 817	4 001	5 117
	17 157	14 222	13 306	11 473
The above assets and liabilities include the following:				
Cash and cash equivalents	446	683	1 460	1 173
Current financial liabilities (excluding trade and other payables and provisions)	—	115	—	—
Non-current financial liabilities (excluding trade and other payables and provisions)	1	16	85	134
Profit or loss and total comprehensive income				
Revenue	7 505	8 037	7 897	9 456
Profit for the year	955	2 079	2 332	3 648
Total comprehensive income	955	2 079	2 332	3 648
The above profit for the year includes the following:				
Depreciation and amortisation	862	649	547	514
Finance income	230	53	97	97
Finance costs	72	21	6	7
Income tax expense	489	965	872	1 341
Reconciliation of the summarised financial information to the carrying amount of the investment recognised in the consolidated financial statements:				
Net assets of the entity	13 284	10 976	9 770	8 343
Proportion of the Group's ownership interest in the investment	6 642	5 488	4 494	3 837
Dividends received by the Group	209	438	414	1 060

Notes to the consolidated financial statements

for the year ended 30 June 2023

13. INVESTMENTS IN EQUITY-ACCOUNTED ENTITIES continued

	AP Ventures ¹	
	2023 Rm	2022 Rm
Financial position		
Capital and reserves	5 780	2 405
Current liabilities	32	30
	5 812	2 435
Non-current assets	5 650	2 182
Current assets	162	253
	5 812	2 435
The above assets and liabilities include the following:		
Cash and cash equivalents	159	253
Current financial liabilities (excluding trade and other payables and provisions)	24	24
Profit or loss and total comprehensive income		
Profit for the period	1 635	781
Total comprehensive income	1 635	781
Reconciliation of the summarised financial information to the carrying amount of the investment recognised in the consolidated financial statements:		
Net assets of the entity	5 780	2 405
Proportion of the Group's ownership interest in the investment	1 117	465
Acquisition of equity-accounted interest post 31 March	33	69
Carrying amount of the Group's interest in the investment	1 150	534
Dividends received by the Group	—	—

¹ AP Ventures has a 31 March year-end, which is the reporting date that was established when AP Ventures was incorporated. For purposes of applying the equity method of accounting, the financial statements of AP Ventures for the year ended 31 March 2023 have been used, and appropriate adjustments have been made for the effects of significant transactions between that date and 30 June 2023.

13.2 Aggregate information of associates that are not individually material

	2023 Rm	2022 Rm
The Group's share of profit	76	65
The Group's share of total comprehensive income	76	65
Aggregate carrying amount of the Group's interest in these associates and joint ventures	239	212

There are no unrecognised losses or significant restrictions on the ability of joint ventures or associates to transfer funds to the Group.

Impairment

Equity-accounted investments are regarded as cash-generating units and are tested for impairment on an individual basis. To the extent applicable, the impact of Covid-19, climate change and other factors unique to the environment in which the Group operates, are incorporated in the cash flows and other estimates and assumptions that may impact future returns, in the DCF calculations of the Group's equity-accounted investments. No impairment was recognised in the current period. For more estimates and judgements on impairments, refer to **EJ** note 10.1.4.

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Notes to the consolidated financial statements

for the year ended 30 June 2023

13. INVESTMENTS IN EQUITY-ACCOUNTED ENTITIES continued

Equity-accounted investments

Associates

Associates are undertakings in which the Group has a long-term interest and over which it exercises significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Joint ventures

A joint venture is a joint arrangement where the parties (joint ventures) that have joint control of the arrangement have rights to the net assets through an equity holding of the arrangement.

Both investments in associated undertakings and joint ventures are accounted for using the equity method of accounting.

Equity method of accounting

The equity method of accounting is used to account for the acquisition of associates and joint ventures by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Equity-accounting involves recognising in profit or loss and in other comprehensive income respectively, the Group's share of the associate's or joint venture's post-acquisition profit or loss for the year, and its share of post-acquisition movements in other comprehensive income. Under the equity method, the investment in the associate or joint venture is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of profit or loss and movement in other comprehensive income of the investee, after the date of acquisition. Dividends and other equity receipts received reduce the carrying amount of the investment.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

Unrealised gains or losses on transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures.

No goodwill relating to an associate or a joint venture is recognised. It is included in the carrying amount of the investment and is not amortised.

Discontinuing use of equity-accounting method

Use of the equity-accounting method is discontinued from the date when the investment ceases to be an associate or a joint venture. If the retained interest of a former associate or joint venture is a financial asset, the retained interest is initially recognised at fair value and is accounted for as an equity investment subsequently measured at fair value through other comprehensive income. The difference between the fair value of the retained interest plus any proceeds from the part disposal of the associate or joint venture, and the carrying amount of the equity-accounted investment, at the date at which the equity method was discontinued, is recognised in profit or loss.

If the investment becomes a subsidiary, the change in control is accounted for as a business combination and the investment is subsequently consolidated into the Group.

Impairment

Equity-accounted investments are assessed for indicators of impairment at each reporting date. The carrying amount of each equity-accounted investment is tested for impairment separately. An impairment loss is provided for, in profit or loss, equal to the amount by which the carrying amount exceeds the higher of fair value less cost to sell and value in use (Group's share of expected cash flows) and reduces the carrying amount of the investment.

AP

When impairments are reversed, due to a change in circumstances, the reversals are limited to the lower of initial impairment and the newly equity-accounted investment value.

Notes to the consolidated financial statements

for the year ended 30 June 2023

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

	Note	2023 Rm	2022 Rm
Waterberg	14.1	506	366
Other		155	97
		661	463

14.1 Waterberg

The investment in the Waterberg Development Project (Waterberg) is classified as a financial asset at fair value through other comprehensive income. The fair value adjustment through other comprehensive income was R140 million (2022: R36 million).

Measurement of FVOCI financial assets

Fair value measurements reflect the view of market participants under current market conditions taking into account the impact of Covid-19 and climate-related risks where applicable. Both the Waterberg investment and the other investments were valued using unobservable level 3 measurement inputs which are further described in note 34.

EJ

Investments in equity instruments

Implats subsequently measures all investments in equity instruments, other than subsidiaries, joint ventures and associates, at fair value. The Group elected to present the changes in the fair value in other comprehensive income (OCI), due to the Group's business model to hold these assets for value appreciation over the long term and to earn periodic returns.

Upon derecognition, the accumulated fair value gains and losses on these instruments are not subsequently reclassified to profit or loss. Dividends received are recognised in profit or loss when the Group's right to receive payments is established.

AP

15. ENVIRONMENTAL REHABILITATION INVESTMENTS

	Notes	2023 Rm	2022 Rm
Guarantee investments – Guardrisk	15.1	2 169	315
Guarantee investments – Centriq Insurance Company Limited	15.2	143	—
Environmental trust deposits	15.3	194	—
		2 506	315

15.1 Guarantee investments – Guardrisk

The investment in the insurance cell captive (Guardrisk) is to finance the long-term rehabilitation liabilities of the Group's South African mining operations. The Group has elected to carry these financial instruments at fair value through profit or loss. During the year, R1 689 million (2022: R306 million) was invested and a R165 million (2022: R9 million) fair value gain was recognised in profit or loss.

15.2 Guarantee investments – Centriq Insurance Company Limited

The environmental guarantee investments were put in place in terms of the insurance guarantees requirements relating to the RBPlat mining operations' environmental liability. The investments have been provided as security for the insurance guarantees issued. These assets, which consist of cash, are separately administered and the Group's access to these funds is restricted. These investments are managed by Centriq Insurance Company Limited. The environmental guarantee investments are measured at fair value through profit or loss. Since acquisition of RBPlat, a R0.3 million fair value gain was recognised in profit or loss.

15.3 Environmental trust deposits

The Bafokeng Rasimone Environmental Rehabilitation Trust was created in accordance with statutory requirements to fund the estimated cost of pollution control, rehabilitation and the end-of-life mine closure for the RBPlat operation. These obligations are funded by funding the trust and providing guarantees to the Department of Mineral Resources and Energy. The trust holds deposits in Nedbank, RMB and Standard Bank that are carried at amortised cost. Since acquisition of RBPlat, a R1 million interest charge was recognised in finance income.

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 as well as geopolitical factors. Refer to note 34 for financial instrument risk disclosures.

EJ

Financial assets measured at fair value through profit or loss

Financial assets that are not measured at amortised cost or at fair value through other comprehensive income are classified as measured at fair value through profit or loss.

AP

Notes to the consolidated financial statements

for the year ended 30 June 2023

16. OTHER FINANCIAL ASSETS

	Notes	2023 Rm	2022 Rm
Subsequently measured at fair value through profit or loss			
Short-term investments	16.1	—	1 052
Housing insurance investment	16.2	66	—
Subsequently measured at amortised cost			
Employee home-ownership scheme	16.3	104	95
Employee housing loans – RBPlat	16.4	962	—
Other		148	34
		1 280	1 181
Current		23	1 056
Non-current		1 257	125

Refer to note 34 for fair value and financial risk disclosure.

16.1 Short-term investments

These investments were reinvested in longer-term assets to finance the long-term rehabilitation liabilities of the Group's South African mining operations (notes 15 and 25.1).

16.2 Housing insurance investment

The housing insurance investment, comprising the captive cell (Guardrisk), as well as the special experience account (Centriq Insurance Company Limited), is for the purpose of covering the risk of retrenchment for employees who are part of the employee home-ownership scheme at RBPlat. The housing insurance investment consists of money invested in unit trusts and money market accounts which are revalued throughout the year.

16.3 Employee home-ownership scheme

The interest-free loans of R104 million (2022: R95 million) relate to the Impala and Marula employee home-ownership schemes which are granted to qualifying employees at the respective operations. These loans are repayable over 20 years from grant date. The average remaining repayment period is between seven and 20 years. The market-related effective weighted average interest rate is 9.4% (2022: 9.1%). These loans are secured by a second bond over residential properties.

16.4 Employee housing loans – RBPlat

The loans of R962 million relate to the employee home-ownership scheme at RBPlat. These loans are repayable over a period of approximately 14 years from grant date. The average remaining repayment period is between one and 14 years. The market-related effective weighted average interest rate is 10.8%. These loans are secured by life cover and disability cover of the employees.

Impairment of loans at amortised cost

Housing loans consist of housing loans advanced to Implats employees in terms of the Implats housing scheme. After the bank's screening and approval process for their part of the loan, Implats issues the employee with a housing loan for the outstanding amount. An impairment rate of 0.5% was applied to housing loans. This impairment assumption is based on expected default rates on the overdue loans, by employees showing signs of financial distress and adverse expected changes in macro-economic circumstances that could affect employees. This rate has not increased and will be reassessed for reasonableness going forward.

EJ

Notes to the consolidated financial statements

for the year ended 30 June 2023

16. OTHER FINANCIAL ASSETS continued

Financial assets measured at fair value through profit or loss

Financial assets that are not measured at amortised cost or at fair value through other comprehensive income are classified as measured at fair value through profit or loss.

Financial assets measured at amortised cost

The classification of these instruments is in line with the Group's business model to hold the assets to maturity and to collect contractual cash flows that consist solely of payments of principal and interest on the outstanding amount. Any gain or loss arising on derecognition is presented in other income and expense and foreign exchange gains and losses presented in foreign exchange transaction gains and losses, directly in profit or loss. These assets with maturities greater than 12 months after the reporting date are classified as non-current assets.

Effective interest method

The effective interest exactly discounts estimated future cash receipts or payments (including all fees paid or received which form an integral part of the effective interest rate, transaction costs and other premiums or discounts) throughout the expected life of the financial asset or financial liability.

Impairment of financial assets at amortised cost

The general expected credit loss (ECL) model is applied to other receivables (note 19) and other financial assets at amortised cost. It requires a three-stage assessment of financial assets:

Stage 1: No significant deterioration in credit quality. This identifies financial assets as having a low credit risk, and the asset is considered to be performing as anticipated. At this stage, a 12-month expected credit loss assessment is required.

Stage 2: Significant deterioration in credit quality of the financial asset but no indication of a credit loss event. This stage identifies assets as underperforming. Lifetime expected credit losses are required to be assessed.

Stage 3: Clear and objective evidence of impairment is present. This stage identifies assets as non-performing financial instruments. Lifetime expected credit losses are required to be assessed.

Once a default has occurred, it is considered a deterioration of credit risk and therefore identifies the asset as underperforming in stage 2.

Financial assets are considered to be low credit risk when they have a low risk of default and the issuer has a strong ability to meet its contractual cash flow obligations in the near term. Indicators of an increase in credit risk requires judgement and may include historical information about the debtor, adverse actual and expected data about existing market conditions such as interest rates and the sovereign and financial institutions' credit ratings, which influence our forward-looking estimates, at the end of each reporting period.

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17. PREPAYMENTS AND OTHER ASSETS

	Notes	2023 Rm	2022 Rm
Royal Bafokeng Nation (RBN) prepaid royalty	17.1	3 572	3 851
Deposits on property, plant and equipment	17.2	2 659	1 091
Business-related prepaid expenditure	17.3	1 276	636
Employee housing benefit	17.4	264	—
		7 771	5 578
Current		4 230	1 981
Non-current		3 541	3 597

17.1 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 have subsequently sold their shareholding in the Company.

Notes to the consolidated financial statements

for the year ended 30 June 2023

17. PREPAYMENTS AND OTHER ASSETS *continued*

17.2 Deposits on property, plant and equipment

In the current period, the prepaid deposits on property, plant and equipment comprise cash deposits (which are separately disclosed in the statement of cash flows under investing activities) and foreign exchange differences from the translation of Zimplats to the reporting currency. Property, plant and equipment prepayments mainly relate to amounts prepaid on capital equipment at Zimplats for the tailings storage facility, replacement mines, solar power projects, the smelter expansion and SO₂ abatement plant projects.

17.3 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.

17.4 Employee housing benefit

The Group recognises the difference between the fair value of the employee housing loan receivable at initial recognition and the transaction price as an employee benefit. The employee benefit is amortised over the shorter of the service period of the employee (which takes into account expected retirement date) and the loan period. If the employee's service period differs from the initial expectation on occupation date, the change in expectation is recognised in profit or loss in the statement of profit or loss and other comprehensive income.

The portion of the short-term employee benefit to be realised within 12 months from the reporting date is presented as part of current assets and the balance of the amount is presented as a non-current asset in the statement of financial position.

Prepayments

Prepayments are not financial assets and comprise deposits on property, plant and equipment, consumables, and other prepaid operating expenditure.

Any expenditure paid in cash prior to the service being rendered or for which a benefit is receivable in the future will be recorded as prepayments, and classified as current assets unless a portion of the prepayment covers a period longer than 12 months. The prepayment is subsequently expensed in profit or loss or capitalised to property, plant and equipment as and when the expense is incurred or assets are received.

Employee housing benefit

The Group recognises the difference between the fair value of the employee housing loan receivable at initial recognition and the transaction price as an employee benefit. The initial difference is amortised over the shorter of the service period of the employee (which takes into account expected retirement date) or the loan period. If the employee's service period differs from the initial expectation on occupation date, the change in expectation is recognised in the statement of comprehensive income. The portion of the short-term employee benefit to be realised within 12 months from the reporting date is presented as part of current assets, the balance of the amount is presented as a non-current asset in the statement of financial position.

Prepaid royalty

There is no IFRS which specifically applies to the prepaid royalty transaction. Management has developed an accounting policy in respect of this transaction as noted below and has applied this policy consistently over the life of the contract. This policy was formulated after assessing requirements in IFRSs dealing with similar and related issues and also the definitions, recognition criteria and measurement in the Conceptual Framework. The policy is considered to be relevant to the users of the financial statements and results in financial statements which are reliable.

Prepaid royalty is reported, initially at cost and subsequently at cost less accumulated amortisation, using the units-of-production method based on economically recoverable proved and probable mineral reserves of the area to which the royalty relates. The amount amortised for the period is recognised within royalty expenses in profit and loss.

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Notes to the consolidated financial statements

for the year ended 30 June 2023

18. INVENTORIES

	2023 Rm	2022 Rm
Mining metal		
Refined metal	2 893	3 397
Main products – at cost	1 214	2 752
Main products – at net realisable value	962	—
By-products – at net realisable value	717	645
In-process metal	6 503	6 133
At cost	4 846	6 133
At net realisable value	1 657	—
	9 396	9 530
Purchased metal¹		
Refined metal	3 536	4 812
Main products – at cost	1 794	3 643
Main products – at net realisable value	1 074	—
By-products – at net realisable value	668	1 169
In-process metal	8 100	7 636
At cost	6 004	7 636
At net realisable value	2 096	—
	11 636	12 448
Total metal inventories	21 032	21 978
Stores and materials inventories	3 288	1 921
	24 320	23 899

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 current period, the hedging relationship was ineffective, resulting in a fair value loss adjustment of R138 million recognised in other expenses (note 5).

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 R2 879 million comprised R923 million (2022: Rnil) for refined metal and R1 956 million (2022: Rnil) for in-process metal.

Purchased metal consists mainly of Impala Refining Services inventory.

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 and precious metal refinery) 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 R480 million (2022: R228 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 consolidated financial statements

for the year ended 30 June 2023

18. INVENTORIES continued

Inventory

Metal inventories

Costs incurred in the production process are appropriately accumulated as stockpiles, metal in-process and refined inventories.

In-process and refined inventories are carried at the lowest of its average cost of normal production and net realisable value. Costs relating to inefficiencies in the production process are charged to the income statement as incurred.

Net realisable value tests are performed, at least, on each reporting date and represent the expected sales price of the product based on prevailing metal prices, less estimated costs to complete production and bring the product to sale.

The average cost of normal production includes total costs incurred on mining, smelting and refining, including depreciation, less net revenue from the sale of by-products at the point where by-products become separately identifiable, allocated to main products based on the relative sales value of main products sold. Stock values are adjusted for upstream intra-group transactions with subsidiaries and equity-accounted entities within the Group, eliminating intra-group profits in profit or loss and share of profit from equity-accounted entities, where applicable.

Refined by-products are valued at net realisable value and quantities of in-process metals are based on latest available assays. Recoverable metal quantities are continually tested for reasonableness by comparing the grade and quantity of ore input with the metal actually recovered. Engineering estimates are used to determine recoverable metal quantities and these estimates and the methodologies applied are improved on an ongoing basis. Metal quantity adjustments relating to prior years are adjusted without affecting production or impacting the calculation of unit cost per ounce produced during the current year.

Operating metal lease receipts are accounted for in profit or loss and the metal is carried as inventory.

Stores and materials

Stores and materials are valued at the lower of cost or net realisable value, on a weighted average basis. Obsolete, redundant and slow-moving stores are identified and written down to net realisable value which is the estimated selling price in the ordinary course of business, less selling expenses.

AP

Notes to the consolidated financial statements

for the year ended 30 June 2023

19. TRADE AND OTHER RECEIVABLES

	Note	2023 Rm	2022 Rm
Trade receivables		3 485	2 845
Trade receivables at fair value through profit or loss ¹		5 274	1 087
Other receivables	19.1	1 577	1 078
Employee receivables		212	165
Value added taxation		762	1 034
		11 310	6 209
The foreign currency denominated balances, included above, were as follows:			
Trade receivables – US\$		8 344	3 595
Credit exposure of trade receivables by country is as follows:			
North America		1 832	1 462
Western Europe		1 337	1 608
Asia		927	482
South Africa		4 630	366
Zimbabwe		2	—
Australia		31	14
		8 759	3 932

¹ At 30 June 2023, trade receivables at fair value through profit or loss includes R4 214 million from RBPlat now being consolidated.

19.1 Other receivables

The other receivable balance comprises mainly of state royalties receivable of R605 million (2022: R189 million), housing assets of R440 million (2022: R169 million) which increased in the current year due to the acquisition of RBPlat, as well as Zimplats contractors receivable of R218 million (2022: R144 million).

Trade receivables

The impact of the macro-economic environment on trade receivables has been assessed by gathering information about and interacting with trade customers individually. Past default experiences for all customers was evaluated and adjusted (note 34.2.3) for general economic conditions of the industry as well as the global environment the debtor operates in. The Group has subsequently not recognised a loss allowance.

Employee receivables

Employee receivables consist of short-term advances. These receivables are generally recovered from the employees' salaries within 30 days, and due to their short-term nature, are considered to have a low credit risk. Indicators of increased credit risk include failure to recover the advances within 30 days.

EJ

Trade receivables at fair value

Receivables subject to provisional pricing are measured at fair value through profit or loss. These financial assets relate to revenue from contracts with customers and the Group has an unconditional right to the consideration due as the performance conditions have been met. The value of the receivable fluctuates in line with PGM prices and foreign currency movements, resulting in this class of financial asset being measured at fair value through profit or loss.

Impairment of trade receivables

The Group applies the simplified impairment approach to trade receivables carried at amortised cost as permitted by IFRS 9, which requires expected lifetime losses to be recognised from the initial recognition of the receivables. The Group considers its historical credit loss experience, adjusted for forward-looking factors, that could indicate impairments taking into account the specific debtors and the economic environment. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery, among others, include the failure of a debtor to engage in a repayment agreement with the Group.

AP

Impairment of other receivables

Refer to note 16 AP for the impairment policy for other receivables.

Notes to the consolidated financial statements

for the year ended 30 June 2023

20. CURRENT TAX

	2023 Rm	2022 Rm
Current tax payable	242	533
Current tax receivable	(1 059)	(530)
Net current tax (receivable)/payable	(817)	3
Reconciliation		
Beginning of the year	3	(411)
Income tax expense (note 8)	5 243	10 940
Payments made during the year	(6 419)	(10 637)
Current tax payable acquired through the acquisition of RBPlat (note 36)	426	—
Interest and penalties refunded	(3)	(35)
Exchange differences ¹	(67)	146
End of the year	(817)	3

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on judgement and in certain cases based on specialist independent tax advice (note 33).

AP

21. CASH AND CASH EQUIVALENTS

	2023 Rm	2022 Rm
Short-term bank deposits	20 522	18 251
Cash at bank	6 298	8 254
	26 820	26 505
The weighted average effective interest rate on short-term bank deposits was 7.10% (2022: 4.25%) and these deposits have a maximum maturity of 32 days (2022: 32 days). Exposure by currency is as follows:		
Bank balances – ZAR	19 627	18 448
Bank balances – US\$	6 268	7 258
Bank balances – C\$	726	784
Bank balances – ZW\$	188	7
Bank balances – Other currencies	11	8
	26 820	26 505
Exposure by country is as follows:		
South Africa	21 119	19 365
Europe	2 499	4 759
Zimbabwe – US\$	2 093	1 383
Zimbabwe – ZW\$	188	7
Canada	910	983
Asia	11	8
	26 820	26 505
The following cash and cash equivalents, included above, are restricted for use by the Group by virtue of their nature and not timing:		
RBPlat Employee Share Ownership Plan (ESOP)	316	—
RBPlat housing project	69	—
Collateral for independent electricity system operator	50	45
Morokotso Trust	11	18
Employee Share Ownership Trust (ESOT)	13	—
Unclaimed dividends	5	4
	464	67

Fair value, financial risk and credit facilities disclosures are provided in note 34.

Notes to the consolidated financial statements

for the year ended 30 June 2023

21. CASH AND CASH EQUIVALENTS continued

Impairment

Except for money market fund investments, the Group's cash and cash equivalents are subject to the impairment requirements of IFRS 9. The Group's cash is held at investment-grade financial institutions, which are considered to have a low credit risk. There was no significant increase identified in the credit risk of these financial institutions. The expected credit losses were therefore immaterial.

EJ

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and on-demand deposits, together with short-term, highly liquid investments that are readily convertible to a known amount of cash, with original maturities of three months or less and that are subject to an insignificant risk of changes in value. Bank overdrafts are offset against cash and cash equivalents in the cash flow statement but included in current liabilities in the statement of financial position.

Cash and cash equivalents are measured at amortised cost except for money market fund investments which are held at fair value as they are redeemed through the sale of units in the funds and not solely through the recovery of principal and interest.

AP

22. SHARE CAPITAL

	2023 Rm	2022 Rm
Share capital	25 819	23 080
Number of ordinary shares in issue outside the Group		
	2023 Million	2022 Million
Number of ordinary shares issued	866.40	850.22
Treasury shares	(3.36)	(4.09)
Number of ordinary shares issued outside the Group	863.04	846.13
The movement of ordinary shares was as follows:		
Beginning of the year	846.13	813.98
Shares issued for long-term incentive plans	2.77	4.26
Shares purchased for long-term incentive plans	(2.04)	(5.07)
Shares issued on acquisition of interest in RBPlat (notes 13 and 36)	16.18	32.95
Conversion of ZAR convertible bonds	—	0.01
End of the year	863.04	846.13

The authorised share capital of the Company consists of 944.01 million (2022: 944.01 million) ordinary no par value shares. The authorised but unissued share capital is 77.61 million (2022: 93.79 million) ordinary no par value shares and remains under the control of the directors.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

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Notes to the consolidated financial statements

for the year ended 30 June 2023

23. SHARE-BASED PAYMENT RESERVE

	2023 Rm	2022 Rm
Marula IFRS 2 BEE charge	—	860
Equity-settled share-based compensation ¹	480	402
Total share-based payment reserve	480	1 262
Reconciliation		
Beginning of the year	1 262	1 799
Transfer of reserves ²	(1 185)	(233)
Transfer of Marula non-controlling interest (note 24.1)	—	(654)
Share-based compensation expense	403	350
End of the year	480	1 262

¹ Annexure D provides details of share awards issued and vested during the year by participants as well as the disclosures required by IFRS 2 Share-based Payments.

² Transfer of reserves consist of the transfer of the Marula IFRS 2 BEE charge as well as the transfer of vested equity-settled share-based compensation reserves.

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.

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24. NON-CONTROLLING INTERESTS

The table below shows details of subsidiaries of the Group that have material non-controlling interests:

Company	Place of incorporation	Place of business	Proportion of ownership and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
			2023 %	2022 %	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Zimplats Holdings Limited	Guernsey	Zimbabwe	13	13	752	944	4 539	3 785
Royal Bafokeng Platinum Limited (note 36)	South Africa	South Africa	44	—	(234)	—	5 749	—
Marula Platinum Proprietary Limited (note 24.1)	South Africa	South Africa	22.7	22.7	683	146	822	799
Individually immaterial subsidiaries			26	26	72	—	78	10
					1 273	1 090	11 188	4 594

24.1 Non-controlling interests in Marula

During the prior period, the Marula empowerment partners substantially repaid their BEE loans. At this point, the BEE partners' rights to the shares in Marula became unconditional, resulting in the recognition of the 22.7% non-controlling interest in Marula attributable to the BEE partners. The non-controlling interest was measured at their proportionate share of the net asset value of R654 million. The non-controlling interest excludes the 4% shareholding held by the Marula Employee Share Ownership Trust, which is controlled by the Group.

The summarised financial information (100%) in respect of each of the Group's subsidiaries that has material non-controlling interests is disclosed in annexure B.

Notes to the consolidated financial statements

for the year ended 30 June 2023

25. PROVISIONS

	Note	2023 Rm	2022 Rm
Provisions for environmental rehabilitation	25.1	2 654	2 274
Other		174	38
		2 828	2 312
Current		94	98
Non-current		2 734	2 214
25.1 Provisions for environmental rehabilitation			
Reconciliation			
Beginning of the year		2 274	2 272
Change in estimates – rehabilitation asset (note 10)		(66)	(43)
Change in estimates – cost of sales		(42)	(133)
Provisions acquired through the acquisition of RBPlat (note 36)		210	–
Unwinding of discount (note 7)		213	173
Utilised – rehabilitation done ¹		(48)	(70)
Exchange differences		113	75
End of the year		2 654	2 274

¹ Rehabilitation done mainly consists of concurrent rehabilitation of shaft infrastructure at Impala and Zimplats open cast rehabilitation.

The current rehabilitation cost estimates and financial provisions are made up as follows:

	Current cost estimates		Financial provisions	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Impala mining operation – Rustenburg	1 906	1 719	1 004	931
Impala Refineries – Springs	1 008	934	464	429
Marula	436	431	84	87
Zimplats	902	754	366	423
RBPlat	654	–	210	–
Impala Canada	593	411	500	379
Afplats	27	25	26	25
	5 526	4 274	2 654	2 274

Guarantees and an insurance policy are available to the Department of Mineral Resources and Energy for South African mining operations to satisfy the requirements of the National Environmental Management Act with respect to environmental rehabilitation (note 33).

Notes to the consolidated financial statements

for the year ended 30 June 2023

25. PROVISIONS continued

Environmental rehabilitation

The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in future periods can differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life-of-mine estimates and discount rates can affect the carrying amount of this provision. The life-of-mine estimates are impacted by mineral reserve estimations (note 10).

In particular, from 20 November 2015, regulations governing financial provisions for asset retirement obligations in South Africa were transitioned from the Mineral and Petroleum Resources Development Act (MPRDA) to the National Environmental Management Act (NEMA). The current closure cost is closely aligned with the new regulations.

Estimated long-term environmental provisions, comprising pollution control, rehabilitation and mine closure, are based on the Group's environmental policy taking into account current technological, environmental and regulatory requirements.

Provisions for future rehabilitation costs have been determined based on calculations which require the use of estimates. The current rehabilitation cost estimate is R5 526 million (2022: R4 274 million). Cash flows relating to rehabilitation costs will occur at the end of the life of the individual items to be rehabilitated.

South African operations

The discount rate is the long-term risk-free rate as indicated by the government bonds which ranged between 9.5% and 12.3% (2022: between 7.2% and 11.5%) at the time of calculation. The net present value of current rehabilitation estimates is based on the assumption of a long-term real discount rate of up to 6.3% (2022: 5.5%).

Zimbabwean operations

The discount rate used was 8.1% (2022: 7.5%) at the time of calculation. The net present value of current rehabilitation estimates is based on the assumption of a long-term real discount rate of 2.2% (2022: 3.8%).

Canadian operations

The inflation and discount rate used was 2.3% (2022: 2.4%) and 6.0% (2022: 3.8%) respectively at the time of the calculation.

EJ

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are not recognised for future operating losses.

Provisions are recognised as the best estimate of the expenditure required to settle the present obligation at reporting date taking into account the time value of money where relevant.

Provision for environmental rehabilitation

These long-term obligations result from environmental disturbances associated with the Group's mining operations. Estimates are determined by independent environmental specialists in accordance with environmental regulations.

Decommissioning costs

The costs arise from rectifying the damage caused before production commences. The net present value of future decommissioning cost estimates at year-end is recognised and fully provided for in the financial statements. The estimates are reviewed annually to take into account the effects of changes in the estimates. Estimated cash flows have been adjusted to reflect risks and timing specific to the rehabilitation liability. Discount rates that reflect the time value of money are used to calculate the present value.

Changes in the measurement of the liability, apart from unwinding of the discount, which is recognised in profit or loss as a finance cost, are capitalised to the environmental rehabilitation asset (note 10).

Restoration costs

These costs arise from rectifying the damage caused after production commences. The net present value of future restoration cost estimates at year-end is recognised and fully provided for in the financial statements. The estimates are reviewed annually to take into account the effects of changes in the estimates. Estimated cash flows have been adjusted to reflect risks and timing specific to the rehabilitation liability. Discount rates that reflect the time value of money are used to calculate the present value.

Changes in the measurement of the liability, apart from unwinding of the discount, which is recognised in profit or loss as a finance cost, are expensed to profit or loss.

Ongoing rehabilitation cost

The cost of the ongoing current programmes to prevent and control pollution is charged against income when they are incurred.

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Notes to the consolidated financial statements

for the year ended 30 June 2023

26. DEFERRED TAX

Deferred tax movements are attributable to the following temporary differences ((assets)/liabilities) and unused tax losses:

	Opening balance Rm	Recognised in profit or loss Rm	Exchange differences Rm	Acquisition of RBPlat Rm	Closing balance Rm
2023					
Property, plant and equipment	15 282	(2 225)	978	2 454	16 489
Withholding taxes on undistributed profits	1 410	—	—	—	1 410
Metal inventory adjustments	(1 229)	1 142	—	—	(87)
Prepaid royalty	(590)	33	—	—	(557)
Fair value of assets and liabilities	580	(457)	—	—	123
Rehabilitation and post-retirement medical provisions	(387)	17	(18)	(5)	(393)
Leave liability	(364)	(27)	(8)	—	(399)
Share-based compensation	(222)	58	(7)	(13)	(184)
Lease liabilities	(193)	38	(2)	—	(157)
Provisions	(128)	(100)	(5)	(40)	(273)
Prepayments	296	411	64	—	771
Unquantified sales	551	(165)	—	—	386
Mining leases – Impala Canada	934	(100)	110	—	944
Other	90	(259)	200	(85)	(54)
Subtotal	16 030	(1 634)¹	1 312	2 311	18 019

¹ Note 8.

	Opening balance Rm	Recognised in share of profit of equity- accounted entities/equity Rm	Exchange differences Rm	Acquisition of RBPlat Rm	Closing balance Rm
2023					
Unrealised profit in metal inventories purchased from equity-accounted entities	(531)	318	—	—	(213)
Share-based compensation liability	—	50	—	(102)	(52)
Subtotal	15 499	(1 266)	1 312	2 209	17 754

	Opening balance Rm	Recognised in other compre- hensive income Rm	Exchange differences Rm	Acquisition of RBPlat Rm	Closing balance Rm
2023					
Translation differences of foreign operations (Withholding taxes on undistributed profits)	1 289	89	—	—	1 378
Other	7	1	—	—	8
Total	16 795	(1 176)	1 312	2 209	19 140

Notes to the consolidated financial statements

for the year ended 30 June 2023

26. DEFERRED TAX continued

	Opening balance Rm	Recognised in profit or loss Rm	Exchange differences Rm	Change in tax rate Rm	Closing balance Rm
2022					
Property, plant and equipment	13 904	837	818	(277)	15 282
Withholding taxes on undistributed profits	1 950	(540)	—	—	1 410
Metal inventory adjustments	(1 696)	422	—	45	(1 229)
Prepaid royalty	(651)	39	—	22	(590)
Fair value of assets and liabilities	556	45	—	(21)	580
Rehabilitation and post-retirement medical provisions	(366)	(19)	(12)	10	(387)
Leave liability	(350)	(21)	(5)	12	(364)
Share-based compensation	(444)	227	(11)	6	(222)
Lease liabilities	(239)	44	(4)	6	(193)
Assessed losses	2	(2)	—	—	—
Provisions	(152)	24	(4)	4	(128)
Prepayments	146	127	24	(1)	296
Unqualified sales	558	13	—	(20)	551
Mining leases – Impala Canada	921	(71)	84	—	934
Other	(152)	253	(7)	(4)	90
Subtotal	13 987	1 378¹	883	(218)¹	16 030

¹ Included in the R1 160 million total deferred tax expense for the period (note 8).

	Opening balance Rm	Recognised in share of profit of equity-accounted entities Rm	Exchange differences Rm	Change in tax rate Rm	Closing balance Rm
2022					
Unrealised profit in metal inventories purchased from equity-accounted entities	(772)	221	—	20	(531)
Subtotal	13 215	1 599	883	(198)	15 499

	Opening balance Rm	Recognised in other comprehensive income Rm	Exchange differences Rm	Change in tax rate Rm	Closing balance Rm
2022					
Translation differences of foreign operations (Withholding taxes on undistributed profits)	1 183	106	—	—	1 289
Other	7	—	—	—	7
Total	14 405	1 705	883	(198)	16 795

Notes to the consolidated financial statements

for the year ended 30 June 2023

26. DEFERRED TAX continued

Unrecognised temporary differences

There are unrecognised temporary differences of R5 885 million (2022: R3 635 million) in the Group, relating to certain subsidiaries. These comprise unredeemed capex of R2 200 million (2022: R2 207 million), capital losses of R2 581 million (2022: R1 327 million), assessed losses of R669 million (2022: R93 million), revaluation of assets of R435 million and unrealised exchange loss of Rnil (2022: R8 million). Reversal of these temporary differences is currently uncertain, therefore deferred tax has not been provided.

EJ

Deferred tax

Deferred tax is provided on the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is not provided for if it arises from the initial recognition of an asset or liability, as a result of a transaction other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, and if at the time of the transaction, the temporary difference does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference, such as the decision to declare a dividend, is within the control of the Group, and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is provided on upstream transactions with subsidiaries and equity-accounted entities, when eliminating unrealised profit in stock.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted at the reporting date and are calculated at the prevailing tax rates of the different fiscal authorities where the asset or liability originates. The normal company tax rate of the relevant fiscal authority is applied if the asset or liability is expected to be realised through use or settled in the normal course of business. If management, however, expects the asset or liability to be realised or settled in any other manner, the applicable tax rate would then be applied.

Deferred tax assets and deferred tax liabilities of the same taxable entity are offset only when they relate to taxes levied by the same taxation authority and the entity has a legally enforceable right to set off current tax assets against current tax liabilities.

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Notes to the consolidated financial statements

for the year ended 30 June 2023

27. DEFERRED REVENUE

	2023 Rm
Summary	
Beginning of the year	–
Acquired through the acquisition of RBPlat (note 36)	1 388
Finance costs	9
Deferred revenue recognised (note 2)	(15)
End of the year	1 382
Current	144
Non-current	1 238

RBPlat entered into a gold streaming agreement with Triple Flag Mining Finance Bermuda Limited (Triple Flag) where an advance payment of US\$144 million was received by RBPlat in exchange for the future delivery of gold from the RBPlat mining operations (excluding Styldrift II and the Implats royalty areas), payable over the RBPlat mining operations' life-of-mine. In addition, RBPlat receives 5% of the market price of the gold in cash (variable consideration) from Triple Flag based on the prevailing reference gold price for every ounce delivered. The contract will be settled through the delivery of gold credits by RBPlat.

In terms of the agreement, 70% of the gold production will be delivered to Triple Flag until 261 000 ounces have been delivered, thereafter, 42% of the payable gold will be delivered to Triple Flag over the life-of-mine over a term of 40 years, which shall automatically be extended for successive 10-year periods, unless there has been no exploration or mining activity. Since acquisition, 216 gold ounces were delivered from BRPM while 360 ounces were delivered from Styldrift.

Deferred revenue

RBPlat intends to satisfy the performance obligations under the streaming arrangement through its production and revenue will be recognised over the duration of the contract as RBPlat satisfies its obligation to deliver gold ounces. Each period, an estimate of the cumulative amount of the deferred revenue obligation that has been satisfied is determined and is recognised as revenue.

Key inputs used to unwind the advance payment received to revenue

	2023
Estimated financing rate over life of arrangement (%)	9
Remaining life of stream (years)	44.5

EJ

Deferred revenue

Deferred revenue is recognised as a contract liability when the Group has received an advance payment for the future delivery of inventory. The deferred revenue liability is recognised as revenue, as and when the inventory that was paid for in advance is delivered over the term of the arrangement. The contract liability is not a financial instrument.

Financing component

A significant financing component results from the difference in the timing of the advance payment received and the transfer of control of the inventory. Interest expense on deferred revenue is recognised as finance costs using a discount rate that would be reflected in a separate financing transaction between the entity and its customer. The discount rate is determined at inception of the contract and not subsequently changed.

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Notes to the consolidated financial statements
for the year ended 30 June 2023

28. BORROWINGS

	Notes	2023			2022		
		Non-current Rm	Current Rm	Total Rm	Non-current Rm	Current Rm	Total Rm
Lease liabilities	28.1	830	287	1 117	957	250	1 207
PIC housing facility	28.2	1 425	48	1 473	—	—	—
Total borrowings		2 255	335	2 590	957	250	1 207

	2023 Rm	2022 Rm
Reconciliation		
Beginning of the year	1 207	1 328
Conversion of ZAR bonds to equity	—	(1)
Capital repayments	(297)	(249)
Interest repayments	(120)	(120)
Borrowings acquired through the acquisition of RBPlat (note 36)	1 475	—
Lease liabilities acquired through the acquisition of RBPlat (note 36)	37	—
Leases capitalised	154	113
Interest accrued (note 7)	120	120
Exchange differences	14	16
End of the year	2 590	1 207

	2023 %	2022 %
The effective interest rates for all borrowings for the year were as follows:		
ZAR – borrowings	10	11
US\$ – borrowings	10	10
C\$ – borrowings	2	2

Refer to note 34.2.4 for fair value and financial risk disclosure as well as the undrawn committed revolving credit facilities.

28.1 Lease liabilities

28.1.1 Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amount relating to leases:

	2023 Rm	2022 Rm
Interest paid (included in finance costs (note 7))	107	120
Short-term and low-value lease expenses (included in cost of sales (note 3))	14	14
Deferred profit on sale and leaseback of houses (note 4)	(30)	(30)

The total cash outflow for leases was R402 million (2022: R369 million). The Group also had non-cash additions to right-of-use assets and lease liabilities of R154 million (2022: R113 million).

Notes to the consolidated financial statements

for the year ended 30 June 2023

28. BORROWINGS continued

28.1 Lease liabilities continued

28.1.2 Leasing activities of the Group

Lease	Nature of leasing activity	Remaining life	Effective interest rate (%)
Friedshelf (land and buildings)	Lease arrangement for houses leased from Friedshelf (an associate of the Group). The houses were previously sold to Friedshelf as part of a sale and leaseback transaction	Six years	10.2
Sasol (refining assets)	Lease arrangement for a hydrogen pipeline	One year	11.5
Forklifts	Lease arrangements for various forklifts	Between one and three years	7.0
Land and buildings (various)	Lease arrangements of office buildings and other operational buildings	Between one and seven years	7.2
DHI (mobile equipment)	Road train lease	Three years	7.3
Air products (refining assets)	Lease arrangement for air products (oxygen and nitrogen pipeline)	13 years	5.9
Equipment	Lease arrangements for various rigs and weighbridges	Six years	8.9
Other	Lease arrangements for various vehicles, machinery and equipment at Impala Canada	Between three and five years	2

The Group also has certain leases of buildings and vehicles with lease terms of 12 months or less and leases of various vehicles and equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

	2023			2022		
	Minimum lease payments Rm	Interest Rm	Principal Rm	Minimum lease payments Rm	Interest Rm	Principal Rm
Maturity analysis for lease liabilities						
Less than one year	372	85	287	351	101	250
Between one and two years	341	64	277	301	82	219
Between two and five years	552	60	492	733	108	625
More than five years	76	15	61	132	19	113
	1 341	224	1 117	1 517	310	1 207

28.2 PIC housing facility

The PIC housing facility was utilised by RBPlat to fund the construction of houses for phase 2 of the housing project, as well as the insurance investment (note 16.2). The PIC housing facility was a R2.2 billion facility accruing interest at CPI plus a margin of 1%. Following the suspension of the construction of the houses in 2019 and commencement of repayment in 2021, the undrawn portion of the facility is no longer available, resulting in the reduction of the total facility to R1.3 billion. Security for the PIC housing facility is ring-fenced to the housing project assets. The facility has an effective interest rate of 12%.

28.3 Capital management

The Group defines total capital as equity plus debt in the consolidated statement of financial position. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, in order to provide returns for shareholders and benefits to other stakeholders, and to maintain an optimal capital structure to reduce required cost of capital.

In order to maintain or improve the capital structure, the Group may vary the dividends paid to shareholders, return capital or issue shares to shareholders.

The Group monitors the debt-to-equity ratio. This ratio is calculated as net debt to equity. The Group excludes leases in its determination of net debt. The gearing ratio as at 30 June 2023 was nil% (2022: nil%).

Notes to the consolidated financial statements

for the year ended 30 June 2023

28. BORROWINGS continued

Borrowings

All borrowings are subsequently measured at amortised cost.

When general and/or specific borrowings are utilised to fund qualifying capital expenditure, such borrowing costs that are attributable to the capital expenditure are capitalised from the point at which the capital expenditure and related borrowing costs are incurred until completion of construction.

Effective interest method

This method is used to calculate the amortised cost of a financial asset or a financial liability and in the allocation and recognition of the interest revenue or interest expense in profit or loss over the relevant period. The effective interest rate discounts estimated future cash receipts or payments (including all fees paid or received forming an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

Leases

The Group assesses whether a contract is, or contains, a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities are initially measured at the present value of the contractual lease payments due over the lease term, discounted using the rate implicit in the lease. If this rate is not readily determinable, the Group's incremental borrowing rate is used. Variable lease payments are included in the measurement of the lease liability if they are linked to an index or rate at the date of commencement. The initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability includes:

- Amounts expected to be payable under any residual value guarantee
- Exercise price of any purchase option if the lessee is reasonably certain to exercise the option
- Penalties payable for terminating the lease if the term of the lease reflects the termination option.

Right-of-use assets are initially measured at the value of the corresponding lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before the commencement of the lease
- Initial direct costs
- The amount of any provision recognised where the lessor is contractually required to dismantle, remove or restore the leased asset.

Lease payments are subsequently allocated between the lease liability and finance costs. The finance cost is charged to profit or loss over the lease period at a constant periodic rate of interest on the remaining balance of the liability. The right-of-use asset is subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

When the lessee revises its estimate of the term of any lease due to changes in the probability of a lease extension or termination option being exercised, it adjusts the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at the revised discount rate at remeasurement. The carrying value of lease liabilities is similarly adjusted when the variable element of future lease payments dependent on a rate or index is revised, using the revised discount rate on commencement of lease. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being depreciated over the new remaining lease term.

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Notes to the consolidated financial statements

for the year ended 30 June 2023

29. OTHER FINANCIAL LIABILITIES

	Notes	2023 Rm	2022 Rm
Commitment – Royal Bafokeng Nation	29.1	49	50
Foreign exchange rate collars	29.2	222	—
		271	50
Current		263	34
Non-current		8	16

29.1 Commitment – Royal Bafokeng Nation

Amendments to the Impala converted mining rights relating to the empowering provision were approved during the 2019 financial year, allowing the trustees to dissolve the Impala Bafokeng Trust (IBT). Impala Platinum Limited committed to contribute the remaining balance (R51 million) of the original R170 million commitment to the IBT by spending R10 million a year for community projects through its corporate social investment programmes.

29.2 Foreign exchange rate collars

During the current 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 convert US\$52.5 million per month to South African rands for the period from June 2023 to May 2024. The floor has a minimum range of between R17.75/US\$ to R18.10/US\$ and the cap has a maximum range of between R19.21/US\$ to R19.52/US\$.

The FERCs are carried at their fair value of R222 million. No hedge accounting has been applied in respect of these derivative financial instruments.

30. OTHER LIABILITIES

	Notes	2023 Rm	2022 Rm
Summary			
Post-employment medical benefits	30.1	64	69
Cash-settled share-based compensation	30.2	174	275
Cash-settled share-based compensation – RBPlat	30.2	522	—
Deferred profit on sale and leaseback of houses ¹		97	127
		857	471
Current		553	244
Non-current		304	227

¹ Relates to houses leased from Friedshelf (an associate of the Group) which were previously sold as part of a sale and leaseback transaction (note 28.1.1).

30.1 Post-employment medical benefits

Beginning of the year		69	71
Finance costs		7	7
Actuarial gain		(5)	(1)
Benefits paid		(7)	(8)
End of the year – actuarial valuation		64	69
Current		—	—
Non-current		64	69

The Company historically provided post-employment medical benefits to qualifying employees. Post-employment medical benefits for remaining employees and retirees are an unfunded liability. A 1% increase in the medical inflation rate results in a R5 million (2022: R6 million) increase in the provision and a decrease of 1% results in a decrease in the provision of R5 million (2022: R5 million). Subsidies of R7 million (2022: R7 million) are expected to be paid in the next financial year.

Qualifying active employees have an average age of 53 (2022: 56) years and an average service period of 27 (2022: 28) years. Retirees have an average age of 79 (2022: 79) years.

30.2 Cash-settled share-based compensation

Annexure D provides details of share awards issued and vested during the year by participants as well as the disclosures required by IFRS 2 *Share-based Payments*. The details pertaining to share awards issued to and vested by directors during the year are disclosed in annexure C.

Notes to the consolidated financial statements

for the year ended 30 June 2023

30. OTHER LIABILITIES continued

Post-employment medical benefits valuation

The determination of Implats' obligation for post-retirement healthcare liabilities depends on the selection of certain assumptions used by actuaries to calculate amounts. These assumptions include, among others, the discount rate, healthcare inflation costs, rates of increase in compensation costs and the number of employees who reach retirement age before the mine reaches the end of its life. While Implats believes that these assumptions are appropriate, significant changes in the assumptions may materially affect post-retirement obligations as well as future expenses, which may result in an impact on earnings in the periods that the changes in the assumptions occur.

As at 30 June 2023, actuarial parameters used by independent valuers assumed 8.3% (2022: 9.3%) as the long-term medical inflation rate and a 11.4% (2022: 11.3%) risk-free interest rate corresponding to the yields on long-dated high-quality bonds.

EJ

Employee benefits

Defined contribution retirement plans

Employee retirement schemes are funded through payments to insurance companies or trustee-administered funds determined by periodic actuarial calculations.

A defined contribution plan is a pension scheme under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group operates or participates in several defined contribution retirement plans for its employees. The pension plans are funded by payments from the employees and by the relevant Group companies to insurance companies or trustee-administered funds, determined by periodic actuarial calculations, and contributions to these funds are expensed as incurred. The assets of the different plans are held by independently managed trust funds. These funds are governed by either the South African Pension Funds Act of 1956, Zimbabwean law or Canadian law.

Post-employment medical benefit plan

The expected costs of these benefits are accrued over the period of employment. A valuation of this obligation is carried out annually by independent qualified actuaries. Actuarial gains or losses as a result of these valuations are recognised in other comprehensive income as incurred. Interest on the defined benefit liability is recognised in profit or loss as finance cost.

Cash-settled share-based compensation

Cash-settled share-based payments are valued on the reporting date and recognised over the vesting period. A liability equal to the services received to date is determined and recognised at each reporting date with a corresponding expense. The fair value of share-based payments are calculated using the binomial option model for non-vested shares and intrinsic value for vested shares.

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Notes to the consolidated financial statements

for the year ended 30 June 2023

31. TRADE AND OTHER PAYABLES

	2023 Rm	2022 Rm
Trade payables	8 000	5 403
Trade payables – metal purchases ¹	5 532	7 727
Trade payables at fair value through profit or loss	6 521	8 665
Advances	(989)	(938)
Leave liability ²	1 826	1 364
Royalties payable	444	812
Value added taxation	82	83
Other payables	157	39
	16 041	15 428
The foreign currency denominated balances as at 30 June were as follows:		
Trade and other payables (US\$ million)	4 409	5 373
Trade and other payables (Zw\$ million)	148	12
Trade and other payables (C\$ million)	1 039	932

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 (note 18). 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. Refer to note 34 for hedge accounting disclosures.

² Employee entitlements to annual leave are recognised on an ongoing basis. The liability for annual leave as a result of services rendered by employees is accrued up to the reporting date.

Refer to note 34 for fair value and financial risk disclosure.

Advances

Certain customers are granted advances based on a contractually agreed percentage of the fair value of their in-process metal being purchased. The weighted average effective interest rate on advances was 4.0% (2022: 0.31%). The associated purchase liability serves as collateral for the advance.

The contractually agreed percentage generally provides a sufficient safety margin for normal price fluctuations not to expose the Group to undue credit risk. However, in times of significant price decreases, there is a risk that the fair value of the in-process metal creditor that serves as collateral, could decrease below the carrying amount of the advance. In the current year, the value of this metal creditor is higher than the advances.

In cases where the carrying amount of advances is not fully supported by the fair value of in-process metal creditors that serves as collateral, management uses judgement to determine the recoverability of the advances.

EJ

Management has the legal right to offset the advance against the metal-purchase creditor and the intention to settle the creditor on a net basis. Consequently, the advance has been offset against the creditor.

Trade and other payables

The Group has made an irrevocable election to measure trade payables relating to metal purchases at fair value through profit or loss. Trade payables contracts host two embedded derivatives, namely fluctuations in PGM prices, and foreign currency exchange rates. This financial liability is used as a hedging instrument in the fair value hedge of a recognised asset, being purchased inventory.

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All other trade payables are subsequently carried at amortised cost.

Notes to the consolidated financial statements
for the year ended 30 June 2023

32. CASH GENERATED FROM OPERATIONS

	2023 Rm	2022 Rm
Profit before tax	9 787	45 239
Adjusted for:		
Impairment – Property, plant and equipment (note 10)	10 872	—
Impairment – Goodwill on RBPlat acquisition (note 12)	4 244	—
Loss on remeasurement of previously held equity investment before acquisition – RBPlat	1 772	—
Depreciation (notes 3 and 10)	7 736	5 821
Amortisation of prepaid royalty	279	261
Finance income (note 6)	(1 792)	(805)
Finance costs (note 7)	615	562
Share of profit of equity-accounted entities (note 13)	(3 382)	(4 311)
Net realisable value adjustment on metal inventory (notes 3 and 18)	2 879	—
Dividends received – Rand Mutual Assurance (note 4)	(7)	(11)
Employee benefit provisions	(7)	(7)
Share-based compensation	310	(24)
Rehabilitation and other provisions	(96)	(237)
Acquisition-related costs accrued – RBPlat	250	—
Foreign currency differences	(1 031)	(162)
Profit on disposal of property, plant and equipment (note 4)	(24)	(3)
Loss on disposal of property, plant and equipment (note 5)	39	—
Deferred profit on sale and leaseback of houses (note 4)	(30)	(30)
Deferred revenue (notes 2 and 27)	(15)	—
Loss – change of interest in associates (note 5)	21	25
Fair value gain on environmental rehabilitation and other investments	(159)	(9)
Fair value loss on foreign exchange rate collars (notes 5 and 29)	222	—
Tax penalties and interest received	—	(35)
	32 483	46 274
Changes in working capital:		
Decrease in trade and other receivables	137	807
Increase in inventories	(882)	(124)
Decrease in trade and other payables	(1 366)	(1 002)
Cash generated from operations	30 372	45 955

Notes to the consolidated financial statements

for the year ended 30 June 2023

33. CONTINGENT LIABILITIES, GUARANTEES AND UNCERTAIN TAX MATTERS

Contingent liabilities

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.

Guarantees

The Group has issued guarantees to the below parties, in respect of liabilities held by companies in the Group. These liabilities are included in the consolidated financial statements (note 28).

	2023 Rm	2022 Rm
Guarantees		
Friedshelf ¹	57	69
Total guarantees	57	69

¹ Guarantees to Friedshelf are in respect of rental of houses sold to and leased back from Friedshelf by Marula.

The following guarantees have been issued by third parties and financial institutions on behalf of the Group to the following holders:

	2023 Rm	2022 Rm
Guarantees		
South African operations		
Takeover Regulation Panel (TRP) (note 36)	11 417	16 830
Department of Mineral Resources and Energy (DMRE)	3 254	2 346
Eskom	257	111
Other	24	19
	14 952	19 306
Impala Canada		
Closure Plan Surety Bond (Minister of Energy, Northern Development and Mines)	339	301
Total guarantees	15 291	19 607

Guarantees to regulators (DMRE and the Minister of Energy, Northern Development and Mines) are in respect of future environmental rehabilitation liabilities for which a provision of R1 824 million (2022: R1 422 million) has been raised (note 25.1).

Notes to the consolidated financial statements

for the year ended 30 June 2023

33. CONTINGENT LIABILITIES, GUARANTEES AND UNCERTAIN TAX MATTERS continued

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 certain rules 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 2023, the Group has an unresolved historical tax matter relating to deductions at its South African operations. The South African Revenue Service had issued an additional assessment relating to this matter which the Group had objected to. The Group has a tax practitioner and legal counsel opinion to support its objection. Should the Group be successful in its objection, it could result in a tax credit of up to R673 million (June 2022: R647 million) (including interest).

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 below 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 and these cases are pending in the courts. Zimplats has on a without-prejudice basis settled the disputed liabilities involved in these cases and therefore no further liabilities will arise in respect of these disputed tax matters.

Notes to the consolidated financial statements

for the year ended 30 June 2023

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

34.1 Financial instruments

Background and basis of preparation

The impact of external factors such as climate change, geopolitical tensions as well as Covid-19 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 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:

	2023 Rm	2022 Rm
Financial assets – carrying amount		
Financial assets at amortised cost	33 502	30 722
Other financial assets (note 16)	1 214	129
Environmental rehabilitation investments (note 15)	194	—
Trade receivables (note 19)	3 485	2 845
Other receivables (note 19)	1 577	1 078
Employee receivables (note 19)	212	165
Cash and cash equivalents (note 21)	26 820	26 505
Financial assets at fair value through profit or loss (FVPL)	7 652	2 454
Environmental rehabilitation investments (note 15)	2 312	315
Other financial assets (note 16)	66	1 052
Trade receivables (note 19)	5 274	1 087
Financial assets at fair value through other comprehensive income (FVOCI) (note 14)	661	463
Total financial assets	41 815	33 639
Financial liabilities – carrying amount		
Financial liabilities at amortised cost	10 796	6 699
Borrowings (note 28)	2 590	1 207
Other financial liabilities (note 29)	49	50
Trade payables (note 31)	8 000	5 403
Other payables (note 31)	157	39
Financial liabilities at FVPL	5 754	7 727
Trade payables – metal purchases (note 31)	5 532	7 727
Trade payables at FVPL	6 521	8 665
Advances ¹	(989)	(938)
Other financial liabilities (note 29)	222	—
Total financial liabilities	16 550	14 426

¹ Advances are carried at amortised cost.

Notes to the consolidated financial statements

for the year ended 30 June 2023

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT continued

34.1 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 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.

Financial instrument	Fair value		Fair value hierarchy	Valuation technique and key inputs
	2023 Rm	2022 Rm		
Financial assets at FVOCI (note 14)				
Waterberg	506	366	Level 3	Discounted cash flow Risk-free ZAR interest rate
Other	155	97	Level 3	Discounted cash flow Risk-free ZAR interest rate
Financial assets at FVPL				
Guarantee investments – Guardrisk (note 15)	2 169	—	Level 2	Market prices for listed investments
Guarantee investments – Guardrisk (note 15)	—	315	Level 3	Discounted cash flow Risk-free ZAR interest rate
Guarantee investments – Centriq Insurance Company Limited (note 15)	143	—	Level 2	Shareholders Weighted Top 40 Index on the JSE
Short-term investments (note 16)	—	1 052	Level 1	Quoted market prices for the same instrument
Housing insurance investment (note 16)	66	—	Level 3	Market prices for listed investments and reliance on an external valuer for discounted cash flow models for unlisted investments
Trade receivables (note 19)	5 274	1 087	Level 2	Quoted market metal prices and exchange rates
Financial liabilities at FVPL				
Foreign exchange rate collars (note 29)	222	—	Level 2	Black Scholes valuation technique using quoted market exchange rates, volatility and risk-free ZAR interest rate
Trade payables at FVPL (note 31)	6 521	8 665	Level 2	Quoted market metal prices and exchange rates

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 2021	330	95	—	425
Purchases	—	—	306	306
Income recognised in profit or loss	—	—	9	9
Income recognised in other comprehensive income	36	2	—	38
Balance at 30 June 2022	366	97	315	778
Purchases	—	46	—	46
Re-invested	—	—	(315)	(315)
Acquired through the acquisition of RBPlat	—	66	—	66
Income recognised in other comprehensive income	140	12	—	152
Balance at 30 June 2023	506	221	—	727

Notes to the consolidated financial statements

for the year ended 30 June 2023

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT continued

34.1 Financial instruments continued

Financial instrument income/(expenses)

	2023 Rm	2022 Rm
Financial instruments at FVPL – net fair value movement:		
Short-term investments	71	49
Foreign exchange forward contract	(85)	—
Trade receivables	(897)	(456)
Cash and cash equivalents	—	2
Foreign exchange rate collars	(222)	—
Financial instruments at amortised cost		
Finance income for financial assets using effective-interest method	1 758	754
Finance costs for financial liabilities using effective-interest method	(122)	(365)

34.2 Financial risk management

Introduction

The Group's activities expose it to a variety of financial risks, market risk (including currency risk, fair value and cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group, from time to time, uses derivative financial instruments to hedge certain risk exposures.

Financial risk management is carried out by a central treasury department. Policies are approved by the board of directors, which sets guidelines to identify, evaluate and hedge financial risks in close cooperation with the Group's operating units. The risk and audit committees approve written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investing excess liquidity.

Sovereign risk arises from foreign government credit risk, the risk that a foreign central bank or government will impose exchange regulations and the risk associated with negative events relating to taxation policy or other changes in the business climate of a country. These risks are monitored by management by actively engaging with both local and foreign government officials and by operating within the set frameworks.

34.2.1 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 18), the hedged item, is exposed. The financial instrument used to hedge this risk is trade payables related to metal purchases (note 31), included in trade payables, measured at fair value through profit or loss. The fair value movements on this financial liability have been 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.

The effects of the fair value hedge are as follows:

	2023 Rm	2022 Rm
Hedging instrument		
Trade payables at fair value through profit or loss – metal purchases		
Carrying amount (note 31)	6 521	8 665
Fair value gain used to determine hedge effectiveness	(2 599)	(2 195)
Hedged item		
Purchased metal inventory (note 18)		
Purchased metal exposed to fair value movement	6 521	8 665
Change in fair value of hedged instrument used to determine hedge effectiveness	2 737	2 195
Accumulated fair value hedge gain included in metal purchases in respect of closing inventory ¹	994	1 220

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

Due to the significant decrease in the metal prices at year-end in relation to the fair value movements in trade payables and inventory, there has been hedge ineffectiveness identified in the hedging relationship during the current period. A R138 million fair value loss was recognised in other expenses (notes 5 and 18).

Notes to the consolidated financial statements

for the year ended 30 June 2023

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT continued

34.2 Financial risk management continued

34.2.2 Market risk

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities.

To manage foreign exchange risk arising from future commercial transactions and recognised financial assets and liabilities, the Group, from time to time, uses forward exchange contracts within board-approved limits.

During the current period, Implats entered into foreign exchange rate collars (FERCs) with various financial institutions to hedge against the foreign currency exchange risk on future metal sales. The collars hedged the risk of exchange rate movements below a range of R17.75/US\$ to R18.10/US\$ and above a range of R19.21/US\$ to R19.52/US\$. At the end of the period, the FERCs have a fair value of R222 million. The FERCs mature at different intervals, with the final settlement expected in May 2024.

No hedge accounting has been applied in respect of the FERCs.

Implats has entered into master netting agreements with various financial institutions as counterparties in the FERCs. The forward exchange contracts that make up the FERCs are presented below:

	Counter-party 1	Counter-party 2	Counter-party 3	Counter-party 4	Total
Derivative asset	55	13	27	54	149
Derivative liability	(132)	(38)	(71)	(130)	(371)
Net amount of financial liability presented in the statement of financial position	(77)	(25)	(44)	(76)	(222)

Sensitivity analysis

Foreign exchange risk sensitivity analysis presents the effect of a 10% change in the year-end exchange rate on financial instruments denominated in US dollar or ZW dollar in profit or loss. The US dollar exposure below excludes companies whose functional currency is the US dollar. For the FERCs, a 5% increase in the US dollar exchange rate will result in a R378 million loss, while a 5% decrease in the US dollar exchange rate will result in a profit of R340 million.

	Year-end US\$ exposure		Profit/loss effect ³	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Financial assets				
Trade receivables	8 344	3 595	834	360
Advances ¹	989	938	99	94
Cash and cash equivalents	1 734	1 106	173	111
Financial liabilities				
Trade and other payables ²	(2 785)	(3 270)	—	—
	8 282	2 369	1 106	565

¹ Advances have been offset against the related metal-purchase trade creditor (note 31).

² Includes the foreign exchange exposure on metal-purchase trade payables, which has been designated as a hedging instrument in a fair value hedge (note 34.2.1). This creditor has a Rnil effect on the statement of profit or loss after hedge accounting.

³ Represents an inflow or outflow of economic resources. Figures are calculated before tax and non-controlling interest.

	Year-end ZW\$ exposure		Profit/loss effect ¹	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Financial assets				
Trade and other receivables	79	76	8	8
Cash and cash equivalents	188	7	19	1
Financial liabilities				
Trade and other payables	(148)	(12)	(15)	(1)
	119	71	12	8

¹ Represents an inflow or outflow of economic resources. Figures are calculated before tax and non-controlling interest.

Notes to the consolidated financial statements

for the year ended 30 June 2023

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT continued

34.2 Financial risk management continued

34.2.2 Market risk continued

Securities price risk

The Group is exposed to insignificant equity securities price risk.

Commodity price risk

Commodity price risk refers to the risk of changes in fair value or cash flow of financial instruments as a result of commodity prices where the Group holds forward sales contracts and metal-purchase commitments included in trade and other payables, which are determined with reference to commodity prices.

From time to time, the Group enters into forward metal sales contracts, options or lease contracts to manage the fluctuations in metal prices, thereby preserving and enhancing its cash flow streams.

Sensitivity analysis

Commodity price risk sensitivity analysis presents the effect of a 10% change in the commodity prices on commodity-based financial instruments in profit or loss.

	Year-end commodity exposure		Profit/loss effect ¹	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Financial assets				
Trade receivables at FVPL	5 274	1 087	527	108
Financial liabilities				
Trade payables at FVPL ²	(6 521)	(8 665)	—	—
	(1 247)	(7 578)	527	108

¹ Represents an inflow or outflow of economic resources. Figures are calculated before tax and non-controlling interest thereon.

² The commodity price exposure has a Rnil effect on the statement of profit or loss after hedge accounting (note 34.2.1).

Interest rate risk

The Group is exposed to fair value interest rate risk in respect of fixed rate financial assets and liabilities. Movement in interest rates will have an impact on the fair value of these instruments but will not affect profit or loss as these financial assets and liabilities are carried at amortised cost using the effective interest method.

Fixed interest rate exposure:

	2023 Rm	2022 Rm
Financial assets		
Loans carried at amortised cost (note 16)	104	95
	104	95

The Group is exposed to cash flow interest rate risk in respect of its variable rate financial assets and liabilities.

The Group monitors its exposure to fluctuating interest rates. Cash and cash equivalents and rehabilitation trust investments are primarily invested with short-term maturity dates, which expose the Group to cash flow interest rate risk.

Notes to the consolidated financial statements

for the year ended 30 June 2023

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT continued

34.2 Financial risk management continued

34.2.2 Market risk continued

Interest rate risk continued

Sensitivity analysis

Cash flow interest rate risk sensitivity analysis presents the effect of a 100 basis points up and down fluctuation in the interest rate in profit or loss.

	Variable interest rate exposure		Profit/loss effect ²	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Financial assets				
Advances (note 31) ¹	989	938	10	9
Cash and cash equivalents (note 21)	26 820	26 505	268	265
	27 809	27 443	278	274

¹ Advances have been offset against the related metal-purchase trade creditor.

² Represents an inflow or outflow of economic resources. Figures are calculated before tax and non-controlling interest thereon.

Interest rate benchmark reform

Existing financial assets and financial liabilities are subject to the Interbank Offered Rate (IBOR) reform, such as London Interbank Offered Rate (LIBOR). Implants was not impacted by the IBOR reforms.

34.2.3 Credit risk

Credit risk is the risk that the financial asset counterparty may default or not meet its obligations timeously. The Group minimises credit risk by ensuring that the exposure is spread over a number of counterparties.

The maximum exposure to the credit risk is represented by the carrying amount of all the financial assets and the maximum amount the Group could have to pay if the guarantees are called on (note 33).

There is no material concentration of credit risk in cash and cash equivalents, trade and other receivables and loans.

Cash and cash equivalents

The Group has policies that limit the amount of credit exposure related to cash and cash equivalents to any single financial institution by only dealing with well-established financial institutions of high credit quality standing. The credit exposure to any one of the counterparties is managed by setting exposure limits which are approved by the board.

Banks' credit ratings	Exposure	
	2023 Rm	2022 Rm
South African operations		
AA+ (zaf)	18 121	19 366
AA (zaf)	2 999	—
Overseas operations		
AA+ (zaf)	—	6 147
AA (zw)	914	—
AA-	2 852	983
AA- (zw)	188	—
BB-	557	—
No rating	1 189	9
	26 820	26 505

Foreign currency exposure and exposure by country for cash and cash equivalents is analysed further in note 21.

Notes to the consolidated financial statements

for the year ended 30 June 2023

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT continued

34.2 Financial risk management continued

34.2.3 Credit risk continued

Trade and other receivables

The Group has policies in place to ensure that the sales of products are made to customers with an appropriate credit history. Trade debtors comprise a limited number of customers, dispersed across different geographical areas. Credit evaluations are performed on the financial condition of these and other receivables from time to time. Trade receivables are presented in the statement of financial position net of any provision for impairment. No trade receivables are past due.

Advances are made to customers based on in-process metal purchases. Credit risk on advances where sufficient in-process metal creditors serve as collateral is low (note 31).

The table below provides an analysis of the Group's customer mix:

	New customers	2 years and less	From 2 to 5 years	Longer than 5 years	Total
Financial year 2023					
Number of customers	3	1	1	38	43
Value at year-end (R million)	—	—	144	8 615	8 759
Financial year 2022					
Number of customers	1	—	6	38	45
Value at year-end (R million)	—	—	1 225	2 707	3 932

No customers are in default at year-end (2022: nil).

Credit risk exposure in respect of trade receivables and advances is analysed further in note 19.

Credit risk exposure in respect of employee receivables is limited by taking into account the employee's annual earnings, which serve as security.

Only an insignificant amount of these employee receivables are past due, as a result of employees having left the employment of the Group.

Financial assets at fair value and financial assets at amortised cost

The Group manages credit exposure related to these investments (aside from those included in cash and cash equivalents) by limiting the amounts invested at any single financial institution and by only dealing with well-established financial institutions of high credit quality standing.

Financial institutions' credit ratings	Exposure	
	2023 Rm	2022 Rm
Financial assets at FVPL (note 16)		
AA	—	525
AA-	—	527
	—	1 052
No rating (note 14)	155	97
	155	1 149

Loans

Credit risk exposure is mainly attributed to the Group's employee housing loans. These loans are secured by a second bond over residential properties.

No loans are past due.

Notes to the consolidated financial statements

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34. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT continued

34.2 Financial risk management continued

34.2.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. During the current year, Implats amended and extended its committed revolving credit facility with various financial institutions consisting of a R6.5 billion ZAR tranche (June 2022: R6 billion) and a US\$93.8 million US\$ tranche (June 2022: US\$125 million). Impala Canada is also a borrower under the US\$ tranche. Management regularly monitors rolling forecasts of the Group's liquidity reserve comprising undrawn borrowing facilities and cash and cash equivalents (note 21) on the basis of expected cash flows. All covenants on the facility have been met.

Committed revolving credit facility R6.5 billion (2022: R6 billion) – Impala Platinum Holdings Limited

Banks' credit ratings	Credit limit facilities	
	2023 Rm	2022 Rm
AA+ (zaf)	6 545	6 000

The committed revolving credit facility of R6.5 billion (June 2022: R6 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 (June 2022: R2 billion). Subsequent to year-end, 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.

Committed revolving credit facility US\$93.8 million (2022: US\$125 million) – Impala Platinum Holdings Limited

Banks' credit ratings	Credit limit facilities	
	2023 Rm	2022 Rm
AA+ (zaf)	589	508
AA	589	508
A+	–	508
A-	589	508
	1 767	2 032

The US\$ tranche of the committed revolving credit facility of 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 (June 2022: three-month London Interbank Offered Rate plus a margin and utilisation fee of between 185 and 225 basis points). The facility has an accordion option to increase the facility by an additional US\$37.5 million (June 2022: US\$50 million). Subsequent to year-end, 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.

Credit facilities R3 billion – RBPlat

Banks' credit ratings	Credit limit facilities
	2023 Rm
AA+ (zaf)	3 008
	3 008

The R3 billion RBPlat credit facilities comprise a revolving credit facility of R2 billion which bears interest at the Johannesburg Interbank Average Rate (JIBAR) plus 250 basis points, as well as a general banking facility of R1 billion which bears interest at the prime rate less 140 basis points. RBPlat provided a cession and pledge of its shares in and claims against Royal Bafokeng Resources as security under a subordination agreement of its claims against Royal Bafokeng Resources in favour of the banks. Royal Bafokeng Resources also provided a cession in which it cedes and pledges its rights, title and interest in respect of, or connected with the Royal Bafokeng Resources operations. Royal Bafokeng Resources can voluntarily prepay and cancel the facilities at any time. The revolving credit facility was undrawn at year-end and R123.6 million of the general banking facility was utilised for guarantees as at year-end.

Notes to the consolidated financial statements

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34. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT continued

34.2 Financial risk management continued

34.2.4 Liquidity risk continued

The table below analyses the Group's financial liabilities into the relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The maturity analysis for leases is disclosed in note 28.

Financial assets relevant to the understanding of future cash flow related to financial liabilities have also been disclosed:

	Total carrying amount Rm	Contractual interest Rm	Total undiscounted contractual cash flow Rm	Less than 1 year Rm	Between 1 and 2 years Rm	Between 2 and 5 years Rm	Over 5 years Rm
At 30 June 2022							
Financial assets							
Trade and other receivables (note 19)	5 175	—	5 175	5 175	—	—	—
Cash and cash equivalents (note 21)	26 505	—	26 505	26 505	—	—	—
Financial liabilities							
Other financial liabilities (note 29)	50	5	55	37	10	8	—
Trade and other payables (note 31)	13 169	—	13 169	13 169	—	—	—
At 30 June 2023							
Financial assets							
Trade and other receivables (note 19)	10 548	—	10 548	10 548	—	—	—
Cash and cash equivalents (note 21)	26 820	—	26 820	26 820	—	—	—
Financial liabilities							
PIC housing facility (note 28)	1 473	1 177	2 650	156	156	468	1 871
Other financial liabilities (note 29)	49	2	51	43	8	—	—
Trade and other payables (note 31)	13 689	—	13 689	13 689	—	—	—

Current financial assets are sufficient to cover financial liabilities for the next two years. Thereafter, retained cash and cash generated from operations are envisaged to be sufficient to settle the liabilities. Should the cash generated from operations not be sufficient, the Group can access its facilities or curtail its capital expenditure.

Notes to the consolidated financial statements

for the year ended 30 June 2023

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT continued

Financial instruments – General accounting policy

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contract. Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities other than financial assets and financial liabilities at fair value through profit or loss are added to, or deducted from, the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Classification

The Group classifies its financial assets in the following categories on the basis of both the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets:

- Financial assets at fair value through profit or loss
- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income.

Purchases and sales of investments are recognised on the trade date, being the date on which the Group commits to purchase or sell the asset. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or when the Group transfers the contractual rights to receive the cash flows of the financial asset, or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Investments in debt instruments (notes 16, 19 and 21)

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There is currently only one measurement category to which the Group classifies its debt instruments.

Financial asset measured at amortised cost

Assets that are held for collecting contractual cash flows where those cash flows are comprised solely of payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income calculated on the effective interest rate method. Any gain or loss arising on derecognition is presented in other income and expense and foreign exchange gains and losses presented in foreign exchange transaction losses, directly in profit or loss. These assets with maturities greater than 12 months after the reporting date are classified as non-current assets.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Financial liabilities at fair value through profit or loss, which include derivatives, are subsequently measured at fair value.

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Notes to the consolidated financial statements

for the year ended 30 June 2023

35. RELATED PARTY TRANSACTIONS

Associates

	2023 Rm	2022 Rm
Two Rivers		
Transactions with related party:		
Purchases of metal concentrates	7 897	9 121
Year-end balances arising from transactions with related party:		
Payable to associate	2 458	3 447
Makgomo Chrome		
Transactions with related party:		
Tailings fee expense	69	68
Sale of metal concentrates	69	68
Friedshelf		
Transactions with related party:		
Interest accrued	89	101
Repayments	220	204
Year-end balances arising from transactions with related party:		
Borrowings – finance leases ¹	785	916
RBPlat		
Transactions with related party:		
Royalty expense ²	308	390
Year-end balances arising from transactions with related party:		
Payable to associate	–	58

¹ Friedshelf finance leases have an effective interest rate of 10.2%.

² RBPlat royalty expense for the current year reflects the royalty expense up to 30 May 2023, thereafter RBPlat was consolidated.

Joint venture

	2023 Rm	2022 Rm
Mimosa		
Transactions with related party:		
Refining fees	298	293
Interest received	36	4
Purchases of metal concentrates	6 494	6 806
Year-end balances arising from transactions with related party:		
Payable to joint venture net of advance	1 117	1 227

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.

For detailed disclosure on directors' remuneration and key management compensation, refer to annexure C.

36. BUSINESS COMBINATION

RBPlat is a mid-sized PGM producer with mining and concentrating operations contiguous to Impala Rustenburg portfolio on the Western Limb Bushveld Igneous Complex in South Africa. Its mineral reserve inventory is notable due to its size and quality, with a mechanised, Merensky-rich orebody, aligned to robust future demand for platinum, nickel and copper.

In the prior year, Implats had acquired a 37.83% shareholding in RBPlat and consequently, equity accounted its interest in RBPlat. After acquiring a further 8.36% shareholding during the year, Implats finally gained control of RBPlat on 30 May 2023 when it acquired 26 601 654 shares, representing a 9.16% shareholding in RBPlat, for a cash consideration of R2 394 million and the issue of 7 980 496 Implats shares with a fair value of R1 237 million. This increased Implats' total shareholding in RBPlat to 55.35%. As a result, RBPlat became a subsidiary of the Group at 30 May 2023 (effective date) and in terms of IFRS 3 *Business Combinations*, the previously equity-accounted investment in RBPlat was remeasured to its fair value of R18 106 million. This fair value then formed part of the purchase consideration of the subsidiary at the effective date.

Between 30 May 2023 and year-end, Implats acquired a further 1.06% of RBPlat shares resulting in a shareholding of 56.41% at year-end.

Notes to the consolidated financial statements

for the year ended 30 June 2023

36. BUSINESS COMBINATION continued

Subsequent to year-end and upon fulfilment of all the conditions precedent, the mandatory offer for RBPlat finally closed on 21 July 2023 and was accepted by shareholders holding 121 437 384 RBPlat shares or 41.83% of RBPlat. Implats also acquired another 1 945 665 or 0.67% of RBPlat shares. Therefore, post year-end, Implats had acquired in aggregate 123 383 049 RBPlat shares or 42.50% of RBPlat for a total consideration of R11 104 million in cash and the issue of 37 014 918 Implats shares with a fair value of R5 052 million. This increased Implats' shareholding in RBPlat to approximately 98.91%.

On 1 August 2023, Implats gave notice in terms of section 124(1)(a) of the Companies Act to compulsorily acquire the remaining RBPlat shares not held by it as RBPlat shareholders holding more than 90% of the RBPlat shares had accepted the mandatory offer. The RBPlat shares were suspended from trading on the JSE on 2 August 2023. The compulsory acquisition of the remaining RBPlat shares is scheduled for 14 September 2023 and it is expected that the RBPlat shares will be delisted from the JSE on 18 September 2023.

The guarantees to the Takeover Regulation Panel (TRP) required in terms of the mandatory offer for RBPlat amounted to R11 417 million as at 30 June 2023 (June 2022: R16 830 million) (note 33). Following the closure of the mandatory offer on 21 July 2023 and the settlement of the purchase consideration, the TRP guarantees were cancelled.

This business combination accounting is provisional and may be restated in 2024 when the Group finalises the fair value of property, plant and equipment, with any adjustments recognised against goodwill to the extent not already impaired as disclosed in note 12.

The following table summarises the provisionally recognised fair value of assets acquired and liabilities assumed at the acquisition date:

	2023 Rm
Assets	
Property, plant and equipment	8 644
Environmental rehabilitation investments	335
Other financial assets	1 026
Prepayments and other assets	267
Inventories	852
Trade and other receivables ¹	5 168
Current tax receivable	47
Cash and cash equivalents	5 256
	21 595
Less: Liabilities	
Provisions	349
Deferred tax liabilities	2 209
Deferred revenue	1 388
Borrowings	1 512
Other liabilities	481
Trade and other payables	1 413
Current tax payable	473
	7 825
Total fair value of identifiable assets and liabilities assumed	13 770
Less: Non-controlling interest ²	(6 147)
Goodwill on acquisition of RBPlat (note 12)	14 114
Total consideration	21 737
Comprising the following:	
Fair value of equity interest held immediately before acquisition date	18 106
Carrying amount of equity investment immediately before acquisition date (note 13)	19 878
Loss on remeasurement of previously held equity investment before acquisition – RBPlat	(1 772)
Cash	2 394
Shares issued (note 22)	1 237
Net cash flow on acquisition of RBPlat business	
Cash consideration	(2 394)
Less: Cash and cash equivalent balances acquired	5 256
	2 862

¹ The fair value of trade receivables (R4 647 million) and other receivables (R521 million) represent the gross contractual amounts receivable, all of which were subsequently collected.

² The measurement basis used for non-controlling interests is the proportionate share of the acquiree's net identifiable assets.

Notes to the consolidated financial statements

for the year ended 30 June 2023

36. BUSINESS COMBINATION continued

Implats incurred acquisition-related costs of R415 million mainly comprising advisory and legal expenses of R156 million, local investing activities by means of co-funding up to R200 million in projects which will be identified in conjunction with the Industrial Development Corporation of South Africa Limited (IDC) in relation to hydrogen technology or its commercialisation in South Africa as well as R50 million for the funding of proof-of-concept activities to be jointly managed by Implats and the IDC. These costs are included in other expenses (note 5).

	2023 Rm
Revenue and loss of RBPlat since the acquisition date included in the consolidated statement of comprehensive income for the reporting period:	
Revenue	610
Loss for the year	537
RBPlat contribution had it been consolidated from 1 July 2022:	
Revenue	13 543
Profit for the year	769

Business valuation

The RBPlat business has been valued through the discounted cash flow methodology after adjusting for fair value adjustments on contributing assets.

The key financial assumptions for the discounted cash flow value are:

- Long-term real basket price per 6E ounce sold of R27 500
- Long-term pre-tax real discount rate range of 31% to 32% and a long-term post-tax real discount rate range of 20% to 21%.

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Business combinations

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are expensed.

Business combinations achieved in stages

In a business combination achieved in stages, all previously held equity interest in the acquiree is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the acquisition date. 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 over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed is recognised as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the gain is recognised directly in profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured either at the non-controlling interest's proportionate share of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. Any difference between the fair value of the consideration paid or received and the carrying amount of the non-controlling interest, is recognised directly in equity and attributed to the owners of the Company.

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The profit or loss realised when control is lost by the Group as a result of the disposal of an entity is calculated after taking into account any related goodwill.

Notes to the consolidated financial statements

for the year ended 30 June 2023

37. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Dividends

The board declared a final cash dividend on 31 August 2023 in respect of the financial year ended 30 June 2023. In terms of the approved dividend policy, a minimum dividend of 30% of free cash flow pre-growth capital should be declared. The board has the discretion to vary this percentage depending on the current and forecast financial performance, as well as market and other factors, including sufficiently capitalising the business to allow the Group to take advantage of future value-accretive growth opportunities.

The dividend of 165 cents per ordinary share or R1 485 million in aggregate (excluding treasury shares) is to be paid out of retained earnings, but not recognised as a liability at year-end. The dividend will have no tax consequence for the Group, but will be subject to 20% withholding tax for shareholders who are not exempt from or do not qualify for a reduced rate of withholding tax.

The dividend is payable on Tuesday, 26 September 2023 to shareholders recorded in the register at the close of business, 22 September 2023.

	2023 Rm	2022 Rm
Dividends paid		
Final dividend No 97 for 2022 (2022: No 95 for 2021) of 1 050 cents (2022: 1 200 cents) per ordinary share	8 896	9 773
Interim dividend No 98 for 2023 (2022: No 96 for 2022) of 420 cents (2022: 525 cents) per ordinary share	3 570	4 436
Other ¹	—	186
	12 466	14 395

¹ Other comprises dividends paid by subsidiaries within the Group to external parties.

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 the additional 42.5% shareholding acquired in RBPlat subsequent to year-end. Refer to note 36.

Dividends

Dividends are recognised as a liability on the date on which such dividends are declared. Dividends tax is withheld by the Group on behalf of its shareholders and is applicable to all dividends paid. Amounts withheld are not recognised as part of the Group's tax charge but rather as part of the dividend paid. Cash flows from dividends paid are classified under financing activities in the statement of cash flows.

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Annexures to the consolidated financial statements

for the year ended 30 June 2023

ANNEXURE A

Detailed disclosure per asset category of property, plant and equipment and right-of-use assets (note 10)

	Shafts, mining development and infrastructure Rm	Metallurgical and refining plants Rm	Land, buildings and mineral rights Rm	Assets under construction Rm	Other assets Rm	Total Rm
Cost						
30 June 2021	60 482	19 236	5 993	9 091	5 981	100 783
Capital expenditure ¹	2 043	768	8	5 158	1 012	8 989
Right-of-use assets capitalised	—	89	24	—	—	113
Transfer from assets under construction	811	291	110	(1 398)	186	—
Disposals and scrapplings	(272)	(30)	(11)	—	(224)	(537)
Rehabilitation adjustment (note 25.1)	(43)	—	—	—	—	(43)
Exchange differences	2 350	1 268	434	459	691	5 202
30 June 2022	65 371	21 622	6 558	13 310	7 646	114 507
Capital expenditure ¹	2 683	1 020	14	6 279	1 383	11 379
PPE acquired through the acquisition of RBPlat (note 36)	999	3 055	4 089	453	48	8 644
Right-of-use assets capitalised	—	12	8	—	134	154
Transfer from assets under construction	1 253	3 401	213	(5 156)	289	—
Disposals and scrapplings	(577)	(239)	(42)	(28)	(538)	(1 424)
Rehabilitation adjustment (note 25.1)	(66)	—	—	—	—	(66)
Exchange differences	3 374	1 931	600	859	1 042	7 806
30 June 2023	73 037	30 802	11 440	15 717	10 004	141 000

¹ Includes depreciation of R23 million (2022: R21 million) which was capitalised to the cost of property, plant and equipment.

	Shafts, mining development and infrastructure Rm	Metallurgical and refining plants Rm	Land, buildings and mineral rights Rm	Assets under construction Rm ²	Other assets Rm	Total Rm
Accumulated depreciation and impairment						
30 June 2021	23 616	7 992	2 053	6 632	2 781	43 074
Depreciation (notes 3 and 32) ¹	3 480	1 022	263	—	1 077	5 842
Disposals and scrapplings	(250)	(30)	(3)	—	(174)	(457)
Exchange differences	615	411	128	—	381	1 535
30 June 2022	27 461	9 395	2 441	6 632	4 065	49 994
Depreciation (notes 3 and 32) ¹	4 571	1 483	285	—	1 420	7 759
Disposals and scrapplings	(576)	(253)	(33)	—	(492)	(1 354)
Impairment (note 10)	6 999	2 006	273	145	1 449	10 872
Exchange differences	1 086	656	188	1	622	2 553
30 June 2023	39 541	13 287	3 154	6 778	7 064	69 824
Carrying value at 30 June 2022	37 910	12 227	4 117	6 678	3 581	64 513
Carrying value at 30 June 2023	33 496	17 515	8 286	8 939	2 940	71 176

¹ R7 736 million depreciation was expensed to cost of sales (2022: R5 821 million) and R23 million (2022: R21 million) capitalised to the cost of property, plant and equipment.

² Comprises assets under construction of R3 981 million at the Impala cash-generating unit (17 Shaft), R2 651 million at Afplats and R146 million at Impala Canada which were previously impaired.

Annexures to the consolidated financial statements
for the year ended 30 June 2023

ANNEXURE A continued

	Metallurgical and refining plants Rm	Land and buildings Rm	Other assets Rm	Total Rm
Right-of-use assets included in property, plant and equipment				
30 June 2021	26	489	265	780
Right-of-use assets capitalised ¹	89	24	—	113
Disposals	—	—	(3)	(3)
Transfers	—	—	(31)	(31)
Depreciation	(14)	(93)	(89)	(196)
Exchange differences	—	(1)	19	18
30 June 2022	101	419	161	681
Right-of-use assets acquired through the acquisition of RBPlat	—	6	29	35
Right-of-use assets capitalised ¹	27	8	126	161
Disposals	—	—	(2)	(2)
Transfers	—	—	(36)	(36)
Depreciation	(27)	(97)	(93)	(217)
Impairment	(6)	(5)	(47)	(58)
Exchange differences	—	(1)	14	13
30 June 2023	95	330	152	577

¹ Includes cash improvements capitalised to Impala Canada's right-of-use assets of R7 million (2022: Rnil).

	2023 Rm	2022 Rm
Assets under construction included in property plant and equipment		
Assets under construction consist mainly of (carrying value):		
Impala	1 467	1 331
Zimplats (Smelter and SO ₂ abatement plant, Mupani Mine and Bimha Mine upgrades)	6 718	4 738
Other	754	609
	8 939	6 678
Other assets		
Other assets consist mainly of (carrying value):		
Mobile equipment	2 213	2 263
Information technology	537	296
Other	190	1 022
	2 940	3 581

Annexures to the consolidated financial statements

for the year ended 30 June 2023

ANNEXURE B

Summarised financial information (100%) in respect of each of the Group's subsidiaries that has material non-controlling interests (note 24)

The summarised financial information below presents amounts before intra-group eliminations. The Zimplats financial information disclosed below was translated using the closing and annual average US dollar exchange rates as on page 21.

RBPlat has a 31 December year-end. Financial information for the six months ended 30 June 2023 as well as for the year ended 31 December 2022 is disclosed below.

	Zimplats Holdings Limited		Marula Platinum Proprietary Limited		Royal Bafokeng Platinum Limited	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm	Six months ended 30 June 2023 Rm	Year ended 31 December 2022 Rm
Non-current assets	30 329	22 894	2 517	1 967	23 973	23 934
Current assets	16 281	16 543	2 945	4 889	10 344	12 463
Total assets	46 610	39 437	5 462	6 856	34 317	36 397
Equity	35 452	30 823	3 823	4 559	22 772	24 686
Non-current liabilities	8 219	6 197	876	1 058	9 436	9 737
Current liabilities	2 939	2 417	763	1 239	2 109	1 974
Total equity and liabilities	46 610	39 437	5 462	6 856	34 317	36 397

	Zimplats Holdings Limited		Marula Platinum Proprietary Limited		Royal Bafokeng Platinum Limited	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm	Six months ended 30 June 2023 Rm	Year ended 31 December 2022 Rm
Revenue	18 047	19 312	6 856	8 393	5 805	15 911
Gross profit/(loss)	7 018	10 771	2 499	4 605	(395)	4 242
Profit/(loss) before tax	6 058	9 448	2 859	4 299	(107)	4 421
Income tax expense	(1 446)	(3 653)	(808)	(1 254)	(233)	(1 101)
Profit/(loss) for the year	4 612	5 795	2 051	3 045	(340)	3 320
Net cash from operating activities	7 202	7 894	2 868	3 501	980	1 642
Net cash used in investing activities	(5 478)	(4 145)	(715)	(367)	(710)	(1 841)
Net cash used in financing activities	(3 919)	(3 014)	(2 150)	(3 132)	(85)	(346)
Net (decrease)/increase in cash and cash equivalents	(2 195)	735	3	2	185	(545)
Dividends paid to non-controlling interests	511	661	—	—	—	—

There are no significant restrictions on the ability of the Group to access and use assets or settle liabilities.

Annexures to the consolidated financial statements

for the year ended 30 June 2023

ANNEXURE C

Directors' remuneration and key management compensation

The following tables summarise the fixed and variable remuneration of the executive directors, prescribed officers and other senior executives of the Company for the year ended 30 June 2023. Further information can be obtained in notes 23 and 30, as well as the Group's annual remuneration report at (www.implats.co.za).

In the prior year, management approached the nominations, governance and ethics committee to get clearance for Implats to donate R800 000 to the writing of the autobiography of Dr Mufamadi. The committee was made to understand that part of the proceeds of the autobiography sales would be donated to charity and that the book was of importance to the history of South Africa. Dr Mufamadi did not solicit the donation nor was he involved in any discussion which led to the approval of such donation.

Fixed remuneration

	Package R'000	Retirement funds R'000	Other benefits R'000	Total 2023 R'000	Total 2022 R'000
Executive directors					
NJ Muller	12 275	1 772	14	14 061	13 335
M Kerber	7 881	993	8	8 882	8 475
LN Samuel	6 374	803	21	7 198	6 793
Prescribed officers					
J Andrews ³	3 528	413	9	3 950	5 608
M Munroe	8 308	1 047	21	9 376	9 250
M Motlhageng ⁴	4 238	571	31	4 840	—
P Morutlwa ⁵	215	27	—	242	—
K Pillay	4 013	505	8	4 526	4 214
GS Potgieter ⁶	10 220	20	1	10 241	9 712
S Sibiya	4 089	345	117	4 551	4 295
J Theron	5 976	238	318	6 532	6 204
T Hill ¹	594	30	14	638	626
A Mhembere ²	665	100	57	822	794
Company secretary					
TT Liale	2 898	281	68	3 247	3 013

¹ (C\$'000).

² (US\$'000).

³ Retired 31 March 2023.

⁴ Appointed as a prescribed officer from 1 June 2023, remuneration disclosed for the full FY2023.

⁵ Appointed from 19 June 2023, remuneration disclosed for the period since appointed.

⁶ Retired 31 July 2022, subsequent contract ended 31 July 2023.

Annexures to the consolidated financial statements

for the year ended 30 June 2023

ANNEXURE C continued

Directors' remuneration and key management compensation continued

Variable remuneration

	Bonus 2022 R'000	Gains on long-term incentives exercised and shares sold R'000	Total 2023 R'000	Total 2022 R'000
Executive directors				
NJ Muller	6 999	23 447	30 446	75 516
M Kerber	3 581	9 085	12 666	32 731
LN Samuel	2 799	9 080	11 879	29 347
Prescribed officers				
J Andrews ³	1 861	14 554	16 415	19 105
M Munroe	3 076	10 220	13 296	28 717
M Motlhageng ⁴	2 415	96	2 511	—
M Morutlwa ⁵	1 220	—	1 220	—
K Pillay	1 341	2 690	4 031	12 455
GS Potgieter ⁶	3 993	13 111	17 104	38 283
S Sibiya	1 522	2 918	4 440	11 142
J Theron	1 964	6 534	8 498	21 656
T Hill ¹	348	629	977	1 255
A Mhembere ²	343	549	892	1 772
Company secretary				
TT Liale	991	3 085	4 076	10 126

¹ (C\$'000).

² (US\$'000).

³ Retired 31 March 2023.

⁴ Appointed as a prescribed officer from 1 June 2023, remuneration disclosed for the full FY2023.

⁵ Sign-on bonus paid in June 2023.

⁶ Retired 31 July 2022, subsequent contract ended 31 July 2023.

Annexures to the consolidated financial statements
for the year ended 30 June 2023

ANNEXURE C continued

Directors' remuneration and key management compensation continued

Non-executive directors' fees in aggregate for the year

	Board R'000	Audit and risk committee R'000	Health, safety and environ- ment committee R'000	Nomina- tions, govern- ance and ethics committee R'000	Social, trans- formation and remu- neration committee R'000	Strategy and invest- ment committee R'000	Total ad hoc meetings R'000	Total 2023 R'000	Total 2022 R'000
NDB Orley	3 131	—	—	—	—	—	—	3 131	2 954
PW Davey	503	183	—	151	—	151	113	1 101	1 529
D Earp	671	514	—	201	—	201	91	1 678	1 644
R Havenstein	671	244	359	—	—	172	185	1 631	1 229
BT Koshane	671	—	201	—	201	—	93	1 166	1 079
AS Macfarlane	190	—	115	—	57	—	70	432	1 316
B Mawasha	564	—	173	—	173	—	116	1 026	—
MJ Moshe	671	210	—	—	—	173	23	1 077	—
FS Mufamadi ¹	671	—	—	201	—	—	—	872	867
MEK Nkeli	671	—	201	201	406	—	163	1 642	1 410
PE Speckmann	671	244	—	—	201	—	91	1 207	1 207
ZB Swanepoel ²	1 171	—	128	—	100	258	23	1 680	1 448

¹ FS Mufamadi is a non-executive director and chairman of the Zimplats board and received additional board fees of US\$91 620 (2022: US\$88 100) during the current year.

² ZB Swanepoel is a non-executive director of both the Impala Canada board and the Zimplats board and the chairman of the Zimplats safety, health, environmental and community committee and received additional board fees of C\$44 500 (2022: C\$44 500) and US\$66 150 (2022: US\$63 600) respectively during the current year.

Non-executive directors' fees for ad hoc meetings held during the year

	Board R'000	Health, safety and environ- ment committee R'000	Nomina- tions, govern- ance and ethics committee R'000	Social, trans- formation and remu- neration committee R'000	Other R'000	Total ad hoc meetings R'000	Total ad hoc meetings 2022 R'000
PW Davey	23	—	—	—	90	113	286
D Earp	23	—	23	—	45	91	220
R Havenstein	23	140	—	—	22	185	176
BT Koshane	—	70	—	23	—	93	66
AS Macfarlane	—	47	—	—	23	70	110
B Mawasha	23	70	—	23	—	116	—
MJ Moshe	23	—	—	—	—	23	—
FS Mufamadi	—	—	—	—	—	—	44
MEK Nkeli	23	70	23	47	—	163	88
PE Speckmann	23	—	—	23	45	91	154
ZB Swanepoel	—	23	—	—	—	23	242

Annexures to the consolidated financial statements

for the year ended 30 June 2023

ANNEXURE C continued

Directors' remuneration and key management compensation continued

The following table reflects the status of shares and unexercised options held by executive directors, prescribed officers and other senior executives and the gains made by them as a result of past awards during the year ended 30 June 2023:

	Balance at 30 June 2022	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year ¹	Date exercised	Balance at 30 June 2023	Allocation price R	First vesting date
Directors									
N Muller									
LTIP BSP	80 844	28 426	3 Oct 2022	–	50 808	5 Oct 2022	58 462		
							30 036	–	1 Oct 2023
							14 213	–	3 Oct 2023
							14 213	–	3 Oct 2024
LTIP PSP	192 632	56 427	3 Oct 2022	–	83 385	5 Oct 2022	165 674		
							56 878	–	1 Oct 2023
							52 369	–	1 Oct 2024
							56 427	–	3 Oct 2025
Matching shares	17 319	–	–	–	–	–	17 319		
							17 319	–	
M Kerber									
LTIP BSP	32 585	14 544	3 Oct 2022	–	20 179	5 Oct 2022	26 950		
							12 406	–	1 Oct 2023
							7 272	–	3 Oct 2023
							7 272	–	3 Oct 2024
LTIP PSP	77 195	27 444	3 Oct 2022	–	28 678	5 Oct 2022	75 961		
							23 153	–	1 Oct 2023
							25 364	–	1 Oct 2024
							27 444	–	3 Oct 2025
Special share award	32 560	–	–	–	16 280	2 Mar 2023	16 280		
							16 280	–	31 Dec 2023
Matching shares	6 567	781	6 Mar 2023	–	–	–	7 348		
							7 348	–	
LN Samuel									
LTIP BSP	31 323	11 370	3 Oct 2022	–	19 636	5 Oct 2022	23 057		
							11 687	–	1 Oct 2023
							5 685	–	3 Oct 2023
							5 685	–	3 Oct 2024
LTIP PSP	75 024	22 236	3 Oct 2022	–	32 333	5 Oct 2022	64 927		
							22 131	–	1 Oct 2023
							20 560	–	1 Oct 2024
							22 236	–	3 Oct 2025
Matching shares	4 380	–	–	–	–	–	4 380		
							4 380	–	

¹ For associated gains, refer to table on page 99.

Annexures to the consolidated financial statements

for the year ended 30 June 2023

ANNEXURE C continued

Directors' remuneration and key management compensation continued

	Balance at 30 June 2022	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year ¹	Date exercised	Balance at 30 June 2023	Allocation price R	First vesting date
Company secretary									
TT Liale									
LTIP BSP	10 690	4 026	3 Oct 2022	–	6 644	5 Oct 2022	8 072		
							4 046	–	1 Oct 2023
							2 013	–	3 Oct 2023
							2 013	–	3 Oct 2024
LTIP PSP	26 082	8 066	3 Oct 2022	–	11 011	5 Oct 2022	23 137		
							7 790	–	1 Oct 2023
							7 281	–	1 Oct 2024
							8 066	–	3 Oct 2025
Prescribed officers									
J Andrews²									
LTIP BSP	21 098	7 558	3 Oct 2022	6 683	21 973		–		
					13 266	5 Oct 2022	–	–	
					8 707	15 May 2023	–	–	
LTIP PSP	49 906	14 732	3 Oct 2022	21 563	21 530	5 Oct 2022	21 545		
							12 257	–	1 Mar 2023
							6 833	–	1 Mar 2023
							2 455	–	1 Mar 2023
Matching shares	6 753	–	–	1 970	4 783	18 May 2023	–		
							–		
M Munroe									
LTIP BSP	39 062	12 492	3 Oct 2022	–	24 399	5 Oct 2022	27 155		
							14 663	–	1 Oct 2023
							6 246	–	3 Oct 2023
							6 246	–	3 Oct 2024
LTIP PSP	91 498	28 937	3 Oct 2022	–	38 084	5 Oct 2022	82 351		
							26 558	–	1 Oct 2023
							26 856	–	1 Oct 2024
							28 937	–	3 Oct 2025
Matching shares	6 953	787	6 Mar 2023	–	–	–	7 740		
							7 740		
M Motlhageng³									
LTIP BSP	1 083	9 809	3 Oct 2022	–	541	5 Oct 2022	10 351		
							542	–	1 Oct 2023
							4 904	–	3 Oct 2023
							4 905	–	3 Oct 2024
LTIP PSP	14 889	12 240	3 Oct 2022	–	–	–	27 129		
							3 663	–	2 Jun 2024
							11 226	–	1 Oct 2024
							12 240	–	3 Oct 2025

¹ For associated gains, refer to table on page 99.

² Retired 31 March 2023.

³ Appointed 1 June 2023.

Annexures to the consolidated financial statements

for the year ended 30 June 2023

ANNEXURE C continued

Directors' remuneration and key management compensation continued

	Balance at 30 June 2022	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year ¹	Date exercised	Balance at 30 June 2023	Allocation price R	First vesting date
Prescribed officers									
continued									
K Pillay									
LTIP SAR	42 934	–	–	–	–	–	42 934		
							42 934	80.97	5 Jun 2021
LTIP BSP	15 146	5 448	3 Oct 2022	–	9 440	3 Oct 2022	11 154		
							5 706	–	1 Oct 2023
							2 724	–	3 Oct 2023
							2 724	–	3 Oct 2024
LTIP PSP	36 518	11 226	3 Oct 2022	–	15 394	5 Oct 2022	32 350		
							10 895	–	1 Oct 2023
							10 229	–	1 Oct 2024
							11 226	–	3 Oct 2025
Matching shares	3 310	459	6 Mar 2023	–	–	–	3 769		
							3 769	–	
GS Potgieter²									
LTIP BSP	45 273	–	–	–	28 304	5 Oct 2022	16 969		
							16 969	–	31 Jul 2023
LTIP PSP	107 926	31 612	3 Oct 2022	–	46 730	5 Oct 2022	92 808		
							31 869	–	31 Jul 2023
							29 327	–	31 Jul 2023
							31 612	–	31 Jul 2023
Matching shares	7 592	–	–	–	–	–	7 592		
							7 592	–	
S Sibiya									
LTIP BSP	12 612	6 181	3 Oct 2022	–	8 240	5 Oct 2022	10 553		
							4 372	–	1 Oct 2023
							3 090	–	3 Oct 2023
							3 091	–	3 Oct 2024
LTIP PSP	37 859	11 697	3 Oct 2022	–	15 529	5 Oct 2022	34 027		
							11 576	–	1 Oct 2023
							10 754	–	1 Oct 2024
							11 697	–	3 Oct 2025
Matching shares	3 197	795	6 Mar 2023	–	–	–	3 992		
							3 992	–	

¹ For associated gains, refer to table on page 99.

² Retired 31 July 2022, subsequent contract ended 31 July 2023.

Annexures to the consolidated financial statements
for the year ended 30 June 2023

ANNEXURE C continued

Directors' remuneration and key management compensation continued

	Balance at 30 June 2022	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year ¹	Date exercised	Balance at 30 June 2023	Allocation price R	First vesting date
Prescribed officers									
continued									
J Theron									
LTIP BSP	22 479	7 978	3 Oct 2022	–	14 034	5 Oct 2022	16 423		
							8 445	–	1 Oct 2023
							3 989	–	3 Oct 2023
							3 989	–	3 Oct 2024
LTIP PSP	54 467	16 146	3 Oct 2022	–	23 362	5 Oct 2022	47 251		
							16 125	–	1 Oct 2023
							14 980	–	1 Oct 2024
							16 146	–	3 Oct 2025
Matching shares	7 328	–	–	–	–	–	7 328		
							7 328	–	
T Hill									
LTIP BSP	54 626	17 500	3 Oct 2022	–	30 508	6 Oct 2022	41 618		
							24 118	–	1 Oct 2023
							8 750	–	3 Oct 2023
							8 750	–	3 Oct 2024
LTIP PSP	60 671	22 614	3 Oct 2022	–	17 406	29 Mar 2023	65 879		
							23 088	–	1 Oct 2023
							20 177	–	1 Oct 2024
							22 614	–	3 Oct 2025
Matching shares	–	8 006	9 Mar 2023	–	–	–	8 006		
							8 006	–	
A Mhembere									
LTIP SAR	145 452	–	–	–	–	–	145 452		
							145 452	36.75	21 Nov 2020
LTIP BSP	49 648	22 013	3 Oct 2022	–	32 519	6 Oct 2022	39 142		
							17 129	–	1 Oct 2023
							11 006	–	3 Oct 2023
							11 007	–	3 Oct 2024
LTIP PSP	116 281	36 257	3 Oct 2022	–	45 267	5 Oct 2022	107 271		
							39 012	–	1 Oct 2023
							32 002	–	1 Oct 2024
							36 257	–	3 Oct 2025
Matching shares	7 378	1 748	6 Mar 2023	–	–	–	9 126		
							9 126	–	

¹ For associated gains, refer to table on page 99.

Annexures to the consolidated financial statements

for the year ended 30 June 2023

ANNEXURE D

Share-based compensation

Equity-settled share-based compensation

Equity schemes include the bonus share plan (BSP), performance share plan (PSP) as well as matching share plan (MSP), together referred to as the long-term incentive plan 2018 (LTIP 2018).

The LTIP 2018 share options are full-value shares. The contractual life of the BSP ends on the vesting date. The PSP have an additional life of three years after vesting.

Refer to the cash-settled share-based compensation section on page 107 for the cash-settled awards related to these schemes and annexure C for detailed disclosure on share-based payment rights held by key management personnel (directors and senior executive management).

Long-term incentive plan 2018 (LTIP 2018)

Performance share plan (PSP)

The performance shares are Implats shares purchased by the Group, awarded free of charge to designated participants, at a vesting period determined at the discretion of the remuneration committee. On the date of award, participants are only granted conditional rights to acquire these shares at a future date and are not entitled to any shareholder rights prior to vesting date. For the shares to vest, participants must remain employed by a company in the Implats Group and are subject to the satisfaction of the performance conditions measured over the performance period.

Bonus share plan (BSP)

The bonus share award comprises fully paid shares awarded free of charge to participants at the end of a two-year vesting period. Fifty percent of the awarded shares vest one year after date of the award, and the remaining 50% at the end of two years after the award date. At the date of award, participants are only granted conditional rights to receive these shares at a future date and are entitled to shareholder rights prior to vesting date. For the shares to vest, participants are primarily required to remain employed by a company in the Implats Group.

Matching share plan (MSP)

The matching share award comprises fully paid shares awarded free of charge to participants who accumulated the required minimum shareholding requirements during a period of six years. Matching shares will be awarded based on one share for every three shares held by participants in terms of the minimum shareholding requirements.

The fair value of the LTIP 2018 awards was valued using the share price on valuation date, and market-related performance conditions for the PSP. The weighted average option value and the weighted average share price on valuation date were R170.79 (2022: R166.19) and R244.43 (2022: R173.25) for the BSP and PSP respectively. There were 59 468 (2022: 66 492) MSP share awards with an average option value of R183.33 (2022: R181.99) at the end of the current financial year.

	2023		2022	
	BSP 000	PSP 000	BSP 000	PSP 000
Movement in the number of share options outstanding was as follows:				
Beginning of the year	3 100	1 692	2 343	3 135
Granted	1 580	785	2 630	561
Forfeited	(213)	(81)	(163)	(70)
Exercised	(1 875)	(726)	(1 710)	(1 934)
End of the year	2 592	1 670	3 100	1 692
Exercisable	—	—	—	—
Not yet exercisable	2 592	1 670	3 100	1 692

Annexures to the consolidated financial statements for the year ended 30 June 2023

ANNEXURE D continued

Share-based compensation continued

Equity-settled share-based compensation continued

Share options outstanding at the end of the year have the following vesting terms:

Number of share options	2023		2022	
	BSP 000	PSP 000	BSP 000	PSP 000
Vesting year				
2023	—	—	1 802	678
2024	1 866	537	1 298	510
2025	726	518	—	504
2026	—	615	—	—
Total options	2 592	1 670	3 100	1 692

Cash-settled share-based compensation

The Group issues cash-settled share-based payments to employees of the Zimbabwean and Canadian operations. Cash-settled share-based payments are valued on reporting date and recognised over the vesting period.

The Long-term Incentive Plan 2018 (LTIP 2018), comprises a bonus share plan (BSP) and a performance share plan (PSP). Both the BSP and the PSP schemes consist of shares with a nil exercise price.

The cash-settled share-based compensation is made up as follows:

	2023 Rm	2022 Rm
Summary		
Long-term incentive plan 2018 – BSP	84	102
Long-term incentive plan 2018 – PSP	45	68
Other incentive plans	45	105
	174	275
Beginning of the year	275	604
Charge to the income statement	10	(96)
Payments	(146)	(278)
Exchange differences	35	45
End of the year	174	275
Current	140	214
Non-current	34	61

Annexures to the consolidated financial statements

for the year ended 30 June 2023

ANNEXURE D continued

Share-based compensation continued

Cash-settled share-based compensation continued

Long-term incentive plan 2018

The fair value of the cash-settled share-based payments was valued using the share price of R125.32 (2022: R181.14) at valuation date and the related performance conditions attached to the PSP. The weighted average option value at valuation date was R125.32 and R198.50 (2022: R181.14 and R235.69) for the BSP and PSP respectively.

	2023		2022	
	BSP 000	PSP 000	BSP 000	PSP 000
Summary				
Movement in the number of share options outstanding:				
Beginning of the year	910	630	764	914
Granted	722	45	712	220
Exercised	(564)	(212)	(527)	(485)
Forfeited	(37)	(16)	(39)	(19)
End of the year	1 031	447	910	630
Exercisable	—	—	—	—
Not yet exercisable	1 031	447	910	630

Bonus Share Plan (BSP)

The bonus share plan represents derivative financial instruments that are referenced to shares of Implats, the cash equivalent of which is awarded free of charge to participants. 50% of the awarded instruments vest one year after the award and the remaining 50% at the end of two years after the award date. At the date of award, participants are only granted conditional rights to receive these instruments at a future date and are not entitled to any shareholder rights prior to vesting date. For the instruments to vest, participants are required to remain employed by a company in the Implats Group.

Performance Share Plan (PSP)

The performance share plan represents derivative financial instruments that are referenced to shares of Implats, the cash equivalent of which is awarded free of charge to designated participants, at a vesting period determined at the discretion of the remuneration committee. On the date of award, participants are only granted conditional rights to receive these instruments at a future date and are not entitled to any shareholder rights prior to vesting date. For the instruments to vest, participants must remain employed by a company in the Implats Group, subject to the satisfaction of the performance condition measured over the performance period.

Other incentive plans

Long-term incentive plan (LTIP 2012)

Allocations of the SAR and CSP awards under this scheme ceased in 2018 and lapse in 2024. The fair value of the SAR awards was calculated using the intrinsic value for vested options, while full value shares are valued using the share price on valuation date, adjusted for the present value of expected dividends during the vesting period as well as market performance conditions. There were 502 000 (2022: 652 000) SARs exercisable at year-end with a weighted average option value of R88.57 (2022: R141.14). The share price on valuation date was R125.32 (2022: R181.14).

Annexures to the consolidated financial statements

for the year ended 30 June 2023

ANNEXURE D continued

Share-based compensation continued

Cash-settled share-based compensation – RBPlat

RBPlat issues cash-settled share-based payments that are referenced to RBPlat shares to its employees. The compensation plans comprise the RBPlat bonus share plan (RBPlat – BSP), the RBPlat performance share plan (RBPlat – PSP) and the RBPlat share appreciation rights (RBPlat – SAR).

The RBPlat cash-settled share-based compensation is made up as follows:

	2023 Rm
Summary	
RBPlat – BSP	127
RBPlat – PSP	145
RBPlat – SAR	250
	522
Beginning of the year	–
Acquired through the acquisition of RBPlat	482
Charge to the income statement	75
Payments	(35)
End of the year	522
Current	384
Non-current	138

	RBPlat – BSP 000	RBPlat – PSP 000	RBPlat – SAR 000
2023			
Summary			
Movement in the number of share options outstanding:			
Beginning of the year	–	–	–
Acquired through the acquisition of RBPlat	1 912	2 605	4 245
Exercised	–	–	(320)
End of the year	1 912	2 605	3 925
Exercisable	–	248	1
Not yet exercisable	1 912	2 357	3 924

RBPlat share options outstanding at the end of the year have the following vesting terms:

	RBPlat – BSP 000	RBPlat – PSP 000	RBPlat – SAR 000
2023			
Vesting year			
2023	–	–	1 202
2024	1 615	818	1 252
2025	297	593	792
2026	–	510	407
2027	–	292	221
2028	–	144	50
Total options	1 912	2 357	3 924

Annexures to the consolidated financial statements

for the year ended 30 June 2023

ANNEXURE D continued

Share-based compensation continued

Cash-settled share-based compensation – RBPlat continued

The fair value of the RBPlat cash-settled share-based payments was valued using the share price of R124.87 at valuation date and the related performance conditions attached to the RBPlat – PSP. The weighted average option value at valuation date was R121.21 and R115.88 for the RBPlat – BSP and RBPlat – PSP respectively. The fair value of the RBPlat – SAR was valued using the binomial option pricing model for non-vested shares. The weighted average option value for the RBPlat – SAR was R74.61 at valuation date.

The average inputs for determining the fair value of the RBPlat – SAR were as follows:

2023	RBPlat – SAR
Weighted average exercise price (ZAR)	147
Volatility (%)	40 to 57
Dividend yield (%)	6.4
Risk-free interest rate (%)	9 to 10

RBPlat bonus share plan (RBPlat – BSP)

The RBPlat – BSP represents derivative financial instruments that are referenced to RBPlat shares. The RBPlat – BSP participants are awarded based on an equivalent of the number of RBPlat shares, which constitute a specified percentage of the participant's annual cash bonus. For the instruments to vest, participants are required to remain employed by RBPlat over a three-year period.

RBPlat performance share plan (RBPlat – PSP)

The RBPlat – PSP granted to participants is linked to the future performance of RBPlat as compared to its peers, by utilising total shareholder return as a measure of performance. The awards under this scheme vest in equal tranches on the third, fourth and fifth anniversary of the award. The proportion of awards that vest is based on RBPlat's performance on the third anniversary. For the instruments to vest, participants are required to remain employed by RBPlat over the three-year period.

RBPlat share appreciation rights (RBPlat – SAR)

The RBPlat – SAR is granted to participants on the day of commencement of employment at RBPlat. These awards vest from years three to five from the year that they were granted, in three equal tranches. The awards lapse on the tenth anniversary of the award.

Refer to annexure C for the details on share-based payment rights held by key management personnel (directors and senior executive management).

Company statement of profit or loss and other comprehensive income

for the year ended 30 June 2023

	Notes	2023 Rm	2022 Rm
Revenue	2	31 131	13 198
Impairment of investments in subsidiaries	7	(5 885)	—
Finance costs		(1 682)	(217)
Other income	3	301	127
Other expenses	4	(654)	(229)
Profit before tax		23 211	12 879
Income tax expense	5	(148)	(233)
Profit for the year		23 063	12 646
Other comprehensive income comprising items that may not be subsequently reclassified to profit or loss:			
Financial assets at fair value through other comprehensive income		135	33
Total other comprehensive income		135	33
Total comprehensive income		23 198	12 679

The notes on pages 114 to 124 are an integral part of these financial statements.

Company statement of financial position

as at 30 June 2023

	Notes	2023 Rm	2022 Rm
ASSETS			
Non-current assets			
Investments in associates and joint ventures	6	1 244	17 530
Investments in subsidiaries	7	34 409	5 004
Loans to subsidiaries	7	4 346	4 881
Other financial assets	8	551	371
		40 550	27 786
Current assets			
Trade and other receivables		9	6
Loan to subsidiaries	7	140	11 541
Other financial assets	8	—	1 052
Current tax receivable		137	27
Prepayments		4	17
Cash and cash equivalents	9	15 061	18 328
		15 351	30 971
Total assets		55 901	58 757
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	10	26 522	23 891
Retained earnings		15 910	5 377
Other components of equity		207	72
Total equity		42 639	29 340
LIABILITIES			
Non-current liabilities			
Deferred tax	11	217	130
		217	130
Current liabilities			
Trade and other payables		465	79
Current tax payable		—	23
Borrowings	12	12 580	29 185
		13 045	29 287
Total liabilities		13 262	29 417
Total equity and liabilities		55 901	58 757

The notes on pages 114 to 124 are an integral part of these financial statements.

Company statement of changes in equity

for the year ended 30 June 2023

	Share capital Rm	Retained earnings Rm	Other components of equity Rm	Total equity Rm
Balance at 30 June 2021	21 811	2 526	39	24 376
Conversion of ZAR convertible bonds (net of tax) (notes 10 and 12)	1	—	—	1
Shares issued	6 544	—	—	6 544
Transfer of reserves	(4 465)	4 465	—	—
Total comprehensive income	—	12 646	33	12 679
Profit for the year	—	12 646	—	12 646
Other comprehensive income	—	—	33	33
Dividends paid	—	(14 260)	—	(14 260)
Balance at 30 June 2022	23 891	5 377	72	29 340
Shares issued	2 631	—	—	2 631
Total comprehensive income	—	23 063	135	23 198
Profit for the year	—	23 063	—	23 063
Other comprehensive income	—	—	135	135
Dividends paid	—	(12 530)	—	(12 530)
Balance at 30 June 2023	26 522	15 910	207	42 639

The notes on pages 114 to 124 are an integral part of these financial statements.

Company statement of cash flows

for the year ended 30 June 2023

	Notes	2023 Rm	2022 Rm
Cash flows from operating activities			
Cash used in operations	14	(347)	(370)
Dividends received	2	29 375	12 311
Finance income received		1 659	761
Finance costs paid		(1 673)	(231)
Income tax paid		(194)	(122)
Net cash inflow from operating activities		28 820	12 349
Cash flows from investing activities			
Acquisition of interest in RBPlat		(4 864)	(9 938)
Loans to subsidiaries		(8)	(21)
Loan repayments from subsidiaries		1 040	1 967
Investment in environmental rehabilitation investments		(46)	—
Acquisition of interest in AP Ventures		(197)	(208)
Proceeds from the disposal of short-term investments		1 123	—
Net cash outflow from investing activities		(2 952)	(8 200)
Cash flows from financing activities			
Proceeds from borrowings		178	14 171
Repayments of borrowings		(16 783)	(2 970)
Dividends paid		(12 530)	(14 260)
Net cash outflow from financing activities		(29 135)	(3 059)
Net (decrease)/increase in cash and cash equivalents		(3 267)	1 090
Cash and cash equivalents at the beginning of the year		18 328	17 238
Cash and cash equivalents at the end of the year	9	15 061	18 328

The notes on pages 114 to 124 are an integral part of these financial statements.

Notes to the Company financial statements

for the year ended 30 June 2023

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The basis of preparation and principal accounting policies are disclosed on pages 21 to 23. The accounting policies are aligned with the consolidated financial statements and are disclosed within each relevant note within the consolidated financial statements. Where accounting policies are different or additional to that as disclosed in the consolidated financial statements, it was disclosed within the notes to the Company financial statements.

AP

Subsidiaries, associated undertakings and joint ventures (notes 6 and 7)

Subsidiaries, associated undertakings and joint ventures are accounted for at cost less any impairment provision in the Company financial statements.

2. REVENUE

	2023 Rm	2022 Rm
Dividends received	29 375	12 311
Interest received – cash and cash equivalents	1 501	692
Interest received – loans to subsidiaries	233	175
Management fee	22	20
	31 131	13 198

The Company's main sources of revenue are further disaggregated as follows:

	2023 Rm	2022 Rm
Dividends received		
Impala Holdings Limited	22 224	5 664
Marula Platinum Proprietary Limited	2 130	1 945
Impala Platinum B.V.	1 781	1 371
Impala Platinum Zimbabwe Proprietary Limited	1 657	1 276
Royal Bafokeng Platinum Limited	902	551
Two Rivers Platinum Proprietary Limited	414	1 060
Mimosa Investments Limited	209	438
Other	58	6
	29 375	12 311
Finance income		
Impala Canada Limited	231	118
Marula Platinum Proprietary Limited	–	54
Impala Chrome Proprietary Limited	2	3
	233	175

AP

Revenue

Revenue of the Company mainly comprises dividend income and finance income. Dividend income is recognised when the shareholders' right to receive payment is established. Interest income is recognised on a time-proportion basis using the effective-interest method.

Notes to the Company financial statements

for the year ended 30 June 2023

3. OTHER INCOME

	2023 Rm	2022 Rm
Net foreign exchange transaction gains	301	110
Other	—	17
	301	127

4. OTHER EXPENSES

	2023 Rm	2022 Rm
Acquisition-related costs – RBPlat	406	97
Corporate costs	62	66
Service fee	26	22
Fair value loss on foreign exchange forward contract	85	—
Impairment of intercompany loans	5	20
Other	70	24
	654	229

5. INCOME TAX EXPENSE

	2023 Rm	2022 Rm
Current tax		
South African current tax	16	151
Prior year adjustment	22	(9)
Deferred tax		
Temporary differences	89	84
Prior year adjustment	(2)	—
Change in tax rate	—	(5)
Withholding tax	23	12
Total income tax expense	148	233
The tax of the Company's profit differs as follows from the theoretical charge that would arise using the basic tax rate of 27% (2022: 28%) for South African companies:		
Normal tax for companies on profit before tax	6 267	3 606
Adjusted for:		
Disallowable expenditure	202	84
Exempt dividend income	(7 931)	(3 447)
Prior year adjustment	20	(9)
Change in tax rate	—	(5)
Deferred tax not recognised (impairment and other)	1 589	—
Taxable capital gain	1	4
Income tax expense	148	233
Effective tax rate (%)	0.6	1.8

6. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	2023 Rm	2022 Rm
Associates		
Two Rivers (note 13 of the consolidated annual financial statements)	202	202
Makgomo Chrome (note 13 of the consolidated annual financial statements)	61	61
RBPlat (note 13 of the consolidated annual financial statements) ¹	—	16 483
Joint ventures		
Mimosa (note 13 of the consolidated annual financial statements)	376	376
AP Ventures (note 13 of the consolidated annual financial statements)	605	408
Total investments in associates and joint ventures	1 244	17 530

¹ On 30 May 2023, the Company acquired control through the acquisition of 9.2%, representing 26 601 654 shares in RBPlat, increasing its equity interest from 46.2% to 55.4% and as a result the investment was transferred to investments in subsidiary (note 7).

Notes to the Company financial statements
for the year ended 30 June 2023

7. INVESTMENTS IN SUBSIDIARIES

Company and description	Issued share capital	% interest		Carrying amount			
				Investment		Loans ³	
		2023 %	2022 %	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Impala Holdings Limited (Investment holding company)	R11 302	100	100	11 302	—	44	11 346
Impala Platinum Limited (Mines, refines and markets PGMs)	¹	100	100	—	—	—	—
Impala Platinum Investments Proprietary Limited	¹	100	100	—	—	—	—
Impala Platinum Properties (Rustenburg) Proprietary Limited	¹	100	100	—	—	—	—
Impala Platinum Properties (Johannesburg) Proprietary Limited (Owns properties)	¹	100	100	—	—	—	—
Employee Share Ownership Trust		—	—	—	—	821	1 080
Afplats Proprietary Limited (Owns mineral rights)	¹	74	74	—	—	—	—
Imbasa Platinum Proprietary Limited (Owns mineral rights)	¹	60	60	—	—	—	—
Inkosi Platinum Proprietary Limited (Owns mineral rights)	¹	49	49	—	—	—	—
Gazelle Platinum Limited (Investment holding company)	¹	100	100	—	—	—	—
Impala Platinum Japan Limited ⁴ (Marketing representative)	¥10m	100	100	2	2	—	—
Impala Platinum Zimbabwe Proprietary Limited (Investment holding company)	¹	100	100	73	73	—	—
Impala Platinum B.V. ⁵ (Investment holding company)	€0.02m	100	100	900	900	3	—
Zimplats Holdings Limited ^{2,6} (Investment holding company)	US\$10.8m	87	87	—	—	—	—
Zimbabwe Platinum Mines (Pvt) Limited ⁷ (Owns mineral rights and mines PGMs)	US\$30.0m	87	87	—	—	—	—
Marula Platinum Proprietary Limited (Owns mineral rights and mines PGMs)	R1 032	73	73	1 363	1 363	93	161
Impala Chrome Proprietary Limited (Processes tailings and chrome and produces chrome concentrate)	¹	65	65	32	32	—	34
Royal Bafokeng Platinum Limited (Owns mineral rights and mines PGMs)	R12 522	56	—	20 451	—	—	—
Impala Canada Limited ⁸ (Owns mineral rights and mines PGMs)	C\$239m	100	100	286	2 634	3 525	3 801
Total				34 409	5 004	4 486	16 422
Total investments at cost						38 895	21 426

All subsidiaries were incorporated in South Africa unless otherwise indicated.

¹ Share capital less than R50 000.

² Listed on the Australian Securities Exchange.

³ Refer to note 7.1 for the terms of repayment.

⁴ Incorporated in Japan.

⁵ Incorporated in the Netherlands.

⁶ Incorporated in Guernsey.

⁷ Incorporated in Zimbabwe.

⁸ Incorporated in Canada.

Notes to the Company financial statements

for the year ended 30 June 2023

7. INVESTMENTS IN SUBSIDIARIES continued

	2023 Rm
Impairment of investments in subsidiaries was made up as follows:	
Impairment – RBPlat	3 537
Impairment – Impala Canada	2 348
	5 885

Impairment – RBPlat

The investment in RBPlat of R23 988 million was impaired by an amount of R3 537 million to its recoverable amount of R20 451 million. The recoverable amount was determined using the RBPlat closing share price as at 30 June 2023 of R124.87 and the number of shares held in RBPlat at that date, being 163 776 692. The fair value less costs to sell valuation of the investment in RBPlat was categorised as a level 1 valuation of the fair value hierarchy.

Impairment – Impala Canada

The investment in Impala Canada of R2 634 million was impaired by an amount of R2 348 million to its recoverable amount of R286 million. The recoverable amount was determined using the net asset value of the Impala Canada cash-generating unit at 30 June 2023. The fair value less cost to sell valuation of the investment in Impala Canada was categorised as a level 3 valuation within the fair value hierarchy. Refer to note 10 of the consolidated annual financial statements for more information on the impairment.

	Notes	2023 Rm	2022 Rm
7.1 Loans to subsidiaries			
Intra-group loan – Impala Canada Limited	7.1.1	3 525	3 801
Intra-group loan – Impala Chrome Proprietary Limited	7.1.2	–	34
Intra-group loan – Impala Employee Share Ownership Trust	7.1.3	821	1 080
Other subsidiaries	7.1.4	140	11 507
		4 486	16 422
Current		140	11 541
Non-current		4 346	4 881

7.1.1 Intra-group loan – Impala Canada Limited

The Company made a loan to Impala Canada to acquire all of the outstanding shares of North American Palladium. The loan carries interest at three-month LIBOR plus 250 basis points, with interest payable quarterly. The capital amount is repayable on demand.

7.1.2 Intra-group loan – Impala Chrome Proprietary Limited

The Company made a loan to Impala Chrome Proprietary Limited. The loan bore interest at the prime interest rate plus 200 basis points and was repaid during the current period.

7.1.3 Intra-group loan – Impala Employee Share Ownership Trust

The loan is non-interest bearing and is repayable by means of 35% of future dividends received from the investment held in Impala Platinum Limited.

7.1.4 Loans to other subsidiaries

Loans to other subsidiaries are non-interest bearing, have no fixed terms of repayment and are expected to be settled within the near future. During the period, R11 302 million of the intra-group loan with Impala Holdings Limited was capitalised (note 7).

Impairment of financial assets

The impairment policy for financial assets on the IFRS 9 expected credit loss model (ECL), is consistent with that of the Group as disclosed in note 15 of the consolidated annual financial statements.

Loans to subsidiaries

Intra-group loans are measured at amortised cost. They generally do not bear interest and have no repayment terms. The general ECL model is applied to these instruments. All intra-group loans are considered to be low credit risk as they have a low risk of default and the debtor has a strong capacity to meet its contractual cash flow obligations in the near term. The expected credit loss allowance recognised during the period is limited to the probability of default in the next 12 months, on the full carrying amount of the financial asset.

General factors of a significant increase in the credit risk in intra-group loans are a reduced or negative net asset value or a significant decrease on the debtor Company's discounted cash flow valuation. When this is the case, the loan is considered to be credit impaired and is immediately evaluated on the lifetime ECL model, which is the result of all possible default events over the expected life of the financial instrument.

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The write-off policy for intra-group loans is consistent with that of the Group.

Notes to the Company financial statements

for the year ended 30 June 2023

8. OTHER FINANCIAL ASSETS

	Notes	2023 Rm	2022 Rm
Subsequently carried at fair value			
Guardrisk insurance cell captive	8.1	45	5
Investment in Waterberg	8.2	506	366
Short-term investments	8.3	—	1 052
		551	1 423
Current		—	1 052
Non-current		551	371

8.1 Guardrisk insurance cell captive

During the year, a further R46 million was invested in the Guardrisk insurance cell captive. The financial asset was revalued to R45 million (2022: R5 million), recognising a R6 million (2022: R3 million) loss in other comprehensive income.

8.2 Investment in Waterberg

The investment in Waterberg was revalued to R506 million (2022: R366 million), recognising a R140 million (2022: R36 million) income through other comprehensive income.

8.3 Short-term investments

These investments were reinvested in longer-term assets to finance the long-term rehabilitation liabilities of the Group's South African mining operations (refer to note 15.1 of the consolidated annual financial statements). These investments were carried at fair value through profit or loss.

Investments in equity instruments

Implats subsequently measures all equity investments at fair value. The Company elected to present changes in the fair value in other comprehensive income (OCI), due to the Company's business model to hold these assets for value appreciation over the long term as well as collecting contractual cash flows.

For these financial assets there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Financial assets measured at fair value through profit or loss

Financial assets that are not measured at amortised cost or at fair value through other comprehensive income are classified as measured at fair value through profit or loss.

AP

9. CASH AND CASH EQUIVALENTS

	2023 Rm	2022 Rm
Short-term bank deposits	14 888	18 232
Cash at bank	173	96
	15 061	18 328

Refer to note 21 of the consolidated annual financial statements for detailed disclosure relating to cash and cash equivalents.

Notes to the Company financial statements

for the year ended 30 June 2023

10. SHARE CAPITAL

	2023 Rm	2022 Rm
Share capital	26 522	23 891
The movement of ordinary shares was as follows:		
Beginning of the year	850.22	817.26
Shares issued on acquisition of interest in RBPlat ¹	16.18	32.95
Conversion of ZAR convertible bonds	—	0.01
End of the year	866.40	850.22

¹ Refer to notes 13 and 36 of the consolidated annual financial statements.

The authorised share capital of the Company consists of 944.01 million (2022: 944.01 million) ordinary no par value shares. The authorised but unissued share capital is 77.61 million (2022: 93.79 million) ordinary shares and remains under the control of the directors.

During the period an additional 16.18 million shares to the value of R2 631 million were issued for the acquisition of interest in RBPlat.

11. DEFERRED TAX

Deferred tax movements are attributable to the following temporary differences:

	Opening balance Rm	Recognised in profit or loss Rm	Recognised in equity Rm	Change in tax rate Rm	Closing balance Rm
2023					
Fair value of assets and liabilities	130	87	—	—	217
	130	87	—	—	217
2022					
Fair value of assets and liabilities	51	84	—	(5)	130
	51	84	—	(5)	130

12. BORROWINGS

	Notes	2023 Rm	2022 Rm
Intra-group borrowing – Impala Platinum Limited	12.1	11 436	27 439
Intra-group borrowing – Marula Platinum Proprietary Limited	12.1	961	1 716
Intra-group borrowing – Impala Chrome Proprietary Limited	12.1	183	5
Intra-group borrowing – other	12.2	—	26
		12 580	29 186
Current		12 580	29 185
Non-current		—	—
Reconciliation			
Beginning of the year		29 185	17 985
Conversion of bonds to equity		—	(1)
Proceeds		178	14 171
Interest accrued		1 430	2
Interest repayments		(1 430)	(2)
Capital repayments		(16 783)	(2 970)
End of the year		12 580	29 185

Notes to the Company financial statements

for the year ended 30 June 2023

12. BORROWINGS continued

12.1 Intra-group borrowing

The borrowings from these subsidiaries are unsecured and are repayable in 20 years from signature date, or on demand, if their shareholding changes or on an earlier date if agreed upon by both parties. Interest is charged at the Company's investment rate which varied between 4.7% and 8.2%.

12.2 Intra-group borrowing – other

The borrowings from other subsidiaries are interest free, unsecured and have no fixed term of repayment.

Refer note 16 for fair value and financial risk disclosure and note 34.2.4 of the consolidated annual financial statements for additional information of the undrawn committed revolving credit facilities.

13. CONTINGENT LIABILITIES AND GUARANTEES

Contingent liabilities

At year-end, the Company 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.

Guarantees

Guarantees have been issued by various institutions to the below party in respect of the acquisition of RBPlat (consolidated annual financial statements note 36). These guarantees expired at the end of July 2023.

	2023 Rm	2022 Rm
Takeover Regulation Panel (TRP)	11 417	16 830
Total guarantees	11 417	16 830

14. CASH USED IN OPERATIONS

	2023 Rm	2022 Rm
Profit before tax	23 211	12 879
Adjusted for:		
Foreign currency differences	(415)	(373)
Dividends received (note 2)	(29 375)	(12 311)
Impairment of investments in subsidiaries	5 885	—
Acquisition-related costs – RBPlat accrued	250	—
Impairment of intra-group loans	5	20
Fair value loss on short-term investments	6	—
Finance costs	1 682	217
Finance income	(1 734)	(867)
	(485)	(435)
Changes in working capital:		
Decrease in trade and other receivables	11	24
Increase in trade and other payables	127	41
Cash used in operations	(347)	(370)

Notes to the Company financial statements

for the year ended 30 June 2023

15. RELATED PARTY TRANSACTIONS

Associates and joint venture (note 6)

	2023 Rm	2022 Rm
Two Rivers Platinum Proprietary Limited		
Transactions with related party:		
Dividends received	414	1 060
Makgomo Chrome Proprietary Limited		
Transactions with related party:		
Dividends received	51	6
Mimosa Investments Limited		
Transactions with related party:		
Dividends received	209	438
Royal Bafokeng Platinum Limited		
Transactions with related party:		
Dividends received	902	551

Subsidiaries (notes 7 and 12)

	2023 Rm	2022 Rm
Impala Platinum Limited		
Transactions with related party:		
Proceeds from borrowings	—	11 534
Repayment of borrowings	(16 003)	—
Interest accrued	1 268	—
Interest paid	(1 268)	—
Management fee received	22	20
Service fee paid	(26)	(22)
Balances arising from transactions with related party:		
Borrowings	11 436	27 439
Impala Employee Share Ownership Trust (Impala – ESOT)		
Balance arising from transactions with related party:		
Loan	821	1 080
Impala Holdings Limited		
Transactions with related party:		
Dividends received	22 224	5 664
Loan capitalised (note 7)	(11 302)	—
Balances arising from transactions with related party:		
Loan	44	11 346

Notes to the Company financial statements
for the year ended 30 June 2023

15. RELATED PARTY TRANSACTIONS continued
Subsidiaries (notes 7 and 12) continued

	2023 Rm	2022 Rm
Marula Platinum Proprietary Limited		
Transactions with related party:		
Dividends received	2 130	1 945
Loan repayment	(787)	(787)
Repayment of borrowings	(755)	(203)
Interest accrued	154	—
Interest paid	(154)	—
Balances arising from transactions with related party:		
Borrowings	961	1 716
Marula Employee Share Ownership Trust (Marula – ESOT)		
Transactions with related party:		
Interest (paid)/received	(9)	55
Loan repayment	(58)	(53)
Balances arising from transactions with related party:		
Loan	93	161
Impala Platinum Zimbabwe Proprietary Limited		
Transactions with related party:		
Dividends received	1 657	1 276
Impala Platinum B.V.		
Transactions with related party:		
Dividends received	1 781	1 371
Balances arising from transactions with related party:		
Loan	3	—
Borrowings	—	26
Impala Chrome Proprietary Limited		
Transactions with related party:		
Dividend received	8	—
Interest received	2	3
Interest paid	(9)	(3)
Loan granted	—	3
Loan repayment	(34)	—
Proceeds from borrowings	178	—
Repayment of borrowings	—	(115)
Balances arising from transactions with related party:		
Loan	—	34
Borrowings	183	5
Impala Canada Limited		
Transactions with related party:		
Interest received	231	118
Loan repayment	(688)	—
Balances arising from transactions with related party:		
Loan	3 525	3 801

Directors' remuneration and key management compensation

The fixed and variable remuneration as well as the status of shares and unexercised options of the executive directors, prescribed officers, and other senior executives is disclosed in annexure C of the consolidated annual financial statements.

Notes to the Company financial statements

for the year ended 30 June 2023

16. FINANCIAL RISK MANAGEMENT

The Company manages its risk on a Group-wide basis. Refer to note 34 of the consolidated annual financial statements.

16.1 Market risk

Foreign exchange risk

There are no significant concentrations of foreign exchange risk.

Interest rate risk

The Company is exposed to fair value interest rate risk in respect of fixed rate financial assets and liabilities. Movement in interest rates will have an impact on the fair value of these instruments but will not affect profit or loss as these financial assets and liabilities are carried at amortised cost using the effective interest method.

Fixed interest rate exposure

	2023 Rm	2022 Rm
Financial assets		
At amortised cost		
Loans to subsidiaries (note 7.1)	140	12 587
Financial liabilities		
Borrowings (note 12)	—	(29 180)
	140	(16 593)

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

16.2 Credit risk

Credit risk arises from the risk that the financial asset counterparty may default or not meet its obligations timeously. The maximum exposure to the credit risk is represented by the carrying amount of all the financial assets and the maximum amount the Company could have to pay if the guarantees are called on (note 13).

The potential concentration of credit risk could arise in loans to associates, loans to subsidiaries, receivables and prepayments and trade receivables. No financial assets were past due for the current or the comparative period under review. No terms relating to financial assets have been renegotiated resulting in assets not being past due.

Loans to subsidiaries

These loans are unsecured and have no fixed terms of repayment.

Trade and trade receivables

Trade and other receivables consist mainly of guarantee fees receivable from financial institutions with high credit ratings.

16.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Impala Platinum Holdings Limited's cash requirements are met by dividends received, loans from subsidiaries, as well as from its borrowing facilities. For more information on the company's undrawn general banking facilities refer to note 34.2.4 of the consolidated annual financial statements.

Trade and other payables are all due within a 12-month period. Guarantees are further analysed in note 13.

16.4 Cash flow interest rate risk

The Company is not exposed to significant interest-bearing liabilities resulting in cash flow interest rate risk.

Notes to the Company financial statements

for the year ended 30 June 2023

17. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Dividends

The board declared a final cash dividend on 31 August 2023 in respect of the financial year ended 30 June 2023. In terms of the approved dividend policy, a minimum dividend of 30% of free cash flow pre-growth capital should be declared. The board has the discretion to vary this percentage depending on the current and forecast financial performance, as well as market and other factors, including sufficiently capitalising the business to allow the Group to take advantage of future value-accretive growth opportunities.

The dividend of 165 cents per ordinary share or R1 491 million in aggregate is to be paid out of retained earnings, but not recognised as a liability at year-end. The dividend will have no tax consequence for the Company, but will be subject to 20% withholding tax for shareholders who are not exempt from or do not qualify for a reduced rate of withholding tax.

The dividend is payable on Tuesday, 26 September 2023 to shareholders recorded in the register at the close of business, 22 September 2023.

	2023 Rm	2022 Rm
Dividends paid		
Final dividend No 97 for 2022 (2022: No 95 for 2021) of 1 050 cents (2022: 1 200 cents) per ordinary share	8 948	9 807
Interim dividend No 98 for 2023 (2022: No 96 for 2022) of 420 cents (2022: 525 cents) per ordinary share	3 582	4 453
	12 530	14 260

Other events occurring after the reporting period

Other events occurring after the reporting period are disclosed in note 37 of the consolidated annual financial statements.

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