HARMONY

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HARMONY

FINANCIAL REPORT
30 June 2023

MINING WITH PURPOSE

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ABOUT THIS REPORT

This Financial Report 2023 covers the financial year ended 30 June 2023 (FY23) and presents the complete consolidated and company annual financial statements (collectively the annual financial statements) for Harmony Gold Mining Company Limited (Harmony) for the period.

These annual financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and IFRS Interpretations Committee (IFRIC) Interpretations (collectively IFRS), the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the JSE Listing Requirements and the Companies Act of South Africa.

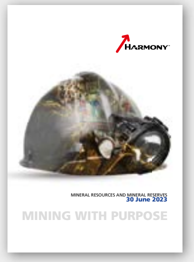
The Harmony board of directors is responsible for the preparation, integrity and fair presentation of these annual financial statements. The directors are also responsible for the maintenance of effective systems of internal control which are based on established organisational structure and procedures. See the Directors' statement of responsibility on page 21. These annual financial statements were audited by PricewaterhouseCoopers Inc – see their report on page 22.

Our 2023 reporting suite

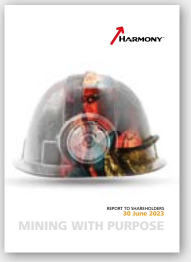
This report is supplemented by and should be read with our full reporting suite, comprising:

Integrated annual report
The report is the primary platform we use to provide our stakeholders with a balanced, holistic and transparent overview of our business model, strategy, performance and value creation.

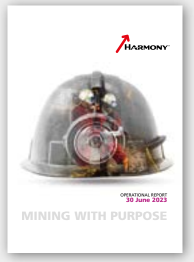
ESG report
This report provides insight into our ESG performance for 2023 and over the past five years, along with our aspirations. It is intended as a useful guide to support analysis and provides information about our shared value.



Mineral Resources and Mineral Reserves
We produce the statement of Harmony's Mineral Resources and Mineral Reserves in accordance with SAMREC and section 12.13 of the JSE Listings Requirements (as updated from time to time).



Report to shareholders
We outline our contributions to key stakeholders and recent developments impacting these relationships in this report. It also includes the summarised consolidated financial statements, notice of annual general meeting (AGM) and proxy form.



Operational report
We provide detailed technical and operational information about our operations in this report.

Form 20-F
This is an annual report filed with the United States Securities and Exchange Commission, in compliance with the listing requirements of the New York Stock Exchange.

Climate-related financial disclosures (TCFD report)
Harmony made a strategic decision to align its annual reporting with international best practice in terms of global climate reporting. We use this report to disclose our TCFD governance, risk management, strategy and metrics and targets.

Scan QR code to download our full suite of 2023 annual reports.

These reports and supporting documents are available at **www.harmony.co.za**.

MINING WITH PURPOSE

Mining with purpose is how we create shared value. It is the golden thread that integrates our purpose with our strategy and business model. Our pursuit of positive impact and shared value beyond compliance is affected by dynamic internal and external factors. We are always guided by our values and our purpose, enabling us to navigate our complex operating environment.

Report navigation

Icons in this report aid navigation and connectivity and include:

- Cross-reference to information elsewhere in the report.
- Information online at **www.harmony.co.za**.
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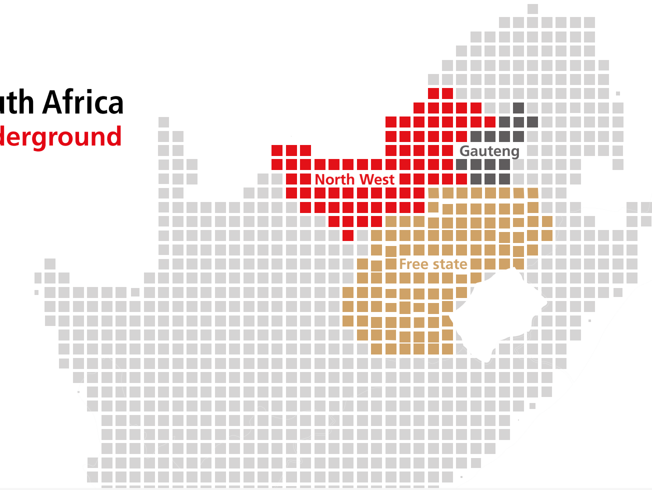
Feedback

We welcome your feedback on these reports. If you have any comments or suggestions on this report, contact our reporting team at: **IARreports@harmony.co.za**.

HARMONY GOLD MINING COMPANY LIMITED
FINANCIAL REPORT 2023

OUR OPERATIONS

South Africa Underground



WORKFORCE
At 30 June 2023 (includes permanent employees and contractors)

PRODUCTION FY23

LOM PER FY24 PLAN

	North West	West Rand[1]		
	Moab Khotsong	**Doornkop**	**Kusasalethu**	**Mponeng**
	6 713	4 358	3 970	5 156
	214 381oz 7.25g/t grade	135 451oz 4.69g/t grade	111 242oz 6.10g/t grade	239 490oz 8.43g/t grade
	21 years[2] 9.5Moz Resources 3.7Moz Reserves	**15 years** 7.2Moz Resources 1.9Moz Reserves	**3 years** 3.5Moz Resources 0.4Moz Reserves	**7 years** 24.0Moz Resources 1.8Moz Reserves


Moab Khotsong

	Free State				
	Tshepong North[3]	**Tshepong South**[3]	**Target 1**	**Joel**	**Masimong**
	3 706	3 386	2 001	2 062	2 064
	107 834oz 4.22g/t grade	110 310oz 6.78g/t grade	40 992oz 3.49g/t grade	62 598oz 4.48g/t grade	63 047oz 4.17g/t grade
	7 years 9.8Moz Resources 0.6Moz Reserves	**7 years** 14.5Moz Resources 0.9Moz Reserves	**6 years** 3.5Moz Resources 0.5Moz Reserves	**7 years** 1.9Moz Resources 0.5Moz Reserves	**2 years** 0.9Moz Resources 0.2Moz Reserves


Target 1

[1] *Border between Gauteng and North West.*
[2] *Includes Zaaiplaats.*
[3] *From FY23, Tshepong Operations has been reported on separately as Tshepong North and Tshepong South.*

South Africa Surface

	Surface	Waste Rock		
	Kalgold	**Free State**	**North West**	**West Rand**
	725	841*	759*	808*
	37 778oz 0.85g/t grade	29 257oz 0.44g/t grade	5 176oz 0.36g/t grade	15 111oz 0.33g/t grade
	9 years 1.8Moz Resources 0.4Moz Reserves	**±1 year** 0.25Moz Resources	**±1 year** 0.04Moz Resources	**±1 year** 0.003Moz Resources


View of Kalgold pit

South Africa Tailings

	North West	Free State		West Rand
	Mine Waste Solutions (MWS)	**Phoenix**	**Central Plant Reclamation (CPR)**	**Savuka**
	2 185	350	265	203
	90 150oz 0.122g/t grade	26 782oz 0.134g/t grade	18 552oz 0.145g/t grade	19 066oz 0.153g/t grade
	16 years 2.5Moz Resources 2.1Moz Reserves	**5 years** 0.4Moz Resources 0.3Moz Reserves	**12 years** 0.4Moz Resources 0.4Moz Reserves	**13 years** 0.4Moz Resources 0.2Moz Reserves


Mine Waste Solutions

* *The numbers for the Free State, North West and West Rand facilities above exclude MWS, Phoenix, CPR, Savuka and Kalgold.*

OUR OPERATIONS *continued*

Papua New Guinea


Hidden Valley

Surface

Hidden Valley

2 189

140 498oz
1.14g/t grade

5 years
2.9Moz Resources
1.3Moz Reserves


Wafi-Golpu Project

Project

Wafi-Golpu

61

27 years
39.4Moz Resources
17.9Moz Reserves

Australia

Eva Community hub

Project

Eva Copper

70

18 years
8.1Moz Resources

FIVE-YEAR SUMMARY

		FY23	FY22	FY21[4]	FY20	FY19
Operating performance						
Ore milled	000t	**52 135**	53 801	49 253	25 429	25 976
Gold produced	kg	**45 651**	46 236	47 755	37 863	44 734
	000oz	**1 468**	1 487	1 535	1 217	1 438
Operating costs	R/kg	**735 634**	701 024	600 592	553 513	439 722
	US$/oz	**1 288**	1 434	1 213	1 099	965
All-in sustaining costs	R/kg	**889 766**	835 891	723 054	651 356	550 005
	US$/oz	**1 558**	1 709	1 460	1 293	1 207
Underground grade	g/t	**5.78**	5.37	5.51	5.45	5.59
Financial performance						
Revenue	Rm	**49 275**	42 645	41 733	29 245	26 912
Production costs	Rm	**34 866**	33 099	29 774	22 048	20 324
Production profit	Rm	**14 409**	9 546	11 959	7 197	6 588
Operating margin	%	**29.2**	22.4	29.0	25.0	24.0
Net profit/(loss) for the year	Rm	**4 883**	(1 012)	5 124	(850)	(2 607)
Total headline earnings/(loss) per share	SA cents	**800**	499	987	(154)	204
Capital expenditure	Rm	**7 640**	6 214	5 142	3 610	5 036
Exploration spend[1]	Rm	**506**	214	177	205	148
Dividend paid	Rm	**136**	414	677	—	—
Net debt	Rm	**(2 828)**	(757)	(542)	(1 361)	(4 922)
Market performance						
Average gold price received	R/kg	**1 032 646**	894 218	851 045	735 569	586 653
	US$/oz	**1 808**	1 829	1 719	1 461	1 287
Total market capitalisation	Rbn	**49.0**	32.0	32.5	43.3	17.1
	US$bn	**2.6**	2.0	2.3	2.5	1.2
Average exchange rate	R/US$	**17.76**	15.21	15.40	15.66	14.18
Reserves						
Gold and gold equivalents	Moz	**39.3**	39.8	42.5	36.5	36.5
Geographical distribution						
– South Africa	%	**51.3**	54.2	58.3	47.7	47.4
– Papua New Guinea	%	**48.7**	45.8	41.7	52.3	52.6
Safety						
Number of loss-of-life incidents		**6**	13	11	6	11
Group FIFR – fatal injury frequency rate	per million hours worked	**0.06**	0.13	0.11	0.08	0.12
Group LTIFR – lost-time injury frequency rate[2]	per million hours worked	**5.49**	5.65	6.18	6.33	6.16
Health (South Africa)						
– Shifts lost due to injury		**25 058**	26 761	28 943	25 205	25 388
– Silicosis cases certified[3]		**62**	184	54	67	58

[1] *As per income statement.*
[2] *FY23 assured by independent assurance providers. Please refer to the assurance report and to the glossary of terms on the website at www.harmony.co.za. The assured indicators include the results of Mponeng for the period 1 October 2020 to 30 June 2021. The Mponeng results were not assured in FY21.*
[3] *The number of cases of pure silicosis confirmed by South Africa's Medical Bureau of Occupational Diseases.*
[4] *On 1 October 2020, Harmony acquired AngloGold Ashanti Limited's remaining South African operations (Mponeng operations and related assets). FY21 therefore only contains nine months of metrics and is not directly comparable to FY22 or FY20.*

		FY23	FY22	FY21	FY20	FY19
People						
Total employees and contractors		**45 546**	47 345	48 112	39 582	39 773
South Africa: Permanent		**33 341**	35 989	36 873	31 502	31 201
South Africa: Contractors		**9 834**	9 013	8 860	5 841	6 159
Papua New Guinea: Permanent		**1 472**	1 527	1 536	1 434	1 675
Papua New Guinea: Contractors		**795**	751	778	748	738
Australia: Permanent		**100**	65	63	54	—
Australia: Contractors		**4**	—	2	3	—
Employment equity (historically disadvantaged South Africans in management)[2]	%	**68**	67	65	64	62
Number of people in single rooms[2, 5]		**7 662**	8 057	8 547	8 008	8 019
Number of people sharing accommodation[2]		**—**	—	—	—	—
Number attending critical skills training[2]		**163**	96	83	81	109
Community						
South Africa – local economic development[2]	Rm	**179**	138	102	150	115
Papua New Guinea – socio-economic investment	Rm	**75**	55	63	64	56
Total group community spend	Rm	**254**	193	165	214	171
South Africa						
Total discretionary spend	Rm	**16 454**	14 265	10 667	7 682	8 470
Preferential procurement (BEE-compliant spend)[2]	Rm	**13 995**	11 213	7 938	5 695	6 340
Preferential procurement spend	%	**85.1**	78.6	74.4	74.1	74.9
Papua New Guinea						
Total procurement spend	Rm	**2 078**	2 324	2 148	2 233	2 072
Procurement expenditure in rest of PNG	Rm	**849**	1 133	851	877	805
Procurement expenditure in Morobe Province	Rm	**611**	583	672	749	753
Procurement expenditure with Landowner companies	Rm	**618**	608	625	607	514
Environment						
Mineral waste (volume disposed)[2]	000t	**79 000**	76 989	71 000	52 100	53 200
Total electricity use (purchased)[2]	000MWh	**4 111**	4 254	4 123	3 171	3 326
CO_2 emissions						
– Scope 1[2]	000t CO_2e	**200**	180	136	126	133
– Scope 2[2]	000t CO_2e	**4 252**	4 568	4 251	3 316	3 193
– Scope 3[2]	000t CO_2e	**1 003**	1 065	871	570	533
Water used for primary activities[2]	000m^3	**29 350**	33 417	30 306	19 692	23 158
Funding/guarantees for rehabilitation and closure	Rm	**7 583**	7 126	6 865	4 416	3 923

[5] *The number of single rooms only represent hostels which are 100% converted.*

To produce safe, profitable ounces and improve margins through operational excellence and value-accretive acquisitions.

Responsible stewardship

- Group LTIFR at 5.49, below 6.00 for the second consecutive financial year as we continue to embed a proactive safety culture
- Decarbonisation through renewable energy with Phase 1 of 30MW renewable solar power now commissioned
- Growing our investment in copper, a future-facing metal, now over 20% of Mineral Resources
- Supporting the circular economy through the retreatment of tailings dams and recycling our water
- SBTi targets agreed
- Completed our five-year social and labour plans for South African operations
- Partner of choice, sharing the benefits with all our stakeholders.

Cash certainty

- ↑ **Revenue** increased by 15.5% to **R49.3 billion** (US$2.8 billion) (2022: R42.6 billion (US$2.8 billion))
- ↑ 107.6% increase in **group operating free cash flow** to R6.0 billion (US$339 million) from R2.9 billion (US$191 million).

Operational excellence

Financial indicators

- ↑ 46.4% increase in **production profit** to **R14.0 billion** (US$787 million) (2022: R9.5 billion (US$628 million))
- ↑ **Average gold price** received increased by 15.4% to **R1 032 646/kg** (US$1 808/oz)
- ↑ Group **all-in sustaining cost** increased by 6.4% to **R889 766/kg** (US$1 558/oz).

Operational indicators

- ↓ 1.3% decrease in **production to 45 651kg** (1 467 715oz) (2022: 46 236kg (1 486 517oz))
- ↑ 7.6% increase in underground recovered grade to 5.78g/t.

Effective capital allocation

- Approved **capital** of **R8.5 billion** (US$526 million) and **spent R7.6 billion** (US$428 million)
- Progressing Eva Copper feasibility study update in Queensland, Australia
- **Total dividend** of 75 SA cents (4.03 US cents) per share declared (2022: 62 SA cents (4.0 US cents))
- Repaid R2.1 billion (US$118 million) in debt to maintain balance sheet flexibility
- **Total dividend yield** of 1.1%[#] (2022: 1.1%).

[#] *As at 25 August 2023.*

Boipelo Lekubo
Financial director

"Strong FY23 financial performance and outstanding earnings growth."

Financial highlights

↑ **15.5%** increase in revenue to **R49 275 million** (US$2 773.7 million) mainly due to the higher rand gold price received resulting in a 13.0% increase in gold revenue to R47 182 million (US$2 655.9 million) (FY22: R41 271 million (US$2 713.4 million))

↑ Production profit of **R13 977 million** (US$786.8 million), a 46.4% increase from the prior year's R9 546 million (US$627.6 million)

↑ Operating free cash flow increased **107.6%** from **R2 905 million** (US$191.0 million) to **R6 031 million** (US$339.5 million)

↑ **60.3%** increase in headline earnings per share from **499 SA cents** (33 US cents) in the prior year to **800 SA cents** (45 US cents) in the current year

↓ Net debt to EBITDA increased from **0.1x** to **0.2x** at 30 June 2023 mainly as a result of increased debt taken on for the Eva Copper acquisition

↑ No interim dividend declared during FY23; final dividend declared of **75 SA cents** (4.03 US cents) per share (FY22: total dividend for the year of 62 SA cents (4.0 US cents))

Strategic changes to the business

Harmony delivered a strong financial performance with outstanding earnings growth for FY23. We continue to consider our capital allocation between sustaining capital to ensure we continue to produce safe, profitable ounces in our current operations, replacing ounces and increasing future production through value-accretive acquisitions and organic growth projects. Harmony's transition from a gold focused portfolio to a low-cost gold-copper mining company continued with further investment through the acquisition of Eva Copper in the current financial year.

Our **CEO**, Peter, delves deeper into these strategic decisions in the **Integrated annual report 2023**.

Financial performance against strategic objectives

The key features of our financial performance in FY23 are unpacked below in terms of our four strategic pillars.

Responsible stewardship

On 16 December 2022 we acquired the Eva Copper Project as part of our transition to a gold-copper mining company. The purchase price of US$170 million (R2 996 million) was paid using available debt facilities. Eva Copper introduces near-term copper to Harmony's production profile as well as potentially adding 10% to 15% in gold and gold equivalents over its 15-year life of mine. Updating of the final feasibility study is underway and we will provide a comprehensive update once complete.

As part of our decarbonisation strategy and reducing our reliance on electricity suppliers, we commissioned phase 1 of our renewables project during FY23. This will generate 70 Gigawatt hours (GWh) of electricity per annum from a 30-Megawatt (MW) farm, with a cost saving of R340 million over 15 years. Phase 2 (137MW), 3 (56MW) and 4 (140MW) are planned for FY25 – FY26, FY26 and FY26 respectively. These projects will be an important step towards our target of net zero by 2045 along with providing significant cost savings in the future.

Read more about our **Climate change, energy and emissions management** in the **ESG report 2023**.

Operational excellence

In spite of challenges accessing high-grade areas at some operations as well as the closure of the Bambanani mine at the end of FY22, we were able to meet our production guidance for FY23. The group's gold production and gold sales decreased marginally from 46 236kg (1 486 517oz) and 46 153kg (1 483 853oz) to 45 651kg (1 467 715oz) and 45 690kg (1 468 966oz) respectively.

Underground grade improved by 7.6% to 5.78g/t (FY22: 5.37g/t) while surface grade (excluding Hidden Valley) stayed consistent year on year at 0.18g/t (FY22: 0.19g/t).

The group's all-in sustaining costs were well managed during a year of high inflationary pressure, increasing by only 6.4% to R889 766/kg (US$1 558/oz), below the guided R900 000/kg.

Cash certainty

Our operating free cash flow increased to R6 031 million (US$339.4 million) from R2 905 million (US$191.0 million), a 107.6% increase, mainly as a result of increased underground recovered grades and the higher gold price received. This drove a 60.5% increase in headline earnings per share from 499 SA cents (33 US cents) in the prior year to 800 SA cents (45 US cents) in the current year.

Even with the purchase of Eva Copper during the current year we maintained a healthy headroom of R7 250 million (US$385.0 million) at year end in the form of cash and undrawn facilities. EBITDA increased by 53.1% from R7 951 million (US$488.7 million) in FY22 to R12 170 million (US$646.3 million) in FY23. Our total net debt to EBITDA increased from 0.1x to 0.2x at 30 June 2023. Our green loan, which will be used to fund the next planned phase of our renewables programme, is still undrawn.

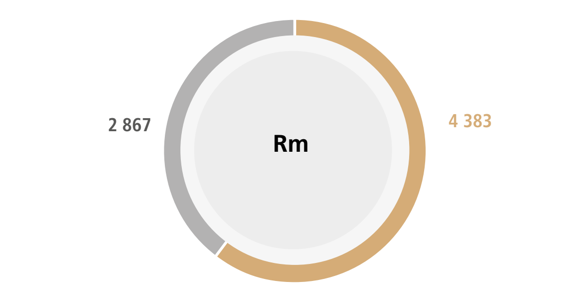
The following significant repayments/drawdowns were made during the year:

- Repayment and drawdown of R700 million (US$39.4 million) of the R2.5 billion sustainability-linked facility
- R2 919 million (US$170 million) drawdown and R1 345 million (US$70 million) repayment of the US$400 million sustainability-linked facility.

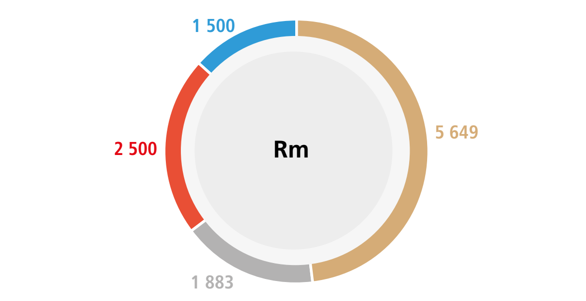
Debt covenant tests were performed for the loan facilities for the 2023 and 2022 financial years and no breaches were noted. For the 2023 financial year, the group's interest cover ratio was 26x (2022: 43.4x) while the group's leverage was 0.2x (2022: 0.1x). Management believes that it is very likely that the covenant requirements will be met in the foreseeable future given the current earnings and interest levels.

Harmony's headroom at 30 June 2023

Net headroom



Total loan facilities



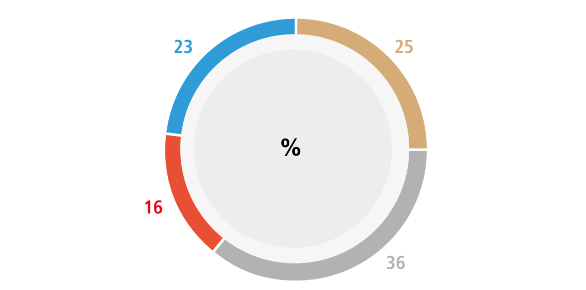
Effective capital allocation

Our capital spend increased to R7 598 million (US$427.7 million) from R6 192 million (US$407.1 million) in FY22. The majority of this spend was on sustaining capital with the aim of creating operational flexibility at current operations. Key projects, including the Zaaiplaats project at Moab Khotsong, the Kareerand extension at Mine Waste Solutions and the Doornkop 207/212 project received the second largest allocation. The Hidden Valley extension project, which extends the life of mine to FY28, has commenced and stage 8 stripping activities are underway.

In considering our spend on exploration we have selected projects that we can drive up the value curve. Our exploration expenditure increased >100% (R506 million (US$28.4 million)) during FY23 from R214 million (US$14.1 million). The majority was spent on Eva Copper's feasibility study with additional expenditure at Kerimenge and other prospects in South-east Asia.

We consider our growth aspirations and how to balance this with investor expectations for returns. Our dividend policy is set at 20% of net free cash subject to future major capital expenditure and meeting solvency and liquidity requirements as well as current banking covenants. Therefore our board of directors declared a final dividend of 75 SA cents (4.03 US cents) per share for FY23, an increase from the interim and final dividends of 40 SA cents (2.7 US cents) per share and 22 SA cents (approximately 1.3 US cents) per share respectively for FY22.

Capital expenditure (FY23 actual)



Derivatives and hedging

Harmony's favourable commodity and foreign exchange pricing on the unhedged portion of its exposure has continued into FY23, while we continue to find opportunities to lock in at higher prices when available as part of our derivative programme. Our hedging policy allows for a maximum of 20% and 50% of annual production to be hedged for gold and silver respectively over a maximum of 24 months. Harmony may execute the hedging strategy when we achieve a 25% margin above-inflation adjusted cost parameter.

Harmony's derivative programme had a net liability position of R1 152 million (US$61.2 million) for FY23 compared to a net asset position of R645 million (US$39.6 million) at 30 June 2022. This was mainly due to the increase in the spot gold price, weakening of the rand exchange rate and increased open positions of all derivative contracts held at 30 June 2023.

Revenue includes a realised hedging loss of R184 million (US$10.4 million) in the current financial year and a realised gain of R497 million (US$32.7 million) in FY22, relating to the realised effective portion of hedge-accounted gold derivatives.

Key drivers of financial performance

		FY23	FY22	% Change
Gold produced	kg	**45 651**	46 236	(1)
	oz	**1 467 715**	1 486 517	(1)
Underground grade	g/t	**5.78**	5.37	8
Gold price received	R/kg	**1 032 646**	894 218	15
	US$/oz	**1 808**	1 829	(1)
All-in sustaining costs	R/kg	**889 766**	835 891	(6)
	US$/oz	**1 558**	1 709	9
Production profit	R million	**13 977**	9 546	46
	US$ million	**787**	628	25
Net debt	R million	**2 828**	757	>100
	US$ million	**150**	47	>100
Net debt to EBITDA ratio[1]	times	**0.2**	0.1	
Average exchange rate	R/US$	**17.76**	15.21	17

[1] *The calculation of EBITDA is based on definitions included in our debt facility agreements, which exclude certain exceptional items such as impairments, translation differences and gains/losses on derivatives.*

Revenue
Revenue increased by R6 630 million or 15.5% to R49 275 million, predominantly due to an increased average gold price received in FY23 of R1 032 646/kg (FY22: R894 218/kg). In US dollar terms however, revenue decreased by US$30 million or 1.1% to US$2 774 million. Despite the fact that the average US$ gold price received decreased by 1.1%, the weakening of the average Rand/US$ rate resulted in an overall Rand gold price increase.

Production costs
Production costs increased by 5.3% or R1 767 million to R34 866 million during FY23, due to inflationary price increases primarily on labour, consumables and electricity. In US dollar terms, production costs decreased by US$213 million or 9.8% to US$1 963 million.

Amortisation and depreciation
Amortisation and depreciation decreased by R229 million or 6.2%, mainly due to impairments recognised in FY22, resulting in smaller depreciable values. In US dollar terms, amortisation and depreciation decreased by US$48 million to US$194 million.

Impairment of assets
No impairment or reversal thereof was recognised in FY23 while an impairment loss of R4 433 million (US$272.6 million) was recognised in FY22. The impairment test performed for FY23 resulted in headroom on the assets identified for testing.

Refer to **Accounting considerations for material transactions**.

Losses and expenses included in operating profit
Exploration expenditure increased from R214 million in the 2022 financial year to R506 million in the 2023 financial year predominantly due to the feasibility study for Eva Copper.

An increase in the foreign exchange translation loss of R307 million (US$15.0 million) to R634 million (US$35.7 million) in FY23 was predominantly caused by the weakening of the Rand/US$ exchange rate year on year (FY23: R18.83 versus FY22: R16.27), unfavourably affecting the translation of the US dollar loan balances.

Taxation
The group recognised a taxation expense of R1 723 million (US$97.0 million) compared to a credit of R46 million (US$3.0 million) in FY22. Current tax expense increased primarily as a result of the impact of increased gold prices received on revenue. The deferred tax moved from a credit in the prior year to an expense for FY23, mainly due to deferred tax rate increases for certain companies as well as the impact of the utilisation of unredeemed capital expenditure and higher carrying values of property, plant and equipment.

Net profit/(loss)
Harmony's financial performance reflects growth of >100% in FY23 with a profit of R4 883 million (US$274.9 million) compared to a loss of R1 012 million (US$48.0 million) in the previous year. Headline earnings increased by 60.3% to 800 SA cents per share (45 US cents) compared to a headline earnings of 499 SA cents (33 US cents) per share in FY22.

Outlook
Capital expenditure in FY24 is expected to increase to R10 834 million (US$585.9 million) mainly as a result of our investment in our major projects, necessary fleet replacement at Hidden Valley due to the life of mine extension project, and an increase in ongoing development capital. This also includes funds allocated to phase two of our renewables programme. These will be funded through our existing facilities and operating cash flows. We expect to make a decision on the way forward for Eva Copper in the second half of FY24 following the completion of the feasibility study.

Audit firm rotation
The appointment of Ernst & Young Inc. (EY) was approved at the AGM held 29 November 2022. We look forward to our collaboration with the EY team from FY24 onwards.

A heartfelt thanks to PricewaterhouseCoopers (PwC) for their service over the past 73 years.

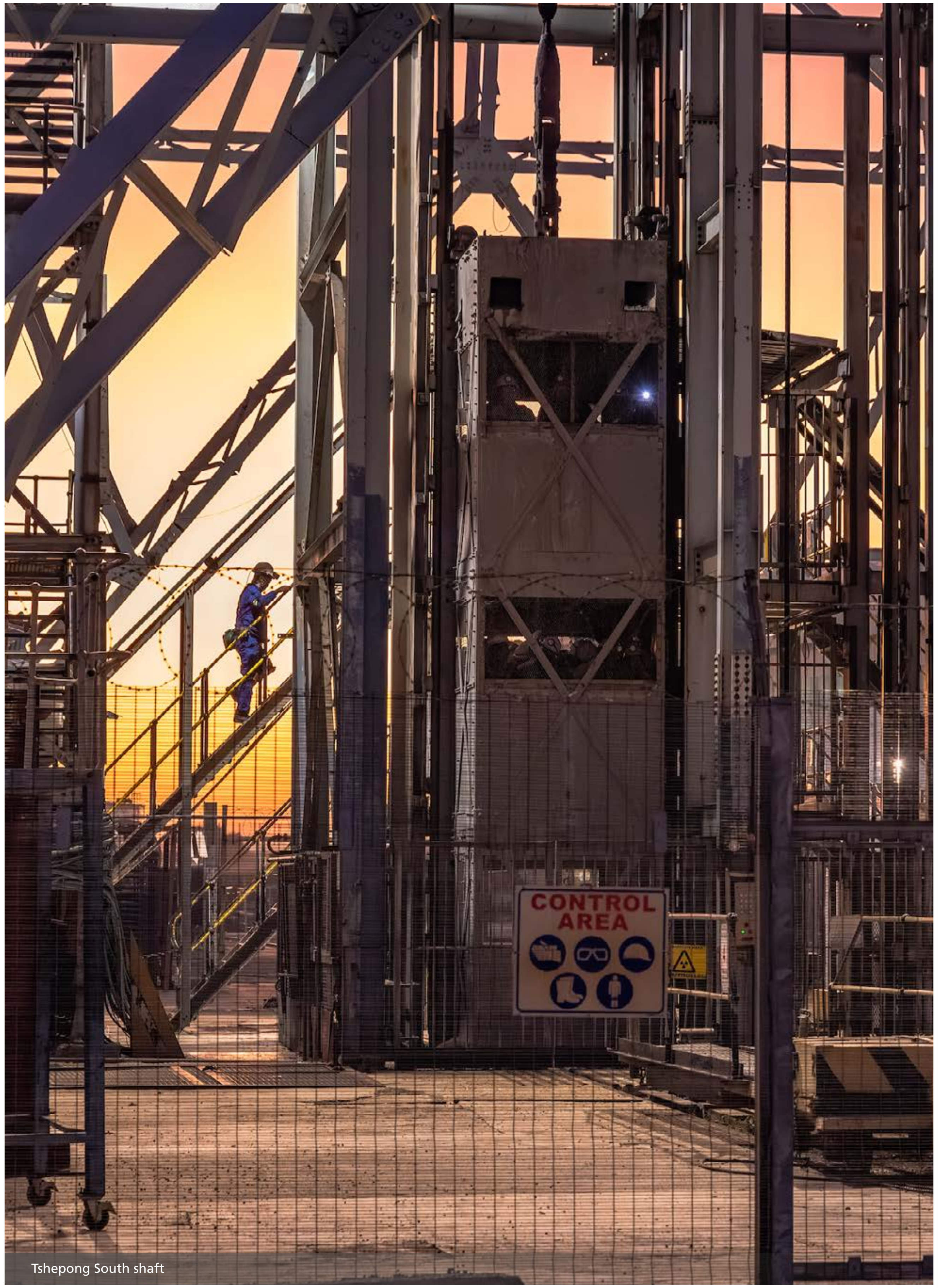
Boipelo Lekubo
Financial director

25 October 2023

Accounting considerations for material transactions
The impairment assessment of property, plant and equipment

For the year ended 30 June 2023, management performed an assessment of the property, plant and equipment with the audit and risk committee considering the following:
- Assessed whether an indicator of potential impairment existed at the reporting dates
- Assessed whether an indicator of reversal of previously recognised impairment existed at the reporting dates
- Assessed recoverable amounts of the assets determined by using discounted estimated after-tax future cash flows as well as resource values
- Incorporation of the estimated production cost and carbon tax savings arising from the rollout of Harmony's renewable energy programme in the discounted cash flow models used for determining recoverable amounts of the respective cash generating units
- Considered the excess of recoverable amount over the carrying value for each cash generating unit.

Management concluded no impairment loss or reversal of previously recognised impairment is required to be recognised.



Tshepong South shaft

John Wetton
Chairperson: audit and risk committee

Dear stakeholder

I am pleased to present the audit and risk committee report for the financial year ended 30 June 2023 (FY23).

This report considers those material matters on which the audit and risk committee (the committee) deliberated during the reporting period. These matters extend beyond statutory compliance and relate to the committee's role in supporting value creation and delivery on Harmony's strategic objectives.

Introduction

This committee is an independent, statutory committee whose members are appointed annually by Harmony's shareholders in compliance with section 94 of the South African Companies Act of 2008, as amended (the Act), and the principles of good governance. In addition to this Act, the committee's duties are guided by the JSE Listings Requirements, the King IV Code on Corporate Governance™* 2016 (King IV) and its terms of reference. Furthermore, the board of directors delegates oversight of specific functions to the committee.

* *Copyrights and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.*

Terms of reference and discharge of responsibilities

The formal board approved committee terms of reference (available on our corporate website, **www.harmony.co.za**), are reviewed and updated annually (or more frequently if required) by both the committee and the board. The committee is satisfied that, during FY23, it has conducted its affairs and discharged its legal and other responsibilities in accordance with its terms of reference.

Composition and function

Members: J Wetton (Chairperson); K Nondumo; G Sibiya; B Nqwababa; M Prinsloo.

Mr Bongani Nqwababa and Mr Martin Prinsloo were elected by shareholders at the 2022 annual general meeting and the rest of the members were re-elected. All members have the appropriate academic qualifications, financial literacy, business and financial acumen. As at the date of this report, the committee has five members, all of whom (in the opinion of the board) are independent non-executive directors.

For further detail on their qualifications, expertise and experience, refer to our website at **https://www.harmony.co.za/who-we-are/board**.

Refer to **Directors' report** for further detail.

The chairman of the board is not a member of the committee but may attend meetings by invitation. Board members are entitled to attend committee meetings as observers. However, non-committee members are not entitled to participate without the consent of the chair, do not have a vote and are not entitled to fees for attendance.

The group chief executive officer (CEO) and financial director (FD) – together with members of the executive team and senior managers representing areas relevant to the discussions at the committee, as well as the external auditors, the chief audit executive and assurance providers attend meetings either by standing invitation or as and when required.

The internal and external auditors have unlimited access to the chairperson of the committee. The chief audit executive reports directly to the committee.

Responsibilities

The responsibilities of the committee are set out in the committee terms of reference and include, among others:

- To ensure the integrity of financial statements and related reporting, that they comply with International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides and other relevant regulatory bodies stated above and fairly represent the financial position of the group, the company and our operations
- To monitor internal controls, the internal audit function, combined assurance and matters pertaining to the external auditors
- To oversee corporate governance, particularly in relation to legislative and regulatory compliance
- To oversee the management of risk, as well as information technology (IT) governance and cyber security.

The committee believes that it complied with its legal, regulatory and other responsibilities during the past financial year. No major concerns were raised in FY23.

For more on the committee, see **Board committees** in our **ESG report**.

Reporting

The committee reviewed the appropriateness of the following FY23 reports and their related processes:

- Integrated annual report and its related suite of reports
- Mineral Resource and Mineral Reserve statement
- Annual financial statements and accounting practices
- Annual report filed on Form 20-F with the United States Securities and Exchange Commission.

The committee submits that these reports represent a fair view of the group's performance for FY23 and recommended them to the board for approval.

Duties discharged in FY23

- Reviewed the company's quarterly, half year and annual financial results
- Ensured it has access to all the financial information of Harmony to allow the company to effectively prepare and report on its financial statements
- Monitored the internal control environment in Harmony and found it to be effective
- Discussed the appropriateness of accounting principles, critical accounting policies, management's judgements, estimates and impairments, all of which were found to be appropriate
- Executed its responsibility by ensuring that Harmony has established the appropriate financial reporting procedures and these procedures are operating. These procedures, include consideration of all entities included in the consolidated group IFRS financial statements, to ensure that it has access to all the financial information to allow Harmony to effectively prepare and report on its financial statements
- Considered the JSE's latest report on the proactive monitoring of financial statements
- Considered the appointment of the external auditor, Ernst & Young Incorporated (EY), as the registered independent auditor for the ensuing year, and provided oversight for the external audit transition with PricewaterhouseCoopers Incorporated (PwC)*
- Considered the suitability, and satisfied itself, of the external audit partner firm following assessment of the information provided by that firm, in terms of paragraph 3.84(g)(iii) and paragraph 22.15(h) of the JSE Listings Requirements, to determine the suitability of its appointment as the external audit firm and of the designated individual partner
- Ensured that the appointment of the external audit firm is presented and included as a resolution at the annual general meeting
- Satisfied itself that the external audit firms, EY and PWC, were suitable and independent from the company
- Reviewed and approved external audit plans, terms of engagement and fees, as well as the nature and extent of non-audit services rendered by the external auditors
- Evaluated the independence and effectiveness of the internal audit function
- Reviewed and approved internal audit budget, the internal audit charter and risk-based plans
- Evaluated and coordinated the internal audit, external audit and sustainability assurance processes
- Received and considered reports from the external and internal auditors
- Considered the appropriateness, expertise and experience of the FD and the finance function – both were found to be adequate and appropriate
- Evaluated and considered Harmony's risks, and measures taken to mitigate those risks
- Considered whether IT risks are adequately addressed and whether appropriate controls are in place to address these risks. The committee oversees and monitors the governance of IT on behalf of the board, a task it views as a critical aspect of risk management
- Considered and confirmed the company as a going concern
- Considered and approved the company's non-audit services policy
- Reviewed and recommended changes to the committee's terms of reference to the board for approval
- Reviewed the adequacy of the group's insurance coverage
- Reviewed legal matters that could have a significant impact on the company's business.

* *Refer to audit firm rotation process in the external auditor section below.*

Key focus areas in FY23

Interim and annual financial statements

The annual financial statements have been prepared in accordance with IFRS, SAICA Financial Reporting Guides, the requirements of the South African Companies Act 71 of 2008, the Listings Requirements of the JSE Limited and the recommendations of King IV.

In terms of paragraph 3.84(k) of the JSE Listings Requirements, the committee reviewed and assessed the process implemented by management to enable the CEO and the FD to pronounce on the annual financial statements and the system of internal control over financial reporting. The results from the process were communicated to the committee. The committee considered any deficiencies as well as the appropriateness of management's response including remediation, reliance on compensating controls and additional review procedures. The committee, on behalf of the board, has noted the final confirmation of the CEO and FD.

The **Chief executive officer and financial director confirmation** appears in this report.

External auditor – appointment, independence and tenure

Having considered the external auditor's previous appointments and the extent of other work undertaken for the group, the committee is satisfied that PwC and EY are independent of the group, as per section 94(8) of the Act. The committee also satisfied itself as to the suitability of PwC and the designated audit partner.

A formal procedure has been adopted to govern the process whereby the external auditor may be considered for non-audit services and the extent of these services is closely monitored by the committee. Total fees approved for the external auditor, PwC, for the year were R58.2 million, of which R58.1 million was for audit-related services, R0.1 million for non-audit services.

PwC has been Harmony's external auditor for 73 years. At the 2022 annual general meeting, PwC was reappointed as the independent external auditor and undertook to hold office until the end of the 2023 annual general meeting on 4 December 2023.

Mr S Masondo remained the registered lead audit partner responsible for the audit for the financial year ended 30 June 2023.

As part of Harmony's commitment to transformation, PwC partnered with Ngubane & Co, a level 1 broad-based black economic empowerment company until 31 July 2023. On 1 August 2023, Ngubane & Co merged with RSM South Africa Inc and the subcontracting arrangement was effectively terminated.

Audit firm rotation

In FY21, the committee had recommended, and the board endorsed, the appointment of EY following the conclusion of a comprehensive and rigorous tender process. Shareholders approved EY's appointment at the annual general meeting held on 29 November 2022. The board is proposing the reappointment of EY at the annual general meeting to be held on 4 December 2023.

PwC continued to act as external auditors of the company for the 2022 and 2023 financial years, following shareholder approval at the 29 November 2022 annual general meeting.

The company, again, thanks PwC for their services over the years and looks forward to beginning a new chapter with EY.

Refer to **Notice of annual general meeting** in our **Report to shareholders**.

Internal controls and internal audit

Having reviewed the design, implementation and effectiveness of the group's system of internal financial controls, the committee is satisfied that these are effective and form a reliable basis for the preparation of the financial statements. No findings came to the attention of the committee to indicate any material breakdown in internal controls during the past financial year.

In terms of internal audit, the committee is responsible for:

- Ensuring that the group's internal audit function is independent and has the necessary resources, standing and authority within the group to enable it to perform its duties
- Overseeing cooperation between internal audit and the external auditors, and serving as a link between the board of directors and these functions.

In line with King IV and its recommendations, the committee has confirmed the effectiveness of the group chief audit executive, Ms Besky Maluleka-Ngunjiri, and is satisfied that she has the appropriate expertise and experience to meet the responsibilities of this position. The chief audit executive reports quarterly, or as necessary, to the committee on internal audit and has direct access to the committee, primarily through its chairperson.

The committee is satisfied that internal audit follows an approved risk-based internal audit plan and regularly reviews the group's risk profile. Internal audit submits an overall statement on the effectiveness of the group's governance, risk management and control processes.

Combined assurance

The committee is satisfied that the group has optimised the assurance coverage obtained from management, and internal and external assurance providers. The committee is also satisfied that the various external assurances that are obtained and related systems and procedures are effective in achieving the following objectives:

- Enabling an effective internal control environment
- Supporting the integrity of information used for internal decision-making by management, the board and its committees
- Supporting the integrity of external reports
- Minimising assurance fatigue.

Governance of risk

The committee fulfils a dual function – as an audit committee and as a risk committee. Internal audit conducts regular and full assessments of the risk management function and framework, on which it reports to the committee. The committee is satisfied with the effectiveness of its oversight of risk governance in the group.

A detailed report on risks and its management, as recommended in King IV, is contained in our **Integrated annual report** in the **Our risk and opportunity profile** section.
A report on risk is also shared with the board on a quarterly basis.

In the past year, the committee continued to monitor the newly developed enterprise risk management and resilience policy, risk management guidelines and risk management framework to ensure continued focus on the company's material risks. The board further approves the group's risk appetite and tolerance framework.

Appropriateness and experience of FD and effectiveness of the finance function

The committee confirms that it is satisfied that Ms Boipelo Lekubo, the current FD, possesses the appropriate expertise and experience to meet the responsibilities of this position.

Oversight of derivative programme

The committee also monitors and reviews the group's derivative and hedging strategy. The derivative programmes currently in place were introduced in FY16. In terms of these programmes, up to 20% of gold production may be hedged while transactions for up to 25% of foreign exchange exposure may be entered into.

For more on how these derivative programmes have performed, see note 19 of the **consolidated financial statements** in this report.

Technology and information governance

We recognise the increasing importance of technology as both a source of future opportunities and a means by which we conduct our business and improve organisational efficiencies. Accordingly, this committee monitors the governance of technology and information quarterly.

The committee has delegated responsibility to management for digitising the company, implementing enterprise-wide technology and information management policy, and embedding it into the organisation's day-to-day, medium- and long-term decision-making activities and culture. This ensures operational excellence and delivery on our first strategic pillar.

Given the multiple critical information system changes implemented simultaneously across the organisation, this was a major focus area for the committee during the year. Progress was closely monitored, with management providing detailed quarterly updates on this and on challenges encountered and the steps taken to address such challenges.

In particular during the past year, as part of the process to digitise the company, the committee oversaw management's implementation of the DMS system which digitised the Engineering maintenance and work order processes. Furthermore the Performance Management system for management employees was implemented as part of the centralised human capital resource management strategic initiatives.

Due to the nature of ever-changing cybercrime attack vectors in both the IT and Operational Technology (OT) environments, significant effort and focus is required to keep pace and abreast of cyber-related threats. To this end, it is imperative to mitigate risks with controls and investment associated with these threats. This is a major focus area for the committee. As a result, effectiveness is closely monitored, with management providing detailed quarterly updates.

Dividend policy and dividends declaration

The board declared no interim ordinary dividend and a final ordinary dividend of 75 SA cents for the year ended 30 June 2023, paid on 16 October 2023 (2022: interim ordinary dividend of 40 SA cents paid on 11 April 2022 and final ordinary dividend of 22 SA cents paid on 17 October 2022). In addition, dividend payments were made in 2022 and 2023 to the non-controlling interest holders in Tswelopele Beneficiation Operation of R16 million and R18 million, respectively.

Harmony declared an annual preference share dividend to the Harmony Gold Community Trust (the Trust). The board declared a preference dividend of R9 million and it was paid to the Trust on 15 August 2023 (2022: R9 million on 11 August 2022).

In considering the payment of dividends, the board, with the assistance of the audit and risk committee, took into account the current financial status of the company and the payment of a proposed dividend subject to the successful application of the solvency and liquidity test as set out in section 4 of the Companies Act of 2008.

The company's dividend policy remains to pay a return of 20% on net free cash generated to shareholders, at the discretion of the board of directors.

Going concern

The committee has reviewed a documented assessment, including key assumptions prepared by management, of the going concern status of the group.

The board's statement on the going concern status of the group, as supported by the committee, appears in the **Directors' report**.

Integrated annual report

The committee has overseen the integrated reporting process, reviewed the report and has recommended the 2023 Integrated annual report and consolidated financial statements for approval by the board.

Events post year end

- On 3 July 2023 a payment of US$24 million (R450 million), comprising US$20 million of capital and US$4 million of interest, was made on the US$300 million RCF
- On 29 August 2023, a final dividend of 75 SA cents was declared, paid on 16 October 2023
- On 6 September 2023, a payment of US$32 million (R600 million) comprising US$30 million of capital and US$2 million of interest, was made on the US$300 million RCF
- On 8 September 2023, a payment of US$54 million (R994 million), comprising US$50 million of capital and US$4 million of interest, was made on the US$300 million RCF.

In closing

I wish to thank my fellow committee members for discharging their duties professionally and in accordance with the committee mandate, terms of reference and statutory responsibilities.

John L Wetton
Chairperson: audit and risk committee

25 October 2023

Nature of business
The Harmony group of companies conducts gold mining and exploration in South Africa, Papua New Guinea and Australia.

A general review of the group's business and operations is provided in the **Integrated annual report**, and with more detail available in the **ESG report** and **Operational report**.

The company's primary listing is in South Africa on the JSE. Harmony's ordinary shares are also listed in the form of American depositary receipts (ADRs) on the New York Stock Exchange.

Integrated annual report
As required by the King IV report and the JSE Listings Requirements, the board has reviewed and approved the Integrated annual report 2023 on the recommendation of the audit and risk committee, supported by the social and ethics committee.

The **Integrated annual report** can be found on our website.

Statement by the board
The annual financial statements are drawn up in accordance with the Companies Act, JSE Listings Requirements, IFRS and the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee, and the Financial Pronouncements, as issued by Financial Reporting Standards Council.

The board of directors is of the opinion that the Integrated annual report and the accompanying consolidated financial statements fairly reflect the true financial position of the group at 30 June 2023 and its performance for the year.

Audit and risk committee and social and ethics committee reports
The **Audit and risk committee: chairperson's report** is on page 14 of this report and that of the **Social and ethics committee: chairperson's report** in the **ESG report**.

Company secretary
The group company secretary is Ms Shela Mohatla. Her business and postal addresses appear on the inside back cover. The certificate by the group company secretary is on page 21. Ms Mohatla was appointed group company secretary with effect from 14 August 2020, subsequent to her appointment in an acting capacity on 27 January 2020.

Board of directors
Changes to the composition of Harmony's board of directors during the review period included:
- Retirement of Mr Andre Wilkens as a non-independent non-executive director with effect from 29 November 2022
- Retirement of Mr Joaquim Chissano as independent non-executive director with effect from 29 November 2022.

Biographical details of current directors appear at **www.harmony.co.za**.

In terms of the company's Memorandum of Incorporation (MOI), the directors of the company shall rotate in accordance with the following provisions:
- At each AGM, one-third (1/3) of the non-executive directors for the time being, or if their number is not three (3) or a multiple of 3, the number nearest to 1/3, but not less than 1/3, shall retire from office, provided that if a director is appointed as an executive director or as an employee of the company in any other capacity, he or she shall not, while he or she continues to hold that position or office, be subject to retirement by rotation and he or she shall not, in such case, be taken into account in determining the retirement of directors by rotation
- The non-executive directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who were elected as directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot
- A retiring director shall be eligible for re-election.

Directors and associates' interests
At 30 June 2023, the CEO Peter Steenkamp held 598 513 shares, FD Boipelo Lekubo held 24 753 shares and executive director HE Mashego held 28 975 shares in Harmony.

None of the directors' and associates held any direct or indirect shareholding in the company's issued share capital. No other director held or acquired any shares in the company, other than through share incentive schemes (executive directors only) during FY23.

Refer to the **Remuneration report** in the **Report to shareholders** for details of share incentives awarded to executive directors.

Going concern
The annual financial statements have been prepared on a going concern basis.

In accordance with the solvency and liquidity test in terms of section 4 of the Companies Act, the board is of the opinion that the company has adequate resources and that the:
- Company's assets, fairly valued, exceed the fair value of its liabilities
- Company will be able to pay its debts as they become due in the ordinary course of business for the 12 months following 30 June 2023.

Financial results
The audited consolidated and company annual financial statements as well as the discussion on the group's financial performance are included in this report. Confirmation of the financial statements by the CEO and FD appears in this report.

Share capital
During the June 2023 year, 1 546 270 shares were issued to settle the exercise of share options by employees relating to Harmony's management share option schemes.

Full details of the authorised, issued and unissued share capital of the company as at 30 June 2023 are set out in this report.

Shareholders
The company does not have a controlling shareholder. Information on shareholder spread, the range of shareholdings and public shareholders, as well as major shareholders, is presented in the Shareholder information section in this report.

Dividend policy
The company's dividend policy is to pay a return of 20% on net free cash generated to shareholders, at the discretion of the board of directors.

Dividends declared
The board declared a no interim dividend and a final ordinary dividend of 75 SA cents for the year ended 30 June 2023. Harmony declared an annual preference share dividend of R9 million (2022: R9 million) to the Harmony Gold Community Trust (the Trust). As the Trust is consolidated by Harmony, the dividend is eliminated on consolidation.

Investments
A schedule of investments in subsidiaries, associates and joint arrangements appears in **Annexure A – Statement of group companies** in this report.

Contingencies
None of Harmony's properties is the subject of pending material legal proceedings. We are involved in legal and arbitration proceedings that are incidental to the normal conduct of our business.

Refer to note 38 of the consolidated financial statements for further discussion.

Borrowings
Borrowing powers are detailed in the company's memorandum of incorporation.

Movement in borrowings: see note 32 of the consolidated financial statements

Disposals
There were no material disposals in FY23.

Acquisitions
On 6 October 2022, Harmony entered into an agreement with Copper Mountain Mining Corporation (Copper Mountain), to acquire its wholly-owned Eva Copper Project and its 2 295km^2 exploration land package in Queensland, Australia (collectively the acquired assets) for a total consideration of up to US$230 million. The last condition precedent for the acquisition was fulfilled during December 2022, resulting in an acquisition date of 16 December 2022.

Under the terms of the transaction, the acquisition consideration consists of the following:
- US$170 million (R2 996 million) in cash paid in December 2022
- Up to US$30 million in cash, based on a contingent payment arrangement where Harmony will pay Copper Mountain 10% of the incremental revenue generated from the acquired assets which is above revenue based on a US$3.80/lb copper price
- Up to US$30 million in cash, based on a contingent payment arrangement where Harmony will pay Copper Mountain US$0.03 per pound of contained copper for any SAMREC copper resource discovered and declared on a new deposit within the acquired assets after the closing of the transaction.

Related-party transactions
None of the directors or major shareholders of Harmony or, to Harmony's knowledge, their families, had an interest, directly or indirectly, in any transaction during the review period or in any proposed transaction that has affected or will materially affect Harmony or its subsidiaries.

Material transactions with associates, joint arrangements and structured entities
Refer to note 37 of the consolidated financial statements for details on transactions conducted during the period under review.

Compliance with the laws and memorandum of incorporation
The board believes that during the period 1 July 2022 to 30 June 2023, Harmony has complied with the provisions of the Companies Act and operated in conformity with its memorandum of incorporation and/or relevant constitutional documents.

Events subsequent to 30 June 2023
- On 3 July 2023 a payment of US$24 million (R450 million), comprising US$20 million of capital and US$4 million of interest, was made on the US$300 million RCF
- On 29 August 2023, a final dividend of 75 SA cents was declared, paid on 16 October 2023
- On 6 September 2023, a payment of US$32 million (R600 million) comprising US$30 million of capital and US$2 million of interest, was made on the US$300 million RCF
- On 8 September 2023, a payment of US$54 million (R994 million), comprising US$50 million of capital and US$4 million of interest, was made on the US$300 million RCF.

CHIEF EXECUTIVE OFFICER AND FINANCIAL DIRECTOR CONFIRMATION

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

- the annual financial statements set out on pages 31 to 161, fairly present in all material respects the financial position, financial performance and cash flows of Harmony in terms of IFRS;
- 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;
- internal financial controls have been put in place to ensure that material information relating to Harmony and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the company;
- the internal financial controls are adequate and effective and can be relied upon in the compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving directors.

Peter Steenkamp
Chief executive officer

25 October 2023

Boipelo Lekubo
Financial director

25 October 2023

DIRECTORS' STATEMENT OF RESPONSIBILITY

FINANCIAL STATEMENTS

The directors have the pleasure in presenting the consolidated and company annual financial statements (collectively the annual financial statements) for the year ended 30 June 2023 and the summarised consolidated financial statements (included in Report to shareholders) for the same period. The annual financial statements were audited by PricewaterhouseCoopers Inc. who expressed an unmodified opinion thereon. The audited annual financial statements and the auditor's report thereon are available for inspection at the company's registered office. The summarised consolidated financial statements are extracted from the audited financial statements, but are not themselves audited.

The annual financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and IFRIC Interpretations Committee (IFRIC) Interpretations (collectively IFRS), the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the JSE Listing Requirements and the Companies Act of South Africa.

The directors are responsible for the preparation, integrity and fair presentation of the annual financial statements of the company and its subsidiaries. The annual financial statements have been prepared by Harmony Gold Mining Company Limited's corporate reporting team, headed by Michelle Kriel CA(SA). This process was supervised by the financial director, Boipelo Lekubo CA(SA). The directors take full responsibility for the preparation of the summarised report and the financial information has been correctly extracted from the underlying consolidated annual financial statements.

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

Nothing has come to the attention of the board that caused it to believe that the systems of internal controls and risk management are not effective for the period under review 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.

The annual financial statements have been prepared on a going concern basis and the directors believe that the company and group will continue to be in operation in the foreseeable future.

APPROVAL

The annual financial statements were approved by the board of directors and signed on its behalf by:

PW Steenkamp
Chief executive officer
Randfontein
South Africa

BP Lekubo
Financial director
Randfontein
South Africa

25 October 2023

GROUP COMPANY SECRETARY'S CERTIFICATE

In terms of section 88(2)(e) of the Companies Act No 71 of 2008, as amended (the Act), I certify that for the year ended 30 June 2023, Harmony Gold Mining Company Limited, to the best of my knowledge and belief, has lodged with the Companies and Intellectual Property Commission all such returns and notices as are required of a public company in terms of the Act, and that all such returns and notices appear to be true, correct and up to date.

S Mohatla
Group company secretary

25 October 2023

Independent auditor's report

To the Shareholders of Harmony Gold Mining Company Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Harmony Gold Mining Company Limited (the Company) and its subsidiaries (together the Group) as at 30 June 2023, and its consolidated and separate financial performance and its 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.

What we have audited

Harmony Gold Mining Company Limited's consolidated and separate financial statements set out on pages 31 to 161 comprise:

- the group and company balance sheets as at 30 June 2023;
- the group and company income statements for the year then ended;
- the group and company statements of comprehensive income for the year then ended;
- the group and company statements of changes in shareholders' equity for the year then ended;
- the group and company cash flow statements for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

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Chief Executive Officer: L S Machaba
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682.

Our audit approach

Overview

Overall group materiality

- Overall group materiality: R370 million, which represents 0.75% of consolidated revenue

Group audit scope

- We conduct full scope audit procedures at eight components and limited scope audit procedures at one component

Key audit matters

- Impairment of property, plant and equipment and investments in subsidiaries

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	R370 million
How we determined it	0.75% of consolidated revenue
Rationale for the materiality benchmark applied	We selected consolidated revenue as our materiality benchmark because, in our view, it reflects the activity levels of the Group and it is a benchmark against which the performance of the Group can be consistently measured in circumstances of volatile year-on-year earnings. This benchmark has remained a key driver of the Group's business. We chose 0.75% based on our professional judgement, after consideration of the range of quantitative materiality thresholds that we would typically apply when using consolidated revenue as a benchmark in calculating materiality.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We identified six components as significant components which required a full scope audit of their financial information. We also performed full scope audits at two other components and limited scope procedures at one component, to obtain an appropriate level of audit coverage.

The components were identified as significant based on scoping benchmarks such as the components' contribution to key financial statement line items (consolidated revenue and consolidated assets), risks associated with the particular component and considerations relating to aggregation risk within the Group. We concluded that all other components within the Group are financially inconsequential, individually and in aggregate. We performed analytical procedures at a Group level to confirm this assessment.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed by us, as the Group engagement team, or a component auditor from another PwC network firm operating under our instruction. Where the work was performed by a component auditor, we determined the level of involvement we needed to have in the audit work at the component to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole.

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.

Key audit matter	***How our audit addressed the key audit matter***
Impairment of property, plant and equipment (applicable to the Group financial statements) Refer note 2.5 (Accounting policies), note 6 (Cost of sales) and note 15 (Property, plant and equipment) to the Group financial statements on pages 40, 45, and 59, respectively. The group conducts an impairment test for non-financial assets whenever events or changes in circumstances indicate that the carrying amounts for cash generating units ("CGUs") may exceed their respective recoverable amounts. For the financial year ended 30 June 2023 indicators for impairment were identified for Kalgold, Kusasalethu and Target 1 and therefore an impairment assessment was performed for these CGUs. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For all CGUs tested for impairment, the fair value less costs of disposal method was used to estimate the recoverable amount. The recoverable amount of CGUs is determined utilising real discounted future cash flows (post-tax). The key input assumptions to the discounted cash flow models used in determining the recoverable amounts are commodity prices, market	***Impairment of property, plant and equipment*** We held discussions with management to obtain an understanding of management's process for identifying impairment indicators, as well as their conclusions reached. We further gained an understanding as to how potential impairments were considered by management across the CGUs as well as the methodologies and models used in determining the fair value less costs of disposal. We evaluated the design, implementation and operating effectiveness of the relevant internal controls over management's process used for the identification of impairment indicators and their process to develop their estimates of the recoverable amounts for CGUs identified for impairment testing. This included controls over the preparation, review and approval of the impairment calculations and significant assumptions used in the calculations. Management engaged external and internal experts to assess the reserves and resources declared and used in the impairment calculations for reasonability. Through inspection of curriculum vitae, membership certificates from professional bodies and competent persons reports, we assessed the objectivity, competence and experience of management's experts. Based on the procedures performed, no areas requiring additional consideration were noted. Using our corporate finance and financial modeling expertise, we evaluated management's discounted cash flow models for the respective CGUs assessed for impairment against life-of-mine plans

discount rates, exchange rates and forecasted annual life- of-mine plans.

The annual life- of- mine plans are based on the proved and probable reserves as included in the Reserve Declaration, which are determined in accordance with the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC), as well as resources where management has high levels of confidence in the orebody and economical recovery of gold, based on historic and similar geological experience.

No impairment losses were recognised within the Group during the current financial year as the recoverable amounts for all CGUs exceeded the carrying values of the respective CGUs.

Impairment of investments in subsidiaries (applicable to the Company financial statements)

Refer note 15 (Investments in subsidiaries and loans to/ from subsidiaries) to the Company financial statements on page 133.

The recoverable amount of an investment in a subsidiary is the higher of the investment's fair value less costs of disposal and value in use. The fair value less cost of disposal method was used to estimate the recoverable amount for investments in subsidiaries tested for impairment and is consistent with the recoverable amounts of the calculated CGUs mentioned above or the aggregation thereof, to the extent applicable.

In addition to the recoverable amounts determined as described above, a resource multiple valuation was used to determine the recoverable amount of Avgold Limited's (Avgold) Target North undeveloped property. For 2023, indicated and inferred resources were valued at US$9/oz and US$3.60/oz, respectively.

and our understanding of the operations; and tested the key estimates and assumptions used by management in each discounted cash flow model selected for testing by performing procedures which included:

- We assessed the valuation model used by management in their impairment assessment, by comparing it to industry norms and acceptable valuation methodology. We found that it was consistent with industry norms and acceptable valuation methodology;

- We assessed the reasonableness of management's future forecasts of annual production volumes, recovery grade, capital expenditure and operating costs included in the cash flow forecasts by comparing them to current and historical operational results, Reserves and Resources signed off by the Group's Competent Person and final approved long-term business plans. We further performed a retrospective comparison of the forecasted cash flows to actual past performance and previous forecasts. We evaluated differences noted against relevant documentation and explanations obtained from management;

- We used our valuations expertise to test the short-, medium and long-term real commodity prices and R/ US$ exchange rate assumptions by benchmarking them against external market and third-party data. Based on the work performed, we accepted management's assumptions;

- We independently calculated a range of discount rates, including the use of relevant independent third-party sources and data such as the cost of debt, risk-free rates in the market, market risk premiums, debt/ equity ratios, the beta of comparable companies, as well as the impact of economic and industry factors. In cases where discount rates independently determined by us differed from those used by management we gained an understanding of the differences and assessed there to be no material impact on the outcome of the impairment assessment; and

- Using the assumptions tested above, we recalculated the results of management's discounted cash flow models by using

The cash flows within the applicable CGUs as described above (individually or in aggregate, as appropriate) are allocated to recover firstly any loans to subsidiaries and thereafter used to determine the recoverable amount of the investments in subsidiaries for purposes of the impairment assessment.

An impairment loss of R919 million was recognised against the investments in subsidiaries for Avgold during the current financial year.

The impairment assessments on property plant and equipment and investments in subsidiaries were considered matters of most significance to our current year audit due to the significant judgement involved in determining the recoverable amounts of CGUs and subsidiaries which included the application of accounting estimates identified as having high estimation uncertainty.

independently obtained key input assumptions such as commodity prices, exchange rates and market discount rates and found management's final recoverable amounts to be within a reasonable range of possible outcomes.

We evaluated the disclosures included within the notes to the consolidated financial statements against the requirements of International Financial Reporting Standards and noted no material matters for further consideration.

Impairment of investments in subsidiaries

Following a similar approach as described above, we assessed the recoverable amounts of the investments in subsidiaries tested for impairment (including the underlying assumptions and calculations as described above).

In addition to the tests performed for the group, we used our valuations expertise to assess the reasonableness of the attributable resource value assumptions used by management in determining the recoverable amounts for the Target North undeveloped property by benchmarking these against recent transactions within the gold mining industry, and noted no matters for further consideration.

We compared the recoverable amounts to the carrying amounts of these investments in subsidiaries, and noted no material differences in the impairment recognised.

We evaluated the disclosures included within the notes to the separate financial statements against the requirements of International Financial Reporting Standards and noted no material matters for further consideration.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Harmony Financial Report 30 June 2023", which includes the Directors' Report, the Audit and Risk Committee: Chairperson's Report and the Group Company Secretary's Certificate as required by the Companies Act of South Africa, and the documents titled "Harmony Integrated Annual Report 30 June 2023", "Harmony ESG Report 30 June 2023", "Harmony Mineral Resources and Mineral Reserves at 30 June 2023", "Harmony Report to Shareholders 30 June 2023", "Harmony Operational Report 30 June 2023", and "Harmony Climate-Related Financial Disclosures 2023". The other information does not include the consolidated or the 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 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 identified above 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, 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 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 Company to cease to continue as a going concern.
- 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 directors 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 directors 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 directors, 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 PricewaterhouseCoopers Inc. has been the auditor of Harmony Gold Mining Company Limited for seventy-three years.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: CS Masondo
Registered Auditor
Johannesburg, South Africa

25 October 2023

The examination of controls over the maintenance and integrity of the Group's website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the consolidated and separate financial statements since they were initially presented on the website.

GROUP INCOME STATEMENT

For the year ended 30 June 2023

		SA Rand		
Figures in million	Notes	**2023**	2022	2021
Revenue	5	**49 275**	42 645	41 733
Cost of sales	6	**(39 535)**	(41 927)	(35 489)
Production costs		**(34 866)**	(33 099)	(29 774)
Amortisation and depreciation		**(3 454)**	(3 683)	(3 875)
Impairment of assets		**—**	(4 433)	(1 124)
Other items		**(1 215)**	(712)	(716)
Gross profit		**9 740**	718	6 244
Corporate, administration and other expenditure	7	**(1 044)**	(984)	(1 068)
Exploration expenditure		**(506)**	(214)	(177)
Gains/(losses) on derivatives	19	**(194)**	53	1 022
Foreign exchange translation gain/(loss)	8	**(634)**	(327)	670
Other operating expenses	9	**(268)**	(1)	(241)
Operating profit/(loss)		**7 094**	(755)	6 450
Gain on bargain purchase	14	**—**	—	303
Acquisition-related costs	14	**(214)**	—	(124)
Share of profits from associate	21	**57**	63	83
Investment income	10	**663**	352	331
Finance costs	11	**(994)**	(718)	(661)
Profit/(loss) before taxation		**6 606**	(1 058)	6 382
Taxation	12	**(1 723)**	46	(1 258)
Net profit/(loss) for the year		**4 883**	(1 012)	5 124
Attributable to:				
Non-controlling interest		**63**	40	37
Owners of the parent		**4 820**	(1 052)	5 087
Earnings/(loss) per ordinary share (cents)				
Total earnings/(loss)	13	**780**	(172)	842
Diluted earnings/(loss) per ordinary share (cents)				
Total earnings/(loss)	13	**777**	(172)	825

The accompanying notes are an integral part of these consolidated financial statements.

GROUP STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2023

		SA Rand		
Figures in million	Notes	**2023**	2022	2021
Net profit/(loss) for the year		**4 883**	(1 012)	5 124
Other comprehensive income for the year, net of income tax		**(80)**	202	3 251
Items that may be reclassified subsequently to profit or loss	25	**(110)**	171	3 233
Foreign exchange translation gain/(loss)		**1 123**	742	(1 234)
Remeasurement of gold hedging contracts		**(1 233)**	(571)	4 467
Items that will not be reclassified to profit or loss	25	**30**	31	18
Total comprehensive income for the year		**4 803**	(810)	8 375
Attributable to:				
Non-controlling interest		**63**	40	58
Owners of the parent		**4 740**	(850)	8 317

The accompanying notes are an integral part of these consolidated financial statements.

GROUP BALANCE SHEET
As at 30 June 2023

		SA Rand	
Figures in million	Notes	**At 30 June 2023**	At 30 June 2022
Assets			
Non-current assets			
Property, plant and equipment	15	**41 507**	32 872
Intangible assets	16	**33**	48
Restricted cash and investments	17	**6 121**	5 555
Investments in associates	21	**111**	125
Deferred tax assets	12	**189**	203
Other non-current assets	18	**332**	374
Derivative financial assets	19	**269**	137
Total non-current assets		**48 562**	39 314
Current assets			
Inventories	23	**3 265**	2 818
Restricted cash and investments	17	**41**	27
Trade and other receivables	20	**2 395**	1 682
Derivative financial assets	19	**110**	519
Cash and cash equivalents	34	**2 867**	2 448
Total current assets		**8 678**	7 494
Total assets		**57 240**	46 808
Equity and liabilities			
Share capital and reserves			
Attributable to equity holders of the parent company		**34 757**	30 039
Share capital and premium	24	**32 934**	32 934
Other reserves	25	**6 778**	6 744
Accumulated loss		**(4 955)**	(9 639)
Non-controlling interest		**123**	78
Total equity		**34 880**	30 117
Non-current liabilities			
Deferred tax liabilities	12	**2 294**	1 586
Provision for environmental rehabilitation	26	**5 473**	5 013
Other provisions	27	**633**	932
Borrowings	32	**5 592**	3 180
Contingent consideration liability	29	**589**	356
Other non-current liabilities	30	**337**	268
Derivative financial liabilities	19	**470**	3
Streaming contract liability	31	**105**	378
Total non-current liabilities		**15 493**	11 716
Current liabilities			
Other provisions	27	**180**	139
Borrowings	32	**103**	25
Trade and other payables	33	**5 238**	4 494
Derivative financial liabilities	19	**1 061**	8
Streaming contract liability	31	**285**	309
Total current liabilities		**6 867**	4 975
Total equity and liabilities		**57 240**	46 808

The accompanying notes are an integral part of these consolidated financial statements.

GROUP STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 30 June 2023

	Number of ordinary shares issued	Share capital and premium	Accumulated loss	Other reserves	Non-controlling interest	Total
Notes	24	24		25		
Figures in million (SA Rand)						
Balance – 30 June 2020	603 142 706	32 937	(12 583)	3 017	4	23 375
Issue of shares						
– Exercise of employee share options	12 909 491	—	—	—	—	—
Share issue costs	—	(3)	—	—	—	(3)
Share-based payments	—	—	—	156	—	156
Partial purchase of non-controlling interest	—	—	—	(4)	(1)	(5)
Net profit for the year	—	—	5 087	—	37	5 124
Other comprehensive income for the year	—	—	—	3 230	21	3 251
Dividends paid	—	—	(677)	—	(7)	(684)
Balance – 30 June 2021	616 052 197	32 934	(8 173)	6 399	54	31 214
Issue of shares						
– Exercise of employee share options	473 505	—	—	—	—	—
Share-based payments	—	—	—	143	—	143
Net profit/(loss) for the year	—	—	(1 052)	—	40	(1 012)
Other comprehensive income for the year	—	—	—	202	—	202
Dividends paid	—	—	(414)	—	(16)	(430)
Balance – 30 June 2022	616 525 702	32 934	(9 639)	6 744	78	30 117
Issue of shares						
– Exercise of employee share options	**1 546 270**	**—**	**—**	**—**	**—**	**—**
Share-based payments	**—**	**—**	**—**	**114**	**—**	**114**
Net profit for the year	**—**	**—**	**4 820**	**—**	**63**	**4 883**
Other comprehensive income for the year	**—**	**—**	**—**	**(80)**	**—**	**(80)**
Dividends paid	**—**	**—**	**(136)**	**—**	**(18)**	**(154)**
Balance – 30 June 2023	**618 071 972**	**32 934**	**(4 955)**	**6 778**	**123**	**34 880**

The accompanying notes are an integral part of these consolidated financial statements.

GROUP CASH FLOW STATEMENT

For the year ended 30 June 2023

		SA Rand		
Figures in million	Notes	**2023**	2022	2021
Cash flow from operating activities				
Cash generated by operations	34	**10 589**	7 378	9 741
Dividends received		**75**	74	85
Interest received		**165**	87	171
Interest paid	11	**(363)**	(319)	(234)
Income and mining taxes paid		**(518)**	(296)	(584)
Cash generated by operating activities		**9 948**	6 924	9 179
Cash flow from investing activities				
Increase in restricted cash and investments	17	**(138)**	(128)	(48)
Amounts refunded from restricted cash and investments	17	**58**	53	34
Acquisition of Eva Copper	14	**(2 996)**	—	—
Redemption of preference shares from associates		**—**	—	36
Acquisition of Mponeng operations and related assets	14	**—**	—	(3 363)
ARM BBEE Trust loan repayment	18	**74**	65	264
ARM BBEE Trust loan advanced		**—**	—	(264)
Capital distributions from investments		**—**	—	8
Proceeds from disposal of property, plant and equipment		**46**	24	11
Additions to property, plant and equipment	34	**(7 640)**	(6 214)	(5 142)
Cash utilised by investing activities		**(10 596)**	(6 200)	(8 464)
Cash flow from financing activities				
Borrowings raised	32	**3 619**	3 057	—
Borrowings repaid	32	**(2 071)**	(3 601)	(3 491)
Partial repurchase of non-controlling interest		**—**	—	(5)
Dividend paid	13	**(154)**	(430)	(684)
Lease payments	28	**(200)**	(177)	(119)
Cash generated/(utilised) from financing activities		**1 194**	(1 151)	(4 299)
Foreign currency translation adjustments		**(127)**	56	46
Net increase/(decrease) in cash and cash equivalents		**419**	(371)	(3 538)
Cash and cash equivalents – beginning of year		**2 448**	2 819	6 357
Cash and cash equivalents – end of year		**2 867**	2 448	2 819

The accompanying notes are an integral part of these consolidated financial statements.

1 General information

Harmony Gold Mining Company Limited (the company) and its subsidiaries (collectively Harmony or the group) are engaged in gold mining and related activities, including exploration, extraction and processing. Gold bullion, the group's principal product, is currently produced at its operations in South Africa and Papua New Guinea (PNG). Uranium and silver are produced as by-products.

The company is a public company, incorporated and domiciled in South Africa. The address of its registered office is Randfontein Office Park, Corner Main Reef Road and Ward Avenue, Randfontein, 1759.

The consolidated financial statements were authorised for issue by the board of directors on 25 October 2023.

2 Accounting policies

Basis of preparation

The principal accounting policies applied in the preparation of the consolidated financial statements have been consistently applied in all years presented, except for the changes as described under "Recent accounting developments" below and the toll treatment services disclosed as a separate revenue category. During the 2023 financial year additional toll treatment services contracts were entered into, which increased the amounts recognised significantly. As a result, the service fees have been included as a separate revenue stream for 2023, with the associated costs included in Cost of Sales. The amount for the 2022 year was not significant and therefore it has not been reclassified from other operating income/expenses where it was previously recognised, along with the associated costs. Refer to note 5, 6 and 9.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and IFRS Interpretations Committee (IFRIC) Interpretations (collectively IFRS), the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the JSE Listing Requirements and the Companies Act of South Africa.

The consolidated financial statements have been prepared on a going concern basis.

During the year ended 30 June 2023, the Tshepong Operations were reported on as two separate reportable segments, namely Tshepong North and Tshepong South, following the restructuring of the Tshepong Operations in the 2022 financial year. In accordance with the requirements of IFRS, the prior year comparative information has been re-presented in the segment report as well as in other notes where disclosure is required at a segment level.

The consolidated financial statements have been prepared to the nearest million and rounding may cause differences.

Recent accounting developments

New standards, amendments to standards and interpretations to existing standards adopted by the group

During the financial year, the following new standards, amendments to standards and interpretations to existing standards were adopted by the group. No other standards and amendments to standards that became effective during the 2023 year were relevant to the consolidated financial statements.

Financial reporting standards

IFRS 9 *Financial Instruments* (Amendment)

The amendment to IFRS 9 clarifies the fees a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. This amendment is effective for annual periods beginning on or after 1 January 2022. After consideration of all areas impacted, Harmony concluded that the amendments did not have a material impact on the group.

IAS 16 *Property, Plant and Equipment* (Amendment)

The IASB issued *Property, Plant and Equipment—Proceeds before Intended Use*, which prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related costs in profit or loss. This amendment is effective for annual periods beginning on or after 1 January 2022. Management performed an assessment in the prior year and concluded that any major project where incidental gold is mined during the development phase will no longer have a credit to capital expenditure while it is an asset under construction. Cost associated with the extraction and treatment thereof have been included in production costs for all financial years presented. This is not expected to impact on the assessment of the production start date. At implementation date, there were no projects that required retrospective adjustment and therefore the amendment did not have a material impact on the group.

IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* (Amendment)

The IASB issued *Onerous Contracts–Cost of Fulfilling a Contract*, which specifies which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. This amendment is effective for annual periods beginning on or after 1 January 2022. After consideration of all areas impacted, Harmony concluded that the amendments did not have a material impact on the group.

2 Accounting policies continued

Recent accounting developments continued

New standards, amendments to standards and interpretations to existing standards that are not yet effective and have not been early adopted

At the date of authorisation of these financial statements, the standards, amendments to standards and interpretations listed below were in issue but not yet effective. These new standards and interpretations have not been early adopted by the group and the group plans on adopting these standards, amendments to standards and interpretations on the dates when they become effective. Management has distinguished between financial reporting standards as issued by the IASB and non-financial reporting standards issued by other regulators such as the International Sustainability Standards Board (ISSB), which are topical for investors and other key stakeholders currently and may have an impact on financial information presented in the financial statements going forward.

Financial reporting standards

IAS 1 *Presentation of Financial Statements* (Amendment)

The IASB issued amendments to IAS 1 *Presentation of Financial Statements* to clarify its requirements for the presentation of liabilities in the statement of financial position. The amendments are effective from annual reporting periods beginning on or after 1 January 2023. The amendments are not expected to have a material impact on the group.

IAS 1 *Presentation of Financial Statements* (Amendment)

The IASB amended paragraphs 117 – 122 of IAS 1 to require entities to disclose their material accounting policy information rather than their significant accounting policies. The amendments are effective from annual reporting periods beginning on or after 1 January 2023. The amendments are not expected to have a material impact on the group.

IAS 1 *Non-current liabilities with covenants* (Amendments to IAS 1)

The amendments improved the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments also responded to stakeholders' concerns about the classification of such a liability as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2024. The amendments are not expected to have a material impact on the group.

IAS 8 *Accounting policies, Changes in Accounting Estimates and Errors* (Amendment)

The amendments introduce the definition of accounting estimates and included other amendments to IAS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. The amendments are not expected to have a material impact on the group.

IAS 12 *Income taxes* (Amendment)

The IASB issued *Deferred tax related to Assets and Liabilities arising from a Single Transaction* (Amendment to IAS 12) to narrow the scope of IAS 12 recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. The amendments are not expected to have a material impact on the group.

IAS 12 *Income taxes* (Amendment)

In May 2023, the IASB issued *International Tax Reform—Pillar Two Model Rules,* which amended IAS 12 *Income Taxes*. The amendments introduced a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The amendment also introduced targeted disclosure requirements for affected entities. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Harmony is still assessing the impact of the amendment on the group. None of the jurisdictions that Harmony operates in have substantively enacted the legislation and therefore it has no impact at year end.

Measurement basis

The financial statements have been prepared under the historical cost convention except for certain financial assets and financial liabilities which are measured at fair value through profit or loss or other comprehensive income – refer to note 39.

Group accounting policies

Accounting policies are included in the relevant notes to the consolidated financial statements and have been highlighted between red lines in the notes to the consolidated financial statements. The accounting policies that follow are applied throughout the financial statements.

2 Accounting policies continued
Group accounting policies continued
2.1 Consolidation

The group recognises that control is the single basis for consolidation for all types of entities in accordance with IFRS 10 *Consolidated Financial Statements*. The consolidated financial information includes the financial statements of the company, its subsidiaries, interest in associates and joint arrangements and structured entities. Where the group has no control over an entity, that entity is not consolidated.

Control

The group, regardless of the nature of its involvement with an entity, shall determine whether it is a parent by assessing whether it controls the investee. The group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

(i) Subsidiaries

Subsidiaries are entities over which the group has control. Subsidiaries are fully consolidated from the date on which control is transferred to the group up until when that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the group.

The group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of an acquiree is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously held equity interest in the acquiree over the fair value of the group's share of the identifiable net assets acquired is recorded 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 difference is recognised directly in the income statement below operating profit or loss.

(ii) Associates

Associates are entities in which the group has significant influence, but not control, over operational and financial policies. This may be when there is a shareholding of between 20% and 50% of the voting rights or when significant influence can be otherwise demonstrated, for example where the group has the right of representation on the board of directors, or other governing body, of the entity.

Investments in associates are accounted for by using the equity method of accounting, and are initially recognised at cost. The group's investment in associates includes goodwill identified on acquisition. Cumulative post-acquisition movements are adjusted against the carrying amount of the investment. The group's share of the associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movement in reserves is recognised in other reserves. When the group's share of losses in an associate equals or exceeds its interest in the associate, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. The carrying value of an associate is reviewed on a regular basis and, if impairment in the carrying value has occurred, it is written off in the period in which such impairment is identified. Accounting policies of associates have been reviewed to ensure consistency with the policies adopted by the group.

(iii) Joint arrangements

Joint arrangements are arrangements of which two or more parties have joint control and are contractually bound. The joint arrangement can either be a joint operation or a joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement and have the right to the assets, and obligations for the liabilities, relating to the arrangement. These parties are called joint operators. A joint venture is a joint arrangement where the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers.

For interest in joint operations, the group includes its share of the joint operations' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the group's financial statements.

Where an additional interest in a joint operation is acquired, the principles of IFRS 3 are applied to account for the transaction.

The group recognises the portion of gains or losses on the sale of assets by the group to the joint operation that is attributable to the other joint operators. The group does not recognise its share of profits or losses from the joint operation that results from the purchase of assets by the group from the joint operation until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, the loss is recognised immediately. The group recognises its interest in a joint venture as an investment and accounts for it using the equity accounting method.

2 Accounting policies continued
Group accounting policies continued
2.1 Consolidation continued

(iv) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

The accounting treatment for a structured entity will fall into one of the aforementioned categories (i to iii) depending on whether the group has control over that structured entity.

2.2 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in South African Rand, which is the group's presentation currency.

References to "A$" refers to Australian currency, "R" to South African currency, "$" or "US$" to United States currency and "PGK" or "Kina" to Papua New Guinean currency.

(ii) Transactions and balances

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation to year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. This includes the gains and losses on the translation of the US$-denominated facilities.

(iii) Group companies

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet while equity items are translated at historic rates
- Income and expenses for each income statement are translated at average exchange rates (the rate on the date of the transaction is used if the average is not a reasonable rate for the translation of the transaction)
- All resulting exchange differences are recognised as a separate component of other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is sold or control is otherwise lost, exchange differences that were recorded in other comprehensive income are recognised in profit or loss in the period of the disposal or change in control. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.3 Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The difference between the fair value of the derivative at initial recognition and expected forward transaction price is deferred and recognised as a day one gain or loss. The day one gain or loss is amortised over the derivative contract period and recognised in profit or loss in gains/losses on derivatives.

The full fair value of a derivative is classified as a non-current asset or liability when the remaining maturity is more than 12 months; it is classified as a current asset or liability when the remaining maturity is less than 12 months.

(i) Cash flow hedge

The group designates certain derivatives as hedges of a particular risk associated with the cash flows of highly probable forecast transactions (cash flow hedges). At inception of the hedge relationship, the group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The group documents its risk management objective and strategy for undertaking its hedge transactions.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within gains/losses on derivatives.

2 Accounting policies continued
Group accounting policies continued
2.3 Derivatives and hedging activities continued
***(i) Cash flow hedge* continued**

Amounts accumulated in equity are reclassified to profit or loss in the periods when the forecast sale that is hedged takes place and affects profit or loss. The gain or loss relating to the effective portion of the Rand and US$ gold forward sales contracts is recognised in profit or loss within revenue.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction that was hedged is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

(ii) Derivatives not designated for hedge accounting purposes

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value as well as gains and losses on expiry, disposal or termination of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in gains/losses on derivatives.

2.4 Exploration expenditure

The group expenses all exploration and evaluation expenditures until it is concluded that the project is technically feasible and commercially viable, and that future economic benefits are therefore probable. The information used to make that determination depends on the level of exploration as well as the degree of confidence in the ore body as set out below.

Exploration and evaluation expenditure on greenfield sites, being those where the group does not have any mineral deposits which are already being mined or developed, is expensed as incurred until the technical and commercial viability of the project has been demonstrated usually through the completion of a final feasibility study. However, in certain instances, the technical and commercial viability of the deposit may be demonstrated at an earlier stage, for example where an extended feasibility study is conducted and the underlying feasibility study in respect of specific components of the mineral deposit has advanced to such a stage that significant commercially viable reserves has been established, and the other criteria for the recognition of an asset have been met. At this point the expenditure is capitalised as mine development cost to the extent that future economic benefits are expected.

Exploration and evaluation expenditure on brownfield sites, being those adjacent to mineral deposits which are already being mined or developed, is expensed as incurred until the group is able to demonstrate that future economic benefits are probable through the completion of a feasibility study, after which the expenditure is capitalised as mine development cost to the extent that future economic benefits are expected. A "feasibility study" consists of a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method has been established, and which, if an effective method of mineral processing has been determined, includes a financial analysis based on reasonable assumptions of technical, engineering, operating economic factors and the evaluation of other relevant factors. The feasibility study, when combined with existing knowledge of the mineral property that is adjacent to mineral deposits that are already being mined or developed, allows the group to conclude that the project is technically feasible and commercially viable.

Exploration and evaluation expenditure relating to extensions of mineral deposits which are already being mined or developed, including expenditure on the definition of mineralisation of such mineral deposits, is capitalised as a mine development cost following the completion of an economic evaluation equivalent to a feasibility study. This economic evaluation is distinguished from a feasibility study in that some of the information that would normally be determined in a feasibility study is instead obtained from the existing mine or development. This information, when combined with existing knowledge of the mineral property already being mined or developed, allows the directors to conclude that the project is technically feasible and commercially viable.

2.5 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation or depreciation and are tested annually for impairment or when there is an indication of impairment.

Assets that are subject to amortisation are reviewed annually on 30 June for impairment or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating unit or CGU). Each operating shaft, along with allocated common assets such as plants and administrative offices, is considered to be a cash generating unit as each shaft is largely independent from the cash flows of other shafts and assets belonging to the group.

2 Accounting policies continued
Group accounting policies continued
2.5 Impairment of non-financial assets continued

Fair value less cost to sell is generally determined by using discounted estimated after-tax future cash flows. Future cash flows are estimated based on quantities of recoverable minerals, expected commodity prices (considering current and historical prices, price trends and related factors), production levels and cash costs of production, all based on life-of-mine (LoM) plans. Future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and risk specific to the asset. Refer to note 15 for detail.

The term "recoverable minerals" refers to the estimated amount of gold that will be obtained from reserves and resources and all related exploration stage mineral interests (except for other mine-related exploration potential and greenfields exploration potential discussed separately below) after taking into account losses during ore processing and treatment. Estimates of recoverable minerals from such related exploration stage mineral interests will be risk adjusted based on management's relative confidence in such materials.

In estimating future cash flows, assets are grouped at the lowest level for which there are identifiable cash flows that are largely independent of cash flows from other asset groups. Except for other mine-related exploration potential and greenfields exploration potential, estimates of future undiscounted cash flows are included on an area of interest basis, which generally represents an individual operating mine, even if the mines are included in a larger mine complex.

In the case of mineral interests associated with other mine-related exploration potential and greenfields exploration potential, cash flows and fair values are individually evaluated based primarily on recent exploration results and recent transactions involving sales of similar properties, if any. Assumptions underlying future cash flow estimates are subject to significant risks and uncertainties.

Impairment losses on goodwill are recognised immediately in the income statement and are not reversed. The impairment testing is performed annually on 30 June or when events or changes in circumstances indicate that it may be impaired.

Non-financial assets other than goodwill that suffered an impairment are reviewed annually for possible reversal of the impairment at 30 June. Reversal of impairments is also considered when there is objective evidence to indicate that the asset is no longer impaired. Where an impairment subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but not higher than the carrying value that would have been determined had no impairment been recognised in prior years.

2.6 Operating profit

The group defines operating profit as the profit earned from the normal core mining operations. In reporting operating profit in the income statement, capital transactions involving subsidiaries, joint arrangements and associates are excluded from operating profit as these are not considered to be part of the mining operations of the Harmony group. Any gains or losses on capital transactions are presented below the operating profit line.

3 Critical accounting estimates and judgements

The preparation of the financial statements in conformity with IFRS requires the group's management to make estimates and assumptions that affect the reported amounts of assets and liabilities as well as disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Key accounting estimates and assumptions applied:

- Estimate of taxation – note 12
- Recognition of deferred tax asset – note 12 and 14
- Valuation of cash generating units acquired – note 14
- Fair value of identifiable net assets acquired – note 14
- Estimate of deferred tax rates on acquisition date – note 14
- Gold mineral reserves and resources – note 15
- Production start date – note 15
- Stripping activities – note 15
- Impairment of assets – note 15
- Depreciation of property plant and equipment – note 15
- Exploration and evaluation assets – note 15
- Impairment of goodwill – note 16
- Provision for stock obsolescence – note 23
- Estimate of exposure and liabilities with regard to rehabilitation costs – note 26
- Estimate of provision for silicosis settlement – note 27
- Leases – note 28
- Valuation of contingent consideration liability – note 29
- Streaming contract liability – note 31
- Assessment of contingencies – note 38
- Valuation of derivative financial instruments – note 39.

Other accounting estimates and assumptions applied:

- Valuation of interest in associate – note 21
- Estimate of employee benefit liabilities – note 27
- Fair value of share-based payments – note 36 .

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4 Impact of changes in global operating and economic environment

Covid-19

Although the disruption caused by Coronavirus (Covid-19) has diminished significantly worldwide, Harmony still maintains a precautionary approach to infectious disease control. Harmony is actively monitoring and managing the supply of critical items to ensure that production is not affected, thereby ensuring the company remains in a position to manage Covid-19 as part of normal day-to-day activities.

In South Africa, the national lockdown that began on 27 March 2020 to curb the spread of the Coronavirus came to an end during April 2022. This led to the discontinuance of all Covid-19 regulations which had been put in place. In Papua New Guinea, where the Hidden Valley operation is located, significant decreases in positive cases have been experienced for the first part of the 2022 calendar year. In 2021, the group had been able to carry out its operations in Papua New Guinea during the state of emergency which had been imposed by the government.

Cost and inflationary pressures

During the 2023 financial year, Harmony continued to experience heightened input costs driven by inflationary pressures. The effect has been especially pronounced on certain key items such as oil (directly affecting diesel supply and cost), electricity and certain chemical reagents used by treatment plants. Refer to note 6. The announcement by the energy regulator in South Africa, NERSA, of a 18.65% tariff hike in electricity is incorporated into the 2023/2024 budgeting and forecasting process. This brings further impetus to Harmony's renewable energy programme.

The cost inflation seen in 2023 started during the second half of the 2022 financial year, driven by inflationary pressures related to global supply chain constraints due to the Covid-19 pandemic, which was then further exacerbated by Russia's invasion of Ukraine. These cost pressures had an impact on, among others, the FY23 budget and life-of-mine planning process, determination of deferred tax rates for the group's mining entities and impairment assessments performed for the group's cash generating units. Refer to notes 12 and 15 respectively for further disclosure.

Interest rates

Over the past year, central banks globally have been increasing interest rates as a measure of combating rising inflation. In the current financial year, the US Federal Reserve raised interest rates by 350 basis points (2022: 150 basis points) (2021: no increase/decrease), while the South African Reserve Bank (SARB) similarly raised the repurchase interest rate by 350 basis points (2022: 125 basis points) (2021: 25 basis points decrease). This contributed to increased finance costs and investment income for the 2023 financial year (refer to notes 10 and 11). The increase in interest rates also contributed to higher bond yields in the market, which affected the risk-free rates used for discounting of the provision for environmental rehabilitation (refer to note 26) and the provision for silicosis settlement (refer to note 27).

Commodity prices and exchange rates

Gold traded within a range of US$1 622/oz and US$2 051/oz (2022: US$1 726/oz and US$2 052/oz) (2021: US$1 681/oz and US$2 063/oz) during the current financial year, reaffirming its safe haven status with investors during times of global uncertainty and market volatility. These uncertainties have also resulted in increased volatility in the R/US$ and R/A$ exchange rates. The currencies traded in ranges of R16.17/US$1 to R19.81/US$1 (2022: R14.15/US$1 to R16.30/US$1) (2021: R13.43/US$1 to R17.68/US$1) and R11.19/A$1 to R12.94/A$1 (2022: R10.43/A$1 to R11.63/A$1) (2021: R10.41/A$1 to R12.66/A$1) during the current financial year. These movements in the currencies expose the group's operations to foreign currency gains and losses on foreign-denominated receivables and liabilities, including derivatives, and also impact the group's translation of its international operating results and net assets into its Rand presentation currency, which resulted in a foreign exchange translation gain of R1.1 billion for the 2023 year (2022: R742 million) (2021: R1.2 billion loss).

As part of the underlying assumptions used in valuing certain line items, management used a consensus of market analysts' forecasts in determining short-, medium- and long-term commodity prices and exchange rates. These economic assumptions are used in certain fair value calculations. Based on the consensus forecasts used, a marked increase was seen in US$ gold price and R/US$ exchange rate assumptions applied. Refer to note 15 for disclosed assumptions.

ESG and climate change-related financial disclosures

Due to the increased focus on sustainability, Environmental, Social and Governance (ESG) matters and climate change, various regulators have released guidance or proposed regulations for required disclosures.

During March 2022, the Securities and Exchange Commission (SEC) issued proposed rules that are intended to provide more consistent, comparable and reliable information so that investors can better evaluate the impact of climate-related matters on entities. The comment period on the proposed rules have closed and the SEC is evaluating comment letters received. The SEC's proposed rules are expected to affect the information reported as "other information" by entities and may include specific requirements on assurance of certain ESG key performance indicators. However, the SEC's proposal included certain disclosures in the financial statements. It is unknown at this stage if these will be retained in the final regulation.

Management will continue to monitor announcements made that will affect the reporting by the group.

NOTES TO THE GROUP FINANCIAL STATEMENTS *continued*
For the year ended 30 June 2023

5 Revenue

Accounting policy

(a) Commodities

Revenue from metal sales include the sale of gold, silver and uranium. Revenue from metal sales is recognised when the group satisfies its performance obligations under its contract with the customer, by transferring such metals to the customer's control. Transfer of control is generally determined to be when the risk and title to the metals passes to the customer. Revenue is measured based on the consideration specified in the contract with the customer and is driven by the quoted market prices of the metals.

(b) Toll treatment

The group has entered into agreements with various third parties to treat gold-bearing material at certain of the group's metallurgical plants in South Africa. The determination of the consideration receivable is set out in each individual contract, based on the third parties' specific circumstances. Revenue from toll treatment services is recognised as the group satisfies its single performance obligation under its contract with the third parties, which is the recovery of the gold through the treatment process and the facilitation of the ultimate sale of recovered gold. This is satisfied over time. The gold-bearing material, and thereafter recovered gold, remains at all times under control of the third parties until the ultimate sale of the recovered gold. Harmony therefore acts as agent in treating the gold-bearing material. Settlement is done in the month following the sale of gold (see below).

Subsequent to treatment, the group delivers the recovered gold on behalf of the third parties to Rand Refinery for further refining, whereafter it is sold. The group acts as an agent in the sales process, receiving payment on behalf of the third parties before transferring the amounts owed to them.

(c) Hedging

The effective portion of gains or losses on the derivatives designated as cash flow hedging items (forecast sales transactions) are recognised in revenue when the forecast sales transactions occur. See the accounting policy for derivatives and hedging activities in note 2.

	SA Rand		
Figures in million	**2023**	2022	2021
Commodities			
Gold (a)	**47 366**	40 774	42 597
Silver (b)	**1 021**	663	857
Uranium (c)	**304**	240	178
	48 691	41 677	43 632
Toll treatment services (d)	**430**	—	—
Revenue from contracts with customers	**49 121**	41 677	43 632
Consideration from streaming contract (e)	**338**	471	397
Hedging gain/(loss) (f)	**(184)**	497	(2 296)
Total revenue[1]	**49 275**	42 645	41 733

[1] *A geographical analysis of revenue is provided in the segment report. Refer to note 41 for further information.*

Below are the average commodity prices received for the financial years:

	2023	2022	2021
Gold[1]			
– US$ per ounce (US$/oz)	**1 808**	1 829	1 719
– Rand per kilogram (R/kg)	**1 032 646**	894 218	851 045
Silver			
– US$ per ounce (US$/oz)	**21.89**	23.09	25.45
– Rand per kilogram (R/kg)	**12 505**	11 293	12 602
Uranium			
– US$ per pound (US$/lb)	**50.05**	45.14	29.76
– Rand per kilogram (R/kg)	**1 960**	1 514	1 010

[1] *The gold price includes the realised effective portion of the hedge-accounted gold derivatives.*

5 Revenue continued

Revenue from contracts with customers

The points of transfer of control are as follows:

Gold: South Africa (excluding streaming contract)	Gold is delivered and a certificate of sale is issued.
Gold and silver: Hidden Valley	Metal is collected from Hidden Valley and a confirmation of collection is sent to and accepted by the customer.
Uranium	Confirmation of transfer is issued.
Toll treatment services	As the gold-bearing material is treated and processed over time.
Streaming contract	Gold is delivered and credited into the Franco-Nevada designated gold account.

(a) The increase in gold revenue during the 2023 financial year is mainly due to the weakening of the Rand/US$ exchange rate from an average of R15.21/US$ to R17.76/US$. This resulted in an increase in the average gold spot price received by 17%, from R883 453/kg in the 2022 year to R1 036 682/kg in 2023. The increase in revenue was partially offset by the closure of Bambanani in June 2022, which contributed revenue of R1 286 million in 2022.

The decrease in gold revenue during the 2022 financial year is mainly due to the decrease in gold production by 3% to 46 236kg in 2022 from 47 755kg in 2021. The decrease is a result of mining constraints at Doornkop, Moab Khotsong, Tshepong North and Tshepong South resulting in lower grades recovered, the seismic issues experienced at Bambanani as well as the geotechnical instability affecting Stage 6 and a conveyor belt failure at Hidden Valley. In addition, the average gold spot price received decreased by 2% from R899 563/kg in the 2021 year to R883 453/kg in 2022. The decrease was partially offset by an increase in production at Mponeng and Mine Waste Solutions as they contributed for the full year compared to nine months in 2021.

(b) Silver is derived from the Hidden Valley mine in Papua New Guinea. The increase in silver revenue in the 2023 financial year is due to an increase in production by 38% to 82 093kg from 59 489kg in 2022. This was due to a general improvement in the operating environment at Hidden Valley. The average silver price increased by 11% to R12 505/kg in 2023.

Silver produced decreased by 12% to 59 489kg in 2022 from 67 295kg in 2021 as a result of operational challenges experienced at Hidden Valley. The average silver price decreased by 10% to R11 293/kg in 2022.

(c) Uranium is derived from the Moab Khotsong operation. Uranium produced increased by 42% to 237 438kg from 167 696kg in 2022 and the average uranium price increased by 30% to R1 960/kg in 2023.

Uranium produced increased by 11% to 167 696kg in 2022 from 150 778kg in 2021 and the average uranium price increased by 50% to R1 514/kg in 2022.

(d) The fees for services rendered for the treatment of third-party gold-bearing material at the Doornkop and Moab operations have been included separately as of 2023. Refer to note 2 for details.

(e) The streaming arrangement results in the non-cash consideration recognised as part of revenue for the streaming arrangement. Refer to note 31 for further information.

(f) The realised effective portion of the hedge-accounted gold derivatives was impacted by the average gold market spot price during the 2023 financial year of R1 045 527/kg (2022: R896 712/kg) compared to the average forward price of matured contracts of R1 028 764/kg (2022: R940 536/kg). Refer to note 19 for further information.

NOTES TO THE GROUP FINANCIAL STATEMENTS *continued*
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6 Cost of sales

	SA Rand		
Figures in million	**2023**	2022	2021
Production costs (a)	**34 866**	33 099	29 774
Amortisation and depreciation of mining assets (b)	**3 355**	3 622	3 777
Amortisation and depreciation of assets other than mining assets	**99**	61	98
Rehabilitation expenditure (c)	**32**	136	135
Care and maintenance costs of restructured shafts (d)	**227**	273	144
Employment termination and restructuring costs (e)	**597**	218	332
Share-based payments (f)	**51**	143	114
Impairment of assets (g)	**—**	4 433	1 124
Toll treatment costs (h)	**323**	—	—
Other	**(15)**	(58)	(9)
Total cost of sales	**39 535**	41 927	35 489

(a) Production costs include mine production, transport and refinery costs, applicable general administrative costs, movement in inventories and ore stockpiles, ongoing environmental rehabilitation costs and transfers for stripping activities. Employee termination costs are included, except for employee termination costs associated with major restructuring and shaft closures, which are separately disclosed.

Production costs increased by R1 767 million (5% year on year) during 2023. These costs increased mainly due to inflationary pressures on costs including labour, electricity and consumables costs. The royalty tax increased due to a higher rate being applied due to higher profits, as well as the increased revenue base to which it is applied. The increase in production costs was offset by the closure of Bambanani at the end of June 2022 as well as an increase of R408 million in the capitalised stripping credit at Hidden Valley.

Production costs increased by R3 325 million (11% year on year) during the 2022 year. These costs increased mainly due to the inclusion of the Mponeng operations and related assets for a full financial year, and inflationary pressures on costs including labour, electricity and consumables. This was partially offset by a reduction in the royalty expense due to lower profits which impacted the rates at which the royalties are calculated.

Production costs, analysed by nature, consist of the following:

	SA Rand		
Figures in million	**2023**	2022	2021
Labour costs, including contractors	**19 760**	19 350	17 585
Consumables	**9 982**	8 581	7 218
Water and electricity	**6 342**	6 009	5 138
Insurance[1]	**551**	230	208
Transportation[1]	**281**	185	177
Change in inventory	**(11)**	21	69
Capitalisation of mine development costs	**(2 349)**	(2 576)	(2 117)
Stripping activities	**(1 514)**	(1 096)	(1 047)
Royalty expense	**652**	360	637
Other	**1 172**	2 035	1 906
Total production costs	**34 866**	33 099	29 774

[1] Line item has been disaggregated from the Other line item and shown as a separate line item for the current year, based on the materiality thereof. The 2022 and 2021 amounts were amended accordingly.

(b) The decrease for the 2023 year is predominantly due to impairment of assets recognised in the 2022 year which reduced the carrying value of mining assets of certain operations (refer to (g) below), resulting in lower depreciation for the 2023 year. Additionally, the closure of Bambanani in June 2022 resulted in no depreciation in 2023 compared to R84 million in 2022.

The decrease for the 2022 year is predominantly as a result of the operational challenges experienced at the Hidden Valley operation, which resulted in lower production and therefore a decrease in depreciation year on year of R651 million. This was partially offset by increased depreciation at the other operations. Notably, Mine Waste Solutions had a year-on-year increase of R227 million, primarily due to new assets being brought into use. Mponeng also recorded an increase, due to the consolidation for the full year for 2022 compared to nine months for 2021, amounting to R54 million. With the closure of Bambanani earlier than initially planned, additional depreciation of R56 million was recorded due to the shortened life of the operation.

6 Cost of sales continued

(c) For the assumptions used to calculate the rehabilitation costs, refer to note 26. This expense includes the change in estimate for the rehabilitation provision where an asset no longer exists as well as costs related to the rehabilitation process. For 2023, R90 million (2022: R65 million) (2021: R15 million) was spent on rehabilitation in South Africa. Refer to note 26.

(d) The increase in the 2022 year is mainly due to the Vaal River surface operations and Kopanang gold plant being placed on care and maintenance at the end of the 2021 year, which contributed R117 million to the costs for 2022.

(e) Employment termination and restructuring cost increased in 2023 as a result of the changes in the number of employees taking up voluntary severance packages. The increase is attributable to the voluntary severance packages that were taken up following the closure of Bambanani and disaggregation of the Tshepong Operations into Tshepong North and Tshepong South. The bulk of the employees from these operations have been accommodated at other operations within the group.

During 2021, a new programme for voluntary and medical severance packages was offered to employees, partially related to the closure of Unisel. The decrease in 2022 is due to a lower number of employees taking up voluntary severance packages year on year.

(f) Refer to note 36 for details on the share-based payment schemes implemented by the group.

(g) Management performed an assessment for indicators of impairment as well as indicators of reversal of previously recorded impairment losses in terms of IAS 36 ***Impairment of Assets***. Specific circumstances surrounding each of the individual cash generating units (CGUs) were considered in this assessment in order to identify significant changes in the current financial year.

The Target 1, Kalgold and Kusasalethu CGUs experienced operational issues during the year ended 30 June 2023. These operational issues were considered to be indicators of potential impairment and therefore an impairment assessment was performed for these CGUs. Based on the impairment tests performed, no impairments were recorded for the 2023 financial year.

As a result of the group net asset value exceeding Harmony's market capitalisation as at 30 June 2022 and 2021, impairment assessments were performed for all CGUs.

The recoverable amounts for the CGUs tested were determined on a fair value less cost to sell basis using assumptions in the discounted cash flow models and attributable resource values. These are fair value measurements classified as level 3.

Where CGUs had previously been impaired, management considered whether the impairment loss (or the contributors to the previously recognised impairment loss) no longer exists or might have decreased. Management considered general and specific factors for each CGU and concluded that although overall the gold price had improved from the time that the impairment losses had been recognised, the specific circumstances that led to the original impairments had not reversed. Furthermore, the service potential of the asset has not increased. Management therefore deemed it appropriate for no reversal of previously recognised impairment losses to be recorded for the year ended 30 June 2023. There also was no reversal of impairment for the 2022 or 2021 financial years.

Refer to note 15 for further information.

The impairment of assets consists of the following:

	SA Rand		
Figures in million	**2023**	2022 Re-presented	2021 Re-presented
Tshepong North	—	2 296	651
Tshepong South	—	1 326	108
Moab Khotsong	—	522	—
Kusasalethu	—	145	—
Bambanani	—	144	187
Target 3	—	—	178
Total impairment of assets	—	4 433	1 124

The Tshepong Operations were disaggregated into two separate CGUs being the Tshepong North CGU and the Tshepong South (also known as the Phakisa section) CGU, for impairment testing at 30 June 2022. This was due to the decision taken during the FY23 budget process in June 2022, to reinvest in the two individual operations to maximise individual profitability following the change to Tshepong North's life-of-mine with the sub-75 decline project being halted. Based on the forward-looking nature of the impairment assessment, a separate impairment calculation was prepared for each of the CGUs. Tshepong North and Tshepong South are disclosed as separate reportable segments for the 2023 financial year, therefore the disclosures for 2022 and 2021 have been re-presented accordingly. Refer to note 2 and 41 for more information.

6 Cost of sales continued

(g) Impairment of assets **continued**

The recoverable amounts of the CGUs where impairments were recognised as at 30 June 2022 are as follows:

	SA Rand		
	Recoverable amount		
Figures in million	**Life-of-mine plan**	**Resource base**	**Total**
Tshepong South			
For Tshepong South, the individual life-of-mine plan included additional capital to address flexibility constraints at the operation. Costs also increased significantly as a result of inflationary pressures. These changes along with a higher post-tax discount rate of 11.67% (2021: 10.11% for Tshepong Operations), negatively affected the discounted cash flows used to determine the recoverable amount of the operation.	**1 645**	**—**	**1 645**
Tshepong North			
The impairment of Tshepong North was as a result of increased cost of both production and capital expenditure and an increased post-tax discount rate of 11.67% (2021: 10.11% for Tshepong Operations). The recoverable amount was also affected by the reclassification of production for the sub-75 level from reserves in the life-of-mine plan to the resource base, which is subject to a higher discount rate of 13.75% (2021: 12.02%).	**1 088**	**850**	**1 938**
Moab Khotsong			
The updated life-of-mine plan included an increase in working and capital costs as a result of inflationary pressures. The updated life-of-mine plan also includes additional capital expenditure which relates to the Zaaiplaats project after finalisation of its detailed design plan during the 2022 financial year. This impacted the discounted cash flows used to determine the recoverable amount of the operation. The recoverable amount was further impacted by an increased post-tax discount rate of 10.44% (2021: 9.35%).	**3 748**	**—**	**3 748**
Kusasalethu			
A decrease in tonnes combined with a decrease in grade over the remainder of the life-of-mine of the operation lead to a decrease in gold production. The reduction is due to an updated plan to mitigate safety risks that exist at the operation.	**806**	**—**	**806**
Bambanani			
The life-of-mine plan of the operation was revised in the period ended 31 December 2021, bringing the closure of the operation forward from June 2024 to June 2022. This was as a result of the increased seismicity and related risk increasing as pillars were mined out. At 31 December 2021, the post-tax recoverable amount was derived from expected cash flows as per the life-of-mine plans and amounted to R36 million. The recoverable amount is now Rnil, as the operation was closed down during June 2022. The assumptions used in the December impairment assessment included a gold price of US$1 782/oz, an exchange rate of R15.36/US$1, a final gold price of R880 000/kg and a post-tax real discount rate of 12.59%. This resulted in a post-tax recoverable amount of R36 million at 31 December 2021.	**—**	**—**	**—**

6 Cost of sales continued

(g) Impairment of assets **continued**

The recoverable amounts of the CGUs where impairments were recognised as at 30 June 2021 are as follows:

	SA Rand		
	Recoverable amount		
Figures in million	Life-of-mine plan	Resource base	Total
Tshepong South			
The updated life-of-mine plan included a reduction in planned gold resulting from lower grade. There was also a change in the mining profile in the revised life-of-mine plan, which impacted on the timing of cash flows, which were then later than in comparison to the prior-year plan. These changes affected the discounted cash flows used to determine the recoverable amount of the operation.	**1 691**	**—**	**1 691**
Tshepong North			
The updated life-of-mine plan included a reduction in planned gold resulting from lower grade. There was also a change in the mining profile in the revised life-of-mine plan, which impacted on the timing of cash flows, which were then later than in comparison to the prior-year plan. These changes affected the discounted cash flows used to determine the recoverable amount of the operation.	**3 156**	**936**	**4 092**
Bambanani			
The impairment of goodwill on Bambanani was mainly as a result of a reduction in grade over the remainder of the operation's life. The reduction in grade is due to unexpected changes in the orebody and a lower mine call factor.	**341**	**—**	**341**
Target 3			
Previous plans to explore the sale of the operation have been abandoned and further development is not a viable option at this stage. Therefore management has determined a recoverable amount of Rnil.	**—**	**—**	**—**

(h) Relates to costs associated with services rendered for the treatment of third-party gold-bearing material. Refer to note 5 for further detail.

7 Corporate, administration and other expenditure

	SA Rand		
Figures in million	**2023**	2022	2021
Professional and legal fees	**87**	61	52
Compliance and assurance costs	**63**	62	51
Corporate business development (a)	**20**	39	221
Corporate office expenditure	**847**	797	707
Other corporate and administration expenses	**27**	25	37
Total corporate, administration and other expenditure	**1 044**	984	1 068

(a) The corporate business development in 2021 is largely attributable to integration costs incurred in relation to the acquisition of Mponeng operations and related assets. These expenses were not incurred in the 2022 and 2023 financial years.

NOTES TO THE GROUP FINANCIAL STATEMENTS *continued*
For the year ended 30 June 2023

8 Foreign exchange translation gain/(loss)

	SA Rand		
Figures in million	**2023**	2022	2021
Borrowings (a)	**(820)**	(411)	894
Other items (b)	**186**	84	(224)
Total foreign exchange translation gain/(loss)	**(634)**	(327)	670

(a) The losses in 2023 and 2022 were predominantly caused by unfavourable translations on US dollar loan balances. The unfavourable translations on US dollar loans are attributable to the Rand weakening against the US dollar, evidenced by a closing exchange rate of R18.83/US$1 (2022: R16.27/US$1) (2021:14.27 /US$1). Also contributing to the loss for 2023 was the draw down of US$170 million (R2 919 million) during the year for the acquisition of the Eva Copper Project and other assets. Refer to note 32 and 14 respectively for details.

(b) This relates mainly to the translation of metal trade receivables and cash denominated in a foreign currency to the functional currencies of the operating entities.

9 Other operating expenses

	SA Rand		
Figures in million	**2023**	2022	2021
Social investment expenditure	**208**	145	126
Loss on scrapping of property, plant and equipment (a)	**182**	7	161
Silicosis settlement provision (b)	**(183)**	23	80
Loss allowance	**4**	22	47
Remeasurement of contingent consideration (c)	**64**	(61)	(127)
Income from third-party toll treatment fee (d)	**—**	(25)	—
Other (income)/expense – net (e)	**(7)**	(110)	(46)
Total other operating expenses	**268**	1	241

(a) These losses arise from the derecognition of property, plant and equipment that is no longer in use. No future economic benefits are expected from the use or disposal of these assets. Refer to note 15 for further detail on the accounting policy as well as the amounts per asset category.

(b) Refer to note 27 for details on the movement in the silicosis settlement provision.

(c) Refer to note 29 for details on the remeasurement of the contingent consideration.

(d) The amount relates to fees received from a third party for the treatment of ore at the Doornkop plant. Refer to note 2 for detail on the change in presentation during 2023.

(e) The 2022 year mainly comprises of insurance claim proceeds of R83 million and profit on the sale of property, plant and equipment of R24 million. There were no such transactions in the 2023 year.

10 Investment income

Accounting policy

Interest income is recognised on the effective interest method, taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the group. Dividend income is recognised when the shareholder's right to receive payment is established. This is recognised at the last date of registration.

Cash flows from interest and dividends received are classified under operating activities in the cash flow statement.

	SA Rand		
Figures in million	**2023**	2022	2021
Interest income from financial assets at amortised cost[1]	**425**	276	265
Dividend income	**19**	24	23
Net gain on financial instruments[2]	**219**	52	43
Total investment income	**663**	352	331

[1] Interest income on restricted cash and investments and bank balances increased mainly due to higher interest rates during 2023.
[2] Primarily relates to the environmental trust funds (refer to note 17) and the ARM BBEE Trust loan (refer to note 18). In 2023, fair value gains on the equity-linked deposits that form part of restricted investments increased by R167 million mainly due to the improved performance of the JSE Top 40 index to which they are linked.

11 Finance costs

Accounting policy

Borrowing costs are capitalised to the extent that they are directly attributable to the acquisition and construction of qualifying assets. Qualifying assets are assets that take a substantial time to get ready for their intended use. These costs are capitalised until the asset moves into the production phase. Other borrowing costs are expensed. The foreign exchange translation loss is included in the borrowing cost calculation to the extent that it is considered to be a part of interest. In a year where a foreign exchange gain is recognised on the borrowings' translation, the potential impact thereof on the rate as well as the borrowing costs is disregarded. Borrowing costs capitalised is presented as part of interest paid under operating activities in the cash flow statement.

	SA Rand		
Figures in million	**2023**	2022	2021
Financial liabilities			
Borrowings (a)	**467**	238	228
Other creditors and liabilities	**29**	22	14
Total finance costs from financial liabilities	**496**	260	242
Non-financial liabilities			
Time value of money for other provisions	**97**	79	74
Streaming arrangements	**41**	67	71
Time value of money and inflation component of rehabilitation costs	**483**	377	296
Total finance costs from non-financial liabilities	**621**	523	441
Total finance costs before interest capitalised	**1 117**	783	683
Interest capitalised (b)	**(123)**	(65)	(22)
Total finance costs	**994**	718	661

(a) The increase in finance costs on borrowings in 2023 is as a result of the US$ drawdowns made and higher interest rates during the 2023 financial year. Refer to note 32 for further detail.

This amount includes accrued interest and amortisation of commitment fees, which are treated as non-cash adjustments for the determination of interest paid in the cash flow statement.

(b) The capitalisation rate used to determine capitalised borrowing costs is:

	Percent (%)		
	2023	2022	2021
Capitalisation rate	**9.2**	6.8	3.8

The capitalisation rate for 2023 and 2022 includes the impact of the foreign exchange loss for the year where the Rand equivalent rate is used.

NOTES TO THE GROUP FINANCIAL STATEMENTS *continued*
For the year ended 30 June 2023

12 Taxation

Accounting policy

Taxation is made up of current and deferred taxation. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred taxation is recognised on temporary differences existing at each reporting date between the tax base of all assets and liabilities and their carrying amounts. Substantively enacted tax rates are used to determine future anticipated effective tax rates which in turn are used in the determination of deferred taxation, except to the extent that deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and does not affect the accounting or taxable profit or loss at the time of the transaction. Deferred tax is charged to profit or loss, except where the tax relates to items recognised in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity. The effect on deferred tax of any changes in tax rates is recognised in the income statement, except to the extent that it relates to items previously charged or credited directly to equity.

The principal temporary differences arise from amortisation and depreciation on property, plant and equipment, provisions, unutilised tax losses, unutilised capital allowances carried forward and unrealised gains and losses on the gold forward sale contracts. Deferred tax assets relating to the carry forward of unutilised tax losses and unutilised capital allowances are recognised to the extent that it is probable that future taxable profit will be available against which the unutilised tax losses and unutilised capital allowances can be utilised. The recoverability of these assets is reviewed at each reporting date and adjusted if recovery is no longer probable.

Deferred income tax is provided on temporary differences arising from investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Critical accounting estimates and judgements

The group is subject to income tax in several jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which the temporary differences are expected to reverse. At the group's South African operations, such average tax rates are directly impacted by the profitability of the relevant mine. The deferred tax rate is therefore based on the current estimate of future profitability of an operation when temporary differences will reverse, based on tax rates and tax laws that have been enacted at the balance sheet date. The future profitability of each mine, in turn, is determined by reference to the life-of-mine (LoM) plan for that operation. The LoM plan is influenced by factors as disclosed in note 15, which may differ from one year to the next and normally result in the deferred tax rate changing from one year to the next.

Management has to exercise judgement with regard to deferred tax assets. The recoverability of deferred tax assets is assessed with reference to the current estimate of future profitability of the relevant legal entity's operations. Where it is not probable that future taxable income may flow against which these assets can be offset, the deferred tax assets are not recognised.

12 Taxation continued

The taxation (expense)/credit for the year is as follows:

	SA Rand		
Figures in million	**2023**	2022	2021
SA taxation			
Mining tax (a)	**(631)**	(182)	(464)
– current year	**(633)**	(194)	(467)
– prior year	**2**	12	3
Non-mining tax (b)	**(12)**	(125)	(80)
– current year	**(6)**	(121)	(81)
– prior year	**(6)**	(4)	1
Deferred tax (c)	**(1 080)**	353	(714)
– current year	**(1 080)**	353	(714)
Total taxation (expense)/credit	**(1 723)**	46	(1 258)

(a) Mining tax on gold mining taxable income in South Africa is determined according to a formula, based on the taxable income from mining operations. 5% of total revenue is exempt from taxation, while the remainder is taxable at a higher rate (up to a maximum of 33%) than non-mining income (27%) as a result of applying the gold mining formula. Mining and non-mining income of Australian and PNG entities are taxed at a standard rate of 30%.

All qualifying mining capital expenditure is deducted from taxable mining income to the extent that it does not result in an assessed loss. Accounting depreciation is eliminated when calculating the South African mining taxable income. Excess capital expenditure is carried forward as unredeemed capital to be claimed from future mining taxable income. The group has several tax paying entities in South Africa. In terms of the mining ring-fencing application, each ring-fenced mine is treated separately and deductions can normally only be utilised against mining income generated from the relevant ring-fenced mine.

The increased mining tax expense for the 2023 financial year is mainly attributable to taxes recognised by Golden Core Trade and Invest (Pty) Ltd (Golden Core) of R272 million (2022: Rnil) and Harmony Moab Khotsong Operations (Pty) Ltd (Moab) of R260 million (2022: R130 million). The higher gold prices and production led to increased taxable income for the two entities. The expense in Golden Core was offset by the utilisation of its remaining unredeemed capital expenditure balance of R845 million. The movement in foreign exchange translation from gains in the 2021 year to losses in 2022 and a decline in mining taxable income resulted in the decrease in the current tax expense during the 2022 year.

Due to the changes announced in the 2022 budget speech, the mining tax rate changed from 34% in 2022 and 2021 to 33% for the current year. Further, the annual limitation of assessed loss utilisation to 80% of taxable income came into effect.

(b) Non-mining taxable income of mining companies and the taxable income for non-mining companies are taxed at the statutory corporate rate of 27% for the 2023 financial year.The expense for the 2022 and 2021 financial years relates to non-mining tax arising from derivative gains (realised and unrealised) recognised on the foreign currency derivatives as well as the realised gains on the commodity forward sale contracts. The decreased non-mining taxes for the 2023 financial year can be attributed to the significantly lower derivative gains from both commodity and foreign currency contracts compared to the 2022 financial year. Refer to note 19 for details on the group's derivative gains and losses recorded.

Due to the changes announced in the 2022 budget speech, the corporate tax rate applied to non-mining taxable income has been amended to 27% (2022: 28%) (2021: 28%) for the current year. Further, the annual limitation of assessed loss utilisation to 80% of taxable income came into effect.

(c) The deferred tax rate used to calculate deferred tax is based on the current estimate of future profitability when temporary differences will reverse based on tax rates and tax laws that have been enacted at the balance sheet date. Depending on the profitability of the operations, the deferred tax rate can consequently be significantly different from year to year.

Following the completion of the annual life-of-mine plans, management revised the weighted average deferred tax rates for all the South African operations. The higher gold price assumptions used resulted in an increase in the estimated profitability and consequently higher rates than in the prior year for most subsidiaries. Refer to note 15 for assumptions used.

12 Taxation continued

(c) Deferred tax **continued**

Changes to the deferred income tax rates were significant for the following entities:

	Percent (%)		
	2023	2022	2021
Harmony	**26.4**	25.1	27.4
Freegold (Harmony) (Proprietary) Limited	**11.4**	7.0	12.1
Randfontein Estates Limited (Randfontein)	**10.5**	8.7	5.1
Kalahari Goldridge Mining Company Limited (Kalgold)	**17.1**	18.7	19.7
Harmony Moab Khotsong Operations (Proprietary) Limited (Moab)	**16.7**	14.7	17.6
Golden Core Trade and Invest (Proprietary) Limited (Mponeng)	**17.7**	12.8	11.3

These changes, together with changes in the temporary differences, had the following impacts:

- The change in rates, with the majority increasing year on year at the individual company level (other than hedge accounted derivatives), resulted in a increase in the deferred tax expense and liability to the amount of R588 million (2022: R386 million decrease) (2021: R55 million increase)
- Increase of temporary differences related to the carrying value of property, plant and equipment resulted in an increase of R377 million in the deferred tax expense (2022: R101 million decrease) (2021: R52 million decrease)
- Unwinding of temporary differences related to unredeemed capital expenditure balances resulted in an increase of R169 million in the deferred tax expense (2022: R86 million) (2021: R301 million).

Income and mining tax rates

Major items causing the group's income tax provision to differ from the South African mining statutory tax rate of 33% (2022 and 2021: 34%) were:

	SA Rand		
Figures in million	**2023**	2022	2021
Tax (expense)/credit on net profit/loss at the mining statutory tax rate	**(2 180)**	360	(2 170)
Non-allowable deductions and non-taxable items	**(314)**	(328)	(153)
Equity-settled share-based payments	**(32)**	(49)	(49)
Gain on bargain purchase	**—**	—	102
Acquisition- and integration-related costs	**—**	—	(75)
Impairment of goodwill	**—**	(114)	(64)
Exploration expenditure	**(25)**	(79)	(15)
Finance costs	**(145)**	(52)	(50)
Other	**(112)**	(34)	(2)
Movement in temporary differences related to property, plant and equipment[1]	**(333)**	(1 447)	378
Movements in temporary differences related to other assets and liabilities	**80**	(174)	(465)
Difference between effective mining tax rate and statutory mining rate on mining income	**303**	125	145
Difference between non-mining tax rate and statutory mining rate on non-mining income	**1**	26	17
Effect on temporary differences due to changes in effective tax rates[2]	**(588)**	386	(55)
Prior-year adjustment	**—**	10	(4)
Capital allowances[3]	**1 059**	973	860
Deferred tax asset not recognised[4]	**249**	115	189
Income and mining taxation (expense)/credit	**(1 723)**	46	(1 258)
Effective income and mining tax rate (%)	**26**	4	20

[1] *The change in 2023 is mainly as a result of an increase in the unredeemed capital expenditure balance of Avgold Limited (Avgold). This was partially offset by an increase in the net carrying value of property, plant and equipment of Moab and Chemwes (Pty) Ltd (Chemwes).*
[2] *Refer to (c) above for detail of the deferred tax rate changes.*
[3] *This relates to the additional capital allowance that may be deducted from taxable income from mining operations in South Africa. A significant portion relates to Avgold which has a 0% effective tax rate.*
[4] *This relates to tax losses and deductible temporary differences for which future taxable profits are uncertain and are not considered probable.*

12 Taxation continued

Deferred tax

The analysis of deferred tax assets and liabilities is as follows:

	SA Rand	
Figures in million	**2023**	2022
Deferred tax assets	**(1 261)**	(1 183)
Deferred tax asset to be recovered after more than 12 months	**(983)**	(1 091)
Deferred tax asset to be recovered within 12 months	**(278)**	(92)
Deferred tax liabilities	**3 366**	2 566
Deferred tax liability to be recovered after more than 12 months	**2 971**	2 192
Deferred tax liability to be recovered within 12 months	**395**	374
Net deferred tax liability	**2 105**	1 383

Deferred tax liabilities and assets on the balance sheet as of 30 June 2023 and 30 June 2022 relate to the following:

	SA Rand	
Figures in million	**2023**	2022
Gross deferred tax liabilities	**3 366**	2 566
Amortisation and depreciation[1]	**3 266**	2 375
Derivative financial instruments	**48**	143
Other	**52**	48
Gross deferred tax assets	**(1 261)**	(1 183)
Unredeemed capital expenditure[2]	**(3 761)**	(3 863)
Provisions, including non-current provisions	**(1 220)**	(1 133)
Derivative financial instruments	**(272)**	—
Contingent consideration liability	**(63)**	(39)
Streaming contract liability	**(43)**	(86)
Other	**(2)**	(3)
Tax losses[3]	**(1 925)**	(1 524)
Deferred tax asset not recognised[4]	**6 025**	5 465
Net deferred tax liability	**2 105**	1 383

[1] *The increase in amortisation and depreciation year on year is as a result of the increase in the carrying amount of property plant and equipment, mainly relating to asset additions, refer to note 15.*
[2] *Unredeemed capital expenditure mainly consists of Hidden Valley R3 512 million (2022: R3 521 million).*
[3] *The majority of the amount relates to Hidden Valley's tax losses of R1 657 million (2022: R1 417 million).*
[4] *The deferred tax asset not recognised relates to Harmony's PNG operations.*

Movement in the net deferred tax liability recognised in the balance sheet is as follows:

	SA Rand	
Figures in million	**2023**	2022
Balance at beginning of year	**1 383**	1 906
Expense/(credit) per income statement	**1 080**	(353)
Tax directly charged to other comprehensive income[1]	**(358)**	(170)
Balance at end of year	**2 105**	1 383
Deferred tax assets per balance sheet	**(189)**	(203)
Deferred tax liabilities per balance sheet	**2 294**	1 586

[1] *Relates predominantly to hedge-accounted derivative financial instruments. Refer to note 19 and 25.*

A deferred tax asset continues to be recognised for Harmony at 30 June 2023. The net deferred tax asset balance of Harmony company has increased to R189 million (2022: R179 million). At 30 June 2023, it is considered probable that sufficient future taxable profits will be available against which the remaining deductible temporary differences existing at the reporting date can be utilised.

12 Taxation continued

Deferred tax continued

	SA Rand	
Figures in million	**2023**	2022
As at 30 June, the group had the following potential future tax deductions:		
Unredeemed capital expenditure available for utilisation against future mining taxable income[1]	**49 478**	45 408
Tax losses carried forward utilisable against mining taxable income[2]	**9 620**	7 445
Capital gains tax (CGT) losses available to be utilised against future CGT gains[4]	**570**	583
As at 30 June, the group has not recognised the following deferred tax asset amounts relating to the above:	**18 004**	15 978
The unrecognised temporary differences are:		
Unredeemed capital expenditure[3]	**47 968**	42 859
Tax losses[2]	**8 848**	6 471
CGT losses[4]	**570**	583

[1] *Includes Avgold R30 538 million (2022: R27 133 million), Randfontein R327 million (2022: R502 million), Mponeng R145 million (2022: R978 million), Chemwes R748 million (2022: R260 million) and Hidden Valley R17 430 million (2022: R15 725 million). These have an unlimited carry-forward period.*
[2] *Relates mainly to Hidden Valley R6 053 million (2022: R4 718 million), Randfontein R543 million (2022: R708 million), and Avgold R2 772 million (2022: R1 761 million). These have an unlimited carry-forward period.*
[3] *Relates to Avgold and Hidden Valley.*
[4] *The CGT losses relate to the gross CGT losses available to be utilised against future CGT gains.*

Dividend tax (DT)

The withholding tax on dividends remained unchanged at 20%.

13 Earnings/(loss) per share

Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the net income attributable to shareholders by the weighted number of ordinary shares in issue during the year.

	2023	2022	2021
Ordinary shares in issue (000)	**618 072**	616 526	616 052
Adjustment for weighted number of ordinary shares in issue (000)	**(428)**	(121)	(5 582)
Weighted number of ordinary shares in issue (000)	**617 644**	616 405	610 470
Adjustment for weighted number of treasury shares (000)[1,2]	**(47)**	(3 950)	(6 184)
Basic weighted average number of ordinary shares in issue (000)	**617 597**	612 455	604 286

	SA Rand		
	2023	2022	2021
Total net profit/(loss) attributable to shareholders (million)	**4 820**	(1 052)	5 087
Total basic earnings/(loss) per share (cents)	**780**	(172)	842

[1] *These are the weighted number of treasury shares for the years presented. Refer to note 24 for the actual number of treasury shares that are in issue.*
[2] *During 2022, the lock-in period expired for the Harmony ESOP Trust (Sisonke Scheme). Settlements and share distributions were made and the shares were no longer classified as treasury shares. For the 2022 year, the impact of the shares on the basic weighted average number of shares was 3 902 418 (2021: 6 137 053).*

13 Earnings/(loss) per share continued

Diluted earnings/(loss) per share

For diluted earnings/(loss) per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potential dilutive ordinary shares as a result of share options granted to employees under the share option schemes in issue. A calculation is performed to determine the number of shares that could have been acquired at fair value, determined as the average annual market share price of the company's shares, based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2023	2022	2021
Weighted average number of ordinary shares in issue (000)	**617 597**	612 455	604 286
Potential ordinary shares (000)[1,2]	**2 877**	2 159	12 099
Weighted average number of ordinary shares for diluted earnings per share (000)[1]	**620 474**	614 614	616 385

	SA Rand		
	2023	2022	2021
Total diluted earnings/(loss) per share (cents)	**777**	(172)	825

[1] *The inclusion of the share options as potential ordinary shares had a dilutive effect on earnings per share in 2023 and 2021, whereas it had the opposite effect in 2022 due to the net loss attributable to shareholders.*
[2] *The issue price and the exercise of share options issued to the employees include the fair value of any services to be supplied to the entity in the future under the share option or other share-based payment arrangements.*

Headline earnings/(loss) per share

The calculation of headline earnings/(loss), net of tax, per share is based on the basic earnings/(loss) per share calculation adjusted for the following items:

	SA Rand		
Figures in million	**2023**	2022	2021
Net profit/(loss) attributable to shareholders	**4 820**	(1 052)	5 087
Adjusted for:			
Impairment of assets[1]	**—**	4 433	1 124
Taxation effect on impairment of assets	**—**	(312)	(93)
Gain on bargain purchase[2]	**—**	—	(303)
Profit on sale of property, plant and equipment	**(46)**	(24)	(11)
Taxation effect on profit on sale of property, plant and equipment	**5**	4	2
Loss on scrapping of property, plant and equipment	**182**	7	161
Taxation effect on loss on scrapping of property, plant and equipment	**(20)**	(1)	(8)
Headline earnings/(loss)	**4 941**	3 055	5 959
Basic headline earnings/(loss) per share (cents)	**800**	499	987
Diluted headline earnings/(loss) per share (cents)[3]	**796**	497	967

[1] *This total includes the impairment of goodwill, which does not have a tax effect.*
[2] *There is no taxation effect on this item.*
[3] *The inclusion of the share options as potential ordinary shares had a dilutive effect on earnings per share.*

13 Earnings/(loss) per share continued

Dividends

Accounting policy

Dividends declared are recognised in the period in which they are approved by the board of directors. Dividends are payable in South African Rand.

Cash flows from dividends paid are classified under financing activities in the cash flow statement.

- The board did not declare an interim ordinary dividend for the year ended 30 June 2023 (2022: 40 SA cents and R247 million was paid on 11 April 2022) (2021: 110 SA cents and R677 million was paid on 19 April 2021).
- For the 2022 year, a final dividend of 22 SA cents (2021: 27 SA cents), was declared by the board, amounting to R136 million which was paid on 17 October 2022. For 2021, an amount of R167 million was paid on 18 October 2021.
- The board declared a final ordinary dividend of 75 SA cents for the year ended 30 June 2023 on 29 August 2023, which was paid on 16 October 2023.
- Harmony declares an annual preference share dividend to the Harmony Gold Community Trust (the Trust). The board declared a preference dividend of R9 million which was paid to the Trust on 15 August 2023 (2022 and 2021: R9 million on 11 August 2022 and 10 August 2021 respectively).
- During 2023, dividend payments of R18 million were made to the non-controlling interest holders in Tswelopele Beneficiation Operation (Proprietary) Limited (TBO) (2022: R16 million) (2021: R7 million).

	SA Rand		
	2023	2022	2021
Dividends declared (millions)	**136**	414	677
Dividend per share (cents)	**22**	67	110

14 Acquisitions and business combinations

Acquisition of Eva Copper

On 6 October 2022, Harmony announced that it had entered into an agreement to acquire the entity which owns 100% of the Eva Copper Project and a package of regional exploration tenements from Copper Mountain Mining Corporation (collectively Eva Copper). The acquisition is in line with the group's strategic objective of transitioning into a low-cost gold and copper mining company. Diversifying into copper enables Harmony to participate in the global transition to a low-carbon economy.

The last condition precedent for the acquisition was fulfilled during December 2022, resulting in an acquisition date of 16 December 2022. Based on management's assessment, the transaction met the definition of a business combination as defined by IFRS 3 *Business Combinations*. This is based on the feasibility study, mine development plan and organised workforce acquired constituting substantive processes which significantly contributes to the ability to generate outputs. Management also opted to not apply the optional concentration test as per IFRS 3.

The Eva Copper Project was identified as a cash generating unit (CGU).

Consideration transferred

Consideration for the transaction amounted to a cash payment of R2 996 million (US$170 million), paid during December 2022, and contingent consideration subject to the following criteria:
- A maximum of US$30 million payable via a 10% sharing of net incremental revenue above US$3.80/lb Cu (excess payment)
- A maximum US$30 million payable on a new copper resource discovered and declared within the acquired tenements, calculated using a resource multiple of US$0.03/lb Cu (new resource payment).

These criteria are applicable for the entire life of the operation until the maximum payments are reached.

As at 16 December 2022, the contingent consideration was valued at R169 million by using a probability weighted method for the new resource payment and a discounted cash flow valuation for the excess payment, both discounted at a post-tax nominal rate of 12.9%. All other assumptions applied in the valuation are consistent with those used in the valuation of identified assets acquired and liabilities assumed (refer below). The fair value calculated for the contingent consideration is level 3 in the fair value hierarchy due to the use of unobservable inputs. The remeasurement of the liability will be included in other operating expenses. Refer to note 29 for the measurement of the liability at 30 June 2023.

The amount disclosed in the cash flow statement for cash paid for the acquisition of Eva Copper is equal to the cash consideration paid of R2 996 million.

Acquisition and integration costs

The total of R214 million for acquisition-related costs for the financial year ended 30 June 2023 relates to various costs directly attributable to the acquisition process. These costs include professional services fees and Australian stamp duty costs paid.

14 Acquisitions and business combinations continued

Acquisition of Eva Copper continued

Identifiable assets acquired and liabilities assumed

Critical accounting estimates and judgements

The fair value of the identifiable net assets acquired was determined using the expected discounted cash flows based on the feasibility study of the Eva Copper Project. Key assumptions for the level 3 fair value measurement of Eva Copper are the copper price, marketable discount rates, exchange rates and the feasibility study previously performed for the Eva Copper Project. Mineral resources acquired which were not included in the discounted cash flows were valued using a copper resource multiple price of US$0.03/lbs. The post-tax real discount rate used was 10.7%, the long-term A$/US$ exchange rate used was A$1.40/US$1 and a real long-term copper price of US$3.50/lbs was used. The valuation was performed as at 16 December 2022.

The tax rates used to calculate deferred tax is based on Australian tax rates and tax laws that have been enacted at acquisition date. The deferred tax rate used as at 16 December 2022 was 30%. Following the finalisation of the effective tax values of assets acquired and liabilities assumed from the acquisition, a net deferred tax asset position of R224 million was determined. In line with IAS 12 *Income Taxes*, management assessed that at the acquisition date it is not yet probable that sufficient future taxable profits will be generated from Eva Copper against which the net deferred tax asset could be recognised. This was due to an update to the final feasibility study being outstanding at acquisition date. It was therefore opted to not recognise the net deferred tax asset position arising from the acquisition.

Fair value determination of acquired operations

For the period ended 31 December 2022 the fair value exercise, also known as the purchase price allocation, was prepared on a provisional basis in accordance with IFRS 3. During the measurement period, being 12 months permitted in terms of IFRS 3 for completion of the fair value exercise, Harmony concluded the process of determining the effective tax values for assets acquired and liabilities assumed from the business combination. This resulted in a change in the value of deferred tax and property, plant and equipment. Harmony also received new information relating to trade and other receivables that existed at acquisition date. No other key valuation assumptions were revised.

Management considers the revised purchase price allocation to be final and the accounting for the acquisition to be concluded as at 30 June 2023.

The final fair values for the identifiable assets acquired and liabilities assumed as at the acquisition date are as follows:

	2023		
Figures in million	Provisional fair value	Measurement period adjustment	Final fair value
Non-current assets			
Property, plant and equipment	3 785	(631)	3 154
Current assets			
Restricted cash and investments	4	—	4
Trade and other receivables	12	(5)	7
Non-current liabilities			
Deferred tax liabilities	(636)	636	—
Fair value of net identifiable assets acquired at 16 December 2022	3 165	—	3 165

Since the final fair value of net identifiable assets acquired is within a reasonable range of the fair value of the consideration transferred, no gain on bargain purchase or goodwill is recognised for the transaction.

Performance of acquired operation

Immaterial costs were incurred for Eva Copper relating to the year ended 30 June 2023 and therefore no proforma information has been disclosed.

Acquisition of AngloGold Ashanti's remaining South African Operations

Effective 1 October 2020, the group acquired the Mponeng operations and related assets from AngloGold Ashanti on a going concern basis. The assets acquired and liabilities assumed constituted a business as defined by IFRS 3. The cash consideration paid to acquire the Mponeng operations and related assets amounted to R3.4 billion (US$200 million). The group also assumed the contingent consideration liability, which was initially valued at R544 million on 1 October 2020. A gain on bargain purchase of R303 million was recognised from the acquisition. The group incurred acquisition-related costs of R124 million in 2021 on advisory and legal fees. Furthermore, the group incurred R205 million on the integration of the operation in 2021. These costs are included in corporate, administration and other expenditure in the income statement.

15 Property, plant and equipment

	SA Rand	
Figures in million	**2023**	2022
Mining assets	**28 618**	25 320
Mining assets under construction	**5 051**	3 132
Undeveloped properties	**7 385**	4 004
Other non-mining assets	**453**	416
Total property, plant and equipment	**41 507**	32 872

Mining assets

Accounting policy

Mining assets, including mine development costs and mine plant facilities, are initially recorded at cost, whereafter they are measured at cost less accumulated depreciation and impairment. Costs include expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, 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 measured reliably.

The net assets of operations placed on care and maintenance are impaired to their recoverable amount. Expenditure on the care and maintenance of these operations is charged against income, as incurred. Mineral and surface use rights represent mineral and surface use rights for parcels of land, both owned and not owned by the group.

Mineral and surface rights include acquired mineral use rights in production, development and exploration phase properties. The amount capitalised related to a mineral and surface right, either as an individual asset purchase or as part of a business combination, is the fair value at acquisition.

The group's mineral use rights are enforceable regardless of whether proved or probable reserves have been established. In certain limited situations, the nature of use changes from an exploration right to a mining right upon the establishment of proved and probable reserves. The group has the ability and intent to renew mineral use rights where the existing term is not sufficient to recover all identified and valued proved and probable reserves and/or undeveloped mineral interests.

Depreciation

Depreciation of mining assets is computed principally by the units-of-production method over life-of-mine based on estimated quantities of economically recoverable proved and probable reserves, which can be recovered in future from known mineral deposits.

In most instances, proved and probable reserves provide the best indication of the useful life of the group's mines (and related assets). However, in some instances, proved and probable reserves may not provide a realistic indication of the useful life of the mine (and related assets). This may be the case, for example, where management is confident that further inferred resources will be converted into measured and indicated resources and if they are economically recoverable, they can also be classified as proved and probable reserves. Management is approaching economic decisions affecting the mine on this basis, but has chosen to delay the work required to designate them formally as reserves.

In assessing which resources to include so as to best reflect the useful life of the mine, management considers resources that have been included in the life-of-mine plan. To be included in the life-of-mine plan, resources need to be above the cut-off grade set by management, which means that the resource can be economically mined and is therefore commercially viable. This consistent systematic method for inclusion in the life-of-mine plan takes management's view of the gold price, exchange rates as well as cost inflation into account.

In declaring the resource, management would have had to obtain a specified level of confidence of the existence of the resource through drilling as required by the South African Code for Reporting Exploration Results, Mineral Resources and Mineral Reserves (SAMREC).

Additional confidence in the existence, commercial viability and economical recovery of such resources may be based on historical experience and available geological information, such as geological information obtained from other operations that are contiguous to the group's operations, as well as where the group mines continuations of these other operations' orebodies and reefs. This is in addition to the drilling results obtained by the group and management's knowledge of the geological setting of the surrounding areas, which would enable simulations and extrapolations to be done with a reasonable degree of accuracy.

15 Property, plant and equipment continued
Mining assets continued

Accounting policy continued

In instances where management is able to demonstrate the economic recovery of such resources with a high level of confidence, such additional resources, which may also include certain, but not all, of the inferred resources, as well as the associated future development costs of accessing those resources, are included in the calculation of depreciation. The future development costs are those costs that need to be incurred to access these inferred resources, for example the costs to complete a decline or level, which may include infrastructure and equipping costs. These amounts have been extracted from the cash flow projections for the life-of-mine plans.

Mineral rights associated with production phase mineral interests are amortised over the life-of-mine using the units-of-production method in order to match the amortisation with the expected underlying future cash flows.

Impairment

Testing for impairment is done in terms of the group policy as discussed in note 2.5.

Scrapping of assets

Where significant adverse changes have taken place relating to the useful life of an asset, that asset is tested for impairment in terms of the group policy as discussed in note 2.5. Whether or not an impairment is recognised, it is then necessary to review the useful lives and residual values of the assets within the CGU – this is reviewed at least annually. Where necessary, the useful lives and residual values of the individual assets are revised.

Where the useful life of an asset is nil as a result of no future economic benefit expected from the use or disposal of that asset, it is necessary to derecognise the asset. The loss arising from the derecognition is included in profit or loss in the period in which the asset was derecognised.

Stripping activities

The removal of overburden and other mine waste materials is often necessary during the initial development of an opencast mine site, in order to access the mineral ore deposit. The directly attributable cost of this activity is capitalised in full within mining assets under construction, until the point at which the mine is considered to be capable of commercial production. The removal of waste material after the point at which a mine is capable of commercial production is referred to as production stripping.

When the waste removal activity improves access to ore extracted in the current period, the costs of production stripping are charged to the income statement as operating costs in accordance with the principles of IAS 2 *Inventories*.

Where production stripping activity both produces inventory and improves access to ore in future periods the associated costs of waste removal are allocated between the two elements. The portion which benefits future ore extraction is capitalised within stripping and development capital expenditure. If the amount to be capitalised cannot be specifically identified, it is determined based on the volume of waste extracted compared to expected volume for the identified component of the orebody. Components are specific volumes of a mine's orebody that are determined by reference to the life-of-mine plan.

In certain instances significant levels of waste removal may occur during the production phase with little or no associated production. The cost of this waste removal is capitalised in full.

All amounts capitalised in respect of waste removal are depreciated using the units-of-production method based on proved and probable ore reserves of the component of the orebody to which they relate.

The effects of changes to the life-of-mine plan on the expected cost of waste removal or remaining reserves for a component are accounted for prospectively as a change in estimate.

15 Property, plant and equipment continued
Mining assets continued

Critical accounting estimates and judgements – Gold Mineral Reserves and Resources

Gold mineral reserves and resources are estimates of the amount of ounces that can be economically and legally extracted from the group's properties. In order to calculate the gold mineral reserves and resources, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, commodity prices and exchange rates. Estimating the quantities and/or grade of the reserves and resources requires the size, shape and depth of the orebodies to be determined by analysing geological data such as the logging and assaying of drill samples. This process may require complex and difficult geological judgements and calculations to interpret the data.

Because the economic assumptions used to estimate the gold mineral reserves and resources change from year to year, and because additional geological data is generated during the course of operations, estimates of the mineral reserves and resources may change from year to year. Changes in the reserves and resources may affect the group's financial results and financial position in a number of ways, including:
- Asset carrying values may be affected due to changes in estimated cash flows
- Scrapping of assets to be recorded in the income statement following the derecognition of assets as no future economic benefit expected
- Depreciation and amortisation charged in the income statement may change as they are calculated on the units-of-production method
- Environmental provisions may change as the timing and/or cost of these activities may be affected by the change in mineral reserves
- Useful life and residual values may be affected by the change in mineral reserves.

At the end of each financial year, the estimate of proved and probable gold mineral reserves and resources is updated. Depreciation of mining assets is prospectively adjusted, based on these changes.

Critical accounting estimates and judgements – production start date

Various relevant criteria are considered in order to assess when the mine is substantially complete and ready for its intended use and moves into the production phase. Some of the criteria would include but are not limited to the following:
- The level of capital expenditure compared to the total project cost estimates
- The ability to produce gold in a saleable form (where more than an insignificant amount of gold has been produced)
- The ability to sustain the ongoing production of gold.

Critical accounting estimates and judgements – stripping activities

The determination of the volume of waste extracted and the expected volume for the identified component of the orebody is dependent on an individual mine's design and life-of-mine plan and therefore changes to the design or life-of-mine plan will result in changes to these estimates. Identification of the components of a mine's orebody is made by reference to the life-of-mine plan. The assessment depends on a range of factors including each mine's specific operational features and materiality.

Critical accounting estimates and judgements – impairment of assets

The recoverable amount of mining assets is generally determined utilising real discounted future cash flows (post tax). No material difference in recoverable amounts is expected should real future cash flows be discounted on a pre-tax basis. Management also considers such factors as the quality of the individual orebody, market risk, asset-specific risks and country risk in determining the fair value.

Key assumptions for the calculations of the mining assets' recoverable amounts are the commodity prices, resource values, market discount rates, costs to sell, exchange rates and the annual life-of-mine plans. In determining the commodity prices and resource values to be used, management assesses the long-term views of several reputable institutions on commodity prices and based on this, derives the commodity prices and resource values.

The life-of-mine plans are based on the proved and probable reserves as included in the Reserve Declaration, which are determined in terms of SAMREC, as well as resources where management has high confidence in the orebody and economical recovery of gold, based on historic and similar geological experience.

15 Property, plant and equipment continued
Mining assets continued

Critical accounting estimates and judgements – impairment of assets continued

During the years under review, the group calculated the recoverable amounts (generally fair value less costs to sell) of CGUs for which indicators of impairment were identified (refer to note 6). These recoverable amounts are based on updated life-of-mine plans and the following relevant assumptions:

	2023	2022	2021
US$ gold price per ounce			
– Year 1	**1 932**	1 861	1 805
– Year 2	**1 844**	1 744	1 673
– Year 3	**1 725**	1 664	1 582
– Long term (Year 4 onwards)	**1 582**	1 546	1 500
US$ silver price per ounce			
– Year 1	**n/a**	23.85	25.72
– Year 2	**n/a**	22.42	23.22
– Year 3	**n/a**	21.46	21.70
– Long term (Year 4 onwards)	**n/a**	19.38	20.70
US$ copper price per pound	**n/a**	3.30	3.00
Exchange rate (R/US$)			
– Year 1	**18.28**	15.55	14.54
– Year 2	**17.44**	15.34	14.36
– Year 3	**17.13**	15.26	14.44
– Long term (Year 4 onwards)	**16.22**	15.35	14.51
Exchange rate (PGK/US$)	**n/a**	3.50	3.50
Rand gold price (R/kg)			
– Year 1	**1 135 000**	931 000	843 000
– Year 2	**1 034 000**	860 000	772 000
– Year 3	**950 000**	816 000	735 000
– Long term (Year 4 onwards)	**825 000**	763 000	700 000

The following are the attributable gold resource value assumptions:

	South Africa			Hidden Valley		
US dollar per ounce	**2023**	2022	2021	**2023**	2022	2021
Underground resources						
Measured	**n/a**	16.50	16.50	**n/a**	n/a	n/a
Indicated	**n/a**	9.00	9.00	**n/a**	n/a	n/a
Inferred	**n/a**	3.60	3.60	**n/a**	n/a	n/a
Surface resources						
Measured	**n/a**	30.00	30.00	**n/a**	n/a	n/a
Indicated	**n/a**	17.50	17.50	**n/a**	9.00	9.00
Inferred	**n/a**	8.00	8.00	**n/a**	n/a	n/a

The recoverable amount of mining assets is determined utilising real discounted future cash flows. Certain CGUs' recoverable amounts included resource multiple valuations in the case of undeveloped properties and certain resource bases. The underground resource value has been applied to Target North, Doornkop's Kimberly Reef and the Wafi-Golpu Project (refer to note 22). The surface resource values have been applied to the Mispah Tailings resource, Vaal River and West Wits surface sources. For the 2023 financial year, no resource multiple valuations were determined as the CGUs to which they are attributed to were not tested for impairment. Refer to note 6 for more information regarding CGUs tested for impairment.

15 Property, plant and equipment continued
Mining assets continued

Critical accounting estimates and judgements – impairment of assets continued

One of the most significant assumptions that influence the group's operations' life-of-mine plans, and therefore the impairment assessment, is the expected commodity prices. Management continues to differentiate between short-, medium- and long-term assumptions used in the models. The long-term price was determined as part of the annual budgeting process and is used in the life-of-mine plans and is also the cut-off price for calculating reserves included in the declaration of reserves and resources in terms of SAMREC.

For 2022, the resource multiple values remained consistent with the prior year, as they were assessed to still be reasonable and appropriate for valuing the relevant undeveloped properties and resource bases. In 2021, the resource multiple values were updated based on the transaction between AGA and Harmony for the purchase of the Mponeng operations and related assets.

The discounted cash flow models for 2023 include the estimated production cost and carbon tax savings arising from the rollout of Harmony's renewable energy programme, as part of its greater decarbonisation strategy.

Due to the volatilities experienced in the markets and the uncertainty in forecasting future cash flows as a result of the impact of the Covid-19 pandemic, management used various probability scenarios in determining the recoverable amounts for the CGUs at 30 June 2021. As discussed in note 4, the uncertainty that existed in prior years surrounding the potential impact of Covid-19 has dissipated and therefore management believes that it is no longer appropriate to apply Covid-adjusted probability scenarios in determining recoverable amounts for the CGUs at 30 June 2023 and 2022.

The most significant factors considered in the Covid-19 scenarios for 2021 were infection rates and the timing of the expected peaks in the areas that Harmony's operations are situated in along with the expected disruptions to production and mitigation strategies management had in place. The potential impact on production and therefore on the revenue cash flows were determined based on historical trends that have been extrapolated to account for varying disruption levels. The duration of potential disruptions to production applied, ranged from 12 months to 24 months.

The post-tax real discount rates used in determining the recoverable amounts of CGUs tested for impairment in 2023 ranged between 11.69% and 13.15% (2022: 10.20% and 13.10%) (2021: 9.40% and 12.00%). Refer to note 6 for more information regarding CGUs tested for impairment. Cash flows used in the impairment calculations are based on life-of-mine plans which exceed five years for the majority of the mines. Cash flows from potential projects, life-of-mine extensions and residual ounces can also be included in the impairment assessment where deemed appropriate. An additional risk premium is added to the post-tax real discount rates in these instances.

Should management's estimate of the future not reflect actual events, further impairments may be identified.

Factors affecting the estimates include:
- Changes to proved and probable ore reserves
- Economical recovery of resources
- The grade of the ore reserves may vary significantly from time to time
- Review of strategy
- Unforeseen operational issues at the mines
- Differences between actual commodity prices and commodity price assumptions
- Changes in the discount rate and foreign exchange rates
- Changes in capital, operating mining, processing and reclamation costs
- Mines' ability to convert resources into reserves
- Potential production stoppages for indefinite periods
- The implementation of Harmony's renewable energy programme
- Carbon tax.

15 Property, plant and equipment continued
Mining assets continued

Sensitivity analysis – impairment of assets

One of the most significant assumptions that influence the life-of-mine plans and therefore impairment assessments is the expected commodity prices. Management determined a reasonably possible long-term change of 11.8% in gold prices based on the standard deviation of both Harmony's long-term gold price assumption over the past five financial years and market analysts' forecasted long-term gold price assumptions. A 11.8% increase/decrease in the gold price and resource values used (with all other variables held constant and not taking any actions, such as stopping capital projects, into account) would have resulted in the following post-tax impairment being recorded (including the impairments recorded in the current period) as at 30 June 2023:

	SA Rand	
Figures in million	**2023**	2022
11.8% decrease (2022: 10% decrease)		
Tshepong North	**n/a**	4 074
Moab Khotsong[1]	**n/a**	3 869
Tshepong South	**n/a**	2 339
Doornkop	**n/a**	1 690
Mponeng	**n/a**	1 443
Target 1	**1 719**	1 121
Joel	**n/a**	762
Kusasalethu	**—**	689
Mine Waste Solutions	**n/a**	493
Kalgold	**475**	304
Other assets	**n/a**	208
Hidden Valley	**n/a**	96
Central Plant Reclamation	**n/a**	32
11.8% increase (2022: 10% increase)		
Tshepong South	**n/a**	224

[1] *The carrying amount of this CGU include goodwill and any impairment losses is allocated first to goodwill and then to the identifiable assets.*

At all other operations, the relevant increase in the gold price would have resulted in no impairments being recorded.

As a result of the significant increase in discount rates experienced during the 2022 financial year, management opted to assess the sensitivity of a reasonably possible change in discount rates on impairments of assets for all CGUs as at 30 June 2022. Management assessed an increase/decrease of 50 basis points to be a reasonably possible change, based on the standard deviation of the group's base weighted average cost of capital rate over the past five financial years. This change was factored into the individual CGUs' discount rates and did not result in a material impact on the impairment that would have been recognised for any CGUs. This was not a consideration for the 2021 or 2023 years.

15 Property, plant and equipment continued
Mining assets continued

The movement in the mining assets is as follows:

	SA Rand	
Figures in million	**2023**	2022
Cost		
Balance at beginning of year	**70 587**	64 979
Fully depreciated assets no longer in use derecognised (a)	**(1 419)**	(110)
Additions (b)	**5 930**	5 307
Scrapping of assets (c)	**(772)**	(1 752)
Adjustment to rehabilitation asset (d)	**(111)**	(248)
Transfers and other movements (e)	**596**	511
Translation	**1 963**	1 900
Balance at end of year	**76 774**	70 587
Accumulated depreciation and impairments		
Balance at beginning of year	**45 267**	38 493
Fully depreciated assets no longer in use derecognised (a)	**(1 419)**	(110)
Impairment of assets (f)	**—**	3 429
Scrapping of assets (c)	**(590)**	(1 745)
Depreciation	**3 368**	3 627
Translation	**1 530**	1 573
Balance at end of year	**48 156**	45 267
Net carrying value	**28 618**	25 320

(a) Primarily relates to fully depreciated assets derecognised at the Hidden Valley, Tshepong North, Moab Khotsong and Doornkop operations.

(b) Included in additions for 2023 is an amount of R188 million (2022: R137 million) for capitalised depreciation associated with stripping activities at the Hidden Valley operations.

(c) Refer to note 9 for the total loss on scrapping recognised. Primarily relates to the Tshepong North and Kusasalethu operations.

(d) Refer to note 26 for details on the adjustment to the rehabilitation asset.

(e) Transfer of assets mainly relates to assets under construction transferred to mining assets. During the 2023 year an amount of R539 million (2022: R513 million) was transferred to mining assets at Hidden Valley. This related to ongoing mining development costs.

(f) Refer to note 6 for details on the impairments recognised.

Stripping activities

Included in the balance for mining assets is an amount of R184 million (2022: R174 million) relating to Kalgold and R1 330 million (2022: R922 million) relating to Hidden Valley. Depreciation of R41 million (2022: R26 million) and R514 million (2022: R482 million) was recorded for Kalgold and Hidden Valley respectively.

15 Property, plant and equipment continued

Mining assets under construction

Accounting policy

At the group's surface mines, when it has been determined that a mineral property can be economically developed as a result of establishing proved and probable reserves, costs incurred to develop the property are capitalised as incurred until the mine is considered to have moved into the production phase. These costs include costs to further delineate the orebody and remove overburden to initially expose the orebody.

At the group's underground mines, all costs incurred to develop the property, including costs to access specific ore blocks or other areas of the underground mine, are capitalised to the extent that such costs will provide future economic benefits. These costs include the cost of shaft sinking and access, the costs of building access ways, lateral development, drift development, ramps, box cuts and other infrastructure development.

Where a depreciable asset is used in the construction or extension of a mine, the depreciation is capitalised against the mine's cost.

Exploration properties acquired are recognised in the balance sheet within development cost and are shown at cost less provisions for impairment determined in accordance with the group's accounting policy on impairment of non-financial assets.

Mineral interests associated with development and exploration phase mineral interests are not amortised until such time as the underlying property is converted to the production stage.

Capitalisation of pre-production costs ceases when commercial levels of production are reached. Commercial levels of production are discussed under "production start date" above.

The movement in the mining assets under construction is as follows:

	SA Rand	
Figures in million	**2023**	2022
Cost		
Balance at beginning of year	**3 802**	2 732
Additions[1]	**2 053**	1 278
Depreciation capitalised	**—**	4
Finance costs capitalised[3]	**123**	65
Transfers and other movements	**(539)**	(513)
Translation	**282**	236
Balance at end of year	**5 721**	3 802
Accumulated impairments		
Balance at beginning of year	**670**	—
Impairment[2]	**—**	670
Balance at end of year	**670**	670
Net carrying value	**5 051**	3 132

[1] *Mainly relates to Great Noligwa Shaft Pillar project of R80 million (2022: R192 million), Zaaiplaats project of R537 million (2022: R184 million), Doornkop 207/212 Level project of R304 million (2022: R159 million) and Kareerand TSF Expansion project R462 million (2022: R24 million). In 2022, Tshepong North's Sub 75 Decline project incurred R170 million before it was ceased in June 2022.*

[2] *Relates to Tshepong North.*

[3] *Refer to note 11 for further detail on the capitalisation rate applied.*

Wafi-Golpu development

Capitalisation of certain project expenses on Wafi-Golpu was halted from 1 July 2019 following delays in the permitting of the project (refer to note 22). All ongoing expenses since were for holding purposes and did not result in future economic benefits. These have been included in exploration expenditure in the income statement and amounted to R48 million (2022: R58 million) for the year.

Undeveloped properties

Accounting policy

Undeveloped properties are initially recognised at cost, which is generally based on the fair value of resources obtained through acquisitions. The carrying values of these properties are tested for impairment or reversal of previously recognised impairment when an indicator is identified. Once development commences, these properties are transferred to mining assets and accounted for in accordance with the related accounting policy.

15 Property, plant and equipment continued

Undeveloped properties continued

Critical accounting estimates and judgements – exploration and evaluation assets

The recoverability of exploration and evaluation expenditure is assessed at the end of each reporting period. The balances assessed include undeveloped properties and assets under construction. Significant judgement is required as to whether an area of activity is to be carried forward on the balance sheet, or written off through the identification of areas of activity which have not yet reached a stage that permits a reasonable assessment of the existence of economically recoverable reserves, where there is no continuing significant activity plan in relation to the area.

Currently the assets assessed are the Wafi-Golpu Project, Target North and the Eva Copper Project. For further details regarding the permitting process and other developments of the Wafi-Golpu Project, refer to note 22.

The movement in the undeveloped properties is as follows:

	SA Rand	
Figures in million	**2023**	2022
Cost		
Balance at beginning of year	**5 478**	5 461
Acquisitions[1]	**3 154**	—
Translation	**229**	17
Balance at end of year	**8 861**	5 478
Accumulated depreciation and impairments		
Balance at beginning of year	**1 474**	1 473
Translation	**2**	1
Balance at end of year	**1 476**	1 474
Net carrying value	**7 385**	4 004

[1] *Refer to note 14 for details on the fair value of assets acquired following the Eva Copper acquisition.*

Other non-mining assets

Accounting policy

Land is shown at cost and not depreciated. Other non-mining fixed assets are shown at cost less accumulated depreciation and accumulated impairment losses. Other non-mining fixed assets are depreciated on a straight-line basis over their estimated useful lives as follows:

- Vehicles at 20% per year
- Computer equipment at 33.3% per year
- Furniture and equipment at 16.67% per year.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The movement in the non-mining assets is as follows:

	SA Rand	
Figures in million	**2023**	2022
Cost		
Balance at beginning of year	**895**	821
Fully depreciated assets no longer in use derecognised	**(7)**	—
Additions	**108**	74
Translation	**4**	—
Balance at end of year	**1 000**	895
Accumulated depreciation and impairments		
Balance at beginning of year	**479**	431
Fully depreciated assets no longer in use derecognised	**(7)**	—
Depreciation	**74**	47
Impairment	**—**	1
Translation	**1**	—
Balance at end of year	**547**	479
Net carrying value	**453**	416

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16 Intangible assets

Accounting policy
Intangible assets consist of all identifiable non-monetary assets without physical substance. They are stated at cost less accumulated amortisation and accumulated impairment losses, if any. The following are the main categories of intangible assets:

Goodwill
Goodwill is an intangible asset with an indefinite useful life which is not amortised but tested for impairment on an annual basis, or when there is an indication of impairment. The excess of consideration transferred over the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously held equity interest in the acquiree over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. Goodwill on acquisition of subsidiaries, joint operations and businesses is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates and tested for impairment as part of the overall balance.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose. If the composition of one or more cash generating units to which goodwill has been allocated changes due to a re-organisation, the goodwill is re-allocated to the units affected.

The gain or loss on disposal of an entity includes the carrying amount of goodwill relating to the entity sold.

Technology-based assets
Acquired computer software licences that require further internal development are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These technology-based assets are classified as intangible assets with a finite useful life. These assets are amortised on a straight-line basis over their estimated useful lives, which are reviewed annually, as follows:
- Computer software at 20% per year.

Critical accounting estimates and judgements – impairment of goodwill
Due to the wasting nature of mining assets and the finite life of a mine's reserves, the allocation of goodwill to a mine or cash generating unit will eventually result in an impairment charge for the goodwill. The group tests annually whether separately identifiable goodwill has suffered any impairment in accordance with the accounting policy stated in note 2.5. These calculations use estimates as per note 15.

	SA Rand	
Figures in million	**2023**	2022
Goodwill	**—**	—
Technology-based assets	**33**	48
Total intangible assets	**33**	48

Goodwill
The movement in goodwill is as follows:

	SA Rand	
Figures in million	**2023**	2022
Cost		
Balance at beginning and end of year	**2 675**	2 675
Accumulated amortisation and impairments		
Balance at beginning of year	**2 675**	2 342
Impairment[1]	**—**	333
Balance at end of year	**2 675**	2 675
Net carrying value	**—**	—

[1] *In 2022 the goodwill for the Bambanani and Moab Khotsong operations was impaired in full as the carrying value exceeded the recoverable amount of the related cash generating units. Refer to note 6 for further details on the impairment assessment.*

Accounting policy – financial assets (applicable to notes 17, 18, 19 and 20)
Financial assets are initially recognised when the group becomes a party to their contractual arrangements. On initial recognition, a financial asset is classified as measured at:
- Amortised cost
- Fair value through other comprehensive income (FVTOCI) or
- Fair value through profit or loss (FVTPL).

A financial asset is classified as measured at amortised cost if it is held within the business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The group measures a financial asset initially at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed. The subsequent measurement of financial assets is discussed below.

Financial asset category	Description
Debt instruments at amortised cost	Financial assets at amortised cost consist of restricted cash, restricted investments, loans, trade receivables and cash and cash equivalents. Interest income from these financial assets is included in investment income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented in other operating expenses in the income statement.
Debt instruments at fair value through profit or loss	Equity-linked investments which are held to meet rehabilitation liabilities are classified as FVTPL. Debt instruments where the contractual cash flows fail to meet the solely payments of principal and interest (SPPI) criteria are also classified as FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within investment income in the period in which it arises. On derecognition of a financial asset, the difference between the proceeds received or receivable and the carrying amount of the asset is included in profit or loss.
Equity instruments designated at fair value through OCI	The group's equity investments are designated as FVTOCI. The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, 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 are recognised when the group's right to receive payments is established either in profit or loss as other income or as a deduction against the asset if the dividend clearly represents a recovery of part of the cost of the investment. Residual values in OCI are reclassified to retained earnings on derecognition of the related FVTOCI instruments.

Impairment losses on financial assets at amortised cost are assessed using the forward-looking expected credit loss (ECL) approach. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (ie the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the group expects to receive). At each reporting date, the group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is ''credit impaired'' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Trade receivable loss allowances are measured at an amount equal to lifetime ECLs. Loss allowances are deducted from the gross carrying amount of the assets.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

17 Restricted cash and investments

	SA Rand	
Figures in million	**2023**	2022
Restricted cash	**475**	319
Restricted investments	**5 687**	5 263
Total restricted cash and investments	**6 162**	5 582
Current portion of restricted cash and investments	**41**	27
Non-current portion of restricted cash and investments	**6 121**	5 555

Restricted cash

	SA Rand	
Figures in million	**2023**	2022
Non-current	**434**	292
Current	**41**	27
Total restricted cash	**475**	319

The restricted cash consist of funds set aside for:

	SA Rand	
Figures in million	**2023**	2022
Environmental guarantees and rehabilitation (a)	**183**	152
Guarantee - Tshiamiso Trust (b)	**225**	116
PNG communities (c)	**45**	29
Other	**22**	22
Total restricted cash	**475**	319

(a) The amount primarily relates to funds set aside to serve as collateral against guarantees made to the Department of Mineral Resources and Energy (DMRE) in South Africa for environmental and rehabilitation obligations. Refer to note 26. The funds are invested in short-term money market funds and call accounts, which require third-party approval for release.

(b) Refer to note 27 for details on the silicosis settlement and the arrangement with the trust. The increase year on year is due to additional collateral for the guarantees provided to the trust.

(c) Relates to monies set aside for affected communities in the group’s PNG operations.

Restricted investments

	SA Rand	
Figures in million	**2023**	2022
Investments held by environmental trust funds	**5 673**	5 244
Investments held by the Social Trust Fund	**14**	19
Total restricted investments (non-current)	**5 687**	5 263

Environmental trust funds

Accounting policy

Contributions are made to the group's environmental trust funds, created in accordance with statutory requirements, to fund the estimated cost of pollution control, rehabilitation and mine closure at the end of the life of the group's mines. The trusts are consolidated into the group as the group exercises control of the trusts. The measurement of the investments held by the trust funds is dependent on their classification under financial assets. Income received and gains are treated in accordance with these classifications. The equity-linked notes and investment in unit trusts are classified and measured at fair value through profit or loss, while the equity investments are classified and measured at fair value through other comprehensive income. Interest-bearing short-term investments as well as investments in government bonds are classified and measured as debt instruments at amortised cost.

17 Restricted cash and investments continued

Restricted investments continued

Environmental trust funds continued

The environmental trust funds are irrevocable trusts under the group's control. Contributions to the trusts are invested in various instruments which include the following: listed equity securities, unit trusts, government bonds, interest-bearing short-term and medium-term cash investments and medium-term equity-linked notes. The equity-linked notes are issued by commercial banks that provide guaranteed interest and additional interest or growth linked to the growth of the Top 40 index of the JSE. These investments provide for the estimated cost of rehabilitation at the end of the life of the group's mines. Income earned on the investments is retained in the funds and reinvested.

The environmental trust funds consist of:

	SA Rand	
Figures in million	**2023**	2022
Fixed deposits	**3 385**	3 056
Cash equivalents	**58**	528
Equity-linked deposits	**1 493**	1 094
Government bonds	**234**	225
Equity investments	**305**	292
Collective investment scheme (unit trusts)	**198**	49
Total environmental trust funds	**5 673**	5 244

Reconciliation of the movement in the investments held by environmental trust funds:

	SA Rand	
Figures in million	**2023**	2022
Balance at beginning of year	**5 244**	5 064
Interest income	**258**	185
Fair value gain through profit and loss	**184**	18
Fair value gain through other comprehensive income	**30**	15
Dividend received	**13**	14
Acquisition/(maturity) of Equity-linked deposits	**229**	(260)
Acquisition/(maturity) of Fixed deposits	**154**	(21)
Acquisition/(maturity) of Collective investment schemes (unit trusts)	**141**	—
Net transfer of cash equivalents	**(524)**	281
Withdrawal of funds for rehabilitation work performed	**(56)**	(52)
Balance at end of year	**5 673**	5 244

The Social Trust Fund

The Social Trust Fund is an irrevocable trust under the group's control. The purpose of the trust is to fund the social plan to reduce the negative effects of restructuring on the group's workforce, to put measures in place to ensure that the technical and life skills of the group's workforce are developed and to develop the group's workforce in such a manner as to avoid or minimise the effect of job losses and a decline in employment through turnaround or redeployment strategies.

The Social Trust Fund investment comprises a unit trust portfolio that is exposed to the fair value changes in the equity market and is classified as a fair value through profit or loss investment.

18 Other non-current assets

	SA Rand	
Figures in million	**2023**	2022
Debt instruments	**116**	163
Loans to associates (a)	**116**	116
Loan to ARM BBEE Trust (b)	**101**	148
Other loans	**15**	15
Loss allowance (a)	**(116)**	(116)
Equity instruments	**78**	75
Rand Mutual Assurance (c)	**69**	67
Other investments	**9**	8
Inventories	**138**	136
Non-current portion of gold in lock-up (d)	**138**	136
Total other non-current assets	**332**	374

(a) A loan of R116 million (2022: R116 million) owed by Pamodzi Gold Limited (Pamodzi) which was placed into liquidation during 2009, was provided for in full. Harmony is a concurrent creditor in the Pamodzi Orkney liquidation.

(b) During 2021, Harmony advanced R264 million to the ARM Broad-Based Economic Empowerment Trust (the ARM BBEE Trust), a shareholder of African Rainbow Minerals Limited (ARM), after the restructuring of the original loan advanced in 2016. The ARM BBEE Trust is controlled and consolidated by ARM, who holds 12.08% of Harmony's shares at 30 June 2023. Harmony is a trustee of the ARM BBEE Trust. The loan under the revised loan agreement is interest-free and is receivable on the maturity of the loan on 30 June 2035. The loan is unsubordinated and unsecured.

The loan does not meet the requirements for amortised cost measurement as it fails the solely payments of principal and interest test and was therefore classified as fair value through profit and loss (refer to the fair value determination section in note 39 for detail). The group determined that the contractual terms include exposure to risk and volatility that is inconsistent with a basic lending arrangement. In making this assessment the group considered contingent events that would change the amount and timing of cash flows and potential limits on the group's claim to cash flows from specified assets (eg non-recourse asset arrangements).

During the 2023 financial year, repayments of R74 million (2022: R65 million) were received on the loan.

(c) Refer to note 39 for the fair value valuation technique used to measure the investment and note 10 for details of dividends received.

(d) Refer to note 23 for further details on inventories.

19 Derivative financial instruments

The group has the following derivative financial instruments:

Figures in million (SA Rand)	Rand gold hedging contracts (a)	US$ gold hedging contracts (b)	US$ silver contracts (b)	Foreign exchange contracts (c)	Total
At 30 June 2023					
Derivative financial assets	**179**	**67**	**44**	**89**	**379**
Non-current	**135**	**33**	**16**	**85**	**269**
Current	**44**	**34**	**28**	**4**	**110**
Derivative financial liabilities	**(1 291)**	**(19)**	**—**	**(221)**	**(1 531)**
Non-current	**(401)**	**—**	**—**	**(69)**	**(470)**
Current	**(890)**	**(19)**	**—**	**(152)**	**(1 061)**
Net derivative financial instruments	**(1 112)**	**48**	**44**	**(132)**	**(1 152)**
Unrealised gains/(losses) included in other reserves, net of tax	**(808)**	**55**	**—**	**—**	**(753)**
Movements for the year ended 30 June 2023					
Realised gains/(losses) included in revenue	**(209)**	**25**	**—**	**—**	**(184)**
Unrealised losses on gold contracts recognised in other comprehensive income	**(1 748)**	**(34)**	**—**	**—**	**(1 782)**
Gains/(losses) on derivatives	**—**	**—**	**21**	**(145)**	**(124)**
Day one loss amortisation	**(66)**	**(4)**	**—**	**—**	**(70)**
Total gains/(losses) on derivatives	**(66)**	**(4)**	**21**	**(145)**	**(194)**
Hedge effectiveness					
Changes in the fair value of the hedging instrument used as the basis for recognising hedge ineffectiveness	**(1 748)**	**(34)**	**—**	**—**	**(1 782)**
Changes in the fair value of the hedged item used as the basis for recognising hedge ineffectiveness	**1 748**	**34**	**—**	**—**	**1 782**

19 Derivative financial instruments continued

Figures in million (SA Rand)	Rand gold hedging contracts (a)	US$ gold hedging contracts (b)	US$ silver contracts (b)	Foreign exchange contracts (c)	Total
At 30 June 2022					
Derivative financial assets	523	44	77	12	656
Non-current	113	18	6	—	137
Current	410	26	71	12	519
Derivative financial liabilities	—	(11)	—	—	(11)
Non-current	—	(3)	—	—	(3)
Current	—	(8)	—	—	(8)
Net derivative financial instruments	523	33	77	12	645
Unrealised gains included in other reserves, net of tax	441	39	—	—	480
Movements for the year ended 30 June 2022					
Realised gains/(losses) included in revenue	602	(105)	—	—	497
Unrealised gains/(losses) on gold contracts recognised in other comprehensive income	(292)	50	—	—	(242)
Gains/(losses) on derivatives	—	—	114	(16)	98
Day one loss amortisation	(39)	(6)	—	—	(45)
Total gains/(losses) on derivatives	(39)	(6)	114	(16)	53
Hedge effectiveness					
Changes in the fair value of the hedging instrument used as the basis for recognising hedge ineffectiveness	(292)	50	—	—	(242)
Changes in the fair value of the hedged item used as the basis for recognising hedge ineffectiveness	292	(50)	—	—	242

Figures in million (SA Rand)	Rand gold hedging contracts (a)	US$ gold hedging contracts (b)	US$ silver contracts (b)	Foreign exchange contracts (c)	Rand gold derivative contracts (a)	Total
Movements for the year ended 30 June 2021						
Realised losses included in revenue	(2 023)	(273)	—	—	—	(2 296)
Unrealised gains/(losses) on gold contracts recognised in other comprehensive income	2 999	(7)	—	—	—	2 992
Gains/(losses) on derivatives	—	—	(256)	1 217	111	1 072
Day one loss amortisation	(42)	(8)	—	—	—	(50)
Total gains/(losses) on derivatives	(42)	(8)	(256)	1 217	111	1 022

19 Derivative financial instruments continued

Hedge accounting

Harmony has entered into gold forward sale derivative contracts to hedge the risk of lower gold prices. Cash flow hedge accounting is applied to the majority of these contracts, resulting in the effective portion of the unrealised gains and losses being recorded in other comprehensive income (other reserves – refer to note 25). Refer to note 39 for a summary of the risk management strategy applied and the balances relating to designated hedging instruments as at reporting date.

Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments. The group enters into gold forward contracts that have similar terms as the hedged item, such as notional amount, maturity date and reference gold spot price thereby ensuring that an economic relationship exists between the hedging instrument and the hedged item and resulting in a hedge ratio of 1:1. Potential sources of hedge ineffectiveness include counterparty and own credit risk, day one gains and losses, a mismatch in the timing of the derivative and underlying gold sale maturities, location differential and the refining margin. Hedge ineffectiveness is measured by comparing the change in the expected cash flows from a forward sale contract versus the sale of an equivalent quantity of gold in the open market. Ineffectiveness results when the changes in the fair values in the hedging instruments exceed the fair value changes in the hedged item. A negligible amount of hedge ineffectiveness was experienced in the years presented.

The gains and losses from derivative contracts to which hedge accounting is not applied is included in gains/(losses) on derivatives in profit or loss.

(a) Rand gold contracts

All Rand gold forward contracts entered into after 1 October 2020 were apportioned to the South African operations which included Mponeng and Mine Waste Solutions operation.

As a result of the original 21-day lockdown announced to curb the Covid-19 pandemic the gold forwards' hedged items were no longer probable and in order to better match the cash flows relating to the underlying exposure, certain of the Rand gold forwards with maturities between 15 April 2020 and 31 May 2020 were effectively extended to mature between the periods July 2020 and March 2021. The restructured gold forwards retained the pricing of the original forwards and they were not designated as hedging instruments. Unrealised losses relating to the hedges previously recognised in other comprehensive income were immediately reclassified to profit or loss as gains/losses on derivatives. All subsequent gains and losses on the restructured hedges were recognised in profit or loss. As at 30 June 2021, all the restructured gold forwards had matured.

(b) US$ commodity contracts

Harmony maintains a derivative programme for Hidden Valley by entering into commodity derivative contracts. The contracts comprise US$ gold forward sale contracts as well as silver zero cost collars which establish a minimum (floor) and maximum (cap) silver sales price. Hedge accounting is applied to all US$ gold forward sale contracts and these are shown separately from the silver zero cost collars that are not hedge accounted.

(c) Foreign exchange contracts

Harmony maintains a foreign exchange derivative programme in the form of zero cost collars, which sets a floor and cap Rand/US$ exchange rate at which to convert US dollars to Rands, and foreign exchange forward contracts (FECs). Hedge accounting is not applied to these contracts.

19 Derivative financial instruments continued

The following table shows the open position at the reporting date:

	2024				2025				TOTAL
	Q1	**Q2**	**Q3**	**Q4**	Q1	Q2	Q3	Q4	
Foreign exchange contracts									
Zero cost collars									
US$m	**78**	**78**	**78**	**78**	78	76	66	30	**562**
Average floor – R/US$	**17.47**	**17.64**	**17.81**	**18.04**	18.25	18.72	19.33	19.98	**18.25**
Average cap – R/US$	**19.38**	**19.58**	**19.76**	**20.03**	20.25	20.73	21.35	22.01	**20.23**
Forward contracts									
US$m	**36**	**36**	**36**	**36**	36	33	24	13	**250**
Average forward rate – R/US$	**18.49**	**18.65**	**18.83**	**19.06**	19.39	19.67	20.19	20.50	**18.96**
Commodity contracts									
Rand gold hedging contracts									
000 oz – cash flow hedge	**78**	**78**	**78**	**72**	72	72	66	36	**552**
Average R'000/kg	**1 074**	**1 099**	**1 134**	**1 159**	1 185	1 230	1 315	1 388	**1 181**
US$ gold hedging contracts									
000 oz – cash flow hedge	**9**	**9**	**9**	**9**	9	6	3	1	**55**
Average US$/oz	**1 860**	**1 941**	**2 052**	**2 106**	2 127	2 150	2 171	2 187	**2 043**
Total gold									
000 oz	**87**	**87**	**87**	**81**	81	78	69	37	**607**
US$ silver contracts									
000 oz	**240**	**240**	**240**	**240**	210	210	120	40	**1 540**
Average floor – US$/oz	**24.09**	**24.35**	**24.53**	**24.54**	24.66	24.92	25.59	25.86	**24.62**
Average cap – US$/oz	**26.87**	**27.12**	**27.31**	**27.42**	27.66	27.92	28.59	28.86	**27.50**

Refer to note 39 for the details on the fair value measurements.

20 Trade and other receivables

	SA Rand	
Figures in million	**2023**	2022
Financial assets		
Trade receivables (metals)[1]	**1 179**	571
Other trade receivables	**460**	343
Loss allowance	**(211)**	(204)
Trade receivables - net	**1 428**	710
Interest and other receivables	**121**	213
Employee receivables	**12**	15
Non-financial assets		
Prepayments	**189**	160
Value added tax and general sales tax	**570**	545
Income and mining taxes	**75**	39
Total trade and other receivables	**2 395**	1 682

[1] *The increase year on year is predominantly due to an increase in the gold debtor as a result of timing of receipts.*

The movement in the loss allowance for trade and other receivables during the year was as follows (refer to note 39 for details):

	SA Rand	
Figures in million	**2023**	2022
Balance at beginning of year	**204**	179
Increase in loss allowance recognised during the year	**155**	80
Reversal of loss allowance during the year	**(148)**	(55)
Balance at end of year	**211**	204

The movement relates to various individually immaterial debtors.

20 Trade and other receivables continued

The loss allowance for trade and other receivables stratified according to the ageing profile at the reporting date is as follows:

	SA Rand	
Figures in million	**Gross**	**Loss allowance**
30 June 2023		
Not past due[1]	**1 331**	**—**
Past due by 1 to 30 days	**64**	**29**
Past due by 31 to 60 days	**22**	**14**
Past due by 61 to 90 days	**42**	**9**
Past due by more than 90 days	**42**	**38**
Past due by more than 361 days	**138**	**121**
Total	**1 639**	**211**
30 June 2022		
Not past due[1]	689	20
Past due by 1 to 30 days	26	11
Past due by 31 to 60 days	26	9
Past due by 61 to 90 days	8	5
Past due by more than 90 days	72	66
Past due by more than 361 days	93	93
Total	914	204

[1] *The gross amount includes the full trade receivables (metals) balance, which has no attributable loss allowance.*

There were no renegotiations of the terms of any receivables during 2023 and 2022. As at 30 June 2023 and 30 June 2022, there was no collateral pledged or held for any of the receivables.

21 Investments in associates

Critical accounting estimates and judgements

The investments in associates are evaluated for impairment by comparing the entire carrying value of the investment (including loans to associates and preference shares) to the recoverable amount, which is the higher of value in use or fair value less costs to sell. Discounted cash flow models are used to calculate the net present value of the investments. The cash flows in the models include expected interest and capital payments on loans, dividends, redemption amounts and proceeds on disposal.

(a) Harmony acquired a 32.40% interest in Pamodzi on 27 February 2008, initially valued at R345 million. Pamodzi was listed on the JSE and had interests in operating gold mines in South Africa. Pamodzi was placed in liquidation in March 2009. As at 30 June 2023, to the best of our knowledge, the liquidation process has not been concluded. Refer to note 18(a) for details of the loan and provision of impairment of the loan.

(b) Rand Refinery provides precious metal smelting and refining services in South Africa. Harmony holds a 10.38% share in Rand Refinery. This investment is a strategic investment for the group as Rand Refinery is the only company that provides such services in South Africa. Although the group holds less than 20% of the equity shares of Rand Refinery, the group is able to exercise significant influence by virtue of having a right to appoint a director on the board. Through the 10.38% shareholding and the right to appoint a director on the board, the investment has been accounted for as an associate.

Rand Refinery has a 31 August financial year-end.

The movement in the investments in associates during the year is as follows:

	SA Rand	
Figures in million	**2023**	2022
Balance at beginning of year	**125**	126
Dividend received	**(71)**	(64)
Share of profit in associate	**57**	63
Balance at end of year	**111**	125

22 Investment in joint operations

The group has a 50% interest in certain mining and exploration assets located in the Morobe province, PNG. Newcrest Mining Limited owns the remaining 50% interest in these assets. The asset in the joint arrangement is the Wafi-Golpu project. The joint arrangement is accounted for as a joint operation.

State participation

Under the conditions of the Wafi-Golpu exploration tenements, the PNG government (the State) has reserved the right prior to the commencement of mining to take up an equity interest of up to 30% of any mineral discovery within the Wafi-Golpu tenements. The right is exercisable by the State once at any time prior to the commencement of mining. If the State exercises this right, the exercise price is a pro-rata share of the accumulated exploration expenditure. Once the right is exercised, the State is responsible for its proportionate share of ongoing exploration and project development costs. The State has indicated its intention to exercise its option in full, however, as at 30 June 2023, this option has not been exercised.

Permitting

Special Mining Lease

In August 2016, application was made to the Mineral Resources Authority for a Special Mining Lease (SML) under the PNG Mining Act 1992. The application was subsequently updated and amended in March 2018.

Notwithstanding that the Prime Minister has publicly stated the Wafi-Golpu Project is of national importance and therefore the State's objective is to permit the project as soon as possible, there have been considerable delays in the permitting process. These include a judicial review instituted in 2019 by the Governor and Government of Morobe Province. This related to a memorandum of agreement entered into between the State of PNG and the project proponents in connection with the progress towards and terms of a Mining Development Contract (MDC) to be entered into under the PNG Mining Act, which review stayed the conduct of negotiations. The memorandum of agreement was subsequently withdrawn, however, meaningful negotiations with the PNG State Negotiating Team only recommenced in the second half of 2022.

During the last quarter of 2022, senior Harmony executives met with the Prime Minister, Hon James Marape MP. Harmony confirmed its continued commitment to invest and grow in PNG. At the request of the Prime Minister, a follow-up meeting took place during May 2022 between the project proponents, the Prime Minister, various members of the National Negotiating Team, the Minerals Policy Institute and the Mineral Resources Authority, and other senior administrators.

Following the PNG national general election that ended in August 2022, Hon James Marape MP was reappointed for a further term of office. Subsequently. permitting negotiations resumed in April 2023 and the project proponents entered into a Framework Memorandum of Understanding with the State, setting out the key terms and principles to guide the negotiation and preparation of the formal agreements relating to the permitting, development and operation of the project. The Wafi-Golpu Project will progress to development only once SML 10 and all other associated tenements and permits are granted, and all relevant project agreements and landholder compensation agreements have been entered into. Permitting and other contract negotiations are ongoing.

Any potential future development of the Wafi-Golpu Project is subject to further studies, completion of the remaining statutory processes, receipt of all necessary or desirable government permissions and approvals, market and operating conditions as well as approval by the board of directors of the Wafi-Golpu Joint Venture and of both Newcrest Mining Limited and Harmony.

Environment Permit

In July 2018, application was made to the Conservation and Environment Protection Authority for an Environment Permit under the PNG Environment Act 2000, by the submission under the Act of an Environmental Impact Statement. The Environment Permit was granted in December 2020.

During March 2021, the Governor and Government of the Morobe Province instituted a judicial review in the Lae National Court against the grant by the Minister for the Environment of the Environment Permit, pending the resolution of which review the grant of an SML was stayed. Following an appeal to the Supreme Court, the National Court stay order was itself stayed, and the Supreme Court will now set directions for a substantive hearing of the appeal. The project proponents are not parties to this proceeding.

In December 2022, landholders represented by the Centre for Environmental Law and Community Rights Inc (CELCOR) commenced legal proceedings also seeking judicial review of the grant of the environment permit. An application by CELCOR for the proceedings to be joined with those of the governor and Morobe Provincial Government was dismissed by the Supreme Court, and the review is presently proceeding independently.

Either of the proceedings, if determined against the State and the Minister for Environment, could result in the setting aside of the Environment Permit, the staying of the permitting process or the grant of the SML. Such an event could delay the development progress of the project.

22 Investment in joint operations continued

Carrying amount and impairment considerations

The carrying amount of the project amounts to R3.1 billion (2022: R2.7 billion). The majority of the change year on year relates to foreign exchange translation. There was no indicator of impairment at 30 June 2023. At 30 June 2022, the recoverable amount of the Wafi-Golpu Project was determined and an impairment assessment was performed in terms of IFRS 6. No impairment was recognised at 30 June 2022.

The recoverable amount for the project was determined on a resource multiple valuation approach using the same values as those for South African underground resources. Refer to note 15 for the assumptions used in the valuation. This is a level 3 fair value measurement.

23 Inventories

Accounting policy

Inventories, which include bullion on hand, gold-in-process, gold in lock-up, ore stockpiles and consumables, are measured at the lower of cost and net realisable value. Net realisable value is assessed at each reporting date and is determined with reference to relevant market prices.

The cost of bullion, gold-in-process and gold in lock-up is determined by reference to production cost, including amortisation and depreciation at the relevant stage of production. Ore stockpiles are valued at average production cost. Stockpiles and gold in lock-up are classified as non-current assets where the stockpile's volume exceeds current processing capacity and where a portion of static gold in lock-up is expected to be recovered more than 12 months after balance sheet date.

Gold-in-process inventories represent materials that are currently in the process of being converted to a saleable product. In-process material is measured based on assays of the material fed to process and the projected recoveries at the respective plants. In-process inventories are valued at the average cost of the material fed to process attributable to the source material coming from the mine or stockpile plus the in-process conversion costs, including the applicable depreciation relating to the process facility, incurred to that point in the process. Gold-in-process includes gold in lock-up, which is generally measured from the plants onwards. Gold in lock-up is expected to be extracted when plants are demolished at the end of their useful lives, which is largely dependent on the estimated useful life of the operations feeding the plants.

At the group's open pit operations, gold-in-process represents production in broken ore form.

Consumables are valued at weighted average cost value after appropriate allowances for slow-moving and redundant items.

Critical accounting estimates and judgements

Judgement is applied in estimating the provision for stock obsolescence. The provision is recognised on items not considered critical as a percentage of the value of the inventory, depending on the period elapsed since the inventory was purchased or issued. Inventory held for longer than five years is written down to zero unless there is sufficient evidence of a recoverable amount.

	SA Rand	
Figures in million	**2023**	2022
Gold in lock-up	**138**	136
Gold-in-process, ore stockpiles and bullion on hand	**1 095**	1 054
Consumables at weighted average cost (net of provision) (a)	**2 170**	1 764
Total inventories	**3 403**	2 954
Non-current portion of gold in lock-up and gold-in-process included in Other non-current assets	**(138)**	(136)
Total current portion of inventories	**3 265**	2 818
Included in the balance above is:		
Inventory valued at net realisable value	**138**	136

(a) The increase year on year is mainly due to an increase in key components of operations at Hidden Valley, predominantly diesel, as a result of higher volumes held to support the increased production. The weakening of the Rand/A$ exchange rate further increased the translated balance year on year for South-east Asia.

During the year, an increase of R85 million (2022: R115 million increase) to the provision for slow-moving and redundant stock was made. The total provision at 30 June 2023 was R492 million (2022: R407 million).

24 Share capital

Accounting policy

Ordinary shares are classified as equity, incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

The cost of treasury shares is eliminated against the share capital balance.

Authorised

1 200 000 000 (2022: 1 200 000 000) ordinary shares with no par value.
4 400 000 (2022: 4 400 000) convertible preference shares with no par value.

Issued

618 071 972 (2022: 616 525 702) ordinary shares with no par value. All issued shares are fully paid.
4 400 000 (2022: 4 400 000) convertible preference shares with no par value.

Share issues

Share issues relating to employee share options

An additional 1 546 270 (2022: 473 505) shares were issued to settle the exercise of share options by employees relating to Harmony's management share option schemes. Note 36 sets out the details in respect of the share option schemes.

Treasury shares

Included in the total of issued shares are the following treasury shares:

Number of shares	2023	2022
Ordinary shares		
Lydenburg Exploration Limited[1]	**335**	335
Kalgold Share Trust[2]	**47 046**	47 046
Convertible preference shares		
Harmony Gold Community Trust[3]	**4 400 000**	4 400 000

[1] *A wholly-owned subsidiary.*
[2] *Trust controlled by the group.*
[3] *The issue of the convertible preference shares did not impact the group's consolidated financial statements as the Harmony Gold Community Trust is controlled by the group.*

25 Other reserves

	SA Rand	
Figures in million	2023	2022
Foreign exchange translation reserve (a)	**4 220**	3 097
Hedge reserve (b)	**(753)**	480
Share-based payments (c)	**3 363**	3 249
Post-retirement benefit actuarial gain/(loss) (d)	**—**	(5)
Equity instruments designated at fair value through other comprehensive income (e)	**178**	153
Acquisition of non-controlling interest in subsidiary (f)	**(381)**	(381)
Equity component of convertible bond (g)	**277**	277
Repurchase of equity interest (h)	**(98)**	(98)
Other	**(28)**	(28)
Total other reserves	**6 778**	6 744

(a) The foreign exchange translation reserve movement represents the cumulative translation effect of the group's off-shore operations. Refer to note 4 and 39 for details on the exchange rate movements year on year.

25 Other reserves continued

(b) Harmony has entered into gold hedging contracts. Cash flow hedge accounting is applied to these contracts, resulting in the effective portion of the unrealised gains and losses being recorded in other comprehensive income (other reserves). Refer to note 19 for further information.

The reconciliation of the hedge reserve is as follows:

	SA Rand	
Figures in million	2023	2022
Balance at beginning of year	**480**	1 051
Remeasurement of gold hedging contracts	**(1 233)**	(571)
Unrealised gain/(loss) on gold hedging contracts	**(1 782)**	(242)
Released to revenue on maturity of the gold hedging contracts	**184**	(497)
Foreign exchange translation	**6**	(2)
Deferred taxation thereon	**359**	170
Balance at end of year	**(753)**	480
Attributable to:		
Rand gold hedging contracts	**(808)**	441
US dollar gold hedging contracts	**55**	39

(c) The reconciliation of the movement in the share-based payments is as follows:

	SA Rand	
Figures in million	2023	2022
Balance at beginning of year	**3 249**	3 106
Share-based payments expensed (i)	**114**	143
Balance at end of year	**3 363**	3 249

(i) The group issues equity-settled instruments to certain qualifying employees under an employee share option scheme and employee share ownership plan (ESOP) to award shares from the company's authorised but unissued ordinary shares. Equity share-based payments are measured at the fair value of the equity instruments at the grant date and are expensed over the vesting period, based on the group's estimate of the shares that are expected to vest. Refer to note 36 for more details.

(d) The actuarial gains or losses related to the post-retirement benefit obligation will not be reclassified to the income statement Refer to note 27.

(e) Includes R114 million (2022: R112 million) related to the cumulative fair value movement of Harmony's interest in Rand Mutual Assurance. Refer to note 18.

(f) On 15 March 2004, Harmony announced that it had made an off-market cash offer to acquire all the ordinary shares, listed and unlisted options of Abelle Limited, held by non-controlling interests. The excess of the purchase price of R579 million over the carrying amount of non-controlling interest acquired, amounting to R381 million, has been accounted for under other reserves.

(g) On 24 May 2004, the group issued a convertible bond. The amount representing the value of the equity conversion component is included in other reserves, net of deferred income taxes. The equity conversion component is determined on the issue of the bonds and is not changed in subsequent periods. The convertible bonds were repaid in 2009.

(h) On 19 March 2010, Harmony Gold Mining Company Limited concluded an agreement with African Vanguard Resources (Proprietary) Limited (AVRD), for the purchase of its 26% share of the mining titles of the Doornkop South Reef. The original sale of the 26% share in the mining titles was accounted for as an in-substance call option by AVRD over the 26% mineral right. The agreement to purchase AVRD's 26% interest during the 2010 financial year was therefore considered to be a repurchase of the option (equity interest). The 26% interest was transferred from AVRD to Harmony in exchange for Harmony repaying the AVRD Nedbank loan and the issue of 2 162 359 Harmony shares. The difference between the value of the shares issued of R152 million, the liability to the AVRD and transaction costs, have been taken directly to equity.

Accounting policy – provisions (applicable to notes 26, 27 and 30)
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.

The amount recognised as a provision is the net present value of the best estimate of the expenditure required to settle the present obligation at balance sheet date. It is calculated using a pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The estimate takes into account the associated risks and uncertainties. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefits will be required, the provision is reversed.

26 Provision for environmental rehabilitation

Accounting policy
Estimated long-term environmental obligations, comprising pollution control, rehabilitation and mine closure, are based on the group's environmental management plans in compliance with current technological, environmental and regulatory requirements.

Based on disturbances to date, the net present value of expected rehabilitation cost estimates is recognised and provided for in full in the financial statements. The estimates are reviewed annually and are discounted using a pre-tax risk-free rate that is adjusted to reflect the current market assessments of the time value of money and the risks specific to the obligation.

Annual changes in the provision consist of finance costs relating to the change in the present value of the provision and inflationary increases in the provision estimate, as well as changes in estimates. The present value of environmental disturbances created is capitalised to mining assets against an increase in the rehabilitation provision. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in the income statement. If the asset value is increased and there is an indication that the revised carrying value is not recoverable, impairment is assessed in accordance with the accounting policy dealing with impairments of non-financial assets (refer to note 2.5). Rehabilitation projects undertaken included in the estimates are charged to the provision as incurred. The cost of ongoing current programmes to prevent and control pollution is charged against income as incurred. Over time, the liability is increased to reflect an interest element, and the capitalised cost is depreciated over the life of the related asset.

Critical accounting estimates and judgements
Significant judgement is applied in estimating the ultimate rehabilitation cost that will be required in future to rehabilitate the group's mines, related surface infrastructure and tailings dams. Ultimate cost may significantly differ from current estimates. The following rates were used in the calculation of the provision:

%	2023	2022	2021
South African operations			
Inflation rate			
– short term (Year 1)	**6.59**	6.55	5.11
– short term (Year 2)	**5.65**	5.20	4.99
– medium term (Year 3)[1]	**5.68**	n/a	n/a
– long term (Year 3 onwards)[1]	**n/a**	5.50	5.25
– long term (Year 4 onwards)[1]	**5.64**	n/a	n/a
Discount rates[2]			
– 12 months	**9.30**	5.50	4.90
– one to five years	**9.20**	8.30	7.30
– six to nine years	**10.60**	9.90	9.00
– ten years or more	**12.10**	10.90	10.30
PNG operations			
Inflation rate	**4.84**	5.33	4.45
Discount rate	**9.33**	8.45	6.20

[1] *In 2023, management refined the approach for applying inflation rate assumptions in the calculation.*
[2] *Refer to note 4 for a discussion on the changes affecting these assumptions.*

The group's mining and exploration activities are subject to extensive environmental laws and regulations. The group has made, and expects to make in the future, expenditures to comply with such laws and regulations, but cannot predict the full amount of such future expenditures. Estimated future reclamation costs are based principally on legal and regulatory requirements.

26 Provision for environmental rehabilitation continued

The following is a reconciliation of the total provision for environmental rehabilitation:

	SA Rand	
Figures in million	2023	2022
Balance at beginning of year	**5 013**	4 662
Change in estimate – Balance sheet[1]	**(111)**	(248)
Change in estimate – Income statement[1]	**32**	136
Utilisation of provision	**(120)**	(65)
Time value of money and inflation component of rehabilitation costs	**483**	377
Translation	**176**	151
Balance at end of year	**5 473**	5 013

[1] *Changes to life-of-mine plans for certain operations in 2022 impacted the discounting of the cash flows. In 2023, there were no significant changes other than an increase in discount rates.*

The environmental provision for PNG amounts to R1 478 million (2022: R1 185 million) and is unfunded due to regulations in the operating country.

While the ultimate amount of rehabilitation costs to be incurred in the future is uncertain, the group has estimated that, based on current environmental and regulatory requirements, the total undiscounted cost for the operations, in current monetary terms, is as follows:

	SA Rand	
Figures in million	2023	2022
Future net undiscounted obligation		
Ultimate estimated rehabilitation cost	**7 930**	7 126
Amounts invested in environmental trust funds (refer to note 17)	**(5 673)**	(5 244)
Total future net undiscounted obligation	**2 257**	1 882

The group's South African mines are required to comply with the National Environmental Act's (NEMA) financial provision requirements. They are also required to substantively review and align their financial provision in accordance with these regulations during the relevant transitional period, which has now been extended to 19 February 2024. The group intends to finance the ultimate rehabilitation costs from the money invested in environmental trust funds as well as the proceeds on the sale of assets and gold from plant clean-up at the time of mine closure. The group has guarantees in place, some cash-backed, relating to some of the environmental liabilities. Refer to notes 17 and 38.

27 Other provisions

	SA Rand	
Figures in million	**2023**	2022
Provision for silicosis settlement (a)	**549**	820
Retirement benefit obligation (b)	**264**	251
Total other provisions	**813**	1 071
Current portion of other provisions	**180**	139
Non-current portion of other provisions	**633**	932

(a) Provision for silicosis settlement

Critical accounting estimates and judgements

Significant judgement is applied in estimating the cost that will be required in future to settle any claims against certain of the group's mines. The ultimate cost may differ from current estimates.

The provision amount was based on estimates of the number of potential claimants, levels of disease progression and take-up rates. These estimates were informed by historic information, published academic research and professional opinion. The key assumptions that were made in the determination of the provision amount include:

- Silicosis prevalence rates
- Estimated settlement per claimant
- Benefit take-up rates
- Disease progression rates
- Timing of cash flows.

A discount rate of 9.5% (2022: 6.5%) (2021: 6.2%) was used, based on South African government bonds with similar terms to the obligation. Refer to note 4 for a discussion on the changes in interest rates that impacted this assumption in 2023.

There is uncertainty with regard to the rate at which potential claims would be reported as well as the benefit take-up rates. Refer to sensitivity analysis on the key assumptions below.

Harmony and certain of its subsidiaries (Harmony group), together with other mining companies, were named in a class action suit for silicosis and tuberculosis which was certified by the Johannesburg High Court in May 2016. On 26 July 2019, the Johannesburg High Court approved the settlement of the silicosis and tuberculosis class action suit between the Occupational Lung Disease Gold Working Group (the Working Group) – representing Gold Fields, African Rainbow Minerals, Anglo American SA, AngloGold Ashanti, Harmony and Sibanye Stillwater – and lawyers representing affected mineworkers (settlement agreement). The mandatory three-month period, during which potential beneficiaries could opt out of the settlement agreement and the audit thereof was completed in December 2019. The Tshiamiso Trust will oversee the tracking and tracing of class members, process all submitted claims, including the undertaking of benefit medical examinations, and pay benefits to eligible claimants. A jointly controlled Special Purpose Vehicle has been set up to act as an agent for the Working Group in relation to certain matters set out in the settlement agreement and trust deed. Claims will be accepted for a twelve-year period with an effective date of December 2019.

The Working Group paid the legal costs of the claimants' attorneys and other initial amounts as set out in the settlement agreement in 2021. On 31 January 2020, the Working Group commenced the payment of their quarterly administration and benefit contributions to the Tshiamiso Trust to enable the trustees to settle benefits of eligible claimants. Those payments are revisited as necessary annually, based on activities and claims.

Harmony has provided for the estimated cost of the settlement based on actuarial assessments. A portion of the provision has been transferred to current liabilities. The nominal amount for Harmony group is R696 million.

27 Other provisions continued

(a) Provision for silicosis settlement continued

The following is a reconciliation of the total provision for the silicosis settlement:

	SA Rand	
Figures in million	**2023**	2022
Balance at beginning of year	**820**	854
Change in estimate[1]	**(183)**	23
Time value of money and inflation component	**67**	52
Payments[2]	**(155)**	(109)
Balance at end of year	**549**	820
Current portion of silicosis settlement provision	**180**	139
Non-current portion of silicosis settlement provision	**369**	681

[1] *The change in estimate relates mainly to a change in the assumptions due to the availability of actual exit data and an adjustment to the take-up rate, as well as an increase in the discount rates, which resulted in a decrease of the estimated obligation as at 30 June 2023.*
[2] *These payments comprise of the administration and benefit contributions to the Tshiamiso Trust.*

Sensitivity analysis

Management has considered the information available regarding key assumptions, as well as the uncertainties and term of the projections, and determined variances for a reasonable (possible) range to apply to the key assumptions. Information considered included medical data and evidence from the silicosis claim process, which has not changed significantly since the liability was recognised. Management also considered the guidance provided by the actuarial specialists as to what could be a reasonably possible change for each item. The impact of these reasonable possible changes on the assumptions would increase or decrease the provision amount by the following amounts:

	SA Rand	
Figures in million	**2023**	2022
Effect of an increase in the assumption:		
Change in benefit take-up rate[1]	**81**	91
Change in silicosis prevalence[2]	**81**	91
Change in disease progression rates[3]	**61**	49
Effect of a decrease in the assumption:		
Change in benefit take-up rate[1]	**(81)**	(91)
Change in silicosis prevalence[2]	**(81)**	(91)
Change in disease progression rates[3]	**(61)**	(49)

[1] *Change in benefit take-up rate: the take-up rate does not significantly affect the administration fees, but a 10% change results in a proportionate change in the base compensation values.*
[2] *Change in the silicosis prevalence: the assumptions that will result in a change in the estimated number of cases are either a 10% change in the assumed labour numbers or a 10% change in the disease risk.*
[3] *Change in disease progression rates: a 10% shorter/longer disease progression period was used, which results in more advanced silicosis cases. This assumption is not applicable to the dependant or TB classes.*

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. A change in the settlement claim amount would result in a change in the provision amount on a Rand for Rand basis.

The ultimate outcome of this matter remains uncertain, with the number of eligible potential claimants successfully submitting claims and receiving compensation being uncertain. The provision recorded in the financial statements is consequently subject to adjustment or reversal in the future.

(b) Retirement benefit obligation

Accounting policy

The group provides medical cover to current employees and certain retirees through certain funds. The medical accounting costs for the defined benefit plan are assessed using the projected unit credit method. The healthcare obligation is measured at the present value of the estimated future cash outflows using government bond interest rates consistent with the terms and risks of the obligation. Actuarial gains and losses as a result of these valuations are recognised in other comprehensive income (OCI) at revaluation date. Actuarial gains and losses recognised in OCI will not be recycled to profit or loss. The future liability for current and retired employees and their dependants is accrued in full based on actuarial valuations obtained annually.

27 Other provisions continued

(b) Retirement benefit obligation continued

Critical accounting estimates and judgements

An updated actuarial valuation is carried out at the end of each financial year. Assumptions used to determine the liability include a discount rate of 13.5%, no increases in employer subsidies (in terms of the agreement), mortality rates according to the SA 1956/62 mortality table (SA "a mf" tables) (retirement age of 60) and a medical inflation rate of 10.1% (2022: discount rate of 12.3%, retirement age of 60 and 9.0% inflation rate) (2021: discount rate of 11.2%, retirement age of 60 and 8.5% inflation rate). Management determined the discount rate by assessing South African government bonds with similar terms to the liability. The changes to the discount rate and medical inflation rate are similar to changes in interest and inflation rates in South Africa.

Pension and provident funds

The group contributes to several pension and provident funds governed by the Pension Funds Act, 1956 for the employees of its South African subsidiaries. The pension funds are multi-employer defined contribution industry plans. The group's liability is therefore limited to its monthly determined contributions. The provident funds are funded on a "monetary accumulative basis" with the member's and employer's contributions having been fixed in the constitution of the funds. The Australian group companies make contributions to each employee's superannuation (pension) funds in accordance with the Superannuation Guarantee Scheme (SGS). The SGS is a Federal Government initiative enforced by law which compels employers to make regular payments to regulated funds providing for each employee on their retirement. The SGS was set at a minimum of 10.5% of gross salary and wages for the 2023 year (2022: 10.0%). The fund is a defined contribution plan. The PNG Superannuation Act 2002 requires a compulsory employer contribution of 8.4% (2022: 8.4%) into an approved superannuation (pension) fund if an employee is appointed for a period of three months or more. The approved superannuation funds are defined contribution plans.

Substantially all the group's employees are covered by the above mentioned retirement benefit plans. Funds contributed by the group for the 2023 financial year amounted to R1 146 million (2022: R1 125 million).

Post-retirement benefits other than pensions

Harmony inherited post-retirement medical benefit obligations with the Freegold acquisition in 2002, the Moab Khotsong acquisition in 2018 and the Mponeng acquisition in 2021. Except for the above mentioned employees, Harmony has no other post-retirement benefit obligation for the other group employees.

The group's obligation is to pay a subsidy of 2% for every completed year of employment up to a maximum of 50% of total medical aid contributions, commencing on date of retirement. Should the employee die, either in service or after retirement, this benefit will transfer to his/her dependants. The medical aid tariffs are based on the Bestmed medical scheme (Bestmed) options.

The principal actuarial assumptions used to determine the present value of unfunded obligations are discussed above. In addition, the following was also considered:

- It is assumed that all Continuation and Widow Members (CAWMs) will remain on the current benefit option and income band. For employed members, post-employment contributions were assumed to be equal to the average payable for the current CAWMs membership
- It is assumed that not all employed members will remain employed until retirement therefore estimated resignation and ill-health retirement rates are also taken into account
- It is assumed that 90% of employed members will be married at retirement or earlier death and that wives are four years younger than their husbands.

Through the post-employment medical plan, the group is exposed to a number of risks, the most significant of which are discussed below:

- Change in bond yields: A decrease in the bond yields will increase the plan liability
- Inflation risk: The obligation is linked to inflation and higher inflation will lead to a higher liability
- Life expectancy: The obligation is to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

The liability is unfunded and will be settled out of cash and cash equivalents when it becomes due. The liability is based on an actuarial valuation conducted during the year ended 30 June 2023, using the projected unit credit method. The next actuarial valuation will be performed on 30 June 2024.

27 Other provisions continued

(b) Retirement benefit obligation continued

Post-retirement benefits other than pensions continued

	SA Rand	
Figures in million	**2023**	2022
Present value of all unfunded obligations	**264**	251
Current employees	**100**	99
Retired employees	**164**	152
The movement in the retirement benefit obligation is as follows:		
Balance at beginning of year	**251**	247
Contributions paid	**(14)**	(13)
Other expenses included in staff costs/current service cost	**3**	4
Finance costs	**30**	27
Net actuarial gain recognised in other comprehensive income during the year	**(6)**	(14)
Balance at end of year (non-current)	**264**	251

The net actuarial gain for 2023 and 2022 is due to the results of the higher real rate of discount assumed and used.

	SA Rand	
Figures in million	**2023**	2022
The net liability of the defined benefit plan is as follows:		
Present value of defined benefit obligation	**264**	251
Fair value of plan assets	**—**	—
Net liability of defined benefit plan	**264**	251

Management considered whether a reasonably possible change in any of the key assumptions would have a material impact on the obligation, service cost or finance costs. It was determined that changes would result in an immaterial increase or decrease.

The group expects to contribute approximately R14 million to the benefit plan in 2024. The weighted average duration of the defined benefit obligation is 15.5 years.

28 Leases

Accounting policy

The group assesses the presence of a lease in a contract as at the commencement date of the agreement. Having determined that a contract contains a lease asset (and respective contractual cash obligations), Harmony recognises a right-of-use asset and lease liability. The group discloses expensed amounts for contracts assessed as variable leases, low value asset leases and short-term leases. The disclosed value of these expensed leases is either determined on a straight-line basis over the duration of the lease or on a systematic basis that fairly indicates the consumption of the lease contract. All expensed lease contracts are recognised in production costs, corporate, administration and other expenditure in the income statement.

The group applies the following practical expedients when assessing lease contracts:

- The low value lease exemption – the group has elected to take the low value exemption with a value of R50 000 for the individual leased asset value and also applied its accounting policy on capitalisation of assets based on IAS 1 materiality assessment
- The short-term lease exemption – leases with a duration of less than a year will be expensed in the income statement on a straight-line basis
- Non-lease components – the group has applied the practical expedient not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component for the classes of the underlying asset where it is appropriate to do so.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its incremental borrowing rate. The group has applied the IFRS 16 portfolio approach in determining the discount rate for leases. As such, a single discount rate has been used for contracts that share similar characteristics. The group has determined that a portfolio of contracts that are denominated in the same currency may use a single discount rate. This rate has been determined using various factors including in-country borrowings as well as other sources of finance. The nature of the right-of-use assets was also considered.

28 Leases continued

Accounting policy continued

Lease payments included in the measurement of the lease liability comprise:
- Fixed lease payments (including in-substance fixed payments), less any lease incentives
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- The amount expected to be payable by the lessee under residual value guarantees
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The non-current and current portions of the lease liability is included in other non-current liabilities and trade and other payables in the balance sheet respectively.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:
- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used)
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, any initial direct costs and restoration costs as described below. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The lease term shall be determined as the non-cancellable period of a lease, together with:
- Periods covered by an option to extend the lease if management is reasonably certain to make use of that option and/or
- Periods covered by an option to terminate the lease, if management is reasonably certain not to make use of that option.

Whenever the group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented in mining assets and non-mining assets as part of the property, plant and equipment line in the balance sheet. The group applies its existing accounting policy on impairment of non-financial assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss accordingly.

Critical accounting estimates and judgements

Key judgements applied in determining the right-of-use assets and lease liability are:
- Assessing whether an arrangement contains a lease: various factors are considered, including whether a service contract includes the implicit right to the majority of the economic benefit from assets used in providing the service
- Determining the lease term: management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. The company applies the considerations for short-term leases where leases are modified to extend the period by 12 months or less on expiry and these modifications are assessed on a standalone basis
- Determining the discount rate: in determining the incremental borrowing rates, management considers the term of the lease, the nature of the asset being leased, the currency in which the lease payments are denominated, in country borrowings as well as other sources of finance
- Determination of whether Harmony has control over the special purpose entities (SPVs) owning the solar generation facilities of the Phase 1 renewable energy program. Harmony was assessed to not have control over the SPVs based on the assessment that Harmony does not have substantive rights to direct the relevant activities of the SPVs. The payments made for electricity generated by the Phase 1 solar generation facilities is to be accounted for as variable lease payments once the facilities have been commissioned.

28 Leases continued

The movement in the right-of-use assets is as follows:

	SA Rand	
Figures in million	**2023**	2022
Balance at beginning of year	**480**	262
Additions	**240**	353
Modifications	**17**	(2)
Depreciation	**(259)**	(166)
Terminations	**(45)**	—
Translation	**120**	33
Balance at end of year	**553**	480

The non-current and current portions of the lease liability are included in other non-current liabilities and trade and other payables in the balance sheet respectively.

The movement in the lease liabilities is as follows:

	SA Rand	
Figures in million	**2023**	2022
Balance at beginning of year	**442**	261
Additions	**228**	315
Modifications	**17**	(2)
Interest expense on lease liabilities	**28**	19
Lease payments made	**(229)**	(177)
Translation	**40**	26
Balance at end of year	**526**	442
Current portion of lease liabilities	**216**	197
Non-current portion of lease liabilities	**310**	245

The maturity of the group's undiscounted lease payments is as follows:

	SA Rand	
Figures in million	**2023**	2022
Less than and including one year	**235**	206
Between one and five years	**273**	205
Five years and more	**128**	133
Total	**636**	544

The amounts included in the income statement relating to leases:

	SA Rand	
Figures in million	**2023**	2022
Depreciation of right-of-use assets[1]	**259**	166
Interest expense on lease liabilities[2]	**28**	19
Short-term leases expensed[3]	**154**	134
Leases of low value assets expensed[3]	**28**	21
Variable lease payments expensed[3, 4]	**1 678**	1 050

[1] *Included in depreciation and amortisation.*
[2] *Included in finance costs.*
[3] *Included in production costs and corporate, administration and other expenditure.*
[4] *These payments relate mostly to mining and drilling contracts. Variable lease payments comprise 80% of the total lease payments made during the period. The majority of the variable lease payments made relate to the contracting of specialists for mining operations at Harmony's open-pit mines and are determined on a per tonne or square metre basis.*

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28 Leases continued

The total cash outflows for leases are:

	SA Rand	
Figures in million	**2023**	2022
Principal and interest payments made for lease liabilities	**229**	177
Short-term lease payments	**154**	134
Lease payments of low value assets leased	**28**	21
Variable lease payments	**1 678**	1 050
Total cash outflows for leases	**2 089**	1 382

During 2022, Harmony reached financial close on power purchase agreements for the procurement of electricity from 30 MW photovoltaic generation facilities. These agreements constitute variable lease contracts that Harmony is committed to. The variable lease payments from these contracts are determined with reference to the quantity of megawatt hours (MWh) generated by the facilities. As at 30 June 2023, these facilities were fully constructed, however they were only producing incidental amounts of electricity, and as such were considered to be in the testing phase. The commercial operating date for the three plants was achieved during August 2023.

29 Contingent consideration

Accounting policy

Contingent consideration is initially recognised at fair value in accordance with IFRS 3. Changes in the fair value of the liability subsequent to initial recognition are included in other operating expenses.

Critical accounting estimates and judgements

The contingent consideration liability comprises of the contingent consideration included as part of the consideration transferred for the acquisition of the Mponeng operations and related assets and Eva Copper (refer to note 14).

The Mponeng contingent consideration liability was initially valued at R544 million on 1 October 2020 using the discounted cash flow valuation method, discounted at a post-tax real rate of 10.6%. Other assumptions are the forecast Rand/US dollar exchange rate and life-of-mine plans. Subsequent to initial recognition, the assumptions applied for the valuation of the liability were updated. As at 30 June 2023, the contingent consideration was valued using a post-tax real discount rate of 9.6% (2022: 10.2%) (2021: 10.3%). Refer to note 15 for exchange rate assumptions and other estimates used in the life-of-mine plans.

As at 1 October 2020, and at the end of the 2021 to 2023 financial years, the contingent consideration attributable to the below infrastructure ounces of gold was valued at Rnil, as no ounces from below infrastructure sections of the orebody have been included in the life-of-mine plan of Mponeng.

The Eva Copper contingent consideration was initially valued at R169 million on 16 December 2022 using a probability weighted method for the new resource payment and a discounted cash flow valuation for the excess payment, both discounted at a post-tax nominal rate of 12.9%. Refer to note 14 for further details on the assumptions applied on initial recognition.
As at 30 June 2023, the liability has been subsequently remeasured to R185 million.

The fair value calculated for the contingent consideration liability is level 3 in the fair value hierarchy due to the use of unobservable inputs.

The movement in the contingent consideration liability is as follows:

	SA Rand	
Figures in million	**2023**	2022
Balance at beginning of year	**356**	417
Acquisitions[1]	**169**	—
Remeasurement of contingent consideration[2]	**64**	(61)
Balance at end of year	**589**	356

[1] *Initial recognition of the Eva Copper contingent consideration.*
[2] *Relates to a change in the Mponeng operation's production profile, which is based on Mponeng's life-of-mine plan as well as in 2023 the passage of time resulted in a movement in the Eva Copper contingent consideration since initial recognition.*

30 Other non-current liabilities

	SA Rand	
Figures in million	**2023**	2022
Sibanye Beatrix ground swap royalty[1]	**22**	18
Lease liability – non-current[2]	**310**	245
Provision for Harmony Education Benefit Fund	**5**	5
Total non-current liabilities	**337**	268

[1] *The increase in royalty provision is because of an increase in gold prices and a decrease in the discount rate for Joel.*
[2] *Refer to note 28 for an analysis of the lease liability.*

31 Streaming arrangements

Accounting policy

The streaming contract was assessed and has been accounted for as an own-use customer contract. At acquisition, the streaming contract was initially recognised at a fair value of R1.4 billion in accordance with IFRS 3. The fair value of the contract took into consideration the existing unfavourable gold price terms at acquisition, in relation to the comparative market gold price.

The obligation to deliver the contractually stipulated ounces over the remaining term of the agreement results in a significant financing component. The interest accrues on the contract liability over the remaining contractual term. As the performance obligation to deliver gold is met, the contract liability unwinds into revenue classified as "consideration from streaming contract" in note 5.

The current portion of the liability is determined with reference to the current production profile of the operation for the next 12 months.

Critical accounting estimates and judgements

The fair value of the unfavourable contract liability, which forms part of the streaming arrangement with Franco-Nevada, was measured as the difference between a market analyst consensus of gold prices and the fixed cash consideration to be received for gold delivered. A post-tax real rate of 11.6% was used to discount the liability over the expected period of delivery to settle the contract.

Changes in the production plan will affect the subsequent measurement prospectively. This is the only input that is considered for subsequent measurement. Harmony's cost of debt of 7.7% was used to impute the finance cost for the significant financing component recognised on the streaming contract liability.

Streaming arrangement with Franco-Nevada Barbados

Harmony's subsidiary, Chemwes, which owns the Mine Waste Solutions operation (MWS), has a contract with Franco-Nevada Barbados (Franco-Nevada). Franco-Nevada is entitled to receive 25% of all the gold produced through MWS. As part of the acquisition of MWS, Harmony assumed the obligations enforced by the Franco-Nevada contract.

The contract is a streaming agreement that commenced on 17 December 2008 for which Franco-Nevada paid US$125 million upfront for the right to purchase 25% of the gold production through MWS for a fixed amount of consideration until the balance of gold cap is delivered. As at 1 October 2020, the US$125 million upfront payment has been settled. The gold cap is a provision included in the contract, which stipulates the maximum quantity of gold to be sold to Franco-Nevada over the term of the agreement. The consideration is determined as the lower of the quoted spot gold price as per the London Metals Exchange or US$400 per ounce, adjusted with an annual escalation adjustment.

Contract liability and gold delivered

Reconciliation of the ounces owed to Franco-Nevada:

Figures in ounces (oz)	2023	2022
Balance at beginning of year	**61 157**	84 429
Delivered	**(22 269)**	(23 272)
Balance at end of year	**38 888**	61 157

31 Streaming arrangements continued

Contract liability and gold delivered continued

The contract price receivable in US$/oz for each ounce of gold delivered is as follows:

- 1 October 2020 – 16 December 2020: US$433/oz
- 17 December 2020 – 16 December 2021: US$437/oz
- 17 December 2021 – 16 December 2022: US$442/oz
- 17 December 2022 – 30 June 2023: US$446/oz.

Reconciliation of the streaming contract liability:

	SA Rand	
Figures in million	**2023**	2022
Balance at beginning of year	**687**	1 091
Finance costs related to significant financing component	**41**	67
Non-cash consideration for delivery of gold ounces (included in Revenue)	**(338)**	(471)
Balance at end of year	**390**	687
Current portion of streaming contract liability	**285**	309
Non-current portion of streaming contract liability	**105**	378

Accounting policy – financial liabilities (applicable to notes 32 and 33)

Financial liabilities are initially measured at fair value when the group becomes a party to its contractual arrangements. Transaction costs are included in the initial measurement of financial liabilities, except for financial liabilities classified at fair value through profit or loss. The subsequent measurement of financial liabilities is discussed below. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. The group classifies financial liabilities as follows:

- Borrowings are initially recognised at fair value net of transaction costs incurred and subsequently measured at amortised cost, comprising original debt and accrued interest less principal payments and amortisation, using the effective yield method. Any difference between proceeds (net of transaction cost) and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest rate method. Extension options of borrowings facilities are treated as loan commitments.

  Fees paid on the establishment of the loan facilities are capitalised as a pre-payment and amortised over the period of the facility to which it relates, to the extent it is probable that some or all of the facility will be drawn down. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is expensed.

  Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

- Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Payables are classified as current liabilities if payment is due within a year or less. If not, they are presented as non-current liabilities.

32 Borrowings

Summary of facilities' terms

	Commenced	Tenor (years)	Matures	Secured	Security	Interest payment basis	Interest charge	Repayment term	Repaid
Existing									
R2.5 billion revolving credit facility – sustainability linked	May 2022	Four years	May 2026[2]	No	Unsecured	Variable	JIBAR + 2.40%	On maturity	n/a
US$400 million facility – sustainability linked	May 2022	Four years	May 2026[2]	No	Unsecured	Variable		On maturity	n/a
- US$100 million term facility							SOFR + 2.85%		
- US$300 million revolving credit facility							SOFR + 2.70%		
R1.5 billion facility (green term loan)[1]	May 2022	Six years, six months	November 2028	No	Unsecured	Variable	JIBAR + 2.65%	Bi-annual[3]	n/a
Matured									
R2 billion facility	November 2018	Four years	November 2022	Yes	Cession and pledge of operating subsidiaries' shares and claims	Variable			May 2022
R600 million term loan							JIBAR + 2.90%	Eight equal quarterly instalments starting from February 2021 with the final instalment on maturity	
R1.4 billion revolving credit facility							JIBAR + 2.80%	On maturity	
US$400 million facility	September 2019	Three years	September 2023	Yes	Cession and pledge of operating subsidiaries' shares and claims	Variable		On maturity	May 2022
- US$200 million revolving credit facility		Extendable by one year					LIBOR + 2.90%		
- US$200 million term loan							LIBOR + 3.10%		
US$24 million Westpac loan	July 2018	Four years	July 2022	Yes	Cession and pledge of vehicles and machinery	Variable	LIBOR + 3.20%	Quarterly instalments	July 2022

[1] *This facility can only be drawn down for qualifying projects after November 2022.*
[2] *During April 2023 a 12-month extension was granted from May 2025. A further 12-month extension is available and not taken into account.*
[3] *Ten equal bi-annual instalments starting from May 2024 with the final instalment on maturity.*

32 Borrowings continued

Summary of facilities' terms continued

The Green loan can only be used for eligible renewable energy projects as defined in the agreement.

The Rand Revolving Credit Facility (RCF), US$ RCF and US$ term loan are linked to certain sustainability-linked key performance indicators (ESG KPIs), which will be measured annually for the current financial year as well as the next two and will result in changes to interest rate margins. The rate will be adjusted annually by one basis point for each metric achieved (decrease) or not (increase), with these adjustments being cumulative over the three-year measuring period. The adjustments to interest rate margins for each financial year's ESG performance would impact the following financial year. The respective ESG KPIs are as follows:

KPI	Unit of measurement	Scope	Sustainability performance targets		
			FY23 Targets	FY24 Targets	FY25 Targets
Greenhouse gas emissions	000 tonnes of Scope 1 and Scope 2 CO_2e emissions	All operations	4 485	4 279	4 074
Renewable energy	Renewable energy consumption as % of total electricity consumed	SA operations	2%	8%	20%
Water consumption	Potable water consumed (Mℓ)	SA operations	20 453	19 833	19 436

Based on the 2023 performance, the interest rates of the related loans will be adjusted accordingly for the 2024 financial year.

Debt covenants

The debt covenant tests for both the Rand and US dollar facilities are as follows:

- The group's interest cover ratio shall be more than five times (EBITDA[1]/ Total interest paid)
- Leverage[2] shall not be more than 2.5 times.

[1] Earnings before interest, taxes, depreciation and amortisation (EBITDA), as defined in the agreement, excludes unusual items such as impairment and restructuring cost.
[2] Leverage is defined as total net debt to EBITDA.

Debt covenants tests were performed for the loan facilities for the 2023 and 2022 financial years and no breaches were noted. For the 2023 financial year, the group's interest cover ratio was 26 times (2022: 43.4 times), while the group's leverage was 0.2 (2022: 0.1). Management believes that it is very likely that the covenant requirements will be met in the foreseeable future given the current earnings and interest levels.

32 Borrowings continued

Interest-bearing borrowings

	SA Rand	
Figures in million	**2023**	2022
Non-current borrowings		
R2 billion facility	**—**	—
Balance at beginning of year	**—**	153
Repayments	**—**	(450)
Transferred (to)/from current liabilities	**—**	300
Amortisation of issue cost	**—**	(3)
Westpac fleet loan	**—**	—
Balance at beginning of year	**—**	22
Repayments	**—**	(94)
Transferred from current liabilities	**—**	62
Translation	**—**	10
R2.5 billion facility – sustainability linked	**—**	—
Balance at beginning of year	**—**	—
Draw down	**700**	—
Repayments	**(700)**	—
Amortisation of issue costs	**7**	—
Issue costs	**—**	(26)
Reclassification to/(from) prepayments (Trade receivables)	**(7)**	26
R1.5 billion term facility (Green loan)	**—**	—
Balance at beginning of year	**—**	—
Issue costs	**—**	(15)
Reclassification to prepayments (Trade receivables)	**—**	15
US$400 million facility – sustainability linked	**5 592**	3 180
Balance at beginning of year	**3 180**	—
Draw down	**2 919**	3 057
Issue cost	**—**	(76)
Repayments	**(1 345)**	—
Amortisation of issue costs	**19**	1
Translation	**819**	198
US$400 million facility	**—**	—
Balance at beginning of year	**—**	2 799
Repayments	**—**	(3 057)
Amortisation of issue costs	**—**	55
Translation	**—**	203
Total non-current borrowings	**5 592**	3 180

32 Borrowings continued

Interest-bearing borrowings continued

Figures in million	SA Rand 2023	2022
Current borrowings		
US$400 million facility – sustainability linked	**103**	—
Interest accrued	**103**	—
R2 billion facility	**—**	—
Balance at beginning of year	**—**	300
Transferred (to)/from non-current liabilities	**—**	(300)
Westpac fleet loan	**—**	25
Balance at beginning of year	**25**	87
Repayments	**(26)**	—
Translation	**1**	—
Transferred to non-current liabilities	**—**	(62)
Total current borrowings	**103**	25
Total interest-bearing borrowings	**5 695**	3 205

Figures in million	SA Rand 2023	2022
The maturity of borrowings is as follows:		
Current	**103**	25
Between one to two years	**—**	—
Between two to three years	**5 592**	3 180
	5 695	3 205

Figures in million	SA Rand 2023	2022
Undrawn committed borrowing facilities		
Expiring within one year	**—**	—
Expiring after one year	**5 883**	7 254
	5 883	7 254

	2023	2022
Effective interest rates (%)		
R2 billion facility	**—**	6.7
Westpac fleet loan	**3.4**	3.4
US$400 million facility	**—**	3.4
R2.5 billion RCF – sustainability linked	**9.2**	—
US$400 million – sustainability linked	**6.8**	4.3

33 Trade and other payables

Accounting policy

The group accrues for the cost of the leave days granted to employees during the period in which the leave days accumulate.

Figures in million	SA Rand 2023	2022
Financial liabilities		
Trade payables	**1 205**	1 266
Lease liability – current[1]	**216**	197
Other liabilities[2]	**601**	328
Non-financial liabilities		
Payroll accruals	**888**	832
Leave liabilities (a)	**794**	770
Shaft-related liabilities[3]	**1 016**	841
Other accruals	**173**	92
Value added tax	**176**	156
Income and mining tax[4]	**169**	12
Total trade and other payables	**5 238**	4 494

[1] *Refer to note 28 for an analysis of the lease liability.*
[2] *Increase year on year is predominantly due to receipts on behalf of third parties in terms of toll treatment agreements increasing by R195 million.*
[3] *The increase in certain cost categories contributed to the change year on year – refer to note 4 and 6 respectively.*
[4] *Refer to note 12 for further detail on the movement.*

(a) Employee entitlements to annual leave are recognised on an ongoing basis. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. The movement in the liability recognised in the balance sheet is as follows:

Figures in million	SA Rand 2023	2022
Balance at beginning of year	**770**	731
Benefits paid	**(803)**	(762)
Total expense per income statement	**807**	787
Translation loss	**20**	14
Balance at end of year	**794**	770

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34 Cash generated by operations

	SA Rand		
Figures in million	**2023**	2022	2021
Reconciliation of profit/(loss) before taxation to cash generated by operations			
Profit/(loss) before taxation	**6 606**	(1 058)	6 382
Adjustments for:			
Amortisation and depreciation	**3 454**	3 683	3 877
Impairment of assets	**—**	4 433	1 124
Share-based payments	**112**	145	160
Net decrease in provision for post-retirement benefits	**(15)**	(14)	(13)
Net increase/(decrease) in provision for environmental rehabilitation	**(88)**	71	135
Profit on sale of property, plant and equipment	**(46)**	(24)	(11)
Loss on scrapping of property, plant and equipment	**182**	7	161
Profit from associates	**(57)**	(63)	(83)
Investment income	**(663)**	(352)	(244)
ARM BBEE day one expense	**—**	—	(87)
Finance costs	**994**	718	661
Inventory-related adjustments	**31**	32	61
Foreign exchange translation differences	**795**	338	(810)
Non-cash portion of (gains)/losses on derivatives	**253**	252	(1 204)
Day one loss amortisation	**(45)**	(49)	(47)
Streaming contract revenue	**(338)**	(471)	(397)
Silicosis settlement provision – net	**(338)**	(86)	(90)
Gain on bargain purchase	**—**	—	(303)
Contingent consideration remeasurement	**64**	(61)	(127)
Other non-cash adjustments	**5**	36	5
Effect of changes in operating working capital items			
(Increase)/decrease in Receivables	**(627)**	21	(339)
Increase in Inventories	**(308)**	(232)	(37)
Increase in Payables	**618**	52	967
Cash generated by operations	**10 589**	7 378	9 741

Additional cash flow information

The income and mining taxes paid in the statement of cash flow represents actual cash paid less refunds received. Investment income from restricted investments is considered non-cash for the purposes of the cash flow statement. Included in investment income is interest earned from restricted investments of R258 million (2022:R185 million) (2021:R174 million).

At 30 June 2023, R5 883 million (2022: R7 254 million) (2021: R4 254 million) of borrowing facilities had not been drawn and are therefore available for future operational activities and future capital commitments. Refer to note 32.

(a) Acquisitions of investments/business

The conditions precedent for the acquisition of the entity which owns 100% of the Eva Copper Project and a package of regional exploration tenements from Eva Copper were fulfilled on 16 December 2023. Refer to note 14 for details on the consideration paid.

(b) Principal non-cash transactions

Share-based payments (refer to note 36).

(c) Property, plant and equipment additions

The additions as per note 15 include right-of-use assets which are treated as non-cash adjustments for the determination of additions to property, plant and equipment in the statement of cash flows.

(d) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and demand deposits.

NOTES TO THE GROUP FINANCIAL STATEMENTS *continued*
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35 Employee benefits

Accounting policy

- Pension, provident and medical benefit plans are funded through monthly contributions. The group pays fixed contributions into a separate entity in terms of the defined contribution pension, provident and medical plans which are charged to the income statement in the year to which they relate. The group's liability is limited to its monthly determined contributions and it has no further liability, legal or constructive, if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Refer to note 27 for details of the post-retirement medical benefit plan.
- 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 at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

	2023	2022
Number of permanent employees as at 30 June:		
South African operations	**33 341**	35 989
International operations[1]	**1 572**	1 592
Total number of permanent employees	**34 913**	37 581

	SA Rand	
Figures in million	**2023**	2022
Aggregate earnings		
The aggregate earnings of employees including executive directors were:		
Salaries and wages and other benefits (excluding share-based payments)	**15 988**	15 485
Retirement benefit costs	**1 146**	1 125
Medical aid contributions	**382**	363
Total aggregated earnings[2]	**17 516**	16 973

[1] *The Wafi-Golpu joint operation and Eva Copper Project employees included in the total is 31 (2022: 30) and 32 (2022: nil) respectively.*
[2] *These amounts have been included in cost of sales, corporate expenditure and capital expenditure.*

During the 2023 financial year, termination costs included in payroll costs increased to R609 million (2022: R227 million). Termination costs include the cost relating to the voluntary retrenchment and restructuring process as well as retrenchments due to shaft closures (refer to note 6 for further details).

36 Share-based payments

Accounting policy

The group operates the following employee share incentive plans where the group granted share options to certain employees in exchange for services received:

- The equity-settled Sisonke Employee Share Ownership Plan (Sisonke ESOP) initially awarded in 2019
- The equity-settled Management Deferred Share Plan (DSP) initially awarded in 2020.

Equity-settled share-based payments are measured at fair value that includes market performance conditions but excludes the impact of any service and non-market performance conditions of the equity instruments at the date of the grant. The share-based payments are expensed over the vesting period, based on the group's estimate of the shares that are expected to eventually vest. The group used an appropriate option pricing model in determining the fair value of the options granted. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the estimates of the number of options that are expected to become exercisable are revised.

The impact of the revision of original estimates, if any, is recognised in the income statement, with a corresponding adjustment to equity. The proceeds received (if any) net of any directly attributable transaction costs are credited to share capital and premium when the options are exercised.

36 Share-based payments continued

Critical accounting estimates and judgements

The fair value of options granted under the DSP:

	Fair value
18 September 2019 - First issue	**R45.89- R56.87**
18 September 2020 - Second issue	**R74.90**
20 September 2021 - Third issue	**R45.58- R57.93**
19 September 2022 - Fourth Issue	**R42.48 - R47.25**

The fair value of the first and second issue of options granted under the DSP was based on the Harmony spot share price at each grant date, as there were no market conditions attached to the grant. The fair value of the third and forth issue of options granted under the DSP was determined using a Black-Scholes valuation model. The significant inputs into the model are:

	DSP
19 September 2022 - Fourth issue	
Risk-free interest rate[1]	**7.91% - 8.67%**
Expected volatility[2]	**59.34% - 65.33%**
Expected dividend yield[3]	**2.28% - 2.38%**
Spot price on grant date	**R47.86 - R50.60**
Vesting period (from grant date)[4]	**3/5 years**

[1] *The risk-free rate was derived from a zero-coupon curve stripped from forward rate agreements and swap inputs.*
[2] *The volatility was estimated on the historical returns of the Harmony share price over a period matching the time to maturity of the shares.*
[3] *The dividend yield was based on Harmony's dividend forecasts and estimates of future share prices.*
[4] *Please refer to Vesting under Options granted under the Management Deferred Share Plan below.*

Employee share-based payments

The objective of these schemes is to recognise the contributions of employees to the group's financial position and performance and to retain key employees.

Executive management is encouraged to retain shares when they vest and a minimum shareholding requirement has been introduced to achieve this. This shareholding is meant to align shareholder and executive objectives to grow total shareholder return.

The total cost relating to employee share-based payments is made up as follows:

	SA Rand	
Figures in million	**2023**	2022
Sisonke ESOP	**—**	91
Management DSP	**114**	109
Total employee share-based payments	**114**	200

The directors are authorised to issue up to 60 011 669 ordinary shares to participants who have received awards in accordance with Harmony's employee share incentive schemes. Subsequent to the annual general meeting held on 1 December 2010, 53 482 588 shares have been issued in terms of the various share schemes. At 30 June 2022, no share option awards were outstanding for the Sisonke ESOP Plan.

In December 2018, the board approved the new Total Incentive Plan for management which includes deferred shares. The first allocations under the new plan occurred in October 2019, the subsequent allocations occurring in October of each year since then. Our shareholders have authorised up to 25 000 000 shares of the issued share capital to be used for this plan.

Options granted under the Sisonke ESOP

In December 2017, Harmony approved the establishment of the Sisonke ESOP with the aim to facilitate beneficial interest and ownership by non-managerial employees in South Africa (the beneficiaries) of Harmony shares in order to:

- Facilitate economic empowerment of Harmony's employees
- Incentivise Harmony's employees, so as to promote the shared interests of employees and shareholders in the value growth of Harmony
- Further align the interests of the Harmony shareholders and those of the employees of Harmony.

The shares were issued to the Harmony ESOP Trust (the Trust) on 15 January 2019, which is also the date on which the required service period of three years commenced. Each beneficiary under the scheme was awarded 225 Participation Units (PU). The Sisonke ESOP is equity-settled. The participation units (PU) vested on 15 January 2022. All participants still employed at this time received Harmony shares.

36 Share-based payments continued

Employee share-based payments continued

Options granted under the Sisonke ESOP continued

Activity on share options

	Number of PU	
Activity on PU granted but not exercised	**2023**	2022
Balance at beginning of year	**—**	6 311 667
Options granted	**—**	40 064
Options exercised	**—**	(6 254 608)
Options forfeited and lapsed	**—**	(97 123)
Balance at end of year	**—**	—

	2023	2022
Gain realised by participants on options exercised during the year (R million)	**—**	397
Weighted average share price at the date of exercise (SA Rand)	**—**	58.2

Options granted under the Management Deferred Share Plan

Harmony implemented the Total Incentive Plan, comprising a long-term Deferred Share Plan (DSP) and a short-term annual cash payment with effect from 1 July 2019. The total incentive for each management-level employee is determined every year through a balanced scorecard calculation.

The balanced scorecard result includes a number of key short- and long-term company performance measures (to be measured over trailing three- and one-year periods). The measures are reviewed and defined annually with appropriate weightings. A portion of the total incentive is paid immediately in cash and the balance is settled by means of deferred shares.

Award	Vesting	Performance criteria
DS*	The awards will vest at a rate of 20% per annum over the following five years for executive directors and prescribed officers, and one-third per annum over the following three years for qualifying management.	The participant is still employed within the group.

** Deferred shares.*

During December 2021 shareholders approved the introduction of "no fault" termination effective 7 December 2021.

Termination of employees' participation in the share scheme is based on "no fault" and "fault" definitions:

- Fault — All unvested and unexercised DS not yet vested are lapsed and cancelled
- No fault — All unvested and unexercised DS will continue in force to vest on the original vesting dates in accordance with the rules of the plan.

The update of "no fault" termination will ensure that executives who leave the company in good standing, for example due to retirement, will continue to be exposed to the company share price for the remainder of the vesting periods of unvested awards. It will encourage and reward their focus on sustainability and succession during their tenure.

36 Share-based payments continued
Employee share-based payments continued
Options granted under the Management Deferred Share Plan continued

	2023	2022
18 September 2019 – 3 years		
Gain realised by participants on options exercised during the year (R million)	**12**	13
Weighted average share price at the date of exercise (SA Rand)	**41.00**	47.24
Remaining life (years)	**—**	0.2
18 September 2019 – 5 years		
Gain realised by participants on options exercised during the year (R million)	**2**	2
Weighted average share price at the date of exercise (SA Rand)	**47.41**	51.74
Remaining life (years)	**1.2**	2.2
18 September 2020 – 3 years		
Gain realised by participants on options exercised during the year (R million)	**11**	13
Weighted average share price at the date of exercise (SA Rand)	**41.50**	47.24
Remaining life (years)	**0.2**	1.2
18 September 2020 – 5 years		
Gain realised by participants on options exercised during the year (R million)	**2**	2
Weighted average share price at the date of exercise (SA Rand)	**47.41**	49.6
Remaining life (years)	**2.2**	3.2
18 September 2021 – 3 years		
Gain realised by participants on options exercised during the year (R million)	**31**	—
Weighted average share price at the date of exercise (SA Rand)	**40.21**	—
Remaining life (years)	**1.2**	—
18 September 2021 – 5 years		
Gain realised by participants on options exercised during the year (R million)	**4**	—
Weighted average share price at the date of exercise (SA Rand)	**47.41**	—
Remaining life (years)	**3.2**	—

Activity on share options

	Number of DS	
Activity on DS granted but not exercised	**2023**	2022
Balance at beginning of year	**4 449 291**	2 102 523
Options granted	**2 318 254**	3 298 489
Options exercised	**(1 480 166)**	(641 562)
Options forfeited and lapsed	**(201 859)**	(310 159)
Balance at end of year	**5 085 520**	4 449 291

List of options granted but not yet exercised (listed by grant date)	**Number of options**	**Remaining life (years)**
As at 30 June 2023		
Deferred shares		
18 September 2019 – 5 years	**128 334**	**1.2**
18 September 2020 – 3 years	**269 919**	**0.2**
18 September 2020 – 5 years	**229 091**	**2.2**
20 September 2021 – 3 years	**1 478 246**	**1.2**
20 September 2021 – 5 years	**705 413**	**3.2**
19 September 2022 – 3 years	**1 620 124**	**2.2**
19 September 2022 – 5 years	**654 393**	**4.2**
Total options granted but not yet exercised	**5 085 520**	

NOTES TO THE GROUP FINANCIAL STATEMENTS *continued*
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37 Related parties

None of the directors or major shareholders of Harmony or, to the knowledge of Harmony, their close families, had an interest, directly or indirectly, in any transaction from 1 July 2020 or in any proposed transaction that has affected or will materially affect Harmony or its subsidiaries, other than as stated below.

Directors and other key management

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly, including any director (whether executive or otherwise) of the group.

The directors' remuneration is as follows (refer to Annexure B):

	SA Rand	
Figures in million	**Executive directors**	**Non-executive directors**
2023		
Salaries	**23**	**—**
Retirement contributions	**3**	**—**
Bonuses	**8**	**—**
Exercise/settlement of share options	**6**	**—**
Directors' fees	**—**	**14**
Total	**40**	**14**
2022		
Salaries	21	—
Retirement contributions	3	—
Bonuses	14	—
Exercise/settlement of share options	2	—
Directors' fees	—	13
Total	40	13

On 29 November 2022, Harmony announced the retirement by rotation of Mr Andre Wilkens, non-executive director, and Mr Joaquim Chissano, independent non-executive director, with effect from 29 November 2022.

The following directors and prescribed officers owned shares in Harmony at year-end. The balance of shares held is attributable to shares held privately and in terms of the minimum shareholding requirement as set out in our remuneration policy:

	Number of shares	
Name of director/prescribed officer	**2023**	2022
Directors		
Peter Steenkamp	**598 513**	772 589
Boipelo Lekubo	**24 753**	15 988
Harry Mashego	**28 975**	14 875
Prescribed officers		
Beyers Nel	**54 195**	110 207
Marian van der Walt	**66 870**	100 000
Melanie Naidoo-Vermaak	**7 966**	7 966
Johannes van Heerden	**42 310**	30 734

Modise Motloba, Harmony's former deputy chairman resigned effective 27 June 2022. He is a director of Tysys (Proprietary) Limited (Tysys) which entered into a contract with the group during the 2017 financial year to provide services relating to the group's small and medium enterprise development projects. Approximately R5 million was paid during the 2022 financial year relating to services rendered in that year.

There were no other changes to the directors' interest between the reporting date and the date of the approval of the financial statements other than indicated above.

37 Related parties continued

Other related parties

The services rendered to joint operations relate to professional and technical services. All the production of the group's South African operations is sent to Rand Refinery in which Harmony holds a 10.38% interest. Refer to note 21.

	SA Rand	
Figures in million	**2023**	2022
Sales and services rendered to related parties		
Joint operations	**4**	4
Total	**4**	4

	SA Rand	
Figures in million	**2023**	2022
Purchases and services acquired from related parties		
Directors	**—**	5
Associates	**69**	51
Total	**69**	56

38 Commitments and contingencies

Commitments and guarantees

	SA Rand	
Figures in million	**2023**	2022
Capital expenditure commitments		
Contracts for capital expenditure	**1 893**	1 839
Share of joint operation's contracts for capital expenditure	**160**	105
Authorised by the directors but not contracted for[1]	**8 525**	6 300
Total capital commitments	**10 578**	8 244

[1] *The increase mainly relates to solar projects of approximately R1 700 million as well as additional capital for the ramping up of the Zaaiplaats and Kareerand projects, and an increase in the translation of the Hidden Valley mine commitments due to the weakening of the Rand to the US$.*

The solar projects will be financed through the green loan (refer to note 32), with the rest of the expenditure being financed from existing resources and where appropriate, borrowings.

Contractual obligations in respect of mineral tenement leases amount to R23 million (2022: R16 million). This relates to the Wafi-Golpu joint operation.

	SA Rand	
Figures in million	**2023**	2022
Guarantees		
Guarantees and suretyships[1]	**500**	500
Environmental guarantees[2]	**500**	479
Total guarantees	**1 000**	979

[1] *The guarantees and suretyships mainly relate to Eskom guarantees.*
[2] *At 30 June 2023 R181 million (2022: R150 million) has been pledged as collateral for environmental guarantees in favour of certain financial institutions. Refer to note 17.*

Contingent liabilities

Critical accounting estimates and judgements

Contingencies will only realise when one or more future events occur or fail to occur. The exercise of significant judgement and estimates of the outcome of future events are required during the assessment of the impact of such contingencies.

Litigation and other judicial proceedings as a rule raise difficult and complex legal issues and are subject to uncertainties and complexities including, but not limited to, the facts and circumstances of each particular case, issues regarding the jurisdiction in which the suit is brought and differences in applicable law. Upon resolution of any pending legal matter, the group may be forced to incur charges in excess of the presently established provisions and related insurance coverage. It is possible that the financial position, results of operations or cash flows of the group could be materially affected by the outcome of the litigation.

38 Commitments and contingencies continued

Contingent liabilities continued

The following contingent liabilities have been identified:

(a) On 1 December 2008, Harmony issued 3 364 675 Harmony shares to Rio Tinto Limited (Rio Tinto) for the purchase of Rio Tinto's rights to the royalty agreement entered into prior to our acquisition of the Wafi deposits in PNG. The shares were valued at R242 million on the transaction date. An additional US$10 million in cash will be payable when the decision to mine is made. Of this amount, Harmony is responsible for paying the first US$7 million, with the balance of US$3 million being borne equally by the joint operators.

(b) The group may have a potential exposure to rehabilitate groundwater and radiation that may exist where the group has and/or continues to operate. The group has initiated analytical assessments to identify, quantify and mitigate impacts if and when (or as and where) they arise. Numerous scientific, technical and legal studies are underway to assist in determining the magnitude of the contamination and to find sustainable remediation solutions. The group has instituted processes to reduce future potential seepage and it has been demonstrated that Monitored Natural Attenuation (MNA) by the existing environment will contribute to improvement in some instances. Water treatment facilities were successfully implemented at Doornkop, Tshepong West, Kusasalethu and Harmony One Plant. These facilities are now assisting in reducing our dependency on state-supplied potable water and will be key in managing any post closure decant should it arise.

In terms of Free State operations, Harmony has taken the initiative to develop a comprehensive regional closure plan in addition to updating the regional water balance, which will ensure that there is sufficient water for our organic growth initiatives. The geohydrological studies confirm that there is no risk of decant in Welkom.

Should the studies result in different solutions than the ones initially proposed, or the regulators do not approve the proposed plans, which then results in the group being required to record and account for the contingencies as liabilities, it could then have a material impact on the financial statements of the group.

(c) Due to the interconnected nature of mining operations in South Africa, any proposed solution for potential flooding and potential decant risk posed by deep groundwater needs to be a combined one, supported by all the mines located in these goldfields. As a result, the Department of Mineral Resources and Energy and affected mining companies require the development of a regional mine closure strategy.

Harmony operations have conducted a number of specialist studies and the risk of surface decant due to rising groundwater levels has been obviated at the entire Free State region and Kalgold. Additional studies have been commissioned at Doornkop and Kusasalethu. Studies that have been conducted indicate that there is no risk of decant from Doornkop, Kusasalethu and Mponeng, but it is recommended that confirmatory studies be completed.

Preliminary studies have also been completed to manage and mitigate the seepage from tailings facilities acquired as part of the Mponeng operations and related assets. Seepage is evident at these facilities and desktop studies have been completed to mitigate the seepage. Further feasibility studies will be conducted to refine these estimates in the future.

Should the additional studies result in different solutions than the ones initially proposed, or the regulators do not approve the proposed plans, it might result in a change in estimate to the recorded liabilities or the group recording liabilities over and above the current provisions.

(d) The individual Harmony mining operations have applied for the respective National Water Act, Section 21 Water Use Licenses to the Department of Water and Sanitation (DWS). The respective Water Use License Applications have subsequently not yet been approved by DWS for our Free State operations and Doornkop. Notably, the Department issued a Water Use Licence for the expansion of the Kareerand Tailings Facility operated by Mine Waste Solutions. The Water Use Licence conditions for the respective operations without a Water Use License are subsequently not yet known and the subsequent potential water resource impact liability as part of the mine rehabilitation and closure process (to which DWS is an important participant and decision maker) is uncertain. All operations continue to operate legally and responsibly.

(e) In terms of the sale agreements entered into with Rand Uranium, Harmony retained financial exposure relating to environmental disturbances and degradation caused by it before the effective date, in excess of R75 million of potential claims. Rand Uranium is therefore liable for all claims up to R75 million and retains legal liability. The likelihood of potential claims cannot be determined presently and no provision for any liability has been made in the financial statements.

38 Commitments and contingencies continued

Contingent liabilities continued

(f) Randfontein Estates Limited (REL), a subsidiary of Harmony has an existing legal dispute with the Merafong Municipality (Merafong) relating to rates payable in terms of Merafong's Supplementary Valuation Roll 6 (SVR6). REL lodged appeals against the market values contained in SVR6. Merafong is contending for total rates payable of between R194 million and R257 million under SVR6, while Harmony is contending for total rates payable of R17 million on the basis that certain items of the mining operations are not rateable and/or disregarded for valuation purposes and that depreciation, rehabilitation, phasing-in and category use changes are favourably considered by the Merafong Valuation Appeal Board (Merafong VAB). Payment arrangements have been concluded between REL and Merafong in relation to these rates disputes. The Merafong VAB hearings are currently underway with other mining companies with similar legal disputes. Harmony's appeal hearings are set to conclude by the end of the 2024 financial year, where the outcome of the matter will be decided upon by the Merafong VAB.

39 Financial risk management

The group's operating activities expose it to a variety of financial risks: market risk (including commodity price risk, foreign exchange risk, interest rate risk and other price risk), credit risk and liquidity risk. The group may use derivative financial instruments to hedge certain risk exposures.

The group's financial assets and liabilities are classified as set out below:

	SA Rand					
Figures in million	**Debt instruments at amortised cost**	**Equity instruments designated at fair value through OCI**	**Derivatives designated as cash flow hedges**	**Derivatives at fair value through profit or loss**	**Debt instruments at fair value through profit or loss**	**Financial liabilities at amortised cost**
At 30 June 2023						
Financial assets						
Restricted cash and investments	**4 152**	**305**	**—**	**—**	**1 705**	**—**
Other non-current assets	**15**	**78**	**—**	**—**	**101**	**—**
Non-current derivative financial instruments	**—**	**—**	**168**	**101**	**—**	**—**
– Rand gold hedging contracts	**—**	**—**	**135**	**—**	**—**	**—**
– US$ gold hedging contracts	**—**	**—**	**33**	**—**	**—**	**—**
– Foreign exchange contracts	**—**	**—**	**—**	**85**	**—**	**—**
– US$ silver contracts	**—**	**—**	**—**	**16**	**—**	**—**
Current derivative financial instruments	**—**	**—**	**78**	**32**	**—**	**—**
– Rand gold hedging contracts	**—**	**—**	**44**	**—**	**—**	**—**
– US$ gold hedging contracts	**—**	**—**	**34**	**—**	**—**	**—**
– Foreign exchange contracts	**—**	**—**	**—**	**4**	**—**	**—**
– US$ silver contracts	**—**	**—**	**—**	**28**	**—**	**—**
Trade and other receivables	**1 561**	**—**	**—**	**—**	**—**	**—**
Cash and cash equivalents	**2 867**	**—**	**—**	**—**	**—**	**—**
Financial liabilities						
Non-current derivative financial instruments	**—**	**—**	**401**	**69**	**—**	**—**
– Rand gold hedging contracts	**—**	**—**	**401**	**—**	**—**	**—**
– Foreign exchange contracts	**—**	**—**	**—**	**69**	**—**	**—**
Current derivative financial instruments	**—**	**—**	**909**	**152**	**—**	**—**
– Rand gold hedging contracts	**—**	**—**	**890**	**—**	**—**	**—**
– US$ gold hedging contracts	**—**	**—**	**19**	**—**	**—**	**—**
– Foreign exchange contracts	**—**	**—**	**—**	**152**	**—**	**—**
Borrowings	**—**	**—**	**—**	**—**	**—**	**5 695**
Contingent consideration liability	**—**	**—**	**—**	**—**	**589**	**—**
Other non-current liabilities	**—**	**—**	**—**	**—**	**—**	**332**
Trade and other payables	**—**	**—**	**—**	**—**	**—**	**2 022**

39 Financial risk management continued

	SA Rand					
Figures in million	Debt instruments at amortised cost	Equity instruments designated at fair value through OCI	Derivatives designated as cash flow hedges	Derivatives at fair value through profit or loss	Debt instruments at fair value through profit or loss	Financial liabilities at amortised cost
At 30 June 2022						
Financial assets						
Restricted cash and investments	4 128	292	—	—	1 162	—
Other non-current assets	15	75	—	—	148	—
Non-current derivative financial instruments	—	—	131	6	—	—
– Rand gold hedging contracts	—	—	113	—	—	—
– US$ gold hedging contracts	—	—	18	—	—	—
– US$ silver contracts	—	—	—	6	—	—
Current derivative financial instruments	—	—	436	83	—	—
– Rand gold hedging contracts	—	—	410	—	—	—
– US$ gold hedging contracts	—	—	26	—	—	—
– Foreign exchange contracts	—	—	—	12	—	—
– US$ silver contracts	—	—	—	71	—	—
Trade and other receivables	938	—	—	—	—	—
Cash and cash equivalents	2 448	—	—	—	—	—
Financial liabilities						
Non-current derivative financial instruments	—	—	3	—	—	—
– US$ gold hedging contracts	—	—	3	—	—	—
Current derivative financial instruments	—	—	8	—	—	—
– US$ gold hedging contracts	—	—	8	—	—	—
Borrowings	—	—	—	—	—	3 205
Contingent consideration liability	—	—	—	—	356	—
Other non-current liabilities	—	—	—	—	—	263
Trade and other payables	—	—	—	—	—	1 791

Risk management is carried out by a central treasury department (Group treasury) under policies approved by the board of directors. Group treasury identifies, evaluates and hedges certain selected financial risks in close cooperation with the group's operating units. The audit and risk committee and the board provide written principles for overall risk management, as well as written policies covering specific areas, such as commodity price risk, foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and the investment of excess liquidity.

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 (US$). Foreign exchange risk arises when future commercial transactions or recognised financial assets or liabilities are denominated in a currency that is not the entity's functional currency. Harmony's revenues are sensitive to the R/US$ exchange rate as all revenues are generated by commodity sales denominated in US$. Harmony may enter into hedging transactions to reduce this risk. The limit currently set by the board is 25% of the group's foreign exchange risk exposure for a period of 24 months. Refer to note 19 and the fair value determination for financial assets and liabilities section below for details of the contracts. The audit and risk committee reviews the details of the programme quarterly.

The Rand weakened during the 2023 year by 15.7%, from a closing rate of R16.27/US$1 on 30 June 2022 to R18.83/US$1 on 30 June 2023. The volatility in the exchange rate is driven by global economic factors. Refer to note 4 for a discussion on some of the factors and their impact. The weakening negatively impacted on the derivative valuations of contracts that were outstanding at 30 June 2023.

39 Financial risk management continued

Market risk continued

Foreign exchange risk continued

The group is exposed to foreign exchange risk arising from borrowings and cash denominated in a currency other than the functional currency of that entity (refer to note 2.2 for details on the group's functional currencies). These exposures are mainly to the US$. The Rand's levels impacted negatively on the translation of the US$ debt facilities at 30 June 2023. Refer to note 32 for further detail.

Translation of the international net assets was impacted by a weakening of the Rand against the Australian dollar from R11.25/A$1 at 30 June 2022 to R12.56/A$1 on 30 June 2023. A gain of R1 123 million has been recognised in other comprehensive income relating to the translation of the international net assets to Rand.

The group has reviewed its foreign currency exposure on financial assets and financial liabilities and has identified the following sensitivities in the exchange rates that would affect profit and loss before tax:

- Rand/US$ exchange rate – 5% (2022: 4%) based on the standard deviation from a one-year forecast of various financial institution outlooks
- A$/US$ exchange rate – 4% (2022: 4%) based on the standard deviation from a one-year forecast of various financial institution outlooks

Only material foreign currency exposure balances were considered when determining the need for a sensitivity analysis and therefore management has not performed a sensitivity analysis on PGK/US$ exchange rates.

	SA Rand	
Figures in million	**2023**	2022
Sensitivity analysis – borrowings		
Rand against US$		
Balance at 30 June	**5 695**	3 180
Strengthen by 5% (FY22: 4%)	**285**	127
Weaken by 5% (FY22: 4%)	**(285)**	(127)
Closing rate	**18.83**	16.27
Sensitivity analysis – contingent consideration liability: Mponeng		
Rand against US$		
Balance at 30 June	**404**	356
Strengthen by 5% (FY22: 4%)	**20**	14
Weaken by 5% (FY22: 4%)	**(20)**	(14)
Closing rate	**18.83**	16.27
Sensitivity analysis – contingent consideration liability: Eva Copper		
US$ against A$		
Balance at 30 June	**185**	—
Strengthen by 4% (FY22: 4%)	**7**	—
Weaken by 4% (FY22:4%)	**(8)**	—
Closing rate	**0.67**	—

	SA Rand	
Figures in million	**2023**	2022
Sensitivity analysis – other financial instruments		
Rand against US$		
Balance at 30 June	**(132)**	12
Strengthen by 5% (FY22: 4%)	**495**	26
Weaken by 5% (FY22: 4%)	**(615)**	(19)
Closing rate	**18.83**	16.27
US$ against A$		
Balance at 30 June	**408**	268
Strengthen by 4% (FY22: 4%)	**16**	10
Weaken by 4% (FY22:4%)	**(17)**	(11)
Closing rate	**0.67**	0.69

39 Financial risk management continued

Market risk continued

Commodity price sensitivity

The profitability of the group's operations, and the cash flows generated by those operations, are affected by changes in the market price of gold, and in the case of Hidden Valley, silver as well. Harmony entered into derivative contracts to manage the variability in cash flows from the group's production to create cash certainty and protect the group against lower commodity prices. The general limit for gold hedging currently set by the Board is 20% for a 24-month period. The limit set by the Board is 50% of silver exposure over a 24-month period. Management continues to top up these programmes as and when opportunities arise to lock in attractive margins for the business, but are not required to maintain hedging at these levels. The audit and risk committee reviews the details of the programme quarterly.

The exposure to the variability in the price of gold is managed by entering into gold forward sales contracts for a portion of the group's production. A portion of the production of the South African operations is linked to Rand gold forward contracts and US$ gold forward contracts were entered into for the production from Hidden Valley. The exposure to the variability in the price of silver for Hidden Valley is managed by entering into US$/silver zero cost collars. These contracts have not been designated as hedging instruments for hedge accounting and the gains and losses are accounted for in the income statement. Refer to note 19 and the fair value determination for financial assets and liabilities section below for further detail on these contracts.

The spot gold prices exceeded the forward prices on the rand gold hedging contracts for the majority of the 2023 year. This resulted in a negative impact on the contracts that matured during the year as well as those that were outstanding at the reporting date. Refer to note 4 for a discussion on the impact of commodity prices and exchange rates.

The group has reviewed its exposure to commodity-linked instruments and identified a sensitivity of 7% (2022: 9%), based on the standard deviation of a one-year forecast gold price from various financial institution outlooks. The estimated sensitivity would affect other comprehensive income.

Only material commodity balances were considered when determining the need for a sensitivity analysis and therefore management has not performed a sensitivity analysis on silver commodities.

	SA Rand	
Figures in million	**2023**	2022
Sensitivity analysis		
Rand gold derivatives		
Other comprehensive income		
Increase by 7% (FY22: 9%)	**(1 472)**	(1 001)
Decrease by 7% (FY22: 9%)	**1 314**	998
US$ gold derivatives		
Other comprehensive income		
Increase by 7% (FY22: 9%)	**(141)**	(152)
Decrease by 7% (FY22: 9%)	**137**	150

Other price risk

The group is exposed to the risk of fluctuations in the fair value of fair value through profit or loss financial assets as a result of changes in market prices (other than changes in interest rates and foreign currencies). Harmony generally does not use any derivative instruments to manage this risk.

Sensitivity analysis

Certain of the restricted investments are linked to the Top 40 Index on the JSE. Management considered a sensitivity of 6% (2022: 13%) as appropriate, based on the average fluctuations within the last year's historical data. A 6% increase in the Top 40 index at the reporting date, with all other variables held constant, would have increased profit or loss before tax by R43 million (2022: R97 million) and an equal change in the opposite direction would have decreased profit or loss before tax by R38 million (2022: R79 million).

39 Financial risk management continued

Market risk continued

Interest rate risk

The group's interest rate risk arises mainly from borrowings. The group has variable interest rate borrowings. Variable rate borrowings expose the group to cash flow interest rate risk.

During the 2023 year the US Fed and SARB increased interest rates by 350 basis points. The higher interest rates together with the increased borrowings, led to an unfavourable impact on the group's cost of debt. However, the increased interest rates had a positive effect on the investment income earned on cash balances and restricted cash and investments. Although higher interest rates along with increased debt levels had an unfavourable impact on the group's finance costs for the 2023 year, the group has not entered into interest rate swap agreements as the interest rate risk continues to be assessed as low. The audit and risk committee reviews the group's risk exposure quarterly.

Interest rate risk arising from borrowings is offset by cash and restricted cash and investments held at variable rates. As at 30 June 2023, management reasonably expects profit or loss before tax to increase/(decrease) by the following sensitivities:

- A 15 basis points (2022: 185 basis point) finance cost movement based on the average of a one-year forecast US Fed rate from various financial institution outlooks
- A 50 basis points (2022: 88 basis points) sensitivity on interest received based on an average of a one-year forecast of the South African prime interest rate from various financial institution outlooks.

The above analysis assumes that all other variables remain constant.

	SA Rand	
Figures in million	**2023**	2022
Sensitivity analysis – borrowings (finance costs)		
US$-denominated borrowings		
Increase by 15 basis point (FY22: 185 basis point)	**(9)**	(59)
Decrease by 15 basis points (FY22: 185 basis point)	**9**	59
Sensitivity analysis – financial assets (interest received)		
Increase by 50 basis points (FY22: 88 basis points)	**34**	59
Decrease by 50 basis points (FY22: 88 basis points)	**(34)**	(59)

Credit risk

Credit risk is the risk that a counterparty may default or not meet its obligations in a timely manner. Financial instruments that are subject to credit risk are restricted cash and investments, derivative financial instruments and cash and cash equivalents, as well as trade and other receivables (excluding non-financial instruments).

Assessment of credit risk

In assessing the creditworthiness of local institutions, management uses the national scale long-term ratings. The credit risk arising from cash and cash equivalents, restricted cash and investments, and derivative financial assets is managed by ensuring amounts are only invested with financial institutions of good credit quality based on external credit ratings and by assessing the underlying source of where the funds are invested. The group has policies that limit the amount of credit exposure to any one financial institution. The audit and risk committee reviews the exposure on a quarterly basis. Exposure to credit risk on trade and other receivables is monitored on a regular basis by management.

At 30 June 2023, the rating of major SA banks remained unchanged at AA+, which is in line with the group's credit risk policy. The credit rating of the group's Australian counterparts remained unchanged at A+, resulting in the assessed ECL on cash and cash equivalents as well as restricted cash and investments remaining immaterial.

An assessment of the expected credit losses for the financial assets measured at amortised cost at 30 June 2023 resulted in an immaterial amount for each instrument, in line with the assessment performed in 2022 (refer to the expected credit loss assessment below for further detail).

The group's maximum exposure to credit risk is represented by the carrying amount of all financial assets determined to be exposed to credit risk, amounting to R10 780 million as at 30 June 2023 (2022: R9 495 million).

39 Financial risk management continued

Credit risk continued

The group has restricted investments that are invested in various collective investment schemes totalling R212 million (2022: R68 million) and equity investments of R305 million (2022: R292 million).

Financial institutions' credit rating by exposure (source: Fitch Ratings and Global Credit Ratings)

	SA Rand	
Figures in million	**2023**	2022
Cash and cash equivalents		
AA+	**2 093**	1 711
A+	**774**	737
Total	**2 867**	2 448
Restricted cash and investments (refer to note 17)		
AAA	**234**	225
AA+	**5 411**	4 997
Total	**5 645**	5 222
Derivative financial assets (refer to note 19)		
AA+	**117**	226
AA	**—**	115
AA-	**127**	110
A+	**135**	205
Total	**379**	656

Expected credit loss assessment

The group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. The group's debt instruments at amortised cost consist of cash and cash equivalents, a portion of restricted cash and investments and trade and other receivables. The assessment of ECLs for the different debt instruments is discussed below:

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions which are rated between A+ and AA+ (see above). The ECL on cash and cash equivalents has been determined using the simplification that allows the group to assume that the credit risk on financial instruments determined to have low credit risk at the reporting date, has not increased significantly since initial recognition of the financial instrument. The ECL was estimated with reference to a probability of default model using external credit ratings in determining the default risk of counterparties. The ECL was determined to be immaterial.

Restricted cash and investments

The restricted cash and investments relate largely to the environmental trust funds. These funds are held with banks and financial institutions that are rated AA+ (see above). Impairment of investments with investment-grade ratings has been determined using the simplification that allows the group to assume that the credit risk on financial instruments determined to have low credit risk at the reporting date, has not increased significantly since initial recognition of the financial instrument. The group considers that the majority of its restricted cash and investments have low credit risk based on the external credit ratings of the counterparties with which the funds are deposited. The ECL was estimated with reference to a probability of default model using external credit ratings in determining the default risk of counterparties. Concentration of credit risk on restricted cash and investments is considered minimal due to the group's investment risk management and counterparty exposure risk management policies.

Trade and other receivables

The group's exposure to credit risk arising from trade receivables (metals) and other trade receivables is influenced mainly by the individual characteristics of each customer.

Trade receivables result largely from the sale of gold and are fully performing. Exposure to credit risk on receivables from gold sales is limited through payment terms of two to three days after recognition of revenue for gold sales. The majority of other receivables comprise a limited number of individually significant customers. The group determines the ECL on trade receivables and individually significant other receivable balances with reference to a probability of default model using external credit ratings in determining the default risk of counterparties. The external credit ratings used range between BBB to AA-. The ECL was determined to be immaterial.

Loss allowances on individually insignificant other trade receivables has been determined using the simplified ECL approach using a provision matrix and reflects the short-term maturities of the exposures and past experienced credit judgement. Refer to note 20 for details on the amount of the loss allowance recognised and the stratification of trade and other receivables for purposes of the assessment.

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39 Financial risk management continued

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities.

In the ordinary course of business, the group receives cash from its operations and is required to fund working capital and capital expenditure requirements. Management prepares cash flow forecasts weekly and ensures that surplus funds are invested in a manner to achieve market-related returns and to provide sufficient liquidity at the minimum risk. The group maintains and refinances committed credit facilities as medium-term forecasts require. The audit and risk committee reviews the updated forecasts quarterly. The group is able to actively source financing at competitive rates. Where necessary, funds will be drawn from its revolving credit facilities (refer to note 32).

The following are the undiscounted contractual maturities of financial liabilities (including principal and interest payments assuming the closing R/US$ exchange rate and interest rate at year end):

	SA Rand			
Figures in million	2023		2022	
	Current	More than 1 year	Current	More than 1 year
Contingent consideration liability[1]				
Due between 0 to five years	—	604	—	515
Due between six to 10 years	—	225	—	—
Due between 10 to 15 years	—	471	—	—
Other non-current liabilities[2]	—	22	—	18
Lease liability[3]	235	401	206	338
Trade and other payables (excluding non-financial liabilities)[2,4]	1 806	—	1 594	—
Derivative financial liabilities[4]				
Due between 0 to six months	609	—	2	—
Due between six to 12 months	639	—	7	—
Due between one to two years	—	812	—	3
Borrowings[4]				
Due between 0 to six months	597	—	97	—
Due between six to 12 months	215	—	68	—
Due between one to two years	—	431	—	137
Due between two to three years[5]	—	5 660	—	3 251
Total	**4 101**	**8 626**	1 974	4 262

[1] The increase in the settlement period is due to the inclusion of Eva Copper. The Mponeng consideration will be settled within 3 – 4 years of R511 million.
[2] These balances exclude the lease liability as it has been disclosed separately.
[3] Refer to note 28 for details of the maturity periods.
[4] The group will utilise its cash generated from operations to settle outstanding obligations.
[5] Final repayment of capital amount of R5 271 million in May 2026, taking into account a 12-month extension that was granted in April 2023. The final payment for 2022 was R3 126 million in May 2025.

Capital risk management

The primary objective of managing the group's capital is to ensure that there is sufficient capital available to support the funding requirements of the group, in a way that optimises the cost of capital and matches the current strategic business plan.

The group manages and makes adjustments to the capital structure, which consists of debt and equity, as and when borrowings mature or when funding is required. This may take the form of raising equity, market or bank debt or hybrids thereof. In doing so, the group ensures it stays within the debt covenants agreed with lenders. The group may also sell assets to reduce debt or schedule projects to manage the capital structure.

The consideration of R2 996 million for the acquisition of Eva Copper is the main contributor to the group's increased net debt compared to 30 June 2022. It remains the group's objective to adhere to a conservative approach to debt and maintain low levels of gearing.

39 Financial risk management continued

Capital risk management continued

Net debt is as follows:

	SA Rand	
Figures in million	2023	2022
Cash and cash equivalents	2 867	2 448
Borrowings	(5 695)	(3 205)
Net debt	**(2 828)**	(757)

There were no changes to the group's approach to capital management during the year.

Fair value determination for financial assets and liabilities

The fair value levels of hierarchy are as follows:
Level 1: Quoted prices (unadjusted) in active markets
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from other prices)
Level 3: Inputs for the asset that are not based on observable market data (that is, unobservable inputs).

The following table sets out the group's assets and liabilities measured at fair value by level within the fair value hierarchy:

	SA Rand					
Figures in million	At 30 June 2023			At 30 June 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Fair value through other comprehensive income						
Other non-current assets (a)	—	—	78	—	—	75
Restricted cash and investments (b)	305	—	—	292	—	—
Fair value through profit or loss						
Restricted cash and investments (b)	—	1 705	—	—	1 162	—
Derivative financial assets (c)	—	379	—	—	656	—
Derivative financial liabilities (c)	—	(1 531)	—	—	(11)	—
Loan to ARM BBEE Trust (d)	—	—	101	—	—	148
Contingent consideration liability (e)	—	—	(589)	—	—	(356)

(a) The majority of the balance relates to the equity investment in Rand Mutual Assurance. The fair value of the investment was estimated with reference to an independent valuation. A combination of the "Embedded Valuation" and "Net Asset Value" techniques were applied to revalue the investment at the reporting dates. In evaluating the group's share of the business, common practice marketability and minority discounts as well as additional specific risk discounts were applied. There are no inputs to the valuation that a reasonably possible change would result in a material change in the fair value of the investment.

(b) The majority of the level 2 valued assets are directly derived from the Top 40 index on the JSE, and are discounted at market interest rates. This relates to equity-linked deposits in the group's environmental rehabilitation trust funds. The level 1 valued assets comprise listed equity securities designated as fair value through other comprehensive income instruments. The remaining balance of the environmental trust funds is carried at amortised cost and therefore not disclosed here.

(c) The mark-to-market remeasurement of the derivative contracts (refer to note 19 for further details) was determined as follows:
- Foreign exchange contracts comprise zero cost collars and FECs: The zero cost collars were valued using a Black-Scholes valuation technique derived from spot Rand/US$ exchange rate inputs, implied volatilities on the Rand/US$ exchange rate, Rand/US$ inter-bank interest rates and discounted at a market interest rate (zero-coupon interest rate curve). The value of the FECs is derived from the forward Rand/US$ exchange rate and discounted at a market interest rate (zero coupon interest rate curve)
- Rand gold contracts (forward sale contracts): spot Rand/US$ exchange rate, Rand and dollar interest rates (forward points), spot US$ gold price, differential between the US interest rate and gold lease interest rate which is discounted at a market interest rate
- US$ gold contracts (forward sale contracts): spot US$ gold price, differential between the US interest rate and gold lease interest rate and discounted at a market interest rate
- Silver contracts (zero cost collars): a Black-Scholes valuation technique, derived from the spot US$ silver price, strike price, implied volatilities, time to maturity and interest rates and discounted at a market interest rate

39 Financial risk management continued

Fair value determination for financial assets and liabilities continued

(d) At 30 June 2023, the fair value movement was calculated using a discounted cash flow model, taking into account forecast dividend payments over the estimated repayment period of the loan at a rate of 12.7% (2021: 9.3%). A 37 basis points (2022: 99 basis points) change in the discount rate, which would represent a reasonably possible change based on expected movements in lending rates, would not cause a material change in the fair value of the loan. The loan balance forms part of other non-current assets in the balance sheet. In the 2023 year, repayments to the value of R74 million (2022: R65 million) were received.

(e) Contingent consideration liabilities consist of the follow:

- Mponeng operation
  The contingent consideration liability related to the Mponeng operation (refer to note 29) was determined using the expected gold production profile for Mponeng. At 30 June 2023, the liability was valued at R404 million (2022: R356 million) at a post-tax real rate of 9.6% (2022: 10.2%). Should the expected gold production profile increase by 9.8% or decrease by 9.8%, the contingent consideration liability would increase by R411 million (2022: R251 million at 7.6%) or decrease by R314 million (2022: R189 million at 7.6%) respectively. This represents reasonably expected changes which were determined based on the standard deviation of previous years' production of the Mponeng operation. No other reasonably expected changes in key unobservable inputs would have caused a material change in the fair value of the liability.
- Eva Copper
  The consideration for Eva Copper includes contingent consideration valued at R185 million at 30 June 2023. Refer to note 14 for further information. There are no inputs to the valuation that a reasonably possible change would result in a material change in the fair value of the liability**.**

The carrying values (less any impairment allowance) of short-term financial instruments are assumed to approximate their fair values. This includes restricted cash and investments carried at amortised cost. The fair values of borrowings (level 2) are not materially different to their carrying amounts since the interest payable on those borrowings is at floating interest rates.

40 Subsequent events

(a) On 3 July 2023 a payment of US$24 million (R450 million), comprising US$20 million of capital and US$4 million of interest, was made on the US$300 million RCF.

(b) On 29 August 2023, a final dividend of 75 SA cents was declared, paid on 16 October 2023.

(c) On 6 September 2023 a payment of US$32 million (R600 million), comprising US$30 million of capital and US$2 million of interest, was made on the US$300 million RCF.

(d) On 8 September 2023 a payment of US$54 million (R994 million), comprising US$50 million of capital and US$4 million of interest, was made on the US$300 million RCF.

41 Segment report

Accounting policy

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM has been identified as the Group CEO's office.

The group has one main economic product, being gold. In order to determine operating and reportable segments, management reviewed various factors, including geographical location as well as managerial structure. It was determined that an operating segment consists of a shaft or a group of shafts or open pit mine managed by an operational management team.

As of 1 July 2022, Tshepong North and Tshepong South are disclosed as separate operating segments based on the requirements of IFRS 8 *Operating Segments*. Refer to note 2 for more details.

After applying the qualitative and quantitative thresholds from IFRS 8 *Operating Segments*, the reportable segments were determined as: Tshepong North, Tshepong South, Moab Khotsong, Bambanani, Joel, Doornkop, Target 1, Kusasalethu, Masimong, Mponeng, Mine Waste Solutions and Hidden Valley. All other operating segments have been grouped together under all other surface operations.

41 Segment report continued

The CODM has been identified as the Group CEO's office consisting of the:

- Chief executive officer
- Financial director
- Executive director: Stakeholder relations and Corporate affairs
- Group Chief operating officer: Operations
- Group Chief operating officer: Business Development and Growth
- Chief financial officer: Treasury
- Senior executive: Enterprise risk and Investor relations
- Senior executive: Sustainable Development
- Senior executive: Human Capital
- Executive: Ore Reserve Management.

When assessing profitability, the CODM considers the revenue and production costs of each segment. The net of these amounts is the production profit or loss. Therefore, production profit has been disclosed in the segment report as the measure of profit or loss. The CODM also considers capital expenditure, gold production and tonnes milled when assessing the overall economic sustainability of each segment. The CODM, however, does not consider depreciation or impairment and therefore these amounts have not been disclosed in the segment report.

Segment assets consist of mining assets and mining assets under construction included under property, plant and equipment which can be attributed to the segment. Current and non-current group assets that are not allocated at a segment level form part of the reconciliation to total assets.

A reconciliation of the segment totals to the group financial statements has been included in note 42.

41 Segment report continued

	Revenue 30 June			Production cost 30 June			Production profit/(loss) 30 June			Segment assets 30 June			Capital expenditure# 30 June			Kilograms produced* 30 June			Tonnes milled* 30 June		
	2023	2022	2021	**2023**	2022	2021	**2023**	2022	2021	**2023**	2022	2021	**2023**	2022	2021	**2023**	2022	2021	**2023**	2022	2021
	Rand million			Rand million			Rand million			Rand million			Rand million			Kg			000t		
South Africa																					
Underground																					
Moab Khotsong	**7 036**	5 779	6 048	**4 515**	4 038	3 842	**2 521**	1 741	2 206	**5 125**	4 324	4 008	**1 167**	894	633	**6 668**	6 508	7 166	**920**	959	903
Mponeng	**7 845**	5 620	4 750	**4 997**	4 487	2 938	**2 848**	1 133	1 812	**4 630**	4 433	4 321	**704**	605	493	**7 449**	6 086	5 446	**884**	840	683
Tshepong North[1]	**3 530**	3 429	3 540	**2 701**	2 894	2 777	**829**	535	763	**2 226**	2 049	4 273	**553**	1 038	746	**3 354**	3 793	4 237	**795**	988	944
Tshepong South[1]	**3 607**	2 922	2 674	**2 395**	2 190	2 088	**1 212**	732	586	**2 043**	1 730	2 268	**514**	476	366	**3 431**	3 229	3 182	**506**	573	614
Doornkop	**4 384**	3 106	3 077	**3 009**	2 453	2 140	**1 375**	653	937	**3 624**	3 222	2 994	**716**	491	425	**4 213**	3 444	3 670	**898**	874	851
Joel	**2 044**	1 411	1 199	**1 616**	1 308	1 124	**428**	103	75	**1 306**	1 244	1 166	**231**	225	172	**1 947**	1 556	1 424	**435**	434	359
Target 1	**1 308**	1 648	1 410	**2 009**	1 812	1 667	**(701)**	(164)	(257)	**1 745**	1 517	1 367	**428**	384	368	**1 275**	1 800	1 603	**365**	455	488
Kusasalethu	**3 621**	4 139	3 400	**3 343**	3 086	2 955	**278**	1 053	445	**634**	822	1 057	**253**	210	205	**3 460**	4 567	3 999	**567**	607	708
Masimong	**2 053**	1 733	1 636	**1 724**	1 504	1 427	**329**	229	209	**16**	17	26	**47**	49	29	**1 961**	1 910	2 012	**470**	486	510
Bambanani[2]	**18**	1 286	1 687	**16**	1 163	1 156	**2**	123	531	**—**	—	327	**—**	25	71	**—**	1 433	1 992	**—**	176	227
Surface																					
Mine Waste Solutions	**2 689**	2 642	1 889	**1 809**	1 588	1 137	**880**	1 054	752	**2 060**	1 027	1 031	**932**	264	70	**2 804**	2 899	2 057	**23 067**	23 443	17 665
All other surface operations	**4 945**	4 868	5 136	**3 371**	3 551	3 587	**1 574**	1 317	1 549	**1 234**	1 066	890	**316**	282	265	**4 719**	5 304	6 031	**19 382**	20 737	21 824
Total South Africa	**43 080**	38 583	36 670	**31 505**	30 074	27 020	**11 575**	8 509	9 650	**24 643**	21 451	23 728	**5 861**	4 943	3 843	**41 281**	42 529	43 066	**48 289**	50 572	45 833
International																					
Hidden Valley	**4 440**	3 159	4 028	**2 036**	2 122	1 719	**2 404**	1 037	2 309	**5 766**	4 141	3 128	**1 737**	1 249	1 260	**4 370**	3 707	4 689	**3 846**	3 229	3 420
Total international	**4 440**	3 159	4 028	**2 036**	2 122	1 719	**2 404**	1 037	2 309	**5 766**	4 141	3 128	**1 737**	1 249	1 260	**4 370**	3 707	4 689	**3 846**	3 229	3 420
Total operations	**47 520**	41 742	40 698	**33 541**	32 196	28 739	**13 979**	9 546	11 959	**30 409**	25 592	26 856	**7 598**	6 192	5 103	**45 651**	46 236	47 755	**52 135**	53 801	49 253
Reconciliation of segment information to the consolidated income statement and balance sheet	**1 755**	903	1 035	**1 325**	903	1 035	**430**	—	—	**26 831**	21 216	21 947	**—**	—	—	**—**	—	—	**—**	—	—
	49 275	42 645	41 733	**34 866**	33 099	29 774	**14 409**	9 546	11 959	**57 240**	46 808	48 803	**7 598**	6 192	5 103	**45 651**	46 236	47 755	**52 135**	53 801	49 253

Capital expenditure for international operations excludes expenditure spent on Wafi-Golpu and Eva Copper of R41 million (2022: R22 million) (2021: R34 million).
* *Production statistics are unaudited.*
1 *The Tshepong Operations were split into Tshepong North and Tshepong South in order to optimise the profits of each operation following the halting of the sub-75 decline at Tshepong North and the resulting reduced Life of Mine. Refer to note 2 for more details.*
2 *The Bambanani operation closed during June 2022. The transactions in the current year relate to the inventory at 30 June 2022.*

42 Reconciliation of segment information to consolidated income statement and balance sheet

	SA Rand		
Figures in million	**2023**	2022	2021
Reconciliation of production profit to consolidated profit/(loss) before taxation			
Revenue per segment report	**47 520**	41 742	40 698
Revenue per income statement	**49 275**	42 645	41 733
Other metal sales treated as by-product credits in the segment report	**(1 325)**	(903)	(1 035)
Toll treatment services	**(430)**	—	—
Production costs per segment report	**(33 541)**	(32 196)	(28 739)
Production costs per income statement	**(34 866)**	(33 099)	(29 774)
Other metal sales treated as by-product credits in the segment report	**1 325**	903	1 035
Production profit per segment report	**13 979**	9 546	11 959
Revenue not included in segments	**430**	—	—
Cost of sales items other than production costs	**(4 669)**	(8 828)	(5 715)
Amortisation and depreciation of mining assets	**(3 355)**	(3 622)	(3 777)
Amortisation and depreciation of assets other than mining assets	**(99)**	(61)	(98)
Rehabilitation expenditure	**(32)**	(136)	(135)
Care and maintenance cost of restructured shafts	**(227)**	(273)	(144)
Employment termination and restructuring costs	**(597)**	(218)	(332)
Share-based payments	**(51)**	(143)	(114)
Impairment of assets	**—**	(4 433)	(1 124)
Toll treatment costs	**(323)**	—	—
Other	**15**	58	9
Gross profit	**9 740**	718	6 244
Corporate, administration and other expenditure	**(1 044)**	(984)	(1 068)
Exploration expenditure	**(506)**	(214)	(177)
Gains/(losses) on derivatives	**(194)**	53	1 022
Foreign exchange translation gain/(loss)	**(634)**	(327)	670
Other operating expenses	**(268)**	(1)	(241)
Operating profit/(loss)	**7 094**	(755)	6 450
Gain on bargain purchase	**—**	—	303
Acquisition-related costs	**(214)**	—	(124)
Share of profit from associate	**57**	63	83
Investment income	**663**	352	331
Finance costs	**(994)**	(718)	(661)
Profit/(loss) before taxation	**6 606**	(1 058)	6 382

42 Reconciliation of segment information to consolidated income statement and balance sheet continued

	SA Rand		
Figures in million	**2023**	2022	2021
Reconciliation of total segment assets to consolidated assets includes the following:			
Non-current assets			
Property, plant and equipment not allocated to a segment	**11 098**	7 280	6 741
Mining assets (a)	**1 080**	943	757
Undeveloped property (b)	**7 384**	4 004	3 989
Other non-mining assets	**516**	510	411
Assets under construction (c)	**2 118**	1 823	1 584
Intangible assets	**33**	48	365
Restricted cash and investments	**6 121**	5 555	5 232
Investments in associates	**111**	125	126
Deferred tax assets	**189**	203	272
Other non-current assets	**332**	374	332
Derivative financial assets	**269**	137	328
Current assets			
Inventories	**3 265**	2 818	2 542
Restricted cash and investments	**41**	27	67
Trade and other receivables	**2 395**	1 682	1 652
Derivative financial assets	**110**	519	1 471
Cash and cash equivalents	**2 867**	2 448	2 819
Total	**26 831**	21 216	21 947

(a) These balances relate to Wafi-Golpu assets and assets that provide services to several CGUs, such as Harmony One Plant.

(b) Undeveloped properties comprise the Target North property, Eva Copper (refer to note 14) and Wafi-Golpu's undeveloped properties.

(c) Assets under construction consist of the Wafi-Golpu assets.

COMPANY INCOME STATEMENT
For the year ended 30 June 2023

		SA Rand	
Figures in million	Notes	**2023**	2022
Revenue	2	**3 607**	3 159
Cost of sales	3	**(2 992)**	(2 791)
Production costs		**(2 759)**	(2 557)
Amortisation and depreciation		**(162)**	(133)
Other items		**(71)**	(101)
Gross profit		**615**	368
Corporate, administration and other expenditure		**(35)**	(48)
Exploration expenditure		**(17)**	(5)
Losses on derivatives	13	**(149)**	(47)
Foreign exchange translation gain/(loss)	4	**(688)**	(371)
Other income/(expenses)	5	**132**	(245)
Impairment of investments in subsidiaries	15	**(919)**	(1 509)
Loss on sale of investments in subsidiaries	15	**—**	(7)
Investment income	6	**373**	302
Finance costs	7	**(585)**	(327)
Loss before taxation		**(1 273)**	(1 889)
Taxation	8	**11**	23
Loss for the year		**(1 262)**	(1 866)

These are the separate financial statements of Harmony Gold Mining Company Limited. For the group financial statements, refer to page 31 to 118.

The accompanying notes are an integral part of these financial statements.

COMPANY STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2023

		SA Rand	
Figures in million	Notes	**2023**	2022
Net loss for the year		**(1 262)**	(1 866)
Other comprehensive income for the year, net of income tax		**1**	2
Items that will not be reclassified to profit or loss		**1**	2
Total comprehensive income for the year		**(1 261)**	(1 864)

The accompanying notes are an integral part of these financial statements.

COMPANY BALANCE SHEET
As at 30 June 2023

		SA Rand	
Figures in million	Notes	**At 30 June 2023**	At 30 June 2022
Assets			
Non-current assets			
Property, plant and equipment	9	**790**	710
Intangible assets	10	**33**	48
Restricted cash and investments	11	**884**	748
Investments in subsidiaries	15	**25 879**	23 348
Loans to subsidiaries	15	**1 018**	262
Deferred tax assets	8	**190**	179
Other non-current assets	14	**181**	224
Derivative financial instruments	13	**701**	139
Total non-current assets		**29 676**	25 658
Current assets			
Inventories	18	**240**	399
Loans to subsidiaries	15	**3 673**	4 222
Trade and other receivables	12	**1 177**	716
Derivative financial instruments	13	**1 086**	528
Cash and cash equivalents	26	**1 894**	1 474
Total current assets		**8 070**	7 339
Total assets		**37 746**	32 997
Equity and liabilities			
Share capital and reserves			
Share capital and premium	19	**32 934**	32 934
Other reserves	20	**3 194**	3 080
Accumulated loss		**(15 707)**	(14 309)
Total equity		**20 421**	21 705
Non-current liabilities			
Provision for environmental rehabilitation	21	**690**	666
Other provisions	22	**319**	572
Borrowings	24	**5 592**	3 180
Other non-current liabilities	23	**34**	38
Derivative financial instruments	13	**721**	131
Total non-current liabilities		**7 356**	4 587
Current liabilities			
Other provisions	22	**141**	109
Borrowings	24	**103**	—
Loans from subsidiaries	15	**7 573**	4 952
Trade and other payables	25	**985**	1 147
Derivative financial instruments	13	**1 167**	497
Total current liabilities		**9 969**	6 705
Total equity and liabilities		**37 746**	32 997

The accompanying notes are an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 30 June 2023

	Number of ordinary shares issued	Share capital and premium	Accumulated loss	Other reserves	Total
Notes	19	19		20	
Figures in million (SA Rand)					
Balance – 30 June 2021	616 052 197	32 934	(12 029)	2 935	23 840
Issue of shares					
– Exercise of employee share options	473 505	—	—	—	—
Share-based payments	—	—	—	143	143
Net loss for the year	—	—	(1 866)	—	(1 866)
Dividends paid[1]	—	—	(414)	—	(414)
Other comprehensive income for the year	—	—	—	2	2
Balance – 30 June 2022	616 525 702	32 934	(14 309)	3 080	21 705
Issue of shares					
– Exercise of employee share options	**1 546 270**	**—**	**—**	**—**	**—**
Share-based payments	**—**	**—**	**—**	**113**	**113**
Net loss for the year	**—**	**—**	**(1 262)**	**—**	**(1 262)**
Dividends paid[1]	**—**	**—**	**(136)**	**—**	**(136)**
Other comprehensive income for the year	**—**	**—**	**—**	**1**	**1**
Balance – 30 June 2023	**618 071 972**	**32 934**	**(15 707)**	**3 194**	**20 421**

[1] *Dividend per share is disclosed under the earnings per share note. Refer to note 13 of the group financial statements.*

The accompanying notes are an integral part of these financial statements.

COMPANY CASH FLOW STATEMENT

For the year ended 30 June 2023

		SA Rand	
Figures in million	Notes	**2023**	2022 Restated[1]
Cash flow from operating activities			
Cash generated by operations	26	**143**	193
Interest received	26	**157**	101
Dividends received		**131**	123
Interest paid		**(340)**	(298)
Income and mining taxes refunded		**15**	—
Cash generated by operating activities		**106**	119
Cash flow from investing activities			
Increase in restricted cash and investments	26	**(130)**	(129)
Decrease in amounts invested in restricted cash and investments	11	**48**	18
Loan repayments from Avgold	15	**2 276**	—
Loan advances to Avgold	15	**(3 526)**	—
Decrease in loans to other subsidiaries[1]	15	**3 709**	1 425
Increase in investment in subsidiaries[1]	15	**(3 345)**	(649)
ARM BBEE Trust loan repayment	14	**74**	65
Additions to intangible assets	10	**—**	(30)
Additions to property, plant and equipment	26	**(226)**	(140)
Cash generated/(utilised) by investing activities		**(1 120)**	560
Cash flow from financing activities			
Borrowings raised	24	**3 619**	3 057
Borrowings paid	24	**(2 045)**	(3 507)
Dividends paid		**(136)**	(414)
Lease payments	23	**(4)**	(3)
Cash generated/(utilised) by financing activities		**1 434**	(867)
Increase/(decrease) in cash and cash equivalents		**420**	(188)
Cash and cash equivalents – beginning of year		**1 474**	1 662
Cash and cash equivalents – end of year		**1 894**	1 474

[1] *Refer to note 32 for further detail on restatement.*

The accompanying notes are an integral part of these financial statements.

1 Accounting policies

The accounting policies applied in the company financial statements are consistent with the group accounting policies. Refer to note 2 of the group financial statements as well as the relevant corresponding notes for the detailed discussions.

New standards, amendments to standards and interpretations to existing standards adopted by the company

The new standards, amendments to standards and interpretations to existing standards that were adopted by the company, and the impact thereof, is consistent with those described in note 2 of the group financial statements.

2 Revenue

Revenue from contracts with customers is made up of the sale of gold and is recognised when gold is delivered and a certificate of sale is issued.

The increase in gold revenue during the 2023 financial year is mainly due to the weakening of the Rand/US$ exchange rate from an average of R15.21/US$ to R17.76/US$. This resulted in an increase in the average gold spot price received by 17%, from R883 453/kg in the 2022 year to R1 036 682/kg in 2023.

3 Cost of sales

	SA Rand	
Figures in million	**2023**	2022
Production costs (a)	**2 759**	2 557
Depreciation of mining assets	**88**	87
Amortisation and depreciation of assets other than mining assets (b)	**74**	46
Rehabilitation expenditure (c)	**(17)**	12
Care and maintenance costs of restructured shafts	**55**	54
Employment termination and restructuring costs (d)	**42**	22
Share-based payments (e)	**2**	5
Other	**(11)**	8
Total cost of sales	**2 992**	2 791

(a) Production costs include mine production and transport and refinery costs, applicable general administrative costs, movement in inventories and ore stockpiles and ongoing environmental rehabilitation costs. Employee termination costs are included, except for employee termination costs associated with major restructuring and shaft closures, which are separately disclosed to the extent applicable.

Labour, electricity and consumables costs increased mainly due to inflationary pressures.

Production costs, analysed by nature, consist of the following:

	SA Rand	
Figures in million	**2023**	2022
Labour costs, including contractors	**1 482**	1 370
Consumables	**581**	473
Water and electricity	**341**	293
Transportation	**43**	48
Change in inventory	**14**	(12)
Capitalisation of mine development costs	**(47)**	(41)
Royalty expense	**65**	40
Other	**280**	386
Total production costs	**2 759**	2 557

(b) Amortisation and depreciation of assets other than mining assets includes the amortisation of intangible assets.

(c) For the assumptions used to calculate the rehabilitation costs, refer to note 26 of the group financial statements. This expense includes the change in estimate for the rehabilitation provision where an asset no longer exists as well as rehabilitation costs incurred. During 2023, rehabilitation costs incurred amounted to R16 million (2022: R20 million). Refer to note 21.

3 Cost of sales continued

(d) Employment termination and restructuring cost increased in 2023 as a result of the changes in the number of employees taking up voluntary severance packages. The increase is attributable to the voluntary severance packages that were taken up following the disaggregation of the Tshepong Operations into Tshepong North and Tshepong South. The bulk of the employees from these operations have been accommodated at other operations within the group. During 2022, voluntary and medical severance packages were offered to employees, partially related to the closure of Unisel.

(e) Refer to note 28 for details on the share-based payment schemes implemented by the company.

(f) There was no impairment of assets or reversal of impairment of assets recognised for the 2023 or 2022 financial years. Please see note 6 of the group financial statements for management's assessment of impairment triggers and impairment tests performed.

4 Foreign exchange translation gain/(loss)

	SA Rand	
Figures in million	**2023**	2022
Borrowings (a)	**(819)**	(401)
Other items (b)	**131**	30
Total foreign exchange translation loss	**(688)**	(371)

(a) The loss in 2023 is predominantly caused by unfavourable translations on US dollar loan balances. The unfavourable translations on US dollar loans are attributable to the Rand weakening against the US dollar, evidenced by a closing exchange rate of R18.83/US$1 (2022: R16.27/US$1). Also contributing to the loss for 2023 was the draw down of US$170 million (R2 919 million) during the year for the acquisition of the Eva Copper Project and other assets. Refer to note 32 and 14 of group financial statements respectively for details.

(b) This relates mainly to the translation of metal trade receivables.

5 Other (income)/expenses

	SA Rand	
Figures in million	**2023**	2022
Loss allowance (a)	**29**	198
Social investment expenditure	**33**	25
Loss on scrapping of property, plant and equipment	**1**	—
Silicosis settlement provision (b)	**(143)**	18
Other (income)/expenses – net	**(52)**	4
Total other (income)/expenses	**(132)**	245

(a) The decrease in loss allowance is mainly attributable to a decrease in the expected credit losses on loans to subsidiaries which was R17 million (2022: R79 million). Refer to note 15 for details on the loans to subsidiaries.

(b) Refer to note 22 for details on the movement in the silicosis settlement provision.

6 Investment income

	SA Rand	
Figures in million	**2023**	2022
Interest income from financial assets at amortised cost (a)	**203**	137
Dividend income (b)	**131**	123
Net gain on financial instruments (c)	**39**	42
Total investment income	**373**	302

(a) For the 2023 financial year, interest on favourable bank balances increased by R63 million due to the higher interest rates. Interest income also includes an amount of R21 million (2022: R18 million) which relates to interest on-charged to Harmony's subsidiaries at the relevant interest rate plus an additional margin of 0.5%.

(b) Dividend income consists of the following:
- R6 million (2022: R10 million) received from Rand Mutual Assurance
- R71 million (2022: R64 million) received from Rand Refinery
- R54 million (2022: R49 million) received from TBO.

(c) Includes a fair value gain of R27 million (2022: R36 million) on the ARM BBEE Trust loan (refer to note 14).

7 Finance costs

	SA Rand	
Figures in million	**2023**	2022
Financial liabilities		
Borrowings (a)	**464**	234
Other creditors and liabilities	**6**	5
Total finance costs from financial liabilities	**470**	239
Non-financial liabilities		
Time value of money and inflation component of rehabilitation costs (b)	**59**	43
Time value of money for other provisions	**56**	45
Total finance costs from non-financial liabilities	**115**	88
Total finance costs	**585**	327

(a) The increase in finance costs on borrowings in 2023 is as a result of the US$ drawdowns made and higher interest rates during the 2023 financial year. Refer to note 24 for further detail.

This amount includes accrued interest and amortisation of commitment fees, which are treated as non-cash adjustments for the determination of interest paid in the cash flow statement.

(b) The increase in 2023 is attributable to higher discount rates applied in the unwinding of the rehabilitation provision. Refer to note 21 for further detail.

8 Taxation

	SA Rand	
Figures in million	**2023**	2022
Mining tax (a)	**—**	19
– prior year	**—**	19
Deferred tax (b)	**11**	4
– current tax	**11**	4
Total taxation credit	**11**	23

(a) Refer to note 12 of the group financial statements for details on mining tax legislation. The foreign exchange translation losses in the current year resulted in the decrease in the current tax expense during the 2023 year.

(b) The deferred tax rate used to calculate deferred tax is based on the current estimate of future profitability when temporary differences will reverse based on tax rates and tax laws that have been enacted at the balance sheet date. Depending on the profitability of the operations, the deferred tax rate can consequently be significantly different from year to year.

Following the completion of the annual life-of-mine plans, management revised the weighted average deferred tax rates for all the South African operations. The higher gold price assumptions used resulted in an increase in the estimated profitability and consequently a higher deferred tax rate than in the prior year. Refer to note 15 of the group financial statements for the assumptions used. These changes, together with changes in the temporary differences, had the following impacts:

- The increase in deductible temporary differences arising from the derivative financial liabilities resulted in a R36 million (2022: R19 million) credit to deferred tax expense and a corresponding increase to the deferred tax asset
- The unwinding of temporary differences related to provisions resulted in a increase in deferred tax expense of R43 million (2022: R7 million decrease) and corresponding decrease to the deferred tax asset
- The increase in deductible temporary differences arising from non-mining assessed losses resulted in a R21 million (2022: Rnil) credit to deferred tax expense and a corresponding increase to the deferred tax asset.

8 Taxation continued

Income and mining tax rates

The tax rate for the 2023 year is 33% and 2022 was 34%. Major items causing the income statement provision to differ from the mining statutory tax rate were:

	SA Rand	
Figures in million	**2023**	2022
Tax (expense)/credit on net profit/loss at the mining statutory tax rate	**420**	642
Non-allowable deductions and non-taxable income		
Donations	**(5)**	(6)
Dividends	**43**	42
Finance costs	**(145)**	(52)
Share-based payments	**(4)**	(4)
Loan-related cost	**—**	(19)
Loss allowance on loans to subsidiaries	**(22)**	(68)
Impairment of investments in subsidiaries	**(303)**	(513)
Other	**10**	(22)
Movements in temporary differences related to other assets and liabilities	**16**	22
Effect on temporary differences due to changes in effective tax rate[1]	**10**	(18)
Prior-year adjustment	**—**	19
Other	**(9)**	—
Income and mining taxation credit	**11**	23
Effective income and mining tax rate (%)	**(1)**	(1)

[1] *The deferred tax rate used for the 2023 financial year was 26.4% (2022: 25.1%).*

Deferred tax

The analysis of deferred tax assets and liabilities is as follows:

	SA Rand	
Figures in million	**2023**	2022
Deferred tax liabilities	**(123)**	(113)
Deferred tax liability to be recovered after more than 12 months	**(10)**	(94)
Deferred tax liability to be recovered within 12 months	**(113)**	(19)
Deferred tax assets	**313**	292
Deferred tax asset to be recovered after more than 12 months	**255**	196
Deferred tax asset to be recovered within 12 months	**58**	96
Net deferred tax asset	**190**	179

The net deferred tax asset on the balance sheet at 30 June 2023 and 30 June 2022 relate to the following:

	SA Rand	
Figures in million	**2023**	2022
Gross deferred tax liabilities	**(123)**	(113)
Amortisation and depreciation	**(118)**	(98)
Derivative financial instruments	**(1)**	(10)
Other	**(4)**	(5)
Gross deferred tax assets	**313**	292
Unredeemed capital expenditure	**3**	3
Provisions, including non-current provisions	**258**	287
Derivative assets	**28**	—
Lease liability	**3**	2
Assessed losses	**21**	—
Net deferred tax asset	**190**	179

The company's deferred tax asset balance remained relatively stable at R190 million. A deferred tax asset continues to be recognised at 30 June 2023 as it is considered probable that sufficient future taxable profits will be available against which the remaining deductible temporary differences existing at the reporting date can be utilised.

8 Taxation continued

Deferred tax continued

Movement in the net deferred tax asset recognised in the balance sheet is as follows:

	SA Rand	
Figures in million	**2023**	2022
Balance at beginning of year	**179**	175
Total credit per income statement	**11**	4
Balance at end of year	**190**	179

As at 30 June 2023, the company has non-mining tax losses of R81 million (2022: Rnil), available for utilisation against future non-mining taxable income.

As at 30 June 2023 and 30 June 2022, the company has no mining tax losses, available for utilisation against future taxable income.

As at 30 June 2023, the company has a capital gains tax (CGT) loss of R231 million (2022: R231 million) available for utilisation against future capital gains.

The recognised deferred tax asset arises from deductible temporary differences for which future taxable profits are considered probable. Refer to the discussion above for further detail.

Dividend tax (DT)

The withholding tax on dividends remains unchanged at 20% in 2022 and 2023.

9 Property, plant and equipment

	SA Rand	
Figures in million	**2023**	2022
Mining assets	**682**	610
Other non-mining assets	**108**	100
Total property, plant and equipment	**790**	710

Mining assets

	SA Rand	
Figures in million	**2023**	2022
Cost		
Balance at beginning of year	**4 141**	4 058
Fully depreciated assets no longer in use derecognised[1]	**(86)**	—
Additions[2]	**162**	87
Adjustment to rehabilitation asset	**(2)**	(3)
Scrapping of assets[3]	**(6)**	(1)
Balance at end of year	**4 209**	4 141
Accumulated depreciation and impairment		
Balance at beginning of year	**3 531**	3 449
Fully depreciated assets no longer in use derecognised[1]	**(86)**	—
Scrapping of assets[3]	**(5)**	(1)
Depreciation[4]	**87**	83
Balance at end of year	**3 527**	3 531
Net carrying value	**682**	610

[1] Relates to the derecognition of fully depreciated assets no longer in use.
[2] Includes R47 million (2022: R41 million) attributable to Doornkop JV.
[3] Relates to the abandonment of assets that were no longer core to the business or in use as well as unprofitable areas, resulting in derecognition of property, plant and equipment as no future economic benefits were expected from their use or disposal.
[4] Includes R26 million (2022: R18 million) attributable to Doornkop JV. Refer to note 17.

9 Property, plant and equipment continued

Other non-mining assets

	SA Rand	
Figures in million	**2023**	2022
Cost		
Balance at beginning of year	**280**	218
Additions	**68**	62
Balance at end of year	**348**	280
Accumulated depreciation and impairment		
Balance at beginning of year	**180**	147
Depreciation	**60**	33
Balance at end of year	**240**	180
Net carrying value	**108**	100

10 Intangible assets

Technology-based assets

	SA Rand	
Figures in million	**2023**	2022
Cost		
Balance at beginning of year	**98**	68
Fully depreciated assets no longer in use derecognised	**(20)**	—
Additions	**—**	30
Balance at end of year	**78**	98
Accumulated amortisation and impairments		
Balance at beginning of year	**50**	36
Fully depreciated assets no longer in use derecognised	**(20)**	—
Amortisation charge	**15**	14
Balance at end of year	**45**	50
Net carrying value	**33**	48

11 Restricted cash and investments

	SA Rand	
Figures in million	**2023**	2022
Restricted cash	**428**	287
Restricted investments	**456**	461
Total restricted cash and investments	**884**	748

Restricted cash

	SA Rand	
Figures in million	**2023**	2022
Environmental guarantees[1]	**181**	149
Guarantee – Tshiamiso Trust[2]	**225**	116
Other	**22**	22
Total restricted cash	**428**	287

[1] The amount primarily relates to funds set aside to serve as collateral against guarantees made to the Department of Mineral Resources and Energy (DMRE) in South Africa for environmental and rehabilitation obligations. Refer to note 21.
[2] Relates to the silicosis settlement. Refer to note 22.

The funds are invested in short-term money market funds and call accounts, which require third-party approval for release.

11 Restricted cash and investments continued

Restricted investments

	SA Rand	
Figures in million	**2023**	2022
Investments held by environmental trust fund	**442**	442
Fixed deposits	**318**	287
Cash equivalents	**3**	50
Equity-linked deposits	**121**	105
Investments held by the Social Trust Fund	**14**	19
Total restricted investments	**456**	461

Environmental trust fund

The environmental trust fund is an irrevocable trust under the company's control and is accounted for in accordance with IFRS 9. Refer to the group accounting policy for financial assets. Contributions to the trust are invested in interest-bearing short-term and medium-term cash investments and medium-term equity-linked notes issued by commercial banks that provide guaranteed interest and additional interest or growth linked to the growth of the Top 40 index of the JSE. These investments provide for the estimated cost of rehabilitation at the end of the life of the company's mines. Income earned on the investments is retained in the funds and reinvested.

Reconciliation of the movement in the investments held by environmental trust fund:

	SA Rand	
Figures in million	**2023**	2022
Balance at beginning of year	**442**	438
Interest income	**22**	16
Fair value gain	**11**	7
Equity-linked deposits acquired/(matured)	**5**	(30)
(Maturity)/acquisition of fixed deposits	**14**	(20)
Net transfer of cash equivalents	**(18)**	49
Withdrawal of funds	**(34)**	(18)
Balance at end of year	**442**	442

Social trust fund

The Social Trust Fund is an irrevocable trust under the company's control. The purpose of the trust is to fund the social plan to reduce the negative effects of restructuring on the group's workforce, to put measures in place to ensure that the technical and life skills of the group's workforce are developed and to develop the group's workforce in such a manner as to avoid or minimise the effect of job losses and a decline in employment through turnaround or redeployment strategies.

The Social Trust Fund investment comprises a unit trust portfolio that is exposed to the fair value changes in the equity market and is classified as a fair value through profit or loss investment.

12 Trade and other receivables

	SA Rand	
Figures in million	**2023**	2022
Financial assets		
Trade receivables (metals)[1]	**1 014**	563
Other trade receivables[1]	**116**	63
Loss allowance	**(57)**	(43)
Trade receivables – net	**1 073**	583
Interest and other receivables	**34**	32
Employee receivables	**12**	15
Non-financial assets		
Prepayments	**38**	53
Income and mining taxes	**20**	33
Total trade and other receivables	**1 177**	716

[1] *The increase year on year is predominantly due to timing of receipts.*

The movement in the loss allowance for trade and other receivables during the year is as follows (refer to note 31 for details):

	SA Rand	
Figures in million	**2023**	2022
Balance at beginning of year	**43**	39
Increase in loss allowance recognised during the year	**61**	24
Reversal of loss allowance during the year	**(47)**	(20)
Balance at end of year	**57**	43

The loss allowance for trade and other receivables stratified according to ageing profile at the reporting date is as follows:

	SA Rand	
Figures in million	**Gross**	**Loss allowance**
30 June 2023		
Not past due	**1 030**	**—**
Past due by 1 to 30 days	**4**	**—**
Past due by 31 to 60 days	**4**	**—**
Past due by 61 to 90 days	**29**	**—**
Past due by more than 90 days	**13**	**12**
Past due by more than 361 days	**50**	**45**
Total	**1 130**	**57**
30 June 2022		
Not past due	573	—
Past due by 1 to 30 days	2	—
Past due by 31 to 60 days	2	—
Past due by 61 to 90 days	1	—
Past due by more than 90 days	10	9
Past due by more than 361 days	38	34
Total	626	43

Refer to note 39 of the group financial statements for details on how the provision was calculated.

During the 2023 and 2022 years there was no renegotiation of the terms of any receivable. The company does not hold any collateral in respect of these receivables.

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13 Derivative financial instruments

Figures in million (SA Rand)	Rand gold derivative contracts (a)	US$ gold contracts (b)	US$ silver contracts (b)	Foreign exchange contracts (c)	Total
As at 30 June 2023					
Derivative financial assets	**1 365**	**86**	**44**	**292**	**1 787**
Non-current	**504**	**33**	**16**	**148**	**701**
Current	**861**	**53**	**28**	**144**	**1 086**
Derivative financial liabilities	**(1 455)**	**(86)**	**(44)**	**(303)**	**(1 888)**
Non-current	**(525)**	**(33)**	**(16)**	**(147)**	**(721)**
Current	**(930)**	**(53)**	**(28)**	**(156)**	**(1 167)**
Net derivative financial instruments	**(90)**	**—**	**—**	**(11)**	**(101)**
Movement for the year ended 30 June 2023					
Losses on derivatives	**(133)**	**—**	**—**	**(11)**	**(144)**
Day one loss amortisation	**(5)**	**—**	**—**	**—**	**(5)**
Total losses on derivatives	**(138)**	**—**	**—**	**(11)**	**(149)**
As at 30 June 2022					
Derivative financial assets	523	55	77	12	667
Non-current	113	20	6	—	139
Current	410	35	71	12	528
Derivative financial liabilities	(485)	(55)	(77)	(11)	(628)
Non-current	(105)	(20)	(6)	—	(131)
Current	(380)	(35)	(71)	(11)	(497)
Net derivative financial instruments	38	—	—	1	39
Movement for the year ended 30 June 2022					
Losses on derivatives	(42)	—	—	(2)	(44)
Day one loss amortisation	(3)	—	—	—	(3)
Total losses on derivatives	(45)	—	—	(2)	(47)

Harmony enters into derivative contracts with various financial institutions on behalf of its operations as well as those of its subsidiaries. The tables above show the gross position for Harmony as the counterparty with the financial institutions as well as its subsidiaries as at the reporting dates. Due to the position for the subsidiaries being the opposite to Harmony's position with the financial institutions, the net position shown relates to Harmony's own operations. As the movements through the income statement for the derivative contracts with the subsidiaries would be opposite to those for Harmony's derivative contracts with the financial institutions, the impact on gains/(losses) for derivatives is the net movement for Harmony's own operations. As hedge accounting is not applied to these contracts, the resulting gains and losses have been recorded in losses on derivatives in the income statement.

Refer to note 31 for a summary of the risk management strategy applied and details of the fair value measurements as at reporting date. Refer to note 19 of the group financial statements for all open positions held.

(a) Rand gold contracts

Harmony has entered into Rand gold forward sale derivative contracts to manage the risk of lower gold prices. The following table shows the open position of Rand gold forward contracts at the reporting date relating to Harmony:

	Nominal value	Average forward sale price	Quarterly tranche average spread
Harmony's Rand gold forward contracts	1 265kg (44 638oz)	R1 181 209/kg	2 years

13 Derivative financial instruments continued

(b) US$ commodity contracts

Harmony maintains a derivative programme for Hidden Valley by entering into commodity derivative contracts. The contracts comprise US$ gold forward sale contracts as well as silver zero cost collars which establish a minimum (floor) and maximum (cap) silver sales price.

(c) Foreign exchange contracts

Included in the foreign exchange derivative contracts (forex derivative contracts) are zero cost collars and forward exchange contracts (FECs). The zero cost collars establish a floor and cap Rand/US$ exchange rate at which to convert US dollars to Rands. The nominal value of the open zero cost collars in Harmony at 30 June 2023 is US$45 million (2022: US$4 million). The weighted average prices for the zero cost collars are as follows: cap R20.23 and floor R18.25. The nominal value of open FEC's at 30 June 2023 is US$20 million (2022: US$0.4 million) and the weighted average exchange rate is R18.96.

14 Other non-current assets

	SA Rand	
Figures in million	**2023**	2022
Non-current assets		
Debt instruments	**108**	153
Loans to associates (a)	**116**	116
Loan to ARM BBEE Trust (b)	**101**	148
Other loans receivable	**7**	5
Loss allowance (a)	**(116)**	(116)
Equity instruments	**73**	71
Rand Mutual Assurance (c)	**69**	67
Other	**4**	4
Total other non-current assets	**181**	224

(a) The balance relates to a loan of R116 million (2022: R116 million) owed by Pamodzi. Pamodzi was placed into liquidation during 2009 and the loan was provided for in full. The company is a concurrent creditor in the Pamodzi Orkney liquidation.

(b) At 30 June 2023 the loan was remeasured to its fair value of R101 million (2022: R148 million). Repayments of R74 million were received during the year and a fair value gain of R27 million was included in investment income (refer to note 6). Refer to note 18 in the group financial statements for further details on the loan to the ARM BBEE Trust.

(c) Refer to note 18 in the group financial statements.

15 Investments in subsidiaries and loans to/from subsidiaries

Accounting policy

Investments in subsidiaries are accounted for at cost less impairment. Harmony charges its subsidiaries for the employee share incentive plans granted to the subsidiaries' employees. The movement in equity in the company's financial statements relating to the recharge of the share-based payments of subsidiaries is accounted for against investments in subsidiaries.

Investments in subsidiaries are tested annually for impairment or when there is an indication of impairment and an impairment loss is recognised for the amount by which the carrying amount of the investment in a subsidiary exceeds its recoverable amount. The recoverable amount of investments in subsidiaries are generally determined with reference to future cash generated by the subsidiaries. For further detail, see critical accounting estimates and judgements below. Any impairment losses are included in impairment of investments in subsidiaries in the income statement.

Loans to/from subsidiaries are measured initially at fair value. Loans to subsidiaries held within a business model with the objective to hold assets to collect contractual cash flows and with contractual terms giving rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortised cost. All other loans to subsidiaries are measured subsequently at fair value. The company currently has no such loans. Loans from subsidiaries are subsequently measured at amortised cost. The loans to subsidiaries are subject to the expected credit loss model.

Cash receipts and payments from loans to/from subsidiaries are shown on a net basis as part of investing activities in the cash flow statement if the net presentation requirements of IAS 7, ***Statement of Cash Flows***, are met. Those receipts and payments not meeting these net presentation requirements are shown separately as part of investing activities in the cash flow statement.

15 Investments in subsidiaries and loans to/from subsidiaries continued

Accounting policy continued

The recoverability of loans to subsidiaries are assessed at each reporting period using a forward-looking expected credit loss (ECL) approach. The ECL is measured as the probability-weighted estimate of credit losses, which is the present value of all cash shortfalls (ie the difference between the cash flows due to the company in accordance with the contract and the cash flows that the company expects to receive). Cash shortfalls on loans to subsidiaries would indicate a significant increase in credit risk since initial recognition of the relevant loan.

This was measured using the probability of default (PD), loss given default (LGD), exposure at default (EAD) methodology. The LGD depends on the expected cash flows generated by each operating subsidiary with reference to the approved life-of-mine plans of each operation. The estimations of future cash generated by subsidiaries takes into account forward-looking information as described under critical accounting estimates and judgements below. Any impairment losses are included in other expenses in the income statement.

Fully performing loans (Stage 1) are those that have not had a significant increase in credit risk since initial recognition. For these loans, 12-months ECLs are recognised which considers any default events which are possible within 12 months after year-end. Underperforming loans (Stage 2) are those which have had a significant increase in credit risk since initial recognition but do not have objective evidence of impairment. For these loans, lifetime ECLs are recognised which considers all possible default events over the expected term of the loans. Credit impaired loans (Stage 3) are loans that have objective evidence of impairment at year-end, lifetime ECLs are recognised for these loans.

Investments in and loans to dormant subsidiaries with no significant assets are written off as the carrying amount cannot be recovered and the counterparties do not have the capacity to meet their contractual obligations.

Critical accounting estimates and judgements

The recoverable amount of an investment in a subsidiary is the higher of the investment's fair value less cost to sell and value in use. Fair value less cost to sell is generally determined by using discounted estimated after-tax future cash flows. Future cash flows are estimated based on the assumptions described below.Should actual events differ from estimates and judgements applied, material adjustments to the carrying amount of investments in subsidiaries may be realised in the future.

For loans to subsidiaries, as these loans are repayable on demand, the expected credit losses are based on the assumption that repayment of the loan is demanded at the reporting date. Given the liquidity situations of most of the operating subsidiaries, the probability that the entities would not be able to repay immediately is almost certain, hence the expected manner of recovery was determined based on the ability to repay the loan over time, taking into account the future cash flows the company expects to receive.

Future cash flows are estimated based on quantities of recoverable minerals, expected gold prices (considering current and historical prices, price trends and related factors), production levels and cash costs of production, all based on life-of-mine (LoM) plans. As part of the determination of these future cash flows, probability weighted outcomes are considered. Future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and risk specific to the subsidiaries' operations. Refer to note 15 of the group financial statements for the detail on the critical accounting estimates and judgements applied in calculating the future cash flows. In addition to these estimates, a resource multiple valuation was used to determine the recoverable amount of Avgold Limited’s (Avgold) Target North. For 2023, indicated and inferred resources were valued at US$9/oz and US$3.60/oz, respectively.

Cash flows are allocated to recover, firstly, any loans to subsidiaries and thereafter the investments in subsidiaries.

	SA Rand	
Figures in million	**2023**	2022
Shares at cost less accumulated impairment (a) and (c)	**25 879**	23 348
Shares at cost	**34 045**	30 595
Accumulated impairment	**(8 166)**	(7 247)
Loans to subsidiaries - Non-current[1,2]	**1 018**	262
Loans to subsidiaries - Current[2]	**3 673**	4 222
Gross current loans to subsidiary companies (b)	**5 685**	6 217
Provision for expected credit losses	**(2 012)**	(1 995)
Loans from subsidiaries[2]	**(7 573)**	(4 952)
Total investments in subsidiaries	**22 997**	22 880

[1] *Relates to the non-current portion of the loan to Avgold. The loan to Avgold did not meet the net presentation requirements of IAS 7 in the current year and therefore the cash receipts and payments for this loan were presented on a gross basis in the cash flow statement.*
[2] *Loans to/from subsidiaries will be settled through day-to-day activities.*

15 Investments in subsidiaries and loans to/from subsidiaries continued

The movement in the provision for credit losses on loans to subsidiaries during the year was as follows:

	SA Rand	
Figures in million	**2023**	2022
Balance at beginning of year	**1 995**	1 807
Increase in expected credit losses recognised during the year[1]	**19**	213
Reversal of expected credit losses during the year	**(2)**	(25)
Balance at end of year	**2 012**	1 995

[1] *During 2022, an expected credit loss allowance of R203 million was raised against the loan to Covalent Water Company (Proprietary) Limited.*

The loss allowance for loans to subsidiaries stratified according to credit performance at the reporting date is as follows:

	SA Rand	
Figures in million	**Gross**	**Loss allowance**
30 June 2023		
Fully performing (Stage 1)	**4 691**	**—**
Underperforming (Stage 2)	**66**	**66**
Credit impaired (Stage 3)	**1 946**	**1 946**
Total	**6 703**	**2 012**
30 June 2022		
Fully performing (Stage 1)	4 484	—
Underperforming (Stage 2)	66	66
Credit impaired (Stage 3)	1 929	1 929
Total	6 479	1 995

(a) Includes amounts relating to the share-based payment expense for the subsidiary companies’ employees.

Harmony Gold (Australia) Pty Limited (Harmony Gold (Australia)) is an indirect subsidiary of Harmony Gold via its 100% shareholding in Harmony Copper Limited (Harmony Copper). During 2023, funds were transferred to Harmony Gold (Australia) from Harmony Gold via Harmony Copper. These funds were utilised for the purchase of Eva Copper. Refer to note 14 of the group financial statements. This loan was capitalised to the investment in Harmony Gold and Harmony Copper which has resulted in the shares at cost increasing year on year.

(b) In the current year, the loan advanced to Harmony Moab Khotsong Operations (Proprietary) Limited (Moab Company) in 2018 for the purchase of assets was fully settled. The loan balance as at 30 June 2022 was R426 million. The loan was unsecured and repayable on demand. Interest on the loan was charged at JIBAR +2.9%.

The loan to Golden Core Trade and Investment (Proprietary) Limited (Golden Core) for the acquisition of the Mponeng business and the West Wits closure business as well as Covalent Water Company (Proprietary) Limited in 2021 was fully settled in 2022. Included in loans to subsidiaries is a loan Harmony advanced to Moab Company for the acquisition of the Vaal River closure business in 2021. The loan had an opening balance of R316 million which was fully settled in the current year.

All other loans are unsecured and carry no interest unless otherwise indicated.

(c) An assessment for indicators of impairment of investments as well as reversal of previously recognised impairment losses on investments was performed as at 30 June 2023. A indication of impairment was identified for the investment in Avgold, attributable to the significant decrease in expected cash flows available after deducting the cash flows required to settle the outstanding intercompany loan as per the ECL assessment, which is performed first. The year-on-year increase in the loan of R1 250 million (refer to Annexure A) resulted in a reduction in the recoverable amount of the investment and therefore an impairment of R919 million was recognised against the investment in Avgold during 2023. The investment has a recoverable amount of R3 382 million as at 30 June 2023.

One of the most significant assumptions that influence the life-of-mine plans, and therefore the impairment assessment of the investment in Avgold, is the expected commodity prices. Management determined a reasonably possible change of 11.8% in gold prices based on the standard deviation of market analysts' forecasted long-term gold price assumptions. A 11.8% decrease in the gold price assumptions (with all other variables held constant) would have resulted in a R3 632 million impairment being recorded as at 30 June 2023. A 11.8% increase in the gold price assumptions (with all other variables held constant) would have resulted in no impairment of investment being recognised as at 30 June 2023.

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15 Investments in subsidiaries and loans to/from subsidiaries continued

Refer to Annexure A for a detailed listing of the company's investments in subsidiaries and the loans to and from these companies.

16 Investments in associates

Accounting policy

Investments in associates are accounted for at cost and are adjusted for impairments where appropriate.

Critical accounting estimates and judgements

Refer to note 21 of the group financial statements for a discussion on the investments in associate.

17 Investment in joint operations

Doornkop South Reef agreement

During the 2010 financial year, Harmony and Randfontein Estates Limited, a subsidiary of Harmony, entered into a joint arrangement for the operation of the Doornkop mine following Harmony's purchase of a 26% interest in the Doornkop mining right from African Vanguard Resources (Proprietary) Limited (AVRD) for a purchase consideration of R398 million. Harmony recognised the cost of the mineral rights as part of property, plant and equipment. The agreement entitles the company to a 16% share of the production profit or loss of the Doornkop mine. Harmony recognises its interests in the Doornkop mine in accordance with the requirements of IFRS 11 *Joint Arrangements* for joint operations.

18 Inventories

	SA Rand	
Figures in million	**2023**	2022
Gold in-process and bullion on hand	**17**	28
Consumables at weighted average cost (net of provision) (a)	**223**	371
Total current inventories	**240**	399

(a) The decrease relates to a decentralisation of the central warehouse in the Free State which took place during October 2022 and resulted in consumables being moved to Freegold (Harmony) Proprietary Limited.

The total provision for slow-moving and redundant stock at 30 June 2023 was R36 million (2022: R30 million).

19 Share capital

Authorised

1 200 000 000 (2022: 1 200 000 000) ordinary shares with no par value.
4 400 000 (2022: 4 400 000) convertible preference shares with no par value.

Issued

618 071 972 (2022: 616 525 702) ordinary shares with no par value. All issued shares are fully paid.
4 400 000 (2022: 4 400 000) convertible preference shares with no par value.

Share issues

Share issues relating to employee share options

An additional 1 546 270 (2022: 473 505) shares were issued to settle the exercise of share options by employees relating to Harmony's management share option schemes.

Refer to note 13 of the group financial statements for details on dividends declared and paid.

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20 Other reserves

	SA Rand	
Figures in million	**2023**	2022
Equity instruments designated at fair value through other comprehensive income (a)	**115**	113
Repurchase of equity interest (b)	**3**	3
Equity component of convertible bond (c)	**277**	277
Share-based payments (d)	**2 794**	2 681
Post-retirement benefit actuarial gain (e)	**5**	6
Total other reserves	**3 194**	3 080

(a) Includes R114 million (2022: R112 million) related to the cumulative fair value movement of Harmony's interest in Rand Mutual Assurance. Refer to note 14.

(b) The sale of 26% of the AVRD mining titles resulted in a R3 million repurchase of a call option (equity interest) by the company. Refer to note 25 of the group financial statements.

(c) Refer to note 25 of the group financial statements.

(d) The reconciliation of the movement in share-based payments is as follows:

	SA Rand	
Figures in million	**2023**	2022
Balance at beginning of year	**2 681**	2 538
Share-based payments expensed (i)	**7**	9
Subsidiary employees share-based payments (ii)	**106**	134
Balance at end of year	**2 794**	2 681

i. Refer to note 36 in the group financial statements as well as note 28 in the company's financial statements.

ii. Awards offered to employees providing services related to their employment in the group results in an increase in investment in subsidiaries. Refer to note 15.

(e) The actuarial gains or losses related to the post-retirement benefit obligation will not be reclassified to the income statement.

21 Provision for environmental rehabilitation

The company's mining and exploration activities are subject to extensive environmental laws and regulations. The company has made, and expects to make in the future, expenditures to comply with such laws and regulations, but cannot predict the full amount of such future expenditures. Estimated future reclamation costs are based principally on legal and regulatory requirements.

The following is a reconciliation of the total provision for environmental rehabilitation:

	SA Rand	
Figures in million	**2023**	2022
Balance at beginning of year	**666**	634
Change in estimate – Balance sheet	**(2)**	(3)
Change in estimate – Income statement	**(17)**	12
Utilisation of provision	**(16)**	(20)
Time value of money and inflation component of rehabilitation costs	**59**	43
Balance at end of year	**690**	666

Refer to note 26 of the group financial statements for estimations and judgements used in the calculation.

21 Provision for environmental rehabilitation continued

While the ultimate amount of rehabilitation costs to be incurred in the future is uncertain, the company has estimated its undiscounted cost for the operations, based on current environmental and regulatory requirements, as follows:

	SA Rand	
Figures in million	**2023**	2022
Future net undiscounted obligation		
Ultimate estimated rehabilitation cost	**802**	758
Amounts invested in environmental trust funds (refer to note 11)	**(442)**	(442)
Total future net undiscounted obligation	**360**	316

The group's mines are required to comply with the National Environmental Act's (NEMA) financial provision requirements. They are also required to substantively review and align their financial provision in accordance with these regulations during the relevant transitional period, which has now been extended to 19 February 2024. The company intends to finance the ultimate rehabilitation costs from the money invested with environmental trust funds, as well as the proceeds on sale of assets and gold from plant clean-up at the time of mine closure. The company has guarantees, some cash-backed, in place relating to some of the environmental liabilities. Refer to note 11 and 30.

22 Other provisions

	SA Rand	
Figures in million	**2023**	2022
Provision for silicosis settlement	**429**	641
Retirement benefit obligation	**31**	40
Total other provisions	**460**	681
Current portion of other provisions	**141**	109
Non-current portion of other provisions	**319**	572

Provision for silicosis settlement

Refer to note 27(a) of the group financial statements for a discussion on the settlement provision. The following is a reconciliation of the company's provision for the silicosis settlement:

	SA Rand	
Figures in million	**2023**	2022
Balance at beginning of year	**641**	668
Change in estimate	**(143)**	18
Time value of money and inflation component	**52**	40
Payments[1]	**(121)**	(85)
Balance at end of year	**429**	641
Current portion of silicosis settlement provision	**141**	109
Non-current portion of silicosis settlement provision	**288**	532

[1] *These payments comprise of the administration and benefit contributions to the Tshiamiso Trust.*

The group's obligation has been allocated to the companies within the group that forms part of the court settlement agreement based on the number of employees at an operation over a period of time. As holding company of the group, Harmony is liable for and will be obligated to settle the portion for companies that no longer form a part of the group.

Sensitivity analysis

Management has considered the information available regarding key assumptions, as well as the uncertainties and term of the projections, and determined variances for a reasonable (possible) range to apply to the key assumptions. Information considered included medical data and evidence from the silicosis claim process, which has not changed significantly since the liability was recognised. Management also considered the guidance provided by the actuarial specialists as to what could be a reasonably possible change for each item.

22 Other provisions continued

Provision for silicosis settlement continued

Sensitivity analysis continued

The impact of these reasonable possible changes on the assumptions would increase or decrease the provision amount by the following amounts:

	SA Rand	
Figures in million	**2023**	2022
Effect of an increase in the assumption:		
Change in benefit take-up rate[1]	**64**	71
Change in silicosis prevalence[2]	**64**	71
Change in disease progression rates[3]	**48**	38
Effect of a decrease in the assumption:		
Change in benefit take-up rate[1]	**(64)**	(71)
Change in silicosis prevalence[2]	**(64)**	(71)
Change in disease progression rates[3]	**(48)**	(38)

[1] *Change in benefit take-up rate: the take-up rate does not significantly affect the administration fees, but a 10% change results in a proportionate change in the base compensation values.*
[2] *Change in silicosis prevalence: the assumptions that will result in a change in the estimated number of cases are either a 10% change in the assumed labour number or a 10% change in the disease risk.*
[3] *Change in disease progression rates: a 10% shorter/longer disease progression period was used, which results in more advanced silicosis cases. This assumption is not applicable to the dependant or TB classes.*

Retirement benefit obligation

Pension and provident funds: Refer to note 27(b) of the group financial statements. Funds contributed by the company for the 2023 year amounted to R139 million (2022: R129 million).

Post-retirement benefits other than pensions: Refer to note 27(b) of the group financial statements for a discussion of the obligation, risks and assumptions used.

23 Other non-current liabilities

	SA Rand	
Figures in million	**2023**	2022
Financial liabilities		
Preference share liability (a)	**29**	33
Lease liability – non-current	**5**	5
Total other non-current liabilities	**34**	38

(a) In 2019, Harmony issued 4 400 000 convertible preference shares to the Harmony Community Trust. The shares carry a minimum preference dividend of R2 per share per annum for the duration of a lock-in period of ten years and are convertible into ordinary shares at Harmony's election after the expiry of the lock-in period. The liability represents the non-current portion of the present value of the future preference dividend payments. The current portion is included in trade and other payables.

24 Borrowings
Summary of facilities' terms

	Commenced	Tenor (years)	Matures	Secured	Security	Interest payment basis	Interest charge	Repayment term	Repaid
Existing									
R2.5 billion revolving credit facility – sustainability linked	May 2022	Four years	May 2026[2]	No	Unsecured	Variable	JIBAR + 2.4%	On maturity	n/a
US$400 million facility – sustainability linked	May 2022	Four years	May 2026[2]	No	Unsecured	Variable		On maturity	n/a
- US$100 million term facility							SOFR + 2.85%		
- US$300 million revolving credit facility							SOFR + 2.70%		
R1.5 billion facility (green term loan)[1]	May 2022	Six years, six months	November 2028	No	Unsecured	Variable	JIBAR + 2.65%	Bi-annual[3]	n/a
Matured									
R2 billion facility	November 2018	Four years	November 2022	Yes	Cession and pledge of operating subsidiaries' shares and claims	Variable			May 2022
- R600 million term loan							JIBAR + 2.9%	Eight equal quarterly instalments starting from February 2021 with the final instalment on maturity	
- R1.4 billion revolving credit facility							JIBAR + 2.8%	On maturity	
US$400 million facility	September 2019	Three years	September 2023	Yes	Cession and pledge of operating subsidiaries' shares and claims	Variable		On maturity	May 2022
- US$200 million revolving credit facility		Extendable by one year					LIBOR + 2.9%		

[1] This facility can only be drawn down for qualifying projects after November 2022.
[2] During April 2023 a 12-month extension has been granted from May 2025. A further 12 month extension is available and is not taken into account.
[3] Ten equal bi-annual instalments starting from May 2024 with the final instalment on maturity.

24 Borrowings continued
Summary of facilities' terms continued

The Green loan can only be used for eligible renewable energy projects defined in the agreement.

The Rand Revolving Credit Facility (RCF), US$ RCF and US$ term loan are linked to certain sustainability-linked key performance indicators (ESG KPIs), which will be measured annually for the current financial year as well as the next two and will result in changes to interest rate margins. The rate will be adjusted annually by one basis point for each metric achieved (decrease) or not (increase), with these adjustments being cumulative over the three-year measuring period. The adjustments to interest rate margins for each financial year's ESG performance would impact the following financial year. The respective ESG KPIs are as follows:

KPI	Unit of measurement	Scope	Sustainability performance targets		
			FY23 Targets	FY24 Targets	FY25 Targets
Greenhouse gas emissions	000 tonnes of Scope 1 and Scope 2 CO_2e emissions	All operations	4 485	4 279	4 074
Renewable energy	Renewable energy consumption as % of total electricity consumed	SA operations	2%	8%	20%
Water consumption	Potable water consumed (Mℓ)	SA operations	20 453	19 833	19 436

Based on the 2023 performance, the interest rates of the related loans will be adjusted accordingly for the 2024 financial year.

Debt covenants

The debt covenant tests for both the Rand and US dollar revolving credit facilities are as follows:
- The group's interest cover ratio shall be more than five times (EBITDA[1]/Total interest paid)
- Leverage[2] shall not be more than 2.5 times.

[1] Earnings before interest, taxes, depreciation and amortisation (EBITDA) as defined in the agreement excludes unusual items such as impairment and restructuring cost.
[2] Leverage is defined as total net debt to EBITDA.

Debt covenants tests were performed for the facilities for the 2023 and 2022 financial years and no breaches were noted. For the 2023 financial year, the group's interest cover ratio was 26 times (2022: 43.4 times), while the group's leverage was 0.2 (2022: 0.1). Management believes that it is very likely that the covenant requirements will be met in the foreseeable future given the current earnings and interest levels.

24 Borrowings continued

Interest-bearing borrowings

Figures in million	SA Rand 2023	2022
Non-current borrowings		
R2 billion facility	—	—
Balance at beginning of year	—	153
Repayments	—	(450)
Transferred (to)/from current liabilities	—	300
Amortisation of issue costs	—	(3)
R2.5 billion facility – sustainability linked	—	—
Balance at beginning of year	—	—
Draw down	700	—
Repayments	(700)	—
Issue costs	—	(26)
Amortisation of issue costs	7	—
Reclassification to prepayments (Trade and other receivables)	(7)	26
R1.5 billion term facility (Green Loan)	—	—
Balance at beginning of year	—	—
Issue costs	—	(15)
Reclassification to prepayments (Trade and other receivables)	—	15
US$400 million facility – sustainability linked	5 592	3 180
Balance at beginning of year	3 180	—
Draw down	2 919	3 057
Issue cost	—	(76)
Repayments	(1 345)	—
Amortisation of issue costs	19	1
Translation	819	198
US$400 million facility	—	—
Balance at beginning of year	—	2 799
Repayments	—	(3 057)
Amortisation of issue costs	—	55
Translation	—	203
Total non-current borrowings	**5 592**	**3 180**
Current borrowings		
US$400 million facility – sustainability linked	103	—
Interest accrued	103	—
R2 billion revolving credit facility	—	—
Balance at beginning of year	—	300
Transferred (to)/from non-current liabilities	—	(300)
Total current borrowings	**103**	**—**
Total interest-bearing borrowings	**5 695**	**3 180**

24 Borrowings continued

Interest-bearing borrowings continued

Figures in million	SA Rand 2023	2022
The maturity of borrowings is as follows:		
Current	103	—
Between one to two years	—	—
Between two to three years	5 592	3 180
Total	**5 695**	**3 180**
Undrawn committed borrowing facilities:		
Expiring within one year	—	—
Expiring after one year	5 883	7 254
Total	**5 883**	**7 254**

	2023	2022
Effective interest rates (%)		
R2 billion facility	—	6.7
US$400 million facility	—	3.4
R2.5 billion RCF – sustainability linked	9.2	—
US$400 million – sustainability linked	6.8	4.3

25 Trade and other payables

Figures in million	SA Rand 2023	2022
Financial liabilities		
Trade payables	62	212
Lease liability – current	5	2
Other liabilities	30	72
Non-financial liabilities		
Payroll accruals	475	481
Leave liability	110	103
Shaft-related and other liabilities	142	124
Value added tax	161	153
Total trade and other payables	**985**	**1 147**

26 Cash generated/(utilised) by operations

	SA Rand	
Figures in million	**2023**	2022
Reconciliation of profit/(loss) before taxation to cash generated by operations:		
Loss before taxation	**(1 273)**	(1 889)
Adjustments for:		
Amortisation and depreciation	**162**	133
Share-based payments	**7**	8
Net decrease in provision for environmental rehabilitation	**(34)**	(8)
Impairment of investments in subsidiaries	**919**	1 509
Net gain on financial instruments	**(39)**	(42)
Dividends received	**(131)**	(123)
Interest received	**(203)**	(137)
Finance costs	**585**	327
Inventory-related adjustments	**11**	(2)
Silicosis settlement provision – net	**(264)**	(67)
Loss allowance	**29**	198
Foreign exchange translation	**819**	401
Non-cash portion of gains on derivatives	**143**	104
Other non-cash adjustments	**(39)**	2
Effect of changes in operating working capital items		
Increase in Receivables	**(522)**	(46)
(Increase)/decrease in Inventories	**141**	(98)
Decrease in Payables	**(168)**	(77)
Cash generated by operations	**143**	193

Additional cash flow information

The income and mining taxes paid in the statement of cash flow represents actual cash paid less refunds received.

At 30 June 2023, R5 883 million (2022: R7 254 million) of borrowing facilities had not been drawn down and is therefore available for future operating activities and future capital commitments. Refer to note 24.

(a) The additions as per note 9 include right-of-use assets which are treated as non-cash adjustments for the determination of additions to property, plant and equipment in the statement of cash flows.

(b) The interest received as per note 6 includes interest received from environmental trust funds which is treated as a non-cash adjustment for the determination of interest received in the statement of cash flows.

(c) The increase as per note 11 includes interest from environmental trust funds which is treated as a non-cash adjustment for the determination of the cash movement in the statement of cash flows.

(d) Cash and cash equivalents comprises cash on hand and demand deposits.

Principal non-cash transactions

- Share-based payments (refer to note 28)
- Investment in subsidiaries arising from share-based payments (refer to note 15).

27 Employee benefits

	SA Rand	
Figures in million	**2023**	2022
Aggregate earnings		
The aggregate earnings of employees including executive directors were:		
Salaries and wages and other benefits (excluding share-based payments)	**1 770**	1 681
Retirement benefit costs	**139**	129
Medical aid contributions	**55**	51
Total aggregated earnings*	**1 964**	1 861
Number of permanent employees as at 30 June	**3 439**	3 612

** These amounts have been included in cost of sales, corporate expenditure and capital expenditure.*

Remuneration for directors and executive management is fully disclosed in Annexure B of this report.

The increase for the 2023 year is mainly attributable to annual inflationary increases. During the 2023 financial year R43 million (2022: R23 million) was included in the payroll cost for termination costs. Termination costs include the costs relating to the voluntary retrenchment process as well as retrenchments due to shaft closures.

28 Share-based payments

The total cost relating to share-based payments for the company is made up as follows:

	SA Rand	
Figures in million	**2023**	2022
Sisonke Employee Share Ownership Plan (Sisonke ESOP)	**—**	3
Management Deferred Share Plan (DSP)	**7**	6
Total share-based payments	**7**	9

Employee share-based payments

The objective of the group's share-based payment schemes is to recognise the contributions of employees to the group's financial position and performance and to retain key employees.

Options granted under the Sisonke ESOP

Refer to note 36 of the group financial statements for the information relating to the Sisonke ESOP. The following information relates specifically to the company:

Activity on share options

	Number of PU	
Activity on PU granted	**2023**	2022
Balance at beginning of year	**—**	482 224
Options granted and accepted	**—**	1 013
Options exercised	**—**	(472 925)
Transfers	**—**	695
Options forfeited and lapsed	**—**	(11 007)
Balance at end of year	**—**	—

	2023	2022
Gain realised by participants on options exercised during the year (R million)	**—**	28
Weighted average share price at the date of exercise (SA Rand)	**—**	58.19

28 Share-based payments continued

Options granted under the Management Deferred Share Plan

Refer to note 36 of the group financial statements for the information relating to the Deferred Share Plan. The following information relates specifically to the company:

	Number of DS	
Activity on DS granted but not exercised	**2023**	2022
Balance at beginning of year	**2 832 674**	1 318 762
Options granted	**1 492 725**	2 150 088
Options exercised	**(857 309)**	(356 124)
Options forfeited and lapsed	**(128 231)**	(280 052)
Balance at end of year	**3 339 859**	2 832 674

List of options granted but not yet exercised (listed by grant date)	**Number of options**	**Remaining life (years)**
As at 30 June 2023		
Deferred shares		
18 September 2019 – 5 years	**85 239**	**1.2**
18 September 2020 – 3 years	**152 889**	**0.2**
18 September 2020 – 5 years	**180 030**	**2.2**
20 September 2021 – 3 years	**842 370**	**1.2**
20 September 2021 – 5 years	**601 208**	**3.2**
19 September 2022 – 3 years	**902 625**	**2.2**
19 September 2022 – 5 years	**575 498**	**4.2**
Total options granted but not yet exercised	**3 339 859**	

	2023	2022
18 September 2019 – 3 years		
Gain realised by participants on options exercised during the year (R million)	**5**	6
Weighted average share price at the date of exercise (SA Rand)	**41.00**	47.24
Remaining life (years)	**—**	0.2
18 September 2019 – 5 years		
Gain realised by participants on options exercised during the year (R million)	**2**	1
Weighted average share price at the date of exercise (SA Rand)	**47.41**	52.80
Remaining life (years)	**1.2**	2.2
18 September 2020 – 3 years		
Gain realised by participants on options exercised during the year (R million)	**6**	8
Weighted average share price at the date of exercise (SA Rand)	**40.84**	47.24
Remaining life (years)	**0.2**	1.2
18 September 2020 – 5 years		
Gain realised by participants on options exercised during the year (R million)	**2**	2
Weighted average share price at the date of exercise (SA Rand)	**47.41**	49.98
Remaining life (years)	**2.2**	3.2
18 September 2021 – 3 years		
Gain realised by participants on options exercised during the year (R million)	**17**	—
Weighted average share price at the date of exercise (SA Rand)	**40.19**	—
Remaining life (years)	**1.2**	—
18 September 2021 – 5 years		
Gain realised by participants on options exercised during the year (R million)	**3**	—
Weighted average share price at the date of exercise (SA Rand)	**47.41**	—
Remaining life (years)	**3.2**	—

29 Related parties

Refer to note 37 in the group financial statements for a discussion on related parties. The services rendered to the subsidiary companies relate primarily to general administration and financial functions. All the production of the company is sent to Rand Refinery in which Harmony holds a 10.38% interest. Refer to note 16.

	SA Rand	
Figures in million	**2023**	2022
Sales and services rendered to related parties		
Direct subsidiaries	**37 049**	32 604
Indirect subsidiaries	**3 395**	3 066
Total	**40 444**	35 670
Purchases and services acquired from related parties		
Indirect associates	**2**	1
Directors	**—**	5
Total	**2**	6

Annexure A of this report contains a full list of the loans to and from subsidiaries. Refer to note 15 for details of expected credit losses made against these loans. All loans except as stated otherwise are unsecured and interest-free and there are no special terms and conditions that apply.

	SA Rand	
Figures in million	**2023**	2022
Outstanding balances due by related parties		
Direct subsidiaries	**4 177**	4 438
Indirect subsidiaries	**514**	46
Total	**4 691**	4 484
Outstanding balances due to related parties		
Direct subsidiaries	**7 070**	4 473
Indirect subsidiaries	**503**	479
Total	**7 573**	4 952

Details of the derivative financial instruments are included in note 13. The balances and movements below relate to the derivative instruments where Harmony and the subsidiaries are the counterparties.

	SA Rand	
Figures in million	**2023**	2022
Derivative assets		
Direct subsidiaries	**1 262**	—
Indirect subsidiaries	**147**	11
Total assets	**1 409**	11
Derivative liabilities		
Direct subsidiaries	**222**	456
Indirect subsidiaries	**134**	159
Total liabilities	**356**	615
Gains/(losses) from back-to-back derivatives with related parties		
Direct subsidiaries	**1 832**	(362)
Indirect subsidiaries	**179**	7
Total	**2 011**	(355)

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30 Commitments and contingencies

Commitments and guarantees

	SA Rand	
Figures in million	**2023**	2022
Capital expenditure commitments		
Contracts for capital expenditure	**111**	86
Authorised by the directors but not contracted for	**35**	109
Total capital commitments	**146**	195

The expenditure will be financed from existing resources and where appropriate, borrowings.

	SA Rand	
Figures in million	**2023**	2022
Guarantees		
Guarantees and suretyships	**7**	7
Environmental guarantees	**318**	317
Total guarantees	**325**	324

At 30 June 2023, R181 million (2022: R150 million) has been pledged as collateral for guarantees in favour of certain financial institutions. Refer to note 11.

Contingent liabilities

Refer to note 38 (b), (c) and (d) of the group financial statements for a discussion on contingent liabilities relevant to the company.

31 Financial risk management

The company's financial instruments expose it to a variety of financial risks: market risk (including commodity price risk, foreign exchange risk, interest rate risk and other price risk), credit risk and liquidity risk. The company may use derivative financial instruments to hedge certain risk exposures. The company's financial assets and liabilities are set out below:

	SA Rand				
Figures in million	**Debt instruments at amortised cost**	**Equity instruments designated at fair value through OCI**	**Derivatives at fair value through profit or loss**	**Debt instruments at fair value through profit or loss**	**Financial liabilities at amortised cost**
At 30 June 2023					
Financial assets					
Restricted cash and investments	**749**	**—**	**—**	**135**	**—**
Loans to subsidiaries	**4 691**	**—**	**—**	**—**	**—**
Other non-current assets	**7**	**73**	**—**	**101**	**—**
Non-current derivative financial instruments	**—**	**—**	**701**	**—**	**—**
– US$ gold contracts	**—**	**—**	**33**	**—**	**—**
– US$ silver contracts	**—**	**—**	**16**	**—**	**—**
– Foreign exchange contracts	**—**	**—**	**148**	**—**	**—**
– Rand gold derivative contracts	**—**	**—**	**504**	**—**	**—**
Current derivative financial instruments	**—**	**—**	**1 086**	**—**	**—**
– US$ gold contracts	**—**	**—**	**53**	**—**	**—**
– US$ silver contracts	**—**	**—**	**28**	**—**	**—**
– Foreign exchange contracts	**—**	**—**	**144**	**—**	**—**
– Rand gold derivative contracts	**—**	**—**	**861**	**—**	**—**
Trade and other receivables	**1 119**	**—**	**—**	**—**	**—**
Cash and cash equivalents	**1 894**	**—**	**—**	**—**	**—**
Financial liabilities					
Non-current derivative financial instruments	**—**	**—**	**721**	**—**	**—**
– US$ gold contracts	**—**	**—**	**33**	**—**	**—**
– US$ silver contracts	**—**	**—**	**16**	**—**	**—**
– Foreign exchange contracts	**—**	**—**	**147**	**—**	**—**
– Rand gold derivative contracts	**—**	**—**	**525**	**—**	**—**
Current derivative financial instruments	**—**	**—**	**1 167**	**—**	**—**
– US$ gold contracts	**—**	**—**	**53**	**—**	**—**
– US$ silver contracts	**—**	**—**	**28**	**—**	**—**
– Foreign exchange contracts	**—**	**—**	**156**	**—**	**—**
– Rand gold derivative contracts	**—**	**—**	**930**	**—**	**—**
Borrowings	**—**	**—**	**—**	**—**	**5 695**
Other non-current liabilities	**—**	**—**	**—**	**—**	**34**
Loans from subsidiaries	**—**	**—**	**—**	**—**	**7 573**
Trade and other payables	**—**	**—**	**—**	**—**	**97**

31 Financial risk management continued

	SA Rand				
Figures in million	Debt instruments at amortised cost	Equity instruments designated at fair value through OCI	Derivatives at fair value through profit or loss	Debt instruments at fair value through profit or loss	Financial liabilities at amortised cost
At 30 June 2022					
Financial assets					
Restricted cash and investments	624	—	—	124	—
Loans to subsidiaries	4 484	—	—	—	—
Other non-current assets	5	71	—	148	—
Non-current derivative financial instruments	—	—	139	—	—
– US$ gold contracts	—	—	20	—	—
– US$ silver contracts	—	—	6	—	—
– Rand gold derivative contracts	—	—	113	—	—
Current derivative financial instruments	—	—	528	—	—
– US$ gold contracts	—	—	35	—	—
– US$ silver contracts	—	—	71	—	—
– Foreign exchange contracts	—	—	12	—	—
– Rand gold derivative contracts	—	—	410	—	—
Trade and other receivables	630	—	—	—	—
Cash and cash equivalents	1 474	—	—	—	—
Financial liabilities					
Non-current derivative financial instruments	—	—	131	—	—
– US$ gold contracts	—	—	20	—	—
– US$ silver contracts	—	—	6	—	—
– Rand gold derivative contracts	—	—	105	—	—
Current derivative financial instruments	—	—	497	—	—
– US$ gold contracts	—	—	35	—	—
– US$ silver contracts	—	—	71	—	—
– Foreign exchange contracts	—	—	11	—	—
– Rand gold derivative contracts	—	—	380	—	—
Borrowings	—	—	—	—	3 180
Other non-current liabilities	—	—	—	—	38
Loans from subsidiaries	—	—	—	—	4 952
Trade and other payables	—	—	—	—	286

Risk management is carried out by a central treasury department (Group treasury) under policies approved by the board of directors. Group treasury identifies, evaluates and hedges certain selected financial risks in close cooperation with the group's operating units. The audit and risk committee and the board provide 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 the investment of excess liquidity.

Market risk
Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities. Foreign exchange risk arises when future commercial transactions or recognised financial assets or liabilities are denominated in a currency that is not the entity's functional currency. There is foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar (US$). Harmony's revenues are sensitive to the R/US$ exchange rate as all revenues are generated by gold sales denominated in US$.

Harmony maintains a foreign currency derivative programme in order to manage the foreign exchange risk. Refer to note 13 for details of the contracts. The audit and risk committee reviews the details of the programme quarterly.

31 Financial risk management continued
Market risk continued
Foreign exchange risk continued

The Rand weakened during the 2023 year by 15.7%, from a closing rate of R16.27/US$1 on 30 June 2022 to R18.83/US$1 on 30 June 2023. The volatility in the exchange rate is driven by global economic factors. Refer to note 4 of the group financial statements for a discussion on some of the factors and their impact. The weakening negatively impacted on the derivative valuations of contracts that were outstanding at 30 June 2023.

The company is exposed to foreign exchange risk arising from borrowings and cash denominated in a currency other than the functional currency of the entity, primarily to the US$. The Rand's levels impacted negatively on the translation of the US$ debt facilities at 30 June 2023. Refer to note 24 for further detail.

The company has reviewed its foreign currency exposure on financial assets and financial liabilities and has identified the following sensitivities in the exchange rates that would affect profit and loss before tax:

- Rand/US$ exchange rate – 5% (2022: 4%) based on the standard deviation from a one-year forecast of various financial institution outlooks.

	SA Rand	
Figures in million	**2023**	2022
Sensitivity analysis – borrowings		
Rand against US$		
Balance at 30 June	**5 695**	3 180
Strengthen by 5% (FY22: 4%)	**285**	127
Weaken by 5% (FY22: 4%)	**(285)**	(127)
Closing rate	**18.83**	16.27
Sensitivity analysis – financial instruments		
Rand against US$		
Balance at 30 June	**(11)**	1
Strengthen by 5% (FY22: 4%)	**40**	2
Weaken by 5% (FY22: 4%)	**(50)**	(2)
Closing rate	**18.83**	16.27

Commodity price sensitivity

The profitability of the company's operations, and the cash flows generated by those operations, are affected by changes in the market price of gold. Harmony entered into derivative contracts to manage the variability in cash flows from the company's production to create cash certainty and protect the company against lower commodity prices. The general limit for gold hedging currently set by the board is 20% for a 24-month period for the Harmony group. Management continues to top up these programmes as and when opportunities arise to lock in attractive margins for the business, but are not required to maintain hedging at these levels. The audit and risk committee reviews the details of the programme quarterly.

Harmony enters into derivative contracts with various financial institutions on behalf of its operations and subsidiaries. Harmony then enters into back-to-back contracts with the subsidiaries. Refer to note 13 and the fair value determination for financial assets and liabilities section below for further detail on these contracts.

The spot gold prices exceeded the forward prices on the rand gold derivative contracts for the majority of the 2023 year. This resulted in a negative impact on the contracts that matured during the year as well as those that were outstanding at the reporting date. Refer to note 4 of the group financial statements for a discussion on the impact of commodity prices and exchange rates.

The company has reviewed its exposure to commodity linked instruments and identified a sensitivity of 7% (2022: 9%) based on the standard deviation of a one-year forecast gold price from various financial institution outlooks. The estimated sensitivity would affect profit or loss in the 2023 financial year.

	SA Rand	
Figures in million	**2023**	2022
Sensitivity analysis		
Rand gold derivatives		
Profit or loss before tax		
Increase by 7% (FY22: 9%)	**(119)**	(73)
Decrease by 7% (FY22: 9%)	**106**	74

31 Financial risk management continued

Market risk continued

Other price risk

The company is exposed to the risk of fluctuations in the fair value of the fair value through profit or loss financial assets as a result of changes in market prices (other than changes in interest rates and foreign currencies). Harmony generally does not use any derivative instruments to manage this risk.

Sensitivity analysis

Certain of the restricted investments are linked to the Top 40 Index on the JSE. Management considered a sensitivity of 6% (2022: 13%) as appropriate, based on the average fluctuations within the last year's historical data. A 6% increase in the Top 40 index at the reporting date, with all other variables held constant, would have increased profit or loss before tax by R4 million (2022: R7 million) and an equal change in the opposite direction would have decreased profit or loss before tax by R4 million (2022: R6 million).

Interest rate risk

The company's interest rate risk arises mainly from borrowings. The company has variable interest rate borrowings. Variable rate borrowings expose the group to cash flow interest rate risk.

During the 2023 year the US Fed and SARB increased interest rates by 350 basis points. The higher interest rates together with the increased borrowings, led to an unfavourable impact on the company's cost of debt. However, the increased interest rates had a positive effect on the investment income earned on cash balances and restricted cash and investments. Although higher interest rates along with increased debt levels had an unfavourable impact on the company's finance costs for the 2023 year, the company has not entered into interest rate swap agreements as the interest rate risk continues to be assessed as low. The audit and risk committee reviews the group's risk exposure quarterly.

Interest rate risk arising from borrowings is offset by cash and restricted cash and investments held at variable rates. As at 30 June 2023, management reasonably expects profit or loss before tax to increase/(decrease) by the following sensitivities:

- A 15 basis points (2022: 185 basis point) finance cost movement based on the average of a one-year forecast US Fed rate from various financial institution outlooks
- A 50 basis points (2022: 88 basis points) sensitivity on interest received based on the average of a one-year forecast of the South African prime interest rate from various financial institution outlooks.

The above analysis assumes that all other variables remain constant.

	SA Rand	
Figures in million	**2023**	2022
Sensitivity analysis – borrowings (finance costs)		
US$-denominated borrowings		
Increase by 15 basis point (FY22: 185 basis point)	**(9)**	(59)
Decrease by 15 basis points (FY22: 185 basis point)	**9**	59
Sensitivity analysis – financial assets (interest received)		
Increase by 50 basis points (FY22: 88 basis points)	**13**	19
Decrease by 50 basis points (FY22: 88 basis points)	**(13)**	(19)

Credit risk

Credit risk is the risk that a counterparty may default or not meet its obligations in a timely manner. Financial instruments that are subject to credit risk are restricted cash and investments, derivative financial instruments and cash and cash equivalents, as well as trade and other receivables (excluding non-financial instruments).

Assessment of credit risk

In assessing the creditworthiness of local institutions, management uses the national scale long-term ratings. The credit risk arising from cash and cash equivalents, restricted cash and investments and derivative financial assets is managed by ensuring amounts are only invested with financial institutions of good credit quality based on external credit ratings. The group has policies that limit the amount of credit exposure to any one financial institution. The audit and risk committee reviews the exposure on a quarterly basis. Exposure to credit risk on trade and other receivables is monitored on a regular basis by management.

The method of assessing the exposure to credit risk for the loans to the company's subsidiaries is detailed in note 15.

31 Financial risk management continued

Credit risk continued

Financial institutions' credit rating by exposure (Source: Fitch Ratings and Global Credit Ratings)

	SA Rand	
Figures in million	**2023**	2022
Cash and cash equivalents		
AA+	**1 894**	1 474
Total	**1 894**	1 474
Restricted cash and investments		
AA+	**870**	729
Total	**870**	729
Derivative financial assets (a)		
AA+	**117**	226
AA	**—**	115
AA-	**127**	110
A+	**135**	205
Total	**379**	656

(a) The amounts disclosed in accordance with each counterparty's risk relate to the entire Harmony group. As at 30 June 2023, 6% (2022: 6%) is attributable to the Harmony company, while 94% (2022: 94%) is attributable to the subsidiaries of the group.

The Social Plan Trust fund of R14 million (2022: R19 million) has been invested in unit trusts comprising interest-bearing instruments and shares in listed companies.

The company's maximum exposure to credit risk is represented by the carrying amount of all financial assets determined to be exposed to credit risk, amounting to R10 483 million as at 30 June 2023 (2022: R7 920 million).

Expected credit loss assessment

The company determines expected credit losses on cash and cash equivalents, restricted cash and investments, and trade and other receivables on the same basis as described in note 39 of the group financial statements. Expected credit losses on loans to subsidiaries are determined as described in note 15. The majority of the loans to subsidiaries are repayable on demand and therefore not past due. The 12-month ECL for all performing loans to subsidiaries was assessed to be immaterial.

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions which are rated AA+ (see above). The ECL on cash and cash equivalents has been determined using the simplification that allows the group to assume that the credit risk on financial instruments determined to have low credit risk at the reporting date, has not increased significantly since initial recognition of the financial instrument. The ECL was estimated with reference to a probability of default model using external credit ratings in determining the default risk of counterparties. The ECL was determined to be immaterial.

Restricted cash and investments

Restricted cash and investments relate largely to the environmental trust funds. These funds are held with banks and financial institutions that are rated AA+ (see above). Impairment of these investments has been determined using the simplification that allows the group to assume that the credit risk on financial instruments determined to have low credit risk at the reporting date, has not increased significantly since initial recognition of the financial instrument. The company considers that its restricted investments and cash have low credit risk based on the external credit ratings of the counterparties with which the funds are deposited. The ECL was estimated with reference to a probability of default model using external credit ratings in determining the default risk of counterparties. Concentration of credit risk on restricted cash and investments is considered minimal due to the company's investment risk management and counterparty exposure risk management policies. The ECL was determined to be immaterial.

Trade and other receivables

The company's exposure to credit risk arising from trade receivables (metals) and other trade receivables is influenced mainly by the individual characteristics of each customer.

Trade receivables result largely from the sale of gold and are fully performing. Exposure to credit risk on receivables from gold sales is limited through payment terms of two to three days after recognition of revenue for gold sales. The majority of other receivables comprise a limited number of individually significant customers. The company determines the ECL on trade receivables and individually significant other receivable balances with reference to a probability of default model using external credit ratings in determining the default risk of counterparties. The external credit ratings used range between BBB to AA-. The ECL was determined to be immaterial.

31 Financial risk management continued
Credit risk continued
Expected credit loss assessment continued
***Trade and other receivables* continued**

Loss allowances on individually insignificant other trade receivables has been determined using the simplified ECL approach using a provision matrix and reflects the short-term maturities of the exposures and past experienced credit judgement. Refer to note 12 for details on the amount of the loss allowance recognised and the stratification of trade and other receivables for purposes of the assessment.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities.

In the ordinary course of business, the company receives cash from its operations and is required to fund working capital and capital expenditure requirements. Management prepares cash flow forecasts weekly and ensures that surplus funds are invested in a manner to achieve market-related returns and to provide sufficient liquidity at the minimum risk. The company maintains and refinances committed credit facilities as medium-term forecasts require. The audit and risk committee reviews the updated forecasts quarterly. The company is able to actively source financing at competitive rates. Where necessary, funds will be drawn from its revolving credit facilities (refer to note 24).

The following are the undiscounted contractual maturities of financial liabilities (including principal and interest payments assuming the closing R/US$ exchange rate and interest rate at year-end):

	SA Rand			
Figures in million	2023		2022	
	Current	More than 1 year	Current	More than 1 year
Trade and other payables (excluding non-financial liabilities)[2]	97	—	285	—
Other non-current liabilities[2]	—	34	—	38
Derivative financial liabilities (a)[2]				
Due between 0 to six months	49	—	—	—
Due between six to 12 months	51	—	—	—
Due between one to two years	—	65	—	—
Loans from subsidiaries[1]	7 573	—	4 952	—
Borrowings[2]				
Due between 0 to six months	597	—	72	—
Due between six to 12 months	215	—	68	—
Due between one to two years	—	431	—	137
Due between two to three years[3]	—	5 660	—	3 251
Total	8 582	6 190	5 377	3 426

[1] Loans from subsidiaries are payable on demand. Refer to note 15 for details.
[2] The company will utilise its cash generated from operations to settle outstanding obligations.
[3] Final repayment of capital amount of R5 271 million in May 2026, taking into account a 12-month extension that was granted in April 2023. The final payment for 2022 was R3 126 million in May 2025.

(a) Derivative financial liabilities are a result of the following:

	SA Rand			
Figures in million	2023		2022	
	Current	More than 1 year	Current	More than 1 year
Derivative financial liabilities	100	65	—	—
Attributable to:				
Payable to external counterparties	1 248	812	9	3
Receivable from Harmony subsidiaries	(1 148)	(747)	(9)	(3)
Net	100	65	—	—

31 Financial risk management continued
Capital risk management

The primary objective of managing the company's capital is to ensure that there is sufficient capital available to support the funding requirements of the company, in a way that optimises the cost of capital and matches the current strategic business plan. The company manages and makes adjustments to the capital structure, which consists of debt and equity, as and when borrowings mature or when funding is required. This may take the form of raising equity, market or bank debt or hybrids thereof. In doing so, the company ensures it stays within the debt covenants agreed with lenders. The company may also sell assets to reduce debt or schedule projects to manage the capital structure.

The consideration of R2 996 million for the acquisition of Eva Copper is the main contributor to the company's increased net debt compared to 30 June 2022. It remains the company's objective to adhere to a conservative approach to debt and maintain low levels of gearing.

Net debt is as follows:

	SA Rand	
Figures in million	2023	2022
Cash and cash equivalents	1 894	1 474
Borrowings	(5 695)	(3 180)
Net debt	(3 801)	(1 706)

There were no changes to the company's approach to capital management during the year.

Fair value determination of financial assets and liabilities

The fair value levels of hierarchy are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from other prices)
Level 3: Inputs for the asset that are not based on observable market data (that is, unobservable inputs).

The following table sets out the company's assets and liabilities measured at fair value by level within the fair value hierarchy:

	SA Rand			
Figures in million	At 30 June 2023		At 30 June 2022	
	Level 2	Level 3	Level 2	Level 3
Fair value through other comprehensive income				
Other non-current assets (a)	—	73	—	71
Fair value through profit or loss				
Restricted investments (b)	135	—	124	—
Derivative financial assets (c)	1 787	—	667	—
Derivative financial liabilities (c)	(1 888)	—	(628)	—
Loan to ARM BBEE Trust (d)	—	101	—	148

(a) The majority of the balance relates to the equity investment in Rand Mutual Assurance. The fair value of the investment was estimated with reference to an independent valuation. A combination of the "Embedded Valuation" and "Net Asset Value" techniques were applied to revalue the investment at the reporting dates. In evaluating the group's share of the business, common practice marketability and minority discounts, as well as additional specific risk discounts, were applied. There are no inputs to the valuation that a reasonably possible change would result in a material change in the fair value of the investment.

(b) The majority of the balance is directly derived from the Top 40 index on the JSE, and is discounted at market interest rate. This relates to equity-linked deposits in the group's environmental rehabilitation trust funds. The balance of the environmental trust funds is carried at amortised cost and therefore not disclosed here

(c) The mark-to-market remeasurement of the derivative contracts (refer to note 19 of the group financials for further details) was determined as follows:
- Foreign exchange contracts comprise zero cost collars and FECs: The zero cost collars were valued using a Black-Scholes valuation technique derived from spot Rand/US$ exchange rate inputs, implied volatilities on the Rand/US$ exchange rate, Rand/US$ inter-bank interest rates and discounted at market interest rate (zero-coupon interest rate curve). The value of the FECs is derived from the forward Rand/US$ exchange rate and discounted at market interest rate (zero-coupon interest rate curve)
- Rand gold contracts (forward sale contracts): spot Rand/US$ exchange rate, Rand and dollar interest rates (forward points), spot US$ gold price, differential between the US interest rate and gold lease interest rate which is discounted at market interest rate.

31 Financial risk management continued

Fair value determination of financial assets and liabilities continued

(d) At 30 June 2023, the fair value movement was calculated using a discounted cash flow model, taking into account forecast dividend payments over the estimated repayment period of the loan at a rate of 12.7% (2022: 9.3%). A 37 basis points (2022: 99 basis points) change in the discount rate, which would represent a reasonably possible change based on expected movements in lending rates, would not cause a material change in the fair value of the loan. The loan balance forms part of other non-current assets in the balance sheet. In the 2023 year, repayments to the value of R74 million (2022: R65 million) were received.

The carrying values (less any impairment allowance) of short-term financial instruments are assumed to approximate their fair values. This includes restricted cash and investments and loans with subsidiaries carried at amortised cost. The fair values of borrowings are not materially different to their carrying amounts since the interest payable on those borrowings is at floating interest rates. The fair value of borrowings is based on discounted cash flows using a current borrowing rate. The determination of the fair values are level 3 in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

32 Restatements

Correction of prior period error

An error was identified relating to the incorrect disclosure of the cash outflow of the increase of investment in subsidiaries, which was previously disclosed as part of the decrease of loans to other subsidiaries line item on the cash flow statement. The increase in investment to subsidiaries has now been disaggregated from the decrease of loans to other subsidiaries line item. Management has therefore restated the cash flow statement for the 2022 financial year. This restatement had no impact on the income statement, statement of comprehensive income, balance sheet, statement of changes in shareholder's equity and other note disclosures.

The changes to the cash flow statement for the year ended 30 June 2022:

	SA Rand		
Figures in million		2022	
	Reported	Restated	Adjustment
Cash flow from investing activities			
Increase in investment in subsidiaries	—	(649)	(649)
Decrease in loans to other subsidiaries	776	1 425	649
Cash generated/(utilised) by investing activities	560	560	—
Increase/(decrease) in cash and cash equivalents	(188)	(188)	—
Cash and cash equivalents – beginning of year	1 662	1 662	—
Cash and cash equivalents – end of year	1 474	1 474	—

The restatement did not have any impact on cash flows from operating and financing activities.

33 Going concern

The financial statements are prepared on a going concern basis. Based on the directors analysis of future cash flow requirements and in accordance with the solvency and liquidity test in terms of section 4 of the Companies Act:

- the company's assets, fairly valued, exceeds its liabilities, fairly valued
- the company will be able to pay its debts as they become due in the ordinary course of business for the 12 months following 30 June 2023. The company's current liabilities exceed its current assets, however, the directors believe that the company has sufficient resources and expected cash flows to continue operating as a going concern.

The directors are comfortable that the company will be able to continue as a going concern and therefore support the preparation of the financial statements on a going concern basis.

34 Subsequent events

(a) On 3 July 2023 a payment of US$24 million (R450 million), comprising US$20 million of capital and US$4 million of interest, was made on the US$300 million RCF.

(b) On 29 August 2023, a final dividend of 75 SA cents was declared, paid on 16 October 2023.

(c) On 6 September 2023 a payment of US$32 million (R600 million), comprising US$30 million of capital and US$2 million of interest, was made on the US$300 million RCF.

(d) On 8 September 2023 a payment of US$54 million (R994 million), comprising US$50 million of capital and US$4 million of interest, was made on the US$300 million RCF.

ANNEXURE A

Statement of group companies at 30 June 2023

Company	Country incorporated in	Issued share capital R 000	Effective group interest 2023 %	Effective group interest 2022 %	Cost of investment by holding company[1] 2023 Rm	Cost of investment by holding company[1] 2022 Rm	Loans from/(to) holding company 2023 Rm	Loans from/(to) holding company 2022 Rm
Direct subsidiaries:								
Dormant								
AGA Security Services (Proprietary) Limited	(a)	#	**100**	100	**—**	—	**—**	—
Coreland Property Management (Proprietary) Limited[2]	(a)	#	**100**	100	**—**	—	**—**	—
First Uranium (Proprietary) Limited	(a)	2	**100**	100	**—**	—	**90**	90
Harmony Engineering (Proprietary) Limited[2]	(a)	#	**100**	100	**2**	2	**(4)**	(4)
Harmony Gold (Management Services) (Proprietary) Limited[2]	(a)	#	**100**	100	**—**	—	**—**	—
Harmony Gold Limited	(b)	#	**100**	100	**—**	—	**—**	—
Harmony Precision Casting Company (Proprietary) Limited[2]	(a)	358	**100**	100	**—**	—	**—**	—
Masakhisane Investment (Proprietary) Limited	(a)	#	**100**	100	**—**	—	**—**	—
Musuku Beneficiation Systems (Proprietary) Limited[2]	(a)	#	**100**	100	**—**	—	**—**	—
Unisel Gold Mines Limited	(a)	23 136	**100**	100	**89**	89	**(89)**	(89)
Virginia Salvage (Proprietary) Limited[3]	(a)	2	**90**	90	**—**	—	**—**	—
Exploration								
Lydenburg Exploration Limited	(a)	42 792	**100**	100	**103**	103	**(106)**	(106)
Gold mining								
African Rainbow Minerals Gold Limited	(a)	96	**100**	100	**2 432**	2 432	**—**	—
Avgold Limited	(a)	6 827	**100**	100	**3 382**	4 295	**3 750**	2 500
Freegold (Harmony) (Proprietary) Limited	(a)	20	**100**	100	**893**	870	**(4 726)**	(4 208)
Golden Core Trade and Invest (Proprietary) Limited	(a)	#	**100**	100	**22**	10	**(1 187)**	731
Harmony Moab Khotsong Operations (Proprietary) Limited	(a)	#	**100**	100	**83**	68	**(727)**	426
Randfontein Estates Limited	(a)	19 882	**100**	100	**1 822**	1 802	**310**	678
Tswelopele Beneficiation Operation (Proprietary) Limited	(a)	5 996	**76**	76	**50**	50	**(225)**	(66)
Investment holding								
ARMgold/Harmony Joint Investment Company (Proprietary) Limited	(a)	#	**100**	100	**—**	—	**—**	—
Bokamoso Claims Management Systems (Proprietary) Ltd	(a)	#	**100**	100	**—**	—	**9**	—
Harmony Community Trust	(a)	#	**100**	100	**—**	—	**(6)**	—
Harmony Copper Limited	(a)	12 955 523	**100**	100	**16 334**	12 989	**5**	—
Own Kind Mineral Resources (Proprietary) Limited	(d)	#	**100**	100	**—**	—	**—**	—
West Rand Consolidated Mines Limited	(a)	17 967	**100**	100	**321**	321	**13**	13
Property holding and development								
Coreland Property Development Company (Proprietary) Limited	(a)	#	**100**	100	**—**	—	**—**	—
La Riviera (Proprietary) Limited	(a)	#	**100**	100	**—**	—	**—**	—
Lozitone (Proprietary) Limited	(a)	#	**100**	100	**—**	—	**—**	—

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Company	Country incorporated in	Issued share capital R 000	Effective group interest 2023 %	Effective group interest 2022 %	Cost of investment by holding company[1] 2023 Rm	Cost of investment by holding company[1] 2022 Rm	Loans from/(to) holding company 2023 Rm	Loans from/(to) holding company 2022 Rm
Indirect subsidiaries:								
Dormant								
Aurora Gold (WA) (Proprietary) Limited	(c)	163 115	**100**	100	**—**	—	**—**	—
Aurora Gold Australia (Proprietary) Limited	(c)	58	**100**	100	**—**	—	**—**	—
Australian Ores & Minerals (Proprietary) Limited	(c)	8 766	**100**	100	**—**	—	**—**	—
Carr Boyd Minerals (Proprietary) Limited	(c)	402 414	**100**	100	**—**	—	**—**	—
Harmony Eva Copper (Cloncurry) (Proprietary) Limited[4]	(c)	#	**100**	—	**—**	—	**—**	—
Harmony Gold Securities (Proprietary) Limited	(c)	#	**100**	100	**—**	—	**—**	—
Harmony Gold WA (Proprietary) Limited	(c)	#	**100**	100	**—**	—	**—**	—
Jeanette Gold Mines (Proprietary) Limited	(a)	#	**87**	87	**—**	—	**—**	—
Loraine Gold Mines Limited	(a)	#	**100**	100	**—**	—	**—**	—
Mine Waste Solutions (Proprietary) Limited	(a)	#	**100**	100	**—**	—	**29**	29
New Hampton Goldfields Limited	(c)	196 248	**100**	100	**—**	—	**—**	—
Potchefstroom Gold Areas Limited[2]	(a)	8 407	**100**	100	**—**	—	**—**	—
Potchefstroom Gold Holdings (Proprietary) Limited[2]	(a)	2	**100**	100	**—**	—	**—**	—
Remaining Extent and Portion 15 Wildebeestfontein (Proprietary) Limited[1]	(a)	#	**67**	67	**—**	—	**—**	—
Venda Gold Mining Company (Proprietary) Limited[3]	(a)	#	**100**	100	**—**	—	**—**	—
Exploration								
Eva Copper Mine (Proprietary) Limited[4]	(c)	#	**100**	—	**—**	—	**—**	—
Harmony Gold (Exploration) (Proprietary) Limited	(a)	10	**100**	100	**—**	—	**(3)**	(3)
Harmony Gold (PNG) Exploration Limited	(e)	#	**100**	100	**—**	—	**—**	—
Morobe Exploration Limited	(e)	1 104	**100**	100	**—**	—	**—**	—
Roseby Copper (Proprietary) Limited[4]	(c)	69 931	**100**	—	**—**	—	**—**	—
Roseby Copper (South) (Proprietary) Limited[4]	(c)	#	**100**	—	**—**	—	**—**	—
Gold mining								
Chemwes (Proprietary) Limited	(a)	3	**100**	100	**8**	4	**485**	15
Kalahari Goldridge Mining Company Limited	(a)	1 275	**100**	100	**68**	64	**(500)**	(474)
Investment								
Abelle Limited	(c)	488 062	**100**	100	**—**	—	**—**	—
Aurora Gold Finance (Proprietary) Limited	(c)	#	**100**	100	**—**	—	**—**	—
Aurora Gold Limited	(c)	685 006	**100**	100	**—**	—	**—**	—
Aurora Gold (Wafi) (Proprietary) Limited	(c)	#	**100**	100	**—**	—	**—**	—
Harmony Eva Copper Services (Proprietary) Limited[4]	(c)	1 182 398	**100**	—	**—**		**—**	—
Harmony Gold Australia (Proprietary) Limited[5]	(c)	13 488 155	**100**	100	**270**	249	**—**	—
Harmony Gold Operations Limited	(c)	405 054	**100**	100	**—**	—	**—**	—
Harmony Minerals (Australia) (Proprietary) Limited[4]	(c)	863 302	**100**	—	**—**	—	**—**	—
Mineral right investment								
Morobe Consolidated Goldfields Limited	(e)	#	**100**	100	**—**	—	**—**	—
Wafi Mining Limited	(e)	#	**100**	100	**—**	—	**—**	—

Company	Country incorporated in	Issued share capital R 000	Effective group interest 2023 %	Effective group interest 2022 %	Cost of investment by holding company[1] 2023 Rm	Cost of investment by holding company[1] 2022 Rm	Loans from/(to) holding company 2023 Rm	Loans from/(to) holding company 2022 Rm
Property and development								
Quarrytown Limited	(a)	#	**100**	100	**—**	—	**—**	—
Mining-related services								
Harmony Gold (PNG Services) (Proprietary) Limited	(c)	#	**100**	100	**—**	—	**—**	—
Margaret Water Company NPC	(a)	#	**66**	66	**—**	—	**—**	—
Covalent Water Company (Proprietary) Limited	(a)	#	**100**	100	**—**	—	**—**	—
Other								
Harmony BEE SPV (Proprietary) Limited	(a)	#	**100**	100	**—**	—	**—**	—
Nufcor Fuels Corporation of South Africa (Proprietary) Limited	(a)	#	**100**	100	**—**	—	**—**	—
Middelvlei Development Company (Proprietary) Limited	(a)	#	**100**	100	**—**	—	**—**	—
Total					**25 879**	23 348	**(2 882)**	(468)
Total investments							**22 997**	22 880
Joint venture – direct:								
Agent K (Proprietary) Limited[6]	(a)	2	**22**	22	**—**	—	**—**	—
Joint operations – indirect:								
Morobe Exploration Services Limited	(e)	$	**50**	50	**—**	—	**—**	—
Wafi Golpu Services Limited	(e)	$	**50**	50	**—**	—	**—**	—
Wafi Golpu Australia Services (Proprietary) Limited	(c)	$	**50**	50	**—**	—	**—**	—
Associate company – direct:								
Gold mining company								
Pamodzi Gold Limited	(a)	30	**32**	32	**—**	—	**—**	—
Associate company – indirect:								
Gold refining								
Rand Refinery	(a)	786	**10**	10	**—**	—	**—**	—
Exploration								
Jelani Resources (Proprietary) Limited	(a)	#	**35**	35	**—**	—	**—**	—

For its interest in joint operations, the group includes its share of the joint operations' individual income and expenses, assets and liabilities in the relevant components of the financial statements on a line-by-line basis.

Investments in associates are accounted for by using the equity method of accounting. Equity accounting involves recognising in the income statement the group's share of associates' profit or loss for the period. The group's interest in the associate is carried on the balance sheet at an amount that reflects the cost of the investment, the share of post-acquisition earnings and other movement in the reserves.

[1] *This is the carrying amount of the investment. Refer to note 15 for further detail.*
[2] *Liquidation process commenced.*
[3] *In final stages of liquidation order.*
[4] *Acquired on 16 December 2022 as part of the Eva Copper acquisition.*
[5] *The R270 million (2022: R249 million) relates to the share-based payments from Harmony to employees of its indirect subsidiary, shown as an investment.*
[6] *This is a special purpose vehicle incorporated as the agent representing Harmony and the other settling companies' interests for purposes of the silicosis settlement agreement and trust deed. Joint control of this entity is established in accordance with the shareholders agreement. Refer to note 22 to note for further information on the silicosis settlement.*

[$] *Indicates a share in the joint venture's capital assets*
[#] *Indicates issued share capital of R1 000 or less*
(a) Incorporated in the Republic of South Africa
(b) Incorporated in the Isle of Man
(c) Incorporated in Australia
(d) Incorporated in Zimbabwe
(e) Incorporated in Papua New Guinea

ANNEXURE B

Directors' emoluments (R 000)

Name	Directors' fees[1] 2023	Salaries and benefits 2023	Retirement savings & contributions during the year 2023	Bonuses paid[2] 2023	Total 2023	Total 2022
Non-executive						
Dr Patrice Motsepe	**2 014**	—	—	—	**2 014**	1 636
Joaquim Chissano[3]	**368**	—	—	—	**368**	724
Fikile De Buck[4]	—	—	—	—	—	637
Dr Simo Lushaba[4]	—	—	—	—	—	591
Modise Motloba[5]	**18**	—	—	—	**18**	1 494
Dr Mavuso Msimang	**1 222**	—	—	—	**1 222**	1 076
Karabo Nondumo	**1 878**	—	—	—	**1 878**	1 183
Bongani Nqwababa[6]	**1 471**	—	—	—	**1 471**	111
Vishnu Pillay	**1 332**	—	—	—	**1 332**	1 220
Martin Prinsloo[6]	**1 346**	—	—	—	**1 346**	111
Given Sibiya	**1 006**	—	—	—	**1 006**	820
Peter Turner	**1 181**	—	—	—	**1 181**	977
John Wetton	**1 541**	—	—	—	**1 541**	1 310
Andre Wilkens[3]	**497**	—	—	—	**497**	1 028
Executive						
Boipelo Lekubo	—	**7 493**	**436**	**2 296**	**10 225**	11 238
Dr Harry Mashego	—	**5 403**	**817**	**1 801**	**8 021**	8 956
Peter Steenkamp	—	**9 687**	**1 734**	**3 736**	**15 157**	17 723
Prescribed officers						
Anton Buthelezi[7]	—	**4 915**	**726**	**1 565**	**7 206**	4 494
Melanie Naidoo-Vermaak[7]	—	**4 933**	**787**	**1 695**	**7 415**	4 565
Beyers Nel	—	**6 242**	**1 067**	**1 777**	**9 086**	9 834
Phillip Tobias[8]	—	—	—	—	—	9 309
Marian van der Walt	—	**4 787**	**781**	**1 551**	**7 119**	8 327
Johannes van Heerden[9]	—	**9 080**	**329**	**1 977**	**11 386**	12 056
Total	**13 874**	**52 540**	**6 677**	**16 398**	**89 489**	99 420

[1] Directors' remuneration excludes value added tax.
[2] Reflects amounts actually paid during the year.
[3] Retired as non-executive director effective 29 November 2022.
[4] Retired as non-executive director effective 7 December 2021.
[5] Resigned as non-executive director effective 27 June 2022. This includes fees paid in July 2023.
[6] Appointed as non-executive director on 18 May 2022.
[7] Classified as prescribed officer on 21 February 2022.
[8] Resigned as prescribed officer effective 14 November 2021.
[9] Salary is paid in A$ and the Rand equivalent is influenced by the weakening or strengthening of the Rand/A$ exchange rate.

ANNEXURE B *continued*

Executive directors and management share incentives
As at 30 June 2023

	Executive directors						Prescribed officers												Other			
	Peter Steenkamp		Boipelo Lekubo		Harry Mashego		Anton Buthelezi		Melanie Naidoo-Vermaak		Beyers Nel		Marian van der Walt		Johannes Van Heerden		Other management		Total	
Movements on share incentives	Number of awards	Average price (Rand)	Number of awards	Average price (Rand)	Number of awards	Average price (Rand)	Number of awards	Average price (Rand)	Number of awards	Average price (Rand)	Number of awards	Average price (Rand)	Number of awards	Average price (Rand)	Number of awards	Average price (Rand)	Number of awards	Average price (Rand)	Number of awards	Average price (Rand)
Deferred management shares																				
Opening balance at 1 July 2022	377 679	n/a	190 989	n/a	170 168	n/a	77 751	n/a	83 445	n/a	173 360	n/a	122 188	n/a	220 229	n/a	3 033 482	n/a	4 449 291	n/a
Awards granted	149 043	n/a	91 617	n/a	71 884	n/a	62 465	n/a	67 655	n/a	70 925	n/a	61 909	n/a	78 895	n/a	1 663 861	n/a	2 318 254	n/a
Awards exercised/vested	(72 327)		(25 700)		(18 102)		(31 675)		(34 901)		(18 421)		(24 819)		(23 868)		(1 230 353)		(1 480 166)	
– Average sales price	—	41.64	—	41.64	—	41.64	—	41.64	—	41.64	—	41.64	—	41.64	—	41.64	—	41.64	—	41.64
– Gain realised on awards exercised and settled (SA Rand)		3 428 944		1 218 409		858 196		1 501 677		1 654 618		873 319		1 176 641		1 131 556		49 790 564		61 633 924
Awards forfeited and lapsed	—	n/a	—	n/a	—	n/a	—	n/a	—	n/a	—	n/a	—	n/a	—	n/a	(201 859)	n/a	(201 859)	n/a
Closing balance at 30 June 2023	**454 395**	**n/a**	**256 906**	**n/a**	**223 950**	**n/a**	**108 541**	**n/a**	**116 199**	**n/a**	**225 864**	**n/a**	**159 278**	**n/a**	**275 256**	**n/a**	**3 265 131**	**n/a**	**5 085 520**	**n/a**
Gain realised on awards exercised (SA Rand)		3 428 944		1 218 409		858 196		1 501 677		1 654 618		873 319		1 176 641		1 131 556		49 790 564		61 633 924
Outstanding awards (listed by allocation date)																				
Deferred management shares	**454 395**		**256 906**		**223 950**		**108 541**		**116 199**		**225 864**		**159 278**		**275 256**		**3 265 131**		**5 085 520**	
18 September 2019	38 920	n/a	—	n/a	23 237	n/a	—	n/a	—	n/a	23 082	n/a	—	n/a	43 095	n/a	—	n/a	128 334	n/a
18 September 2020	66 379	n/a	45 994	n/a	33 664	n/a	7 104	n/a	8 516	n/a	33 993	n/a	8 538	n/a	49 061	n/a	245 761	n/a	499 010	n/a
20 September 2021	200 053	n/a	119 295	n/a	95 165	n/a	38 972	n/a	40 028	n/a	97 864	n/a	88 831	n/a	104 205	n/a	1 399 246	n/a	2 183 659	n/a
19 September 2022	149 043	n/a	91 617	n/a	71 884	n/a	62 465	n/a	67 655	n/a	70 925	n/a	61 909	n/a	78 895	n/a	1 620 124	n/a	2 274 517	n/a
Closing balance at 30 June 2023	**454 395**		**256 906**		**223 950**		**108 541**		**116 199**		**225 864**		**159 278**		**275 256**		**3 265 131**		**5 085 520**	

Stock exchange listings and ticker codes

Harmony's primary listing is on the JSE. It is also quoted in the form of American depositary receipts on the New York Stock Exchange. Harmony's ticker codes on these exchanges are shown below:

JSE		**HAR**
New York Stock Exchange		**HMY**
Share information		
Sector		Resources
Sub-sector		Gold
Issued share capital at 30 June 2023		618 071 972
Market capitalisation		
at 30 June 2023		R49.0 billion or US$2.6 billion
at 30 June 2022		R32.0 billion or US$2.0 billion
Share price statistics – FY23		
JSE:	12-month high	R99.69
	12-month low	R34.12
	Closing price as at 30 June 2023	R79.25
New York Stock Exchange:	12-month high	US$5.28
	12-month low	US$2.00
	Closing price as at 30 June 2023	US$4.20
Free float		100%
ADR ratio		1:1

Shareholder spread as at 30 June 2023

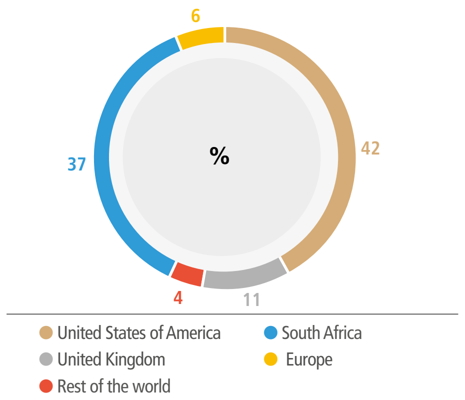
Shareholder spread	Number of shareholders	% of shareholders	Number of shares	% of issued share capital
1 – 1 000 shares	12 970	88.55	1 361 884	0.22
1 001 – 10 000 shares	1 011	6.90	3 182 725	0.51
10 001 – 100 000 shares	462	3.15	16 791 659	2.73
100 001 – 1 000 000 shares	164	1.12	54 135 656	8.76
1 000 001 shares and above	40	0.27	542 600 048	87.79
Total	**14 647**	**100**	**618 071 972**	**100**

Analysis of ordinary shares as at 30 June 2023

Shareholder type	Number of shareholders	% of shareholders	Number of shares	% of issued share capital
Public shareholders	14 632	99.90	458 659 145	74.21
Non-public shareholders*	15	0.10	159 412 827	25.79
Total	**14 647**	**100.00**	**618 071 972**	**100.00**
** Breakdown of non-public shareholders:*				
Share option schemes	*1*	*0.01*	*320 651*	*0.05*
Holdings of more than 10%	*5*	*0.03*	*158 268 259*	*25.61*
Directors[1]	*4*	*0.03*	*652 241*	*0.11*
Prescribed officers[2]	*4*	*0.03*	*171 341*	*0.03*
Subsidiaries	*1*	*0.01*	*335*	*—*

[1] Held by Peter Steenkamp, Boipelo Lekubo and Harry Ephraim Mashego.
[2] Held by Beyers Nel, Marian van der Walt, Melanie Naidoo-Vermaak and Johannes van Heerden.

Geographic representation of shareholders at 30 June 2023



The Public Investment Corporation of South Africa (PIC) is our largest shareholder with a 12.68% stake. Our remaining shareholders are geographically diverse and include some of the largest fund managers globally. The largest shareholder base is in the United States (42%), followed by South Africa (37%).

Ownership summary as at 30 June 2023 – top 10 shareholders (by group)

Rank	Top 10 shareholders	% holding 30 June 2023
1	Public Investment Corporation of South Africa	12.68
2	African Rainbow Minerals Ltd	12.08
3	Van Eck Associates Corporation	9.53
4	Lingotto Investment Management, LLP	5.85
5	BlackRock Inc	4.69
6	The Vanguard Group Inc	3.47
7	Fairtree Asset Management Pty Ltd	3.22
8	Kopernik Global Investors, LLC	2.84
9	Dimensional Fund Advisers	1.82
10	Polunin Capital Partners Ltd	1.69

Shareholders' diary

Financial year end	30 June 2023
Integrated annual report issued	25 October 2023
Form 20-F filed	31 October 2023
Annual general meeting	4 December 2023
Results presentations FY24*	
Interim results	February 2024
Full-year results	August 2024

** See website for diary updates.*

Contact
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Mobile: +27 (0)82 746 4120
Telephone: +27 11 411 6073
Website: **www.harmony.co.za**

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the safe harbour provided by section 21E of the Exchange Act and section 27A of the Securities Act of 1933, as amended (the Securities Act), with respect to our financial condition, results of operations, business strategies, operating efficiencies, competitive positions, growth opportunities for existing services, plans and objectives of management, markets for stock and other matters.

These forward-looking statements, including, among others, those relating to our future business prospects, revenues, and the potential benefit of acquisitions (including statements regarding growth and cost savings) wherever they may occur in this booklet, are necessarily estimates reflecting the best judgement of our senior management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in our integrated annual report.

Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation:

- Overall economic and business conditions in South Africa, Papua New Guinea, Australia and elsewhere
- The impact from, and measures taken to address, Covid-19 and other contagious diseases, such as HIV and tuberculosis
- High and rising inflation, supply chain issues, volatile commodity costs and other inflationary pressures exacerbated by the Russian invasion of Ukraine and subsequent sanctions
- Estimates of future earnings, and the sensitivity of earnings to gold and other metals prices
- Estimates of future gold and other metals production and sales
- Estimates of future cash costs
- Estimates of future cash flows, and the sensitivity of cash flows to gold and other metals prices
- Estimates of provision for silicosis settlement
- Increasing regulation of environmental and sustainability matters such as greenhouse gas emission and climate change, and the impact of climate change on our operations
- Estimates of future tax liabilities under the Carbon Tax Act (South Africa)
- Statements regarding future debt repayments
- Estimates of future capital expenditures
- The success of our business strategy, exploration and development activities and other initiatives
- Future financial position, plans, strategies, objectives, capital expenditures, projected costs and anticipated cost savings and financing plans
- Estimates of reserves statements regarding future exploration results and the replacement of reserves
- The ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions, as well as at existing operations
- Fluctuations in the market price of gold and other metals
- The occurrence of hazards associated with underground and surface gold mining
- The occurrence of labour disruptions related to industrial action or health and safety incidents
- Power cost increases as well as power stoppages, fluctuations and usage constraints
- Ageing infrastructure, unplanned breakdowns and stoppages that may delay production
- Increase costs and industrial accidents
- Supply chain shortages and increases in the prices of production imports and the availability, terms and deployment of capital
- Our ability to hire and retain senior management, sufficiently technically-skilled employees, as well as our ability to achieve sufficient representation of historically disadvantaged persons in management positions or sufficient gender diversity in management positions or at Board level
- Our ability to comply with requirements that we operate in a sustainable manner and provide benefits to affected communities
- Potential liabilities related to occupational health diseases
- Changes in government regulation and the political environment, particularly tax and royalties, mining rights, health, safety, environmental regulation and business ownership including any interpretation thereof
- Court decisions affecting the mining industry, including, without limitation, regarding the interpretation of mining rights
- Our ability to protect our information technology and communication systems and the personal data we retain
- Risks related to the failure of internal controls
- Our ability to meet our environmental, social and corporate governance targets
- The outcome of pending or future litigation or regulatory proceedings
- Fluctuations in exchange rates and currency devaluations and other macro-economic monetary policies, as well as the impact of South African exchange control regulations
- The adequacy of the group's insurance coverage
- Any further downgrade of South Africa's credit rating
- Socio-economic or political instability in South Africa, Papua New Guinea and other countries in which we operate
- Changes in technical and economic assumptions underlying our mineral reserves estimates
- Geotechnical challenges due to the ageing of certain mines and a trend toward mining deeper pits and more complex, often deeper underground deposits
- Actual or alleged breach or breaches in governance processes, fraud, bribery or corruption at our operations that leads to censure, penalties or negative reputational impacts.

The foregoing factors and others described under **Our risk and opportunity profile** in our **Integrated annual report** (**www.har.co.za**) and our **Form 20-F** should not be construed as exhaustive. We undertake no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this annual report or to reflect the occurrence of unanticipated events, except as required by law. All subsequent written or oral forward-looking statements attributable to Harmony or any person acting on its behalf, are qualified by the cautionary statements herein.

The forward-looking financial information has not been reviewed and reported on by the company's auditors.

ADMINISTRATIVE AND CONTACT DETAILS

Harmony Gold Mining Company Limited

Harmony was incorporated and registered as a public company in South Africa on 25 August 1950
Registration number: 1950/038232/06

Corporate office

Randfontein Office Park
PO Box 2, Randfontein 1760, South Africa
Corner Main Reef Road and Ward Avenue, Randfontein, 1759, South Africa

Telephone: +27 11 411 2000

Website: **www.harmony.co.za**

Directors

Dr PT Motsepe* (chairman)
KT Nondumo*^ (deputy chairman)
Dr M Msimang*^ (lead independent director)
PW Steenkamp** (chief executive officer)
BP Lekubo** (financial director)
Dr HE Mashego** (executive director)
B Nqwababa*^
VP Pillay*^
MJ Prinsloo*^
GR Sibiya*^
PL Turner *^
JL Wetton*^

** Non-executive*
*** Executive*
^ Independent

Investor relations

Email: **HarmonyIR@harmony.co.za**

Telephone: +27 11 411 6073 or +27 82 746 4120

Website: **www.harmony.co.za**

Company Secretariat

Email: companysecretariat@harmony.co.za

Telephone: +27 11 411 2359

Transfer secretaries

JSE Investor Services South Africa (Proprietary) Limited

(Registration number 2000/007239/07)
19 Ameshoff Street, 13th Floor, Hollard House, Braamfontein
Johannesburg, South Africa

PO Box 4844, Johannesburg, 2000, South Africa

Email: info@jseinvestorservices.co.za

Telephone: +27 861 546 572 (South Africa)
Fax: +27 86 674 2450

American Depositary Receipts (ADRs)

Deutsche Bank Trust Company Americas c/o American Stock Transfer and Trust Company

Operations Centre, 6201 15th Avenue, Brooklyn, NY11219, United States

Email queries: db@astfinancial.com

Toll free (within US): +1 886 249 2593
Int: +1 718 921 8137
Fax: +1 718 921 8334

Sponsor

JP Morgan Equities South Africa (Proprietary) Limited

1 Fricker Road, corner Hurlingham Road, Illovo, Johannesburg, 2196, South Africa
Private Bag X9936, Sandton, 2146, South Africa

Telephone: +27 11 507 0300
Fax: +27 11 507 0503

Trading symbols

JSE: HAR
NYSE: HMY
ISIN: ZAE 000015228