

Management's Discussion and Analysis of the Financial Statements continued

Executive Committee members (including regional Executive Committee members) receive awards under the Gold Fields Limited 2012 share plan amended, while senior and middle management receive awards under the revised LTIP. The performance conditions of the revised LTIP are approved annually by the Remuneration Committee. The expected timing of the cash outflows in respect of each grant is at the end of three years after the original award was made.

The LTIP expense remained flat at US\$29 million.

Exploration expense

The exploration expense increased by 33% from US\$61 million in 2021 to US\$81 million in 2022.

| | United States Dollar | |
|----------------------------------------------------|----------------------|-----------|
| <i>Figures in millions unless otherwise stated</i> | 2022 | 2021 |
| Australia | 34 | 21 |
| Salares Norte | 32 | 27 |
| Peru | 3 | 2 |
| Ghana | 12 | 10 |
| Exploration office costs | – | 1 |
| Total exploration expense | 81 | 61 |

Share of results of equity-accounted investees, net of taxation

The share of results of equity-accounted investees, net of taxation was a loss of US\$32 million in 2021 compared to a profit of US\$10 million in 2022.

| | United States Dollar | |
|-----------------------------------------------------------------------------|----------------------|-------------|
| <i>Figures in millions unless otherwise stated</i> | 2022 | 2021 |
| Far South East Resources Incorporated ("FSE") | (1) | (2) |
| Asanko Gold Inc ("Asanko") | 13 | (29) |
| Asanko – profit before impairment | 13 | 24 |
| Asanko – impairment | – | (53) |
| Lunnon Metals Limited ("Lunnon") | (2) | (1) |
| Total share of result of equity-accounted investees, net of taxation | 10 | (32) |

FSE's share of loss of equity-accounted investees, net of taxation decreased by 50% from US\$2 million in 2021 to US\$1 million in 2022.

Asanko's share of results of equity-accounted investees, net of taxation was a loss of US\$29 million in 2021 compared to a profit of US\$13 million in 2022. The loss of US\$29 million in 2021 comprised earnings of US\$24 million, offset by an impairment of US\$53 million. The profit of US\$13 million in 2022 comprises earnings only. The decrease in Asanko's earnings is mainly due to lower profitability in 2022 as a result of the temporary cessation of mining activities in 2022 and processing mainly stockpiles. The impairment of Asanko in 2021 related to an impairment of US\$53m of the Asanko gold mine following the identification of an impairment trigger. Due to the re-evaluation of the geological modelling by our JV partner, Galiano, which was not complete in 31 December 2021, Gold Fields was not in a position to provide a reserve and resource estimate for Asanko as at 31 December 2021. Taking this into consideration, management modelled various scenarios for the Asanko Life of Mine (LoM) in order to determine their best estimates of the future cash flows of the Asanko gold mine. The various LoM scenario runs were undertaken in an attempt to model Asanko's future cash flows in the absence of a revised Resource and Reserve for 31 December 2021. These scenarios were based on the pre-feasibility study completed in 2019, in order to declare a Reserve at 31 December 2019, but were modified where appropriate to reflect prevailing circumstances. During 2022, there were no changes in status with respect to the completion of the technical and economic work required to generate a Reserve and Resources estimate based on a LoM. Taking this into consideration, management utilised the LoM developed for the 2022 impairment calculations and this resulted in no impairment for the year ended 31 December 2022.

Lunnon's share of losses of equity-accounted investees increased by 100% from US\$1 million in 2021 to US\$2 million in 2022. During 2022, Gold Fields acquired an additional 2.31 % and holds 33.96 % (2021: 31.65%) at 31 December 2022.

Yamana break fee

US\$300 million income in 2022 related to the Yamana break fee. As a result of Yamana entering into an arrangement agreement with Pan American Silver Corp and Agnico Eagle Mines Limited, Gold Fields terminated the agreement in respect of the proposed acquisition of Yamana. In accordance, within the terms of the arrangement agreement, Yamana was required to pay Gold Fields a termination fee of US\$300 million.

Yamana transaction costs

The transaction costs of US\$33 million related mainly to amounts paid to advisors, bankers, lawyers and accountants in connection with the proposed acquisition of Yamana.

Restructuring costs

Restructuring costs increased by 1,000% from US\$1 million in 2021 to US\$11 million in 2022. The cost in 2022 relates to the separation packages at Tarkwa and Damang and the cost in 2021 relates mainly to the separation packages at Tarkwa.

Silicosis settlement costs

Silicosis settlement credits increased by 100% from US\$1 million in 2021 to US\$2 million in 2022.

A consolidated application was brought against several South African mining companies, including Gold Fields, for certification of a class action on behalf of current or former mineworkers (and their dependants) who have allegedly contracted silicosis and/or tuberculosis while working for one or more of the mining companies listed in the application (refer to notes 25.2 and 35 of the consolidated financial statements for further details).

During 2022, reversal of costs of US\$2 million, related to a change in the expected timing of the cash flows and an increase in the discount rate.

During 2021, reversal of costs of US\$1 million, related to a change in the expected timing of the cash flows and an increase in the discount rate.

Impairment of investments and assets

Impairment of investments and assets increased by 1,102% from US\$42 million in 2021 to US\$505 million in 2022.

| | United States Dollar | |
|---------------------------------------------|----------------------|------|
| Figures in millions unless otherwise stated | 2022 | 2021 |
| Peru redundant assets | 2 | 2 |
| Chile redundant assets | 1 | — |
| Peru cash-generating unit | 63 | — |
| Tarkwa cash-generating unit | 325 | — |
| Capitalised exploration costs at St Ives | — | 10 |
| Impairment – FSE | 114 | 31 |
| | 505 | 42 |

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The impairment of US\$505 million in 2022 comprised of:

- US\$2 million impairment of redundant assets at Peru;
- US\$63 million impairment of Peru cash-generating unit. The recoverable amount was based on its fair value lest cost of disposal (“FVLCD”) calculated using a combination of the market (resource value) and the income approach (level 3 of the fair value hierarchy). The impairment is mainly due to the increase in the discount rate from 4.8% to 8.1% as a result of increases in the risk free rate as well as inflationary cost pressures experienced in 2022. The recoverable amount at 31 December 2022 is US\$477million using the following assumptions based on the 2022 life-of-mine plan:
 - Gold price:
 - 2023 - US\$1,740 per ounce;
 - 2024 - US\$1,730 per ounce;
 - 2025 - US\$1,700 per ounce;
 - 2026 - US\$1,650 per ounce; and
 - Long-term - US\$1,620 per ounce.
 - Copper price:
 - 2023 - US\$7,700 per tonne;
 - 2024 - US\$8,150 per tonne;
 - 2025 - US\$8,150 per tonne;
 - 2026 - US\$8,150 per tonne; and
 - Long-term - US\$7,700 per ounce.
 - Resource price of US\$30 per ounce;
 - Resource ounces of 1.0 million ounces;
 - Life-of-mine: 8 years; and
 - Discount rate of 8.1%.
- US\$325 million impairment of Tarkwa cash-generating unit. The recoverable amount was based on its fair value lest cost of disposal (“FVLCD”) calculated using a combination of the market (resource value) and the income approach (level 3 of the fair value hierarchy). The impairment is mainly due to the increase in the discount rate from 8.3% to 15.9% as a result of increases in the Ghana country risk premium and the risk free rate as well as inflationary cost pressures experienced in 2022. The recoverable amount at 31 December 2022 is US\$812 million using the following assumptions based on the 2022 life-of-mine plan:
 - Gold price:
 - 2023 - US\$1,740 per ounce;
 - 2024 - US\$1,730 per ounce;
 - 2025 - US\$1,700 per ounce;
 - 2026 - US\$1,650 per ounce; and
 - Long-term - US\$1,620 per ounce.
 - Resource price of US\$71 per ounce;
 - Resource ounces of 24.5 million ounces;
 - Life-of-mine: 13 years; and
 - Discount rate of 15.9%.
- Impairment of FSE of US\$114 million. Management has actively been engaged in the process of disposing of FSE in 2022. The disposal process proved unsuccessful and no offers were received. Management’s assessment is that it is unlikely the investment could be sold for any value and wrote off the investment by US\$114 million to a carrying value of US\$nil.

The impairment of US\$42 million in 2021 comprised of:

- US\$2 million impairment of redundant assets at Peru;
- US\$10 million impairment of capitalised exploration costs at St Ives based on technical and economic parameters of various studies; and
- Impairment of FSE of US\$31 million based on the fair value less cost of disposal of the investment which was indirectly derived from the market value of Lepanto Consolidated Mining Company.

Ghana expected credit loss

Ghana expected credit loss ("ECL") decreased by 56% from US\$41 million in 2021 to US\$18 million in 2022.

The ECL of US\$18 million in 2022 comprises US\$4 million raised against a contractor loan receivable and US\$14 million raised against a Tarkwa receivable at 31 December 2022. Due to issues with fleet availability at both Tarkwa and Damang, an agreement was entered into between Gold Fields and Engineers and Planners ("E&P") to provide financial assistance to E&P in order to procure new fleet in 2020. The initial contractor loan receivable amounted to US\$68 million and at 31 December 2022 a cumulative impairment of US\$45 million (2022: US\$4 million and 2021: US\$41 million) was raised, resulting in a net balance of US\$23 million.

Profit on disposal of assets

Profit on disposal of assets increased by 11% from US\$9 million in 2021 to US\$10 million in 2022. The profits in 2021 and 2022 related mainly to the sale of redundant assets at South Deep and Australia.

Royalties

Royalties decreased by 2% from US\$112 million in 2021 to US\$110 million in 2022 and are made up as follows:

| United States Dollar | | |
|---------------------------------------------|------|------|
| Figures in millions unless otherwise stated | 2022 | 2021 |
| South Africa | 3 | 3 |
| Ghana | 55 | 55 |
| Peru | 6 | 8 |
| Australia | 46 | 46 |
| | 110 | 112 |

The royalty in South Africa remained flat at US\$3 million mainly due to the weakening of the South African Rand to the US Dollar. In South African Rand, the royalty increased by 23% from R39 million in 2021 to R48 million in 2022 in line with the increase in revenue.

The royalty in Ghana remained flat at US\$55 million.

The royalty in Peru decreased by 25% from US\$8 million in 2021 to US\$6 million in 2022 due to a decrease in operating profit margin in 2022.

The royalty in Australia remained similar at US\$46 million in 2022 mainly due to the weakening of the Australian Dollar to the US Dollar. In Australian Dollar, the royalty increased by 11% from A\$61 million in 2021 to A\$68 million in 2022 in line with the increase in revenue.

Mining and income tax

The mining and income tax charge increased by 4% from US\$425 million in 2021 to US\$442 million in 2022.

The table below indicates Gold Fields’ effective tax rate in 2022 and 2021:

| United States Dollar | | |
|------------------------------------------------------|-------|-------|
| Figures in millions unless otherwise stated | 2022 | 2021 |
| Income and mining tax credit/(charge) (US\$ million) | (442) | (425) |
| Effective tax rate (%) | 38.0 | 33.9 |

In 2022, the effective tax rate of 38.0% was higher than the maximum South African mining statutory tax rate of 34% mainly due to the tax effect of the following:

- US\$66 million adjustment to reflect the actual realised company tax rates in South Africa and offshore;
- US\$3 million of non-deductible share of results of equity-accounted investees, net of taxation;
- US\$18 million non-taxable capital gains tax portion of Yamana break fee and transaction costs;
- US\$4 million deferred tax movement on Peruvian Nuevo Sol devaluation against US Dollar; and
- US\$1 million deferred tax assets utilised at Tarkwa and Damang.

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The above were offset by the following tax effected charges:

- US\$2 million non-deductible share-based payments;
- US\$39 million not recognised on FSE impairment;
- US\$22 million non-deductible interest paid;
- US\$21 million dividend withholding tax;
- US\$18 million of net non-deductible expenditure and non-taxable income;
- US\$5 million of various Peruvian non-deductible expenses;
- US\$14 million deferred tax assets not recognised at Cerro Corona;
- US\$3 million prior year adjustments; and
- US\$6 million deferred tax charge on change of tax rate at South Deep.

In 2021, the effective tax rate of 33.9% was lower than the maximum South African mining statutory tax rate of 34% mainly due to the tax effect of the following:

- US\$46 million adjustment to reflect the actual realised company tax rates in South Africa and offshore;
- US\$16 million deferred tax on unremitted earnings at Tarkwa and Cerro Corona; and
- US\$97 million deferred tax assets recognised at Salares Norte.

The above were offset by the following tax effected charges:

- US\$4 million non-deductible share-based payments;
- US\$10 million non-deductible exploration expense;
- US\$11 million not recognised on FSE impairment;
- US\$22 million non-deductible interest paid;
- US\$11 million of non-taxable share of results of equity-accounted investees, net of taxation;
- US\$1 million non-deductible fair value loss on Maverix warrants;
- US\$30 million dividend withholding tax;
- US\$27 million of net non-deductible expenditure and non-taxable income;
- US\$9 million deferred tax movement on Peruvian Nuevo Sol devaluation against US Dollar;
- US\$8 million of various Peruvian non-deductible expenses;
- US\$12 million deferred tax assets not recognised at Cerro Corona;
- US\$7 million deferred tax assets not recognised at Tarkwa and Damang; and
- US\$6 million prior year adjustments.

Profit for the year

As a result of the factors discussed above, the profit decreased by 13% from US\$830 million in 2021 to US\$722 million in 2022.

Profit attributable to owners of the parent

Profit attributable to owners of the parent decreased by 10% from US\$789 million in 2021 to US\$711 million in 2022.

Profit attributable to non-controlling interests

Profit attributable to non-controlling interests decreased by 73% from US\$40 million in 2021 to US\$11 million in 2022.

The non-controlling interest consists of Gold Fields Ghana Limited (Tarkwa) and Abosso Goldfields Limited (Damang) at 10% each at the end of 2022 and 2021, Gold Fields La Cima S.A. (Cerro Corona) at 0.47% at the end of 2022 and 2021 and Newshelf 899 (Proprietary) Limited (South Deep) at 3.57% at the end of 2022 and 2021.

The amount making up the non-controlling interest is shown below:

| | 2022 | 2021 | 2022 | 2021 |
|------------------------------------|-------------------------------------|-------------------------------------|--------------|--------------|
| | Non-controlling interest Effective* | Non-controlling interest Effective* | US\$ million | US\$ million |
| Gold Fields Ghana – Tarkwa | 10.0 % | 10.0 % | (3) | 26 |
| Abosso Goldfields – Damang | 10.0 % | 10.0 % | 9 | 10 |
| Gold Fields La Cima – Cerro Corona | 0.47 % | 0.47 % | – | – |
| Newsshelf 899 – South Deep | 3.57 % | 3.57 % | 5 | 4 |
| | | | 11 | 40 |

* Average for the year.

Basic earnings per share

As a result of the above, Gold Fields earnings decreased by 10% from US\$0.89 per share in 2021 to US\$0.80 per share in 2022.

Normalised profit attributable to owners of the parent

Normalised profit attributable to owners of the parent is considered an important measure by Gold Fields of the profit realised by the Group in the ordinary course of operations. In addition, it forms the basis of the dividend pay-out policy. Normalised profit is defined as profit excluding gains and losses on foreign exchange, financial instruments and non-recurring items after taxation and non-controlling interest effect. Normalised profit attributable to owners of the parent decreased by 7% from US\$929 million or US\$1.05 per share in 2021 to US\$860 million or US\$0.97 per share in 2022.

Normalised profit attributable to owners of the parent reconciliation for the Group is calculated as follows:

| | United States Dollar | |
|--------------------------------------------------------------------|----------------------|------------|
| Figures in millions unless otherwise stated | 2022 | 2021 |
| Profit for the year attributable to owners of the parent | 711 | 789 |
| Non-recurring items ¹ | 245 | 89 |
| Tax effect of non-recurring items | (58) | (4) |
| Non-controlling interest effect of non-recurring items | (24) | (4) |
| Share of results of equity-accounted investees – Asanko impairment | – | 53 |
| (Gain)/loss on foreign exchange | (7) | 2 |
| Tax effect on foreign exchange | 3 | 1 |
| Non-controlling interest effect of gain on foreign exchange | – | 1 |
| (Gain)/loss on financial instruments | (24) | 100 |
| Tax effect on financial instruments | 8 | (12) |
| Non-controlling interest effect of loss on financial instruments | 1 | 1 |
| South Deep deferred tax change | 5 | – |
| Salares Norte deferred tax asset raised | – | (87) |
| Normalised profit attributable to owners of the parent | 860 | 929 |

¹ Non-recurring items are considered unusual and not expected during regular business operations and comprise the following:

| | United States Dollar | |
|---------------------------------------------|----------------------|-----------|
| Figures in millions unless otherwise stated | 2022 | 2021 |
| Profit on the sale of assets | (10) | (9) |
| Yamana break fee | (300) | – |
| Yamana transaction costs | 33 | – |
| Impairment of assets | 505 | 41 |
| Restructuring costs | 11 | 1 |
| Rehabilitation adjustments | (9) | 11 |
| Ghana expected credit losses | 18 | 41 |
| Other non-recurring items | (3) | 4 |
| Total non-recurring items | 245 | 89 |

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LIQUIDITY AND CAPITAL RESOURCES – YEARS ENDED 31 DECEMBER 2022 AND 31 DECEMBER 2021

CASH RESOURCES

Cash flows from operating activities

Cash inflows from operating activities increased by 12% from US\$1,230 million in 2021 to US\$1,379 million in 2022. The items comprising these are discussed below.

The increase in inflow of US\$149 million was due to:

| <i>Figures in millions unless otherwise stated</i> | United States Dollar |
|------------------------------------------------------------------------------------------------------------------|----------------------|
| Increase in cash generated by operations mainly due to higher gold sold and the Yamana break fee received | 312 |
| Increase in interest received | 5 |
| Increase in investment in working capital | (45) |
| Decrease in silicosis payments | 3 |
| Decrease in interest paid due to lower borrowings | 6 |
| Increase in royalties paid due to higher gold sold | (3) |
| Increase in taxes paid ¹ | (163) |
| Decrease in dividends paid due to lower normalised earnings and lower dividends paid to non-controlling interest | 34 |
| | 149 |

¹ The higher taxation payment included withholding tax of US\$75 million on the Yamana break fee which will be refunded in 2023, US\$65 million tax paid to the South African Revenue Service on the Yamana break fee, as well as US\$23m additional tax payment to the Ghana Revenue Authority related to transfer pricing.

Dividends paid decreased by 9% from US\$370 million in 2021 to US\$336 million in 2022. The dividends paid of US\$336 million in 2022 comprised dividends paid to ordinary shareholders of US\$304 million, dividends paid to non-controlling interests in Ghana of US\$30 million and South Deep BEE dividend of US\$1 million.

The dividends paid of US\$370 million in 2021 comprised dividends paid to ordinary shareholders of US\$322 million, dividends paid to non-controlling interests in Ghana of US\$47 million and South Deep BEE dividend of US\$1 million.

Cash flows from investing activities

Cash outflows from investing activities increased marginally from US\$1,071 million in 2021 to US\$1,072 million in 2022.

The increase in outflow of US\$1 million was due to:

| <i>Figures in millions unless otherwise stated</i> | United States Dollar |
|-------------------------------------------------------------------|----------------------|
| Decrease in additions to property, plant and equipment | 20 |
| Increase in capital expenditure – working capital | (3) |
| Decrease in proceeds on disposal of property, plant and equipment | (1) |
| Decrease in purchase of investments | 6 |
| Decrease in redemption of Asanko preference shares | (5) |
| Decrease in proceeds on disposal of investments | (17) |
| Increase in environmental trust funds contributions | (1) |
| | (1) |

Additions to property, plant and equipment
Capital expenditure decreased by 2% from US\$1,089 million in 2021 to US\$1,069 million in 2022.

| United States Dollar | | | | | | |
|--------------------------------------------|--------------------|----------------|---------------|--------------------|----------------|---------------|
| Figures in million unless otherwise stated | 2022 | | | 2021 | | |
| | Sustaining capital | Growth capital | Total capital | Sustaining capital | Growth capital | Total capital |
| South Deep | 98 | 21 | 119 | 69 | 20 | 89 |
| South African region | 98 | 21 | 119 | 69 | 20 | 89 |
| Tarkwa | 229 | – | 229 | 209 | – | 209 |
| Damang | 50 | 10 | 60 | 17 | 6 | 23 |
| Asanko ¹ | 5 | 3 | 8 | 13 | 8 | 21 |
| Ghanaian region (including Asanko) | 284 | 13 | 297 | 239 | 14 | 253 |
| Ghanaian region (excluding Asanko) | 279 | 10 | 289 | 226 | 6 | 232 |
| Cerro Corona | 31 | 15 | 46 | 28 | 28 | 56 |
| Salares Norte | 10 | 286 | 296 | – | 375 | 375 |
| South American region | 41 | 301 | 342 | 28 | 403 | 431 |
| St Ives | 88 | 13 | 101 | 90 | 14 | 104 |
| Agnew | 54 | 31 | 85 | 56 | 32 | 88 |
| Granny Smith | 61 | 37 | 98 | 64 | 36 | 100 |
| Gruyere – 50% | 33 | – | 33 | 42 | 2 | 44 |
| Australian region | 236 | 81 | 317 | 252 | 84 | 336 |
| Other | 2 | – | 2 | 1 | – | 1 |
| Capital expenditure (including Asanko) | 661 | 416 | 1077 | 589 | 521 | 1,110 |
| Capital expenditure (excluding Asanko) | 656 | 413 | 1069 | 576 | 513 | 1,089 |

¹ Equity-accounted joint venture. Asanko capital expenditure not included in the Group capital expenditure per the cash flow statement.

Capital expenditure at South Deep in South Africa increased by 47% from R1.3 billion (US\$89 million) in 2021 to R1.9 billion (US\$119 million) in 2022. The capital expenditure of R1.9 billion (US\$119 million) in 2022 comprised R1.6 billion (US\$98 million) sustaining capital and R334 million (US\$21 million) growth capital. The capital expenditure of R1.3 billion (US\$89 million) in 2021 comprised R1.0 billion (US\$69 million) sustaining capital and R301 million (US\$20 million) growth capital. The increase in sustaining capital was mainly due to higher spent on construction of the solar plant of R420 million (R547 million in 2022 vs R127 million in 2021) and Doornpoort Tailings Storage Facility extension R34 million (R123 million in 2022 vs. R89 million in 2021). This increase in growth capital was mainly due to increased development.

Capital expenditure at the Ghanaian region (excluding Asanko) increased by 25% from US\$232 million in 2021 to US\$289 million in 2022:

- Tarkwa increased by 10% from US\$209 million in 2021 to US\$229 million in 2021 mainly due increased expenditure on capital waste stripping cost. The increase in capital waste stripping cost is due to higher mining cost driven by higher fuel price, explosives and contractor rise and fall cost. All capital related to sustaining capital; and
- Damang increased by 157% from US\$23 million in 2021 to US\$60 million in 2022. The capital expenditure of US\$60 million in 2022 comprised US\$50 million sustaining capital and US\$10 million growth capital. The capital expenditure of US\$23 million in 2021 comprised US\$17 million sustaining capital and US\$6 million growth capital. The increase in sustaining capital was mainly due to the higher capital waste tonnes mined from Huni pit. The increase in non-sustaining capital was due to Far East Tailings Storage Facility raise.

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Asanko is an equity accounted investee and Asanko's capital expenditure is not included in the Gold Fields capital expenditure as per the cash flow statement. Asanko capital expenditure (on a 45% basis) decreased by 62% from US\$21 million in 2021 to US\$8 million in 2022. The capital expenditure of US\$8 million in 2022 comprised US\$5 million sustaining capital expenditure and US\$3 million growth capital. The capital expenditure of US\$21 million in 2021 comprised US\$13 million sustaining capital expenditure and US\$8 million growth capital. Non-sustaining capital expenditure decreased due to delaying the commencement of major capital projects in 2022.

Capital expenditure at Cerro Corona in Peru decreased by 18% from US\$56 million in 2021 to US\$46 million in 2022. The capital expenditure of US\$46 million in 2022 comprised US\$31 million sustaining capital expenditure and US\$15 million non-sustaining capital. The capital expenditure of US\$56 million in 2021 comprised US\$28 million sustaining capital expenditure and US\$28 million non-sustaining capital. The increase in sustaining capital was mainly due to the replacement of the two crushers at the process plant (US\$5m) in order to treat harder ore. This increase in non-sustaining capital was mainly due to lower construction activities at Ana and Arpon waste storage facilities, and infrastructures relocation. During 2022, there were only activities at Ana waste storage facility and minor infrastructure relocations, all the activities are in line with the life of mine expansion plan.

At Salares Norte, capital expenditure decreased by 21% from US\$375 million in 2021 to US\$296 million in 2022 in line with project progress. At 31 December 2022, total project progress was to 86.7% compared to 62.5% at 31 December 2021.

- Capital expenditure at the Australian region increased by 2% from A\$447 million (US\$336 million) in 2021 to A\$457 million (US\$317 million) in 2022:
- St Ives increased by 6% from A\$138 million (US\$104 million) in 2021 to A\$145 million (US\$101 million) in 2022. The capital expenditure of A\$145 million (US\$101 million) in 2022 comprised A\$126 million (US\$88 million) sustaining capital expenditure and A\$19 million (US\$13 million) growth capital. The capital expenditure of A\$138 million (US\$104 million) in 2021 comprised A\$129 million (US\$99 million) sustaining capital expenditure and A\$18 million (US\$14 million) growth capital. The increase in sustaining capital expenditure reflected the increased pre-stripping at Neptune stage 7 open pit;
 - Agnew increased by 5% from A\$117 million (US\$88 million) in 2021 to A\$123 million (US\$85 million) in 2022. The capital expenditure of A\$123 million (US\$85 million) in 2022 comprised A\$79 million (US\$54 million) sustaining capital expenditure and A\$44 million (US\$31 million) growth capital. The capital expenditure of A\$117 million (US\$88 million) in 2021 comprised A\$75 million (US\$56 million) sustaining capital expenditure and A\$43 million (US\$32 million) growth capital. The increase in sustaining capital expenditure was mainly due to a 100-room expansion of the accommodation village. The increase in growth capital expenditure was mainly due to a crushing circuit replacement included in 2022;
 - Granny Smith increased by 6% from A\$134 million (US\$100 million) in 2021 to A\$141 million (US\$98 million) in 2022. The capital expenditure of A\$141 million (US\$98 million) in 2022 comprised A\$88 million (US\$61 million) sustaining capital expenditure and A\$53 million (US\$37 million) growth capital. The capital expenditure of A\$134 million (US\$100 million) in 2021 comprised A\$86 million (US\$64 million) sustaining capital expenditure and A\$48 million (US\$36 million) growth capital. The increase in sustaining capital expenditure was due increased expenditure on a new tailings storage facility. The increase in growth capital expenditure was due increased expenditure on development of the Z135 area; and
 - Capital expenditure at Gruyere decreased by 18% from A\$58 million (US\$44 million) in 2021 to A\$48 million (US\$33 million) in 2022. The capital expenditure of A\$48 million (US\$33 million) in 2022 comprised only sustaining capital. The capital expenditure of A\$58 million (US\$44 million) in 2021 comprised A\$56 million (US\$42 million) sustaining capital and A\$2 million (US\$2 million) growth capital. The decrease in sustaining capital reflected the completion of pre-stripping of stages 2 and 3 of the pit.

Proceeds on disposal of property, plant and equipment

Proceeds on the disposal of property, plant and equipment decreased by 33% from US\$3 million in 2021 to US\$2 million in 2022. In both 2022 and 2022, the proceeds related mainly to the disposal of various redundant assets at the mines.

Purchase of investments

Investment purchases decreased by 19% from US\$27 million in 2021 to US\$22 million in 2022.

Purchase of investments of US\$22 million in 2022 comprised:

| <i>Figures in millions unless otherwise stated</i> | United States Dollar |
|----------------------------------------------------|----------------------|
| Torq Resources Inc. - 15.0 million shares | 11 |
| Tesoro Gold Limited - 163.2 million shares | 4 |
| Chakana Copper Corporation - 8.1 million shares | 1 |
| Investment in bonds for insurance captive | 6 |
| | 22 |

Purchase of investments of US\$27 million in 2021 comprised:

| <i>Figures in millions unless otherwise stated</i> | United States Dollar |
|----------------------------------------------------|----------------------|
| Conversion of warrants to Maverix shares | 10 |
| Chakana Copper Corporation - 6.6 million shares | 2 |
| Hamelin Gold Limited - 11 million shares | 2 |
| Investment in bonds for insurance captive | 13 |
| | 27 |

Redemption of Asanko preference shares

Redemption of Asanko preference shares amounted to US\$5 million in 2021.

Proceeds on disposal of investments

Proceeds on the disposal of investments decreased by 89% from US\$19 million in 2021 to US\$2 million in 2022.

The proceeds on disposal of investment of US\$2 million in 2022 related to the sale of bonds by the insurance cell captive.

The proceeds on disposal of investment of US\$19 million in 2021 related to the disposal of shares in the Toronto-listed gold and royalty streaming company Maverix.

Contributions to environmental trust funds

The contributions to environmental trust fund increased by 10% from US\$10 million in 2021 to US\$11 million in 2022.

The contributions to environmental trust funds of US\$11 million in 2022 comprised:

| <i>Figures in millions unless otherwise stated</i> | United States Dollar |
|----------------------------------------------------|----------------------|
| South Deep mine environmental trust fund | 3 |
| Tarkwa mine environmental trust fund | 6 |
| Damang mine environmental trust fund | 2 |
| | 11 |

The contributions to environmental trust funds of US\$10 million in 2021 comprised:

| <i>Figures in millions unless otherwise stated</i> | United States Dollar |
|----------------------------------------------------|----------------------|
| South Deep mine environmental trust fund | 1 |
| Tarkwa mine environmental trust fund | 7 |
| Damang mine environmental trust fund | 2 |
| | 10 |

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Cash flows from financing activities

Cash outflows from financing activities decreased by 89% from US\$511 million in 2021 to US\$57 million in 2022. The items comprising these numbers are discussed below.
The decrease in outflow of US\$454 million was due to:

| Figures in millions unless otherwise stated | | United States Dollar |
|---------------------------------------------|--|----------------------|
| Decrease in loans raised | | (1) |
| Decrease in loans repaid | | 446 |
| Decrease in payment of lease liability | | 8 |
| | | 454 |

Loans raised

Loans raised decreased marginally from US\$208 million in 2021 to US\$207 million in 2022.
The US\$207 million loans raised in 2022 comprised:

| Figures in millions unless otherwise stated | | United States Dollar |
|-------------------------------------------------------------|--|----------------------|
| A\$500 million syndicated revolving credit facility | | 182 |
| US\$1,200 million term loan and revolving credit facilities | | 25 |
| | | 207 |

The US\$208 million loans raised in 2021 comprised:

| Figures in millions unless otherwise stated | | United States Dollar |
|---------------------------------------------------------------------|--|----------------------|
| US\$150 million revolving senior credit facility - new ¹ | | 84 |
| US\$1,200 million term loan and revolving credit facilities | | 124 |
| | | 208 |

Loans repaid

Loans repaid decreased by 69% from US\$644 million in 2021 to US\$198 million in 2022.
The US\$198 million loans repaid in 2022 comprised:

| Figures in millions unless otherwise stated | | United States Dollar |
|-------------------------------------------------------------|--|----------------------|
| A\$500 million syndicated revolving credit facility | | 173 |
| US\$1,200 million term loan and revolving credit facilities | | 25 |
| | | 198 |

The US\$644 million loans repaid in 2021 comprised:

| Figures in millions unless otherwise stated | | United States Dollar |
|---------------------------------------------------------------------|--|----------------------|
| US\$150 million revolving senior credit facility - old ¹ | | 84 |
| A\$500 million syndicated revolving credit facility | | 187 |
| US\$1,200 million term loan and revolving credit facility | | 373 |
| | | 644 |

Payment of lease liabilities

Payment of lease liabilities decreased by 11% from US\$74 million in 2021 to US\$66 million in 2022. The decrease related mainly to lower lease liabilities during 2022.

Net cash (generated)/utilised

As a result of the above, net cash utilised of US\$351 million in 2021 compared to net cash generated of US\$250 million in 2022.

Cash and cash equivalents increased by 46% from US\$525 million at 31 December 2021 to US\$769 million at 31 December 2022.

Cash flow from operating activities less net capital expenditure, environmental payments, lease payments and redemption of Asanko preference shares ("adjusted free cash flow")¹

This is a measure that management uses to measure the cash generated by the core business. Adjusted free cash flow is defined as net cash from operations adjusted for South Deep BEE dividend, additions to property, plant and equipment, capital expenditure - working capital, proceeds on disposal of property, plant and equipment, environmental trust funds payments, payment of principal lease liabilities and redemption of Asanko preference shares per the statement of cash flows.

The cash inflow decreased by 7% from US\$463 million in 2021 to US\$431 million in 2022.

Below is a table reconciling the adjusted free cash flow to the statement of cash flows.

| | | United States Dollar | |
|-----------------------------------------------------------------|--|----------------------|---------|
| Figures in millions unless otherwise stated | | 2022 | 2021 |
| Net cash from operations | | 1,715 | 1,600 |
| South Deep BEE dividend | | (1) | (1) |
| Additions to property, plant and equipment | | (1,069) | (1,089) |
| Capital expenditure - working capital | | 26 | 29 |
| Proceeds on disposal of property, plant and equipment | | 2 | 3 |
| Contributions to environmental trust funds | | (11) | (10) |
| Payment of principal lease liabilities | | (66) | (74) |
| Redemption of Asanko preference shares | | — | 5 |
| Contributions for rehabilitation purposes at Peru and Australia | | (38) | — |
| Yamana break fee, net of costs and taxation | | (127) | — |
| Adjusted free cash flow ¹ | | 431 | 463 |

¹ For 2022, adjusted free cash flow excludes Yamana break fee and related costs and taxation.

Management's Discussion and Analysis of the Financial Statements continued

Below is a table providing a breakdown of how the cash was generated by the Group.

| Figures in millions unless otherwise stated | United States Dollar | |
|--------------------------------------------------|----------------------|-------|
| | 2022 | 2021 |
| Net cash generated by mines | 855 | 913 |
| Salares Norte ¹ | (329) | (327) |
| Interest paid by corporate entities ² | (64) | (65) |
| Redemption of Asanko preference shares | — | 5 |
| Other corporate costs | (31) | (63) |
| Adjusted free cash flow | 431 | 463 |

¹ The Salares Norte expenditure of US\$329 million (2021: US\$327 million) comprises exploration expenditure of US\$32 million (2021: US\$27 million), capital expenditure of US\$296 million (2021: US\$375 million), release of working capital of US\$6 million (2021: US\$66 million) and other costs of US\$7 million (2021: income of US\$9 million).

² Does not agree to interest paid per the cash flow of US\$97 million (2021: US\$103 million) due to interest paid by the mines reflected under net cash generated by mines before growth capital.

STATEMENT OF FINANCIAL POSITION

Borrowings

Total borrowings increased from US\$1,078 million at 31 December 2021 to US\$1,079 million at 31 December 2022. Net debt is defined as total borrowing plus lease liabilities less cash and cash equivalents. Net debt decreased from US\$969 million at 31 December 2021 to US\$704 million at 31 December 2022 mainly due to the net Yamana break fee received of US\$127 million. Net debt (excluding lease liabilities) decreased from US\$553 million at 31 December 2021 to US\$310 million at 31 December 2022 for the same reasons discussed above.

The Group monitors capital using the ratio of net debt to adjusted EBITDA. Adjusted EBITDA is defined as profit or loss for the year adjusted for interest, taxation, amortisation and depreciation and certain other costs. The definition of adjusted EBITDA is as defined in the US\$1,200 million term loan and revolving credit facilities agreement. The Group's long-term target is a ratio of net debt to adjusted EBITDA of one times or lower. The bank covenants on external borrowings require a net debt to adjusted EBITDA ratio of 3.5 or below and the ratio is measured based on amounts in United States Dollar. Net debt to adjusted EBITDA at 31 December 2022 was 0.29x (2021: 0.40x). Refer to note 39 of the consolidated financial statements for further details including the reconciliation of profit for the year to adjusted EBITDA.

Provisions

Total provisions decreased by 10% from US\$447 million in 2021 to US\$401 million in 2022 and included the following:

| Figures in millions unless otherwise stated | United States Dollar | |
|--------------------------------------------------|----------------------|------------|
| | 2022 | 2021 |
| Provision for environmental rehabilitation costs | 388 | 431 |
| Silicosis settlement costs | 11 | 13 |
| Other provisions | 2 | 3 |
| Total provisions | 401 | 447 |
| Current portion of provision ¹ | (19) | (13) |
| Non-current portion of provisions | 382 | 434 |

¹ Current portion of provision comprises US\$18 million (2021: US\$12 million) of the current portion of the environmental rehabilitation costs and US\$1 million (2021: US\$1 million) of the current portion of the silicosis settlement costs.

Provision for environmental rehabilitation costs

The amount provided for environmental rehabilitation costs decreased by 10% from US\$431 million at 31 December 2021 to US\$388 million at 31 December 2022. The decrease is mainly due to the increase in the discount rates used in the 2022 calculations. This provision represents the present value of closure, rehabilitation and other environmental obligations up to 31 December 2022. This provision is updated annually to take account of inflation, the time value of money and any new environmental obligations incurred.

The inflation and range of discount rates applied in 2022 and 2021 for each region are shown in the table below:

| | South Africa | Ghana | Australia | Peru | Chile |
|------------------------|--------------|---------------|-------------|-------|-------|
| Inflation rates | | | | | |
| 2022 - year 1 | 5.3 % | 3.4 % | 4.8 % | 3.4 % | 3.4 % |
| 2022 - year 2 | 4.7 % | 2.6 % | 2.8 % | 2.6 % | 2.6 % |
| 2022 - year 3 | 4.6 % | 2.4 % | 2.7 % | 2.4 % | 2.4 % |
| 2022 - year 4 onwards | 4.6 % | 2.4 % | 2.6 % | 2.4 % | 2.4 % |
| 2021 | 4.5 % | 2.4 % | 2.4 % | 2.4 % | 2.4 % |
| Discount rates | | | | | |
| 2022 | 11.4 % | 15.0% - 15.2% | 4.0% - 4.3% | 5.4 % | 4.7 % |
| 2021 | 10.6 % | 6.6% - 7.2% | 2.4 % | 2.8 % | 2.4 % |

The Ghanaian discount rates increased as a result of increases in the Ghana country risk premium and the risk free rate. The Peruvian discount rate increased as a result of increases in the risk free rate.

Adjustments for new disturbances and changes in environmental legislation during 2022 and 2021, after applying the above inflation and discount rates were:

| | United States Dollar | |
|---------------------------------------------|----------------------|-----------|
| Figures in millions unless otherwise stated | 2022 | 2021 |
| South Africa | — | — |
| Ghana | (26) | 3 |
| Australia | (11) | 25 |
| Peru | (6) | 22 |
| Chile | 12 | 27 |
| Total | (31) | 77 |

The South African and Ghanaian operations contribute to a dedicated environmental trust fund and a dedicated bank account, respectively, to provide financing for final closure and rehabilitation costs. The amount invested in the fund is shown as a non-current asset in the financial statements and increased by 13% from US\$88 million at 31 December 2021 to US\$99 million at 31 December 2022. The increase is mainly as a result of contributions amounting to US\$11 million and interest income of US\$1 million. The South African and Ghanaian operations are required to contribute annually to the trust fund over the remaining lives of the mines, to ensure that sufficient funds are available to discharge commitments for future rehabilitation costs.

During 2022, Australia and Peru set aside US\$28 million and US\$10 million, respectively, for future rehabilitation costs. These comprised secured cash deposits and are included in cash and cash equivalents. The contributions in Australia and Peru are pro-active and not legally required by local legislation.

Silicosis settlement costs provision

The principal health risks associated with Gold Fields' mining operations in South Africa arise from occupational exposure to silica dust, noise, heat and certain hazardous chemicals. The most significant occupational diseases affecting Gold Fields' workforce include lung diseases (such as silicosis, tuberculosis, a combination of the two and chronic obstructive airways disease ("COAD") as well as noise-induced hearing loss ("NIHL")).